Glass Wine Bottles from Chile, China, and Mexico

Investigation Nos. 701-TA-703 and 731-TA-1661-1663 (Preliminary)

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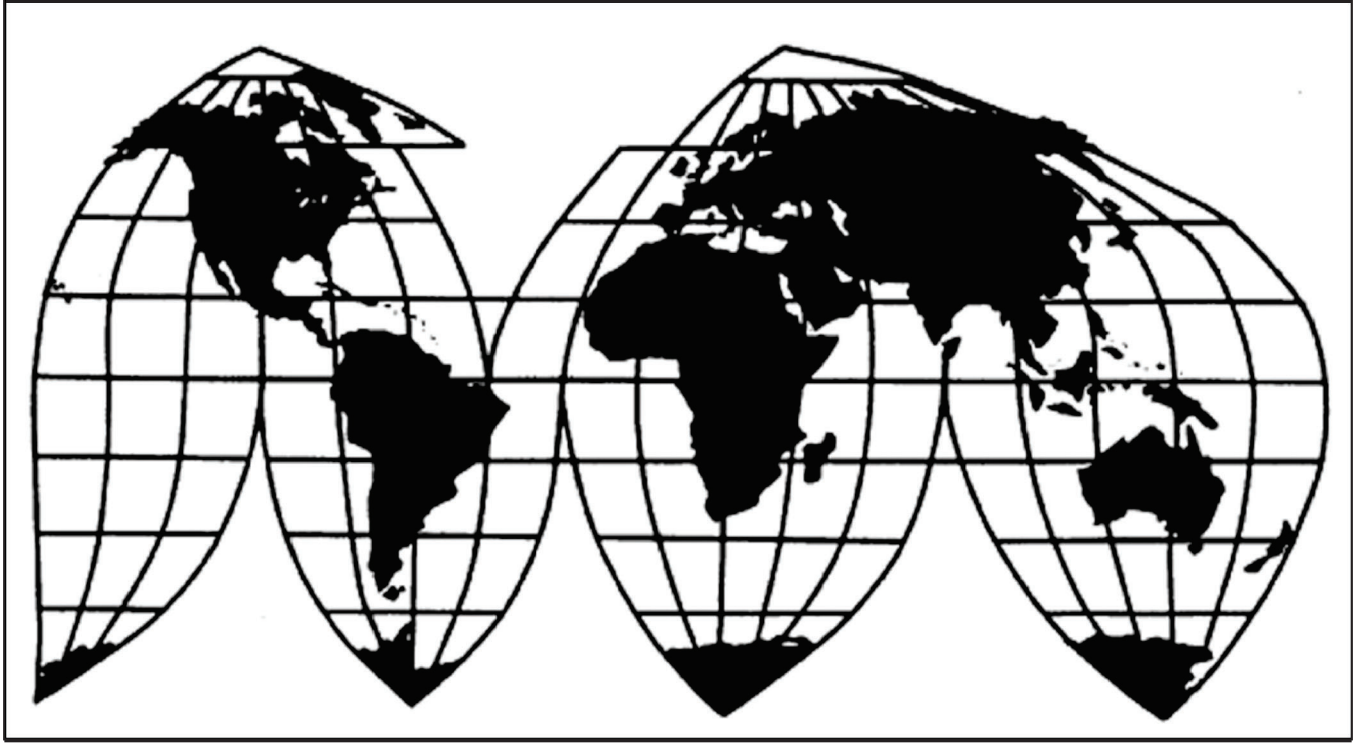
U.S. International Trade Commission



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Note.—Information that would reveal confidential operations of individual concerns may not be published.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-703 and 731-TA-1661-1663 (Preliminary)

Glass Wine Bottles from Chile, China, and Mexico

DETERMINATIONS

On the basis of the record[1] developed in the subject investigations, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of glass wine bottles from Chile, China, and Mexico, provided for in subheading 7010.90.50 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value ("LTFV") and imports of the subject merchandise from China that are alleged to be subsidized by the government of China.[2]

COMMENCEMENT OF FINAL PHASE INVESTIGATIONS

Pursuant to section 207.18 of the Commission's rules, the Commission also gives notice of the commencement of the final phase of its investigations. The Commission will issue a final phase notice of scheduling, which will be published in the *Federal Register* as provided in § 207.21 of the Commission's rules, upon notice from the U.S. Department of Commerce ("Commerce") of affirmative preliminary determinations in the investigations under §§ 703(b) or 733(b) of the Act, or, if the preliminary determinations are negative, upon notice of affirmative final determinations in those investigations under §§ 705(a) or 735(a) of the Act. Parties that filed entries of appearance in the preliminary phase of the investigations need not enter a separate appearance for the final phase of the investigations. Any other party may file an entry of appearance for the final phase of the investigations after publication of the final phase notice of scheduling. Industrial users, and, if the merchandise under investigation is sold at the retail level, representative consumer organizations have the right to appear as parties in Commission antidumping and countervailing duty investigations. The Secretary will prepare a

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

[2] 89 FR 4905 and 89 FR 4911 (January 25, 2024).

public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations. As provided in section 207.20 of the Commission's rules, the Director of the Office of Investigations will circulate draft questionnaires for the final phase of the investigations to parties to the investigations, placing copies on the Commission's Electronic Document Information System (EDIS, https://edis.usitc.gov), for comment.

BACKGROUND

On December 29, 2023, the U.S. Glass Producers Coalition, which is comprised of Ardagh Glass Inc., Indianapolis, Indiana and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, Pittsburgh, Pennsylvania filed petitions with the Commission and Commerce, alleging that an industry in the United States is materially injured or threatened with material injury by reason of subsidized imports of glass wine bottles from China and LTFV imports of glass wine bottles from Chile, China, and Mexico. Accordingly, effective December 29, 2023, the Commission instituted countervailing duty investigation No. 701-TA-703 and antidumping duty investigation Nos. 731-TA-1661-1663 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of January 5, 2024 89 FR 809). The Commission conducted its conference on January 19, 2024. All persons who requested the opportunity were permitted to participate.

Views of the Commission

Based on the record in the preliminary phase of these investigations, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of glass wine bottles from Chile, China, and Mexico that are allegedly sold in the United States at less than fair value and imports of glass wine bottles from China that are allegedly subsidized by the government of China.

I. The Legal Standard for Preliminary Determinations

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

II. Background

The petitions in these investigations were filed on December 29, 2023, by the U.S. Glass Producers Coalition, consisting of Ardagh Glass Inc. ("Ardagh"), a domestic producer of glass wine bottles, and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union ("the USW"), a union representing workers at three domestic producers' production facilities (collectively, "petitioner"). Ardagh and the USW appeared at the staff conference accompanied by counsel and jointly submitted a postconference brief.

Several respondent entities participated in these investigations. Berlin Packaging L.L.C. ("Berlin"), a U.S. importer of subject merchandise from China and Chile, appeared at the staff

[1] 19 U.S.C. §§ 1671b(a), 1673b(a) (2000); *see also American Lamb Co. v. United States*, 785 F.2d 994, 1001-04 (Fed. Cir. 1986); *Aristech Chem. Corp. v. United States, 2*0 CIT 353, 354-55 (1996). No party argues that the establishment of an industry in the United States is materially retarded by the allegedly unfairly traded imports.

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

conference accompanied by counsel and submitted a postconference brief. Encore Glass, Inc. ("Encore"), a U.S. importer of subject merchandise from China and Mexico, appeared at the staff conference accompanied by counsel and submitted a postconference brief.

The following firms also filed postconference briefs or statements: Cristalerías Toro S.p.A. ("Cristalerías"), a subject producer and exporter of subject merchandise in Chile; Fevisa Industrial S.A. de C.V. and Fevisa Comercial S.A. de C.V. (collectively "Fevisa"), subject producers and exporters of subject merchandise in Mexico; Saverglass, S. de R.L. de C.V., a subject producer and exporter of subject merchandise in Mexico, and Saverglass, Inc., a U.S. importer of subject merchandise from Mexico (collectively "Saverglass"); and TricorBraun, Inc. ("TricorBraun"), a U.S. importer of subject merchandise from Chile and China.

Data Coverage. U.S. industry data are based on the questionnaire responses of three domestic producers, accounting for all known U.S. production of 750 ml glass wine bottles in 2022.[3] U.S. import data for subject imports are based the questionnaire responses of 15 U.S. importers, estimated to have accounted for *** percent of subject imports from Chile, *** percent of subject imports from China, *** percent of subject imports from Mexico (for overall coverage of *** percent of cumulated subject imports) in 2022.[4] [5]

The Commission received eight responses to its questionnaires from foreign producers of subject merchandise: three firms in Chile, accounting for *** reported production of subject merchandise in Chile, two firms in China accounting for approximately *** percent of production of subject merchandise in China, and three firms in Mexico accounting for approximately *** percent of production of subject merchandise in Mexico.[6]

[3] Confidential Staff Report, INV-WW-011 (Feb. 5, 2024) ("CR")/*Glass Wine Bottles from Chile, China, and Mexico*, Inv. Nos. 701-TA-703 and 731-TA-1661-1663 (Preliminary), USITC Pub. 5493 (Feb. 2024) ("PR") at III-1.

[4] CR/PR at IV-1. These percentages reflect the volume of imports reported in importer questionnaire responses for each country source (or sources) as a percentage of imports entering under statistical reporting number 7010.90.5019, a "basket category" adjusted to remove out-of-scope imports using questionnaire responses and Census-edited Customs record for firms that certified that they had not imported any in-scope glass wine bottles. CR/PR at IV-1 n.3.

[5] While data for U.S. imports from subject sources are based on questionnaire data, data for U.S. imports from nonsubject sources are based on adjusted official import statistics under statistical reporting number 7010.90.50.19 due to their low questionnaire coverage. Data for imports from nonsubject sources may therefore overstate the volume of imports from nonsubject sources relative to subject sources. See CR/PR at Table IV-2.

[6] CR/PR at VII-3.

III. Domestic Like Product

In determining whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the "domestic like product" and the "industry."[7] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Tariff Act"), defines the relevant domestic industry as the "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[8] In turn, the Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation."[9]

By statute, the Commission's "domestic like product" analysis begins with the "article subject to an investigation," *i.e.*, the subject merchandise as determined by Commerce.[10] Therefore, Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value is "necessarily the starting point of the Commission's like product analysis."[11] The Commission then defines the domestic like product in light of the imported articles Commerce has identified.[12] The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[13] No single factor is dispositive, and the Commission may

[7] 19 U.S.C. § 1677(4)(A).

[8] 19 U.S.C. § 1677(4)(A).

[9] 19 U.S.C. § 1677(10).

[10] 19 U.S.C. § 1677(10). The Commission must accept Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value. *See*, *e.g.*, *USEC, Inc. v. United States*, 34 Fed. App'x 725, 730 (Fed. Cir. 2002) ("The ITC may not modify the class or kind of imported merchandise examined by Commerce."); *Algoma Steel Corp. v. United States,* 688 F. Supp. 639, 644 (Ct. Int'l Trade 1988), *aff'd*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).

[11] *Cleo Inc. v. United States*, 501 F.3d 1291, 1298 (Fed. Cir. 2007); *see also Hitachi Metals, Ltd. v. United States*, 949 F.3d 710, 715 (Fed. Cir. 2020) (the statute requires the Commission to start with Commerce's subject merchandise in reaching its own like product determination).

[12] *Cleo*, 501 F.3d at 1298 n.1 ("Commerce's {scope} finding does not control the Commission's {like product} determination."); *Hosiden Corp. v. Advanced Display Mfrs*., 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); *Torrington Co. v. United States*, 747 F. Supp. 744, 748–52 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991) (affirming the Commission's determination defining six like products in investigations where Commerce found five classes or kinds).

[13] *See, e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Dep't of Commerce,* 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, (Continued…)

consider other factors it deems relevant based on the facts of a particular investigation.[14] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[15] It may, where appropriate, include domestic articles in the domestic like product in addition to those described in the scope.[16]

A. Scope Definition

In its notices of initiation, Commerce defined the imported merchandise within the scope of these investigations as:

> {C}ertain narrow neck glass bottles, with a nominal capacity of 740 milliliters (25.02 ounces) to 760 milliliters (25.70 ounces); a nominal total height between 24.8 centimeters (9.75 inches) to 35.6 centimeters (14 inches); a nominal base diameter between 4.6 centimeters (1.8 inches) to 11.4 centimeters (4.5 inches); and a mouth with an outer diameter of between 25 millimeters (.98 inches) to 37.9 millimeters (1.5 inches); frequently referred to as a ''wine bottle.'' In scope merchandise may include but is not limited to the following shapes: Bordeaux (also known as ''Claret''), Burgundy, Hock, Champagne, Sparkling, Port, Provence, or Alsace (also known as ''Germanic''). In scope glass bottles generally have an approximately round base and have shapes including but not limited to, straight-sided, a tapered slope from shoulder (i.e., the sloping part of the bottle between the neck and

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

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

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

[16] *See*, *e.g.*, *Pure Magnesium from China and Israel*, Inv. Nos. 701-TA-403 and 731-TA-895-96 (Final), USITC Pub. 3467 (Nov. 2001) at 8 n.34; *Torrington,* 747 F. Supp. at 748-49 (holding that the Commission is not legally required to limit the domestic like product to the product advocated by the petitioner, co-extensive with the scope).

> the body) to base, or a long neck with sloping shoulders to a wider base. The scope includes glass bottles, whether or not clear, whether or not colored, with or without a punt (*i.e.,* an indentation on the underside of the bottle), and with or without design or functional enhancements (including, but not limited to, embossing, labeling, or etching). In scope merchandise is made of non-''free blown'' glass, i.e., in scope merchandise is produced with the use of a mold and is distinguished by mold seams, joint marks, or parting lines. In scope merchandise is unfilled and may be imported with or without a closure, including a cork, stelvin (screw cap), crown cap, or wire cage and cork closure.
>
> Excluded from the scope of the investigation are: (1) glass containers made of borosilicate glass, meeting United States Pharmacopeia requirements for Type 1 pharmaceutical containers; and (2) glass containers without a ''finish'' (*i.e.,* the section of a container at the opening including the lip and ring or collar, threaded or otherwise compatible with a type of closure, including but not limited to a cork, stelvin (screw cap), crown cap, or wire cage and cork closure).[17]

The glass wine bottles subject to investigation are 750 ml glass wine bottles (hereinafter "glass wine bottles") with a finish for a closure such as a cork or screw top. Glass wine bottles are the most commonly used type of bottle for the packaging and sale of wine.[18] They have a round base and are produced in standard wine bottle shapes such as Bordeaux, Burgundy, and Champagne.[19]

B. Arguments of the Parties

Petitioner argues that the Commission should define a single domestic like product consisting of glass wine bottles coextensive with the scope of these investigations. In response

[17] *Certain Glass Wine Bottles From Chile, the People's Republic of China, and Mexico: Initiation of Less-Than-Fair-Value Investigations*, 89 Fed. Reg. 4911 4916 (Jan. 25, 2024); *Certain Glass Wine Bottles From the People's Republic of China: Initiation of Countervailing Duty Investigation*, 89 Fed. Reg. 4905. 4908 (Jan. 25, 2024). Commerce further indicated that the "glass bottles subject to the investigation are specified within the Harmonized Tariff Schedule of the United States (HTSUS) under subheading 7010.90.5019. The HTSUS subheading is provided for convenience and customs purposes only. The written description of the scope of the investigation is dispositive." Id.

[18] CR/PR at I-7.

[19] CR/PR at I-8 and Fig. I-2.

to respondents' contentions that the Commission's domestic like product definition in these investigations should be the same as that in the *Glass Containers* investigations,[20] petitioner contends that the scope of these investigations is far narrower than the one at issue in *Glass Containers*, and the Commission should, accordingly, define a narrower domestic like product. In petitioner's view, it is well-established that the Commission defines the domestic like product with respect to the subject merchandise in the current investigation rather than past investigations involving different scope definitions.[21]

Petitioner argues that the scope of these investigations includes glass bottles of 750 ml in well-known shapes (*e.g.,* Bordeaux) only used for wine. It contends that other glass containers such as those within the scope in *Glass Containers,* ranging from 2 ml to large glass jugs of 3 liters, have uses other than for holding wine and cannot be used interchangeably with 750 ml glass wine bottles. It asserts that glass wine bottles are sold to wineries unlike most other glass containers. Petitioner argues that customers perceive glass wine bottles to be a distinct product category that differs from other glass containers. It further contends that glass wine bottles require unique molds and are typically produced in different production facilities than other glass containers. Finally, petitioner indicates that prices for glass containers vary by size of the container.[22] Berlin argues that petitioner has not supported its argument for a narrower domestic like product than that defined by the Commission in its earlier *Glass Containers* investigations when it found that all glass containers constituted a single domestic like product. Berlin urges the Commission not to depart from its findings in *Glass Containers.*[23] Berlin maintains that the Commission often relies on its findings from an earlier investigation when there is a similar or narrowed scope definition in a later investigation and the Commission should therefore rely on its domestic like product analysis in *Glass Containers*. Berlin also contends that Commission practice requires a broader domestic like product when products exist on a continuum. It cites *Greenhouse Tomatoes from Canada*[24] and *Tapered Roller*

[20] *Glass Containers from China,* Inv. No. 731-TA-630 (Final), USITC Pub. 5068 (June 2020) ("*Glass Containers*").

[21] Petitioner's Postconference Brief at 6 (citing *Certain Freight Rail Couplers and Parts Thereof from China*, Inv. Nos. 701-TA-682 and 731-TA-1592 (Final), USITC Pub. 5438 (July 2023) and *Freight Rail Coupler Systems and Components from China*, Inv. Nos. 701-TA-670 and 731-TA-1570 (Final), USITC Pub. 5331 (July 2022)).

[22] Petitioner's Postconference Brief at 6-7.

[23] Berlin's Postconference Brief at 7-8.

[24] *Greenhouse Tomatoes from Canada,* USITC Inv. No. 731-TA-925 (Final), USITC Pub. 3499 (Apr. 2002) at 3-10.

Bearings from Korea [25] as examples of investigations in which the Commission defined a domestic like product more broadly than Commerce's scope definition after finding no clear dividing line between field grown and greenhouse tomatoes, in the first case, and small and large tapered roller bearings, in the second.[26]

Berlin further argues that petitioner has changed its position on the application of the six domestic like product factors to glass wine bottles, having previously argued that they supported the definition of a broader domestic like product in *Glass Containers*.[27] TricorBraun and Saverglass similarly criticize petitioner for allegedly changing its position on the application of the domestic like product factors to glass containers and glass wine bottles.[28]

Berlin also maintains that petitioner's proposed domestic like product definition is problematic because it will produce too narrow a view of the glass container industry. In this regard, Berlin and Saverglass contend that petitioner has previously argued that the production of glass containers of different sizes on the same equipment used to produce glass wine bottles can affect the production and profitability of all sizes of glass containers.[29] Berlin claims, for instance, that Ardagh argued in *Glass Containers* that weak demand for glass beer bottles impacted the profitability of the domestic producers that make both beer and wine bottles. Accordingly, Berlin contends that an accurate analysis of the domestic industry in these investigations requires a broader industry definition based on a broader domestic like product definition.[30]

C. Analysis

The starting point of the Commission's domestic like product analysis is Commerce's scope definition.[31] Therefore, the issue in these investigations is whether the Commission

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[25] *Tapered Roller Bearings from Korea*, USITC Inv. No. 731-TA-1380 (Final), USITC Pub. 4806 (Aug. 2018) at 7-16.

[26] Berlin's Postconference Brief at 11-12.

[27] Berlin's Postconference Brief at 8-10.

[28] TricorBraun's Postconference Brief at 8-10; Saverglass' Postconference Brief at 2-7. TricorBraun states that it does not challenge petitioner's proposed domestic like product for purposes of the preliminary phase of these investigations. TricorBraun's Postconference Brief at 8.

[29] Berlin's Postconference Brief at 11-12; Saverglass' Postconference Brief at 4-5.

[30] Berlin's Postconference Brief at 12-13.

[31] *See* 19 U.S.C. § 1677(10); *Cleo Inc. v. United States*, 501 F.3d 1291, 1298 (Fed. Cir. 2007); *see also Hitachi Metals, Ltd. v. United States*, 949 F.3d 710, 717 (Fed. Cir. 2020) (the statute requires the Commission to start with Commerce's subject merchandise in reaching its own like product determination).

should define the domestic like product more broadly than Commerce's scope definition in these investigations and not, as respondents argue, whether the Commission should reflexively maintain the definition of the domestic like product found in *Glass Containers*.[32]

The scope of these investigations includes only 750 ml glass wine bottles, and therefore is much narrower than the scope of the *Glass Containers* investigations, which included glass containers ranging from 0.059 liters to 4.0 liters.[33] Furthermore, in *Glass Containers* the parties did not argue and the Commission did not consider whether 750 ml glass wine bottles (or any other glass containers) should be defined as a separate domestic like product.[34] Respondents criticize petitioner's narrower scope definition in these investigations and provide examples of investigations in which the Commission defined the domestic like product more broadly than Commerce's scope definition. Notably, however, respondents do not argue that the record in these investigations supports including all glass containers in the definition of the domestic like product under the Commission's traditional six-factor framework.[35] We consider below whether it is appropriate to include out-of-scope glass containers with in-scope glass wine bottles in the definition of the domestic like product.

1. Whether Out-of-Scope Glass Containers Should Be Included in the Definition of the Domestic Like Product

Physical Characteristics and Uses. The record indicates that in-scope glass wine bottles are produced in certain well-known shapes and are primarily used as containers for wine.[36] While sharing the same chemical composition, other glass containers outside the scope come in

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[32] *See* Berlin's Postconference Brief at 7-8. As each Commission determination is *sui generis*, the Commission is not bound by prior domestic like product determinations concerning even the same imported product, let alone determinations involving different products. The Commission may nevertheless draw upon previous determinations in addressing pertinent like product issues. "{D}eterminations defining the domestic like product in other investigations of differing products have little utility as each determination is based on the record of each case, including the arguments made by the parties. *Certain Aluminum Plate From South Africa*, Inv. 731-TA-1056 (Preliminary) USITC Pub. 3654 (Dec. 2003) at n. 59, citing *Nippon Steel Corp. v. United States*, 19 CIT 450, 454-55 (1995); *Citrosuco Paulista, S.A. v. United States*, 704 F. Supp. 1075,1087-88 (CIT 1988); *Asociacion Colombiana de Exportadores de Flores v. United States*, 693 F. Supp. 1165, 1669 n.5 (CIT 1988).

[33] *Glass Containers* at 6.

[34] *Glass Containers* at 6; *Glass Containers from China*, Inv. Nos. 701-TA-630 and 731-TA-1462 (Preliminary), USITC Pub. 4996 (Nov. 2019) at 8-12.

[35] *See* Berlin's Postconference Brief at 12-13; TricorBraun's Postconference Brief at 8-10; Saverglass' Postconference Brief at 2-7.

[36] CR/PR at I-10; Fig.I-2. Glass wine bottles may also be used for juice and olive oil. CR/PR at II-8.

a variety of shapes and sizes and are primarily used as containers for other types of food and beverages, such as beer.[37]

Manufacturing Facilities, Production Processes, and Production Workers. According to petitioner, while the initial glass melting stage may be similar for glass wine bottles and other glass containers, different molds are used for glass wine bottles, as compared to molds that are used to produce different sizes and shapes of glass containers.[38] Although Ardagh indicated at the conference that it produces other glass containers in different production facilities than those used to produce glass wine bottles,[39] the questionnaire responses of ***, however, indicate that they produce ***.[40]

Interchangeability. The record indicates that, in general, out-of-scope glass containers cannot be used interchangeability with 750 ml glass wine bottles because of their different sizes and shapes,[41] although some out-of-scope glass containers are used as containers for wine.[42] Wineries report that specific glass wine bottles are tied to their brands, so they are reportedly hesitant to substitute out-of-scope bottles for glass wine bottles.[43]

Customer and Producer Perceptions. The record indicates that producers and customers view glass wine bottles as distinct glass products because of their 750 ml size and recognizable shapes.[44]

Channels of Distribution. Glass wine bottles, unlike most other glass containers, are primarily sold directly to wineries.[45] Other glass containers, with the exception of out-of-scope glass wine bottles, would be sold to different end users.[46]

Price. In-scope glass wine bottles, all of which are 750 ml, are generally priced similarly, whereas smaller out-of-scope glass containers are priced lower than glass wine bottles and larger out-of-scope glass containers are priced higher.[47]

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[37] Petitioner's Postconference Brief at 6; Petition at 13-14.

[38] Petition at 14.

[39] Conf. Tr. at 21 (Brandstatter).

[40] *** U.S. Producer Questionnaire Responses at II-3a. *See also* CR/PR at Table III-8.

[41] Petitioner's Postconference Brief at 6.

[42] CR/PR at III-8.

[43] CR/PR at II-1.

[44] Petitioner's Postconference Brief at 6; Petition at 14; CR/PR at Fig. I-2. *See also* Tr. at 21. ("{W}ine bottles . . . are perceived by producers and customers alike to be a distinct product.") (Brandstatter).

[45] *See* CR/PR at Table II-1; Petition at 14.

[46] Petitioner's Postconference Brief at 6.

[47] *See* CR/PR at Figs. V-3-V-5 (domestic prices for pricing products); Petitioner's Postconference Brief at 7.

We define a single domestic like product coextensive with Commerce's scope definition. Glass wine bottles have a specialized end use and are produced in standard shapes, which largely differ from the uses and shapes of out-of-scope glass containers. They have limited interchangeability with other glass containers because of their 750 ml size and standardized shapes and are perceived by producers and customers to be a distinct product sold directly to wineries. Glass wine bottles are generally priced similarly to each other and differently than out-of-scope glass containers of different sizes. On the other hand, the production process for in-scope glass wine bottles is similar to that for out-of-scope other glass containers, and they share production facilities in some cases.

For the foregoing reasons, based on the record of the preliminary phase of the investigations, we define a single domestic like product encompassing all glass wine bottles within the scope of the investigations.

IV. Domestic Industry

The domestic industry is defined as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[48] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to Section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.[49] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.[50]

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[48] 19 U.S.C. § 1677(4)(A).

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

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

(1) the percentage of domestic production attributable to the importing producer;
(Continued…)

A. Arguments of the Parties

Petitioner observes that domestic producer ***. Petitioner notes that *** and states that the issue of whether or not to exclude any related party may warrant further examination in any final phase of the investigations.[51] Berlin indicates that it takes no position concerning whether any domestic producer should be excluded as a related party.[52]

B. Analysis

U.S. producer *** is subject to possible exclusion under the related parties provision because it controls an importer and an exporter of subject merchandise.[53] ***, a subsidiary of ***, imported subject merchandise from *** that is also a subsidiary of ***.[54] We consider below whether appropriate circumstances exist to exclude *** from the domestic industry.

*** accounted for *** percent of total U.S. production of glass wine bottles in 2022 and was the *** of the three reporting U.S. producers that year in terms of U.S. production.[55] *** imported subject merchandise from *** throughout the January 2020-September 2023 period of investigation ("POI").[56] *** imports of glass wine bottles from Mexico were *** gross in 2020, *** gross in 2021, and *** gross in 2022; they were *** gross in January-September ("interim") 2023 compared to *** gross in interim 2022.[57] The ratio of *** subject imports to its domestic production was *** percent in 2020, *** percent in 2021, and *** percent in 2022;

(…Continued)

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

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

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

(5) whether the primary interest of the importing producer lies in domestic production or importation. *Changzhou Trina Solar Energy Co. v. USITC*, 100 F. Supp.3d 1314, 1326-31 (Ct. Int'l. Trade 2015), *aff'd*, 879 F.3d 1377 (Fed. Cir. 2018); *see also Torrington Co.*, 790 F. Supp. at 1168.

[51] Petitioner's Postconference Brief, Exhibit 1 at 8-9.

[52] Berlin's Postconference Brief, Appendix at 1.

[53] 19 U.S.C. § 1677(4)(B)(ii)(I).

[54] CR/PR at III-2 and Tables III-2 and III-14.

[55] CR/PR at Table III-1. *** accounted for *** in 2022 and was the *** production. *Id*.

[56] CR/PR at Table III-14.

[57] CR/PR at Table III-14.

it was *** percent in interim 2023, compared with *** percent in interim 2022.[58] ***."[59] ***,[60] and reported capital expenditures of $*** in 2020, $*** in 2021, and $*** in 2022; its capital expenditures were $*** in interim 2023, compared with $*** in interim 2022.[61]

Although, as noted above, *** indicated that it ***, there is insufficient information on the record of these preliminary investigations to determine whether *** benefitted from its ***.[62] However, the ratio of *** was relatively low and stable during the POI, and *** imported no subject merchandise itself. Moreover, ***. In light of this, and in the absence of any contrary argument, we find that appropriate circumstances do not exist to exclude *** from the domestic industry.

No other U.S. producer is subject to possible exclusion under the related parties provision. Accordingly, consistent with our definition of the domestic like product, we define the domestic industry to include all domestic producers of glass wine bottles.

V. Negligible Imports

Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than 3 percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible.[63]

During the most recent 12-month period preceding the filing of the petitions in these investigations (December 2022 through November 2023), imports from China subject to the antidumping and countervailing duty investigations accounted for *** percent of total imports of glass wine bottles.[64] Imports from Chile and Mexico subject to the antidumping duty investigations accounted for *** percent and *** percent, respectively, of total imports of glass

[58] CR/PR at Table III-14.

[59] CR/PR at III-14.

[60] *** U.S. Producer Questionnaire Response at I-4.

[61] CR/PR at Table VI-9.

[62] Commissioner Schmidtlein does not join this sentence. To her knowledge, the Commission has not performed this type of analysis previously. Further, it is unclear how the parties or the Commission should analyze whether *** "benefited" from *** or how this standard otherwise fits into the related-parties legal framework.

[63] 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B); *see also* 15 C.F.R. § 2013.1 (developing countries for purposes of 19 U.S.C. § 1677(36)).

[64] CR/PR at Table IV-4. As previously noted, data for subject imports are based on questionnaire data, while data for imports from nonsubject sources are based on adjusted official import statistics. *See id.* at Table IV-2 note.

wine bottles.[65] As subject imports in all investigations are clearly above the applicable 3 percent negligibility threshold, we find that imports from China subject to the antidumping and countervailing duty investigations and imports from Chile and Mexico subject to the antidumping duty investigations are not negligible.

VI. Cumulation

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

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

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

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

(4) whether the subject imports are simultaneously present in the market.[66]

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.[67] Only a "reasonable overlap" of competition is required.[68]

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[65] CR/PR at Table IV-4.

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

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

[68] The Statement of Administrative Action (SAA) to the Uruguay Round Agreements Act (URAA), expressly states that "the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition." H.R. Rep. No. 103-

(Continued…)

A. Arguments of the Parties

Petitioner's Argument. Petitioner argues that the Commission should cumulate subject imports from all three subject countries. It contends that a reasonable overlap of competition exists between and among subject imports from Chile, China, and Mexico, and the domestic like product. According to Petitioner, glass wine bottles from all three subject countries are interchangeable with each other and the domestic like product. Petitioner also asserts that subject imports from each country and domestically produced glass wine bottles are sold through the same channels of distribution and in overlapping geographic markets and were simultaneously present in the U.S. market during the POI.[69]

Respondents' Argument. Respondents do not address whether imports from Chile, China, and Mexico should be cumulated for purposes of present material injury.

B. Analysis

We consider subject imports from Chile, China, and Mexico on a cumulated basis because the statutory criteria for cumulation are satisfied. As an initial matter, petitioner filed the antidumping and countervailing duty petitions with respect to the three countries on the same day, December 29, 2023.[70]

Fungibility. The record indicates that there is a substantial degree of fungibility between and among domestically produced glass wine bottles and imports from each subject country. *** U.S. producers reported that the domestic like product and subject imports from each source were "always" or "frequently" interchangeable with one another.[71] Most responding U.S. importers reported that subject imports from each source were either "always" or "frequently" interchangeable with the domestic like product.[72] A majority of importers indicated that subject imports from Mexico were "frequently" interchangeable with subject

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(…Continued)
316, Vol. I at 848 (1994) (*citing Fundicao Tupy*, 678 F. Supp. at 902); *see Goss Graphic Sys., Inc. v. United States*, 33 F. Supp. 2d 1082, 1087 (Ct. Int'l Trade 1998) ("cumulation does not require two products to be highly fungible"); *Wieland Werke, AG*, 718 F. Supp. at 52 ("Completely overlapping markets are not required.").

[69] Petitioner's Postconference Brief at 9-10.

[70] None of the statutory exceptions to cumulation applies in these investigations. *See* 19 U.S.C. § 1677(7)(G)(ii).

[71] CR/PR at Table II-7.

[72] CR/PR at Table II-8.

imports from China and "sometimes" interchangeable with subject imports from Chile.[73] Importers were divided on the interchangeability of subject imports from Chile with subject imports from China, with equal numbers reported that they were "always," "frequently," "sometimes," or "never" interchangeable.[74]

Furthermore, the record indicates that shipments of subject imports from each subject country and the domestic like product overlapped in terms of glass wine bottle style and color.[75] Over *** percent of U.S. shipments of subject imports from each source and the domestic like product consisted of green claret glass wine bottles.[76] There also was overlap between these sources, though to a lesser degree, with respect to U.S. shipments of green burgundy style glass wine bottles.[77] Thus, the record indicates that there was a sufficient degree of fungibility between subject imports and the domestic like product for purposes of cumulation.[78]

Channels of Distribution. U.S. producers and importers of glass wine bottles from all three subject countries predominantly sold glass wine bottles directly to end users, while also selling in the distributor channel.[79]

Geographic Overlap. U.S. producers reported selling glass wine bottles to all regions in the contiguous United States, as did importers of subject merchandise from the three subject countries.[80] Official import statistics also indicate that subject imports from Chile, China, and Mexico entered the United States through ports located at all borders.[81] The largest quantity of imports from each subject source entered at the Western border.[82]

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[73] CR/PR at Table II-8.

[74] CR/PR at Table II-8.

[75] CR/PR at Table IV-5 and Fig. IV-3.

[76] CR/PR at Table IV-5 and Fig. IV-3.

[77] CR/PR at Table IV-5 and Fig. IV-3.

[78] Respondents argue that there is attenuated competition between the domestic like product and subject imports because subject imports are case packaged while domestically produced glass wine bottles are bulk packaged. Further, respondents claim smaller wineries use bottling machines that cannot handle bulk packaged glass wine bottles. Encore's Postconference Brief at 8-9; Berlin's Postconference Brief at 29-30. However, Ardagh reports that over *** were case packed during the POI. *See* CR/PR at II-3 and IV-9 n.6; Petitioner's Postconference Brief, Exhibit 20. We intend to investigate further respondents' claims regarding attenuated competition in any final phase of these investigations.

[79] *See* CR/PR at Table II-1.

[80] CR/PR at Table II-2.

[81] *See* CR/PR at Table IV-6.

[82] *See* CR/PR at Table IV-6.

Simultaneous Presence in Market. As reflected by the pricing data, the domestic like product was present in the U.S. market throughout the POI.[83] Imports from each subject country were present in the U.S. market in all 45 months of the POI.[84]

Conclusion. The record of the preliminary phase of the investigations indicates that subject imports from Chile, China, and Mexico are fungible with the domestic like product and each other. The record also indicates that imports from each of the subject countries and the domestic like product were sold in overlapping channels of distribution and geographic markets and were simultaneously present in the U.S. market during the POI. Because there is a reasonable overlap of competition between and among subject imports from Chile, China, and Mexico and the domestic like product, we cumulate subject imports from these sources for our analysis of whether there is a reasonable indication of material injury by reason of subject imports.

VII. Reasonable Indication of Material Injury by Reason of Subject Imports

A. Legal Standard

In the preliminary phase of antidumping and countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.[85] In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.[86] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[87] In assessing whether there is a reasonable indication that the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[88] No single factor

[83] CR/PR at Tables V-5 to V-7.

[84] *See* CR/PR at Table IV-6.

[85] 19 U.S.C. §§ 1671b(a), 1673b(a).

[86] 19 U.S.C. § 1677(7)(B). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each {such} factor ... and explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B).

[87] 19 U.S.C. § 1677(7)(A).

[88] 19 U.S.C. § 1677(7)(C)(iii).

is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[89]

Although the statute requires the Commission to determine whether there is a reasonable indication that the domestic industry is "materially injured or threatened with material injury by reason of" unfairly traded imports,[90] it does not define the phrase "by reason of," indicating that this aspect of the injury analysis is left to the Commission's reasonable exercise of its discretion.[91] In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the "by reason of" standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.[92]

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.[93] In performing its examination, however, the Commission need not isolate

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[89] 19 U.S.C. § 1677(7)(C)(iii).

[90] 19 U.S.C. §§ 1671b(a), 1673b(a).

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

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

[93] SAA at 851-52 ("{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports."); S. Rep. 96-249 at 75 (1979) (the (Continued…)

the injury caused by other factors from injury caused by unfairly traded imports.[94] Nor does the "by reason of" standard require that unfairly traded imports be the "principal" cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.[95] It is clear that the existence of injury caused by other factors does not compel a negative determination.[96]

Assessment of whether material injury to the domestic industry is "by reason of" subject imports "does not require the Commission to address the causation issue in any particular way" as long as "the injury to the domestic industry can reasonably be attributed to the subject imports."[97] The Commission ensures that it has "evidence in the record" to "show that the

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Commission "will consider information which indicates that harm is caused by factors other than less-than-fair-value imports."); H.R. Rep. 96-317 at 47 (1979) ("in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;" those factors include "the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry"); *accord Mittal Steel*, 542 F.3d at 877.

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

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

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

[97] *Mittal Steel*, 542 F.3d at 876, 878; *see also id.* at 873 ("While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured 'by reason of' subject imports, the Commission is not required to follow a single methodology for making that (Continued…)

harm occurred 'by reason of' the LTFV imports," and that it is "not attributing injury from other sources to the subject imports." [98] The Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[99]

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.[100] Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[101]

B. Conditions of Competition and the Business Cycle

The following conditions of competition inform our analysis of whether there is a reasonable indication of material injury or threat of material injury by reason of cumulated subject imports.

1. Captive Production Provision

The domestic industry captively consumes a portion of its production of glass wine bottles in the manufacture of bottled wine. We therefore consider the applicability of the statutory captive production provision, and whether to focus our analysis primarily on the

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determination ... {and has} broad discretion with respect to its choice of methodology."), *citing United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75. In its decision in *Swiff-Train v. United States*, 793 F.3d 1355 (Fed. Cir. 2015), the Federal Circuit affirmed the Commission's causation analysis as comporting with the Court's guidance in *Mittal*.

[98] *Mittal Steel*, 542 F.3d at 873 (quoting from *Gerald Metals*, 132 F.3d at 722), 877-79. We note that one relevant "other factor" may involve the presence of significant volumes of price-competitive nonsubject imports in the U.S. market, particularly when a commodity product is at issue. In appropriate cases, the Commission collects information regarding nonsubject imports and producers in nonsubject countries in order to conduct its analysis.

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

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

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

merchant market when assessing market share and the factors affecting the financial performance of the domestic industry.[102]

a. Arguments of the Parties

Petitioner argues that the captive production provision does not apply in these investigations because glass wine bottles are not the predominant input into the downstream product, which is bottled wine. It requests that the Commission nevertheless consider captive production to be a relevant condition of competition in the market for glass wine bottles.[103] Respondents do not address the provision's application in these investigations.

b. Analysis and Conclusion

Threshold Criterion. The captive production provision can be applied only if, as a threshold matter, significant production of the domestic like product is internally transferred and significant production is sold in the merchant market. During the POI, between *** and *** percent of U.S. producers' U.S. shipments of glass wine bottles were internally consumed

[102] The captive production provision can be applied only if, as a threshold matter, significant production of the domestic like product is internally transferred and significant production is sold in the merchant market. The provision, 19 U.S.C. § 1677(7)(C)(iv), as amended by the Trade Preferences Extension Act ("TPEA") of 2015, provides:

> (iv) CAPTIVE PRODUCTION – If domestic producers internally transfer significant production of the domestic like product for the production of a downstream article and sell significant production of the domestic like product in the merchant market, and the Commission finds that-
>
> > (I) the domestic like product produced that is internally transferred for processing into that downstream article does not enter the merchant market for the domestic like product, and
> > (II) the domestic like product is the predominant material input in the production of that downstream article.

The SAA indicates that where a domestic like product is transferred internally for the production of another article coming within the definition of the domestic like product, such transfers do not constitute internal transfers for the production of a "downstream article" for purposes of the captive production provision. SAA at 853.

The TPEA eliminated what had been the third statutory criterion of the captive production provision. Pub. L. 114-27, § 503(c).

[103] Petitioner's Postconference Brief, Exhibit 1, at 11.

or transferred to related firms.[104] The domestic industry sold between *** percent and *** percent of its glass wine bottle production on the merchant market in this period.[105] These ratios indicate that a significant portion of production of glass wine bottles is both internally transferred and sold on the merchant market, thereby satisfying the threshold criterion.

First Statutory Criterion. The first statutory criterion tests whether the domestic like product produced that is internally transferred for processing into downstream articles does not enter the merchant market for the domestic like product.[106] No domestic producers in these investigations reported diverting glass wine bottles that were to be internally consumed to the merchant market.[107] This criterion is therefore satisfied.

Second Statutory Criterion. In applying the second statutory criterion, the Commission generally considers whether the domestic like product is the predominant material input into a downstream product by referring to its share of the raw material cost of the downstream product.[108] In previous investigations, the Commission construed "predominant" material input to mean the main or strongest element, and not necessarily a majority of the inputs by value.[109]

In these investigations, the reporting domestic producer engaged in captive consumption indicated that glass wine bottles account for *** percent of the cost of the downstream products produced from glass wine bottles, which are bottles of wine.[110] We find that this share is insufficient to satisfy this criterion.

Conclusion. Because the second criterion is not satisfied, we decline to apply the captive production provision in these investigations and will focus on the overall glass wine bottle

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[104] CR/PR at III-12, Table III-10. These data primarily reflect the shipments of ***. CR/PR at VI-1 n.2.

[105] CR/PR at III-12, Table III-10.

[106] *See*, *e.g.*, *Hot-Rolled Steel Products from Argentina and South Africa*, Inv. Nos. 701-TA-404, 731-TA-898, 905 (Final), USITC Pub. 3446 at 15-16 (Aug. 2001); *Certain Cold-Rolled Steel Products from Argentina, Brazil*, *China*, *Indonesia*, *Japan*, *Russia*, *Slovakia*, *South Africa*, *Taiwan*, *Turkey and Venezuela*, Inv. Nos. 701-TA-393 and 731-TA-829-40 (Final) (Remand), USITC Pub. 3691 at 2 & n.19 (May 2004).

[107] CR/PR at III-12. ***. CR/PR at VI-1 n.2. These shipments were not, however, intended for internal consumption. *Id.*

[108] *See generally, e.g., Polyethylene Terephthalate Film, Sheet and Strip from Brazil, China, Thailand, and the United Arab Emirates*, Inv. Nos. 731-TA-1131-1134 (Final), USITC Pub. 4040 at 17 n.103 (Oct. 2008); *Polyethylene Terephthalate Film, Sheet, and Strip from India and Taiwan*, Inv. Nos. 701-TA-415 and 731-TA-933-934 (Final), USITC Pub. 3518 at 11 & n.51 (June 2002).

[109] *See Polyvinyl Alcohol from Germany and Japan*, Inv. Nos. 731-TA-1015-1016 (Final), USITC Pub. 3604 (June 2003) at 15 n.69.

[110] CR/PR at Table III-12.

market in analyzing the market share and financial performance of the domestic industry. We nonetheless consider, as a relevant condition of competition, that a significant portion of domestic production is captively consumed.

2. Demand Conditions

Glass wine bottles are used by wineries to bottle wine for retail sale.[111] Glass is the preferred packaging material to preserve wine's taste, and most wine is packaged in glass wine bottles.[112] U.S. demand for glass wine bottles therefore depends on the demand for downstream products produced domestically, *i.e.*, bottled wine.[113] It generally tracks U.S. wine consumption, although consumption of glass wine bottles may not always match the trends in consumption of wine.[114]

Several firms reported seasonality of demand for glass wine bottles due to the grape harvest season and the wine making cycle.[115] Petitioner Ardagh stated that the market is seasonal to some extent during the summer, but relatively steady from year to year for its larger customers.[116] Respondent Berlin indicated there are two harvest seasons in the wine industry – one in July-September when red grapes are harvested, and the other earlier in the year when white grapes are harvested.[117] The parties disagree on the extent to which demand for glass wine bottles is predictable, with petitioner stating that the wine industry has very predictable harvest and bottling schedules and Respondent Berlin maintaining that small and micro-wineries do not necessarily know the size of their crop yields and have difficulty forecasting their demand ahead of time.[118]

Petitioner reports that historically the demand for glass wine bottles has generally grown by one or two percent per year.[119] The parties indicate that the COVID-19 pandemic temporarily boosted demand for glass wine bottles because of increased consumption of wine at home and that this trend continued through 2021, at which point demand began to

[111] CR/PR at I-10 and II-1.
[112] CR/PR at II-1; Conf Tr. at 118 (Brosch).
[113] CR/PR at II-10.
[114] CR/PR at II-10.
[115] CR/PR at II-9.
[116] CR/PR at II-9.
[117] CR/PR at II-9. *See also* Conf. Tr. at 120 (Brosch) ("The red grape crush season is usually July, August, September, and then the white wine crush season is early in the year.").
[118] CR/PR at II-15.
[119] CR/PR at II-10.

decline.[120] Lower apparent U.S. consumption in interim 2023 compared to interim 2022 reportedly reflects declining demand in the wake of the pandemic as well as destocking, production problems at wineries, and lower demand for wine as compared to other alcoholic and non-alcoholic drinks.[121] *** domestic producers and a majority of U.S. importers reported a decline in demand during the POI.[122]

Apparent U.S. consumption by quantity increased by *** percent between 2020 and 2022, increasing from *** gross in 2020 to *** gross in 2021 and *** gross in 2022.[123] It was *** gross in interim 2023, down from *** gross in interim 2022.[124]

3. Supply Conditions

The domestic industry was the largest supplier to the U.S. market throughout POI, although its share of apparent U.S. consumption declined. The industry's U.S. shipments as a share of apparent U.S. consumption fell from *** percent in 2020 to *** percent in 2021 and *** percent in 2022.[125] Its market share was *** percent in interim 2023, compared with *** percent in interim 2022.[126]

In June 2023, domestic producers Ardagh shuttered capacity and O-I Glass suspended production at certain of their production facilities.[127] Specifically, Ardagh shut down its furnace 3 in Seattle, Washington, which it attributes to the effects of low-priced subject imports.[128] O-I

[120] CR/PR at Table III-3.

[121] CR/PR at II-10.

[122] CR/PR at Table II-4.

[123] CR/PR at Tables IV-8, C-1. Apparent U.S. consumption in the merchant market by quantity increased by *** percent between 2020 and 2022, increasing from *** gross in 2020 to *** gross in 2021 and *** gross in 2022. CR/PR at Tables IV-9 and C-2.

[124] CR/PR at Tables IV-8, C-1. In the merchant market, it was *** gross in interim 2023, compared with *** gross in interim 2022. CR/PR at Tables IV-9 and C-2.

[125] CR/PR at Tables IV-8 and C-1. Thus, in the total market the domestic industry's U.S. shipments as a share of apparent U.S. consumption declined by *** percentage points from 2020 to 2022. *Id*. In the merchant market, its market share fell from *** percent in 2020 to *** percent in 2021 and *** percent in 2022. CR/PR at Tables IV-9 and C-2. Accordingly, in the merchant market the domestic industry's U.S. shipments as a share of apparent U.S. consumption declined by *** percentage points from 2020 to 2022. *Id*.

[126] CR/PR at Tables IV-8 and C-1. In the merchant market, its share was *** percent in interim 2023, as compared with *** percent in interim 2022. CR/PR at Tables IV-9 and C-2.

[127] CR/PR at Table III-3.

[128] Petitioner's Postconference Brief at 5, 17-18. Respondents assert that Ardagh decided to shut the furnace down because the terms of a new lease agreement between Ardagh and King County would require expensive upgrades to the furnace's emissions equipment. Berlin's Postconference Brief (Continued…)

Glass announced the indefinite suspension of glass production at its Portland, Oregon facility, resulting in layoffs for 70 percent of the facility's employees beginning in July 2023.[129] The domestic industry's production capacity declined irregularly over the POI; its practical capacity decreased from *** gross in 2020 to *** gross in 2021 and then increased to *** gross 2022. It was *** gross in interim 2023, compared with *** gross in interim 2022.[130]

Subject imports were the second-largest source of supply to the U.S. market during most of the POI. Their share of apparent U.S. consumption decreased from *** percent in 2020 to *** percent in 2021 and *** percent in 2022.[131] Their market share was *** percent in interim 2023, compared with *** percent in interim 2022.[132]

Nonsubject imports were the third-largest source of supply to the U.S. market in 2020 and 2021 and interim 2023 but were the second-largest source in 2022. Their share of apparent U.S. consumption increased from *** percent in 2020 to *** percent in 2021 and *** percent in 2022.[133] Their share was *** percent in interim 2023, compared with *** percent in interim 2022.[134] The largest sources of nonsubject imports were Canada, India, France, and Taiwan.[135] [136]

(…Continued)
at 24-25. In any final phase of these investigations, we will seek additional information concerning Ardagh's decision to shut down this furnace.

[129] Petitioner's Postconference Brief at 5, 17-18. ***. CR/PR at Table VI-17.

[130] CR/PR at Table III-7.

[131] CR/PR at Tables IV-8 and C-1. In the merchant market, subject imports' share of apparent U.S. consumption decreased from *** percent in 2020 to *** percent in 2021 and *** percent in 2022. CR/PR at Tables IV-9 and C-2.

[132] CR/PR at Tables IV-8 and C-1. In the merchant market, subject imports' share was *** percent in interim 2023, compared with *** percent in interim 2022. CR/PR at Tables IV-9 and C-2.

[133] CR/PR at Tables IV-9 and C-1. In the merchant market, nonsubject imports' share of apparent U.S. consumption increased from *** percent in 2020 to *** percent in 2021 and *** percent in 2022. CR/PR at Tables IV-9 and C-2.

[134] CR/PR at Tables IV-8 and C-1. In the merchant market, their share was *** percent in interim 2023, compared with *** percent in interim 2022.

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

[136] In these preliminary phase investigations, market shares are calculated based on domestic producers' U.S. shipments of the domestic product and U.S. importers' shipments of subject imports reported in the questionnaire responses and the volume of imports from nonsubject sources based on adjusted official imports statistics, due to responding importers' relatively low coverage of nonsubject imports based on the relevant HTS number. As a result, nonsubject imports' market share relative to other sources may therefore be overstated. *See* CR/PR at IV-1, Table IV-8. For any final phase investigations, we invite the parties' comments on how to achieve better importer questionnaire coverage and how to calculate market share most accurately.

Twelve of 14 responding importers, but no domestic producers, reported that they had experienced supply constraints during the POI.[137] Five importers reported that increased demand and short-term supply chain disruptions during the COVID-19 pandemic in 2020 and 2021 resulted in limitations on their ability to supply.[138] Importer *** reported that it was forced to place all customers on allocation in 2022 and was only able to supply to contracted customers at their 2021 purchase levels.[139] Two U.S importers (*** and ***) reported that U.S. producers would not sell to them due to exclusivity agreements with distributors.[140]

4. Substitutability and Other Conditions

Based on the record of the preliminary phase of these investigations, we find that there is a moderate-to-high degree of substitutability between domestically produced glass wine bottles and subject imports.[141] *** U.S. producers and most responding U.S. importers reported that the domestically produced product was either always or frequently interchangeable with glass wine bottles from subject sources.[142] Differences in some factors such as quality and availability may limit substitutability to some extent.[143]

The current record also indicates that price is an important factor in purchasing decisions for glass wine bottles, among other important factors. Purchasers responding to the lost sales/lost revenue survey most frequently cited quality as their top purchasing factor, followed by price and availability.[144] Domestic producers indicated that differences other than price were sometimes or never significant in sales of the domestic like product and subject imports from each source.[145] By contrast, a majority of responding importers indicated that differences other than price were always or frequently significant in sales of the domestic like product and subject imports from each country.[146]

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[137] CR/PR at II-8.

[138] CR/PR at II-8.

[139] CR/PR at II-8.

[140] CR/PR at II-8.

[141] *See* CR/PR at II-13.

[142] CR/PR at Table II-7 and II-8.

[143] CR/PR at II-3. Respondents assert that the domestic industry is unwilling to serve smaller wineries who require smaller production runs for custom glass wine bottles and glass wine bottles that are case packed. TricorBraun's Postconference Brief at 12-13; Encore's Postconference Brief at 3-8. Petitioner disagrees and maintains that importers are serving the same customer base as the domestic industry. It also reports that *** of its sales are case packed. *See* Petitioner's Postconference Brief at 19-22 and Exhibit 1; CR/PR at II-3.

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

[145] CR/PR at Table II-9.

[146] CR/PR at Table II-10.

Domestic producers reported that *** percent of their commercial shipments were from inventory, with lead times averaging *** days.[147] In contrast, responding U.S. importers reported that *** percent of their commercial shipments of glass wine bottles were produced-to-order, with lead times averaging *** days.[148] The remainder of their commercial shipments came from inventories, with lead times averaging *** days from U.S. importers' inventories and *** days from foreign inventories.[149]

U.S. producers and U.S importers primarily sold directly to end users.[150] They reported selling the vast majority of their glass wine bottles through long-term contracts.[151] U.S. producers reported that their long-term contracts are ***.[152] The two responding importers also reported selling most of their glass wine bottles under long-term contracts.[153] They indicated that their annual and long-term contracts fix price but allow for price renegotiation.[154] Both U.S. producers and U.S. importers sold smaller shares of their sales on the spot market.[155]

Silica (sand), soda ash, limestone, and cullet (furnace-ready, recycled glass) are the primary raw materials used to produce glass wine bottles.[156] Domestic producers' cost of raw materials increased from $*** per gross in 2020 to $*** per gross in 2021 and $*** per gross in 2022.[157] Raw materials accounted for *** percent of the domestic industry's cost of goods sold ("COGS") for glass wine bottles in 2020, *** percent in 2021, and *** percent in 2022.[158]

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[147] CR/PR at II-14.

[148] CR/PR at II-14.

[149] CR/PR at II-14.

[150] CR/PR at Table II-1.

[151] CR/PR at V-6.

[152] CR/PR at V-6.

[153] CR/PR at V-6.

[154] CR/PR at V-6.

[155] CR/PR at Table V-4.

[156] CR/PR at V-1.

[157] CR/PR at Table VI-1. Raw materials were $*** per gross in interim 2023 compared to $*** per gross in interim 2022. *Id.*

In the merchant market, domestic producers' cost of raw materials increased from $*** per gross in 2020 to $*** per gross in 2021 and $*** per gross in 2022. CR/PR at Table VI-3. Raw materials were $*** per gross in interim 2023 compared to $*** per gross in interim 2022. *Id.*

[158] CR/PR at Table VI-1. Raw materials accounted for *** percent of the domestic industry's COGS in interim 2023, compared to *** percent in interim 2022. *Id.*

In the merchant market, raw materials accounted for *** percent of the domestic industry's COGS for glass wine bottles in 2020, *** percent in 2021, and *** percent in 2022. CR/PR at Tables VI-3 and C-2. Raw materials accounted for *** percent of the domestic industry's COGS in interim 2023, compared to *** percent in interim 2022. *Id.*

Effective September 24, 2018, glass wine bottles from China were subject to an additional 10 percent *ad valorem* duty under section 301 of the Trade Act of 1974. On May 10, 2019, the section 301 duty for glass wine bottles was increased to 25 percent.[159]

C. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[160]

Cumulated subject imports, by volume, decreased irregularly by 3.9 percent between 2020 and 2022, increasing from 3.5 million gross in 2020 to 3.6 million gross in 2021 and then decreasing to 3.4 million gross in 2022; cumulated subject imports were 12.4 percent lower in interim 2023 at 2.3 million gross, compared with 2.7 million gross in interim 2022.[161]

Cumulated subject imports as a share of apparent U.S. consumption[162] declined from *** percent in 2020 to *** percent in 2021, and *** percent in 2022, for an overall decrease of *** percentage points.[163] Their share was *** percentage points higher in interim 2023, at *** percent, than in interim 2022, at *** percent.[164]

Accordingly, based on the record in the preliminary phase of these investigations, we find that the volume of cumulated subject imports is significant in absolute terms and relative to consumption in the United States.[165]

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[159] CR/PR at I-7.

[160] 19 U.S.C. § 1677(7)(C)(i).

[161] CR/PR at Table IV-2. As a ratio to domestic production, subject imports were *** percent in 2020, *** percent in 2021 and *** percent in 2022. CR/PR at Table IV-2. Their ratio was *** percent in interim 2023, compared to *** percent in interim 2022. *Id.*

[162] As noted above, market shares are calculated based on importers' reported U.S. shipments for subject imports but adjusted official import statistics for nonsubject imports. *See* CR/PR at Table IV-8. Insofar as the former data set may be understated and the latter overstated, this necessarily affects all market share calculations.

[163] CR/PR at Tables IV-8 and C-1. In the merchant market, cumulated subject imports as a share of apparent U.S. consumption declined from *** percent in 2020 to *** percent in 2021, and *** percent in 2022, for an overall decrease of *** percentage points. CR/PR at Tables IV-9 and C-2.

[164] CR/PR at Tables IV-8 and C-1. In the merchant market, cumulated subject import market share was *** percentage points lower in interim 2023, at *** percent, than in interim 2022, at *** percent. CR/PR at Tables IV-9 and C-2.

[165] Commissioner Schmidtlein additionally finds that the increase in subject imports' market share in interim 2023 relative to interim 2022 is significant.

D. Price Effects of the Subject Imports

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

> (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and
>
> (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[166]

As discussed in section VII.B.4 above, we find that there is a moderate-to-high degree of substitutability between cumulated subject imports and the domestic like product, and that price is an important factor in purchasing decisions for glass wine bottles.

The Commission collected quarterly quantity and f.o.b. pricing data on sales of three pricing products shipped to unrelated U.S. customers during the POI.[167] Three U.S. producers and five importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[168] The pricing data reported by these firms accounted for approximately *** percent of U.S. producers' U.S. commercial shipments of domestically produced glass wine bottles, *** percent of U.S. commercial shipments of subject imports from Chile and *** percent from China in 2022.[169] No pricing data were reported for subject imports from Mexico.[170]

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[166] 19 U.S.C. § 1677(7)(C)(ii).

[167] CR/PR at V-7. The three pricing products are:

Product 1.-- 750 ml, Claret style (also referred to as Bordeaux) wine bottle, weighing 16.5 ounces, without frosting, coating, or other decoration, stelvin (screw top) finish, bulk packed;

Product 2.-- 750 ml, Burgundy style wine bottle, weighing 14 ounces, without frosting, coating, or other decoration, cork finish, bulk packed;

Product 3.-- 750 ml, Claret style (also referred to as Bordeaux) wine bottle, weighing 16.5 ounces, without frosting, coating, or other decoration, cork finish, bulk packed. *Id.*

[168] CR/PR at V-12.

[169] CR/PR at V-12.

[170] CR/PR at V-12. Subject imports from Mexico accounted for the majority, *i.e.*, *** percent, of total shipments of cumulated subject imports during the POI, yet the Commission received no pricing data for subject imports from Mexico. *Calculated from* CR/PR at Table C-1. We note that this may stem from the lack of a pricing product that corresponds to the type of glass wine bottles being imported from Mexico. The pricing product definitions only include glass wine bottles that are "bulk packed." CR/PR at V-7 (three pricing products). *** indicated that it only "***." *** U.S. Importer Questionnaire at II-4. It reported that *** percent of its shipments were case packed. CR/PR at II-3 and Table IV-1. It (Continued…)

Cumulated subject imports undersold the domestic like product in 9 of 74 quarterly comparisons, or 12.2 percent of the time, with underselling margins ranging between 3.2 percent and 28.4 percent, and averaging 14.4 percent.[171] Cumulated subject imports oversold the domestic like product in the remaining 65 quarterly comparisons, or 87.8 percent of the time, with overselling margins ranging between 0.9 percent and 202.0 percent and averaging 101.6 percent.[172] Quarters in which there was underselling accounted for 3.3 percent of total reported subject import sales volume (17,195 gross) covered by the Commission's pricing data during the POI, and quarters in which there was overselling accounted for 96.7 percent of reported total reported subject import sales volume (497,632 gross).[173] The average unit values ("AUVs") of U.S. shipments of subject imports exceeded the average unit values of U.S. shipments of domestically produced glass wine bottles, generally,[174] and specifically with respect to claret and burgundy green glass wine bottles.[175]

We have also considered purchasers' responses to the Commission's lost sales/lost revenue survey. The Commission contacted 16 purchasers identified by Ardagh and *** and received responses to the lost sales/lost revenue survey from four purchasers who reported purchasing or importing *** gross of glass wine bottles during the POI.[176] All four responding purchasers reported that, since January 1, 2020, they had purchased glass wine bottles from subject sources instead of domestically produced glass wine bottles, and three of these purchasers reported that the price of subject imports was lower than the price of the domestically produced product.[177] Two of those purchasers also reported that price was a primary reason for their decision to purchase *** gross glass wine bottles imported from the

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is unclear whether other aspects of the pricing product descriptions have contributed to coverage issues. In light of the lack of pricing data for subject imports from Mexico and relatively low pricing product coverage for Chile and China, in any final phase investigations we invite parties to propose pricing product definitions in their comments on draft questionnaires that will provide improved coverage of subject imports.

[171] CR/PR at Table V-12.

[172] CR/PR at Table V-12.

[173] CR/PR at Table V-12.

[174] CR/PR at Table C-1.

[175] *See* CR/PR at Appendix D. In response to the Commission's lost sales/lost revenue survey, one purchaser indicated that case packing of glass wine bottles can account for the higher prices of subject imports because additional costs are required for case packing as compared to the bulk packaging of glass wine bottles allegedly more common among domestic producers; thus, differences in packaging may affect relative average unit values. CR/PR at Table V-15.

[176] CR/PR at V-19.

[177] CR/PR at Table V-14.

subject countries rather than the domestic like product.[178] These lost sales are equivalent to *** percent of importers' U.S. shipments of subject imports and *** percent of responding purchasers' reported purchases and imports of subject imports during the POI.[179]

While the pricing data on the record here indicate that subject imports were higher priced than the domestic like product,[180] the record contains other evidence indicating that subject imports were lower priced than the domestic product. Responding purchasers indicated in the lost sales responses that subject imports were priced lower than the domestic like product, at least at times during the POI. Petitioner also provided email correspondence with wineries that it claims show that subject imports were priced lower than the domestic industry's glass wine bottles and resulted in domestic industry lost sales.[181] Petitioner's witnesses at the staff conference testified that subject imports were often priced substantially lower than domestically produced glass wine bottles.[182] In light of this conflicting evidence, the Commission is unable to make a finding concerning the degree of underselling based on the record of these preliminary phase investigations.

We have also examined price trends during the POI. Between the first quarter of 2020 and the third quarter of 2023, U.S. producers' sales prices for glass wine bottles increased overall. Prices for the domestic product generally fluctuated during 2020 and 2021 before increasing or fluctuating upward during 2022 and interim 2023.[183] The sales prices of domestically produced glass wine bottles meeting the definitions of pricing products 1-3

[178] CR/PR at Table V-14.

[179] *See* CR/PR at Tables IV-8, V-13-V-14. These lost sales are also equivalent to *** percent of the reporting purchasers' total purchases and imports and *** percent of total apparent U.S. consumption during the POI. *See* CR/PR at Tables IV-8, V-13-V-14.

[180] CR/PR at Tables V-11-V-12. Respondents contend that the pricing data also show limited competition between subject imports and the domestic product because subject imports are usually not sold in bulk packaging. Berlin's Postconference Brief at 36-38; Encore's Postconference Brief at 12; TricorBraun's Postconference Brief at 29.

[181] Petitioner's Postconference Brief at 20-22 and Exhibits 4, 14-16. The e-mails provided suggest that Ardagh lost sales to or faced pricing pressure from subject imports when negotiating with ***, all major wineries in the United States. *See* Petitioner's Postconference Brief, Exhibit 7 (50 largest U.S. wineries by sales).

[182] Conf. Tr. at 16-17 (Walton) and 33 (Curtin). Petitioner further argues that the price data adjusted for inflation show that "real" prices for the domestic product declined over the POI. Its calculations allegedly show that on an inflation-adjusted basis domestic prices fell over the POI. Petitioner's Postconference Brief at 32-33.

[183] CR/PR at Figs. V-3, V-4, V-5, and V-6.

increased by *** percent, *** percent, and *** percent, respectively, over the POI.[184] Sales prices for subject imports of pricing products 1-3 from China also increased irregularly by *** percent, *** percent, and *** percent, respectively, over the POI.[185]

We have also considered whether cumulated subject imports prevented price increases for domestically produced glass wine bottles which otherwise would have occurred to a significant degree. Notwithstanding the increase in apparent U.S. consumption of *** percent from 2020 to 2022, the domestic industry's ratio of COGS to net sales rose by *** percentage points between 2020 and 2022.[186] The ratio increased from *** percent in 2020 to *** percent in 2021 and *** percent in 2022.[187]

From 2020 to 2022, the domestic industry's unit COGS increased by $*** per gross, or *** percent, while its unit net sales value increased by only $*** per gross, or *** percent.[188] Thus, the industry's average unit net sales value increased by $*** less than its unit COGS.[189]

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[184] CR/PR at Table V-8. One responding purchaser reported that U.S. producers had reduced prices in order to compete with lower-priced subject imports. It reported an estimated price reduction of *** percent to compete with subject imports from Mexico and *** percent to compete with subject imports from China. The purchaser also reported negotiating a new *** percent price reduction for purchases in 2024. CR/PR at V-22.

[185] CR/PR at Table V-8. No pricing data were reported for subject imports from Chile at the beginning of the POI. For all three pricing products, prices for subject imports from Chile increased between the first and last quarters for which data were reported. *See* CR/PR at Tables V-5, V-6, and V-7 As noted, no pricing data were reported for subject imports from Mexico. *Id.*

[186] *See* CR/PR at Table VI and C-1. In the merchant market, when apparent U.S. consumption increased *** percent from 2020 to 2022, the domestic industry's ratio of COGS to net sales rose by *** percentage points between 2020 and 2022. *See* CR/PR at Table VI-3 and C-2.

[187] *See* CR/PR at Table VI and C-1. In the merchant market, the ratio increased from *** percent in 2020 to *** percent in 2021 and *** percent in 2022. *See* CR/PR at Table VI-3 and C-2.

When apparent U.S. consumption was *** percent lower in interim 2023 than in interim 2022, the domestic industry's ratio of COGS to net sales was also lower, at *** percent in interim 2023, as compared to *** percent in interim 2022. CR/PR at Tables VI-1 and C-1. In the merchant market, when apparent U.S. consumption was *** percent lower in interim 2023 than in interim 2022, the domestic industry's ratio of COGS to net sales was also lower, at *** percent in interim 2023, as compared to *** percent in interim 2022. *See* CR/PR at Table VI-3 and C-2.

[188] *See* CR/PR at Tables VI-1 and C-1. In the merchant market, as the domestic industry's unit COGS increased by *** percent from 2020 to 2022, the industry's average net sales unit values increased by *** percent. *See* CR/PR at Table VI-3 and C-2.

[189] *See* CR/PR at Tables VI-1, VI-2, and C-1. The industry's unit COGS increased from $*** per gross in 2020 to $*** per gross in 2021 and $*** per gross in 2022; unit COGS were $*** per gross in interim 2023, compared with $*** per gross in interim 2022. CR/PR at Tables C-1 and VI-1. The industry's unit net sales values increased from $*** per gross in 2020 to $*** per gross in 2021, and $*** per gross in 2022; they were $*** per gross in interim 2023, compared with $*** per gross in (Continued…)

Most of the increase in the domestic industry's total COGS was driven by other factory costs, which increased by $*** per gross (*** percent) from 2020-2022, from $*** per gross in 2020 to $*** per gross in 2021 and $*** per gross in 2022; they were $*** per gross (*** percent) higher in interim 2023 at $*** per gross, compared with $*** per gross in interim 2022.[190] The result of the domestic industry's costs rising to a greater degree than its net unit sales value was that the domestic industry experienced a cost-price squeeze during the POI as it was unable to increase its prices sufficiently to cover its increased costs.

The vast majority of domestic industry's sales were through long-term contracts that were indexed to raw material costs and reportedly did not permit for renegotiation of prices.[191] Based on the evidence of record in these preliminary investigations, and in particular the significant rise in the domestic industry's COGS to net sales ratio and some evidence that subject imports were priced lower than domestic product, we cannot conclude that subject

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(…Continued)
interim 2022. *Id.* The domestic industry's unit COGS and net sales values were $*** per gross (*** percent) and $*** per gross (*** percent) higher, respectively, in interim 2023 than in interim 2022. *Id*.

In the merchant market, the industry's average commercial sales values increased by $*** less than its unit COGS. The industry's unit COGS increased by $*** per gross (*** percent) from 2020 to 2022, from $*** per gross in 2020 to $*** per gross in 2021, and then to $*** per gross in 2022; unit COGS were $*** per gross in interim 2023, compared with $*** per gross in interim 2022. CR/PR at Tables VI-3, VI-4, and C-2. The industry's unit commercial sales values increased by $*** per gross (*** percent) from 2020 to 2022, from $*** per gross in 2020 to $*** per gross in 2021, and then to $*** per gross in 2022; they were $*** per gross in interim 2023 compared with $*** per gross in interim 2022. *Id.* The domestic industry's unit COGS and commercial sales values were $*** per gross (*** percent) and $*** per gross (*** percent) higher, respectively, in interim 2023 than in interim 2022. *Id*.

[190] CR/PR at Tables VI-1, VI-2, and C-1. ***. In addition, ***. CR/PR at VI-16, n. 5.

Raw material costs increased by $*** per gross (*** percent) from 2020-2022, from $*** per gross in 2020 to $*** per gross in 2021 and $*** per gross in 2022; they were $*** per gross (*** percent) higher in interim 2023 at $*** per gross, compared with $*** per gross in interim 2022. CR/PR at Tables VI-1 and VI-2.

In the merchant market, other factory costs increased by $*** per gross (*** percent) from 2020-2022, from $*** per gross in 2020 to $*** per gross in 2021 and $*** per gross in 2022; they were $*** per gross (*** percent) higher in interim 2023 at $*** per gross, compared with $*** per gross in interim 2022. CR/PR at Tables VI-3 and VI-4. Raw material costs in the merchant market increased by $*** per gross (*** percent) from 2020-2022, from $*** per gross in 2020 to $*** per gross in 2021 and $*** per gross in 2022; they were $*** per gross (*** percent) higher in interim 2023 at $*** per gross, compared with $*** per gross in interim 2022. CR/PR at Tables VI-3 and VI-4.

[191] CR/PR at V-6. We intend, in any final phase of these investigations, to investigate whether the domestic industry's sales through long-term contracts affected its ability to pass on increases in costs, including other factory costs.

imports did not prevent domestic price increases that would have otherwise occurred to a significant degree.

In light of the available conflicting evidence detailed above, and the absence of any pricing data for subject imports from Mexico, which constituted the *** of subject imports during the POI, we cannot conclude for purposes of the preliminary phase of these investigations that subject imports were not having significant price effects.[192]

E. Impact of the Subject Imports[193]

Section 771(7)(C)(iii) of the Tariff Act provides that the Commission, in examining the impact of the subject imports on the domestic industry, "shall evaluate all relevant economic factors which have a bearing on the state of the industry." These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debt, research and development ("R&D"), and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[194]

The domestic industry's performance declined by most measures during the POI as subject imports maintained a significant presence in the market. Despite increasing apparent U.S. consumption from 2020 to 2022, the domestic industry's capacity, production, and capacity utilization fluctuated but declined between 2020 and 2022 and were lower in interim 2023 compared with interim 2022. Its employment-related indicators were mixed over the full years of the POI, and lower in interim 2023 compared with interim 2022. Most of the industry's financial indicators also declined over the full years of the POI and were lower in interim 2023 compared with interim 2022. Its shipments and net sales quantity increased over the three full years of the POI but not to the same extent as the increase in apparent U.S. consumption and were lower in interim 2023 compared with interim 2022.

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[192] *See American Lamb Co.*, 785 F.2d at 1001.

[193] In its notice initiating the antidumping duty investigations, Commerce initiated the investigations based on estimated dumping margins of 609.71 percent for imports from Chile, 284.53 to 301.12 percent for imports from China, and 79.83 to 96.95 percent for imports from Mexico. *Certain Glass Wine Bottles From Chile, the People's Republic of China, and Mexico: Initiation of Less-Than-Fair-Value Investigations*, 89 Fed. Reg. 4911, 4914 (Jan. 25, 2024).

[194] 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act ("TPEA") of 2015, Pub. L. 114-27.

The industry's practical capacity declined by *** percent between 2020 and 2022, decreasing from *** gross in 2020 to *** gross in 2021 before increasing to *** gross in 2022; it was lower in interim 2023, at *** gross, compared with interim 2022, at *** gross.[195] The domestic industry's production quantity decreased by *** percent between 2020 and 2022, decreasing from *** gross in 2020 to *** gross in 2021 and then increasing to *** gross in 2022; production was lower in interim 2023, at *** gross, compared with interim 2022, at *** gross.[196] Capacity utilization increased by *** percentage points between 2020 and 2022, increasing from *** percent in 2020 to *** percent in 2021, before falling to *** percent in 2022; capacity utilization was lower in interim 2023, at *** percent, compared with interim 2022, at *** percent.[197]

The domestic industry's number of production and related workers ("PRWs") decreased by *** percent from 2020 to 2022, decreasing from *** in 2020 to *** in 2021, and then increasing to *** in 2022. It was *** percent lower in interim 2023, at *** PRWs, compared with interim 2022, at *** PRWs.[198] Hours worked increased by *** percent between 2020 and 2022, increasing from *** hours in 2020 to *** hours in 2021 and *** hours in 2022; hours worked were *** percent lower in interim 2023, at *** hours, compared with interim 2022, at *** hours.[199] Wages paid increased by *** between 2020 and 2022, rising from $*** in 2020 to $*** in 2021, and $*** in 2022; wages paid were *** percent higher in interim 2023, at $***, compared with interim 2022, at $***.[200] Productivity (in gross per hour) decreased slightly between 2020 and 2022, decreasing from *** gross per hour in 2020 to *** gross per hour in 2021 and 2022; productivity was lower in interim 2023, at *** gross per hour, as compared with interim 2022, at *** gross per hour.[201]

The domestic industry's U.S. shipments increased by *** percent from 2020 to 2022, increasing from *** gross in 2020 and 2021 to *** million gross in 2022; U.S. shipments were lower in interim 2023, at *** gross, compared with interim 2022, at *** gross.[202] The

[195] CR/PR at Tables III-5 and C-1.
[196] CR/PR at Tables III-5 and C-1.
[197] CR/PR at Tables III-5 and C-1.
[198] CR/PR at Tables III-15 and C-1.
[199] CR/PR at Tables III-15 and C-1.
[200] CR/PR at Tables III-15 and C-1.
[201] CR/PR at Tables III-15 and C-1.
[202] CR/PR at Tables III-9 and C-1. The industry's merchant market sales quantity increased by *** percent from 2020 to 2022, increasing from *** gross in 2020 and 2021 to *** gross in 2022; commercial sales were lower in interim 2023, at *** gross, compared with interim 2022, at *** gross. CR/PR at Tables VI-3 and C-2.

industry's share of apparent U.S. consumption declined by *** percentage points between 2020 and 2022, decreasing from *** percent in 2020 to *** percent in 2021 and *** percent in 2022.[203] Its market share was higher in interim 2023, at *** percent, compared with interim 2022, at *** percent.[204]

The domestic industry's end-of-period inventories increased by *** percent between 2020 and 2022, increasing from *** gross in 2020 to *** gross in 2021 and *** gross in 2022; they were also *** percent higher in interim 2023, at *** gross, compared with interim 2022, at *** gross.[205] As a ratio to total shipments, the domestic industry's end-of-period inventories increased from *** percent in 2020 to *** percent in 2021 and *** percent in 2022 – an increase of *** percentage points; the ratio was higher in interim 2023, at *** percent, compared with interim 2022, at *** percent.[206]

The domestic industry's financial performance declined from 2020 to 2022 according to most indicators, but it improved in interim 2023 compared with interim 2022. The industry's net sales revenues increased by *** percent between 2020 and 2022, rising from $*** in 2020 to $*** in 2021 and $*** in 2022; the industry's net sales revenues were lower in interim 2023, at $***, compared with interim 2022, at $***.[207]

The domestic industry's gross profit decreased by *** percent between 2020 and 2022, declining from $*** in 2020 to $*** in 2021 and $*** in 2022; the industry's gross profit was higher in interim 2023, at $***, compared with interim 2022, at $***.[208] The industry's operating income *** between 2020 and 2022, decreasing from an operating profit of $*** in 2020 to *** of $*** in 2021 and $*** in 2022; the domestic industry's *** was smaller in

[203] CR/PR at Tables IV-9 and C-1. In the merchant market, the industry's market share fell from *** percent in 2020 to *** percent in 2021 and *** percent in 2022. CR/PR at Tables IV-9 and C-2.

[204] CR/PR at Tables IV-9 and C-1. In the merchant market, the industry's market share was *** percent in interim 2023, compared with *** percent in interim 2022. CR/PR at Tables IV-9 and C-2.

[205] CR/PR at Tables III-13 and C-1.

[206] CR/PR at Tables III-13 and C-1.

[207] CR/PR at Tables VI-1 and C-1. In the merchant market, its commercial sales revenues increased by *** percent between 2020 and 2022, rising from $*** in 2020 to $*** in 2021 and $*** in 2022; the industry's sales revenues were lower in interim 2023, at $***, compared with interim 2022, at $***. CR/PR at Tables VI-3 and C-2.

[208] CR/PR at Tables VI-1 and C-1. In the merchant market, the industry's gross profit decreased by *** percent between 2020 and 2022, declining from $*** in 2020 to $*** in 2021, and increasing to $*** in 2022; the industry's gross profit was higher in interim 2023, at $***, compared with interim 2022, at $***. CR/PR at Tables VI-3 and C-2.

interim 2023, at $***, compared with interim 2022, at $***.[209] Its net income also decreased between 2020 and 2022. It reported net income of $*** in 2020 and *** of $*** in 2021 and $*** in 2022. The domestic industry's *** in interim 2023 was smaller, at $***, compared with interim 2022, at $***.[210]

The domestic industry's ratio of operating income to net sales decreased from *** percent in 2020 to *** percent in 2021 and *** percent in 2022; it was *** percent in interim 2023, compared with *** percent in interim 2022.[211] The domestic industry's net income margin decreased from *** percent in 2020 to *** percent in 2021 and *** percent in 2022; it was *** percent in interim 2023, compared with *** percent in interim 2022.[212] The industry's net assets increased by *** percent between 2020 and 2022, rising from $*** in 2020 to $*** in 2021 and $*** in 2022.[213] The domestic industry's return on assets declined from *** percent in 2020 to *** percent in 2021 and *** percent in 2022.[214]

The domestic industry made substantial capital investments during the POI on furnace rebuilds, machine and component purchases, and general maintenance.[215] The industry's capital expenditures increased by *** percent between 2020 and 2022, increasing from $*** in 2020 to $*** in 2021 and $*** in 2022; capital expenditures were lower in interim 2023, at $***, compared with interim 2022, at $***.[216] The domestic industry's R&D expenses decreased by *** percent between 2020 and 2022, increasing from $*** in 2020 to $*** in

[209] CR/PR at Tables VI-1 and C-1. In the merchant market, the domestic industry's operating income *** between 2020 and 2022, decreasing from an operating profit of $*** in 2020 to *** of $*** in 2021 and $*** in 2022; the domestic industry's *** was bigger in interim 2023, at $***, compared with interim 2022, at $***. CR/PR at Tables VI-3 and C-2.

[210] CR/PR at Tables VI-1 and C-1. In the merchant market, it reported net income of $*** in 2020 and *** of $*** in 2021, and $*** in 2022. The domestic industry's *** in interim 2023 was smaller, at $***, compared with interim 2022, at $***. CR/PR at Tables VI-3 and C-2.

[211] CR/PR at Tables VI-1 and C-1. In the merchant market, the industry's ratio of operating income to net sales decreased from *** percent in 2020 to *** percent in 2021, and then increased to *** percent in 2022; it was *** percent in interim 2023, compared with *** percent in interim 2022. CR/PR at Tables VI-3 and C-2.

[212] CR/PR at Tables VI-1 and C-1. In the merchant market, the industry's net income margin decreased from *** percent in 2020 to *** percent in 2021 and then increased to *** percent in 2022; it was *** percent in interim 2023, compared with *** percent in interim 2022. CR/PR at Tables VI-3 and C-2.

[213] CR/PR at Tables VI-13 and C-1.

[214] CR/PR at Table VI-14.

[215] CR/PR at Tables VI-9 and VI-10.

[216] CR/PR at Tables VI-9 and C-1.

2021 and then decreasing to $*** in 2022; the industry's R&D expenses were higher in interim 2023, at $***, compared with interim 2022, at $***.[217]

The record of the preliminary phase of these investigations indicates that subject imports held a significant portion of the U.S. market from 2020 to 2022 at the same time that many indicators of the domestic industry declined, and the domestic industry experienced a cost-price squeeze despite increasing apparent U.S. consumption. Three purchasers responding to lost sales/lost revenue allegations indicated that subject imports were priced lower than the domestic product, and two reported purchasing subject imports rather than the domestic product because they were lower-priced. The domestic industry possessed excess practical capacity and increasing end-of-period inventories throughout the POI, indicating an ability to make additional sales. Further, *** domestic producers reported that subject imports had negative effects on their investment, growth, and development.[218] ***, and ***.[219]

Based on the available information, we cannot conclude in these preliminary phase investigations that cumulated subject imports did not have a significant adverse impact on the domestic industry.

Respondents argue that the domestic industry was unwilling to supply smaller runs of custom glass wine bottles that are case packed. They also claim to sell mostly to smaller wineries unlike the domestic industry, which they contend only serves larger wineries.[220] Petitioner disagrees and claims to serve customers wanting case packed and bulk packaged glass wine bottles.[221] Indeed, as referenced above in section VI, Ardagh reports that just over *** were case packed during the POI.[222] In any final phase of these investigations, we intend to further investigate the extent to which the domestic industry and subject imports serve customers with differing purchase volume and packaging requirements.

We have also considered whether there were other factors that may have had an impact on the domestic industry to ensure for preliminary phase purposes that we are not attributing injury from such other factors to subject merchandise. Apparent U.S. consumption

[217] CR/PR at Tables VI-11 and C-1.

[218] CR/PR at Tables VI-16 and VI-17.

[219] CR/PR at Tables VI-16 and VI-17; U.S. Producer Questionnaire Responses at III-15 and III-16.

[220] Berlin's Postconference Brief at 29; Fesiva's Postconference Brief at 1; Saverglass' Postconference Brief at 8-9. Respondents also contend that any domestic closures or furnace shutdowns resulted from causes other than subject imports, which we will consider further in any final phase investigations. Berlin's Postconference Brief at 25-26, 41; Fesiva's Postconference Brief at 10-11.

[221] Petitioner's Postconference Brief at 23-25, Answers to Questions at 6.

[222] CR/PR at II-3 and IV-9 n.6; Petitioner's Postconference Brief, Exhibit 20.

increased *** percent from 2020 to 2022 and therefore cannot explain the industry's declining indicators over the full years of the POI.[223] Based on available data, it appears that nonsubject imports increased from 2020 to 2022 and captured market share from the domestic industry, unlike subject imports.[224] As described above in section II, while data for U.S. imports from subject sources are based on questionnaire data, data for U.S. imports from nonsubject sources are based on adjusted official import statistics under statistical reporting number 7010.90.50.19, HTSUS. The Commission notes that further and/or refined import data collected in any final phase of these investigations may impact subject and nonsubject import volume totals and relative market shares. In any final phase of these investigations, we intend to further investigate the role of nonsubject imports in the U.S. market.

VIII. Conclusion

For the reasons stated above, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of glass wine bottles from Chile, China, and Mexico that are allegedly sold in the United States at less than fair value and imports of glass wine bottles from China that are allegedly subsidized by the government of China.

[223] CR/PR at Tables IV-8 and C-1.
[224] CR/PR at Tables IV-8 and C-1.

Part I: Introduction

Background

These investigations result from petitions filed with the U.S. Department of Commerce ("Commerce") and the U.S. International Trade Commission ("USITC" or "Commission") by the U.S. Glass Producers Coalition, which is comprised of Ardagh Glass Inc., Indianapolis, Indiana and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, Pittsburgh, Pennsylvania, on December 29, 2023, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized imports of glass wine bottles[1] from China and less-than-fair-value ("LTFV") imports of glass wine bottles from Chile, China, and Mexico. Table I-1 presents information relating to the background of these investigations.[2] [3]

Table I-1
Glass wine bottles: Information relating to the background and schedule of this proceeding

Effective date	Action
December 29, 2023	Petitions filed with Commerce and the Commission; institution of the Commission investigations (89 FR 809, January 5, 2024)
January 18, 2024	Commerce's notice of initiation CVD (89 FR 4905, January 25, 2024)
January 18, 2024	Commerce's notice of initiation AD (89 FR 4911, January 25, 2024)
January 19, 2024	Commission's conference
February 9, 2024	Commission's vote
February 12, 2024	Commission's determinations
February 20, 2024	Commission's views

[1] See the section entitled "The subject merchandise" in Part I of this report for a complete description of the merchandise subject in this proceeding.

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

[3] A list of witnesses that appeared at the conference is presented in appendix B of this report.

Statutory criteria

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

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

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that--[4]

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

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

In addition, Section 771(7)(J) of the Act (19 U.S.C. § 1677(7)(J)) provides that—[5]

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

Organization of report

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

Market summary

Glass wine bottles are generally intended for the conveyance or packing of wine. Glass is a preferred packaging to preserve a product's taste or flavor and maintain the health and integrity of the food or beverage. The known U.S. producers of glass wine bottles are Ardagh Glass Inc. ("Ardagh"), Gallo Glass Company ("Gallo"), and O-I Glass, Inc. ("O-I"), while leading producers of glass wine bottles outside the United States include Cristalerias de Chile S.A. ("Cristalerias de Chile") of Chile, Shandong Changyu Glass Co., Ltd. ("Changyu Glass") of China and Owens América, S. de R.L. de C.V. ("Owens America") of Mexico. The leading U.S. importers of glass wine bottles from Chile are TricorBraun and Berlin Packaging L.L.C. ("Berlin"), the leading importers of glass wine bottles from China are TricoBraun, Berlin, and M. A. Silva Corks USA LLC ("M.A. Silva Corks"), and the leading importers of glass wine bottles from Mexico are Encore Glass, Inc. ("Encore") and O-I Packaging Solutions LLC ("O-I Packaging"). Leading importers of glass wine bottles from nonsubject countries include Berlin and Saverglass Inc.

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

("Saverglass USA"). U.S. purchasers of glass wine bottles are primarily distributors and end users such as wineries. Large purchasers include ***.

Apparent U.S. consumption of glass wine bottles for the total market totaled approximately *** gross ($*** dollars) in 2022. Currently, three firms are known to produce glass wine bottles in the United States. U.S. producers' U.S. shipments of glass wine bottles totaled *** gross ($*** dollars) in 2022, and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. shipments of imports from subject sources totaled 3.1 million gross ($361 million dollars) in 2022 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. imports from nonsubject sources totaled *** gross ($*** dollars) in 2022 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value.

Summary data and data sources

A summary of data collected in these investigations is presented in appendix C, tables C-1 and C-2. Except as noted, U.S. industry data are based on questionnaire responses of three firms that accounted for all known U.S. production of glass wine bottles during 2022. U.S. imports are based on a combination of questionnaire responses of 15 U.S. importers of glass wine bottles and official U.S. import statistics of the U.S. Department of Commerce Census Bureau.[6]

[6] Data for subject imports from Chile, China, and Mexico are compiled from data submitted in response to Commission questionnaires. Data for imports from nonsubject sources are compiled using official U.S. imports statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting number 7010.90.5019, accessed January 10, 2024, adjusted to remove out-of-scope imports that entered the U.S. under statistical reporting number 7010.90.50.19 using data submitted in Commission questionnaires and using proprietary, Census-edited Customs records using HTS statistical reporting number 7010.90.5019, accessed December 29, 2023 for firms that submitted a certified "No" questionnaire response and may be overstated.

Previous and related investigations

Glass wine bottles have not been the subject of prior countervailing or antidumping duty investigations in the United States. Glass wine bottles were included in the scope of investigation in the countervailing and antidumping duty investigations on glass containers from China, instituted in September 2019, where the Commission determined that an industry in the United States is not materially injured or threatened with material injury by reason of imports of glass containers from China.[7]

Nature and extent of alleged subsidies and sales at LTFV

Alleged subsidies

On January 25, 2024, Commerce published a notice in the Federal Register of the initiation of its countervailing duty investigation on glass wine bottles from China.[8]

Alleged sales at LTFV

On January 25, 2024, Commerce published a notice in the Federal Register of the initiation of its antidumping duty investigations on glass wine bottles from Chile, China, and Mexico.[9] Commerce has initiated antidumping duty investigations based on estimated dumping margins of 609.71 percent for glass wine bottles from Chile, 284.53 to 301.12 percent for glass wine bottles from China, and 79.83 to 96.95 percent for glass wine bottles from Mexico.

[7] 85 FR 58333, September 18, 2020.

[8] For further information on the alleged subsidy programs see Commerce's notice of initiation and related CVD Initiation Checklist. 89 FR 4905, January 25, 2024.

[9] 89 FR 4911, January 25, 2024.

The subject merchandise

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:[10]

> *The merchandise covered by the investigations is certain narrow neck glass bottles, with a nominal capacity of 740 milliliters (25.02 ounces) to 760 milliliters (25.70 ounces); a nominal total height between 24.8 centimeters (9.75 inches) to 35.6 centimeters (14 inches); a nominal base diameter between 4.6 centimeters (1.8 inches) to 11.4 centimeters (4.5 inches); and a mouth with an outer diameter of between 25 millimeters (.98 inches) to 37.9 millimeters (1.5 inches); frequently referred to as a "wine bottle." In scope merchandise may include but is not limited to the following shapes: Bordeaux (also known as "Claret"), Burgundy, Hock, Champagne, Sparkling, Port, Provence, or Alsace (also known as "Germanic"). In scope glass bottles generally have an approximately round base and have shapes including but not limited to, straight-sided, a tapered slope from shoulder (i.e., the sloping part of the bottle between the neck and the body) to base, or a long neck with sloping shoulders to a wider base. The scope includes glass bottles, whether or not clear, whether or not colored, with or without a punt (i.e., an indentation on the underside of the bottle), and with or without design or functional enhancements (including, but not limited to, embossing, labeling, or etching). In scope merchandise is made of non-"free blown" glass, i.e., in scope merchandise is produced with the use of a mold and is distinguished by mold seams, joint marks, or parting lines. In scope merchandise is unfilled and may be imported with or without a closure, including a cork, stelvin (screw cap), crown cap, or wire cage and cork closure.*
>
> *Excluded from the scope of the investigations are: (1) glass containers made of borosilicate glass, meeting United States Pharmacopeia requirements for Type 1 pharmaceutical containers; and (2) glass containers without a "finish" (i.e., the section of a container at the opening including the lip and ring or collar, threaded or otherwise compatible with a type of closure, including but not limited to a cork, stelvin (screw cap), crown cap, or wire cage and cork closure).*

[10] 89 FR 4905 and 89 FR 4911, January 25, 2024.

Tariff treatment

Based upon the scope set forth by Commerce, information available to the Commission indicates that the merchandise subject to this investigation are imported under Harmonized Tariff Schedule of the United States ("HTS") statistical reporting number 7010.90.5019. The 2024 general rate of duty is free and the column 2 rate is 4.9 percent ad valorem for HTS subheading 7010.90.50. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Effective September 24, 2018, glass wine bottles originating in China were subject to an additional 10 percent ad valorem duty under section 301 of the Trade Act of 1974. Effective May 10, 2019, the section 301 duty for glass wine bottles was increased to 25 percent.[11] Products of Russia are currently subject to additional column 2 duties of 35 percent on glass wine bottles of HTS subheading 7010.90.50, resulting from suspension of normal trade relations and the application of increases in column 2 rates pursuant to Presidential Proclamation 10420 of June 27, 2022.[12]

The product

Description and applications

The merchandise subject to these investigations consists of wine bottles with a nominal capacity of 750 milliliters. This capacity is considered the "standard" size in the wine industry.[13] The wine bottles can be clear or colored, with or without designs or functional enhancements such as embossing, labeling, or etching. The chemical composition for wine bottles is relatively uniform due to the viscosity requirements for molten glass on high-speed production equipment. A standard 750-milliliter wine bottle typically ranges from 11 to 35 ounces in

[11] 83 FR 47974, September 21, 2018; 84 FR 20459, May 9, 2019. See also HTS headings 9903.88.03 and 9903.88.04 and U.S. notes 20(e)–20(g) to subchapter III of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2024) Basic Edition, Publication 5483, January 2024, pp. 99-III-27–99-III-46, 99-III-301. Goods exported from China to the United States prior to May 10, 2019, and entering the United States prior to June 1, 2019, were not subject to the escalated 25 percent duty (84 FR 21892, May 15, 2019).

[12] The duties are a result of Presidential Proclamation 10420, "Increasing Duties from Certain Articles of the Russian Federation"; USITC, HTS (2024) Basic Edition, Publication 5483, January 2024, pp. 99-III-252- 99-III-254; Suspending Normal Trade Relations with Russia and Belarus Act (19 U.S.C. 2434 note), 87 FR 38875, June 30, 2022.

[13] Wine Racks, "Wine Bottle Dimensions and Sizes," n.d., https://wineracks.com/pages/wine-bottle-dimensions-sizes. Accessed January 12, 2024.

weight, depending on the amount of glass.[14] Certain design and functional enhancements can increase the weight of the bottle. Due to similar manufacturing techniques, wine bottles typically have "mold seams" (also referred to as "joint marks" or "parting lines"), which are raised lines of glass running vertically through the length of the bottle and are formed where the edges of different mold sections came together during the production process.[15]

Figure I-1 displays the characteristic components of a wine bottle. Wine bottles have a "finish" at the opening that includes the lip and "collar" or "ring" that is threaded, ribbed, or otherwise designed to be compatible with a closure (lid, cap, cork, etc.) to seal the bottle's contents. The shoulder is the sloping part of the bottle between the neck and the body, and its variation is a distinguishing characteristic for bottle shape classifications (see figure I-2). The punt—or indentation—on the underside of the base of the bottle is for the most part a design feature. Historically, the presence and greater depth of the punt was an indicator of higher-quality wine. Practical purposes of the punt include ease of pour when holding the bottle, and bottle stability by increasing the weight of the base. The punt also allows wine to chill faster by increasing the surface area of the bottle.[16] The subject merchandise generally has a round base (with or without a punt), includes common wine bottle shapes such as Bordeaux, Burgundy, and Champagne, and contains a finish with or without a closure.

[14] Petitioner's Post Conference Brief, exh. 1, p. 3.

[15] Glass Packaging Institute, "Forming Process," n.d., https://www.gpi.org/forming-process, accessed January 12, 2024; O. Berk, "Let's Make a Bottle," March 6, 2018, https://www.oberk.com/packaging-crash-course/glass-bottle-formation, accessed January 12, 2024.

[16] Petitioner's Post Conference Brief, exh. 1, p. 5.

Figure I-1
Glass wine bottles: Main components

Source: Winery.ph, "Vino 101," July 23, 2021, https://winery.ph/blogs/wineryph-blog/vino-101-how-to-easily-decipher-wine-bottle-shapes, accessed January 11, 2024.

Figure I-2
Glass Wine Bottles: Common Shapes

Source: Firstleaf, "Guide to Wine Bottle Shapes," n.d., https://www.firstleaf.com/wine-school/article/guide-wine-bottle-shapes, accessed January 11, 2024.

Wine bottles are generally intended for the packaging and sale of wine. Glass is a preferred packaging to preserve a product's taste or flavor and maintain the health and integrity of the food or beverage. Wine bottles are generally recognized as safe ("GRAS") by the U.S. Food and Drug Administration.[17] Wine bottles are recyclable and can be reused without any loss in purity or quality.[18]

Manufacturing processes

Wine bottles are primarily made from silica (sand), soda ash, limestone, and cullet (furnace-ready, recycled glass). Cullet is often used because it improves furnace efficiencies and energy consumption. Recycled glass requires additional processing to remove non-glass contaminants and create the size uniformity associated with cullet. It is usually color separated, crushed, screened, and vacuumed to remove contaminants. Secondary raw materials include fining agents, decolorizers, and colorizers. The most common fining agents are sulfates in combination with carbon. Of the sulfates used, sodium sulfate, or salt cake, is the most common. Sodium sulfate acts as a wetting agent to aid in melting the silica source and also as a fining agent.

The manufacturing process for wine bottles is a continuous operation done in three main stages: mixing, melting, and forming.

Mixing

The glass-making process starts at the batch house. The batch house stores the raw materials in large silos before they are used in glass furnace operations. Raw materials are first weighed and sent to a mixer. Cullet may be added to the mixture and may comprise up to 75 percent of the total mix. This mixture of sand, soda ash, limestone, cullet, and small quantities of other chemicals and decolorizers is referred to as the batch. Once the cullet is fully incorporated with the other raw materials, the batch mixture is transported to the furnace.[19]

[17] Glass Packaging Institute, "What Is Glass," n.d., https://www.gpi.org/what-is-glass, accessed January 11, 2024.

[18] Glass Packaging Institute, "What Is Glass," n.d., https://www.gpi.org/what-is-glass, accessed January 11, 2024.

[19] O. Berk, "Let's Make a Bottle," March 6, 2018, https://www.oberk.com/packaging-crash-course/glass-bottle-formation, accessed January 12, 2024.

Figure I-3
Glass wine bottles: Batch mixing

Source: O. Berk, "How Glass Bottles are Made," April 25, 2017, https://www.oberk.com/packaging-crash-course/from-grit-to-glass-how-it-is-made, accessed January 12, 2024.

Melting

The batch is then fed into the furnace at a controlled rate. The furnace typically consists of three main parts: the melter, the refiner, and the forehearth. Most furnaces are designed to use natural gas but can use alternate fuels such as oil, propane, and electricity if necessary. The batch travels through the furnace at an average temperature of more than 2,300 degrees Fahrenheit.

The melter is generally a rectangular basin in which the actual melting and fining (removing bubbles from molten glass) takes place. Along each side of the melter, above glass level, are typically three to seven ports, which contain the natural gas burners and the direct combustion air and exhaust gases. The molten glass then flows through the refiner. The refiner acts as a holding basin where the glass is allowed to cool to a uniform temperature before entering the forehearths. The mixture is then fed into the forehearth and carefully cooled to a desired temperature and viscosity before reaching the feeder. Since it is not practical to shut down glass furnace operations, glass manufacturing facilities typically operate 24 hours per day, year-round.[20] Glass furnaces have a lifespan of approximately ten years.[21]

Forming

Once the material has been melted and fed through the forehearth to cool, the molten glass flows through the bottom of the feeder into specific amounts, known as gobs. The amount of molten glass allowed through the feeder is controlled by a ceramic plunger. The gobs are gravity fed into the forming machine. The gob drops into the blank side mold, which produces a hollow and partially formed container, known as a parison.[22]

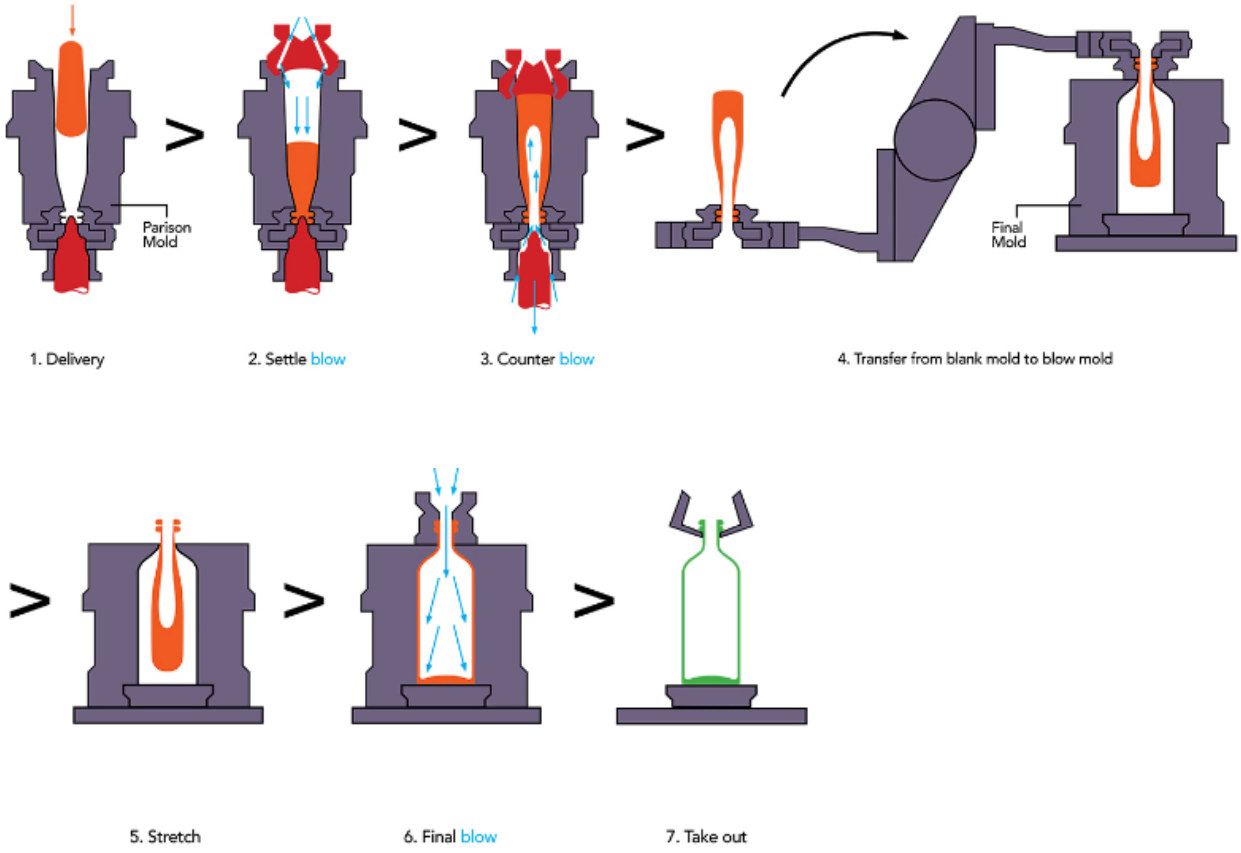
The wine bottles are then typically formed using the blow and blow method, a production process in which the parison is blown and then blown again to produce the final container shape, as shown in figure I-4. A gob is guided into a blank mold, and air is injected into the mold and the neck is formed. The parison is inverted 180 degrees and transferred from the blank mold to the blow mold. After the parison is reheated, air is generally injected to blow the container into shape. The finished container is then taken out of the mold and moved on to the annealing process.

[20] O. Berk, "Let's Make a Bottle," March 6, 2018, https://www.oberk.com/packaging-crash-course/glass-bottle-formation, accessed January 12, 2024.

[21] Glass Packaging Institute, "Learn About Glass," http://gpi.org/learn-about-glass, accessed January 12, 2024.

[22] *Learn About Glass,* Glass Packaging Institute, attached as ***; O. Berk, "Let's Make a Bottle," March 6, 2018, https://www.oberk.com/packaging-crash-course/glass-bottle-formation, accessed January 12, 2024.

Figure I-4
Glass wine bottles: *Blow and blow* method using an individual section ("IS") machine



Source: Corning Museum of Glass, "The Fabulous Monster: Owens Bottle Machine," October 25, 2011, https://www.cmog.org/article/fabulous-monster-owens-bottle-machine, accessed January 10, 2024.

This method uses an individual section ("IS") machine, which is separated into varying sections to produce several containers of the same size simultaneously. After the containers are released from the molds, they cross a cooling plate where the temperature drops to around 900 degrees Fahrenheit. They are then loaded into the annealing lehr, which brings the temperature back up to near melting point, then slowly reduces the temperature to below 900 degrees. This process, along with hot and cold end sprays, relieves stresses caused by the rapid cooling and produces stronger, more shock resistant containers.[23]

[23] O. Berk, "Let's Make a Bottle," March 6, 2018, https://www.oberk.com/packaging-crash-course/glass-bottle-formation, accessed January 12, 2024.

Inspection, Packaging, and Shipping

After the wine bottles are cooled, they pass through the inspection process, which optically and physically tests the containers for defects. Any rejected bottles are sent back as cullet and remelted, starting the production process again. Bottles that pass inspection are packaged, typically either in bulk packaging where glass containers are packed directly on pallets with corrugated sheets between each layer, or carton packaging where the product is packed in the customers' shipping cartons. The finished product is palletized and either shipped directly to the customer or stored in the warehouse.[24]

Domestic like product issues

The petitioner proposes a single domestic like product, coextensive with the scope. Respondents Berlin, Saverglass, and TricorBraun contend that, because the Commission accepted one, broader, domestic like product that included glass wine bottles in the glass containers from China investigation, it cannot now accept a narrower domestic like product.

[24] O. Berk, "Let's Make a Bottle," March 6, 2018, https://www.oberk.com/packaging-crash-course/glass-bottle-formation, accessed January 12, 2024.

Part II: Conditions of competition in the U.S. market

U.S. market characteristics

Wine bottles are generally intended for the conveyance or packing of wine. Glass is a preferred packaging to preserve a product's taste or flavor and maintain the health and integrity of the food or beverage. The wine bottles can be clear or colored, with or without designs or functional enhancements such as embossing, labeling, or etching. Wine bottles have a "finish" at the opening that includes the lip and "collar" or "ring" that is threaded, ribbed, or otherwise designed to be compatible with a closure (lid, cap, cork, etc.) in order to seal the bottle's contents. [1]

One of three U.S. producers and 9 of 13 responding importers indicated that the market was subject to distinctive conditions of competition. U.S. producer *** reported that such conditions included product availability and price sensitivity. Respondents stated that domestically produced glass wine bottles are consumed by the largest winery corporations. They continued that imports fill the gaps in the market, particularly to small and medium sized winemakers, and to customers that require a more custom product, such as case packs rather than bulk packs and other value-added services.[2] *** also reported that customers (i.e. wineries) are generally inflexible about the type of wine bottle they require because branding is tied to the bottle. Importer *** reported that the glass wine bottle market is subject to extreme supply shortages and is entirely intertwined with the global economy. Every global disruption that occurs greatly impacts the glass wine bottles market; for example, ocean freight costs have more than tripled in the last two weeks as a result of disruptions in the Panama and Suez Canals' shipping capabilities.

Apparent U.S. consumption of glass wine bottles increased by *** percent during 2020-22 and was *** percent lower in interim 2023 ("interim 2023") than in interim 2022 ("interim 2022").

Impact of section 301 tariffs

U.S. producers and importers were asked whether the section 301 tariffs on Chinese-produced glass wine bottles had an impact on the glass wine bottles market, including effects on cost, price, supply and/or demand since January 1, 2020. One of 3 U.S. producers and 8 of 14 importers reported that the section 301 tariffs had an impact on the glass wine bottles market.

[1] Petition, pp. 6-7.

[2] Conference transcript, p. 10 (Wessel).

One producer and two importers reported the section 301 tariffs did not have an impact, and one U.S. producer and four importers reported that they did not know.

U.S. producer *** stated that the section 301 tariffs led to a temporary decrease in imports from China that contributed to a surge in imports from Mexico and Chile. It continued that China has "slashed prices again in an attempt to gain sales." Importers reported an immediate impact on prices when the section 301 tariffs were imposed and some import volumes shifted away from China.

Importer *** reported that demand initially increased for non-China sources of supply, but it added that since then, sourcing patterns resemble those occurring prior to the imposition of the section 301 tariffs. Importer *** reported that import volumes shifted immediately to alternative sources of supply from other countries for shapes that were interchangeable with China options while prices increased for certain bottle shapes where there was no alternative outside of China. It continued that there was no change of supply from U.S. manufacturers, as their capacity remained constrained, and they lacked the flexibility to support small to mid-size wine customers. Importer *** reported that the section 301 tariffs did not improve or increase U.S. wine bottle production or the quality of glass produced. It stated that the tariffs only served to increase the cost to purchase wine bottles for smaller wineries that are not big enough to purchase bulk packed wine bottles from the large U.S. bottle manufacturers and instead rely on wholesale distributors that also provide additional services related to printing and storing. Importer *** reported that when the last round of duties was enforced in 2020, its glass became significantly more expensive and its customers could not afford to bottle all of the wine that they produced, there was not enough supply available from U.S. producers.

Channels of distribution

U.S. producers and importers sold mainly to end users (i.e. wineries), as shown in table II-1. During 2020-2022, U.S. producers' shipments to distributors *** steadily, but shipments to *** during interim 2023 than during interim 2022. U.S. shipments of imports from Chile, China, and Mexico remained relatively constant during 2020-2022.

Table II-1
Glass wine bottles: Share of U.S. shipments by source, channel of distribution, and period

Shares in percent

Source	Channel	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
United States	Distributors	***	***	***	***	***
United States	End users	***	***	***	***	***
Chile	Distributors	***	***	***	***	***
Chile	End users	***	***	***	***	***
China	Distributors	***	***	***	***	***
China	End users	***	***	***	***	***
Mexico	Distributors	***	***	***	***	***
Mexico	End users	***	***	***	***	***
Nonsubject	Distributors	***	***	***	***	***
Nonsubject	End users	***	***	***	***	***
All imports	Distributors	***	***	***	***	***
All imports	End users	***	***	***	***	***

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

Bulk versus case packaging

Petitioner stated that its bigger customers likely buy in bulk, smaller customers buy the same product but in smaller packaged cases, and when the customer is very small, Ardagh will use its distributor channel to service those partnerships.[3] Respondents argue that U.S. producers prefer to produce in bulk, leaving small-to-medium sized customers "without good options to buy domestically." Respondents state that its customers need the ability to buy smaller volumes because they cannot afford to purchase in bulk and that they also need to receive their wine bottles in case packs because their bottling machines cannot handle bulk pallets of product.[4]

Petitioner reported that between *** percent to *** percent of its shipments of glass wine bottles were case-packed during 2020-2022 and in interim 2023.[5] Respondent Berlin reported that about *** percent of its sales of glass wine bottles were case-packed, with the remaining share bulk-packed, throughout the period of investigation.[6] Respondent Encore stated that it has *** accounting for *** percent of its sales during the period of investigation.[7]

[3] Conference transcript, pp. 51-52 (Anderson).

[4] Conference transcript, pp. 116-117 (Brosch); Berlin's postconference brief, p. 29.

[5] Petitioner's postconference brief, exh.1, pp. 6-7.

[6] Respondent Berlin's postconference brief, Appendix: Responses to Questions from Commission Staff, p. 6.

[7] Respondent Encore's postconference brief, Responses to Outstanding Questions from the ITC Staff, p. 1.

Respondent Berlin stated that repacking capabilities for bulk purchases require significant capital expenditures for equipment, additional labor, additional freight costs, and additional repacking facilities.[8] Respondent Encore states that small and medium sized wineries prefer case packing because it also allows for a level of customization without the additional costs of bulk-packaged product.[9] Respondent Fevisa stated that bulk- and case-packed glass wine bottles are not interchangeable formats.[10]

Geographic distribution

U.S. producers and importers reported selling glass wine bottles to all regions in the contiguous United States (table II-2). For U.S. producers, *** percent of sales were within 100 miles of their production facility, *** percent were between 101 and 1,000 miles, and *** percent were over 1,000 miles. Importers sold 49.6 percent within 100 miles of their U.S. point of shipment, 26.5 percent between 101 and 1,000 miles, and 23.9 percent over 1,000 miles.

Table II-2
Glass wine bottles: Count of U.S. producers' and U.S. importers' geographic markets

Region	U.S. producers	Chile	China	Mexico	Subject sources
Northeast	***	2	6	3	9
Midwest	***	1	4	3	7
Southeast	***	1	4	3	7
Central Southwest	***	1	5	3	8
Mountains	***	1	6	2	8
Pacific Coast	***	3	9	6	12
Other	***	0	2	0	2
All regions (except Other)	***	0	4	2	6
Reporting firms	***	4	9	6	13

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

Note: Other U.S. markets include AK, HI, PR, and VI.

[8] Respondent Berlin's postconference brief, Appendix: Responses to Questions form Commission Staff, pp. 6-7.

[9] Respondent Encore's postconference brief, p. 9.

[10] Respondent Fevisa's postconference brief, p. 4.

Supply and demand considerations

U.S. supply

Table II-3 provides a summary of the supply factors regarding glass wine bottles from U.S. producers and from subject countries.

Table II-3
Glass wine bottles: Supply factors that affect the ability to increase shipments to the U.S. market, by country

Quantity in gross; ratios and shares in percent; count in number of firms reporting

Factor	Measure	United States	Chile	China	Mexico	Subject suppliers
Capacity 2020	Quantity	***	***	***	***	***
Capacity 2022	Quantity	***	***	***	***	***
Capacity utilization 2020	Ratio	***	***	***	***	***
Capacity utilization 2022	Ratio	***	***	***	***	***
Inventories to total shipments 2020	Ratio	***	***	***	***	***
Inventories to total shipments 2022	Ratio	***	***	***	***	***
Home market shipments 2022	Share	***	***	***	***	***
Non-US export market shipments 2022	Share	***	***	***	***	***
Ability to shift production	Count	***	***	***	***	***

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

Note: Responding U.S. producers accounted for all of U.S. production of glass wine bottles in 2022. Responding foreign producer/exporter firms accounted for virtually all of U.S. imports of glass wine bottles from Chile, more than half of imports from China, and less than half of imports from Mexico during 2022. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from each subject country, please refer to Part I, “Summary Data and Data Sources” and Part VII, “Subject countries.”

Domestic production

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

U.S. producers' glass wine bottle production capacity decreased by *** percent during 2020-2022 and was *** percent lower during interim 2023 than in interim 2022. U.S. production also decreased, by *** percent during 2020-2022 and was *** percent lower interim 2023 than in interim 2022. As a result, capacity utilization increased slightly during 2020-2022, but was *** percentage points lower in interim 2023 than in interim 2022. U.S. producers reported that *** are their main export markets.

Subject imports from Chile

Based on available information, producers of glass wine bottles from Chile[11] have the ability to respond to changes in demand with small to moderate changes in the quantity of shipments of glass wine bottles to the U.S. market. The main contributing factors to this degree of responsiveness of supply are some available inventories, some demonstrated ability to increase capacity, some alternate markets to shift shipments, and the ability to shift production to or from alternate products. Factors mitigating responsiveness of supply include limited availability of unused capacity.

Chilean producers' reported capacity increased by *** percent from 2020 to 2022, and capacity utilization fell by *** percentage points. Other products that responding foreign producers reportedly can produce on the same equipment as glass wine bottles are glass bottles for beer, spirits, soft drinks, water and juice, olive oil, and food glass containers.

Subject imports from China

Based on available information, producers of glass wine bottles from China[12] have the ability to respond to changes in demand with moderate changes in the quantity of shipments of glass wine bottles to the U.S. market. The main contributing factors to this degree of

[11] These responding producers accounted for *** in Chile, according to their estimates. See part VII for additional information.

[12] These responding producers accounted for *** percent of production in China, according to their estimates. See part VII for additional information.

responsiveness of supply are some ability to shift shipments from alternate markets or inventories and some ability to shift production to or from alternate products. Factors mitigating responsiveness of supply include limited availability of unused capacity.

Chinese producers' reported capacity decreased by *** percent from 2020 to 2022, and capacity utilization fell by *** percentage points. Other products that responding foreign producers reportedly can produce on the same equipment as glass wine bottles are other glass packaging products for beer, food, sauce, and spirits.

Subject imports from Mexico

Based on available information, producers of glass wine bottles from Mexico[13] have the ability to respond to changes in demand with moderate changes in the quantity of shipments of glass wine bottles to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity and the ability to shift production to or from alternate products. Factors mitigating responsiveness of supply include a limited ability to shift shipments from alternate markets because a large share is already destined for the U.S. market.

Mexican producers' reported capacity decreased by *** percent from 2020 to 2022, and capacity utilization rose by *** percentage points. Other products that responding foreign producers reportedly can produce on the same equipment as glass wine bottles are glass containers for spirits, nonalcoholic beverages, food, and beer.

Imports from nonsubject sources

Nonsubject imports accounted for *** percent of total U.S. imports by quantity in 2022.[14] Based on unadjusted official statistics, the largest sources of nonsubject imports were India, Canada, and France. Combined, these countries accounted for 45.4 percent of nonsubject imports over the period of investigation.

[13] Responding producers accounted for *** percent of production in Mexico, according to their estimates. See part VII for additional information.

[14] [14] Compiled from data submitted in response to Commission questionnaires, official U.S. imports statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting number 7010.90.5019, accessed January 10, 2024 and proprietary, Census-edited Customs records using HTS statistical reporting number 7010.90.5019, accessed December 29, 2023. Data for subject imports from Chile, China, and Mexico are compiled from data submitted in response to Commission questionnaires. Data for imports from nonsubject sources are compiled using official import statistics adjusted using data submitted in Commission questionnaires to remove reported out-of-scope imports that entered the U.S. under statistical reporting number 7010.90.50.19 and data from firms who submitted a certified "No" questionnaire response using proprietary records.

Supply constraints

Two U.S. producers reported that they had not experienced supply constraints since January 1, 2020.[15] However, 12 of 14 responding importers reported that they had experienced supply constraints. Two importers (*** and ***) reported that U.S. producers would not sell to them due to exclusivity agreements with larger wholesalers. Five importers specifically reported that increased demand and short-term supply chain disruptions during the COVID-19 pandemic in 2020 and 2021 resulted in limitations on their ability to supply. Importer *** reported that it was forced to place all customers on allocation for domestic glass in 2022 and was only able to supply domestic glass to contracted customers at their 2021 purchase levels. *** importer *** reported that during the COVID-19 pandemic, there was an inability to supply some customers due to supply limitations when plants were shut down in Mexico.

Petitioner stated that the domestic industry suffered from disrupted supply chains during the COVID-19 pandemic.[16] Respondents also stated that the pandemic caused shortages through international freight delays, labor shortages, higher costs of materials, glass factory shutdowns, and port logjams.[17] Respondent Berlin stated that ocean freight increased by 300 percent but its customers still had to buy imports to fulfill demand.[18]

U.S. demand

Based on available information, the overall demand for glass wine bottles is likely to experience moderate changes in response to changes in price. The main contributing factors are the availability of some substitute products and the moderate cost share of glass wine bottles in the cost of bottles wine.

End uses and cost share

U.S. demand for glass wine bottles depends on the demand for U.S.-produced downstream products, primary the packaging of wine. Some firms also reported that glass wine bottles are also used to package juice or sparkling juice, other non-alcoholic beverages, and olive oil. When empty, glass wine bottles account for 100 percent of the cost of the end-use packaging. Two importers reported that glass wine bottles accounted for 55.0 to 64.0 percent

[15] One U.S. producer *** reported that it had experienced supply constraints.
[16] Conference transcript, p. 22 (Brandstatter).
[17] Respondent Berlin's postconference brief, p. 17.
[18] Conference transcript, p. 115 (Brosch).

of the cost of packaged, empty glass wine bottles and one importer reported that glass wine bottles account for 6.4 percent of the cost of bottled wine.[19]

Business cycles

Two U.S. producers *** and 12 of 13 responding importers indicated that the market was subject to business cycles. Several firms (one U.S. producer and nine importers) reported seasonality due to the grape harvest season and the wine making cycle. Petitioner Ardagh stated that the market is seasonal to some extent during the summer, but it is pretty steady from year to year for the larger customers that bottle consistently.[20] Respondent Berlin stated that there are two harvest seasons in the wine industry - red grapes are usually harvested in July, August, and September, and the white grapes are harvested earlier in the year.[21] It added that seasonality is a critical part of the business and the ability to provide just-in-time deliveries to small customers with small order sizes is essential.[22]

Importer *** reported that the harvest period is typically from late July to mid-October and that customers tend to bottle red wines during summer and white wine during early spring. Importer *** detailed the bottling cycle by region: U.S. and Western Canada wine markets fluctuate seasonally and vary based on abnormal weather or other events like fires. California growers typically harvest in fall while the Pacific Northwest growers begin filling earlier in the year. Wine bottles are usually filled 2-5 months following harvest. When combining these needs and the roughly 4-month lead times, ordering typically peaks in the first and fourth quarters of each year. Roughly two-thirds of annual volume is ordered in the fourth quarter and first quarter and is delivered to customers in the first and second quarters. Importer *** noted that the grape harvest was very late in 2023, leading to a later bottling date than in years past. Importers also cited fluctuations in alcohol consumption, particularly during economic downturns and shifts in consumer purchases to lower priced options.

[19] Importer *** reported that the cost share of glass wine bottles for *** was 64.0 percent and importer *** reported that glass wine bottles accounted for 6.4 percent of the cost of bottled wine. Importer *** reported that the cost of glass wine bottles accounts for 55.0 percent of bulk-packed, empty wine bottles and 60.0 percent of case-packed empty glass wine bottles.

[20] Conference transcript, p. 60 (Curtin).

[21] Conference transcript, p. 120 (Brosch).

[22] Conference transcript, p. 123 (Jacobson); respondent Berlin's postconference brief, p. 20.

Demand trends

Most firms reported a decrease in U.S. demand for glass wine bottles since January 1, 2020 (table II-4).[23] Reasons cited for the decrease in U.S. demand were fluctuations due to the COVID-19 pandemic, inflation, price, alternative packaging options, excess supply/inventory, competition including imports, heavy market pressure from imports, and lower consumer demand for wine. Petitioner stated that wine bottle demand increased during the COVID-19 pandemic and that this trend continued through 2021, at which point demand decreased through 2023.[24]

U.S. demand for glass wine bottles depends on the demand for U.S.-produced downstream products, primarily the packaging of wine. As shown in figure II-1 and table II-5, U.S. wine consumption irregularly decreased between January 2020-October 2023.[25] Respondent Berlin stated that U.S. wine production was up by 12 percent in 2023, but the rate of wine production may not match the trends in demand (and demand for wine bottles) and that U.S. wineries have already reduced their production in response to the decline in consumer demand.[26]

Petitioners stated that the wine bottle market has historically grown by one or two percent per year.[27] Petitioner also stated that wine bottle demand increased during the COVID-19 pandemic as wine consumption increased as people were staying home, and this lasted through 2021, at which point demand declined.[28] This decline has been attributed to de-stocking, production problems at wineries, and lower demand for wine as compared to other alcoholic and non-alcoholic options.[29]

[23] Importer *** reported that U.S. demand both fluctuated up and fluctuated down.

[24] Conference transcript, pp. 21-22, 40 (Brandstatter, Pickard).

[25] These data account for consumption of U.S.-produced wine only and may exclude some consumption that falls outside of these categories.

[26] Postconference brief, pp. 16-17.

[27] Conference transcript, p. 21 (Brandstatter).

[28] Conference transcript, p. 22 (Brandstatter); Petitioner postconference brief, p. 11.

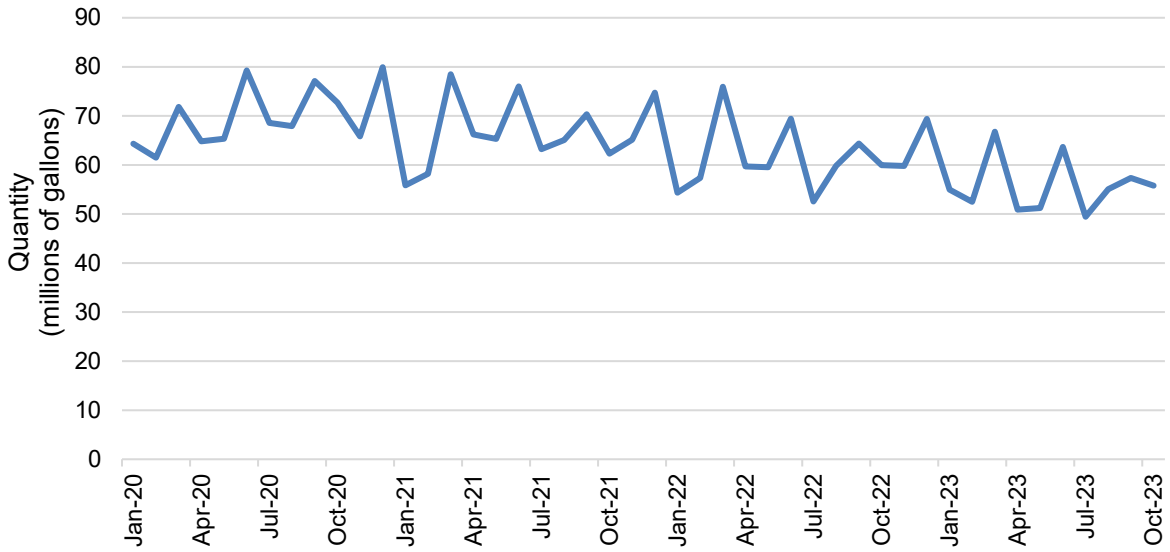
[29] Conference transcript, p. 116 (Brosch); Respondent Berlin's postconference brief, pp. 14-15.

Table II-4
Glass wine bottles: Count of firms' responses regarding overall domestic and foreign demand, by firm type

Market	Firm type	Steadily Increase	Fluctuate Up	No change	Fluctuate Down	Steadily Decrease
Domestic demand	U.S. producers	***	***	***	***	***
Domestic demand	Importers	1	3	1	7	3
Foreign demand	U.S. producers	***	***	***	***	***
Foreign demand	Importers	1	3	2	4	1

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

Figure II-1
U.S. wine shipments: Gallons of wine, taxable withdrawals plus tax-free withdrawals for export, monthly, January 2020-October 2023



Source: U.S. Department of Treasury, Alcohol and Tobacco Tax and Trade Bureau, National Wine Report, January 12, 2023, https://www.ttb.gov/images/wine/wine-statistics/Wine_National_Report_12_JAN_2024.xlsx, accessed January 26, 2024.

Note: These data account for consumption of U.S.-produced wine only and may exclude some consumption that falls outside of these categories.

Table II-5
U.S. wine shipments: Gallons of wine, taxable withdrawals plus tax-free withdrawals for export, monthly, January 2020-October 2023

Quantity in gallons of wine; n.a. is unavailable

Month	2020	2021	2022	2023
January	61,476,016	52,480,572	51,258,299	52,104,214
February	58,889,260	55,352,918	54,126,022	49,987,853
March	68,282,553	74,571,624	72,184,308	62,930,611
April	61,988,573	63,404,242	57,146,019	48,026,762
May	61,842,515	62,219,524	56,653,337	48,263,109
June	74,375,073	71,073,665	65,046,274	59,748,037
July	65,367,134	60,260,065	49,972,994	46,596,206
August	64,776,119	62,565,588	56,866,326	51,721,028
September	73,460,614	65,766,017	60,031,666	53,356,682
October	69,422,876	59,545,410	57,068,415	n.a.
November	62,704,509	62,256,714	56,876,395	n.a.
December	74,810,867	70,058,954	65,321,513	n.a.

Source: U.S. Department of Treasury, Alcohol and Tobacco Tax and Trade Bureau, National Wine Report, January 12, 2023, https://www.ttb.gov/images/wine/wine-statistics/Wine_National_Report_12_JAN_2024.xlsx, accessed January 26, 2024.

Note: These data account for consumption of U.S.-produced wine only and may exclude some consumption that falls outside of these categories.

Some firms noted that demand generally increased during the COVID-19 pandemic and then generally decreased in 2023. One importer (***) noted that there were steady to tiny increases in demand until 2023, when demand decreased. Importer *** reported that demand has steadily decreased over the past year due to an excess of filled wine bottles in the marketplace. It also reported that wineries were cautious due to recent wine bottle shortages and had over-ordered wine bottles during the period of investigation. It continued that this inventory build-up ultimately caused sales for low-priced wine volumes to trend down in the past year. Importer *** reported that wineries are shutting down due to decreasing demand for wine post-COVID pandemic and also due to inflationary pressure. It continued that its customers are small, most of which had very low sales figures since the COVID-19 pandemic because they generally sell direct-to-consumer ("DTC") and were forced to be closed during part of the pandemic. Lastly, it reported that increased glass prices and the unavailability of domestically produced glass has played a large part in driving some of its customers out of business.

When discussing seasonality, importer *** reported that U.S. glass wine bottle supply is heavily reliant on detailed planning and forecasting, and therefore cannot support last minute changes to production dates and quantities that can be driven by the seasonality of the business. It continued that domestic suppliers are particularly inflexible towards small and

medium sized customers which often cannot provide firm forecasts many months in advance as is often required by the domestic suppliers.

Substitute products

All three U.S. producers and 6 of 14 importers reported that there are substitutes; 8 importers reported that there were not. Reported substitutes include flexible bag/pouches/packaging, aluminum cans, tetra pack, plastic bottles, kegs, box and plastic bladder or bag-in-a-box, and PET. Most firms that reported substitutes reported that the price of the substitute does not impact the price of glass wine bottles. *** reported that substitute packaging reduces market share directly and puts pressure on pricing over time.

Substitutability issues

This section assesses the degree to which U.S.-produced glass wine bottles and imports of glass wine bottles from subject countries can be substituted for one another by examining the importance of certain purchasing factors and the comparability of glass wine bottles from domestic and imported sources based on those factors. Based on available data, staff believes that there is a moderate-to-high degree of substitutability between domestically produced glass wine bottles and glass wine bottles imported from subject sources.[30] Factors contributing to this level of substitutability include similar quality for stock glass wine bottles, lead times for glass wine bottles from inventory, and some interchangeability between domestic and subject sources. Factors reducing substitutability include some reported quality differences, limited availability, limited interchangeability between glass wine bottles from domestic and subject sources, and some factors other than price that firms consider.

[30] The degree of substitution between domestic and imported glass wine bottles depends upon the extent of product differentiation between the domestic and imported products and reflects how easily purchasers can switch from domestically produced glass wine bottles to the glass wine bottles imported from subject countries (or vice versa) when prices change. The degree of substitution may include such factors as relative prices (discounts/rebates), quality differences (e.g., grade standards, defect rates, etc.), and differences in sales conditions (e.g., lead times between order and delivery dates, reliability of supply, product services, etc.).

Factors affecting purchasing decisions

Most important purchase factors

Purchasers responding to lost sales lost revenue allegations[31] were asked to identify the main purchasing factors their firm considered in their purchasing decisions for glass wine bottles. The most often cited top three factors firms consider in their purchasing decisions for glass wine bottles were quality (four firms), price (three firms), and availability/supply (three firms) as shown in table II-6. Price was the most frequently cited first-most important factor (cited by two firms), followed by quality and availability/supply (one firm each); availability/supply was the most frequently reported second-most important factor (two firms); and quality was the most frequently reported third-most important factor (two firms).

Table II-6
Glass wine bottles: Count of ranking of factors used in purchasing decisions as reported by purchasers, by factor

Factor	First	Second	Third	Total
Quality	1	1	2	4
Price / Cost	2	0	1	3
Availability / Supply	1	2	0	3
All other factors	0	1	1	NA

Source: Compiled from data submitted in response to Commission questionnaires.
Note: Other factors include on-time delivery, minimum order quantities/ability to support smaller customers, customer service, technical support, and glass dimensions/color and resulting product margins.

Lead times

U.S. producers reported that *** percent of their commercial shipments of glass wine bottles were sold from inventory, with lead times averaging *** days. U.S. producer *** reported that *** percent of its sales were made to order in 2022, with a lead time of *** days. Importers reported that *** percent of their commercial shipments of glass wine bottles were produced-to-order, with lead times averaging *** days. The remaining *** percent of their commercial shipments came from inventories, with lead times averaging *** days from U.S. inventories and *** days from foreign inventories.

Respondents Encore and TricorBraun stated that wineries must fill bottles with the harvest-based timeframe which is limited and inflexible. Most small and medium wines do not have their own bottling lines and either rent mobile bottling lines or co-packers months in advance so it is important that the glass bottles are delivered on time and in full. According to

[31] This information is compiled from responses by purchasers identified by Petitioners to the lost sales lost revenue allegations. See Part V for additional information.

Respondents, the domestic industry has longer lead times that do not work for smaller wineries.[32]

Respondent Berlin added that small and micro-wineries do not necessarily know the size of their crop yields so have a difficult time forecasting their demand ahead of time,[33] but Petitioner argues that the wine industry has very predictable harvest and bottling schedules, with at least several months or years between harvest and bottling.[34]

Comparison of U.S.-produced and imported glass wine bottles

In order to determine whether U.S.-produced glass wine bottles can generally be used in the same applications as imports from Chile, China, and Mexico, U.S. producers and importers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in tables II-7 to II-8, *** U.S. producers reported that domestically produced glass wine bottles and glass wine bottles imported from all sources are *** interchangeable. The majority of importers reported that domestically produced glass wine bottles and glass wine bottles imported from Chile and China are always or frequently interchangeable, while only half of importers reported that domestically produced glass wine bottles and glass wine bottles imported from Mexico are always or frequently interchangeable. Half reported they are sometimes or never interchangeable. Factors limiting interchangeability include quality, variations of colors, dimensions, weight, acceptance thresholds, specialty shapes, and finish types/sizes. Importer *** reported that its customers' experiences indicate that domestically produced glass wine bottles are of poorer quality and are prone to breakage when compared to glass wine bottles produced in China. Importer *** reported that stock wine bottles are interchangeable, but specialty shapes are not interchangeable because production capabilities are different between the United States, China, and Mexico. Importer *** reported that Mexican producers and producers in other countries often produce complex, high-end heavy bottles and/or custom bottles that are not produced in the U.S, including combining glass and decoration such as screen-printing, acid etching, or coating.

[32] Conference transcript, p. 106 (Guzman); Respondent TricorBraun's postconference brief, pp. 13-14.

[33] Conference transcript, p. 120 (Brosch).

[34] Petitioner postconference brief, p. 12.

Table II-7
Glass wine bottles: Count of U.S. producers reporting the interchangeability between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
U.S. vs. Chile	***	***	***	***
U.S. vs. China	***	***	***	***
U.S. vs. Mexico	***	***	***	***
U.S. vs. other	***	***	***	***
Chile vs. China	***	***	***	***
Chile vs. Mexico	***	***	***	***
China vs. Mexico	***	***	***	***
Chile vs. Other	***	***	***	***
China vs. Other	***	***	***	***
Mexico vs. Other	***	***	***	***

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

Table II-8
Glass wine bottles: Count of importers reporting the interchangeability between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
U.S. vs. Chile	1	4	2	0
U.S. vs. China	1	5	4	0
U.S. vs. Mexico	1	3	2	1
U.S. vs. other	1	1	3	0
Chile vs. China	1	1	1	1
Chile vs. Mexico	1	2	4	0
China vs. Mexico	0	5	4	0
Chile vs. Other	0	3	1	0
China vs. Other	0	4	2	0
Mexico vs. Other	0	4	0	1

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

In addition, U.S. producers and importers were asked to assess how often differences other than price were significant in sales of glass wine bottles from the United States, subject, or nonsubject countries. As seen in tables II-9 to II-10, U.S. producers reported that there are *** significant factors other than price while importer responses were mixed, but slight majorities reported that there are always or frequently significant factors other than price between domestically produced glass wine bottles and glass wine bottles imported from subject sources. In addition to the factors listed above that limit interchangeability, importers cited limited supply available from domestic producers, flexibility in minimum order quantities, performance on the winery's bottling lines, unique or custom offerings, bottles produced in extra white flint glass in Mexico and other countries that are not available in the United States or China, and domestic producers not selling to ***.

Table II-9
Glass wine bottles: Count of U.S. producers reporting the significance of differences other than price between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
U.S. vs. Chile	***	***	***	***
U.S. vs. China	***	***	***	***
U.S. vs. Mexico	***	***	***	***
U.S. vs. other	***	***	***	***
Chile vs. China	***	***	***	***
Chile vs. Mexico	***	***	***	***
China vs. Mexico	***	***	***	***
Chile vs. Other	***	***	***	***
China vs. Other	***	***	***	***
Mexico vs. Other	***	***	***	***

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

Table II-10
Glass wine bottles: Count of importers reporting the significance of differences between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
U.S. vs. Chile	3	1	2	0
U.S. vs. China	3	3	4	0
U.S. vs. Mexico	2	3	2	0
U.S. vs. other	1	0	1	0
Chile vs. China	1	0	1	0
Chile vs. Mexico	2	2	3	0
China vs. Mexico	3	3	2	0
Chile vs. Other	1	0	2	0
China vs. Other	1	2	2	0
Mexico vs. Other	0	1	3	0

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

Part III: U.S. producers' production, shipments, and employment

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the subsidies and dumping margins was presented in Part I of this report and information on the volume and pricing of imports of the subject merchandise is presented in Part IV and Part V. Information on the other factors specified is presented in this section and/or Part VI and (except as noted) is based on the questionnaire responses of three firms that accounted for all known U.S. production of glass wine bottles during 2022.

U.S. producers

The Commission issued a U.S. producer questionnaire to three firms based on information contained in the petition. All three firms provided usable data on their operations. Staff believes that these responses represent all known U.S. production of glass wine bottles.

Table III-1 lists U.S. producers of glass wine bottles, their production locations, positions on the petition, and shares of total production and merchant market production.

Table III-1
Glass wine bottles: U.S. producers, their positions on the petition, production locations, and shares of reported production, 2022

Firm	Position on petition	Production location(s)	Share of total market production	Share of merchant market production
Ardagh	Petitioner	Madera, CA Sapulpa, OK Port Allegany, PA Seattle, WA	***	***
Gallo	***	Modesto, CA Modesto, CA	***	***
O-I Glass	***	Tracy, CA Vernon, CA Kalama, WA Portland, OR	***	***
All firms	***	Various	100.0	100.0

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

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

Table III-2
Glass wine bottles: U.S. producers' ownership, related and/or affiliated firms

Reporting firm	Relationship type and related firm	Details of relationship
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***

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

As indicated in table III-2, one U.S. producer, ***, is related to an importer and an exporter of the subject merchandise, two foreign producers in two subject countries of the subject merchandise, and a number of other producers of glass wine bottles in various nonsubject countries. In addition, as discussed in greater detail below, the same U.S. producer, ***, has a subsidiary that directly imports the subject merchandise.

Table III-3 presents events in the U.S. industry since January 1, 2020.

Table III-3
Glass wine bottles: Important industry events since 2020

Item	Firm	Event
COVID-19 pandemic	Industry-wide	At the onset of the COVID-19 pandemic in 2020-2021, domestic demand for glass wine bottles increased sharply as consumers increased alcohol consumption and supplemented dining out with increased purchases of wine for consumption at home.
Supply partnership	Ardagh Group (AGP)	In August 2020, AGP-North America entered a supply partnership with Plata Wine Partners—one of the largest independent coastal grape growers in California—to supply all of its 750ml wine bottles.
Supply partnership	Ardagh Group (AGP)	In February 2021, AGP-North America renewed a supply contract with Waterloo Container, a large glass packaging provider in the Eastern U.S. and Canada.
Company-wide cyberattack	Ardagh Group (AGP)	On May 17, 2021, AGP was forced to shut down some operating systems due to a cyberattack. Production at all manufacturing facilities continued, although shipping delays occurred. The financial cost of the cyberattack was an estimated $34 million.
Capacity closure	Ardagh Group (AGP)	In June 2023, the firm shut down a wine bottle producing furnace at its facility in Seattle, Washington.
Production suspension	O-I Glass	In June 2023, the firm announced the indefinite suspension of glass production at its Portland, OR facility, resulting in layoffs for 70 percent of facility staff beginning in July 2023.
Emissions violations	O-I Glass	In August 2023, a subsidiary of O-I Glass—Owens-Brockway Glass Container, Inc.—received a $213,600 penalty for emissions standards violations from the Oregon Department of Environmental Quality. This follows a $1 million fine in 2021 over multiple air-quality violations. The Oregon facility melts used beer and wine bottles to create new glass containers.
Supply partnership	Ardagh Group (AGP)	In November 2023, Ardagh and Oliver Winery—a large Indiana-based winery—renewed a supply partnership, ensuring that most of the firm's wine bottles will continue to be manufactured by AGP-North America.

Sources: Schlitz, Heather, "Shortage of glass bottles," October 19, 2021, https://www.businessinsider.com/wine-bottle-glass-shortage-different-taste-supply-chain-issues-2021-10, accessed January 16, 2024; Packaging Gateway, "Ardagh Group to manufacture wine glass bottles for Plata Wine," August 7, 2020, https://www.packaging-gateway.com/news/ardagh-group-plata-wine/?cf-view, accessed January 16, 2024; Ardagh Group, "Partnering with Waterloo Container," February 1, 2021, https://www.ardaghgroup.com/news-centre/partnering-with-waterloo-container, accessed January

17, 2024; Morris, Greg, "Cyber attack costs Ardagh Group $34 million," August 9, 2021, https://www.glass-international.com/news/cyber-attack-costs-ardagh-group-34-million, accessed January 30, 2024; Rogoway, Mike, "Owens-Brockway's Portland glass recycling plant will lay off 81," June 17, 2023, https://www.oregonlive.com/business/2023/06/owens-brockways-portland-glass-recycling-plant-will-lay-off-81.html, accessed January 16, 2024; Morris, Greg, "O-I Glass makes Portland facility layoffs," June 27, 2023, https://www.glass-international.com/news/o-i-glass-makes-portland-facility-layoffs, accessed January 16, 2024; Wozniacka, Gosia, "Oregon's largest glass-bottle recycler fined 10th time for emissions violations," August 25, 2023, https://www.oregonlive.com/environment/2023/08/oregons-largest-glass-bottle-recycler-fined-10th-time-for-emissions-violations.html, accessed January 16, 2024; Dabo, Mohamed, "Ardagh and Oliver Winery," November 8, 2023, https://www.packaging-gateway.com/news/ardagh-oliver-winery-renew-wine-bottle-making-partnership/?cf-view, accessed January 16, 2024.

Producers in the United States were asked to report any change in the character of their operations or organization relating to the production of glass wine bottles since 2020. All three producers indicated in their questionnaires that they had experienced such changes. Table III-4 presents the changes identified by these producers.

Table III-4
Glass wine bottles: U.S. producers' reported changes in operations, since January 1, 2020

Item	Firm name and narrative response on changes in operations
Plant closings	***
Prolonged shutdowns	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Weather-related or force majeure events	***
Weather-related or force majeure events	***
Weather-related or force majeure events	***

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

U.S. production, capacity, and capacity utilization

Table III-5 presents U.S. producers' installed and practical capacity and production on the same equipment. During 2020-22 installed overall capacity, practical overall capacity, and reported practical wine glass bottle capacity remained relatively stable. Similarly, overall production on the same equipment as in-scope production and glass wine bottle production remained relatively stable during 2020-22 with overall production increasing by *** percent and glass wine bottle production decreasing by *** percent. All reported capacity and production categories were lower in interim 2023 compared to interim 2022. During 2020-22, installed overall capacity utilization ranged between *** percent and *** percent, practical overall capacity ranged between *** percent and *** percent, and reported practical wine glass bottle capacity ranged between *** percent and *** percent. Capacity utilization in all three categories was lower in interim 2023 compared to interim 2022.

Table III-5
Glass wine bottles: U.S. producers' installed and practical capacity and production on the same equipment as in-scope production, by period

Capacity and production in gross; utilization in percent

Item	Measure	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Installed overall	Capacity	***	***	***	***	***
Installed overall	Production	***	***	***	***	***
Installed overall	Utilization	***	***	***	***	***
Practical overall	Capacity	***	***	***	***	***
Practical overall	Production	***	***	***	***	***
Practical overall	Utilization	***	***	***	***	***
Practical glass wine bottles	Capacity	***	***	***	***	***
Practical glass wine bottles	Production	***	***	***	***	***
Practical glass wine bottles	Utilization	***	***	***	***	***

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

Table III-6 presents U.S. producers' reported narratives regarding practical capacity constraints. "Other constraints" were the constraint mentioned by all three producers and two of three producers cited "existing labor force" constraints.

Table III-6
Glass wine bottles: U.S. producers' reported capacity constraints since January 1, 2020

Item	Firm name and narrative response on constraints to practical overall capacity
Existing labor force	***
Existing labor force	***
Supply of material inputs	***
Other constraints	***
Other constraints	***
Other constraints	***

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

Table III-7 and figure III-1 present U.S. producers' production, capacity, and capacity utilization. Practical capacity decreased by *** percent during 2020-22 and was *** percent lower in interim 2023 than in interim 2022. Glass wine bottle production decreased by *** percent from 2020 to 2022 and was *** percent lower in interim 2023 than in interim 2022. Capacity utilization increased from *** percent to *** percent from 2020 to 2021 before decreasing to *** percent in 2022 and was *** percentage points lower in interim 2023 than in interim 2022.

Table III-7
Glass wine bottles: U.S. producers' output, by firm and period

Practical capacity

Capacity in gross

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table III-7 Continued
Glass wine bottles: U.S. producers' output, by firm and period

Production

Production in gross

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table III-7 Continued
Glass wine bottles: U.S. producers' output, by firm and period

Capacity utilization

Capacity utilization in percent

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Note: Capacity utilization ratio represents the ratio of the U.S. producer's production to its production capacity.

Table III-7 Continued
Glass wine bottles: U.S. producers' output, by firm and period

Share of production

Share in percent

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	100.0	100.0	100.0	100.0	100.0

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

Figure III-1
Glass wine bottles: U.S. producers' output, by period

* * * * * * *

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

Alternative products

As shown in table III-8, approximately *** of the product produced across all reported periods by U.S. producers was glass wine bottles. All three firms reported producing other out-of-scope wine bottles and glass bottles other than wine. Production of out-of-scope products on the same equipment increased by *** percent during 2020-22 but was lower in interim 2023 than in interim 2022. During 2020-22, production of other wine bottles decreased while production of glass bottles other than wine increased. Production of other wine bottles was higher and production of glass bottles other than wine was lower in interim 2023 compared to interim 2022.

All three responding U.S. producers reported that they use the blow and blow production method to manufacture glass wine bottles and one U.S. producer reported also using the press and blow method. For additional information on manufacturing processes see Part I.

Table III-8
Glass wine bottles: U.S. producers' overall production on the same equipment as in-scope production, by period

Quantity in gross; share in percent

Product type	Measure	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
In-scope glass wine bottles	Quantity	***	***	***	***	***
Other wine bottles	Quantity	***	***	***	***	***
Glass bottles other than wine	Quantity	***	***	***	***	***
Out-of-scope products	Quantity	***	***	***	***	***
All products	Quantity	***	***	***	***	***
In-scope glass wine bottles	Share	***	***	***	***	***
Other wine bottles	Share	***	***	***	***	***
Glass bottles other than wine	Share	***	***	***	***	***
Out-of-scope products	Share	***	***	***	***	***
All products	Share	100.0	100.0	100.0	100.0	100.0

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

U.S. producers' U.S. shipments and exports

Table III-9 presents U.S. producers' U.S. shipments, export shipments, and total shipments. U.S. shipments, by quantity, decreased by *** percent from 2020 to 2021 before increasing by *** percent in 2022 for an overall increase of *** percent during 2020-22, but were *** percent lower in interim 2023 compared to interim 2022. U.S. shipments, by value, increased by *** percent during 2020-22 but were lower in interim 2023 than in interim 2022. The unit values of U.S. shipments increased by *** percent during 2020-22 and were *** percent higher in interim 2023 than in interim 2022. Export shipments comprised no more than *** percent of total shipments across all reporting periods.

Table III-9
Glass wine bottles: U.S. producers' total shipments, by destination and period

Quantity in gross; value in 1,000 dollars; unit value in dollars per gross; shares in percent

Item	Measure	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
U.S. shipments	Quantity	***	***	***	***	***
Export shipments	Quantity	***	***	***	***	***
Total shipments	Quantity	***	***	***	***	***
U.S. shipments	Value	***	***	***	***	***
Export shipments	Value	***	***	***	***	***
Total shipments	Value	***	***	***	***	***
U.S. shipments	Unit value	***	***	***	***	***
Export shipments	Unit value	***	***	***	***	***
Total shipments	Unit value	***	***	***	***	***
U.S. shipments	Share of quantity	***	***	***	***	***
Export shipments	Share of quantity	***	***	***	***	***
Total shipments	Share of quantity	100.0	100.0	100.0	100.0	100.0
U.S. shipments	Share of value	***	***	***	***	***
Export shipments	Share of value	***	***	***	***	***
Total shipments	Share of value	100.0	100.0	100.0	100.0	100.0

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

Table III-10 presents U.S. producers' U.S. shipments by type. Transfers to related firms accounted for *** of all U.S. shipments in each reporting period. This was mainly driven by one U.S. producer, ***, the majority of whose U.S. shipments were ***. *** accounted for at least *** percent of all transfers to related firms U.S. shipments during each reporting period.

Table III-10
Glass wine bottles: U.S. producers' U.S. shipments, by type and period

Quantity in gross; value in 1,000 dollars; unit value in dollars per gross; shares in percent

Item	Measure	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Commercial U.S. shipments	Quantity	***	***	***	***	***
Transfers to related firms	Quantity	***	***	***	***	***
U.S. shipments	Quantity	***	***	***	***	***
Commercial U.S. shipments	Value	***	***	***	***	***
Transfers to related firms	Value	***	***	***	***	***
U.S. shipments	Value	***	***	***	***	***
Commercial U.S. shipments	Unit value	***	***	***	***	***
Transfers to related firms	Unit value	***	***	***	***	***
U.S. shipments	Unit value	***	***	***	***	***
Commercial U.S. shipments	Share of quantity	***	***	***	***	***
Transfers to related firms	Share of quantity	***	***	***	***	***
U.S. shipments	Share of quantity	100.0	100.0	100.0	100.0	100.0
Commercial U.S. shipments	Share of value	***	***	***	***	***
Transfers to related firms	Share of value	***	***	***	***	***
U.S. shipments	Share of value	100.0	100.0	100.0	100.0	100.0

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Captive consumption

Section 771(7)(C)(iv) of the Act states that–[1]

> *If domestic producers internally transfer significant production of the domestic like product for the production of a downstream article and sell significant production of the domestic like product in the merchant market, and the Commission finds that–*
>
> *(I) the domestic like product produced that is internally transferred for processing into that downstream article does not enter the merchant market for the domestic like product,*
>
> *(II) the domestic like product is the predominant material input in the production of that downstream article, and*
>
> *then the Commission, in determining market share and the factors affecting financial performance . . ., shall focus primarily on the merchant market for the domestic like product.*

Transfers and sales

As reported in table III-10 above, transfers to related firms accounted for between *** percent and *** percent of U.S. producers' U.S. shipments of glass wine bottles across all reporting periods.[2]

First statutory criterion in captive consumption

The first requirement for application of the captive consumption provision is that the domestic like product that is internally transferred for processing into that downstream article not enter the merchant market for the domestic like product. *** reported transfers to related firms of glass wine bottles for the production of downstream wine bottles filled with wine for consumption.[3] One U.S. producer, ***, reported transferring wine glass bottles to ***.

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

[2] U.S. producers did not report any internal consumption during all reporting periods.

[3] *** did not report diverting glass wine bottles intended for internal consumption to the merchant market.

Table III-11
Glass wine bottles: U.S. producers' transfers to related firms used in downstream products, by type of consumption and period

Quantity in gross; shares in percent

Item	Measure	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Sold as is	Quantity	***	***	***	***	***
Processed into downstream products	Quantity	***	***	***	***	***
All internal consumption and transfers	Quantity	***	***	***	***	***
Sold as is	Share	***	***	***	***	***
Processed into downstream products	Share	***	***	***	***	***
All internal consumption and transfers	Share	100.0	100.0	100.0	100.0	100.0

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

Note: ***'s transfers to related firms re-entered the merchant market and were reported being sold as is, whereas ***'s transfers to related firms were used to produce downstream bottled wine by the related firm.

Second statutory criterion in captive consumption

The second criterion of the captive consumption provision concerns whether the domestic like product is the predominant material input in the production of the downstream article that is captively produced. With respect to the downstream articles resulting from captive production, glass wine bottles reportedly comprise *** percent of the finished cost of the downstream product.

Table III-12
Glass wine bottles: U.S. producer *'s glass wine bottle contribution to downstream product**

Share in percent

Material input	Share of value	Share of quantity
Glass wine bottles	***	***
All other material inputs (e.g., wine)	***	***
Total	100.0	100.0

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

U.S. producers' inventories

Table III-13 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments. U.S. producers' inventories increased by *** percent from 2020 to 2021 and *** percent in 2022 for a total

increase of *** percent during 2020-22 and were *** percent higher in interim 2023 than in interim 2022. Inventories as a ratio to U.S. production increased by *** percentage points from 2020 to 2021 and *** percentage points in 2022 and were *** percentage points higher in interim 2023 than in interim 2022. Inventories as a ratio to U.S. shipments increased by *** percentage points from 2020 to 2021 and *** percentage points in 2022 and were *** percentage points higher in interim 2023 than in interim 2022.

Table III-13
Glass wine bottles: U.S. producers' inventories and their ratio to select items, by period

Quantity in gross; ratio in percent

Item	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
End-of-period inventory quantity	***	***	***	***	***
Inventory ratio to U.S. production	***	***	***	***	***
Inventory ratio to U.S. shipments	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***

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

U.S. producers' imports from subject sources

One U.S. producer reported importing glass wine bottles from subject sources.[4] These data are presented in table III-14. ***'s subject imports from *** accounted for between *** percent and *** percent of its U.S. wine glass bottle production during all reporting periods. ***'s reported reasons for importing were ***.

Table III-14
Glass wine bottles: *'s U.S. production, subject imports, and ratio of subject imports to production, by source and period**

Quantity in gross; ratio in percent

Item	Measure	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
U.S. production	Quantity	***	***	***	***	***
Imports from ***	Quantity	***	***	***	***	***
Imports from *** to U.S. production	Ratio	***	***	***	***	***

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

[4] *** imported subject merchandise from *** through a related importer, ***.

U.S. producers' purchases of imports from subject sources

No U.S. producers reported purchases of imports from subject sources of glass wine bottles during 2020-22 and both interim periods.

U.S. employment, wages, and productivity

Table III-15 shows U.S. producers' employment-related data. During 2020-22, the number of production related workers ("PRWs") decreased by ***, from *** to *** and was lower by *** PRWs in interim 2023 compared to interim 2022. Total hours worked were stable during 2020-22 but were *** percent lower in interim 2023 than in interim 2022. Wages paid increased by *** percent during 2020-22 and were higher in interim 2023 than in interim 2022. Hourly wages increased from $*** in 2020 to $*** in 2022 and were $*** in interim 2023 compared to $*** in interim 2022.

Productivity remained flat during 2020-22 and the interim periods at *** gross per hour. Unit labor costs increased by *** percent from 2020 to 2022 and were *** percent higher in interim 2023 compared to interim 2022.

Table III-15
Glass wine bottles: U.S. producers' employment related information, by period

Item	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Production and related workers (PRWs) (number)	***	***	***	***	***
Total hours worked (1,000 hours)	***	***	***	***	***
Hours worked per PRW (hours)	***	***	***	***	***
Wages paid ($1,000)	***	***	***	***	***
Hourly wages (dollars per hour)	***	***	***	***	***
Productivity (gross per hour)	***	***	***	***	***
Unit labor costs (dollars per gross)	***	***	***	***	***

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

Part IV: U.S. imports, apparent U.S. consumption, and market shares

U.S. importers

The Commission issued importer questionnaires to 35 firms believed to be importers of subject glass wine bottles, as well as to all U.S. producers of glass wine bottles.[1] Usable questionnaire responses were received from 15 companies[2], representing the following percentages of U.S. imports of glass wine bottles in 2022 under HTS statistical reporting number 7010.90.50.19, a "basket" category, as adjusted.[3]

- Chile: *** percent
- China: *** percent
- Mexico: *** percent
- Subject sources: *** percent
- Nonsubject sources: *** percent
- All import sources: *** percent

Table IV-1 lists all responding U.S. importers of glass wine bottles from Chile, China, Mexico and other sources, their locations, and their shares of U.S. imports, in 2022.

[1] The Commission issued questionnaires to those firms identified in the petitions; staff research; and review of data from third-party sources.

[2] Seven firms responded that they did not import glass wine bottles into the United States during the period of investigations.

[3] The coverage figures provided are a comparison of import data provided in questionnaire responses to official import statistics adjusted to remove out-of-scope imports that entered the U.S. under statistical reporting number 7010.90.50.19 using data submitted in Commission questionnaires and using proprietary, Census-edited Customs records for firms that submitted a certified "No" questionnaire response.

Table IV-1
Glass wine bottles: U.S. importers, their headquarters, and share of imports within each source, 2022

Shares in percent

Firm	Headquarters	Chile	China	Mexico	Subject sources	Nonsubject sources	All import sources
Berlin	Chicago, IL	***	***	***	***	***	***
Bonterra	Hopland, CA	***	***	***	***	***	***
Burch	Queensbury, NY	***	***	***	***	***	***
Encore	Fairfield, CA	***	***	***	***	***	***
Global Package	Napa, CA	***	***	***	***	***	***
M.A. Silva Corks	Santa Rosa, CA	***	***	***	***	***	***
Northwest Pioneer	Kent, WA	***	***	***	***	***	***
O-I Packaging	Plano, TX	***	***	***	***	***	***
Richards Packaging	Portland, OR	***	***	***	***	***	***
Saverglass USA	Fairfield, CA	***	***	***	***	***	***
Saxco	Fairfield, CA	***	***	***	***	***	***
TricorBraun	St Louis, MO	***	***	***	***	***	***
Verallia USA	Fairfield, CA	***	***	***	***	***	***
Veritiv	Atlanta, GA	***	***	***	***	***	***
West Coast	West Sacramento, CA	***	***	***	***	***	***
All firms	Various	100.0	100.0	100.0	100.0	100.0	100.0

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

U.S. imports

Table IV-2 and figure IV-1 present data for U.S. imports of glass wine bottles from Chile, China, Mexico and all other sources. Subject imports, by quantity, increased by 2.8 percent from 2020 to 2021 before decreasing by 6.5 percent in 2022 for a total decrease of 3.9 percent during 2020-22. Subject imports' values and unit values increased from 2020-22 by 20.2 percent and 25.1 percent, respectively. Quantities, values, and unit values for imports from nonsubject sources all increased from 2020-22. Both subject and nonsubject import quantities and values were lower in interim 2023 compared to interim 2022, while unit values were higher. Subject sources' share of imports declined *** percentage points by quantity and *** percentage points by value during 2020-22.

U.S. subject imports of glass wine bottles from Chile, by quantity, increased by *** percent during 2020-22 but were *** percent lower in interim 2023 compared to interim 2022. They increased, on a quantity basis, as a share of total imports from *** percent in 2020 to *** percent in 2021 before decreasing to *** percent in 2022 and were lower in interim 2023 (*** percent) compared to interim 2022 (*** percent). U.S. subject imports of glass wine bottles from Chile as a share of U.S. production increased from *** percent to *** percent during 2020-22 and were *** percent in in interim 2023 compared to *** percent in interim 2022.

U.S. subject imports of glass wine bottles from China decreased by *** percent during 2020-22 and were *** percent lower in interim 2023 compared to interim 2022. They decreased, on a quantity basis, as a share of total imports from *** percent in 2020 to *** percent in 2022 and were lower in interim 2023 (*** percent) compared to interim 2022 (*** percent). As a share of U.S. production, U.S. imports of glass wine bottles from China decreased from *** percent to *** percent during 2020-22 and were *** percent in interim 2023 compared to *** percent in interim 2022.

U.S. subject imports of glass wine bottles from Mexico increased by *** percent from 2020 to 2021 before decreasing by *** percent in 2022, for an overall increase of *** percent during 2020-22 and were *** percent higher in interim 2023 compared to interim 2022. They decreased, on a quantity basis, as a share of total imports from *** percent in 2020 to *** percent in 2020 but were higher in interim 2023 (*** percent) compared to interim 2022 (*** percent). As a share of U.S. production, U.S. imports of glass wine bottles from Mexico increased from *** percent in 2020 to *** percent in 2021 before decreasing to *** percent in 2022 and were *** percent in in interim 2023 compared to *** percent in interim 2022.

Unit values for of U.S. subject imports of glass wine bottles generally increased during 2020-22 and remained above the unit values for nonsubject imports until the interim 2023 period when they were effectively equivalent. Unit values of subject imports from Chile decreased by *** percent from 2020 to 2021 before increasing by *** percent in 2022 and were *** percent lower in in interim 2023 compared to interim 2022. Unit values for imports of glass wine bottles from China, Mexico, and nonsubject sources increased by *** percent, *** percent, and *** percent, respectively, during 2020-22. For imports from China, unit values were *** percent lower in interim 2023 compared to interim 2022, while they were *** percent higher for imports from Mexico and *** percent higher for imports from nonsubject sources.

Table IV-2
Glass wine bottles: U.S. imports by source and period

Quantity in gross; value in 1,000 dollars; unit value in dollars per gross

Source	Measure	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Chile	Quantity	***	***	***	***	***
China	Quantity	***	***	***	***	***
Mexico	Quantity	***	***	***	***	***
Subject sources	Quantity	3,497,263	3,594,432	3,362,269	2,661,795	2,332,815
Nonsubject sources	Quantity	***	***	***	***	***
All import sources	Quantity	***	***	***	***	***
Chile	Value	***	***	***	***	***
China	Value	***	***	***	***	***
Mexico	Value	***	***	***	***	***
Subject sources	Value	236,369	262,727	284,218	222,179	207,928
Nonsubject sources	Value	***	***	***	***	***
All import sources	Value	***	***	***	***	***
Chile	Unit value	***	***	***	***	***
China	Unit value	***	***	***	***	***
Mexico	Unit value	***	***	***	***	***
Subject sources	Unit value	67.59	73.09	84.53	83.47	89.13
Nonsubject sources	Unit value	***	***	***	***	***
All import sources	Unit value	***	***	***	***	***

Table continued.

Table IV-2 Continued
Glass wine bottles: Share of U.S. imports by source and period

Shares and ratios in percent; ratios represent the ratio to U.S. production

Source	Measure	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Chile	Share of quantity	***	***	***	***	***
China	Share of quantity	***	***	***	***	***
Mexico	Share of quantity	***	***	***	***	***
Subject sources	Share of quantity	***	***	***	***	***
Nonsubject sources	Share of quantity	***	***	***	***	***
All import sources	Share of quantity	100.0	100.0	100.0	100.0	100.0
Chile	Share of value	***	***	***	***	***
China	Share of value	***	***	***	***	***
Mexico	Share of value	***	***	***	***	***
Subject sources	Share of value	***	***	***	***	***
Nonsubject sources	Share of value	***	***	***	***	***
All import sources	Share of value	100.0	100.0	100.0	100.0	100.0
Chile	Ratio	***	***	***	***	***
China	Ratio	***	***	***	***	***
Mexico	Ratio	***	***	***	***	***
Subject sources	Ratio	***	***	***	***	***
Nonsubject sources	Ratio	***	***	***	***	***
All import sources	Ratio	***	***	***	***	***

Table continued.

Table IV-2 Continued
Glass wine bottles: Changes in import quantity, values, and unit values between comparison periods

Shares and ratios in percent; ratios represent the ratio to U.S. production

Source	Measure	2020-22	2020-21	2021-22	Jan-Sep 2022-23
Chile	%Δ Quantity	▲***	▲***	▲***	▼***
China	%Δ Quantity	▼***	▼***	▼***	▼***
Mexico	%Δ Quantity	▲***	▲***	▼***	▲***
Subject sources	%Δ Quantity	▼(3.9)	▲2.8	▼(6.5)	▼(12.4)
Nonsubject sources	%Δ Quantity	▲***	▲***	▲***	▼***
All import sources	%Δ Quantity	▲***	▲***	▲***	▼***
Chile	%Δ Value	▲***	▲***	▲***	▼***
China	%Δ Value	▼***	▼***	▼***	▼***
Mexico	%Δ Value	▲***	▲***	▲***	▲***
Subject sources	%Δ Value	▲20.2	▲11.2	▲8.2	▼(6.4)
Nonsubject sources	%Δ Value	▲***	▲***	▲***	▼***
All import sources	%Δ Value	▲***	▲***	▲***	▼***
Chile	%Δ Unit value	▲***	▼***	▲***	▼***
China	%Δ Unit value	▲***	▲***	▲***	▼***
Mexico	%Δ Unit value	▲***	▲***	▲***	▲***
Subject sources	%Δ Unit value	▲25.1	▲8.1	▲15.6	▲6.8
Nonsubject sources	%Δ Unit value	▲***	▲***	▼***	▲***
All import sources	%Δ Unit value	▲***	▲***	▲***	▲***

Source: Compiled from data submitted in response to Commission questionnaires, official U.S. imports statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting number 7010.90.5019, accessed January 10, 2024 and proprietary, Census-edited Customs records using HTS statistical reporting number 7010.90.5019, accessed December 29, 2023. Data for subject imports from Chile, China, and Mexico are compiled from data submitted in response to Commission questionnaires. Data for imports from nonsubject sources are compiled using official import statistics adjusted to remove out-of-scope imports that entered the U.S. under statistical reporting number 7010.90.50.19 using data submitted in Commission questionnaires and using proprietary, Census-edited Customs records for firms that submitted a certified “No” questionnaire response and may be overstated. Official U.S. import statistics are based on the imports for consumption data series, and value data reflect landed, duty-paid values.

Note: Share of quantity is the share of U.S. imports by quantity; share of value is the share of U.S. imports by value; ratio are U.S. imports to production.

Figure IV-1
Glass wine bottles: U.S. import quantities and average unit values, by source and period

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires, official U.S. imports statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting number 7010.90.5019, accessed January 10, 2024 and proprietary, Census-edited Customs records using HTS statistical reporting number 7010.90.5019, accessed December 29, 2023. Data for subject imports from Chile, China, and Mexico are compiled from data submitted in response to Commission questionnaires. Data for imports from nonsubject sources are compiled using official import statistics adjusted to remove out-of-scope imports that entered the U.S. under statistical reporting number 7010.90.50.19 using data submitted in Commission questionnaires and using proprietary, Census-edited Customs records for firms that submitted a certified "No" questionnaire response and may be overstated. Official U.S. import statistics are based on the imports for consumption data series, and value data reflect landed, duty-paid values.

Table IV-3 presents data for U.S. imports of glass wine bottles from nonsubject sources. The largest sources for nonsubject imports during 2020-22 were Canada, India, France, and Taiwan. Nonsubject imports increased *** percent by quantity and *** percent by value during 2020-22 and were *** percent lower by quantity and *** percent lower by value in interim 2023 compared to interim 2022. Unit values for nonsubject imports increased irregularly by *** percent during 2020-22 and were *** percent higher in interim 2023 compared to interim 2022.

Table IV-3
Glass wine bottles: U.S. imports from nonsubject countries, by source and period

Quantity in gross; value in 1,000 dollars; unit values in dollars per gross

Source	Measure	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Canada	Quantity	1,393,991	1,313,016	1,198,291	1,003,242	506,669
India	Quantity	69,209	485,561	941,112	771,252	382,439
France	Quantity	244,124	262,760	640,420	540,771	174,025
Taiwan	Quantity	555,608	634,263	509,518	403,038	319,732
Germany	Quantity	196,047	307,129	284,946	238,369	131,893
Italy	Quantity	148,579	188,586	238,186	185,884	212,093
Turkey	Quantity	27,595	93,867	223,486	196,048	19,370
United Arab Emirates	Quantity	166,532	223,344	220,890	167,459	147,042
All other nonsubject sources	Quantity	1,300,735	1,227,929	1,058,694	816,603	708,176
All nonsubject sources, unadjusted	Quantity	4,102,420	4,736,455	5,315,543	4,322,666	2,601,439
Adjustment for out-of-scope products	Quantity	***	***	***	***	***
Nonsubject sources	Quantity	***	***	***	***	***
Canada	Value	52,879	56,295	42,374	33,290	23,382
India	Value	2,293	16,593	65,926	50,873	36,171
France	Value	23,953	30,271	45,184	31,447	21,060
Taiwan	Value	27,041	32,198	34,984	27,741	19,596
Germany	Value	14,649	18,167	22,841	18,188	11,377
Italy	Value	12,120	12,950	14,559	10,876	17,652
Turkey	Value	555	2,449	4,706	4,026	688
United Arab Emirates	Value	17,916	21,781	23,462	16,625	23,517
All other nonsubject sources	Value	53,520	61,349	75,909	57,500	60,908
All nonsubject sources, unadjusted	Value	204,926	252,053	329,944	250,566	214,350
Adjustment for out-of-scope products	Value	***	***	***	***	***
Nonsubject sources	Value	***	***	***	***	***
Canada	Unit value	37.93	42.87	35.36	33.18	46.15
India	Unit value	33.13	34.17	70.05	65.96	94.58
France	Unit value	98.12	115.21	70.55	58.15	121.02
Taiwan	Unit value	48.67	50.76	68.66	68.83	61.29
Germany	Unit value	74.72	59.15	80.16	76.30	86.26
Italy	Unit value	81.57	68.67	61.12	58.51	83.23
Turkey	Unit value	20.13	26.09	21.06	20.54	35.50
United Arab Emirates	Unit value	107.58	97.52	106.21	99.28	159.93
All other nonsubject sources	Unit value	41.15	49.96	71.70	70.41	86.01
All nonsubject sources, unadjusted	Unit value	49.95	53.22	62.07	57.97	82.40
Adjustment for out-of-scope products	Unit value	***	***	***	***	***
Nonsubject sources	Unit value	***	***	***	***	***

Table continued.

Table IV-3 Continued
Glass wine bottles: U.S. imports from nonsubject countries, by source and period

Shares and ratios in percent; shares represent share of all nonsubject sources, unadjusted; ratios represent the ratio to adjusted nonsubject sources as presented in IV-2

Source	Measure	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Canada	Share of quantity	34.0	27.7	22.5	23.2	19.5
India	Share of quantity	1.7	10.3	17.7	17.8	14.7
France	Share of quantity	6.0	5.5	12.0	12.5	6.7
Taiwan	Share of quantity	13.5	13.4	9.6	9.3	12.3
Germany	Share of quantity	4.8	6.5	5.4	5.5	5.1
Italy	Share of quantity	3.6	4.0	4.5	4.3	8.2
Turkey	Share of quantity	0.7	2.0	4.2	4.5	0.7
United Arab Emirates	Share of quantity	4.1	4.7	4.2	3.9	5.7
All other nonsubject sources	Share of quantity	31.7	25.9	19.9	18.9	27.2
All nonsubject sources, unadjusted	Share of quantity	100.0	100.0	100.0	100.0	100.0
Canada	Share of value	25.8	22.3	12.8	13.3	10.9
India	Share of value	1.1	6.6	20.0	20.3	16.9
France	Share of value	11.7	12.0	13.7	12.6	9.8
Taiwan	Share of value	13.2	12.8	10.6	11.1	9.1
Germany	Share of value	7.1	7.2	6.9	7.3	5.3
Italy	Share of value	5.9	5.1	4.4	4.3	8.2
Turkey	Share of value	0.3	1.0	1.4	1.6	0.3
United Arab Emirates	Share of value	8.7	8.6	7.1	6.6	11.0
All other nonsubject sources	Share of value	26.1	24.3	23.0	22.9	28.4
All nonsubject sources, unadjusted	Share of value	100.0	100.0	100.0	100.0	100.0
Canada	Ratio	***	***	***	***	***
India	Ratio	***	***	***	***	***
France	Ratio	***	***	***	***	***
Taiwan	Ratio	***	***	***	***	***
Germany	Ratio	***	***	***	***	***
Italy	Ratio	***	***	***	***	***
Turkey	Ratio	***	***	***	***	***
United Arab Emirates	Ratio	***	***	***	***	***
All other nonsubject sources	Ratio	***	***	***	***	***
All nonsubject sources, unadjusted	Ratio	***	***	***	***	***
Adjustment for out-of-scope products	Ratio	***	***	***	***	***
Nonsubject sources	Ratio	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official U.S. imports statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting number 7010.90.5019, accessed January 10, 2024 for all individually listed nonsubject sources and for the nonsubject sources, unadjusted subtotal. The nonsubject sources total in the table comes from Table IV-2 and is adjusted (by the amounts in the adjustment for out-of-scope products rows) to remove out-of-scope imports using proprietary, Census-edited Customs records using HTS statistical reporting number 7010.90.5019, accessed December 29, 2023, and data from Commission questionnaires. Data are based on the imports for consumption data series, and value data reflect landed, duty-paid values.

Figure IV-2
Glass wine bottles: Average unit values of nonsubject U.S. imports, subject imports, and U.S. producers

* * * * * * *

Source: Compiled from official U.S. imports statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting number 7010.90.5019, accessed January 10, 2024 for all individually listed nonsubject sources and for the nonsubject sources, unadjusted subtotal. The nonsubject sources total in the table comes from Table IV-2 and is adjusted (by the amounts in the adjustment for out-of-scope products rows) to remove out-of-scope imports using proprietary, Census-edited Customs records using HTS statistical reporting number 7010.90.5019, accessed December 29, 2023 and data from Commission questionnaires. Data are based on the imports for consumption data series, and value data reflect landed, duty-paid values.

Negligibility

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

Table IV-4 presents information on imports from Chile, China, Mexico and all other sources the 12-month period preceding the filing of the petition (i.e., December 2022 through November 2023). Imports from Chile, China, and Mexico accounted for *** percent, *** percent, and *** percent, respectively, of total imports of glass wine bottles by quantity during this period, while imports of glass wine bottles from all other sources accounted for *** percent.

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

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

Table IV-4
Glass wine bottles: U.S. imports in the twelve-month period preceding the filing of the petition, December 2022 through November 2023

Quantity in gross; share in percent

Source of imports	Quantity	Share of quantity
Chile	***	***
China	***	***
Mexico	***	***
All other sources	***	***
All import sources	***	100.0

Source: Data for subject imports from Chile, China, and Mexico are compiled from data submitted in response to Commission questionnaires. Data for imports from nonsubject sources are compiled using official import statistics adjusted to remove out-of-scope imports that entered the U.S. under statistical reporting number 7010.90.50.19 using data submitted in Commission questionnaires and using proprietary, Census-edited Customs records using HTS statistical reporting number 7010.90.5019, accessed December 29, 2023, and may be overstated. Official U.S. import statistics are based on the imports for consumption data series.

Cumulation considerations

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

Fungibility[6]

Table IV-5 and figure IV-3 present information on U.S. producers' and U.S. importers' U.S. shipments of glass wine bottles by bottle style – green Claret style, green Burgundy style, and 750 mL wine bottles of other styles or colors.

U.S. producers shipped glass wine bottles in all three styles in shares ranging from *** percent to *** percent. Shipments of imports from both subject and nonsubject sources also included all three styles. U.S. producers accounted for *** percent of green Claret style, *** percent of green Burgundy style, and *** percent of all other style bottle U.S. shipments of glass wine bottles in 2022. Glass wine bottles imported from subject sources accounted for *** percent of green Claret style, *** percent of green Burgundy bottles, and *** percent of all other style bottle U.S. shipments in 2022.

Table IV-5
Glass wine bottles: U.S. producers' and U.S. importers' U.S. shipments, by source and bottle style, 2022

Quantity in gross

Source	Claret style green	Burgundy style green	Other styles and colors	All styles
U.S. producers	***	***	***	***
Chile	***	***	***	***
China	***	***	***	***
Mexico	***	***	***	***
Subject sources	1,453,012	789,955	872,591	3,115,558
Nonsubject sources	***	***	***	***
All import sources	***	***	***	***
All sources	***	***	***	***

Table continued.

[6] Respondents have argued products are not fungible because of the way they're packed, asserting that the domestic industry prefers and focuses on bulk packaging versus case packaging preferred by U.S. importers and their customers. In bulk packaging glass containers are packed directly on pallets with corrugated sheets between each layer and in carton packaging product is packed in the customers' shipping cartons. Petition, p.9. In their postconference briefs, petitioner reported that case packaged shipments account for between *** percent and *** percent of all U.S. shipments during all reporting periods. Petitioner's postconference brief, exh. 1, pp. 6-7. Respondents Berlin, Encore, and TricorBraun reported that case packaged shipments account for about *** percent, *** percent, and *** percent, respectively, of their U.S. shipments during all reporting periods. Berlin postconference brief, Responses to Staff Questions from ITC Preliminary Conference, p.6. Encore postconference brief, p.10. TricorBraun's postconference brief, Appendix A, p.2.

Table IV-5 Continued
Glass wine bottles: U.S. producers' and U.S. importers' U.S. shipments, by source and bottle style, 2022

Share across in percent

Source	Claret style green	Burgundy style green	Other styles and colors	All styles
U.S. producers	***	***	***	100.0
Chile	***	***	***	100.0
China	***	***	***	100.0
Mexico	***	***	***	100.0
Subject sources	***	***	***	100.0
Nonsubject sources	***	***	***	100.0
All import sources	***	***	***	100.0
All sources	***	***	***	100.0

Table continued.

Table IV-5 Continued
Glass wine bottles: U.S. producers' and U.S. importers' U.S. shipments, by source and bottle style, 2022

Share down in percent

Source	Claret style green	Burgundy style green	Other styles and colors	All styles
U.S. producers	***	***	***	***
Chile	***	***	***	***
China	***	***	***	***
Mexico	***	***	***	***
Subject sources	***	***	***	***
Nonsubject sources	***	***	***	***
All import sources	***	***	***	***
All sources	100.0	100.0	100.0	100.0

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

Figure IV-3
Glass wine bottles: U.S. producers' and U.S. importers' U.S. shipments, by source and bottle style, 2022

* * * * * * *

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

Geographical markets

Glass wine bottles produced in the United States are shipped nationwide.[7] In 2022, official import statistics show that 63.9 percent of U.S. imports of glass wine bottles from subject sources entered through the Western border of entry of the United States, followed by the Southern and Eastern borders of entry with 18.4 and 15.1 percent, respectively. Imports from Chile entered almost exclusively (98.6 percent) through the Western border of entry; 77.0 percent of Chinese imports entered through the Western border of entry; and with respect to Mexican imports, 47.6 percent of entered through the Western border of entry, 31.2 percent through the Southern border of entry, and 2.1 percent through the Eastern border of entry. There were no imports from Chile or Mexico through the Northern border of entry. Table IV-6 presents U.S. import quantities of glass wine bottles by sources and border of entry during 2022.

[7] See Part II for additional information on geographic markets.

Table IV-6
Glass wine bottles: U.S. imports by source and border of entry, 2022

Quantity in gross

Source	East	North	South	West	All borders
Chile	7,730	109	2,814	758,425	769,078
China	192,702	143,634	73,016	1,367,134	1,776,486
Mexico	648,736	783	958,434	1,459,519	3,067,472
Subject sources	849,168	144,526	1,034,264	3,585,078	5,613,036
Nonsubject sources	2,195,257	1,123,807	247,902	1,748,577	5,315,543
All import sources	3,044,425	1,268,333	1,282,166	5,333,655	10,928,579

Table continued.

Table IV-6 Continued
Glass wine bottles: U.S. imports by source and border of entry, 2022

Share across in percent

Source	East	North	South	West	All borders
Chile	1.0	0.0	0.4	98.6	100.0
China	10.8	8.1	4.1	77.0	100.0
Mexico	21.1	0.0	31.2	47.6	100.0
Subject sources	15.1	2.6	18.4	63.9	100.0
Nonsubject sources	41.3	21.1	4.7	32.9	100.0
All import sources	27.9	11.6	11.7	48.8	100.0

Table continued.

Table IV-6 Continued
Glass wine bottles: U.S. imports by source and border of entry, 2022

Share down in percent

Source	East	North	South	West	All borders
Chile	0.3	0.0	0.2	14.2	7.0
China	6.3	11.3	5.7	25.6	16.3
Mexico	21.3	0.1	74.8	27.4	28.1
Subject sources	27.9	11.4	80.7	67.2	51.4
Nonsubject sources	72.1	88.6	19.3	32.8	48.6
All import sources	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting number 7010.90.5019, accessed January 10, 2024. Imports are based on the imports for consumption data series. These data are unadjusted official imports statistics and therefore are overstated as the HTS statistical reporting number contains products outside the scope of these investigations.

Presence in the market

Table IV-7 and figures IV-4 and IV-5 present monthly official U.S. import statistics for subject countries and nonsubject sources. The monthly import statistics indicate that U.S. imports of glass wine bottles from both subject and nonsubject sources were present in each month from January 2020 to September 2023.

Table IV-7
Glass wine bottles: Quantity of U.S. imports, by source and month

Quantity in gross

Year	Month	Chile	China	Mexico	Subject sources	Nonsubject sources	All import sources
2020	January	3,619	526,047	190,576	720,242	327,297	1,047,539
2020	February	1,036	311,029	188,108	500,173	288,220	788,393
2020	March	5,556	100,565	239,807	345,928	350,491	696,419
2020	April	6,000	191,209	230,381	427,590	295,078	722,668
2020	May	22,892	58,237	219,623	300,752	250,496	551,248
2020	June	51,953	55,050	264,253	371,256	347,274	718,530
2020	July	66,142	98,838	286,083	451,063	339,041	790,104
2020	August	14,694	71,269	303,858	389,821	329,612	719,433
2020	September	30,336	99,895	311,212	441,443	340,948	782,391
2020	October	52,762	93,721	282,090	428,573	415,516	844,089
2020	November	70,746	81,623	275,625	427,994	381,495	809,489
2020	December	79,331	95,451	260,371	435,153	436,952	872,105
2021	January	22,064	109,021	298,305	429,390	345,657	775,047
2021	February	29,992	127,469	257,011	414,472	389,049	803,521
2021	March	45,212	129,164	296,277	470,653	398,715	869,368
2021	April	24,861	180,033	334,556	539,450	512,869	1,052,319
2021	May	34,547	149,414	261,331	445,292	326,916	772,208
2021	June	66,617	124,545	305,633	496,795	316,990	813,785
2021	July	58,741	96,043	297,322	452,106	399,543	851,649
2021	August	80,971	133,727	352,213	566,911	450,956	1,017,867
2021	September	97,489	119,262	310,433	527,184	434,165	961,349
2021	October	48,887	117,384	260,500	426,771	401,994	828,765
2021	November	63,502	144,380	276,827	484,709	391,241	875,950
2021	December	50,526	122,196	263,725	436,447	368,360	804,807

Table continued.

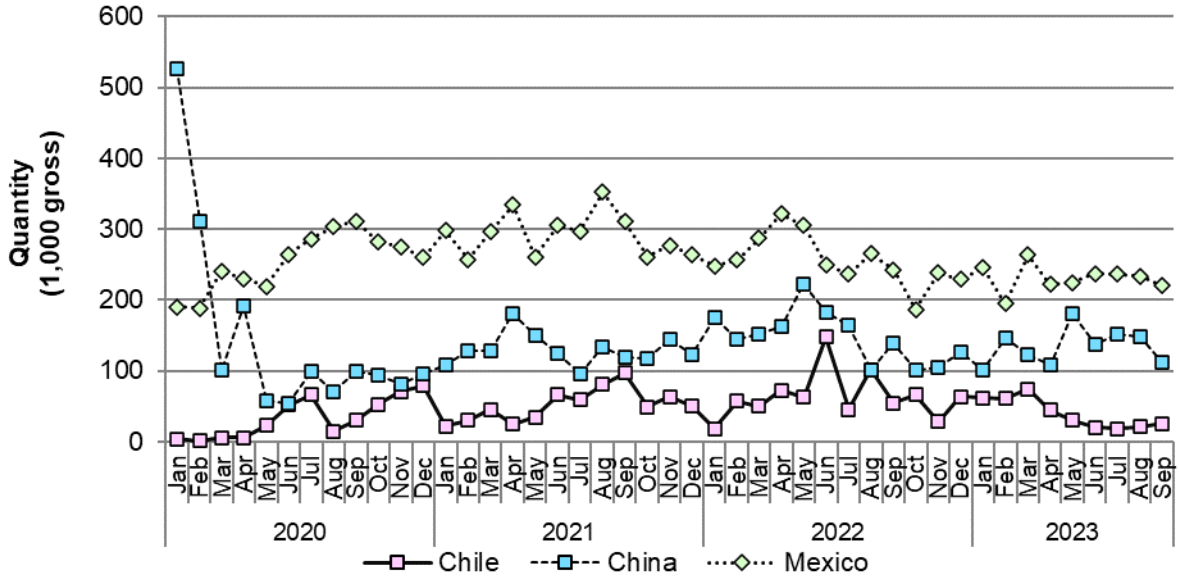
Table IV-7 Continued
Glass wine bottles: Quantity of U.S. imports, by source and month

Quantity in gross

Year	Month	Chile	China	Mexico	Subject sources	Nonsubject sources	All import sources
2022	January	18,379	176,036	248,036	442,451	378,497	820,948
2022	February	57,785	143,900	256,483	458,168	420,511	878,679
2022	March	49,858	152,429	286,980	489,267	494,483	983,750
2022	April	72,900	162,574	321,453	556,927	507,765	1,064,692
2022	May	62,342	221,584	305,403	589,329	611,610	1,200,939
2022	June	147,441	181,917	249,687	579,045	591,232	1,170,277
2022	July	45,517	163,969	236,696	446,182	401,173	847,355
2022	August	101,672	101,811	265,666	469,149	506,492	975,641
2022	September	54,255	139,099	242,355	435,709	410,903	846,612
2022	October	66,704	101,503	187,088	355,295	359,377	714,672
2022	November	28,861	105,280	237,973	372,114	301,360	673,474
2022	December	63,364	126,384	229,652	419,400	332,140	751,540
2023	January	61,722	100,393	245,560	407,675	315,893	723,568
2023	February	60,596	146,154	194,479	401,229	260,547	661,776
2023	March	74,486	123,085	263,617	461,188	356,577	817,765
2023	April	44,726	108,594	221,771	375,091	266,549	641,640
2023	May	30,635	179,993	224,843	435,471	317,298	752,769
2023	June	20,587	136,538	237,133	394,258	225,308	619,566
2023	July	18,031	152,150	236,703	406,884	299,739	706,623
2023	August	21,532	148,440	233,575	403,547	296,906	700,453
2023	September	25,527	111,516	220,133	357,176	262,622	619,798

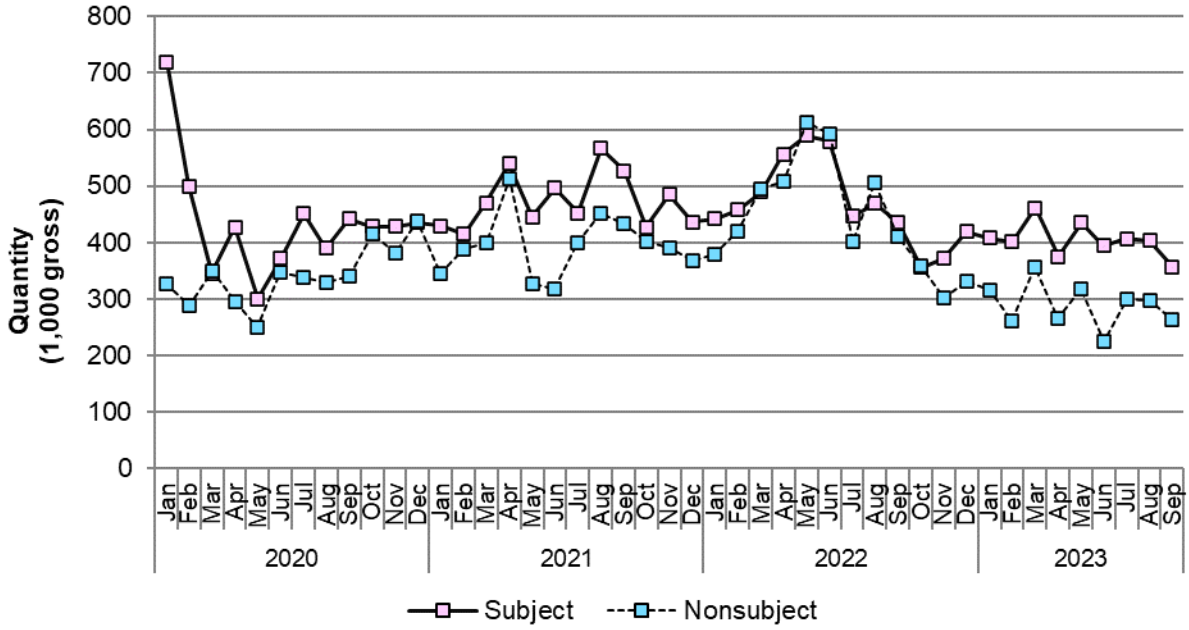
Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting number 7010.90.5019, accessed January 10, 2024. Imports are based on the imports for consumption data series. These data are unadjusted official imports statistics and therefore are overstated as the HTS statistical reporting number contains products outside the scope of these investigations.

Figure IV-4
Glass wine bottles: U.S. imports from individual subject sources, by month



Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting number 7010.90.5019, accessed January 10, 2024. Imports are based on the imports for consumption data series. These data are unadjusted official imports statistics and therefore are overstated as the HTS statistical reporting number contains products outside the scope of these investigations.

Figure IV-5
Glass wine bottles: U.S. imports from aggregated subject and nonsubject sources, by month



Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting number 7010.90.5019, accessed January 10, 2024. Imports are based on the imports for consumption data series. These data are unadjusted official imports statistics and therefore are overstated as the HTS statistical reporting number contains products outside the scope of these investigations.

Apparent U.S. consumption and market shares

Quantity

Table IV-8 and figure IV-6 present data on apparent U.S. consumption and U.S. market shares by quantity for glass wine bottles for the total U. S. market while table IV-9 and figure IV-7 present data on apparent U.S. consumption and U.S. merchant market shares by quantity for glass wine bottles for the merchant U. S. market.

During 2020-22, U.S. apparent consumption, by quantity, increased *** percent, however it was *** percent lower in interim 2023 compared to interim 2022. U.S. producers' market share decreased from *** percent to *** percent during 2020-22 and it was higher, at *** percent in interim 2023 compared to *** percent in interim 2022. The market share of subject imports decreased from *** percent to *** percent during 2020-22 but was higher, at *** percent in interim 2023 compared to *** percent in interim 2022. During 2020-22, the market shares of subject import from Chile increased by *** percentage points,

while the market shares of subject imports from China and Mexico decreased by *** percentage points and *** percentage points, respectively. Market shares of imports from all subject sources were higher in interim 2023 compared to interim 2022. The share of nonsubject imports increased by *** percentage points during 2020-22 but was *** percentage points lower in interim 2023 compared to interim 2022.

Table IV-8
Glass wine bottles: Apparent U.S. consumption and market shares for the total market based on quantity, by source and period

Quantity in gross; shares in percent

Source	Measure	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
U.S. producers	Quantity	***	***	***	***	***
Chile	Quantity	***	***	***	***	***
China	Quantity	***	***	***	***	***
Mexico	Quantity	***	***	***	***	***
Subject sources	Quantity	3,655,266	3,593,662	3,115,557	2,517,609	2,438,069
Nonsubject sources	Quantity	***	***	***	***	***
All import sources	Quantity	***	***	***	***	***
All sources	Quantity	***	***	***	***	***
U.S. producers	Share	***	***	***	***	***
Chile	Share	***	***	***	***	***
China	Share	***	***	***	***	***
Mexico	Share	***	***	***	***	***
Subject sources	Share	***	***	***	***	***
Nonsubject sources	Share	***	***	***	***	***
All import sources	Share	***	***	***	***	***
All sources	Share	100.0	100.0	100.0	100.0	100.0

Source: Data for U.S. shipments of U.S. producers and subject imports from Chile, China, and Mexico are compiled from data submitted in response to Commission questionnaires. Data for imports from nonsubject sources are compiled from official U.S. imports statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting number 7010.90.5019, accessed January 10, 2024 adjusted to remove out-of-scope imports using data from Commission questionnaires and proprietary, Census-edited Customs records using HTS statistical reporting number 7010.90.5019, accessed December 29, 2023 and may be overstated.

Figure IV-6
Glass wine bottles: Apparent U.S. consumption for the total market based on quantity, by source and period

* * * * * * *

Source: Data for U.S. shipments of U.S. producers and subject imports from Chile, China, and Mexico are compiled from data submitted in response to Commission questionnaires. Data for imports from nonsubject sources are compiled from official U.S. imports statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting number 7010.90.5019, accessed January 10, 2024 adjusted to remove out-of-scope imports using data from Commission questionnaires and proprietary, Census-edited Customs records using HTS statistical reporting number 7010.90.5019, accessed December 29, 2023 and may be overstated.

During 2020-22, U.S. apparent consumption for the merchant market, by quantity, increased by *** percent, however, it was *** percent lower in interim 2023 compared to interim 2022. U.S. producers' market share decreased from *** percent to *** percent during 2020-22 but it was *** percentage points higher in interim 2023 compared to interim 2022. The market share of subject imports decreased from *** percent to *** percent during 2020-22 but was *** percentage points higher in interim 2023 compared to interim 2022. During 2020-22, the market shares of subject import from Chile increased by *** percentage points, while the market shares of subject imports from China and Mexico decreased by *** and *** percentage points, respectively. Market shares of imports from all

three subject sources were higher in interim 2023 compared to interim 2022. The share of nonsubject imports increased by *** percentage points during 2020-22 but was *** percentage points lower in interim 2023 compared to interim 2022.

Table IV-9
Glass wine bottles: Apparent U.S. consumption and market shares for the merchant market based on quantity, by source and period

Quantity in gross; shares in percent

Source	Measure	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
U.S. producers	Quantity	***	***	***	***	***
Chile	Quantity	***	***	***	***	***
China	Quantity	***	***	***	***	***
Mexico	Quantity	***	***	***	***	***
Subject sources	Quantity	3,655,266	3,593,662	3,115,557	2,517,609	2,438,069
Nonsubject sources	Quantity	***	***	***	***	***
All import sources	Quantity	***	***	***	***	***
All sources	Quantity	***	***	***	***	***
U.S. producers	Share	***	***	***	***	***
Chile	Share	***	***	***	***	***
China	Share	***	***	***	***	***
Mexico	Share	***	***	***	***	***
Subject sources	Share	***	***	***	***	***
Nonsubject sources	Share	***	***	***	***	***
All import sources	Share	***	***	***	***	***
All sources	Share	100.0	100.0	100.0	100.0	100.0

Source: Data for U.S. shipments of U.S. producers and subject imports from Chile, China, and Mexico are compiled from data submitted in response to Commission questionnaires. Data for imports from nonsubject sources are compiled from official U.S. imports statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting number 7010.90.5019, accessed January 10, 2024 adjusted to remove out-of-scope imports using data from Commission questionnaires and proprietary, Census-edited Customs records using HTS statistical reporting number 7010.90.5019, accessed December 29, 2023 and may be overstated.

Figure IV-7
Glass wine bottles: Apparent U.S. consumption for the merchant market based on quantity, by source and period

* * * * * * *

Source: Data for U.S. shipments of U.S. producers and subject imports from Chile, China, and Mexico are compiled from data submitted in response to Commission questionnaires. Data for imports from nonsubject sources are compiled from official U.S. imports statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting number 7010.90.5019, accessed January 10, 2024 adjusted to remove out-of-scope imports using data from Commission questionnaires and proprietary, Census-edited Customs records using HTS statistical reporting number 7010.90.5019, accessed December 29, 2023 and may be overstated.

Value

Table IV-10 and figure IV-8 present data on apparent U.S. consumption and U.S. market shares by value for glass wine bottles for the total U. S. market while table IV-11 and figure IV-9 present data on apparent U.S. consumption and U.S. market shares by value for glass wine bottles for the merchant U. S. market.

U.S. apparent consumption, by value, increased *** percent during 2020-22, and was *** percent lower in interim 2023 compared to interim 2022. U.S. producers' market share decreased from *** percent to *** percent during 2020-22 and was lower in interim 2023 compared to interim 2022. The market share of subject imports decreased from *** percent

to *** percent during 2020-22 but was higher in interim 2023 compared to interim 2022. During 2020-22, the market share of subject import from Chile increased by *** percentage points, the market share of subject imports from China decreased by *** percentage points, and the market share of subject imports Mexico decreased by *** percentage points. Market shares of imports from Chile and China were lower in interim 2023 compared to interim 2022, while Mexico's market share was higher. The share of nonsubject imports increased by *** percentage points during 2020-22 but was *** percentage points lower in interim 2023 compared to interim 2022.

Table IV-10
Glass wine bottles: Apparent U.S. consumption and market shares for the total market based on value, by source and period

Value in 1,000 dollars; shares in percent

Source	Measure	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
U.S. producers	Value	***	***	***	***	***
Chile	Value	***	***	***	***	***
China	Value	***	***	***	***	***
Mexico	Value	***	***	***	***	***
Subject sources	Value	331,640	347,326	361,361	292,147	300,027
Nonsubject sources	Value	***	***	***	***	***
All import sources	Value	***	***	***	***	***
All sources	Value	***	***	***	***	***
U.S. producers	Share	***	***	***	***	***
Chile	Share	***	***	***	***	***
China	Share	***	***	***	***	***
Mexico	Share	***	***	***	***	***
Subject sources	Share	***	***	***	***	***
Nonsubject sources	Share	***	***	***	***	***
All import sources	Share	***	***	***	***	***
All sources	Share	100.0	100.0	100.0	100.0	100.0

Source: Data for U.S. shipments of U.S. producers and subject imports from Chile, China, and Mexico are compiled from data submitted in response to Commission questionnaires. Data for imports from nonsubject sources are compiled from official U.S. imports statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting number 7010.90.5019, accessed January 10, 2024 adjusted to remove out-of-scope imports using data from Commission questionnaires and proprietary, Census-edited Customs records using HTS statistical reporting number 7010.90.5019, accessed December 29, 2023 and may be overstated.

Figure IV-8
Glass wine bottles: Apparent U.S. consumption for the total market based on value, by source and period

* * * * * * *

Source: Data for U.S. shipments of U.S. producers and subject imports from Chile, China, and Mexico are compiled from data submitted in response to Commission questionnaires. Data for imports from nonsubject sources are compiled from official U.S. imports statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting number 7010.90.5019, accessed January 10, 2024 adjusted to remove out-of-scope imports using data from Commission questionnaires and proprietary, Census-edited Customs records using HTS statistical reporting number 7010.90.5019, accessed December 29, 2023 and may be overstated.

U.S. apparent consumption in the merchant market, by value, increased *** percent during 2020-22, but it was *** percent lower in interim 2023 compared to interim 2022. U.S. producers' market share decreased from *** percent to *** percent during 2020-22 but was *** percentage points higher in interim 2023 compared to interim 2022. The market share of subject imports decreased from *** percent to *** percent during 2020-22 but was higher in interim 2023 compared to interim 2022. During 2020-22, the market share of subject import from Chile increased by *** percentage points, the market share of subject imports from China decreased by *** percentage points, and the market share of subject imports Mexico decreased by *** percentage points. Market shares of imports from Chile and

China were lower in interim 2023 compared to interim 2022, while Mexico's market share was higher. The share of nonsubject imports increased by *** percentage points during 2020-22 but was *** percentage points lower in interim 2023 compared to interim 2022.

Table IV-11
Glass wine bottles: Apparent U.S. consumption and market shares for the merchant market based on value, by source and period

Value in 1,000 dollars; shares in percent

Source	Measure	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
U.S. producers	Value	***	***	***	***	***
Chile	Value	***	***	***	***	***
China	Value	***	***	***	***	***
Mexico	Value	***	***	***	***	***
Subject sources	Value	331,640	347,326	361,361	292,147	300,027
Nonsubject sources	Value	***	***	***	***	***
All import sources	Value	***	***	***	***	***
All sources	Value	***	***	***	***	***
U.S. producers	Share	***	***	***	***	***
Chile	Share	***	***	***	***	***
China	Share	***	***	***	***	***
Mexico	Share	***	***	***	***	***
Subject sources	Share	***	***	***	***	***
Nonsubject sources	Share	***	***	***	***	***
All import sources	Share	***	***	***	***	***
All sources	Share	100.0	100.0	100.0	100.0	100.0

Source: Data for U.S. shipments of U.S. producers and subject imports from Chile, China, and Mexico are compiled from data submitted in response to Commission questionnaires. Data for imports from nonsubject sources are compiled from official U.S. imports statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting number 7010.90.5019, accessed January 10, 2024 adjusted to remove out-of-scope imports using data from Commission questionnaires and proprietary, Census-edited Customs records using HTS statistical reporting number 7010.90.5019, accessed December 29, 2023 and may be overstated.

Figure IV-9
Glass wine bottles: Apparent U.S. consumption for the merchant market based on value, by source and period

* * * * * * *

Source: Data for U.S. shipments of U.S. producers and subject imports from Chile, China, and Mexico are compiled from data submitted in response to Commission questionnaires. Data for imports from nonsubject sources are compiled from official U.S. imports statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting number 7010.90.5019, accessed January 10, 2024 adjusted to remove out-of-scope imports using data from Commission questionnaires and proprietary, Census-edited Customs records using HTS statistical reporting number 7010.90.5019, accessed December 29, 2023 and may be overstated.

Part V: Pricing data

Factors affecting prices

Raw material costs

The major raw materials used in the production of glass wine bottles are silica (sand), soda ash, limestone, and cullet (furnace-ready, recycled glass).[1] U.S. producers reported that raw materials as a share of cost of goods sold was *** percent in 2022.

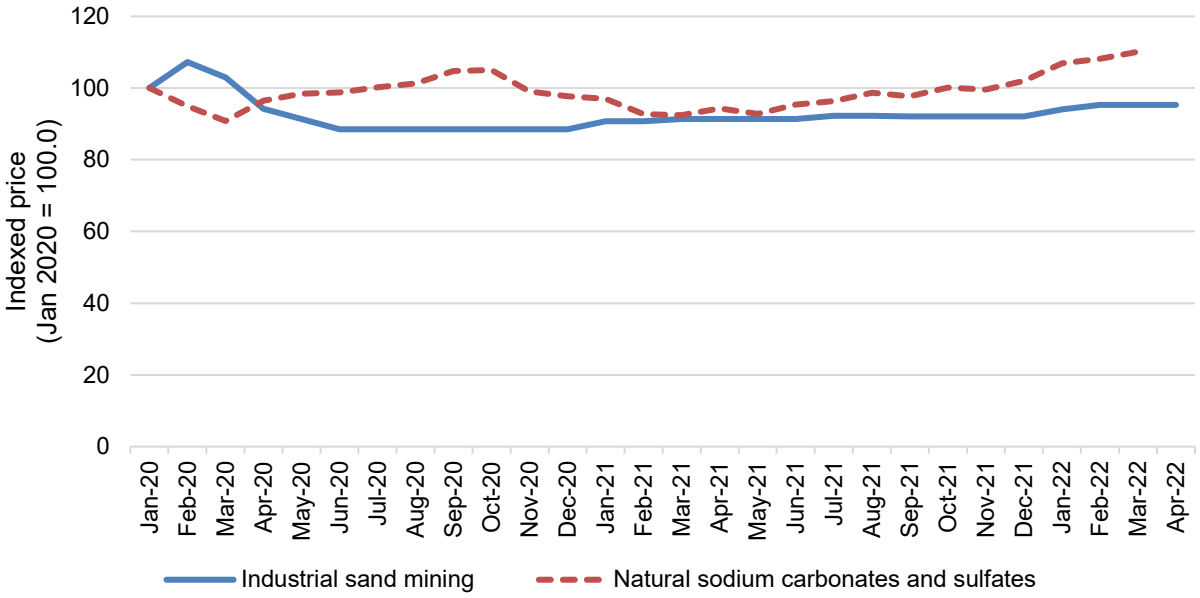
Figure V-1 (and table V-1) show indexed raw materials over the period of investigation. Reported prices for industrial sand increased sharply during early 2020 and then fell again by mid-2020 and remained relatively constant through April 2022 (the most recent period for which data are available), decreasing by 4.7 percent overall.[2] Reported prices for natural sodium carbonates and sulfates (including soda ash) fluctuated but increased by 10.1 percent overall.[3] Electricity and natural gas prices generally increased over the period of investigation (figure and table V-2).

[1] Petition, p. 6.

[2] U.S. Bureau of Labor Statistics, Producer Price Index by Industry: Industrial Sand Mining PCU212322212322, retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/PCU2123912123913, January 23, 2024.

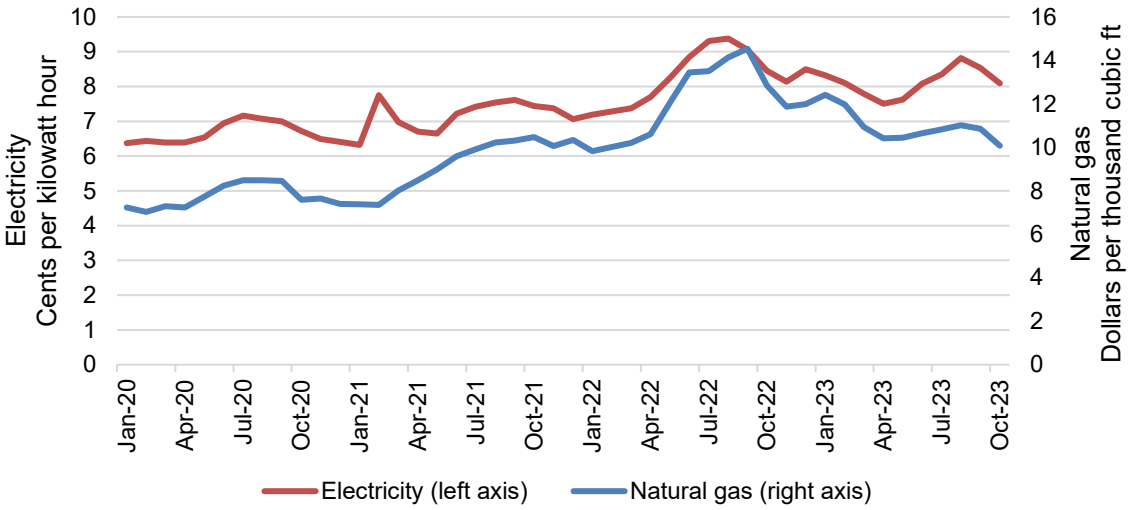
[3] U.S. Bureau of Labor Statistics, Producer Price Index by Industry: Other Nonmetallic Mineral Mining and Quarrying: Natural Sodium Carbonates and Sulfates PCU2123912123913, retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/PCU2123912123913, January 23, 2024.

Figure V-1
Glass wine bottles: Indexed U.S. raw material prices, Jan 2020=100, January 2020 to April 2022, monthly



Source: U.S. Bureau of Labor Statistics, Producer Price Index by Industry: Industrial Sand Mining ***, and Other Nonmetallic Mineral Mining and Quarrying: Natural Sodium Carbonates and Sulfates ***, retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/PCU21239121239913 and https://fred.stlouisfed.org/series/PCU21239121239913, January 23, 2024.

Figure V-2
U.S. price of natural gas sold to commercial customers and average price of electricity sold to industrial customers, January 2020 to October 2023, monthly



Source: Energy Information Administration, "Electric Power Monthly," January 2024 Table 5.3, and https://www.eia.gov/dnav/ng/hist/n3020us3m.htm, retrieved January 24, 2024.

Table V-1
Glass wine bottles: Indexed U.S. raw material prices, Jan 2020=100, January 2020 to April 2022, monthly

Index, January 2020=100

Period	Industrial sand mining	Natural sodium carbonates and sulfates
Jan-20	100.0	100.0
Feb-20	107.2	94.9
Mar-20	102.9	90.8
Apr-20	94.2	96.4
May-20	91.4	98.4
Jun-20	88.5	98.8
Jul-20	88.5	100.2
Aug-20	88.5	101.3
Sep-20	88.5	104.8
Oct-20	88.5	105.1
Nov-20	88.5	99.1
Dec-20	88.5	97.7
Jan-21	90.8	97.0
Feb-21	90.8	92.7
Mar-21	91.4	92.4
Apr-21	91.4	94.3
May-21	91.4	92.8
Jun-21	91.4	95.4
Jul-21	92.2	96.4
Aug-21	92.2	98.7
Sep-21	92.1	97.7
Oct-21	92.1	100.1
Nov-21	92.1	99.5
Dec-21	92.1	102.0
Jan-22	94.1	106.9
Feb-22	95.3	108.2
Mar-22	95.3	110.1
Apr-22	95.3	n.a.

Source: U.S. Bureau of Labor Statistics, Producer Price Index by Industry: Industrial Sand Mining ***, and Other Nonmetallic Mineral Mining and Quarrying: Natural Sodium Carbonates and Sulfates ***, retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/PCU2123912123913 and https://fred.stlouisfed.org/series/PCU2123912123913, January 23, 2024.

Table V-2
U.S. price of natural gas sold to commercial customers and average price of electricity sold to industrial customers, January 2020 to October 2023, monthly

Natural gas price in dollars per thousand cubic feet; electricity price in cents per kilowatt hour

Period	Natural gas price	Electricity price
Jan-20	7.24	6.37
Feb-20	7.03	6.44
Mar-20	7.29	6.39
Apr-20	7.24	6.39
May-20	7.73	6.54
Jun-20	8.23	6.94
Jul-20	8.49	7.16
Aug-20	8.48	7.07
Sep-20	8.45	7.00
Oct-20	7.59	6.72
Nov-20	7.64	6.49
Dec-20	7.39	6.41
Jan-21	7.38	6.32
Feb-21	7.35	7.75
Mar-21	8.01	6.98
Apr-21	8.49	6.70
May-21	8.99	6.65
Jun-21	9.59	7.22
Jul-21	9.92	7.42
Aug-21	10.23	7.54
Sep-21	10.31	7.61
Oct-21	10.48	7.44
Nov-21	10.06	7.37
Dec-21	10.34	7.06
Jan-22	9.82	7.19
Feb-22	10.02	7.28
Mar-22	10.21	7.37
Apr-22	10.6	7.70
May-22	12.07	8.25
Jun-22	13.45	8.85
Jul-22	13.5	9.31
Aug-22	14.14	9.38
Sep-22	14.54	9.06
Oct-22	12.84	8.45
Nov-22	11.87	8.14
Dec-22	11.99	8.50
Jan-23	12.41	8.32
Feb-23	11.97	8.10
Mar-23	10.93	7.79
Apr-23	10.41	7.50
May-23	10.44	7.62

Table continued.

Table V-2 continued
U.S. price of natural gas sold to commercial customers and average price of electricity sold to industrial customers, January 2020 to October 2023, monthly

Natural gas price in dollars per thousand cubic feet; electricity price in cents per kilowatt hour

Period	Natural gas price	Electricity price
Jun-23	10.65	8.08
Jul-23	10.83	8.35
Aug-23	11.02	8.82
Sep-23	10.86	8.53
Oct-23	10.07	8.09

Source: Energy Information Administration, "Electric Power Monthly," January 2024 Table 5.3, and https://www.eia.gov/dnav/ng/hist/n3020us3m.htm, retrieved January 24, 2024.

U.S. inland transportation costs

Both responding U.S. producers and all responding importers reported that they typically arrange transportation to their customers. U.S. producers reported that their U.S. inland transportation costs ranged from *** percent to *** percent while importers reported costs of 2 percent to 22 percent.

Pricing practices

Pricing methods

U.S. producers and importers reported setting prices using transaction-by-transaction negotiations, contracts, and price lists. U.S. importers also reported using other methods, including lower prices to incentivize new customers and a sell price list with a minimum "floor" price (table V-3).

Table V-3
Glass wine bottles: Count of U.S. producers' and importers' reported price setting methods

Count in number of firms reporting

Method	U.S. producers	U.S. importers
Transaction-by-transaction	***	11
Contract	***	9
Set price list	***	8
Other	***	3
Responding firms	3	14

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

Note: The sum of responses down may not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

U.S. producers reported selling the vast majority of their glass wine bottles through long-term contracts, and two responding importers also reported selling most of their glass wine bottles under long-term (usually ***) contracts (table V-4). Petitioner Ardagh stated that most of its long-term contracts are for three years and that purchasers provide forecasts and submit their orders in 90-day buckets.[4] Respondent Berlin stated that it is working on capacity-based agreements with producers so it can support the small- and medium-sized farmers that are associated with the industry and that its typical supply contract is an annual contract but could be multi-year depending on the relationship with the supplier.[5] U.S. producers reported selling *** percent of their shipments on the spot market, and U.S. importers reported selling approximately *** percent of their shipments on the spot market.

Table V-4
Glass wine bottles: U.S. producers' and importers' shares of commercial U.S. shipments by type of sale, 2022

Share in percent

Item	U.S. producers	U.S. importers
Long-term contracts	***	***
Annual contract	***	***
Short-term contracts	***	***
Spot sales	***	***

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

Note: Because of rounding, figures may not add 100 percent.

U.S. producers reported that long term contracts are ***. U.S. importers generally reported that their annual and long-term contracts fixed price and/or quantity but allow for price renegotiation. Some importers reported that their long-term contracts are indexed to raw material prices such as the producer price indices for glass sand, silica sand, feldspar, gravel, and natural gas, as well as inflation.

Petitioner Ardagh stated that it is typical to see prices increase by two to three percent per year on pace with inflation.[6] Additionally, Petitioner stated that it tries to pass on rising costs, including raw materials, labor, and energy, in renegotiating contracts.[7] Ardagh relies on

[4] Conference transcript, p. 48 (Curtin).
[5] Conference transcript, p. 119 (Brosch).
[6] Conference transcript, pp. 16, 26, 28, 29 (Walton, Anderson).
[7] Conference transcript, p. 27 (Anderson).

producer price indices for labor, raw materials, and electricity for the cost pass-through component of its pricing structure.[8]

Sales terms and discounts

U.S. producers reported quoting prices on *** and importers' responses were *** split, indicating that prices are both quoted on f.o.b. and delivered bases. U.S. producers reported offering *** discounts,[9] and importers reported offering quantity discounts and total volume discounts. U.S. importer *** reported that its standard pricing is designed with various price brackets based on quantity and that it can offer end-of-year discounts based on "annual turnover." U.S. importer *** reported that it offers discounts only for large volume orders or contracts and will provide spot pricing for non-contract, lower volume customers. It added that it will sell at listing price for low volume products. Five importers reported no discounts or no official discount policy.

Price data

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following glass wine bottles products shipped to unrelated U.S. customers during January 2020-September 2023.[10]

Product 1.-- 750 ml, Claret style (also referred to as Bordeaux) wine bottle, weighing 16.5 ounces, without frosting, coating, or other decoration, stelvin (screw top) finish, bulk packed

Product 2.-- 750 ml, Burgundy style wine bottle, weighing 14 ounces, without frosting, coating, or other decoration, cork finish, bulk packed

Product 3.-- 750 ml, Claret style (also referred to as Bordeaux) wine bottle, weighing 16.5 ounces, without frosting, coating, or other decoration, cork finish, bulk packed

[8] Conference transcript, p. 34, 74, 77 (Curtin, Anderson).

[9] U.S. producer *** reported that it offers ***.

[10] Petitioner Ardagh argues that there is under reporting of the price data from subject sources (Conference transcript, p. 64, Pickard). Respondents argue that their products are primarily not sold in bulk and therefore do not fit the pricing product descriptions. (Conference transcript, p. 128, Wessel; Berlin's postconference brief, p. 37).

Three U.S. producers and five importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[11] Pricing data reported by these firms accounted for approximately *** percent of U.S. producers' U.S. commercial shipments of glass wine bottles and *** percent of U.S. commercial shipments of subject imports from Chile and *** percent from China in 2022.[12] [13] No importers reported price data for glass wine bottles from Mexico. Price data for products 1-3 are presented in tables V-5 to V-7 and figures V-3 to V-5.

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

[12] Pricing coverage is based on U.S. shipments reported in questionnaires.

[13] Importer *** provided price data for their imports from China that accounted for approximately *** percent of reported price data for China, and its reported prices ranged from *** to *** dollars per gross whereas the highest price reported by the remaining firms was *** dollars per gross. The importer verified its reported data and explained that "the large increases in price were predominantly due to the increase in transportation costs from China to the United States which started to increase at the beginning of 2021 with some manufacturer price increases that were also announced." Email from ***, January 29, 2024.

Table V-5
Glass wine bottles: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by source and quarter

Price in dollars per gross, quantity in gross, margin in percent.

Period	U.S. price	U.S. quantity	Chile price	Chile quantity	Chile margin	China price	China quantity	China margin
2020 Q1	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***
2023 Q2	***	***	***	***	***	***	***	***
2023 Q3	***	***	***	***	***	***	***	***

Period	U.S. price	U.S. quantity	Mexico price	Mexico quantity	Mexico margin	Subject price	Subject quantity	Subject margin
2020 Q1	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***
2023 Q2	***	***	***	***	***	***	***	***
2023 Q3	***	***	***	***	***	***	***	***

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

Note: Product 1: 750 ml, Claret style (also referred to as Bordeaux) wine bottle, weighing 16.5 ounces, without frosting, coating, or other decoration, stelvin (screw top) finish, bulk packed.

Table V-6
Glass wine bottles: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by source and quarter

Price in dollars per gross, quantity in gross, margin in percent.

Period	U.S. price	U.S. quantity	Chile price	Chile quantity	Chile margin	China price	China quantity	China margin
2020 Q1	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***
2023 Q2	***	***	***	***	***	***	***	***
2023 Q3	***	***	***	***	***	***	***	***

Period	U.S. price	U.S. quantity	Mexico price	Mexico quantity	Mexico margin	Subject price	Subject quantity	Subject margin
2020 Q1	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***
2023 Q2	***	***	***	***	***	***	***	***
2023 Q3	***	***	***	***	***	***	***	***

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

Note: Product 2: 750 ml, Burgundy style wine bottle, weighing 14 ounces, without frosting, coating, or other decoration, cork finish, bulk packed.

Table V-7
Glass wine bottles: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by source and quarter

Price in dollars per gross, quantity in gross, margin in percent.

Period	U.S. price	U.S. quantity	Chile price	Chile quantity	Chile margin	China price	China quantity	China margin
2020 Q1	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***
2023 Q2	***	***	***	***	***	***	***	***
2023 Q3	***	***	***	***	***	***	***	***

Period	U.S. price	U.S. quantity	Mexico price	Mexico quantity	Mexico margin	Subject price	Subject quantity	Subject margin
2020 Q1	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***
2023 Q1	***	***	***	***	***	***	***	***
2023 Q2	***	***	***	***	***	***	***	***
2023 Q3	***	***	***	***	***	***	***	***

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

Note: Product 3: 750 ml, Claret style (also referred to as Bordeaux) wine bottle, weighing 16.5 ounces, without frosting, coating, or other decoration, cork finish, bulk packed.

Figure V-3
Glass wine bottles: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, by source and quarter

* * * * * * *

Figure V-4
Glass wine bottles: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, by source and quarter

* * * * * * *

Figure V-5
Glass wine bottles: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, by source and quarter

* * * * * * *

Price trends

In general, prices increased during January 2020-September 2023. Table V-8 summarizes the price trends, by country and by product. As shown in the table, domestic price increases ranged from *** percent to *** percent during January 2020-September 2023. Figures V-6 and V-7 and tables V-9 and V-10 show indexed prices increasing over the period for both U.S.-produced and imported products. Importers *** specifically cited higher ocean freight charges in 2021 and 2022 that contributed to higher prices of imports.

Table V-8
Glass wine bottles: Summary of price data, by product and source, January 2020-September 2023

Quantity in gross, price in dollars per gross

Product	Source	Number of quarters	Quantity	Low price	High price	First quarter price	Last quarter price	Change over period
Product 1	United States	***	***	***	***	***	***	***
Product 1	Chile	***	***	***	***	***	***	***
Product 1	China	***	***	***	***	***	***	***
Product 1	Mexico	***	***	***	***	***	***	***
Product 2	United States	***	***	***	***	***	***	***
Product 2	Chile	***	***	***	***	***	***	***
Product 2	China	***	***	***	***	***	***	***
Product 2	Mexico	***	***	***	***	***	***	***
Product 3	United States	***	***	***	***	***	***	***
Product 3	Chile	***	***	***	***	***	***	***
Product 3	China	***	***	***	***	***	***	***
Product 3	Mexico	***	***	***	***	***	***	***

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

Note: Percent change column is percentage change from the first quarter 2020 to the third quarter in 2023.

Figure V-6
Glass wine bottles: Indexed U.S. producer prices, by quarter

* * * * * * *

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

Figure V-7
Glass wine bottles: Indexed U.S. importer prices, by quarter

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires

Table V-9
Glass wine bottles: Indexed U.S. producer prices, by quarter

Indices in percent, 2020 Q1 = 100.0

Period	Product 1	Product 2	Product 3
2020 Q1	***	***	***
2020 Q2	***	***	***
2020 Q3	***	***	***
2020 Q4	***	***	***
2021 Q1	***	***	***
2021 Q2	***	***	***
2021 Q3	***	***	***
2021 Q4	***	***	***
2022 Q1	***	***	***
2022 Q2	***	***	***
2022 Q3	***	***	***
2022 Q4	***	***	***
2023 Q1	***	***	***
2023 Q2	***	***	***
2023 Q3	***	***	***

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

Table V-10
Glass wine bottles: Indexed U.S. importer prices, by quarter

Indices in percent, 2020 Q1 = 100.0

Period	Product 1	Product 2	Product 3
2018 Q1	***	***	***
2018 Q2	***	***	***
2018 Q3	***	***	***
2018 Q4	***	***	***
2019 Q1	***	***	***
2019 Q2	***	***	***
2019 Q3	***	***	***
2019 Q4	***	***	***
2020 Q1	***	***	***
2020 Q2	***	***	***
2020 Q3	***	***	***
2020 Q4	***	***	***
2021 Q1	***	***	***
2021 Q2	***	***	***
2021 Q3	***	***	***

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Price comparisons

As shown in tables V-11 and V-12, prices for product imported from subject countries were below those for U.S.-produced product in 9 of 74 instances (17,195 gross); margins of underselling ranged from 3.2 percent to 28.4 percent. In the remaining 65 instances (497,632 gross), prices for product from subject countries were between 0.9 percent and 202.0 percent above prices for the domestic product.

Table V-11
Glass wine bottles: Instances of underselling and overselling and the range and average of margins, by product

Quantity in gross; margin in percent

Products	Type	Number of quarters	Quantity	Average margin	Min margin	Max margin
Product 1	Underselling	3	***	***	***	***
Product 2	Underselling	4	***	***	***	***
Product 3	Underselling	2	***	***	***	***
All products	Underselling	9	17,195	14.4	3.2	28.4
Product 1	Overselling	25	***	***	***	***
Product 2	Overselling	17	***	***	***	***
Product 3	Overselling	23	***	***	***	***
All products	Overselling	65	497,632	(67.3)	(0.9)	(202.0)

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

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Table V-12
Glass wine bottles: Instances of underselling and overselling and the range and average of margins, by source

Quantity in gross; margin in percent

Sources	Type	Number of quarters	Quantity	Average margin	Min margin	Max margin
Chile	Underselling	8	***	***	***	***
China	Underselling	1	***	***	***	***
Mexico	Underselling	---	***	***	***	***
All subject sources	Underselling	9	17,195	14.4	3.2	28.4
Chile	Overselling	21	***	***	***	***
China	Overselling	44	***	***	***	***
Mexico	Overselling	---	***	***	***	***
All subject sources	Overselling	65	497,632	(67.3)	(0.9)	(202.0)

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

Note: Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

Lost sales and lost revenue

The Commission requested that U.S. producers of glass wine bottles report purchasers with which they experienced instances of lost sales or revenue due to competition from imports of glass wine bottles from Chile, China, and/or Mexico during January 2020-September 2023. Of the three responding U.S. producers, *** reported that they had to reduce prices and *** reported that they had rolled back announced price increases. *** firms reported that *** had lost sales. Petitioner Ardagh and U.S. producer *** submitted lost sales and lost revenue allegations. These firms identified *** firms with which they lost sales or revenue. Their allegations consisted of *** lost sales, *** lost revenue, and *** consisting of both types of allegations. *** allegations were against Chile, *** allegations were against China, and *** allegations were against Mexico.

Staff contacted 16 purchasers and received responses from 4 purchasers. Responding purchasers reported purchasing or importing 8.7 million gross of glass wine bottles during January 2020-September 2023 (table V-13).

Table V-13
Glass wine bottles: Purchasers' reported purchases and imports, by firm and source

Quantity in gross, share in percent

Firm	Domestic quantity	Subject quantity	All other quantity	Change in domestic share	Change in subject share
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

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

Note: All other includes all other sources and unknown sources. Change is the percentage point change in the share of the firm's total purchases of domestic and/or subject country imports between first and last years.

During 2022, responding purchasers sourced 63.1 percent of their purchases or imports from U.S. producers, 28.5 percent from Chile, China, and/or Mexico, and 8.4 percent from all other sources. Purchasers were asked about changes in their purchasing patterns from different sources since 2022. Of the responding purchasers, all four reported steadily increasing purchases from domestic producers or purchases that fluctuated up. Two of three purchasers reported purchases from Chile that fluctuated down, two reported steadily decreasing purchases from China, and one purchaser each reported constant purchases of glass wine bottles from Mexico and purchases of product from Mexico that fluctuated up.[14] Explanations for increasing purchases of domestic product included increased demand after COVID isolation, Chinese glass imports becoming too expensive, expanding agreements with current and new U.S. suppliers, and reducing supply chain risk.

All four responding purchasers reported that, since 2020, they had purchased imported glass wine bottles from subject sources instead of U.S.-produced product (table V-14). Three reported purchasing from Chile instead of U.S.-producers, three reported purchasing from China instead of U.S. producers, and one reported purchasing from Mexico instead of U.S. producers. Three of the four purchasers reported that subject import prices were lower than U.S.-produced product, and two of these purchasers reported that price was a primary reason for the decision to purchase imported product rather than U.S.-produced product. Two of three purchasers reported that imported glass wine bottles from Chile were priced lower than U.S.-produced product. Two of three purchasers reported that imported glass wine bottles from

[14] Of the four responding purchasers, one purchaser (***) indicated that it did not know the source of some of the glass wine bottles it purchased.

China were not priced lower than U.S.-produced product. The one responding purchaser reported that imported glass wine bottles from Mexico were not priced lower than U.S.-produced product.

Table V-14
Glass wine bottles: Purchasers' responses to purchasing subject imports instead of domestic product, by source

Quantity in gross

Source	Purchased subject imports instead of domestic	Imports priced lower	Choice based on price	Quantity
Chile	3	2	1	***
China	3	1	1	***
Mexico	1	---	---	***
Subject sources	4	3	2	***

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

Two purchasers[15] estimated the quantity of glass wine bottles from Chile and China purchased instead of domestic product; quantities ranged from *** gross to *** gross (table V-15). Purchasers identified the domestic industry's "inability to support all requirements on time" and "highly constrained" supply as non-price reasons for purchasing imported rather than U.S.-produced product. Purchaser *** reported that its purchases of Chinese glass wine bottles were box-packed, while its domestic purchases were bulk-packed.[16] Purchaser *** reported that the contracted domestic supplier was unable to support all requirements on time, so imports were necessary.

[15] Purchaser *** indicated that its purchasing decision was not based on price, so staff has not included its reported quantities.

[16] Respondents argued that this is not a true lost sale. Conference transcript, p. 138 (Wessel).

Table V-15
Glass wine bottles: Purchasers' responses to purchasing subject imports instead of domestic product, by firm

Quantity in gross

Firm	Purchased subject imports instead of domestic	Imports priced lower	Choice based on price	Quantity	Narrative on reasons for purchasing imports
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	Yes--4; No--0	Yes--3; No--1	Yes--2; No--2	***	NA

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

Note: Purchaser *** indicated that its purchasing decision was not based on price, so staff has not included its reported quantities in this table.

Of the four responding purchasers, one (***) reported that U.S. producers had reduced prices in order to compete with lower-priced imports from subject countries; one reported that it did not know (table V-16). The reported estimated price reduction ranged from *** percent to compete with Mexico and *** percent to compete with China. In describing the price reductions, purchaser *** reported that the price reductions were

"***" and that the price reductions to compete with Mexico were "***."[17]

Table V-16
Glass wine bottles: Purchasers' responses to U.S. producer price reductions, by firm

Price reduction in percent

Firm	Producers lowered prices	Price reduction	Narrative on producer price reductions
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
All firms	Yes--1; No--3	***	NA

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

In responding to the lost sales lost revenue survey, some purchasers provided additional information on purchases and market dynamics.

Purchaser *** reported that it needed to purchase imported wine bottles due to a contracted domestic supplier's inability to support all requirements on time.

Purchaser *** reported that it must maintain a diverse supply base with a balance of domestic and imported glass. It added that it experienced domestic glass shortages and supply chain disruptions since 2020 that have reinforced this requirement. In addition, ***.

Purchaser *** reported that each year of the period of investigation had some type of disruption to the supply chain or its shipments, including the shutdowns associated with the COVID-19 pandemic in 2020, high international shipping costs, destocking, and U.S. production plants experiencing shortages due to staffing, furnace issues, and a cyber-attack that left them "unable to effectively ship product for months."

[17] Purchaser *** reported that "***."

Part VI: Financial experience of U.S. producers

Background[1]

Three U.S. producers provided usable financial results on their glass wine bottle operations. All U.S. producers reported financial data on a calendar year and GAAP basis.

The industry's net sales are composed of commercial sales and transfers to related firms. During the period examined, January 1, 2020, through September 30, 2023, commercial sales represented *** percent of total net sales quantity and transfers to related firms represented the remaining *** percent.[2]

Figure VI-1 presents each responding firm's share of the total reported net sales quantity in 2022.

[1] The following abbreviations are used in the tables and/or text of this section: generally accepted accounting principles ("GAAP"), fiscal year ("FY"), net sales ("NS"), cost of goods sold ("COGS"), selling, general, and administrative expenses ("SG&A expenses"), average unit values ("AUVs"), research and development expenses ("R&D expenses"), and return on assets ("ROA").

[2] Transfers to related firms were reported by ***. ***. *** U.S. producer questionnaire responses, sections II-13 and II-14b.

Figure VI-1
Glass wine bottles: U.S. producers' share of net sales quantity in 2022, by firm

* * * * * * *

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

Operations on glass wine bottles

Table VI-1 presents aggregated data on U.S. producers' total operations in relation to glass wine bottles, while table VI-2 presents corresponding changes in AUVs. Financial results for the merchant market are presented in table VI-3, and table VI-4 presents the corresponding changes in AUVs for the merchant market.[3] Table VI-5 presents selected company-specific financial data for the total market.

[3] ***.

Table VI-1
Glass wine bottles: U.S. producers' results of total market operations, by item and period

Quantity in gross; value in 1,000 dollars; ratios in percent

Item	Measure	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Commercial sales	Quantity	***	***	***	***	***
Transfers to related firms	Quantity	***	***	***	***	***
Total net sales	Quantity	***	***	***	***	***
Commercial sales	Value	***	***	***	***	***
Transfers to related firms	Value	***	***	***	***	***
Total net sales	Value	***	***	***	***	***
COGS: Raw materials	Value	***	***	***	***	***
COGS: Direct labor	Value	***	***	***	***	***
COGS: Other factory	Value	***	***	***	***	***
COGS: Total	Value	***	***	***	***	***
Gross profit or (loss)	Value	***	***	***	***	***
SG&A expenses	Value	***	***	***	***	***
Operating income or (loss)	Value	***	***	***	***	***
Other expenses, net	Value	***	***	***	***	***
Net income or (loss)	Value	***	***	***	***	***
Depreciation/amortization	Value	***	***	***	***	***
Cash flow	Value	***	***	***	***	***
COGS: Raw materials	Ratio to NS	***	***	***	***	***
COGS: Direct labor	Ratio to NS	***	***	***	***	***
COGS: Other factory	Ratio to NS	***	***	***	***	***
COGS: Total	Ratio to NS	***	***	***	***	***
Gross profit	Ratio to NS	***	***	***	***	***
SG&A expense	Ratio to NS	***	***	***	***	***
Operating income or (loss)	Ratio to NS	***	***	***	***	***
Net income or (loss)	Ratio to NS	***	***	***	***	***

Table continued.

Table VI-1 Continued
Glass wine bottles: U.S. producers' results of total market operations, by item and period

Shares in percent; unit values in dollars per gross; count in number of firms reporting

Item	Measure	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
COGS: Raw materials	Share of COGS	***	***	***	***	***
COGS: Direct labor	Share of COGS	***	***	***	***	***
COGS: Other factory	Share of COGS	***	***	***	***	***
COGS: Total	Share of COGS	***	***	***	***	***
Commercial sales	Unit value	***	***	***	***	***
Transfers to related firms	Unit value	***	***	***	***	***
Total net sales	Unit value	***	***	***	***	***
COGS: Raw materials	Unit value	***	***	***	***	***
COGS: Direct labor	Unit value	***	***	***	***	***
COGS: Other factory	Unit value	***	***	***	***	***
COGS: Total	Unit value	***	***	***	***	***
Gross profit or (loss)	Unit value	***	***	***	***	***
SG&A expenses	Unit value	***	***	***	***	***
Operating income or (loss)	Unit value	***	***	***	***	***
Net income or (loss)	Unit value	***	***	***	***	***
Operating losses	Count	***	***	***	***	***
Net losses	Count	***	***	***	***	***
Data	Count	***	***	***	***	***

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

Table VI-2
Glass wine bottles: Changes in AUVs between comparison periods for the total market

Changes in percent

Item	2020-22	2020-21	2021-22	Jan-Sep 2022-23
Commercial sales	***	***	***	***
Transfers to related firms	***	***	***	***
Total net sales	***	***	***	***
COGS: Raw materials	***	***	***	***
COGS: Direct labor	***	***	***	***
COGS: Other factory	***	***	***	***
COGS: Total	***	***	***	***

Table continued.

Table VI-2 Continued
Glass wine bottles: Changes in AUVs between comparison periods for the total market

Changes in dollars per gross

Item	2020-22	2020-21	2021-22	Jan-Sep 2022-23
Commercial sales	***	***	***	***
Transfers to related firms	***	***	***	***
Total net sales	***	***	***	***
COGS: Raw materials	***	***	***	***
COGS: Direct labor	***	***	***	***
COGS: Other factory	***	***	***	***
COGS: Total	***	***	***	***
Gross profit or (loss)	***	***	***	***
SG&A expense	***	***	***	***
Operating income or (loss)	***	***	***	***
Net income or (loss)	***	***	***	***

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

Note: Period changes preceded by a "▲" represent an increase, while period changes preceded by a "▼" represent a decrease.

Table VI-3
Glass wine bottles: U.S. producers' results of merchant market operations, by item and period

Quantity in gross; value in 1,000 dollars; ratios in percent

Item	Measure	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Merchant market sales	Quantity	***	***	***	***	***
Merchant market sales	Value	***	***	***	***	***
COGS: Raw materials	Value	***	***	***	***	***
COGS: Direct labor	Value	***	***	***	***	***
COGS: Other factory	Value	***	***	***	***	***
COGS: Total	Value	***	***	***	***	***
Gross profit or (loss)	Value	***	***	***	***	***
SG&A expenses	Value	***	***	***	***	***
Operating income or (loss)	Value	***	***	***	***	***
Other expenses, net	Value	***	***	***	***	***
Net income or (loss)	Value	***	***	***	***	***
Depreciation/amortization	Value	***	***	***	***	***
Cash flow	Value	***	***	***	***	***
COGS: Raw materials	Ratio to NS	***	***	***	***	***
COGS: Direct labor	Ratio to NS	***	***	***	***	***
COGS: Other factory	Ratio to NS	***	***	***	***	***
COGS: Total	Ratio to NS	***	***	***	***	***
Gross profit	Ratio to NS	***	***	***	***	***
SG&A expense	Ratio to NS	***	***	***	***	***
Operating income or (loss)	Ratio to NS	***	***	***	***	***
Net income or (loss)	Ratio to NS	***	***	***	***	***

Table continued.

Table VI-3 Continued
Glass wine bottles: U.S. producers' results of merchant market operations, by item and period

Shares in percent; unit values in dollars per gross; count in number of firms reporting

Item	Measure	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
COGS: Raw materials	Share of COGS	***	***	***	***	***
COGS: Direct labor	Share of COGS	***	***	***	***	***
COGS: Other factory	Share of COGS	***	***	***	***	***
COGS: Total	Share of COGS	***	***	***	***	***
Merchant market sales	Unit value	***	***	***	***	***
COGS: Raw materials	Unit value	***	***	***	***	***
COGS: Direct labor	Unit value	***	***	***	***	***
COGS: Other factory	Unit value	***	***	***	***	***
COGS: Total	Unit value	***	***	***	***	***
Gross profit or (loss)	Unit value	***	***	***	***	***
SG&A expenses	Unit value	***	***	***	***	***
Operating income or (loss)	Unit value	***	***	***	***	***
Net income or (loss)	Unit value	***	***	***	***	***
Operating losses	Count	***	***	***	***	***
Net losses	Count	***	***	***	***	***
Data	Count	***	***	***	***	***

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

Note: ***.

Table VI-4
Glass wine bottles: Changes in merchant market AUVs between comparison periods

Changes in percent

Item	2020-22	2020-21	2021-22	Jan-Sep 2022-23
Merchant market sales	***	***	***	***
COGS: Raw materials	***	***	***	***
COGS: Direct labor	***	***	***	***
COGS: Other factory	***	***	***	***
COGS: Total	***	***	***	***

Table continued.

Table VI-4 Continued
Glass wine bottles: Changes in merchant market AUVs between comparison periods

Changes in dollars per gross

Item	2020-22	2020-21	2021-22	Jan-Sep 2022-23
Merchant sales	***	***	***	***
COGS: Raw materials	***	***	***	***
COGS: Direct labor	***	***	***	***
COGS: Other factory	***	***	***	***
COGS: Total	***	***	***	***
Gross profit or (loss)	***	***	***	***
SG&A expense	***	***	***	***
Operating income or (loss)	***	***	***	***
Net income or (loss)	***	***	***	***

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

Note: Period changes preceded by a "▲" represent an increase, while period changes preceded by a "▼" represent a decrease.

Table VI-5
Glass wine bottles: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Net sales quantity

Quantity in gross

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-5 Continued
Glass wine bottles: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Net sales value

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-5 Continued
Glass wine bottles: U.S. producers' sales, costs/expenses, and profitability, by firm and period

COGS

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-5 Continued
Glass wine bottles: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Gross profit or (loss)

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-5 Continued
Glass wine bottles: U.S. producers' sales, costs/expenses, and profitability, by firm and period

SG&A expenses

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-5 Continued
Glass wine bottles: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Operating income or (loss)

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-5 Continued
Glass wine bottles: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Net income or (loss)

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-5 Continued
Glass wine bottles: U.S. producers' sales, costs/expenses, and profitability, by firm and period

COGS to net sales ratio

Ratios in percent

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-5 Continued
Glass wine bottles: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Gross profit or (loss) to net sales ratio

Ratios in percent

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-5 Continued
Glass wine bottles: U.S. producers' sales, costs/expenses, and profitability, by firm and period

SG&A expenses to net sales ratio

Ratios in percent

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-5 Continued
Glass wine bottles: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Operating income or (loss) to net sales ratio

Ratios in percent

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-5 Continued
Glass wine bottles: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Net income or (loss) to net sales ratio

Ratios in percent

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-5 Continued
Glass wine bottles: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit net sales value

Unit values in dollars per gross

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-5 Continued
Glass wine bottles: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit raw material costs

Unit values in dollars per gross

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-5 Continued
Glass wine bottles: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit direct labor costs

Unit values in dollars per gross

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-5 Continued
Glass wine bottles: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit other factory costs

Unit values in dollars per gross

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-5 Continued
Glass wine bottles: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit COGS

Unit values in dollars per gross

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-5 Continued
Glass wine bottles: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit gross profit or (loss)

Unit values in dollars per gross

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-5 Continued
Glass wine bottles: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit SG&A expenses

Unit values in dollars per gross

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-5 Continued
Glass wine bottles: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit operating income or (loss)

Unit values in dollars per gross

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

Table continued.

Table VI-5 Continued
Glass wine bottles: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Unit net income or (loss)

Unit values in dollars per gross

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

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

Note: Shares represent the share of COGS. Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Net sales

Total market

As shown in table VI-1, both the quantity and value of the industry's total market net sales increased overall between 2020 and 2022 but were lower in interim 2023 when compared with the same period in 2022.[4] While all three firms reported an increase in their total market net sales values from 2020 to 2022, the increase in the industry's net sales quantity was fully attributable to ***, as the other two firms reported an overall decrease in their net sales volumes during this time. *** reported lower net sales by both quantity and value in interim 2023 compared with interim 2022; *** reported a higher net sales quantity and value in interim 2023 than in interim 2022.

The industry's net sales AUV increased from $*** per gross in 2020 to $*** per gross in 2022, reflecting the larger increase in net sales value compared to the increase in net sales quantity. The industry's net sales AUV was also higher in interim 2023, at $*** per gross, than in interim 2022, at $*** per gross, which is attributable to the larger decrease in net sales quantity compared to the decrease in net sales value between the comparable interim periods. On a company-specific basis, all U.S. producers' net sales AUVs increased from 2020 to 2022 and had higher net sales AUVs in interim 2023 than in interim 2022.

[4] Net sales quantity increased by *** percent between 2020 and 2022 and net sales value increased by *** percent. Net sales quantity was *** percent lower in interim 2023 compared with interim 2022 and net sales value was *** percent lower.

Merchant market

The merchant market sales trends were similar to the trends for total market net sales. As shown in table VI-3, the industry's merchant market sales, by both quantity and value, increased between 2020 and 2022 but were lower in interim 2023 than they were in interim 2022. As was the case with the total market sales, all companies reported an overall increase in the value of their commercial sales between 2020 and 2022, but the increase in the industry's volume of commercial sales during this time can be fully attributed to ***. ***'s reported commercial sales, by both quantity and value, were lower in interim 2023 than in interim 2022, whereas ***'s were higher.

Cost of goods sold and gross profit or loss

Total market

Raw material costs, direct labor, and other factory costs accounted for ***, ***, and *** percent of total market COGS, respectively, in 2022. Total raw material costs increased from $*** in 2020 to $*** in 2022, and were higher in interim 2023, at $*** than in interim 2022, at $***. On a per-gross basis, raw material costs increased from $*** in 2020 to $*** in 2022 and were higher in interim 2023, at $***, than in interim 2022, at $***. *** reported an overall increase in raw material costs on a per-gross basis from 2020 to 2022 and higher per-gross raw material costs in interim 2023 than in interim 2022. Table VI-6 presents raw materials, by type.

Table VI-6
Glass wine bottles: U.S. producers' raw material costs in 2022

Value in 1,000 dollars; unit values in dollars per gross; share of value in percent

Item	Value	Unit value	Share of value
Cullet	***	***	***
Silica	***	***	***
Soda ash	***	***	***
Limestone	***	***	***
Other material inputs	***	***	***
All raw materials	***	***	***

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

The industry's cost of direct labor increased from $*** in 2020 to $*** in 2022 but was lower in interim 2023 ($***) than in interim 2022 ($***). The average unit cost of direct labor increased from $*** per gross in 2020 to

$*** per gross in 2022. It was $*** per gross in interim 2023, which was higher than $*** per gross in interim 2022. The company-specific directional trends of the per-unit costs of direct labor were uniform, with *** companies reporting increases from 2020 to 2022 and higher direct labor cost AUVs in interim 2023 than in interim 2022.

Other factory costs increased from $*** in 2020 to $*** in 2022 but were lower in interim 2023, at $*** than in interim 2022, at $***. On a per-gross basis, other factory costs increased from $*** per gross in 2020 to $*** per gross in 2022. They were higher on a per gross basis in interim 2023, at $***, than in interim 2022, at $***. *** companies reported an increase in their per-gross other factory costs from 2020 to 2022, and two of three reported higher per-gross other factory costs in interim 2023 when compared with interim 2022.[5] [6] [7]

Total COGS increased by *** percent, from $*** in 2020 to $*** in 2022. The increase in total COGS was larger than the increase in net sales value, which resulted in gross profit decreasing from $*** in 2020 to $*** in 2022. COGS was lower in interim 2023, at $***, than in interim 2022, at $***. The decrease between the comparable interim periods was larger than the decrease in net sales

[5] As can be seen in table VI-5, *** in other factory costs on a per-gross basis from 2020 to 2022. ***. *** U.S. producer questionnaire, sections III-9a and III-9d. In response to questions from staff, ***. *** postconference brief, exh. 1, p. 1.

[6] ***. ***'s U.S. producer questionnaire responses, section III-10.

[7] ***. ***'s U.S. producer questionnaire response, section III-10; Email from ***.

value, which resulted in gross profit being higher in interim 2023, at $***, than in interim 2022, at $***. Total market COGS as a ratio to net sales value increased from *** percent in 2020 to *** percent in 2022 but was lower in interim 2023, at *** percent, than in interim 2022, at *** percent. As can be seen in table VI-5, ***.

Merchant market

Raw material costs, direct labor, and other factory costs accounted for ***, ***, and *** percent of merchant market COGS, respectively, in 2022. Total raw material costs increased from $*** in 2020 to $*** in 2022 and were higher in interim 2023, at $***, than in interim 2022, at $***. On a per-gross basis, merchant market raw material costs increased from $*** in 2020 to $*** in 2022 and were higher in interim 2023, at $***, than in interim 2022, at $***.

The industry's cost of direct labor for the merchant market increased from $*** in 2020 to $*** in 2022 but was lower in interim 2023 ($***) than in interim 2022 ($***). The average unit cost of direct labor increased from $*** per gross in 2020 to $*** per gross in 2022. It was $*** per gross in interim 2023, which was higher than $*** per gross in interim 2022.

Other factory costs for the merchant market increased from $*** in 2020 to $*** in 2022 but were lower in interim 2023, at $*** than in interim 2022, at $***. On a per-gross basis, other factory costs increased from $*** in 2020 to $*** in 2022. They were higher on a per gross basis in interim 2023, at $***, than in interim 2022, at $***.[8] [9]

Merchant market COGS increased by *** percent, from $*** in 2020 to $*** in 2022. This increase in COGS was larger than the increase in net sales value for the same period, which resulted in merchant market gross profit decreasing overall from $*** in 2020 to $*** in 2022. COGS was *** percent lower in interim 2023, at $***, than in interim 2022, at $***. The decrease in COGS between the

[8] ***.

[9] ***.

comparable interim periods was larger than the decrease in net sales value, which resulted in merchant market gross profit being higher in interim 2023, at $***, than in interim 2022, at $***. Merchant market COGS as a ratio to net sales value increased irregularly from *** percent in 2020 to *** percent in 2022 but was lower in interim 2023, at *** percent, than in interim 2022, at *** percent.

SG&A expenses and operating income or loss

Total market

Total market SG&A expenses increased from $*** in 2020 to $*** in 2022 and was higher in interim 2023, at $***, than in interim 2022, at $***. The SG&A expense ratio (SG&A expenses as a share of sales) decreased irregularly from *** percent in 2020 to *** percent in 2022 but was higher in interim 2023, at *** percent, than in interim 2022, at *** percent.

Total market operating income decreased from $*** in 2020 to a loss of $*** in 2022. An operating loss of $*** occurred in interim 2023 which was an improvement from a loss of $*** in interim 2022. The operating margin (operating income as a ratio to net sales) decreased from *** percent in 2020 to negative *** percent in 2022; it was negative *** percent in interim 2022 and negative *** percent in interim 2023. *** reported an operating loss in 2020, *** reported an operating loss in 2021, and *** reported an operating loss in 2022 and both interim periods.

Merchant market

Merchant market SG&A expenses increased irregularly from $*** in 2020 to $*** in 2022 and was higher in interim 2023, at $***, than in interim 2022, at $***. The SG&A expense ratio for the merchant market (SG&A expenses as a share of sales) decreased irregularly from *** percent in 2020 to *** percent in 2022 but was higher in interim 2023, at *** percent, than in interim 2022, at *** percent.

Merchant market operating income decreased irregularly from $*** in 2020 to *** in 2022. Merchant market operating income was higher in interim 2023, at $***, than in interim 2022, at $***. The operating margin (operating income as a ratio to net sales) decreased irregularly from *** percent in 2020 to *** percent in 2022; it was higher in interim 2023, at *** percent, than in interim 2022, at *** percent. *** reported a merchant market operating loss in 2020 and *** reported a merchant market operating loss in 2021, 2022, and both interim periods.

All other expenses and net income or loss

Total market

Classified below the operating income level are interest expense, other expense, and other income, which are aggregated in table VI-1 as "all other expenses, net." As seen in table VI-1, net all other expenses for the total market increased from $*** in 2020 to $*** in 2021, and then decreased to $*** in 2022; they were higher in interim 2023, at $***, than in interim 2022, at $***. Interest expense accounted for the majority of the net amount of all other expenses and income in each period examined, and *** accounted for the majority of the reported interest expense.

Total market net income decreased from $*** in 2020 to *** in 2022. The industry reported *** and $*** in interim 2022 and interim 2023, respectively.[10]

Merchant market

The net amount of all other expenses and income for the merchant market decreased from $*** in 2020 to $*** in 2022; they were higher in interim 2023, at $***, than in interim 2022, at $***. ***.

Merchant market net income decreased irregularly from $*** in 2020 to *** in 2022. The industry reported net losses of $*** and $*** in interim 2022 and interim 2023, respectively.[11]

[10] As shown in table VI-1, *** reported a total market net loss in 2020, *** reported a net loss in 2021, and *** reported a net loss in 2022 and both interim periods.

[11] As shown in table VI-3, *** reported a merchant market net loss in 2020, *** reported a net loss in 2021, 2022, and interim 2022, and *** reported a net loss in interim 2023. ***.

Variance analysis

A variance analysis for the total market glass wine bottles operations of U.S. producers is presented in table VI-7.[12] The information for this variance analysis is derived from table VI-1. A variance analysis for the merchant market glass wine bottles operations of U.S. producers is presented in table VI-8, the information for which is derived from table VI-3.

The total market variance analysis in table VI-7 shows that the decrease in total market operating income between 2020 and 2022 was primarily attributable to an unfavorable cost/expense variance despite a smaller favorable price variance (i.e., cost/expense AUVs increased more than sales AUVs). Higher operating income in interim 2023 compared with interim 2022 is primarily attributable to a favorable price variance despite a smaller unfavorable cost/expense variance (i.e., sales AUVs increased more than cost/expense AUVs).

[12] The Commission's variance analysis is calculated in three parts: Sales variance, cost of sales variance (COGS variance), and SG&A expense variance. Each part consists of a price variance (in the case of the sales variance) or a cost or expense variance (in the case of the COGS and SG&A expense variance), and a volume variance. The sales or cost/expense variance is calculated as the change in unit price or per-unit cost/expense times the new volume, while the volume variance is calculated as the change in volume times the old unit price or per-unit cost/expense. Summarized at the bottom of the table, the price variance is from sales; the cost/expense variance is the sum of those items from COGS and SG&A variances, respectively, and the volume variance is the sum of the volume components of the net sales, COGS, and SG&A expense variances. The overall volume component of the variance analysis is generally small.

Table VI-7
Glass wine bottles: Variance analysis on the total market operations of U.S. producers between comparison periods

Value in 1,000 dollars

Item	2020-22	2020-21	2021-22	Jan-Sept 2022-23
Net sales price variance	***	***	***	***
Net sales volume variance	***	***	***	***
Total net sales variance	***	***	***	***
COGS cost variance	***	***	***	***
COGS volume variance	***	***	***	***
COGS total variance	***	***	***	***
Gross profit variance	***	***	***	***
SG&A cost variance	***	***	***	***
SG&A volume variance	***	***	***	***
SG&A total variance	***	***	***	***
Operating income price variance	***	***	***	***
Operating income expense/cost variance	***	***	***	***
Operating income expense/cost volume variance	***	***	***	***
Operating income total variance	***	***	***	***

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

Note: Unfavorable variances (which are negative) are shown in parentheses, all others are favorable (positive).

The merchant market variance analysis in table VI-8 shows that the decrease in merchant market operating income between 2020 and 2022 was primarily attributable to an unfavorable cost/expense variance despite a smaller favorable price variance (i.e., cost/expense AUVs increased more than sales AUVs). Higher merchant market operating income in interim 2023 compared with interim 2022 is primarily attributable to a favorable price variance despite a smaller unfavorable cost/expense variance (i.e., sales AUVs increased more than cost/expense AUVs).

Table VI-8
Glass wine bottles: Variance analysis on the merchant market operations of U.S. producers between comparison periods

Value in 1,000 dollars

Item	2020-22	2020-21	2021-22	Jan-Sept 2022-23
Commercial sales price variance	***	***	***	***
Commercial sales volume variance	***	***	***	***
Total commercial sales variance	***	***	***	***
COGS cost variance	***	***	***	***
COGS volume variance	***	***	***	***
COGS total variance	***	***	***	***
Gross profit variance	***	***	***	***
SG&A cost variance	***	***	***	***
SG&A volume variance	***	***	***	***
SG&A total variance	***	***	***	***
Operating income price variance	***	***	***	***
Operating income expense/cost variance	***	***	***	***
Operating income expense/cost volume variance	***	***	***	***
Operating income total variance	***	***	***	***

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

Note: Unfavorable variances (which are negative) are shown in parentheses, all others are favorable (positive).

Capital expenditures and research and development expenses

Table VI-9 presents total market capital expenditures, by firm, and table VI-11 presents total market R&D expenses, by firm. Tables VI-10 and VI-12 present the firms' narrative explanations of the nature, focus, and significance of their capital expenditures and R&D expenses, respectively.

The increase in the industry's capital expenditures between 2020 and 2022 was primarily attributable to ***. As can be seen in table VI-10, ***.

R&D expenses, which remained relatively stable during the period examined, were reported by ***. ***.

Table VI-9
Glass wine bottles: U.S. producers' capital expenditures, by firm and period

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

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

Table VI-10
Glass wine bottles: U.S. producers' narrative descriptions of their capital expenditures, by firm

Firm	Narrative on capital expenditures
Ardagh	***
Gallo	***
O-I Glass	***

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

Table VI-11
Glass wine bottles: U.S. producers' R&D expenses, by firm and period

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Ardagh	***	***	***	***	***
Gallo	***	***	***	***	***
O-I Glass	***	***	***	***	***
All firms	***	***	***	***	***

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

Note: Zeroes are suppressed and shown as "---".

Table VI-12
Glass wine bottles: U.S. producers' narrative descriptions of their R&D expenses, by firm

Firm	Narrative on R&D expenses
Ardagh	***
Gallo	***
O-I Glass	***

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

Assets and return on assets

Table VI-13 presents data on the U.S. producers' total market assets associated with glass wine bottles while table VI-14 presents their associated operating ROA.[13] Table VI-15 presents U.S. producers' narrative responses explaining their major asset categories and any significant changes in asset levels over time.

The industry's assets increased from $*** in 2020 to $*** in 2022. ***. As is shown in table VI-15, ***.

Table VI-13
Glass wine bottles: U.S. producers' total assets, by firm and period

Value in 1,000 dollars

Firm	2020	2021	2022
Ardagh	***	***	***
Gallo	***	***	***
O-I Glass	***	***	***
All firms	***	***	***

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

Table VI-14
Glass wine bottles: U.S. producers' ROA, by firm and period

Ratio in percent

Firm	2020	2021	2022
Ardagh	***	***	***
Gallo	***	***	***
O-I Glass	***	***	***
All firms	***	***	***

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

[13] The operating ROA is calculated as operating income divided by total assets. With respect to a firm's overall operations, the total asset value reflects an aggregation of a number of assets which are generally not product specific. Thus, high-level allocations are usually required in order to report a total asset value on a product-specific basis.

Table VI-15
Glass wine bottles: U.S. producers' narrative descriptions of their total net assets, by firm

Firm	Narrative on assets
Ardagh	***
Gallo	***
O-I Glass	***

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

Capital and investment

The Commission requested U.S. producers of glass wine bottles to describe any actual or potential negative effects of imports of glass wine bottles from Chile, China, and Mexico on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Table VI-16 presents the number of firms reporting an impact in each category and table VI-17 provides the U.S. producers' narrative responses.

Table VI-16
Glass wine bottles: Count of firms indicating actual and anticipated negative effects of imports from subject sources on investment, growth, and development since January 1, 2020, by effect

Number of firms reporting

Effect	Category	Count
Cancellation, postponement, or rejection of expansion projects	Investment	***
Denial or rejection of investment proposal	Investment	***
Reduction in the size of capital investments	Investment	***
Return on specific investments negatively impacted	Investment	***
Other investment effects	Investment	***
Any negative effects on investment	Investment	***
Rejection of bank loans	Growth	***
Lowering of credit rating	Growth	***
Problem related to the issue of stocks or bonds	Growth	***
Ability to service debt	Growth	***
Other growth and development effects	Growth	***
Any negative effects on growth and development	Growth	***
Anticipated negative effects of imports	Future	***

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

Table VI-17
Glass wine bottles: U.S. producers' narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2020, by firm and effect

Item	Firm name and narrative on impact of imports
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

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

Part VII: Threat considerations and information on nonsubject countries

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

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

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

(V) inventories of the subject merchandise,

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

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

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

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

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

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

Subject countries

The Commission issued foreign producers' or exporters' questionnaires to 45 firms for which valid contact information was obtained that are believed to produce and/or export glass wine bottles from Chile, China, and Mexico.[3] Usable responses to the Commission's questionnaire were received from eight firms: three firms in Chile, two firms in China, and three firms in Mexico. These firms' exports to the United States accounted for approximately the following shares of U.S. imports of glass wine bottles by source in 2022:[4]

- Chile: *** percent
- China: *** percent
- Mexico: *** percent[5]

According to estimates requested of the responding producers in the subject countries, the production of glass wine bottles reported in questionnaires account for approximately the following shares of overall production of glass wine bottles in individual subject country in 2022: *** in Chile, *** percent in China, and *** percent in Mexico. Table VII-1 presents information on the glass wine bottles operations of the responding producers and exporters in Chile, China, and Mexico and table VII-2 presents summary information on responding resellers of subject glass wine bottles.

[3] These firms were identified through a review of information submitted in the petition and presented in third-party sources.

[4] These shares reflect a comparison of export data reported by firms in response to the Commission's foreign producer/exporter questionnaire to official import statistics adjusted using data submitted in Commission questionnaires to subtract reported out-of-scope imports that entered the U.S. under statistical reporting number 7010.90.50.19 and certified "No" questionnaire responses. Three foreign questionnaire recipients responded that they had not produced glass wine bottles since January 1, 2020.

[5] Mexican producers' reported exports to the United States include resales exported to the United States by one Mexican producer. The three responding firms' exports to the United States, not including resales, accounted for approximately *** percent of U.S. imports of glass wine bottles from Mexico in 2022

Table VII-1
Glass wine bottles: Summary data for subject producers, 2022

Firm	Production (gross)	Share of reported production (percent)	Exports to the United States (gross)	Share of reported exports to the United States (percent)	Total shipments (gross)	Share of firm's total shipments exported to the United States (percent)
Cristalerias de Chile (Chile)	***	***	***	***	***	***
Cristalerías Toro Spa (Chile)	***	***	***	***	***	***
Verallia Chile (Chile)	***	***	***	***	***	***
All reporting foreign producers from Chile	***	***	***	***	***	***
O-I (Zhaoqing) Glass (China)	***	***	***	***	***	***
Shandong Changyu (China)	***	***	***	***	***	***
All reporting foreign producers from China	***	***	***	***	***	***
Fevisa Industrial (Mexico)	***	***	***	***	***	***
Owens America (Mexico)	***	***	***	***	***	***
Saverglass (Mexico)	***	***	***	***	***	***
All reporting foreign producers from Mexico	***	***	***	***	***	***
All firms	***	***	***	***	***	***

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

Note: *** began glass wine bottle production in July 2023. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table VII-2
Glass wine bottles: Summary data for subject resellers, 2022

Firm	Resales exported to the United States (gross)	Share of resales exported to the United States (percent)
***	***	***
All firms	***	***

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

Table VII-3 presents events in subject countries' industries since January 1, 2020.

Table VII-3
Glass wine bottles: Important industry events in subject countries since 2020

Item	Firm	Event
Plant Expansion	Cristoro	In February 2021, the firm opened a new furnace at its plant in Maipu, Chile, allowing for an additional production capacity of 300 tons of glass bottles per day. The new furnace sources 100 percent renewable energy and produces bottles with more than 60 percent recycled glass.
Plant Expansion	Cristal Chile	In November 2021, the firm announced plans to build a third glass bottle and container manufacturing facility in Chile to complement existing plants in Llay Llay and Padre Hurtado. Expansion at the third facility along with modernizations at its existing plants would allow the firm to increase capacity by 50 percent relative to 2019 levels.
Plant Expansion	Vidrio Formas	In the second half of 2022, the firm finalized the second stage of its plant expansion in Lerma, Mexico. The first stage, completed in July 2021, involved installation of a batch plant and a furnace with two manufacturing lines. The second stage added two more manufacturing lines, increasing production capacity from 160 tons/day to 320 tons/day.
Plant Expansion	Saverglass	In 2023, the firm expanded production capacity at its Acatlan de Juarez plant near Guadalajara. Construction began in October 2021 with a $116 million investment, creating an estimated 400 jobs. The new furnace increases production capacity by 200,000 tons of glass, or 200 million bottles, in extra-white, Antique green, and dark yellow colors.
Acquisition	Vidrio Formas	In July 2023, Portugal-based glass producer BA Glass announced the acquisition of Mexico-based glass container manufacturer Vidrio Formas.
Acquisition	Saverglass	In December 2023, Australian-based glass bottle manufacturer Orora completed its acquisition of Saverglass, which manufactures glass wine bottles among other glass containers in Mexico. The deal was worth approximately $1.4 bilion.

Sources: Glass Online, "Cristalerías Toro ignites new furnace at its Maipú plant," February 18, 2021, https://www.glassonline.com/cristalerias-toro-ignites-new-furnace-at-its-plant/, accessed January 16, 2024; Morris, Greg, "Cristalerías de Chile plots construction of third glass production facility," November 2, 2021, https://www.glass-international.com/news/cristalerias-de-chile-plots-construction-of-third-glass-production-facility, accessed January 16, 2024; Morris, Greg, "Vidrio Formas completes glass capacity expansion," November 21, 2022, https://www.glass-international.com/news/vidrio-formas-completes-glass-capacity-expansion, accessed January 16, 2024; Saverglass, "Saverglass to Expand Its Production Capacity," June 22, 2022, https://www.prweb.com/releases/saverglass-to-expand-its-production-capacity-to-serve-the-high-end-liquor-markets-of-the-american-continent-856271826.html, accessed January 16, 2024; Morris, Greg, "BA Glass to acquire Mexican manufacturer," July 14, 2023, https://www.glass-international.com/news/ba-glass-to-acquire-mexican-manufacturer, accessed January 16, 2024; Baker McKenzie, "Baker McKenzie assists Orora," December 4, 2023, https://www.bakermckenzie.com/en/newsroom/2023/12/orora-acquires-saverglass, accessed January 16, 2024.

Changes in operations

Subject producers were asked to report any change in the character of their operations or organization relating to the production of glass wine bottles since 2020. Seven of eight producers indicated in their questionnaires that they had experienced such changes. The most reported changes were production curtailments (reported by five firms), expansions (reported by four firms), and prolonged shutdowns and weather-related or force majeure events (reported by three firms each). Table VII-4 presents the changes identified by these producers.

Table VII-4
Glass wine bottles: Subject producers' reported changes in operations since January 1, 2020, by firm

Item	Firm name and accompanying narrative response on changes in operations
Plant openings	***
Prolonged shutdowns	***
Prolonged shutdowns	***
Prolonged shutdowns	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***

Table continued.

Table VII-4 Continued
Glass wine bottles: Subject producers' reported changes in operations since January 1, 2020, by firm

Item	Firm name and accompanying narrative response on changes in operations
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Weather-related or force majeure events	***
Weather-related or force majeure events	***
Weather-related or force majeure events	***

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

Operations on glass wine bottles

Table VII-5 presents data on subject producers' installed overall capacity, practical overall capacity, and practical glass wine bottles capacity and production on the same equipment. Between 2020 and 2022, three firms reported no change in installed overall capacity, three firms reported an increase, and one firm reported a decrease. During 2020-22, five firms reported an increase in practical overall capacity, one firm reported no change, and one firm reported a decrease.

Between 2020 and 2022, subject producers' installed overall capacity increased by *** percent and practical overall capacity increased by *** percent, from *** gross to *** gross. Installed overall capacity utilization increased by *** percentage points and practical overall capacity utilization increased by *** percent between 2020 and 2022. They were both lower in interim 2023 compared to interim 2022.

Between 2020 and 2022, four firms reported an increase, and three firms reported a decrease in practical glass wine bottle capacity. During this period, practical glass wine bottle capacity remained relatively constant (*** gross in 2022), though it was lower in interim 2023 compared to interim 2022. Capacity utilization increased by *** percentage points, from *** percent to *** percent and was *** percentage points lower in interim 2023 than in interim 2022.

Table VII-5
Glass wine bottles: Subject producers' installed and practical capacity and production on the same equipment as in-scope production, by period

Quantity in gross

Item	Measure	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Installed overall	Capacity	***	***	***	***	***
Installed overall	Production	***	***	***	***	***
Installed overall	Utilization	***	***	***	***	***
Practical overall	Capacity	***	***	***	***	***
Practical overall	Production	***	***	***	***	***
Practical overall	Utilization	***	***	***	***	***
Practical glass wine bottles	Capacity	***	***	***	***	***
Practical glass wine bottles	Production	***	***	***	***	***
Practical glass wine bottles	Utilization	***	***	***	***	***

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

Table VII-6 presents subject producers' reported capacity constraints since January 1, 2020. The most commonly reported capacity constraints were production bottlenecks and other constraints, reported by five firms each.

Table VII-6
Glass wine bottles: Subject producers' reported constraints to practical overall capacity, since January 1, 2020

Item	Firm name and narrative response on constraints to practical overall capacity
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Existing labor force	***
Supply of material inputs	***
Fuel or energy	***
Fuel or energy	***
Storage capacity	***
Storage capacity	***
Logistics/transportation	***

Table continued.

Table VII-6 Continued
Glass wine bottles: Subject producers' reported constraints to practical overall capacity, since January 1, 2020

Item	Firm name and narrative response on constraints to practical overall capacity
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***

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

Table VII-7 presents information on the glass wine bottles operations of the responding subject producers and exporters. Subject producers' production increased by *** percent during 2020-21 then decreased by *** percent during 2021-22, decreasing overall by *** percent between 2020 and 2022. Production was *** percent lower in interim 2023 than in interim 2022 and is projected to be *** percent higher in 2024 than in 2023.

Virtually all reported home market shipments reported by subject producers were commercial shipments, and they accounted for between *** percent and *** percent of all shipments during 2020-22 and the interim periods, though they are projected to decrease to *** percent in 2024. Subject producers' exports to the United States increased irregularly by *** percent during 2020-22, increasing by *** percent during 2020-21 then decreasing by *** percent during 2021-22. They were *** percent lower in interim 2023 than in interim 2022 and were projected to decrease by *** percent in 2023 before increasing by *** percent in 2024. Including resales of glass wine bottles exported to United States, exports to the United States increased irregularly by *** percent during 2020-22, increasing by *** percent during 2020-21 then decreasing by *** percent during 2021-22. They were *** percent lower in interim 2023 than in interim 2022 and were projected to decrease by *** percent in 2023 before increasing by *** percent in 2024.

Exports to all other markets increased irregularly by *** percent during 2020-22, increasing by *** percent during 2020-21 then decreasing by *** percent during 2021-22. They were *** percent higher in interim 2023 than in interim 2022 and were projected to increase by *** percent in 2023 and *** percent in 2024.

Table VII-7
Glass wine bottles: Data on subject industries, by period

Quantity in gross

Item	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023	Projection 2023	Projection 2024
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Home market shipments	***	***	***	***	***	***	***
Exports to the United States	***	***	***	***	***	***	***
Exports to all other markets	***	***	***	***	***	***	***
Export shipments	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***
Resales exported to the United States	***	***	***	***	***	***	***
Adjusted total exports to the United States	***	***	***	***	***	***	***

Table continued.

Table VII-7 Continued.
Glass wine bottles: Data on subject industries, by period

Ratios and share in percent

Item	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023	Projection 2023	Projection 2024
Capacity utilization ratio	***	***	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***	***	***
Internal consumption share	***	***	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***	***	***
Home market shipments share	***	***	***	***	***	***	***
Exports to the United States share	***	***	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***	***	***
Export shipments share	***	***	***	***	***	***	***
Total shipments share	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total exports to the United States exported by producers	***	***	***	***	***	***	***
Total exports to the United States exported by resellers	***	***	***	***	***	***	***
Adjusted share of total shipments exported to the United States	***	***	***	***	***	***	***

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

Note: Adjusted share of total shipments accounts for exports to the U.S. exported by resellers in total shipments.

Table VII-8 presents information on the glass wine bottle operations of the responding producers/exporters by subject country.

During 2020-22, Chilean producers' practical wine glass bottle capacity increased overall by *** percent and was *** percent lower in interim 2023 than in interim 2022. Production increased by *** percent during 2020-21 then decreased by *** percent during 2021-22, for an overall increase of *** percent from 2020 to 2022. Production was *** percent lower in interim 2023 than in interim 2022. Capacity utilization increased from *** percent in 2020 to *** percent in 2021 before decreasing to *** percent in 2022 and was *** percent in interim 2023 compared to *** percent in interim 2022. The Chilean producers' capacity is

projected to decrease by *** percent by 2024, their production is projected to decrease by *** percent by 2024, and their capacity utilization is projected to decrease to *** percent in 2023 before increasing to *** percent in 2024.

Chinese producers' practical wine glass bottle capacity and production decreased by *** percent and *** percent, respectively, during 2020-22. Capacity utilization decreased from *** percent to *** percent during the same period. Practical capacity and production were *** percent and *** percent higher, respectively, in interim 2023 compared to interim 2022 while capacity utilization was lower by *** percentage points. Capacity is projected to increase by *** percent by 2024 while production is projected to increase irregularly by *** percent by 2024.

Mexican producers' practical wine glass bottle capacity declined by *** percent during 2020-22 but was higher in interim 2023 compared to interim 2022 and projected to increase by *** percent in 2023 and *** percent in 2024. Production also declined between 2020 and 2022, by *** percent, and was lower in interim 2023 compared to interim 2022 but is projected to increase by *** percent in 2023 and *** percent in 2024. The projected capacity and production increase is driven by ***.[6] Capacity utilization increased irregularly during 2020-22, was lower in interim 2023 compared to interim 2022, and is projected to decrease in 2023 before increasing in 2024.

During 2020-22, Chilean producers increased their share of reported subject producers' output from *** percent to *** percent while the Chinese producers' share declined from *** percent to *** percent and Mexican producers maintained a share between *** percent and *** percent. The Chilean producers' share of subject production is projected to decrease in 2023 and 2024 while the Mexican producers' share is projected to increase. The Chinese producers' share is projected to increase in 2023 before declining in 2024.

[6] ***'s foreign producer questionnaire response, section II-3a.

Table VII-8
Glass wine bottles: Subject producers' output: Practical capacity, by source and period

Capacity in gross

Source	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023	Projection 2023	Projection 2024
Chile	***	***	***	***	***	***	***
China	***	***	***	***	***	***	***
Mexico	***	***	***	***	***	***	***
All reporting subject producers	***	***	***	***	***	***	***

Table continued.

Table VII-8 Continued
Glass wine bottles: Subject producers' output: Production, by source and period

Production in gross

Source	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023	Projection 2023	Projection 2024
Chile	***	***	***	***	***	***	***
China	***	***	***	***	***	***	***
Mexico	***	***	***	***	***	***	***
All reporting subject producers	***	***	***	***	***	***	***

Table continued.

Table VII-8 Continued
Glass wine bottles: Subject producers' output: Practical capacity utilization, by source and period

Capacity utilization ratio in percent

Source	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023	Projection 2023	Projection 2024
Chile	***	***	***	***	***	***	***
China	***	***	***	***	***	***	***
Mexico	***	***	***	***	***	***	***
All reporting subject producers	***	***	***	***	***	***	***

Table continued.

Table VII-8 Continued
Glass wine bottles: Subject producers' output: Share of production, by source and period

Share of production in percent

Source	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023	Projection 2023	Projection 2024
Chile	***	***	***	***	***	***	***
China	***	***	***	***	***	***	***
Mexico	***	***	***	***	***	***	***
All reporting subject producers	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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

Table VII-9 presents export data of the responding subject producers and resellers. Exports of glass wine bottles to the United States from subject sources increased by *** percent overall between 2020 and 2022. During the same period, exports from Chile increased by *** percent, exports from China decreased by *** percent, and exports from Mexico increased by *** percent. Exports from all subject sources were *** percent lower in interim 2023 compared to interim 2022 and are projected to decrease by *** percent in 2023 before increasing by *** percent in 2024. Exports from Chile are projected to decrease by *** percent in 2023 before increasing by *** percent in 2024, exports from China are projected to increase by *** percent in 2023 and *** percent in 2024, and exports from Mexico are projected to decrease by *** percent in 2023 before increasing by *** percent in 2024.

Exports to the United States accounted for the following shares of total wine glass bottle shipments in 2022 by source: Chile, *** percent, China, *** percent, and Mexico, *** percent.[7] Total exports accounted for the following shares of total wine glass bottle shipments in 2022 by source: Chile, *** percent, China, *** percent, and Mexico, *** percent.

[7] Subject producers' (not including resellers) reported exports of wine glass bottles to the U.S. were *** percent to *** percent higher than reported exports to all other markets during 2020-22, *** percent higher in interim 2023 compared to *** percent higher in interim 2022, and projected to be *** percent higher in 2023 and *** percent higher in 2024.

Table VII-9
Glass wine bottles: Subject producers' and resellers' exports: Quantity of exports to the United States, by source and period

Quantity in gross

Source	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023	Projection 2023	Projection 2024
Chile	***	***	***	***	***	***	***
China	***	***	***	***	***	***	***
Mexico	***	***	***	***	***	***	***
All reporting subject producers	***	***	***	***	***	***	***

Table continued.

Table VII-9 Continued
Glass wine bottles: Subject producers' and resellers' exports: Share of exports to the United States out of total shipments, by source and period

Share of total shipments in percent

Source	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023	Projection 2023	Projection 2024
Chile	***	***	***	***	***	***	***
China	***	***	***	***	***	***	***
Mexico	***	***	***	***	***	***	***
All reporting subject producers	***	***	***	***	***	***	***

Table continued.

Table VII-9 Continued
Glass wine bottles: Subject producers' and resellers' exports: Quantity of total exports, by source and period

Quantity in gross

Source	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023	Projection 2023	Projection 2024
Chile	***	***	***	***	***	***	***
China	***	***	***	***	***	***	***
Mexico	***	***	***	***	***	***	***
All reporting subject producers	***	***	***	***	***	***	***

Table continued.

Table VII-9 Continued
Glass wine bottles: Subject producers' and resellers' exports: Share of total exports out of total shipments, by source and period

Share of total shipments in percent

Source	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023	Projection 2023	Projection 2024
Chile	***	***	***	***	***	***	***
China	***	***	***	***	***	***	***
Mexico	***	***	***	***	***	***	***
All reporting subject producers	***	***	***	***	***	***	***

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

Alternative products

As shown in table VII-10, responding firms in Chile, China, and Mexico produced other products on the same equipment and machinery used to produce glass wine bottles. Glass wine bottles accounted for between *** percent and *** percent of subject producers' overall production across all periods and their share of production declined during 2020-22 and was lower in interim 2023 compared to interim 2022. The predominant share of overall production was accounted for glass bottles other than wine – between *** percent and *** percent across all periods. Other wine bottles accounted for *** percent to *** percent of overall production across all periods.

All eight responding subject producers reported that they use the blow and blow production method to manufacture glass wine bottles. For additional information on manufacturing processes see Part I.

Table VII-10
Glass wine bottles: Subject producers' overall production on the same equipment as in-scope production, by period

Quantity in gross; share in percent

Product type	Measure	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Glass wine bottles	Quantity	***	***	***	***	***
Other wine bottles	Quantity	***	***	***	***	***
Glass bottles other than wine	Quantity	***	***	***	***	***
Other products	Quantity	***	***	***	***	***
Out-of-scope products	Quantity	***	***	***	***	***
All products	Quantity	***	***	***	***	***
Glass wine bottles	Share	***	***	***	***	***
Other wine bottles	Share	***	***	***	***	***
Glass bottles other than wine	Share	***	***	***	***	***
Other products	Share	***	***	***	***	***
Out-of-scope products	Share	***	***	***	***	***
All products	Share	100.0	100.0	100.0	100.0	100.0

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

U.S. inventories of imported merchandise

Table VII-11 presents data on U.S. importers' reported inventories of glass wine bottles. U.S. importers' inventories of imports from subject sources increased irregularly, decreasing by *** percent from 2020 to 2021 before increasing by *** percent in 2022 for a total increase of *** percent during 2020-22, and were *** percent lower in interim 2023 compared to interim 2022.[8] U.S. importers' inventories of imports from Chile increased by *** percent during 2020-22 and were *** percent higher in interim 2023 compared to interim 2022. U.S. importers' inventories of imports from China decreased by *** percent during 2020-22 and were *** percent lower in interim 2023 compared to interim 2022. U.S. importers' inventories of imports from Mexico increased by *** percent from 2020 to 2021 and decreased by *** percent in 2022 and were *** percent lower in interim 2023 than in interim 2022. U.S. importers' inventories of imports from nonsubject sources increased by *** percent during 2020-22 and were *** percent lower in interim 2023 compared to interim 2022. U.S. importers' inventories of imports from all sources increased by *** percent during 2020-22 and were *** percent lower in interim 2023 compared to interim 2022.

The ratio of U.S. importers' inventories to U. S. shipments of imports varied by source during 2020-22 and the interim period - it ranged from *** percent to *** percent for Chile, *** percent to *** percent for China, *** percent to *** percent for Mexico, and *** percent to *** percent for nonsubject sources.

[8] ***.

Table VII-11
Glass wine bottles: U.S. importers' inventories and their ratio to select items, by source and period

Quantity in gross; ratios in percent

Measure	Source	2020	2021	2022	Jan-Sep 2022	Jan-Sep 2023
Inventories quantity	Chile	***	***	***	***	***
Ratio to imports	Chile	***	***	***	***	***
Ratio to U.S. shipments of imports	Chile	***	***	***	***	***
Ratio to total shipments of imports	Chile	***	***	***	***	***
Inventories quantity	China	***	***	***	***	***
Ratio to imports	China	***	***	***	***	***
Ratio to U.S. shipments of imports	China	***	***	***	***	***
Ratio to total shipments of imports	China	***	***	***	***	***
Inventories quantity	Mexico	***	***	***	***	***
Ratio to imports	Mexico	***	***	***	***	***
Ratio to U.S. shipments of imports	Mexico	***	***	***	***	***
Ratio to total shipments of imports	Mexico	***	***	***	***	***
Inventories quantity	Subject sources	***	***	***	***	***
Ratio to imports	Subject sources	***	***	***	***	***
Ratio to U.S. shipments of imports	Subject sources	***	***	***	***	***
Ratio to total shipments of imports	Subject sources	***	***	***	***	***
Inventories quantity	Nonsubject sources	***	***	***	***	***
Ratio to imports	Nonsubject sources	***	***	***	***	***
Ratio to U.S. shipments of imports	Nonsubject sources	***	***	***	***	***
Ratio to total shipments of imports	Nonsubject sources	***	***	***	***	***
Inventories quantity	All import sources	***	***	***	***	***
Ratio to imports	All import sources	***	***	***	***	***
Ratio to U.S. shipments of imports	All import sources	***	***	***	***	***
Ratio to total shipments of imports	All import sources	***	***	***	***	***

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

U.S. importers' outstanding orders

The Commission requested importers to indicate whether they imported or arranged for the importation of glass wine bottles from Chile, China, and Mexico after September 30, 2023. All but one responding importer reported such imports. Their reported data is presented in table VII-12. Arranged imports from subject sources accounted for *** percent of such imports with imports from Mexico accounting for ***.

Table VII-12
Glass wine bottles: U.S. importers' arranged imports, by source and period

Quantity in gross

Source	Oct-Dec 2023	Jan-Mar 2024	Apr-Jun 2024	Jul-Sep 2024	Total
Chile	***	***	***	***	***
China	***	***	***	***	***
Mexico	***	***	***	***	***
Subject sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

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

Third-country trade actions

Based on available information, glass wine bottles from subject countries have not been subject to other antidumping or countervailing duty investigations outside the United States.

Information on nonsubject countries

The global industry for glass wine bottles faced several major supply and demand pressures from 2020-2022. The COVID-19 pandemic led to a marked demand increase for wine as alcohol consumption increased and consumers shifted expenditures from dining out to grocery store purchases.[9] In the same period, supply chain disruptions related to the pandemic increased prices for energy inputs and raw material inputs to glass production, such as soda ash.[10]

Increasing sustainability-minded consumer sentiment in the wine industry is also contributing to demand shifts toward lighter-weight wine bottles, which carry less embodied carbon emissions.[11] Global glass bottle producers are also innovating to reduce the emission intensity of glass furnaces. Recent initiatives include circular systems to capture heat, investment in electric furnaces, use of biofuel in furnaces, behind-the-meter storage systems, and large-scale electric melting.[12]

Table VII-12 presents global export data for carboys, bottles, flasks, jars, pots, vials, and other containers, of glass, a category that includes glass wine bottles and out-of-scope products. Subject country China was the largest exporter in 2022 and accounted for 20.7 percent of total global exports by value. Second-leading exporter Germany accounted for 11.2 percent of global exports by value. Subject country Mexico is the fifth largest global exporter, capturing 4.3 percent of global export value in 2022. In total, the three subject countries in this investigation—Chile, China, and Mexico—accounted for 25.6 percent of global export value in 2022.

[9] McIntyre, Dave, "The wine industry didn't just weather the pandemic," October 20, 2022, https://www.washingtonpost.com/food/2022/10/20/wine-industry-grew-during-pandemic/, accessed January 17, 2024; Render, Jacinta, "National shortage of glass bottles," October 20, 2021, https://www.wbir.com/article/money/consumer/national-shortage-of-glass-bottles-affecting-wine-supply/51-3507d378-1395-459f-8367-810fdc810d2d, accessed January 17, 2024.

[10] Globe Newswire, "Global Flat Glass Markets," January 17, 2023, https://finance.yahoo.com/news/global-flat-glass-markets-2022-103800126.html, accessed January 17, 2024.

[11] Barth, Jill, "Consumers Should Be Concerned About Glass Bottles," August 2, 2023, https://www.forbes.com/sites/jillbarth/2023/08/02/these-winemakers-say-consumers-should-be-concerned-about-glass-bottles/?sh=7a5c0223438f, accessed January 17, 2024.

[12] Andrews, Betsy, "The Shrinking Footprint of Glass Wine Bottles," July 18, 2022, https://daily.sevenfifty.com/the-shrinking-carbon-footprint-of-glass-wine-bottles/, accessed January 17, 2024.

The third largest exporter, Italy, accounted for 8.5 percent of global export value in 2022. Several global glass wine bottle producers are currently involved in an Italian antitrust probe following complaints raised by Italian winemakers about suspected coordinated pricing of wine bottles among local and global bottle producers in Italy.[13] In November 2023, Italy's Antritrust authority, the AGCM, initiated an investigation into the existence of a possible anti-competition agreement and anticompetitive conduct in the production and commercialization of glass wine bottles manufactured from 2022 onward.[14] The companies under investigation include Italian bottle manufacturers Zignago Vetro and Bormioli Luigi, Italian subsidiaries of Verallia, Vetropak, and Berlin Packaging, and O-I Europe.[15]

[13] Packaging Gateway, "AGCM launches inquiry into glass wine bottle manufacturers," November 13, 2023, https://www.packaging-gateway.com/news/agcm-probe-glass-bottle-manufacturers/?cf-view, accessed January 25, 2024.

[14] Jenns, Claire, "Packaging companies respond to AGCM wine bottle investigation," November 14, 2023, https://www.packaging-gateway.com/news/packaging-companies-respond-agcm-wine-bottle-investigation/, accessed January 16, 2024.

[15] Packaging Gateway, "AGCM launches inquiry into glass wine bottle manufacturers," November 13, 2023, https://www.packaging-gateway.com/news/agcm-probe-glass-bottle-manufacturers/?cf-view, accessed January 25, 2024.

Table VII-12
Carboys, bottles, flasks, jars, pots, vials, and other glass containers used for the conveyance or packing of goods: Global exports, by reporting country and by period

Value in 1,000 dollars; share in percent

Exporting country	Measure	2020	2021	2022
United States	Value	356,327	436,136	501,149
Chile	Value	46,487	75,402	90,346
China	Value	1,970,684	2,509,458	3,042,072
Mexico	Value	478,868	594,247	636,888
Subject exporters	Value	2,496,039	3,179,106	3,769,307
Germany	Value	1,285,914	1,446,645	1,650,204
Italy	Value	884,156	1,117,282	1,244,874
France	Value	722,236	830,323	901,397
Spain	Value	402,028	481,490	486,324
Portugal	Value	383,416	439,335	527,041
Poland	Value	379,047	437,670	511,221
Netherlands	Value	254,026	325,118	326,164
Bulgaria	Value	248,916	212,710	306,947
All other exporters	Value	3,621,100	4,437,536	4,495,991
All reporting exporters	Value	11,033,203	13,343,352	14,720,619
United States	Share of value	3.2	3.3	3.4
Chile	Share of value	0.4	0.6	0.6
China	Share of value	17.9	18.8	20.7
Mexico	Share of value	4.3	4.5	4.3
Subject exporters	Share of value	22.6	23.8	25.6
Germany	Share of value	11.7	10.8	11.2
Italy	Share of value	8.0	8.4	8.5
France	Share of value	6.5	6.2	6.1
Spain	Share of value	3.6	3.6	3.3
Portugal	Share of value	3.5	3.3	3.6
Poland	Share of value	3.4	3.3	3.5
Netherlands	Share of value	2.3	2.4	2.2
Bulgaria	Share of value	2.3	1.6	2.1
All other exporters	Share of value	32.8	33.3	30.5
All reporting exporters	Share of value	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 7010.90 as reported by various national statistical authorities in the Global Trade Atlas Suite database, accessed January 4, 2024

Note: United States is shown at the top followed by the countries under investigation, all remaining top exporting countries in descending order of 2022 data. These data are overstated as the HS subheading contains products outside the scope of this investigation.

APPENDIX A

FEDERAL REGISTER NOTICES

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

Citation	Title	Link
89 FR 809, January 5, 2024	*Glass Wine Bottles From Chile, China, and Mexico; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations*	https://www.govinfo.gov/content/pkg/FR-2024-01-05/pdf/2024-00034.pdf
89 FR 4905, January 25, 2024	*Certain Glass Wine Bottles From the People's Republic of China: Initiation of Countervailing Duty Investigation*	https://www.govinfo.gov/content/pkg/FR-2024-01-25/pdf/2024-01397.pdf
89 FR 4911, January 25, 2024	*Certain Glass Wine Bottles From Chile, the People's Republic of China, and Mexico: Initiation of Less-Than-Fair-Value Investigations*	https://www.govinfo.gov/content/pkg/FR-2024-01-25/pdf/2024-01398.pdf

APPENDIX B

LIST OF STAFF CONFERENCE WITNESSES

CALENDAR OF PUBLIC PRELIMINARY CONFERENCE

Those listed below participated in the United States International Trade Commission's Preliminary Conference:

Subject: Glass Wine Bottles from Chile, China, and Mexico

Inv. Nos.: 701-TA-703 and 731-TA-1661-1663 (Preliminary)

Date and Time: January 19, 2024 - 9:45 a.m.

OPENING REMARKS:

In Support of Imposition (**Daniel B. Pickard**, Buchanan Ingersoll & Rooney PC)
In Opposition to Imposition (**Jared R. Wessel**, Hogan Lovells US LLP)

In Support of the Imposition of the Antidumping and Countervailing Duty Orders:
Buchanan Ingersoll & Rooney PC
Washington, DC
on behalf of

U.S. Glass Producers Coalition

William Walton, President and Chief Executive Officer,
Ardagh Glass Packaging – North America

Janice Anderson, Chief Financial Officer,
Ardagh Glass Packaging – North America

Brian Brandstatter, Chief Commercial Officer,
Ardagh Glass Packaging – North America

Elizabeth Curtin, Vice President, Sales – Wine,
Ardagh Glass Packaging – North America

David Humes, Sales Director, Wine Sector,
Ardagh Glass Packaging – North America

Joshua Markus, Vice President and General Counsel, North America, Ardagh

In Support of the Imposition of the
Antidumping and Countervailing Duty Orders (continued):

Megan Salrin, Legislative Representative, United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union

Daniel B. Pickard)
) – OF COUNSEL
Claire M. Webster)

In Opposition to the Imposition of the
Antidumping and Countervailing Duty Orders:

Hogan Lovells US LLP
Washington, DC
on behalf of

Berlin Packaging L.L.C. ("Berlin Packaging")

Rick Brandt, Chief Executive Officer, Americas, Berlin Packaging

Adam Brosch, Vice President, Global Supply Chain, Berlin Packaging

Mike Bonino, Senior Director, Global Operations, Berlin Packaging

Jared R. Wessel)
Michael G. Jacobson) – OF COUNSEL
Lyric Galvin)

Fox Rothschild LLP
Washington, DC
on behalf of

Encore Glass

Roberto Guzman, President of Operations, Encore Glass

Kenny Kirk, President of Accounting and Finance, Encore Glass

Lizbeth R. Levinson)
) – OF COUNSEL
Alexander D. Keyser)

REBUTTAL/CLOSING REMARKS:

In Support of Imposition (**Daniel B. Pickard**, Buchanan Ingersoll & Rooney PC)
In Opposition to Imposition (**Lizbeth R. Levinson**, Fox Rothschild LLP and **Michael G. Jacobson**, Hogan Lovells US LLP)

-END-

APPENDIX C

SUMMARY DATA

Total market

Table C-1
Glass wine bottles: Summary data concerning the U.S. total market, by item and period
Quantity=gross; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per gross; Period changes=percent--exceptions noted

	Reported data					Period changes			
	Calendar year			Jan-Sep		Comparison years			Jan-Sep
Item	2020	2021	2022	2022	2023	2020-22	2020-21	2021-22	2022-23
U.S. total market consumption quantity:									
Amount	***	***	***	***	***	▲***	▲***	▲***	▼***
Producers' share (fn1)	***	***	***	***	***	▼***	▼***	▼***	▲***
Importers' share (fn1):									
Chile	***	***	***	***	***	▲***	▲***	▼***	▲***
China	***	***	***	***	***	▼***	▼***	▼***	▲***
Mexico	***	***	***	***	***	▼***	▲***	▼***	▲***
Subject sources	***	***	***	***	***	▼***	▼***	▼***	▲***
Nonsubject sources	***	***	***	***	***	▲***	▲***	▲***	▼***
All import sources	***	***	***	***	***	▲***	▲***	▲***	▼***
U.S. total market consumption value:									
Amount	***	***	***	***	***	▲***	▲***	▲***	▼***
Producers' share (fn1)	***	***	***	***	***	▼***	▼***	▼***	▼***
Importers' share (fn1):									
Chile	***	***	***	***	***	▲***	▲***	▼***	▼***
China	***	***	***	***	***	▼***	▼***	▼***	▼***
Mexico	***	***	***	***	***	▼***	▲***	▼***	▲***
Subject sources	***	***	***	***	***	▼***	▼***	▼***	▲***
Nonsubject sources	***	***	***	***	***	▲***	▲***	▲***	▼***
All import sources	***	***	***	***	***	▲***	▲***	▲***	▲***
U.S. importers' U.S. shipments of imports from:									
Chile:									
Quantity	***	***	***	***	***	▲***	▲***	▼***	▼***
Value	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	***	***	▲***	▲***	▲***	▲***
China:									
Quantity	***	***	***	***	***	▼***	▼***	▼***	▼***
Value	***	***	***	***	***	▼***	▼***	▼***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▼***
Ending inventory quantity	***	***	***	***	***	▼***	▼***	▲***	▼***
Mexico:									
Quantity	***	***	***	***	***	▲***	▲***	▼***	▲***
Value	***	***	***	***	***	▲***	▲***	▲***	▲***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	***	***	▲***	▲***	▼***	▼***
Subject sources:									
Quantity	3,655,266	3,593,662	3,115,557	2,517,609	2,438,069	▼(14.8)	▼(1.7)	▼(13.3)	▼(3.2)
Value	331,640	347,326	361,361	292,147	300,027	▲9.0	▲4.7	▲4.0	▲2.7
Unit value	$90.73	$96.65	$115.99	$116.04	$123.06	▲27.8	▲6.5	▲20.0	▲6.0
Ending inventory quantity	1,039,073	1,053,413	1,282,106	1,188,547	1,173,181	▲23.4	▲1.4	▲21.7	▼(1.3)
Nonsubject sources:									
Quantity	***	***	***	***	***	▲***	▲***	▲***	▼***
Value	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▼***	▲***
Ending inventory quantity	***	***	***	***	***	▲***	▼***	▲***	▼***
All import sources:									
Quantity	***	***	***	***	***	▲***	▲***	▲***	▼***
Value	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	***	***	▲***	▼***	▲***	▼***

Table continued.

Table C-1 Continued
Glass wine bottles: Summary data concerning the U.S. total market, by item and period
Quantity=gross; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per gross; Period changes=percent--exceptions noted

	Reported data					Period changes			
	Calendar year			Jan-Sep		Comparison years			Jan-Sep
Item	2020	2021	2022	2022	2023	2020-22	2020-21	2021-22	2022-23
U.S. producers':									
Practical capacity quantity	***	***	***	***	***	▼***	▼***	▲***	▼***
Production quantity	***	***	***	***	***	▼***	▼***	▲***	▼***
Capacity utilization (fn1)	***	***	***	***	***	▲***	▲***	▼***	▼***
U.S. shipments:									
Quantity	***	***	***	***	***	▲***	▼***	▲***	▼***
Value	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▲***
Export shipments:									
Quantity	***	***	***	***	***	▼***	▼***	▲***	▼***
Value	***	***	***	***	***	▼***	▼***	▲***	▼***
Unit value	***	***	***	***	***	▲***	▼***	▲***	▲***
Ending inventory quantity	***	***	***	***	***	▲***	▲***	▲***	▲***
Inventories/total shipments (fn1)	***	***	***	***	***	▲***	▲***	▲***	▲***
Production workers	***	***	***	***	***	▼***	▼***	▲***	▼***
Hours worked (1,000s)	***	***	***	***	***	▲***	▲***	▼***	▼***
Wages paid ($1,000)	***	***	***	***	***	▲***	▲***	▲***	▲***
Hourly wages (dollars per hour)	***	***	***	***	***	▲***	▲***	▲***	▲***
Productivity (gross per hour)	***	***	***	***	***	▼***	▼***	▲***	▼***
Unit labor costs	***	***	***	***	***	▲***	▲***	▲***	▲***
Net sales:									
Quantity	***	***	***	***	***	▲***	▼***	▲***	▼***
Value	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▲***
Cost of goods sold (COGS)	***	***	***	***	***	▲***	▲***	▲***	▼***
Gross profit or (loss) (fn2)	***	***	***	***	***	▼***	▼***	▼***	▲***
SG&A expenses	***	***	***	***	***	▲***	▲***	▼***	▲***
Operating income or (loss) (fn2)	***	***	***	***	***	▼***	▼***	▼***	▲***
Net income or (loss) (fn2)	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit COGS	***	***	***	***	***	▲***	▲***	▲***	▲***
Unit SG&A expenses	***	***	***	***	***	▲***	▲***	▼***	▲***
Unit operating income or (loss) (fn2)	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit net income or (loss) (fn2)	***	***	***	***	***	▼***	▼***	▼***	▲***
COGS/sales (fn1)	***	***	***	***	***	▲***	▲***	▲***	▼***
Operating income or (loss)/sales (fn1)	***	***	***	***	***	▼***	▼***	▼***	▲***
Net income or (loss)/sales (fn1)	***	***	***	***	***	▼***	▼***	▼***	▲***
Capital expenditures	***	***	***	***	***	▲***	▲***	▲***	▼***
Research and development expenses	***	***	***	***	***	▼***	▲***	▼***	▲***
Total assets	***	***	***	***	***	▲***	▲***	▲***	***

Source: Compiled from data submitted in response to Commission questionnaires for all U.S. producers data and U.S. shipments by importers from Chile, China, and Mexico, and compiled from official U.S. imports statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting number 7010.90.5019, accessed January 10, 2024 adjusted to remove out-of-scope imports using proprietary, Census-edited Customs records using HTS statistical reporting number 7010.90.5019, accessed December 29, 2023 and data from Commission questionnaires to measure imports from all other sources. 508-compliant tables containing these data are contained in parts III, IV, VI, and VII of this report.

Note.--Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent (if positive) and greater than "(0.05)" percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as "---". Period changes preceded by a "▲" represent an increase, while period changes preceded by a "▼" represent a decrease.

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

Merchant market

Table C-2
Glass wine bottles: Summary data concerning the U.S. merchant market, by item and period
Quantity=gross; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per gross; Period changes=percent--exceptions noted

Item	Reported data: Calendar year 2020	2021	2022	Reported data: Jan-Sep 2022	2023	Period changes: Comparison years 2020-22	2020-21	2021-22	Jan-Sep 2022-23
U.S. merchant market consumption quantity:									
Amount	***	***	***	***	***	▲***	▲***	▲***	▼***
Producers' share (fn1)	***	***	***	***	***	▼***	▼***	▼***	▲***
Importers' share (fn1):									
Chile	***	***	***	***	***	▲***	▲***	▼***	▲***
China	***	***	***	***	***	▼***	▼***	▼***	▲***
Mexico	***	***	***	***	***	▼***	▼***	▼***	▲***
Subject sources	***	***	***	***	***	▼***	▼***	▼***	▲***
Nonsubject sources	***	***	***	***	***	▲***	▲***	▲***	▼***
All import sources	***	***	***	***	***	▲***	▲***	▲***	▼***
U.S. merchant market consumption value:									
Amount	***	***	***	***	***	▲***	▲***	▲***	▼***
Producers' share (fn1)	***	***	***	***	***	▼***	▼***	▲***	▲***
Importers' share (fn1):									
Chile	***	***	***	***	***	▲***	▲***	▼***	▼***
China	***	***	***	***	***	▼***	▼***	▼***	▼***
Mexico	***	***	***	***	***	▼***	▼***	▼***	▲***
Subject sources	***	***	***	***	***	▼***	▼***	▼***	▲***
Nonsubject sources	***	***	***	***	***	▲***	▲***	▲***	▼***
All import sources	***	***	***	***	***	▲***	▲***	▼***	▼***
U.S. importers' U.S. shipments of imports from:									
Chile:									
Quantity	***	***	***	***	***	▲***	▲***	▼***	▼***
Value	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	***	***	▲***	▲***	▲***	▲***
China:									
Quantity	***	***	***	***	***	▼***	▼***	▼***	▼***
Value	***	***	***	***	***	▼***	▼***	▼***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▼***
Ending inventory quantity	***	***	***	***	***	▼***	▼***	▲***	▼***
Mexico:									
Quantity	***	***	***	***	***	▲***	▲***	▼***	▲***
Value	***	***	***	***	***	▲***	▲***	▲***	▲***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	***	***	▲***	▲***	▼***	▼***
Subject sources:									
Quantity	3,655,266	3,593,662	3,115,557	2,517,609	2,438,069	▼(14.8)	▼(1.7)	▼(13.3)	▼(3.2)
Value	331,640	347,326	361,361	292,147	300,027	▲9.0	▲4.7	▲4.0	▲2.7
Unit value	$90.73	$96.65	$115.99	$116.04	$123.06	▲27.8	▲6.5	▲20.0	▲6.0
Ending inventory quantity	1,039,073	1,053,413	1,282,106	1,188,547	1,173,181	▲23.4	▲1.4	▲21.7	▼(1.3)
Nonsubject sources:									
Quantity	***	***	***	***	***	▲***	▲***	▲***	▼***
Value	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▼***	▲***
Ending inventory quantity	***	***	***	***	***	▲***	▼***	▲***	▼***
All import sources:									
Quantity	***	***	***	***	***	▲***	▲***	▲***	▼***
Value	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	***	***	▲***	▼***	▲***	▼***

Table continued.

Table C-2 Continued
Glass wine bottles: Summary data concerning the U.S. merchant market, by item and period
Quantity=gross; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per gross; Period changes=percent--exceptions noted

	Reported data					Period changes			
	Calendar year			Jan-Sep		Comparison years			Jan-Sep
Item	2020	2021	2022	2022	2023	2020-22	2020-21	2021-22	2022-23
U.S. producers':									
Commercial U.S. shipments (fn2):									
Quantity	***	***	***	***	***	▲***	▲***	▲***	▼***
Value	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▲***
Commercial sales (fn2):									
Quantity	***	***	***	***	***	▲***	▲***	▲***	▼***
Value	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▲***
Cost of goods sold (COGS)	***	***	***	***	***	▲***	▲***	▲***	▼***
Gross profit or (loss) (fn3)	***	***	***	***	***	▼***	▼***	▲***	▲***
SG&A expenses	***	***	***	***	***	▲***	▲***	▼***	▲***
Operating income or (loss) (fn3)	***	***	***	***	***	▼***	▼***	▲***	▲***
Net income or (loss) (fn3)	***	***	***	***	***	▼***	▼***	▲***	▲***
Unit COGS	***	***	***	***	***	▲***	▲***	▲***	▲***
Unit SG&A expenses	***	***	***	***	***	▲***	▲***	▼***	▲***
Unit operating income or (loss) (fn3)	***	***	***	***	***	▼***	▼***	▲***	▲***
Unit net income or (loss) (fn3)	***	***	***	***	***	▼***	▼***	▲***	▲***
COGS/sales (fn1)	***	***	***	***	***	▲***	▲***	▼***	▼***
Operating income or (loss)/sales (fn1)	***	***	***	***	***	▼***	▼***	▲***	▲***
Net income or (loss)/sales (fn1)	***	***	***	***	***	▼***	▼***	▲***	▲***

Source: Compiled from data submitted in response to Commission questionnaires for all U.S. producers data and U.S. shipments by importers from Chile, China, and Mexico, and compiled from official U.S. imports statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting number 7010.90.5019, accessed January 10, 2024 adjusted to remove out-of-scope imports using proprietary, Census-edited Customs records using HTS statistical reporting number 7010.90.5019, accessed December 29, 2023 and data from Commission questionnaires to measure imports from all other sources. 508-compliant tables containing these data are contained in parts III, IV, and VI of this report.

Note.--Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent (if positive) and greater than "(0.05)" percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as "---". Period changes preceded by a "▲" represent an increase, while period changes preceded by a "▼" represent a decrease.

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--U.S. producers' commercial U.S. shipments/sales reflect U.S. producers' commercial U.S. shipments/sales plus U.S. producer ***'s transfers to related firms. U.S. producer ***'s transfers to related firms are treated as part of the merchant market since those transfers were reported as being diverted back to the merchant market by the related firm and being sold as is, i.e. as empty wine bottles, by that company.
fn3.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

APPENDIX D

U.S. SHIPMENTS BY SOURCE AND BOTTLE STYLE

Table D-1
Glass wine bottles: U.S. producers' and U.S. importers' U.S. shipments, by source and bottle style, 2022

Quantity in gross; Value in 1,000 dollars; Unit value in dollars per gross; Share of quantity in percent

Source	Bottle style	Quantity	Value	Unit value	Share of quantity
U.S. producers	Claret green	***	***	***	***
Chile	Claret green	***	***	***	***
China	Claret green	***	***	***	***
Mexico	Claret green	***	***	***	***
Subject sources	Claret green	1,453,012	178,348	***	***
Nonsubject sources	Claret green	219,825	27,396	***	***
All import sources	Claret green	1,672,837	205,744	***	***
All sources	Claret green	***	***	***	100.0
U.S. producers	Burgundy green	***	***	***	***
Chile	Burgundy green	***	***	***	***
China	Burgundy green	***	***	***	***
Mexico	Burgundy green	***	***	***	***
Subject sources	Burgundy green	789,955	95,730	***	***
Nonsubject sources	Burgundy green	234,114	26,305	***	***
All import sources	Burgundy green	1,024,069	122,035	***	***
All sources	Burgundy green	***	***	***	100.0
U.S. producers	Other	***	***	***	***
Chile	Other	***	***	***	***
China	Other	***	***	***	***
Mexico	Other	***	***	***	***
Subject sources	Other	872,591	73,649	***	***
Nonsubject sources	Other	457,781	62,597	***	***
All import sources	Other	1,330,372	136,246	***	***
All sources	Other	***	***	***	100.0
U.S. producers	All styles	***	***	***	***
Chile	All styles	***	***	***	***
China	All styles	***	***	***	***
Mexico	All styles	***	***	***	***
Subject sources	All styles	3,115,558	347,727	***	***
Nonsubject sources	All styles	911,720	116,298	***	***
All import sources	All styles	4,027,278	464,025	***	***
All sources	All styles	***	***	***	100.0

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

APPENDIX E

COVID-19 IMPACT NARRATIVE RESPONSES

Table E-1
Glass wine bottles: U.S. producers', U.S. importers', and foreign producers' COVID-19 impact, 2022

Firm	Firm type	Narrative on COVID-19 impact
***	U.S. producer	***
***	U.S. producer	***
***	U.S. importer	***
***	U.S. importer	***
***	U.S. importer	***

Table continued.

Table E-1 Continued
Glass wine bottles: U.S. producers', U.S. importers', and foreign producers' COVID-19 impact, 2022

Firm	Firm type	Narrative on COVID-19 impact
***	U.S. importer	***
***	U.S. importer	***
***	U.S. importer	***
***	U.S. importer	***
***	U.S. importer	***
***	U.S. importer	***
***	U.S. importer	***

Table continued.

Table E-1 Continued
Glass wine bottles: U.S. producers', U.S. importers', and foreign producers' COVID-19 impact, 2022

Firm	Firm type	Narrative on COVID-19 impact
***	U.S. importer	***
***	Foreign producer	***
***	Foreign producer	***
***	Foreign producer	***
***	Foreign producer	***
***	Foreign producer	***
***	Foreign producer	***

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