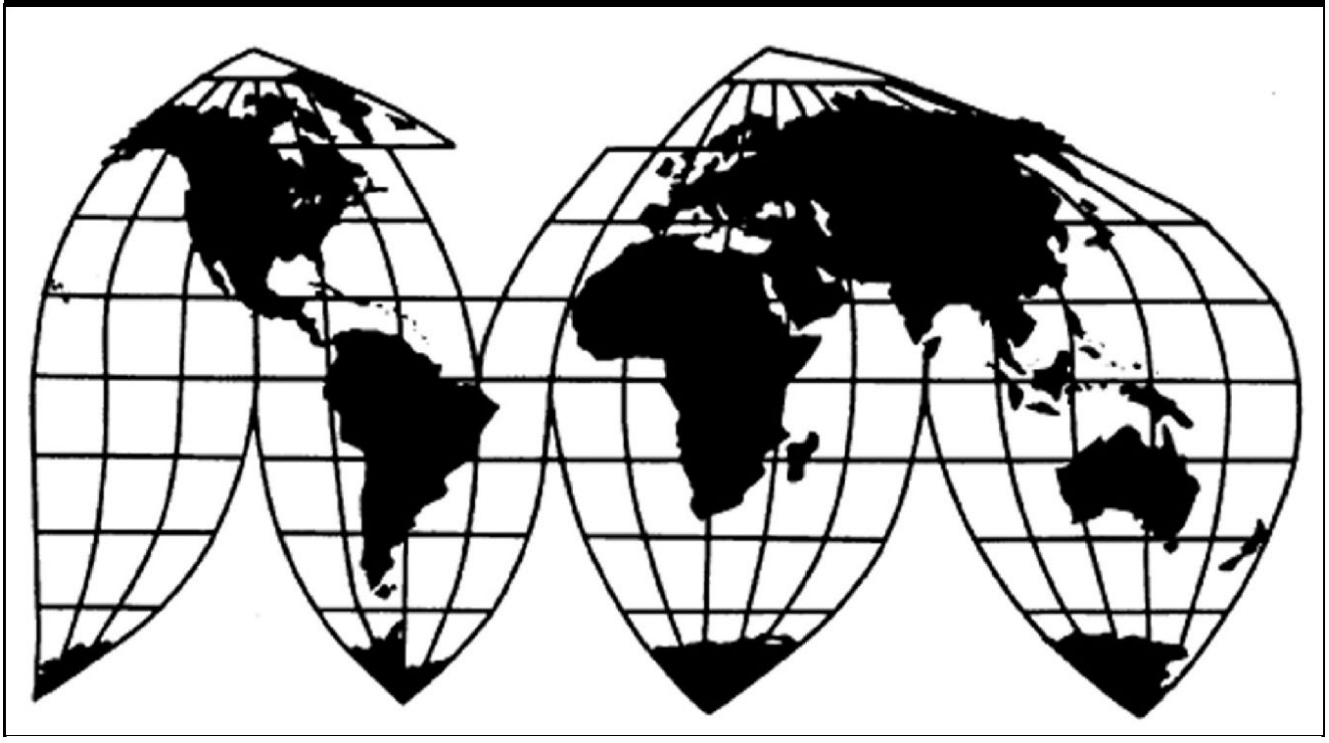
Steel Racks from China

Investigation Nos. 701-TA-608 and 731-TA-1420 (Review)

Publication 5593 **February 2025**

U.S. International Trade Commission



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U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-608 and 731-TA-1420 (Review)

Steel Racks from China

DETERMINATIONS

On the basis of the record[1] developed in the subject five-year reviews, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that revocation of the countervailing duty order and antidumping duty order on steel racks from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted these reviews on August 1, 2024 (89 FR 62779, August 1, 2024) and determined on November 4, 2024, that it would conduct expedited reviews (89 FR 96266, December 4, 2024).

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

Views of the Commission

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

I. Background

Original Investigations. The Commission instituted the original investigations on June 20, 2018, in response to petitions filed by the Coalition for Fair Rack Imports (the "Coalition"), an association of U.S. producers of steel racks.[1] In September 2019, the Commission determined that an industry in the United States was materially injured by reason of imports of steel racks from China that the U.S. Department of Commerce ("Commerce") found to be sold at less than fair value and subsidized by the government of China.[2] Commerce issued antidumping and countervailing duty orders on imports of steel racks from China on September 16, 2019.[3]

Current Reviews. The Commission instituted these reviews on August 1, 2024.[4] The Commission received a response to the notice of institution from the Coalition.[5] The

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[1] *Steel Racks from China; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations*, 83 Fed. Reg. 29,822 (June 26, 2018); Confidential Report, Memorandum INV-WW-131, Oct. 23, 2024 ("CR"); *Steel Racks from China*, Inv. Nos. 701-TA-608 and 731-TA-1420 (Review), USITC Pub. 5593 (Feb. 2023) ("PR") at I-2. The members of the Coalition in the original investigations were Bulldog Rack Company, Hannibal Industries, Inc., Husky Rack and Wire; Ridg-U-Rak, Inc.; Speedrack Products Group, Ltd. ("Speedrack"); Steel King Industries, Inc.; Tri-Boro Shelving & Partition Corp.; and UNARCO Material Handling, Inc. CR/PR at I-2 n.5.

[2] *Steel Racks from China*, Inv. Nos. 701-TA-608 and 731-TA-1420 (Final), USITC Pub. 4951 (Sept. 2019) ("*Original Determinations*").

[3] *Certain Steel Racks and Parts Thereof from the People's Republic of China: Amended Final Affirmative Antidumping Duty Determination and Antidumping Duty Order; and Countervailing Duty Order*, 84 Fed. Reg. 48,584 (Sept. 16, 2019).

[4] *Steel Racks from China; Institution of Five-Year Reviews*, 89 Fed. Reg. 62,779 (Aug. 1, 2024).

[5] The Coalition's Response to the Notice of Institution, EDIS Doc. 831327 (Sept. 3, 2024) ("Coalition's Response"); The Coalition's Supplemental Response to the Notice of Institution, EDIS Doc. 832695 (Sept. 19, 2024) ("Coalition's Suppl. Response"). In these reviews, the Coalition consists of Heartland Steel Products; Husky Rack and Wire; Ridg-U-Rak, Inc.; Speedrack Products Group, Ltd.; Steel (Continued…)

Commission did not receive a response to the notice of institution from any respondent interested party. On November 4, 2024, the Commission determined that the domestic interested party group response to its notice of institution was adequate and that the respondent interested party group response was inadequate.[6] Finding no other circumstances that would warrant conducting full reviews, the Commission determined that it would conduct expedited reviews of the orders.[7] The Coalition submitted final comments pursuant to Commission rule 207.62(d)(1) on February 5, 2025.[8]

U.S. industry data are based on information supplied by the Coalition in its response to the notice of institution, accounting for an estimated *** percent of total U.S. production of steel racks in 2023.[9] U.S. import data are based on official Commerce statistics and data from the original investigations.[10] Foreign industry data and related information are based on information from the original investigations, information supplied by the Coalition in its response to the notice of institution, and publicly available information gathered by the Commission.[11]

(…Continued)
King Industries, Inc.; Nucor Warehouse Systems; and UNARCO Material Handling, Inc. CR/PR at B-3 n.1; Coalition's Response at 1-2.

[6] *Steel Racks from China; Scheduling of Expedited Five-Year Reviews*, 89 Fed. Reg. 96,266 (Dec. 4, 2024).

[7] *Steel Racks from China; Scheduling of Expedited Five-Year Reviews*, 89 Fed. Reg. 96,266 (Dec. 4, 2024).

[8] Coalition's Final Comments, EDIS Doc. 842685 (Feb. 5, 2025).

[9] CR/PR at B-1.

[10] CR/PR at I-20-21. In the original investigations, the Commission based its data on imports of subject and nonsubject merchandise primarily on questionnaire responses, which it found "to be the most reliable and representative data available to the Commission." *Original Determinations*, USITC Pub. 4951 at 4, n.7; Original Investigations Staff Report, INV-RR-076, EDIS Doc. 833706 (Aug. 9, 2019) at I-6 & n.12. In light of respondent interested parties' failure to respond to the Notice of Institution, official Commerce import statistics are the only import data available to us in these reviews. These data appear to substantially overstate the value of subject merchandise and nonsubject imports as the HTS statistical reporting numbers covering subject merchandise also contain products outside the scope of these reviews. CR/PR at Table I-4.

[11] CR/PR at I-22-23; Coalition's Response at 19-20 & Exhs. 4-6.

II. Domestic Like Product and Industry

A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the "domestic like product" and the "industry."[12] 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 under this subtitle."[13] The Commission's practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.[14]

Commerce has defined the imported merchandise within the scope of the orders under review as follows:

> {S}teel racks and parts thereof, assembled, to any extent, or unassembled, including but not limited to, vertical components (*e.g.*, uprights, posts, or columns), horizontal or diagonal components (*e.g.*, arms or beams), braces, frames, locking devices (*e.g.*, end plates and beam connectors), and accessories (including, but not limited to, rails, skid channels, skid rails, drum/coil beds, fork clearance bars, pallet supports, row spacers, and wall ties).
>
> Subject steel racks and parts thereof are made of steel, including, but not limited to, cold and/or hot-formed steel, regardless of the type of steel used to produce the components and may, or may not, include locking tabs, slots, or bolted, clamped, or welded connections. Subject steel racks have the following physical characteristics:

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[12] 19 U.S.C. § 1677(4)(A).

[13] 19 U.S.C. § 1677(10); *see*, *e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

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

(1) Each steel vertical and horizontal load bearing member (*e.g.*, arms, beams, posts, and columns) is composed of steel that is at least 0.044 inches thick;

(2) Each steel vertical and horizontal load bearing member (*e.g.*, arms, beams, posts, and columns) is composed of steel that has a yield strength equal to or greater than 36,000 pounds per square inch;

(3) The width of each steel vertical load bearing member (*e.g.*, posts and columns) exceeds two inches; and

(4) The overall depth of each steel roll-formed horizontal load bearing member (*e.g.*, beams) exceeds two inches.

In the case of steel horizontal load bearing members other than roll-formed (*e.g.*, structural beams, Z-beams, or cantilever arms), only the criteria in subparagraphs (1) and (2) apply to these horizontal load bearing members. The depth limitation in subparagraph (4) does not apply to steel horizontal load bearing members that are not roll-formed.

Steel rack components can be assembled into structures of various dimensions and configurations by welding, bolting, clipping, or with the use of devices such as clips, end plates, and beam connectors, including, but not limited to the following configurations: (1) Racks with upright frames perpendicular to the aisles that are independently adjustable, with positive-locking beams parallel to the aisle spanning the upright frames with braces; and (2) cantilever racks with vertical components parallel to the aisle and cantilever beams or arms connected to the vertical components perpendicular to the aisle. Steel racks may be referred to as pallet racks, storage racks, stacker racks, retail racks, pick modules, selective racks, or cantilever racks and may incorporate moving components and be referred to as pallet-flow racks, carton-flow racks, push-back racks, movable-shelf racks, drive-in racks, and drive-through racks. While steel racks may be made to ANSI MH16.l or ANSI MH16.3 standards, all steel racks and parts thereof meeting the description set out herein are covered by the scope of these orders, whether or not produced according to a particular standard.

The scope includes all steel racks and parts thereof meeting the description above, regardless of

(1) other dimensions, weight, or load rating;

(2) vertical components or frame type (including structural, roll-form, or other);

(3) horizontal support or beam/brace type (including but not limited to structural, roll-form, slotted, unslotted, Z-beam, C-beam, L-beam, step beam, and cantilever beam);

(4) number of supports;

(5) number of levels;

(6) surface coating, if any (including but not limited to paint, epoxy, powder coating, zinc, or other metallic coatings);

(7) rack shape (including but not limited to rectangular, square, corner, and cantilever);

(8) the method by which the vertical and horizontal supports connect (including but not limited to locking tabs or slots, bolting, clamping, and welding); and

(9) whether or not the steel rack has moving components (including but not limited to rails, wheels, rollers, tracks, channels, carts, and conveyors).

Subject merchandise includes merchandise matching the above description that has been finished or packaged in a third country. Finishing includes, but is not limited to, coating, painting, or assembly, including attaching the merchandise to another product, or any other finishing or assembly operation that would not remove the merchandise from the scope of these orders if performed in the country of manufacture of the steel racks and parts thereof. Packaging includes packaging the merchandise with or without another product or any other packaging operation that would not remove the merchandise from the scope of

these orders if performed in the country of manufacture of the steel racks and parts thereof.

Steel racks and parts thereof are included in the scope of these orders whether or not imported attached to, or included with, other parts or accessories such as wire decking, nuts, and bolts. If steel racks and parts thereof are imported attached to, or included with, such non-subject merchandise, only the steel racks and parts thereof are included in the scope.

The scope of these orders does not cover: (1) Decks, i.e., shelving that sits on or fits into the horizontal supports to provide the horizontal storage surface of the steel racks; (2) wire shelving units, *i.e.*, units made from wire that incorporate both a wire deck and wire horizontal supports (taking the place of the horizontal beams and braces) into a single piece with tubular collars that slide over the posts and onto plastic sleeves snapped on the posts to create a finished unit; (3) pins, nuts, bolts, washers, and clips used as connecting devices; and (4) non-steel components.

Specifically excluded from the scope of these orders are any products covered by Commerce's existing antidumping and countervailing duty orders on boltless steel shelving units prepackaged for sale from the People's Republic of China. *See Boltless Steel Shelving Units Prepackaged for Sale from the People's Republic of China: Antidumping Duty Order*, 80 FR 63741 (October 21, 2017); and *Boltless Steel Shelving Units Prepackaged for Sale from the People's Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 80 FR 63745 (October 21, 2017).

Also excluded from the scope of these orders are bulk-packed parts or components of boltless steel shelving units that were specifically excluded from the scope of the Boltless Steel Shelving Orders because such bulk packed parts or components do not contain the steel vertical supports (*i.e.*, uprights and posts) and steel horizontal supports (*i.e.*, beams, braces) packaged together for assembly into a completed boltless steel shelving unit.

Such excluded components of boltless steel shelving are defined as:

(1) Boltless horizontal supports (beams, braces) that have each of the following characteristics: (a) A length of 95 inches or less, (b) made from steel that has a thickness of 0.068 inches or less, and (c) a weight capacity that does not exceed 2,500 lbs per pair of beams for beams that are 78" or shorter, a weight capacity that does not exceed 2,200 lbs per pair of beams for beams that are over 78" long but not longer than 90", and/or a weight capacity that does not exceed 1,800 lbs per pair of beams for beams that are longer than 90";

(2) shelf supports that mate with the aforementioned horizontal supports; and

(3) boltless vertical supports (upright welded frames and posts) that have each of the following characteristics: (a) A length of 95 inches or less, (b) with no face that exceeds 2.90 inches wide, and (c) made from steel that has a thickness of 0.065 inches or less.

Excluded from the scope of these orders are: (1) Wall-mounted shelving and racks, defined as shelving and racks that suspend all of the load from the wall, and do not stand on, or transfer load to, the floor; (2) ceiling mounted shelving and racks, defined as shelving and racks that suspend all of the load from the ceiling and do not stand on, or transfer load to, the floor; and (3) wall/ceiling mounted shelving and racks, defined as shelving and racks that suspend the load from the ceiling and the wall and do not stand on, or transfer load to, the floor. The addition of a wall or ceiling bracket or other device to attach otherwise subject merchandise to a wall or ceiling does not meet the terms of this exclusion.

Also excluded from the scope of these orders is scaffolding that complies with ANSI/ASSE A10.8—2011—Scaffolding Safety Requirements, CAN/CSA S269.2-M87 (Reaffirmed 2003)—Access Scaffolding for Construction Purposes, and/or Occupational Safety and Health Administration regulations at 29 CFR part 1926 subpart L—Scaffolds.

Also excluded from the scope of these orders are tubular racks such as garment racks and drying racks, *i.e.*, racks in which the load bearing vertical and

horizontal steel members consist solely of: (1) Round tubes that are no more than two inches in diameter; (2) round rods that are no more than two inches in diameter; (3) other tubular shapes that have both an overall height of no more than two inches and an overall width of no more than two inches; and/or (4) wire.

Also excluded from the scope of these orders are portable tier racks. Portable tier racks must meet each of the following criteria to qualify for this exclusion:

(1) They are freestanding, portable assemblies with a fully welded base and four freely inserted and easily removable corner posts;

(2) They are assembled without the use of bolts, braces, anchors, brackets, clips, attachments, or connectors;

(3) One assembly may be stacked on top of another without applying any additional load to the product being stored on each assembly, but individual portable tier racks are not securely attached to one another to provide interaction or interdependence; and

(4) The assemblies have no mechanism (*e.g.*, a welded foot plate with bolt holes) for anchoring the assembly to the ground.

Also excluded from the scope of these orders are accessories that are independently bolted to the floor and not attached to the rack system itself, *i.e.*, column protectors, corner guards, bollards, and end row and end of aisle protectors.

Merchandise covered by this investigation is classified in the Harmonized Tariff Schedule of the United States (HTSUS) under the following subheadings: 7326.90.8688, 9403.20.0082, and 9403.99.9040.19 Subject merchandise may

also enter under HTSUS subheadings 7308.90.3000, 7308.90.6000, 7308.90.9590, and 9403.20.0090.[15]

The scope in these reviews is unchanged from the original investigations.[16]

A steel rack is a structure consisting of hot-rolled or cold-formed steel structural components designed so that its dimensions and configurations can be adjusted as required, either with or without locking tabs or slots, and either with or without bolted, clamped, or welded connections.[17] Certain types of steel racks may also include movable components, such as rails, wheels, rollers, tracks, channels, carts, or conveyors.[18] Steel racks and parts thereof are available either assembled or unassembled.[19] The key technical characteristics of steel racks are their strength, load-bearing capacity, and stability, which enable them to bear heavy loads in readily accessible rack configurations.[20]

Original Investigations. The Commission defined a single domestic like product coextensive with the scope of the investigations, based on its analysis of the like product

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[15] *Certain Steel Racks and Parts Thereof from the People's Republic of China: Final Results of the Expedited First Sunset Review of the Antidumping Duty Order*, 89 Fed. Reg. 96,974 (Dec. 6, 2024); *Steel Racks and Parts Thereof from the People's Republic of China: Final Results of the Expedited Sunset Review of the Countervailing Duty Order*, 89 Fed Reg. 96,945 (Dec. 6, 2024); Issues and Decision Memorandum for the Final Results of the Expedited First Sunset Review of the Antidumping Duty Order on Steel Racks from the People's Republic of China, EDIS Doc. 841817 (Jan. 27, 2025) at 2-5; Issues and Decision Memorandum for the Final Results of the Expedited First Sunset Review of the Countervailing Duty Order on Steel Racks and Parts Thereof from the People's Republic of China, EDIS Doc. 841817 (Jan. 27, 2025) at 2-6.

[16] Commerce completed one scope ruling and determined that certain coil skids were not covered by the scope because they did not meet the description of subject merchandise. *Notice of Scope Rulings*, 85 Fed. Reg. 60,792, 60,763 (Sept. 28, 2020).

There were several changes to the HTS statistical reporting numbers covering the scope merchandise since the original investigations. Effective July 1, 2021, HTS statistical reporting number 9403.20.0081 was discontinued and replaced with HTS statistical reporting numbers 9403.20.0082 and 9403.20.0086. CR/PR at 1-9 n.11. Effective January 27, 2022, HTS statistical reporting number 9403.90.8041 was discontinued and replaced with 9403.99.9041, which was later discontinued and replaced with HTS statistical reporting numbers 9403.99.9040 and 9403.20.0082, effective January 1, 2023. *Id*. at I-9 n.12.

[17] CR/PR at I-10.

[18] CR/PR at I-10.

[19] CR/PR at I-10.

[20] CR/PR at I-10.

factors from its preliminary determinations, as well as additional information gathered in the final phase of the investigations.[21]

In the original investigations, the Commission found no clear dividing lines between structural and roll-form steel racks, or parts of steel racks.[22] Specifically, it found that steel racks were a standardized steel product that, although available in a variety of different configurations, were manufactured using one of two processes involving the same types of steel.[23] All steel rack configurations also had a vertical column, horizontal beam, and beam-locking device, with the purpose of holding heavy materials.[24] Although structural steel racks had greater load bearing capacity and durability than roll-form racks, both types of racks were used for storage in industrial and commercial applications by the same end users.[25] Both types of racks could, therefore, be used interchangeably and in the same applications as hybrid steel rack storage systems.[26] In addition, all steel racks were manufactured to meet ANSI standards, and most domestically produced steel racks were sold to distributors with the remainder sold to end-users.[27] Consequently, the Commission found that there was a single domestic like product consisting of all steel racks, coextensive with the scope of the investigations.[28]

Current Reviews. The Coalition does not contest the Commission's definition of the domestic like product from the original investigations.[29]

The record of these reviews does not contain any new information suggesting the pertinent product characteristics and uses of steels racks have changed since the original investigations that would warrant revisiting the Commission's domestic like product definition.[30] Accordingly, we again define a single domestic like product consisting of all steel racks, coextensive with Commerce's scope.

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[21] *Original Determinations*, USITC Pub. 4951 at 10-11.

[22] *Steel Racks from China*, Inv. Nos. 701-TA-608 and 731-TA-1420 (Preliminary), USITC Pub. 4811 (Aug. 2018) ("*Preliminary Determinations*") at 10 n.30.

[23] *Original Determinations*, USITC Pub. 4951 at 10-11.

[24] *Original Determinations*, USITC Pub. 4951 at 10.

[25] *Preliminary Determinations,* USITC Pub. 4811 at 10 n.30.

[26] *Preliminary Determinations,* USITC Pub. 4811 at 10 n.30.

[27] *Original Determinations*, USITC Pub. 4951 at 10.

[28] *Original Determinations*, USITC Pub. 4951 at 11.

[29] Coalition's Response at 28.

[30] CR/PR at I-10-11.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[31] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

Original Investigations. The Commission found that domestic producers *** and *** purchased subject merchandise during the January 2016 to March 2019 period covered by the original investigations ("POI"), but determined that neither producer controlled a large volume of subject imports.[32] Accordingly, the Commission defined the domestic industry to include all U.S. producers of steel racks.[33]

Current Reviews. The Coalition does not contest the Commission's definition of the domestic industry from the original investigations.[34] There appear to be no related party issues in these reviews.[35] Consequently, consistent with our definition of the domestic like product, we again define the domestic industry to include all U.S. producers of steel racks.

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[31] 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. *See* 19 U.S.C. § 1677.

[32] *Original Determinations*, USITC Pub. 4951 at 12; *Confidential Original Determinations*, EDIS Doc. 833709 (Sept. 30, 2024) at 14.

[33] *Original Determinations*, USITC Pub. 4951 at 12.

[34] Coalition's Response at 28.

[35] CR/PR at I-19; Coalition's Response at 26. The Coalition claims that U.S. producer United Handling, Inc. ("UHI") imported steel racks from China during the POI. Coalition's Response at 26. The Coalition, however, provided no additional information on UHI's alleged imports of subject merchandise and UHI did not respond to the Commission's notice of institution with data on its operations. Thus, the information available is insufficient for us to ascertain whether UHI is a related party, and if so, whether appropriate circumstances exist to exclude that company from the definition of the domestic industry. In any event, this issue is moot, as UHI did not provide data to the Commission, so its inclusion in or exclusion from the domestic industry will not affect the data available to the Commission in these reviews.

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

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[36] The SAA states that "under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."[37] Thus, the likelihood standard is prospective in nature.[38] The U.S. Court of International Trade has found that "likely," as used in the five-year review provisions of the Act, means "probable," and the Commission applies that standard in five-year reviews.[39]

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[36] 19 U.S.C. § 1675a(a).

[37] SAA at 883-84. The SAA states that "{t}he likelihood of injury standard applies regardless of the nature of the Commission's original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed." *Id*. at 883.

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

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

The statute states that "the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time."[40] According to the SAA, a "'reasonably foreseeable time' will vary from case-to-case, but normally will exceed the 'imminent' timeframe applicable in a threat of injury analysis in original investigations."[41]

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to "consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated."[42] It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).[43] The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination.[44]

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.[45] In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely

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[40] 19 U.S.C. § 1675a(a)(5).

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

[42] 19 U.S.C. § 1675a(a)(1).

[43] 19 U.S.C. § 1675a(a)(1). Commerce has not made any duty absorption findings. *Certain Steel Racks and Parts Thereof from the People's Republic of China: Final Results of the Expedited First Sunset Review of the Antidumping*, 89 Fed. Reg. 96,974 (Dec. 6, 2024); Issues and Decision Memorandum for the Final Results of the Expedited First Sunset Review of the Antidumping Duty Order on Steel Racks from the People's Republic of China, EDIS Doc. 841817 (Jan. 27, 2025) at 6.

[44] 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

[45] 19 U.S.C. § 1675a(a)(2).

increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.[46]

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.[47]

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[48] All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.[49]

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[46] 19 U.S.C. § 1675a(a)(2)(A-D).

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

[48] 19 U.S.C. § 1675a(a)(4).

[49] The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission "considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the (Continued…)

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the steel racks industry in China. There also is limited information on the steel racks market in the United States during the 2019-2023 period of review ("POR"). Accordingly, for our determination, we rely as appropriate on the facts available from the original investigations, and the limited new information on the record in these first five-year reviews.

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[50] The following conditions of competition inform our determinations.

1. Demand Conditions

Original Investigations. The Commission found that demand for steel racks was largely driven by broad economic growth and demand for storage in warehousing and distribution centers.[51] It also found that steel racks have a long lifespan, with new demand coming from additional storage needs or the replacement of damaged steel racks.[52] Most responding market participants reported that growth in the overall economy and e-commerce industry increased U.S. demand for steel racks during the POI.[53]

Apparent U.S. consumption of steel racks increased *** percent during the POI from *** pounds in 2016 to *** pounds in 2018; it was *** percent lower in the first quarter of 2019 ("interim 2019"), at *** pounds, than in the first quarter of 2018 ("interim 2018"), at *** pounds.[54]

Current Reviews. The information available indicates that demand for steel racks continues to be driven by broad economic growth and demand for storage in warehousing and

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(…Continued)
domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." SAA at 885.

[50] 19 U.S.C. § 1675a(a)(4).

[51] *Original Determinations*, USITC Pub. 4951 at 16.

[52] *Original Determinations*, USITC Pub. 4951 at 16.

[53] *Original Determinations*, USITC Pub. 4951 at 16.

[54] *Original Determinations*, USITC Pub. 4951 at 16; *Confidential Original Determinations* at 19-20.

distribution centers.[55] According to the Coalition, demand for steel racks was elevated in 2021 and 2022 and then declined through 2023.[56] It adds that demand has since grown, along with the growth of the U.S. gross domestic product, and that publicly available information from ResearchandMarkets.com projects the North American market for warehousing and storage to grow by 2.5 percent from 2023 to 2028.[57]

The best available information on the record indicates that the value of apparent U.S. consumption for steel racks was $*** in 2023, which is higher than the value of apparent U.S. consumption for steel racks in 2018, at $***.[58]

2. Supply Conditions

Original Investigations. The Commission found that the domestic industry was the largest source of supply to the U.S. market. Its share of apparent U.S. consumption decreased from *** percent in 2016 to *** percent in 2018, but was higher in interim 2019 than in interim 2018.[59] The Commission also found that the domestic industry had unused capacity throughout the POI.[60]

Subject imports were the smallest source of supply to the U.S. market, but their share of apparent U.S. consumption increased from *** percent in 2016 to *** percent in 2018; it was lower in interim 2019 than in interim 2018.[61] Nonsubject imports were the second largest source of supply to the U.S. market, and their share of apparent U.S. consumption increased from *** percent in 2016 to *** percent in 2018; it was lower in interim 2019 than in interim 2018.[62]

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[55] Coalition's Response at 11.

[56] Coalition's Response at 11-12. The Coalition bases this conclusion on the trends in employment data in the warehousing and storage industry collected by the U.S. Bureau of Labor Statistics. *Id*.

[57] Coalition's Response at 12 & Exh. 2.

[58] CR/PR at Table I-5. As discussed above in Section I, this data may substantially overstate the value of subject merchandise and non-subject imports as the HTS statistical reporting numbers contain products outside the scope of these reviews. We have accordingly placed little weight on any comparisons between apparent U.S. consumption as calculated in these reviews and as calculated in the original investigations.

[59] *Original Determinations*, USITC Pub. 4951 at 16; *Confidential Original Determinations* at 20.

[60] *Original Determinations*, USITC Pub. 4951 at 16; *Confidential Original Determinations* at 20.

[61] *Original Determinations*, USITC Pub. 4951 at 16; *Confidential Original Determinations* at 20.

[62] *Original Determinations*, USITC Pub. 4951 at 16; *Confidential Original Determinations* at 20.

Current Reviews. The best available evidence on the record indicates that the domestic industry was the smallest source of steel racks in the U.S. market in 2023, accounting for *** pounds, with a value of $***, representing *** percent of the total value of apparent U.S. consumption that year.[63]

There have been several developments in the domestic industry since the original investigations. Speedrack broke ground on two new manufacturing facilities, with one in Quincy, Michigan, that began production in July 2020 and the other in Walker, Michigan, that became operational in 2022.[64] In June 2021, Heartland Steel Products announced a $650,000 expansion of its facility in Harrison, Ohio, in response to rising demand for its storage products.[65] Its parent company, Heartland Steel Holdings LLC, also acquired U.S. producer SteelPro, LLC, in November 2022.[66] Nucor Corporation acquired U.S. producers Hannibal Industries and Elite Storage Solutions in July 2021 and April 2022, respectively, and combined their operations into a single business unit, Nucor Warehouse Systems.[67]

Subject imports were the second largest source of steel racks in the U.S. market in 2023, accounting for *** percent of the total value of apparent U.S. consumption that year.[68]

Nonsubject imports were the largest source of steel racks in the U.S. market in 2023, accounting for *** percent of the total value of apparent U.S. consumption that year.[69] The largest sources of nonsubject imports of steel racks in 2023, by value, were Mexico, Canada, and Germany.[70]

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[63] CR/PR at Table I-5. As noted above in Section I, we consider that the import value data in these reviews substantially overstate the volume of imports of steel racks. Therefore, the calculated value of apparent domestic consumption is likely overstated, which likely results in a substantial understatement of the domestic industry's market share in these reviews. *Id*. We accordingly place limited weight on any comparisons in market share figures in these reviews with those in the original investigations.

[64] CR/PR at Table I-2.

[65] CR/PR at Table I-2.

[66] CR/PR at Table I-2.

[67] CR/PR at Table I-2.

[68] CR/PR at Table I-5.

[69] CR/PR at Table I-5.

[70] CR/PR at Table I-4.

3. Substitutability and Other Conditions

Original Investigations. The Commission found that the domestic like product and subject imports were highly substitutable, and that price was an important factor in purchasing decisions.[71]

The Commission found that steel racks are manufactured to meet ANSI standards, and that several subject producers and almost all responding domestic producers had the Rack Manufacturers Institute's ("RMI") R-Mark Certification.[72] Further, although steel rack components produced in the United States and China can theoretically be used together, safety concerns and potential voiding of warranties limited their use together.[73]

The Commission also found that steel racks are produced by either roll-forming slit hot-rolled steel coil into uprights, braces, and beams or from hot-rolled structural steel shapes.[74] In 2018, raw material costs accounted for 66.9 percent of U.S. producers' cost of goods sold ("COGS"), with steel accounting for the vast majority of the U.S. producers' raw material costs.[75] According to the American Metal Market Midwest index, the cost of hot-rolled steel increased over the POI.[76]

The Coalition and United Material Handling reported that section 232 duties increased the cost of hot-rolled steel, and most responding importers reported that section 301 duties increased their steel rack prices.[77]

Current Reviews. The record contains no new information to indicate that the degree of substitutability between subject imports and the domestic like product or the importance of price in purchasing decisions has changed since the original investigations.[78] Accordingly, we again find that subject imports and the domestic like product are highly substitutable, and that price remains an important factor in purchasing decisions for steel racks.

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[71] *Original Determinations*, USITC Pub. 4951 at 17-18.

[72] *Original Determinations*, USITC Pub. 4951 at 17. RMI provides both domestic and foreign manufacturers its "R-Mark" certification that a manufacturer's industrial steel storage racks or welded wire rack decking meets the RMI-ANSI MH16.1 standard. CR/PR at I-12.

[73] *Original Determinations*, USITC Pub. 4951 at 17.

[74] *Original Determinations*, USITC Pub. 4951 at 18.

[75] *Original Determinations*, USITC Pub. 4951 at 18.

[76] *Original Determinations*, USITC Pub. 4951 at 18. The American Metal Market Midwest index for hot-rolled steel is the most commonly referenced benchmark for steel prices in the steel rack industry. Original Investigations Staff Report at V-1.

[77] *Original Determinations*, USITC Pub. 4951 at 18.

[78] Coalition's Response at 13 & 28.

Effective August 23, 2018, steel racks originating in China imported under HTS subheadings 7308.90.30, 7308.90.60, and 7308.90.95 became subject to a 25 percent *ad valorem* duty under section 301 of the Trade Act of 1974.[79] Effective September 24, 2018, steel racks originating in China imported under HTS subheadings 7326.90.86, 9403.20.00, and 9403.99.90 became subject to a 10 percent *ad valorem* duty under section 301 of the Trade Act of 1974, which further increased to 25 percent *ad valorem*, effective June 15, 2019.[80]

C. Likely Volume of Subject Imports

Original Investigations. The Commission found that the volume of subject imports increased over the POI from *** pounds in 2016 to *** pounds in 2017 and *** pounds in 2018.[81] The market share of subject imports increased with the increasing volume of subject imports, from *** percent in 2016 to *** percent in 2017 and *** percent in 2018.[82] Accordingly, the Commission concluded that the volume of subject imports and the increase in that volume were significant in both absolute terms and relative to consumption.[83]

Current Reviews. Subject imports of steel racks maintained a presence in the U.S. market throughout the POR, even under the disciplining effects of the orders. The value of subject imports declined from $3.3 billion in 2019 to $2.9 billion in 2020, then increased to $3.6 billion in 2021 and $4.0 billion in 2022, and then decreased to $2.0 billion in 2023.[84]

The record in these expedited reviews contains limited information on the subject industry in China.[85] The information available, however, indicates that subject producers have

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[79] CR/PR at I-9.

[80] CR/PR at I-9. Steel products used in the production of steel racks may be subject to trade actions under section 232 of the Trade Expansion Act of 1962, as amended. *Id*. at I-10.

[81] *Original Determinations*, USITC Pub. 4951 at 19; *Confidential Original Determinations* at 24. The Commission determined that the interim 2019 data was affected by various unique factors, including section 232 and 301 duties and the filing of the petition, and was accordingly less instructive than data for the full years of the POI. *Id*. at 19 n.88. In addition, because the U.S. import data for subject imports was based on export data, the Commission reasoned that it was difficult to determine when those exports were present as shipments in the U.S. market in interim 2019, which was a single quarter. *Id*.

[82] *Original Determinations*, USITC Pub. 4951 at 19; *Confidential Original Determinations* at 24-25.

[83] *Original Determinations*, USITC Pub. 4951 at 19.

[84] CR/PR at Table I-4. These data may be substantially overstated due to all but one of the HTS statistical reporting numbers including out-of-scope merchandise. *Id*.

[85] CR/PR at I-22-23; Coalition's Response at 19-20.

the means and incentive to increase their exports of steel racks to the U.S. market to significant levels if the orders were revoked.

The information available indicates that the subject industry in China has significant capacity for producing steel racks. Although the Commission did not receive any questionnaire responses from subject producers in China, the Coalition identified 39 possible producers of steel racks in China.[86] One of these subject foreign producers, Jiangsu Kingmore Storage Equipment Manufacturing Co., Ltd ("Kingmore"), describes itself as one of the leading suppliers of storage and logistics equipment in China and claims to have an annual production capacity of 12,000 tons.[87] Another subject foreign producer, Nanjing Dongsheng Shelf Manufacturing Co., Ltd. ("NDSM") states that it is one the largest racking manufacturers in China with a monthly production capacity of 1,000 tons of shelves.[88] Other subject producers have reportedly expanded, or are in the process of expanding, their production capacities for steel racks.[89] Jiangsu Nova built a new factory in 2021 and Ever Glory Fixtures, as of November 2023, is in the process of building a new factory with an annual production capacity of six million sets of display fixtures.[90]

The information available also indicates that the subject industry in China remains export oriented.[91] Kingmore states that it is a global supplier of racking equipment and related accessories, and NDSM claims that its products are sold in many countries.[92]

Finally, the U.S. market appears to remain attractive to subject foreign producers. Subject imports maintained a presence in the U.S. market throughout the POR,[93] indicating that subject foreign producers had customers and distribution networks in the United States. Kingmore asserted that it is the largest supplier of racking products in the North American market, with more than 80 dealers.[94] In addition, the antidumping duties Australia imposed on imports of steel pallet racking from China in 2019, and later extended in September 2024,

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[86] CR/PR at I-22; Coalition's Response at Exh. 1.

[87] Coalition's Response at 19 & Exh. 4.

[88] Coalition's Response at 19 & Exh. 5.

[89] CR/PR at Table I-6; Coalition's Response at 19-20 & Exh. 6.

[90] CR/PR at Table I-6; Coalition's Response at 19-20 & Exh. 6.

[91] The record contains no information on the volume of global exports of steel racks by country, including China, during the POR due, in part, to the HTS statistical numbers containing numerous out-of-scope products. CR/PR at I-23.

[92] Coalition's Response at Exhs. 4-5.

[93] CR/PR at Table I-4.

[94] Coalition's Response at Exh. 4.

would likely incentivize subject producers to increase exports to the United States if the U.S. orders were revoked.[95]

Given the foregoing, including the significant and increasing volume of subject imports during the original investigations, the substantial presence of subject imports in the U.S. market during the POR, the subject industry's substantial capacity and exportation of steel racks, and the attractiveness of the U.S. market to subject foreign producers, we find that the volume of subject imports would likely be significant, both in absolute terms and relative to consumption in the United States, if the orders were revoked.[96]

D. Likely Price Effects

Original Investigations. The pricing data showed majority overselling by subject imports across all pricing products, with 12.2 million pounds of subject imports overselling the domestic like product in 28 of 48 quarterly comparisons and 7.5 million pounds of subject imports underselling the domestic like product in the remaining 20 quarterly comparisons.[97] However, the Commission also analyzed pricing trends and found that with respect to pricing product 1, which accounted for more than three quarters of the U.S. shipments of subject imports and the domestic like product, subject import overselling in 2016 and 2017 shifted to underselling in the last quarter of 2017 that continued throughout most of 2018.[98] Similarly, the pricing trends of the cumulative pricing data showed that majority overselling by subject imports in 2016 and 2017 shifted to predominant underselling in 2018.[99]

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[95] CR/PR at I-23.

[96] The record does not contain data addressing existing inventories of the subject merchandise. The Coalition, however, contends that there is reason to believe that subject producers maintained substantial inventories of subject merchandise. Coalition's Response at 20-21.

We do not find that the section 301 duties imposed on imports of steel racks from China would prevent subject imports from increasing to significant levels if the orders were revoked. Notwithstanding these duties, subject imports maintained a substantial presence in the U.S. steel racks market during the POR. CR/PR at Table I-4. Nor are these duties likely to prevent subject producers from increasing their exports to the United States to significant levels after revocation of the orders, in light of their substantial capacity and the attractiveness of the U.S. market.

[97] *Original Determinations*, USITC Pub. 4951 at 20.

[98] *Original Determinations*, USITC Pub. 4951 at 20.

[99] *Original Determinations*, USITC Pub. 4951 at 21.

The Commission found that other record evidence indicated that subject imports were lower priced than domestically produced steel racks.[100] Purchasers confirmed that the domestic industry lost sales to subject imports based on price, with 12 of 26 responding purchasers reporting that price was their primary reason for purchasing subject imports instead of the domestic like product.[101]

The Commission, therefore, found that subject imports significantly undersold the domestic like product that resulted in subject imports gaining market share at the direct expense of the domestic industry.[102] Accordingly, the Commission found that subject imports had significant price effects.[103]

Current Reviews. As discussed above, we continue to find that subject imports and the domestic like product are highly substitutable, and that price remains an important factor in purchasing decisions for steel racks.

The record in these expedited reviews does not contain new product-specific pricing information. Based on the information available, including the significant underselling by subject imports in the original investigations, the high degree of substitutability between subject imports and the domestic like product, and the importance of price in purchasing decisions, we find that underselling by subject imports would likely be significant in the event the orders were revoked. Given this, and the likely significant volume of subject imports, subject imports would likely force the domestic industry to lower prices, forgo needed price increases, or lose sales and market share to subject imports, as they did in the original investigations. Consequently, we find that if the orders were revoked, subject imports would likely have significant price effects.

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[100] *Original Determinations*, USITC Pub. 4951 at 21. Nine of the 12 purchasers reported purchasing *** pounds of subject imports instead of domestically produced steel racks, which was larger than the total quantity of U.S. shipments of subject imports represented in the pricing data, and equivalent to *** percent and *** percent, respectively, of the total quantity of subject imports purchased by responding purchasers and the total volume of subject imports during the POI. *Original Determinations*, USITC Pub. 4951 at 21; *Confidential Original Determinations* at 28.

[101] *Original Determinations*, USITC Pub. 4951 at 21.

[102] *Original Determinations*, USITC Pub. 4951 at 19 & 22-23.

[103] *Original Determinations*, USITC Pub. 4951 at 23. The domestic industry COGS to net sales ratio increased over the POI, as the domestic industry's increased average net sales unit values ("AUVs") over the same period did not cover the industry's increased average unit COGS. *Id*. at 22. The Commission, however, found that the domestic industry's increased AUVs covered its increasing raw materials costs during the POI. *Id*. Thus, the Commission did not find that subject imports prevented prices increases which otherwise would have occurred to a significant degree. *Id*. at 23.

E. Likely Impact

Original Investigations. The domestic industry's output indicators, *i.e.*, capacity, production, capacity utilization, U.S. shipments, and market share, either declined or did not keep pace with the increased apparent U.S. consumption during the POI.[104] Further, the industry's profitability declined during the POI while its total sales revenue increased over the same period.[105]

The Commission found that the domestic industry's market share loss to low-priced subject imports caused the industry to have lower production, capacity utilization, shipments, and sales than it would have otherwise had given the increase in apparent U.S. consumption.[106] Given this, the Commission also found that the domestic industry lost revenues that it otherwise would have obtained, which were exacerbated by rising costs during the POI that led to a further deterioration of the industry's profitability.[107] In sum, the Commission found that the significant volume of low-priced subject imports caused the domestic industry's output and revenues to be lower than they otherwise would have been.[108]

Nonsubject imports had a more stable presence in the U.S. market compared to subject imports during the POI, varying from *** to *** percent of total imports,[109] as most of the domestic industry's lost market share during that period went to subject imports.[110] Nonsubject imports were also higher-priced than subject imports.[111] Accordingly, the Commission found that nonsubject imports did not explain the domestic industry's lost sales and market share during the POI.[112]

Current Reviews. The record in these expedited reviews contains limited information concerning the domestic industry's performance since the original investigations.

The information available indicates that the domestic's industry output indicators, except for its capacity utilization, were lower in 2023 than in the original investigations, but the industry's net sales revenues and financial performance improved.[113] The industry's capacity

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[104] *Original Determinations*, USITC Pub. 4951 at 24.
[105] *Original Determinations*, USITC Pub. 4951 at 25.
[106] *Original Determinations*, USITC Pub. 4951 at 26.
[107] *Original Determinations*, USITC Pub. 4951 at 26.
[108] *Original Determinations*, USITC Pub. 4951 at 26.
[109] Original Investigations Staff Report at Table IV-2.
[110] *Original Determinations*, USITC Pub. 4951 at 27.
[111] *Original Determinations*, USITC Pub. 4951 at 27.
[112] *Original Determinations*, USITC Pub. 4951 at 27.
[113] CR/PR at Table I-3.

(*** pounds), production (*** pounds), and U.S. shipments (*** pounds) were lower in 2023 than in the original investigations.[114] However, the domestic industry's capacity utilization (*** percent), value of U.S. shipments ($***), and net sales revenue ($***) were higher in 2023 than in the original investigations.[115] Furthermore, the industry's COGS-to-net-sales ratio (*** percent), gross profit ($***), operating income ($***), and operating-income-to-net-sales ratio (*** percent) all showed improvement in 2023 compared to the original investigations.[116] The limited information available in these expedited reviews is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury if the orders were revoked.

Based on the information available, as discussed above, we find that revocation of the orders would likely result in a significant volume of subject imports that would likely undersell the domestic like product to a significant degree and have significant price effects. The likely significant volume of subject imports and their price effects would likely negatively affect the domestic industry's production, capacity utilization, U.S. shipments, total net sales revenues, and market share, which, in turn, would have an adverse impact on the industry's profitability. Consequently, we conclude that, if the orders were revoked, subject imports from China would be likely to have a significant impact on the domestic industry within a reasonably foreseeable time.

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports. The value of nonsubject imports irregularly increased throughout the POR from $3.9 billion in 2019 to $4.8 billion in 2023.[117] Their share of total imports also grew, rising slowly from 54.4 percent of total imports value in 2019 to 57.9 percent in 2022, followed by a sharp increase to 69.9 percent in 2023.[118] However, even at their peak, these shares *** in the original investigations.[119] Given that nonsubject imports' share of total

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[114] CR/PR at Table I-3.
[115] CR/PR at Table I-3.
[116] CR/PR at Table I-3.
[117] CR/PR at Table I-4.
[118] CR/PR at Table I-4.
[119] Compare CR/PR at Table I-4 with Original Investigations Staff Report at Table IV-2. As noted above in Section I, in light of our assessment that official Commerce import statistics overstate the volume and value of both subject and nonsubject imports, we have placed limited weight on comparisons of their shares of apparent U.S. consumption in these reviews and in the original investigations. However, given that the values of subject and nonsubject imports both reflect the same basket categories containing the same merchandise outside the scope of these investigations, a (Continued…)

imports increased only gradually following the imposition of the orders, and were *** levels during the original investigations, we find that the presence of nonsubject imports would not prevent subject imports from entering the U.S. market in significant volumes or adversely affecting domestic prices after revocation of the orders. In light of these considerations, the high degree of substitutability between subject imports and the domestic like product, and the importance of price in purchasing decisions, we find that the significant increase in low-priced subject imports that is likely after revocation of the orders would cause a shift in market share to subject imports and/or depress or suppress prices for the domestic like product. Consequently, we find that subject imports would likely cause adverse effects on the domestic industry that are distinct from any effects attributable to nonsubject imports in the event of revocation.

We note the Coalition's claim that demand for steel racks declined in the U.S. market from 2022 to 2023.[120] The Coalition, however, also noted that demand has since recovered and is projected to grow by 2.5 percent between 2023 and 2028.[121] To the extent that demand remains weak or declines, the significant volume of low-priced subject imports that is likely after revocation would exacerbate the effects of weak and declining demand on the domestic industry.

In sum, we conclude that if the orders were revoked, subject imports of steel racks from China would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

IV. Conclusion

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

(…Continued)
comparison of their share of total imports in these reviews with their shares of total imports in the original investigations is more probative.

[120] Coalition's Response at 11-12.

[121] Coalition's Response at 12.

Information obtained in these reviews

Background

On August 1, 2024, the U.S. International Trade Commission ("Commission") gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"),[1] that it had instituted reviews to determine whether revocation of antidumping and countervailing duty orders on steel racks from China would likely lead to the continuation or recurrence of material injury to a domestic industry.[2] All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.[3] [4] Table I-1 presents information relating to the background and schedule of this proceeding:

Table I-1
Steel racks: Information relating to the background and schedule of these proceedings

Effective date	Action
August 1, 2024	Notice of initiation by Commerce (89 FR 62717, August 1, 2024)
August 1, 2024	Notice of institution by Commission (89 FR 62779, August 1, 2024)
November 4, 2024	Commission's vote on adequacy
December 6, 2024	Commerce's results of its expedited reviews
February 27, 2025	Commission's determinations and views

[1] 19 U.S.C. 1675(c).

[2] 89 FR 62779, August 1, 2024. In accordance with section 751(c) of the Act, the U.S. Department of Commerce ("Commerce") published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders. 89 FR 62717, August 1, 2024. Pertinent Federal Register notices are referenced in app. A, and may be found at the Commission's website (www.usitc.gov).

[3] As part of their response to the notice of institution, interested parties were requested to provide company-specific information. Information regarding responses to the notice of institution is presented in app. B. Summary data compiled in the original investigations are presented in app. C.

[4] Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the domestic like product and the subject merchandise. Presented in app. D are the responses received from purchaser surveys transmitted to the purchasers identified in this proceeding.

The original investigations

The original investigations resulted from petitions filed on June 20, 2018 with Commerce and the Commission by the Coalition for Fair Rack Imports.[5] On July 24, 2019, Commerce determined that imports of steel racks from China were being sold at less than fair value ("LTFV") and subsidized by the Government of China.[6] The Commission determined on September 9, 2019, that the domestic industry was materially injured by reason of imports of steel racks from China, provided for in subheadings 7326.90.86, 9403.20.00, and 9403.90.80 of the Harmonized Tariff Schedule of the United States, that have been found by Commerce to be sold in the United States at LTFV, and to be subsidized by the government of China.[7] On September 16, 2019, Commerce issued its antidumping and countervailing duty orders with final weighted-average dumping margins ranging from 18.06 to 144.50 percent and net subsidy rates ranging from 1.05 to 102.23 percent.[8]

Previous and related investigations

Steel racks have not been the subject of any prior related antidumping or countervailing duty investigations in the United States.

[5] Steel Racks from China, Inv. Nos. 701-TA-608 and 731-TA-1420 (Final), USITC Publication 4951, September 2019 ("Original publication"), p. I-1. Members of the Coalition for Fair Rack Imports at the time of submission of the petitions were Bulldog Rack Company, Weirton, West Virginia; Hannibal Industries, Inc., Los Angeles, California; Husky Rack and Wire, Denver, North Carolina; Ridg-U-Rak, Inc., North East, Pennsylvania; SpaceRAK, a Division of Heartland Steel Products, Inc., Marysville, Michigan; Speedrack Products Group, Ltd., Sparta, Michigan; Steel King Industries, Inc., Stevens Point, Wisconsin; Tri-Boro Shelving & Partition Corp., Farmville, Virginia; and UNARCO Material Handling, Inc., Springfield, Tennessee. During the final phase of these investigations, Elite Storage Solutions, Monroe, Georgia, was added to the Petitioner group.

[6] 84 FR 35595, July 25, 2019, and 84 FR 35592, July 24, 2019.

[7] 84 FR 48376, September 13, 2019.

[8] 84 FR 48584, September 16, 2019.

Commerce's five-year reviews

Commerce announced that it would conduct expedited reviews with respect to the orders on imports of steel racks from China with the intent of issuing the final results of these reviews based on the facts available not later than November 29, 2024.[9] Commerce publishes its Issues and Decision Memoranda and its final results concurrently, accessible upon publication at https://access.trade.gov/public/FRNoticesListLayout.aspx and subsequently on the Commission's Electronic Document Information System ("EDIS"). Issues and Decision Memoranda contain complete and up-to-date information regarding the background and history of the order, including scope rulings, duty absorption, changed circumstances reviews, and anticircumvention, as well as any decisions that may have been pending at the issuance of this report. Any foreign producers/exporters that are not currently subject to the antidumping and/or countervailing duty orders on imports of steel racks from China are noted in the sections titled "The original investigations" and "U.S. imports," if applicable.

The product

Commerce's scope

Commerce has defined the scope as follows:

> *The merchandise covered by these orders is steel racks and parts thereof, assembled, to any extent, or unassembled, including but not limited to, vertical components (e.g., uprights, posts, or columns), horizontal or diagonal components (e.g., arms or beams), braces, frames, locking devices (e.g., end plates and beam connectors), and accessories (including, but not limited to, rails, skid channels, skid rails, drum/coil beds, fork clearance bars, pallet supports, row spacers, and wall ties).*
>
> *Subject steel racks and parts thereof are made of steel, including, but not limited to, cold and/or hot-formed steel, regardless of the type of steel used to produce the components and may, or may not, include locking*

[9] Letter from Eric Greynolds, Office Director, Office IV, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, September 24, 2024.

tabs, slots, or bolted, clamped, or welded connections. Subject steel racks have the following physical characteristics:

(1) Each steel vertical and horizontal load bearing member (e.g., arms, beams, posts, and columns) is composed of steel that is at least 0.044 inches thick;

(2) Each steel vertical and horizontal load bearing member (e.g., arms, beams, posts, and columns) is composed of steel that has a yield strength equal to or greater than 36,000 pounds per square inch;

(3) The width of each steel vertical load bearing member (e.g., posts and columns) exceeds two inches; and

(4) The overall depth of each steel roll-formed horizontal load bearing member (e.g., beams) exceeds two inches.

In the case of steel horizontal load bearing members other than roll-formed (e.g., structural beams, Z-beams, or cantilever arms), only the criteria in subparagraphs (1) and (2) apply to these horizontal load bearing members. The depth limitation in subparagraph (4) does not apply to steel horizontal load bearing members that are not roll-formed.

Steel rack components can be assembled into structures of various dimensions and configurations by welding, bolting, clipping, or with the use of devices such as clips, end plates, and beam connectors, including, but not limited to the following configurations: (1) Racks with upright frames perpendicular to the aisles that are independently adjustable, with positive-locking beams parallel to the aisle spanning the upright frames with braces; and (2) cantilever racks with vertical components parallel to the aisle and cantilever beams or arms connected to the vertical components perpendicular to the aisle. Steel racks may be referred to as pallet racks, storage racks, stacker racks, retail racks, pick modules, selective racks, or cantilever racks and may incorporate moving components and be referred to as pallet-flow racks, carton-flow racks, push-back racks, movable-shelf racks, drive-in racks, and drive-through racks. While steel racks may be made to ANSI MH16.l or ANSI MH16.3

standards, all steel racks and parts thereof meeting the description set out herein are covered by the scope of these orders, whether or not produced according to a particular standard.

The scope includes all steel racks and parts thereof meeting the description above, regardless of

(1) other dimensions, weight, or load rating;

(2) vertical components or frame type (including structural, roll-form, or other);

(3) horizontal support or beam/brace type (including but not limited to structural, roll-form, slotted, unslotted, Z-beam, C-beam, L-beam, step beam, and cantilever beam);

(4) number of supports;

(5) number of levels;

(6) surface coating, if any (including but not limited to paint, epoxy, powder coating, zinc, or other metallic coatings);

(7) rack shape (including but not limited to rectangular, square, corner, and cantilever);

(8) the method by which the vertical and horizontal supports connect (including but not limited to locking tabs or slots, bolting, clamping, and welding); and

(9) whether or not the steel rack has moving components (including but not limited to rails, wheels, rollers, tracks, channels, carts, and conveyors).

Subject merchandise includes merchandise matching the above description that has been finished or packaged in a third country. Finishing includes, but is not limited to, coating, painting, or assembly, including attaching the merchandise to another product, or any other finishing or assembly operation that would not remove the merchandise from the scope of these orders if performed in the country of manufacture

of the steel racks and parts thereof. Packaging includes packaging the merchandise with or without another product or any other packaging operation that would not remove the merchandise from the scope of these orders if performed in the country of manufacture of the steel racks and parts thereof.

Steel racks and parts thereof are included in the scope of these orders whether or not imported attached to, or included with, other parts or accessories such as wire decking, nuts, and bolts. If steel racks and parts thereof are imported attached to, or included with, such non-subject merchandise, only the steel racks and parts thereof are included in the scope.

The scope of these orders does not cover: (1) Decks, i.e., shelving that sits on or fits into the horizontal supports to provide the horizontal storage surface of the steel racks; (2) wire shelving units, i.e., units made from wire that incorporate both a wire deck and wire horizontal supports (taking the place of the horizontal beams and braces) into a single piece with tubular collars that slide over the posts and onto plastic sleeves snapped on the posts to create a finished unit; (3) pins, nuts, bolts, washers, and clips used as connecting devices; and (4) non-steel components.

Specifically excluded from the scope of these orders are any products covered by Commerce's existing antidumping and countervailing duty orders on boltless steel shelving units prepackaged for sale from the People's Republic of China. See Boltless Steel Shelving Units Prepackaged for Sale from the People's Republic of China: Antidumping Duty Order, 80 FR 63741 (October 21, 2017); and Boltless Steel Shelving Units Prepackaged for Sale from the People's Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order, 80 FR 63745 (October 21, 2017).

Also excluded from the scope of these orders are bulk-packed parts or components of boltless steel shelving units that were specifically excluded from the scope of the Boltless Steel Shelving Orders because such bulk-

packed parts or components do not contain the steel vertical supports (i.e., uprights and posts) and steel horizontal supports (i.e., beams, braces) packaged together for assembly into a completed boltless steel shelving unit.

Such excluded components of boltless steel shelving are defined as:

(1) Boltless horizontal supports (beams, braces) that have each of the following characteristics: (a) A length of 95 inches or less, (b) made from steel that has a thickness of 0.068 inches or less, and (c) a weight capacity that does not exceed 2,500 lbs per pair of beams for beams that are 78" or shorter, a weight capacity that does not exceed 2,200 lbs per pair of beams for beams that are over 78" long but not longer than 90", and/or a weight capacity that does not exceed 1,800 lbs per pair of beams for beams that are longer than 90";

(2) shelf supports that mate with the aforementioned horizontal supports; and

(3) boltless vertical supports (upright welded frames and posts) that have each of the following characteristics: (a) A length of 95 inches or less, (b) with no face that exceeds 2.90 inches wide, and (c) made from steel that has a thickness of 0.065 inches or less.

Excluded from the scope of these orders are: (1) Wall-mounted shelving and racks, defined as shelving and racks that suspend all of the load from the wall, and do not stand on, or transfer load to, the floor; (2) ceiling-mounted shelving and racks, defined as shelving and racks that suspend all of the load from the ceiling and do not stand on, or transfer load to, the floor; and (3) wall/ceiling mounted shelving and racks, defined as shelving and racks that suspend the load from the ceiling and the wall and do not stand on, or transfer load to, the floor. The addition of a wall or ceiling bracket or other device to attach otherwise subject merchandise to a wall or ceiling does not meet the terms of this exclusion.

Also excluded from the scope of these orders is scaffolding that complies with ANSI/ASSE A10.8—2011—Scaffolding Safety Requirements, CAN/CSA

S269.2-M87 (Reaffirmed 2003)—Access Scaffolding for Construction Purposes, and/or Occupational Safety and Health Administration regulations at 29 CFR part 1926 subpart L—Scaffolds.

Also excluded from the scope of these orders are tubular racks such as garment racks and drying racks, i.e., racks in which the load bearing vertical and horizontal steel members consist solely of: (1) Round tubes that are no more than two inches in diameter; (2) round rods that are no more than two inches in diameter; (3) other tubular shapes that have both an overall height of no more than two inches and an overall width of no more than two inches; and/or (4) wire.

Also excluded from the scope of these orders are portable tier racks. Portable tier racks must meet each of the following criteria to qualify for this exclusion:

(1) They are freestanding, portable assemblies with a fully welded base and four freely inserted and easily removable corner posts;

(2) They are assembled without the use of bolts, braces, anchors, brackets, clips, attachments, or connectors;

(3) One assembly may be stacked on top of another without applying any additional load to the product being stored on each assembly, but individual portable tier racks are not securely attached to one another to provide interaction or interdependence; and

(4) The assemblies have no mechanism (e.g., a welded foot plate with bolt holes) for anchoring the assembly to the ground.

Also excluded from the scope of these orders are accessories that are independently bolted to the floor and not attached to the rack system itself, i.e., column protectors, corner guards, bollards, and end row and end of aisle protectors. [10]

[10] 84 FR 48584, September 16, 2024.

U.S. tariff treatment

Steel racks are imported under the Harmonized Tariff Schedule of the United States ("HTSUS" or "HTS") statistical reporting numbers 7326.90.8688, 9403.20.0082,[11] and 9403.99.9040.[12] Steel racks may also be imported under HTS statistical reporting numbers 7308.90.3000, 7308.90.6000, 7308.90.9590, 9403.20.0075, 9403.20.0082, and 9403.20.0090.[13] The 2024 column 1-general rate of duty is "Free" for HTS subheadings 7308.90.30, 7308.90.60, 7308.90.95, 9403.20.00, and 9403.99.90; and 2.9 percent ad valorem for HTS subheading 7326.90.86.[14] Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Effective August 23, 2018, steel racks originating in China that are imported under HTS subheadings 7308.90.30, 7308.90.60, and 7308.90.95 are subject to an additional 25 percent ad valorem duty under section 301 of the Trade Act of 1974.[15] Effective September 24, 2018, steel racks originating in China that are imported under HTS subheadings 7326.90.86, 9403.20.00, and 9403.99.90 were subject to additional 10 percent ad valorem duties under section 301 of the Trade Act of 1974. Effective June 15, 2019, the section 301 duties on HTS subheading 7326.90.86, 9403.20.00, and 9403.99.90 were increased to an additional 25 percent ad valorem.[16]

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[11] Effective July 1, 2021, HTS statistical reporting number 9403.20.0081 was discontinued and replaced by HTS statistical reporting numbers 9403.20.0082 for steel racks and by HTS statistical reporting number 9403.20.0086 for other metal furniture. HTSUS (2023) Basic Edition, Publication 5398, January 2023, Change Record, p. 15.

[12] Effective January 27, 2022, HTS statistical reporting number 9403.90.8041 for other types of metal furniture and parts was discontinued and replaced by HTS statistical reporting number 9403.99.9041 for other types of metal furniture and parts. Effective January 1, 2023, HTS statistical reporting number 9403.99.9041 was discontinued and replaced by HTS statistical number 9403.99.9040 for parts for steel racks of statistical reporting number 9403.20.0082. HTSUS (2023) Basic Edition, Publication 5277, January 2022, Change Record, p. 88; HTSUS (2023) Basic Edition, Publication 5398, January 2023, Change Record, p. 15.

[13] HTS statistical reporting numbers 7308.90.3000, 7308.90.6000, 7308.90.9590, 7326.90.8688, 9403.20.0075, 9403.20.0082, and 9403.20.0090 also contain products outside the scope of this report.

[14] USITC, HTS (2024) Revision 9, USITC Publication 5548, September 2024, pp. 73-25, 73-44, 94-8.

[15] 83 FR 40823, August 16, 2018. See also HTS heading 9903.88.02 and U.S. notes 20(c) and 20(d) to subchapter III of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2024) Revision 9, USITC Publication 5548, September 2024, pp. 99-III-25–99-III-28, 99-III-317.

[16] 83 FR 47974, September 21, 2018; 84 FR 26930, June 10, 2019. See also HTS heading 9903.88.03 and U.S. notes 20(e) and 20(f) to subchapter III of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2024) Revision 9, USITC Publication 5548, September 2024, pp. 99-III-28–99-III-52, 99-III-317.

Steel racks are not subject to trade actions under section 232 of the Trade Expansion Act of 1962, as amended. However, steel products used as inputs to produce steel racks may be subject to section 232 trade actions.[17]

Description and uses[18]

A steel rack is a structure consisting of hot-rolled or cold-formed steel structural components such as plates, rods, angles, channels, other sections, tubes, etc. These steel structural components are typically assembled by welding, bolting, or clipping. A steel rack is designed so that its dimensions and configurations can be adjusted as required, either with or without locking tabs or slots, and either with or without bolted, clamped, or welded connections. Certain types of steel racks may also include movable components, such as rails, wheels, rollers, tracks, channels, carts, or conveyors. Steel racks and parts thereof are available either assembled or unassembled. They may also be finished (i.e., by coating or painting), assembled, or packaged in a third country.

The key technical characteristics of steel racks are their strength, load-bearing capacity, and stability, thereby enabling them to bear heavy loads in readily accessible rack configurations. More specifically, steel racks are often used for "short- or long-term holding of materials, products, and loads in a manufacturing or distribution facility." Hence, steel racks, sometimes referred to as “storage racks,” are utilized in warehouses, order-fulfillment and distribution centers, big-box retail stores, and manufacturing facilities. The steel-rack industry distinguishes between steel storage racks versus steel shelving, with storage racks being

[17] Steel inputs include hot-rolled steel coil and certain long products. Section 232 import duties on steel articles currently cover all countries of origin except Argentina, Australia, Brazil, Canada, Mexico, and South Korea. Imports from Australia, Canada, and Mexico are exempt from section 232 duties and quotas on steel articles, while imports originating in Argentina, Brazil, and South Korea are exempt from duties but are instead subject to absolute quotas. EU member countries (effective January 1, 2022), Japan (effective April 1, 2022), and the United Kingdom (effective June 1, 2022) are currently subject to tariff-rate quotas (“TRQs”) for steel articles, and imports that exceed the TRQ limits are subject to the section 232 tariffs. Section 232 import duties on steel articles originating in Turkey were temporarily raised from 25 percent to 50 percent, effective August 13, 2018, but restored to 25 percent effective May 21, 2019. In addition, section 232 duties on steel articles originating in Ukraine are suspended, effective June 1, 2022, to June 1, 2025. 83 FR 11625, March 15, 2018; 83 FR 13361, March 28, 2018; 83 FR 20683, May 7, 2018; 83 FR 25857, June 5, 2018; 83 FR 40429, August 15, 2018; 84 FR 23987, May 23, 2019; 87 FR 11, January 3, 2022; 87 FR 19351, April 1, 2022; 87 FR 33407, June 2, 2022; 87 FR 33591, June 3, 2022; 88 FR 36437, June 5, 2023; 89 FR 48233, June 5, 2024.

[18] Unless otherwise noted, this information is based on the Original publication, pp. I-16-I-23.

designed for holding loaded shipping pallets that are moved by fork-lift trucks, whereas shelving is typically hand-loaded.

The principal structural components of steel racks are: (1) vertical columns (also referred to as “uprights” or “posts”), which may be connected with horizontal or diagonal braces to form rigid, upright frames, which transfer vertical and horizontal loads to the floor, and resist axial (twisting) movements; (2) horizontal beams, which may have a protruding “step” (ledge) to support decking, which transfer loads to the columns, and resist bending; and (3) beam-locking devices that resists disengagement of the beam from the column (figure I-1). A typical storage configuration consists of upright frames perpendicular to the floor that are independently adjustable, with horizontal beams spanning between the upright frames, and braces designed to support unit loads between the beams (figure I-2a). Alternatively, beams or arms protrude horizontally from each of the upright columns, rather than spanning adjacent upright frames—i.e., in a cantilever-rack configuration (figure I-2b).

Figure I-1
Steel racks: Vertical column, horizontal beams, and a beam-locking device

Roll-formed upright steel post with standard “teardrop” style holds for beam-locking devices

Close-up of the beam-locking device

Source: Ridg-U-Rak Inc., “Tear Drop Pallet Rack,” https://www.ridgurak.com/products/palletrack/teardrop-pallet-rack/.

Figure I-2:
Steel racks: Pallet rack and cantilever rack configurations

(I-2a) Pallet rack configuration

(I-2b) Cantilever rack configuration

Source: Engineered Products, "Pallet Racks- Racking" https://engprod.com/pallet-rack; Nucor Warehouse Systems, "Rack Manufacturing" https://nucorwarehousesystems.com/rack/.

There are two types of input materials for steel-rack components: cold-forming and rolling steel strip ("roll-forming") and welding hot-rolled structural shapes. Columns and beams produced by roll-forming (see figure I-1), of varying thicknesses (gauges), are typically lighter on a per-foot basis than those produced by welding of hot-rolled structural shapes (angles, channels, and other shapes) that are available in more limited sizes. Compared to welding of structural shapes, roll-forming of steel strip offers more possibilities for structural optimization by allowing greater flexibility for rack components, in terms of shapes, depths, widths, and gauges. Moreover, because they contain less steel than structural racks, roll-formed racks are considered more cost effective and cost competitive for supporting loads. Regardless of whether the rack is structural or roll-formed, and regardless of whether it is a relatively simple, static, selective rack or a more complex dynamic system, all steel racks are produced from the same basic materials and serve the same function.

Steel racks are manufactured to meet American National Standards Institute ("ANSI") MH16.1 (industrial steel storage racks) or ANSI MH16.3 (cantilever steel storage racks) standards. The Rack Manufacturers Institute ("RMI") provides both domestic and foreign manufacturers its "R-Mark" certification that a manufacturer's industrial steel storage racks or welded wire rack decking meets the RMI-ANSI MH16.1 standard. During the staff conference in the original investigations, a Petitioner's witness testified that access to R-Mark certification, standardized designs, and the aforementioned interchangeability provided Chinese manufacturers with the necessary credibility to enter into the U.S. market for steel racks.

Because steel racks are manufactured to meet these standards, with many racks produced to standardized dimensions, and adoption of similar component design characteristics (e.g., the “teardrop”-shaped holes along the length of the columns) and locking features, components produced by different manufacturers, whether domestic or foreign, tend to be highly interchangeable, although not entirely so. Interchangeability between steel rack components produced by different manufacturers is possible but not total, as connectors may not fit correctly due to differences in dimensional tolerances and shapes of the tear-drop holes, and the differences in attaching the bracing by bolting it to the frame columns in Chinese-origin steel racks versus welding it to the frame columns in domestically produced steel racks discussed further below.

There are some structural differences between domestically produced and imported steel racks originating from China. Chinese steel racks feature bracing that is bolted to the upright frame members, whereas domestically produced steel racks feature bracing that is welded to the frame. According to the Petitioner in the original investigations, domestic producers are rarely if ever asked to provide bolted-frame racks, as customers prefer the greater strength and rigidity of welded over bolted frames. Furthermore, purchasing welded-frame racks also avoids both the on-site assembly costs and potential liability for structural failure due to incorrectly assembled bolted-frame racks.

Steel racks are available, with either structural or roll-formed components, in various configurations, or even as hybrid rack systems consisting of a structural-steel frame and roll-formed steel beams. Steel racks covered by the scope of these reviews are described by the ANSI MH16.1 standard depending on their specific configurations:

Cantilever racks consist primarily of vertical columns, extended bases, horizontal arms projecting from the face of the columns, and down-aisle bracing between columns. There can be shelf beams between arms depending on the product being stored. Cantilever columns may be either free-standing or stabilized by overhead ties.

Case-flow racks are specialized pallet racks in which either the horizontal shelf beams support case-flow lanes or case-flow shelf assemblies are supported by the upright frames. The case-flow lanes or shelves are installed at a slight pitch permitting multiple-depth case or box storage with loading from one service aisle and return loading or picking from another service aisle.

Drive-in racks consist primarily of vertical upright frames, horizontal support arms, and horizontal load rails typically used for one-wide by multiple-depth storage. This structure includes an "anchor section" with horizontal beams supporting the load rails. Loading and unloading within a bay must be done from the same aisle. A two-way drive-in rack is a special

case where back-to-back rows of drive-in racks are combined into a single entity with a common rear post.

Drive-through racks consist primarily of vertical upright frames, horizontal support arms, and horizontal load rails typically used for one-wide by multiple-depth storage. This structure lacks the 'anchor section' found in drive-in racks; therefore, loading and unloading can be accomplished from both ends of a bay.

Movable-shelf racks consist primarily of vertical upright frames and horizontal shelf beams and are typically used for one-deep pallet or hand-stack storage. Typically, the locations of a couple shelf levels are "fixed" with the location of the in-fill shelves being adjustable.

Pallet-flow racks are specialized pallet racks in which the horizontal shelf beams support pallet-flow lanes. The pallet-flow lanes are typically installed on a slight pitch permitting multiple-depth pallet storage with loading from one service aisle and unloading from another service aisle.

Pallet racks consist primarily of vertical upright frames and horizontal shelf beams and are typically used for one- and two-deep pallet storage.

Pick modules consist primarily of vertical frames and horizontal beams, typically having one or more platform levels of selective, case-flow, or pallet-flow bays feeding into a central pick aisle(s) work platform(s) supported by the rack structure.

Portable racks (stacking frames) are assemblies, typically with four corner columns, that permits stacking of one assembly on top of another without applying any additional load to the product being stored on each assembly.

Push-back racks are specialized pallet racks in which the horizontal shelf beams support push-back lanes comprised of tracks and carts. The push-back lanes are installed on a slight pitch permitting multiple-depth pallet storage. Loading and unloading are done from the same service aisle by pushing the pallets back.

Stacker racks are similar to other rack structures but are serviced by automated storage and retrieval machines.

During the original investigations, Petitioner’s witnesses estimated in their testimonies that structural racks accounted for about one-quarter of the U.S. marketplace and roll-formed racks accounted for about three-quarters of the U.S. marketplace. Imported steel racks were predominantly (95 percent) roll-formed.

Manufacturing Process[19]

The manufacturing process and raw material inputs both differ depending on whether the steel rack consists of either roll-formed or structural steel components. A key distinction is that the components of roll-formed steel racks are cold-formed, whereas those of structural steel racks are hot-rolled. Nevertheless, both processes start with a high-strength, low-alloy (high-carbon) steel of structural grade, with a yield strength of 50,000 pounds-per-square-inch or higher.

Roll-formed rack components are typically manufactured by first slitting light-gauge, hot-rolled, steel coils (generally weighing 20-25 tons) into narrower widths suitable for producing the beam, brace, and column profiles. The slit steel blanks are first punched with holes by which the beams and columns will be attached to one another with a locking device to construct the rack. The steel blanks are then cut to length prior to being fed into a roll-forming machine consisting of a series of forming rolls that progressively bend the steel to create the final shape, typically into a channel or tube. In the case of tube-shaped beams, the beams will be welded to form a tube. The braces are welded across the columns to produce the vertical frame.

Structural rack components are assembled by welding together hot-rolled steel channel and angle sections. Prior to welding, the structural sections are cut to length and punched with holes by which they will be attached to the columns. These welded structural shapes are generally thicker and more resistant to damage than the equivalent roll-formed shapes. Finally, the finished components from either process are subsequently galvanized, painted, or coated.

[19] Unless otherwise noted, this information is based on the Original publication, pp. I-23-I-24.

The industry in the United States

U.S. producers

During the final phase of the original investigations, the Commission received U.S. producer questionnaires from eleven firms, which accounted for the majority of production of steel racks in the United States during 2018.[20]

In response to the Commission's notice of institution in these current reviews, the domestic interested party provided a list of 19 known and currently operating U.S. producers of steel racks. Seven firms providing U.S. industry data in response to the Commission's notice of institution accounted for approximately *** percent of production of steel racks in the United States during 2023.[21]

Recent developments

Table I-2 presents events in the U.S. industry since the Commission's original investigations.[22]

Table I-2
Steel racks: Developments in the U.S. industry

Item	Firm	Event
Expansion	Speedrack Products Group Ltd	In July 2020, Speedrack broke ground on a 130,000 square foot expansion to its manufacturing facilities in Quincy, Michigan. This expansion included new paint lines, mills, robotics, welding jigs, and shipping docks.
Expansion	Heartland Steel Products	In June 2021, Heartland Steel Products announced a $650,000 investment to expand its facility in Harrison, Ohio in response to rising demand for its storage products. The company attributed the increased demand to "the rise in eCommerce and growing logistics and distribution activity, in part fueled by the pandemic".
New Facility	Speedrack Products Group Ltd	In June 2021, Speedrack broke ground on a new $64.5 million manufacturing facility and headquarters in Walker, Michigan. The facility became operational in 2022.

Table continued.

[20] Original publication, p. I-4.

[21] Domestic interested party's supplemental response to the notice of institution, September 19, 2024, p. 2.

[22] For recent developments, if any, in tariff treatment, please see "U.S. tariff treatment" section.

Table I-2 Continued
Steel racks: Developments in the U.S. industry

Item	Firm	Event
Acquisition	Nucor Corporation	In July 2021, Nucor Corporation acquired Los Angeles, California based rack manufacturer Hannibal Industries.
Acquisition	Nucor Corporation	In April 2022, Nucor Corporation acquired Monroe, Georgia based steel racking firm Elite Storage Solutions.
Reorganization	Nucor Warehouse Systems	In July 2022, Nucor Corporation launched Nucor Warehouse Systems, a business unit that combines previously acquired Hannibal Industries and Elite Storage Solutions.
Acquisition	Heartland Steel Products	In November 2022, Heartland Steel Holdings, LLC announced its acquisition of SteelPro, LLC, based in Houston, Mississippi. SteelPro designs and fabricates various structural steel solutions for commercial, industrial, and material handling applications.
Change of Ownership	Speedrack Products Group Ltd	At the end of 2022, Speedrack transitioned to an employee stock ownership plan structure. The goal was to maintain local ownership, culture, management, and partnerships with customers and distributors.
New Facility	Steel King Industries	In May 2023, Steel King began construction of a new headquarters in Stevens Point, Wisconsin.

Source: Heartland Steel Products, "Warehouse Equipment Manufacturer Expanding in the Cincinnati Region," June 10, 2021, https://redicincinnati.com/warehouse-equipment-manufacturer-expanding-in-the-cincinnati-region/ ; "LFM Capital Portfolio Company Heartland Acquires SteelPro," November 17, 2022, https://www.lfmcapital.com/news/lfmaddssteelpro; Nucor Warehouse Systems, "Hannibal Industries is now Nucor Warehouse Systems," July 13, 2022, https://www.dcvelocity.com/articles/55068-hannibal-industries-is-now-nucor-warehouse-systems; Speedrack Products Group Ltd, "Crain's Grand Rapids Business: Amazon supplier Speedrack Products Group sells to ESOP to preserve local ownership, culture," February 13, 2023, https://speedrack.net/2023/02/13/crains-grand-rapids-business-amazon-supplier-speedrack-products-group-sells-to-esop-to-preserve-local-ownership-culturecrains-grand-rapids-business/; Speedrack Products Group Ltd, "Major expansion to Quincy manufacturing facility underway," November 6, 2020, https://speedrack.net/2020/11/06/plant-expansion-underway/; Speedrack Products Group Ltd, "MLive: Speedrack to create 164 new manufacturing jobs at $64.5M facility in West Michigan," July 30, 2021, https://speedrack.net/2021/07/30/mlive-speedrack-to-create-164-new-manufacturing-jobs-at-64-5m-facility-in-west-michigan/; Steel King Industries, "Steel King Begins Work on New Headquarters," May 17, 2023, https://www.steelking.com/new-hq/.

U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution in the current five-year reviews. Table I-3 presents a compilation of the trade and financial data submitted from all responding U.S. producers in the original investigations.

Table I-3
Steel racks: Trade and financial data submitted by U.S. producers, by period

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per pound; ratio in percent

Item	Measure	2016	2017	2018	2023
Capacity	Quantity	***	***	***	***
Production	Quantity	***	***	***	***
Capacity utilization	Ratio	***	***	***	***
U.S. shipments	Quantity	***	***	***	***
U.S. shipments	Value	***	***	***	***
U.S. shipments	Unit value	***	***	***	***
Net sales	Value	772,731	783,647	884,269	***
COGS	Value	625,556	660,738	758,131	***
COGS to net sales	Ratio	81.0	84.3	85.7	***
Gross profit or (loss)	Value	147,175	122,908	126,138	***
SG&A expenses	Value	93,208	86,463	86,819	***
Operating income or (loss)	Value	53,967	36,445	39,319	***
Operating income or (loss) to net sales	Ratio	7.0	4.7	4.4	***

Source: For the years 2016-18, data are compiled using data submitted in the Commission's original investigations. For the year 2023, data are compiled using data submitted by domestic interested party. Domestic interested party's supplemental response to the notice of institution, September 19, 2024, Exhibit 1. Response to cure letter to domestic interested party regarding supplemental response to the notice of institution, October 22, 2023, p. 1.

Note: For a discussion of data coverage, please see "U.S. producers" section.

Definitions of the domestic like product and domestic industry

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. Under the related parties provision, the Commission may exclude a U.S. producer from the domestic industry for purposes of its injury determination if "appropriate circumstances" exist.[23]

In its original determinations, the Commission defined the domestic like product as consisting of all steel racks, coextensive with the scope of these investigations, and defined the domestic industry as all producers of steel racks.[24]

U.S. importers

During the final phase of the original investigations, the Commission received U.S. importer questionnaires from 18 firms.[25] Import data presented in the original investigations are based on data submitted in response to Commission importer and foreign producer questionnaires, and ***.[26] Although the Commission did not receive responses from any respondent interested parties in these current reviews, in its response to the Commission's notice of institution, the domestic interested party provided a list of 98 potential U.S. importers of steel racks.[27]

[23] Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

[24] 89 FR 62779, August 1, 2024. Although no members of the CFRI directly imported the subject merchandise since 2019, the domestic interested party stated that U.S. producer United Handling, Inc. did import steel racks from China during the period of review. Domestic interested party's response to the notice of institution, September 3, 2024, p. 26.

[25] Original publication, p. IV-1. HTS statistical reporting numbers 7326.90.8688, 9403.20.0080, and 9403.90.8041 are "basket" categories, which prevented staff from obtaining a reliable coverage estimate the in original investigations.

[26] Investigation Nos. 701-TA-608 and 731-TA-1420 (Final): Steel Racks from China, Confidential Report, INV- RR-076, August 8, 2019, ("Original confidential report"), p. I-5.

[27] Domestic interested party's response to the notice of institution, September 3, 2024, day, Exhibit 1.

U.S. imports

Table I-4 presents the value of U.S. imports of steel racks from China as well as the other top sources of U.S. imports of steel racks (shown in descending order of 2023 imports by value).

Table I-4
Steel racks: U.S. imports, by source and period

Value in 1,000 dollars

U.S. imports from	Measure	2019	2020	2021	2022	2023
China	Value	3,291,299	2,930,783	3,649,280	3,970,202	2,049,813
Mexico	Value	760,372	706,523	983,821	1,287,590	1,393,999
Canada	Value	789,118	646,028	858,782	970,844	907,151
Germany	Value	291,108	239,508	289,656	305,126	294,495
All other sources	Value	2,084,467	1,996,561	2,530,883	2,886,664	2,168,453
Nonsubject sources	Value	3,925,065	3,588,620	4,663,142	5,450,223	4,764,098
All import sources	Value	7,216,364	6,519,403	8,312,422	9,420,425	6,813,911

Source: Compiled from official Commerce statistics for HTS statistical reporting numbers 7326.90.8688, 9403.20.0080, 9403.20.0081, 9403.20.0082, 9403.90.8041, 9403.99.9040, and 9403.99.9041, accessed October 2, 2024. These data appear to be substantially overstated relative to the data used in the original investigations, as all of the above (with the exception of 9403.99.9040) listed HTS statistical reporting numbers contain products outside the scope of these reviews.

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

Note: Official Commerce statistics report quantities of the relevant HTS statistical reporting numbers in units of kilograms for some numbers, and number of individual units for others. As there is no consistent unit of quantity that applies to all relevant HTS statistical reporting numbers, import data is presented in terms of value, to allow for consistent reporting.

Apparent U.S. consumption and market shares

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

Table I-5
Steel racks: Apparent U.S. consumption and market shares, by source and period

Quantity in 1,000 pounds; value in 1,000 dollars; shares in percent

Source	Measure	2016	2017	2018	2023
U.S. producers	Quantity	***	***	***	***
China	Quantity	***	***	***	NA
Nonsubject sources	Quantity	***	***	***	NA
All import sources	Quantity	***	***	***	NA
Apparent U.S. consumption	Quantity	***	***	***	NA
U.S. producers	Value	***	***	***	***
China	Value	***	***	***	2,049,813
Nonsubject sources	Value	***	***	***	4,764,098
All import sources	Value	***	***	***	6,813,911
Apparent U.S. consumption	Value	***	***	***	***
U.S. producers	Share of quantity	***	***	***	NA
China	Share of quantity	***	***	***	NA
Nonsubject sources	Share of quantity	***	***	***	NA
All import sources	Share of quantity	***	***	***	NA
U.S. producers	Share of value	***	***	***	***
China	Share of value	***	***	***	***
Nonsubject sources	Share of value	***	***	***	***
All import sources	Share of value	***	***	***	***

Source: For the years 2016-18, data are compiled using data submitted in the Commission's original investigations. For the year 2023, U.S. producers' U.S. shipments are compiled from the domestic interested party's response to the Commission's notice of institution and U.S. import values are compiled using official Commerce statistics for HTS statistical reporting numbers 7326.90.8688, 9403.20.0080, 9403.20.0081, 9403.20.0082, 9403.90.8041, 9403.99.9041, and 9403.99.9040, accessed October 2, 2024. U.S. imports value data appear to be substantially overstated relative to the data used in the original investigations, as all of the above (with the exception of 9403.99.9040) (with the exception of 9403.99.9040) listed HTS statistical reporting numbers contain products outside the scope of these reviews.

Note: NA indicates data that is not available. Share of value is the share of apparent U.S. consumption by value in percent. Due to the unavailability of consistent units of quantity for official import data in 2023, such data is reported only in terms of value.

Note: For a discussion of data coverage, please see "U.S. producers" and "U.S. importers" sections.

The industry in China

Producers in China

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from six firms, which accounted for approximately *** percent of production of steel racks in China during 2018, and approximately *** percent of steel racks exports from China to the United States during 2018.[28]

Although the Commission did not receive responses from any respondent interested parties in these five-year reviews, the domestic interested party provided a list of 39 possible producers of steel racks in China.[29]

Recent developments

Table I-6 presents events in China's steel rack industry since the Commission's original investigations.

Table I-6
Steel racks: Recent developments in China's industry

Item	Firm	Event
Expansion	Jiangsu Nova	In 2021, Jiangsu Nova continued establishing a new factory which was intended to increase its capacity by an undetermined amount.
Expansion	Ever Glory Fixtures	In November 2023, Ever Glory Fixtures broke ground on the Phase Three, Building 2 Factory at their production base in Zhangzhou, Fujian Province. The construction area of the project is 15,544 square meters; the new facility will be equipped with state-of-the-art intelligent production equipment, targeting an annual production capacity of 6 million sets of display fixtures and an expected production value exceeding 300-500 million RMB.

Sources: Domestic interested party's response to the notice of institution, September 3, 2024, pp. 19-20; Ever Glory Fixtures, "Ever Glory Fixtures Groundbreaking Ceremony," November 8, 2023, https://www.fjegf.com/news/copy-ever-glory-fixtures-expansion-groundbreaking-ceremony-for-egf-phase-three-building-2/.

[28] Original confidential report, p. VII-3.
[29] Domestic interested party's response to the notice of institution, September 3, 2024, Exhibit 1.

Third-country trade actions

In 2019, Australia imposed antidumping duties on imports of steel pallet racking from China.[30] Australia recently extended the imposed antidumping duties in September 2024. No other countries have imposed countervailing duties or safeguard measures on steel racks from China.

The global market

Information about global exports by nonsubject countries is not readily available, in part because steel racks enter the U.S. market under HTS subheadings that include numerous other fabricated products of iron or steel, of which the portion that is the in-scope product is not known.

[30] WTO, Trade remedies data portal, accessed October 2, 2024, https://trade-remedies.wto.org/en/antidumping/investigations/measures/aus-adc-441-ad-1-1

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 62717 August 1, 2024	*Initiation of Five-Year (Sunset) Reviews*	https://www.govinfo.gov/content/pkg/FR-2024-08-01/pdf/2024-16988.pdf
89 FR 62779 August 1, 2024	*Steel Racks from China; Institution of Five-Year Reviews*	https://www.govinfo.gov/content/pkg/FR-2024-08-01/pdf/2024-16628.pdf

APPENDIX B

RESPONSES TO THE NOTICE OF INSTITUTION

Responses to the Commission's notice of institution

Individual responses

The Commission received one submission in response to its notice of institution in the subject reviews, filed on behalf of the Coalition for Fair Rack Imports ("CFRI"), a trade association that a majority of members manufacture, produce or wholesale steel racks (collectively referred to herein as "domestic interested party").[1]

A complete response to the Commission's notice of institution requires that the responding interested party submit to the Commission all the information listed in the notice. Responding firms are given an opportunity to remedy or explain deficiencies in their responses and to provide clarifying details where appropriate. A summary of the number of responses and estimates of coverage for each is shown in table B-1.

Table B-1
Steel racks: Summary of responses to the Commission's notice of institution

Interested party type	Number	Coverage
U.S. trade association	1	***

Note: The U.S. trade association coverage figure presented is the domestic interested party's estimate of its share of total U.S. production of steel racks during 2023. Domestic interested party's supplemental response to the notice of institution, September 19, 2024, pp. 1-3.

Party comments on adequacy

The Commission received party comments on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews from the domestic interested party. The domestic interested party requests that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on steel racks from China.[2]

[1] The members of the CFRI are as follows: Heartland Steel Products, Husky Rack and Wire, Nucor Warehouse Systems, Ridg-U-Rak, Inc., Speed Rack Products Group, Ltd., Steel King Industries, Inc., and UNARCO Material Handling, Inc.

[2] Domestic interested party's comments on adequacy, October 10, 2024, pp. 2-5.

Company-specific information

Table B-2
Steel racks: Response checklist for U.S. producers

Yes = provided response; no = did not provide a response; NA = not available; not known = information was not known

Item	Heartland Steel Products	Husky Rack and Wire	Nucor Warehouse Systems	Ridg-U-Rak
Nature of operation	Yes	Yes	Yes	Yes
Statement of intent to participate	Yes	Yes	Yes	Yes
Statement of likely effects of revoking the order	Yes	Yes	Yes	Yes
U.S. producer list	Yes	Yes	Yes	Yes
U.S. importer/foreign producer list	Yes	Yes	Yes	Yes
List of 3-5 leading purchasers	Yes	Yes	Yes	Yes
List of sources for national/regional prices	NA	NA	NA	NA
Trade/financial data	Yes	Yes	Yes	Yes
Changes in supply/demand	Yes	Yes	Yes	Yes
Complete response	Yes	Yes	Yes	Yes

Table B-2 Continued
Steel racks: Response checklist for U.S. producers

Yes = provided response; no = did not provide a response; NA = not available; not known = information was not known

Item	Speed Rack Products Group, Ltd.	Steel King Industries, Inc.	UNARCO Material Handling, Inc.
Nature of operation	Yes	Yes	Yes
Statement of intent to participate	Yes	Yes	Yes
Statement of likely effects of revoking the order	Yes	Yes	Yes
U.S. producer list	Yes	Yes	Yes
U.S. importer/foreign producer list	Yes	Yes	Yes
List of 3-5 leading purchasers	Yes	Yes	Yes
List of sources for national/regional prices	NA	NA	NA
Trade/financial data	Yes	Yes	Yes
Changes in supply/demand	Yes	Yes	Yes
Complete response	Yes	Yes	Yes

APPENDIX C

SUMMARY DATA COMPILED IN PREVIOUS PROCEEDINGS

Table C-1
Steel racks: Summary data concerning the U.S. market, 2016-18, January to March 2018, and January to March 2019
(Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to March		Calendar year			Jan-Mar
	2016	2017	2018	2018	2019	2016-18	2016-17	2017-18	2018-19
U.S. consumption quantity:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (fn1)	***	***	***	***	***	***	***	***	***
Importers' share (fn1):									
China (fn2)	***	***	***	***	***	***	***	***	***
Mexico	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***	***	***	***
All import sources	***	***	***	***	***	***	***	***	***
U.S. consumption value:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (fn1)	***	***	***	***	***	***	***	***	***
Importers' share (fn1):									
China (fn2)	***	***	***	***	***	***	***	***	***
Mexico	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***
Nonsubject sources	***	***	***	***	***	***	***	***	***
All import sources	***	***	***	***	***	***	***	***	***
U.S. imports from:									
China (fn2):									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Mexico									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All other sources:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Nonsubject sources:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All import sources:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
U.S. producers':									
Average capacity quantity	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***
Capacity utilization (fn1)	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-1--Continued
Steel racks: Summary data concerning the U.S. market, 2016-18, January to March 2018, and January to March 2019
(Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to March		Calendar year			Jan-Mar
	2016	2017	2018	2018	2019	2016-18	2016-17	2017-18	2018-19
U.S. producers':--Continued									
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Inventories/total shipments (fn1)	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***
Wages paid ($1,000)	***	***	***	***	***	***	***	***	***
Hourly wages (dollars per hour)	***	***	***	***	***	***	***	***	***
Productivity (pounds per hour)	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity	955,020	942,907	960,500	244,665	228,402	0.6	(1.3)	1.9	(6.6)
Value	772,731	783,647	884,269	212,589	216,369	14.4	1.4	12.8	1.8
Unit value	$0.81	$0.83	$0.92	$0.87	$0.95	13.8	2.7	10.8	9.0
Cost of goods sold (COGS)	625,556	660,738	758,131	175,202	188,985	21.2	5.6	14.7	7.9
Gross profit or (loss)	147,175	122,908	126,138	37,387	27,385	(14.3)	(16.5)	2.6	(26.8)
SG&A expenses	93,208	86,463	86,819	19,535	20,638	(6.9)	(7.2)	0.4	5.6
Operating income or (loss)	53,967	36,445	39,319	17,852	6,746	(27.1)	(32.5)	7.9	(62.2)
Net income or (loss)	44,427	25,961	32,649	15,112	4,093	(26.5)	(41.6)	25.8	(72.9)
Capital expenditures	30,190	21,805	24,967	4,253	2,122	(17.3)	(27.8)	14.5	(50.1)
Unit COGS	$0.66	$0.70	$0.79	$0.72	$0.83	20.5	7.0	12.6	15.5
Unit SG&A expenses	$0.10	$0.09	$0.09	$0.08	$0.09	(7.4)	(6.0)	(1.4)	13.2
Unit operating income or (loss)	$0.06	$0.04	$0.04	$0.07	$0.03	(27.6)	(31.6)	5.9	(59.5)
Unit net income or (loss)	$0.05	$0.03	$0.03	$0.06	$0.02	(26.9)	(40.8)	23.5	(71.0)
COGS/sales (fn1)	81.0	84.3	85.7	82.4	87.3	4.8	3.4	1.4	4.9
Operating income or (loss)/sales (fn1)	7.0	4.7	4.4	8.4	3.1	(2.5)	(2.3)	(0.2)	(5.3)
Net income or (loss)/sales (fn1)	5.7	3.3	3.7	7.1	1.9	(2.1)	(2.4)	0.4	(5.2)

Notes:

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--U.S. imports from China are based on responding foreign producers' exports to the United States for quantity, and values are derived from AUVs of responding U.S. importers for imports from China.

Source: Compiled from data submitted in response to Commission questionnaires and *** under HTS statistical reporting numbers 7308.90.6000 and 7308.90.9590, accessed July 24, 2018.

APPENDIX D

PURCHASER QUESTIONNAIRE RESPONSES

As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties and it provided contact information for the following five firms as top purchasers of steel racks: ***. Purchaser questionnaires were sent to these five firms. No firms submitted a response to the Commission's request for information.