Certain Steel Threaded Rod from India and Thailand

Investigation Nos. 701 TA-498 and 731-TA-1213-1214 (Preliminary)

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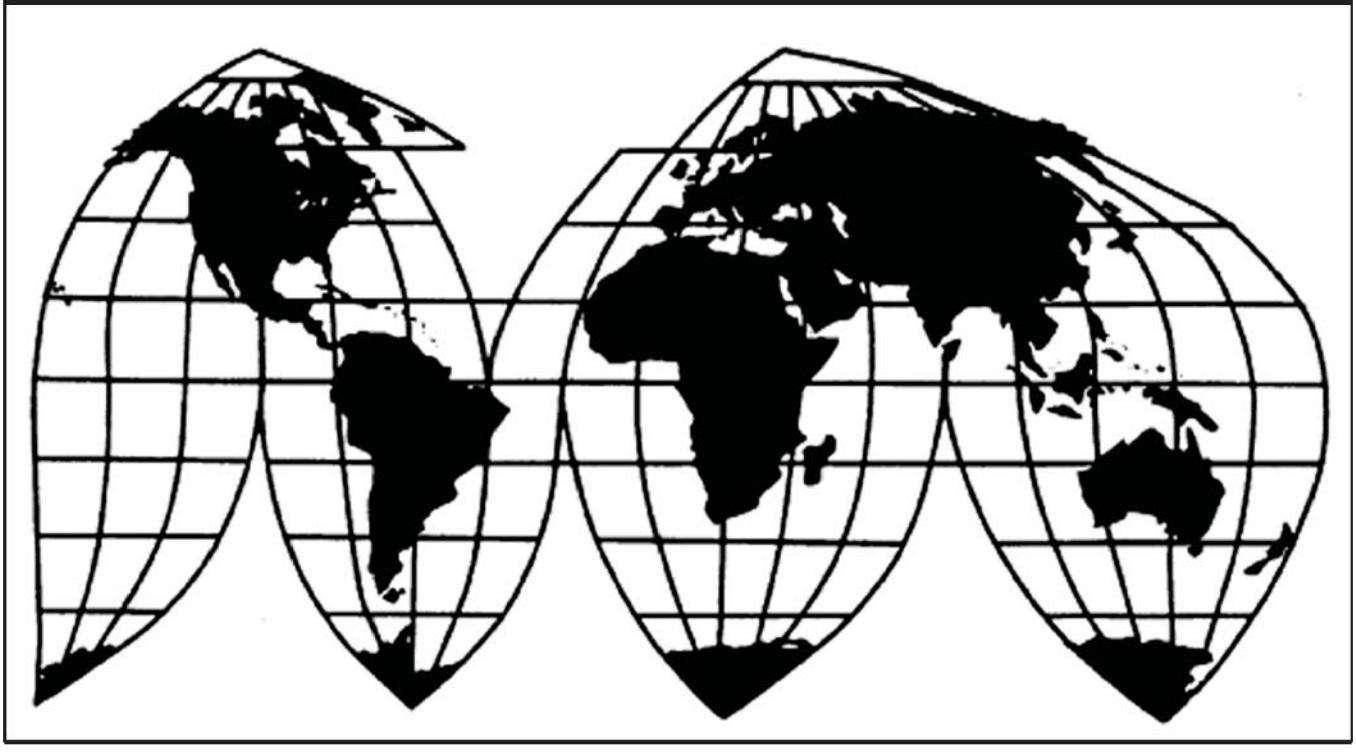
U.S. International Trade Commission



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U.S. International Trade Commission

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-498 and 731-TA-1213-1214 (Preliminary)

CERTAIN STEEL THREADED ROD FROM INDIA AND THAILAND

DETERMINATIONS

On the basis of the record[1] developed in the subject investigations, the United States International Trade Commission (Commission) determines, pursuant to sections 703(a) and 733(a) of the Tariff Act of 1930 (19 U.S.C. §§ 1671b(a) and 1673b(a)) (the Act), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from India and Thailand of certain steel threaded rod, provided for primarily in subheading 7318.15.50 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value (LTFV) and subsidized by the Government of India.

COMMENCEMENT OF FINAL PHASE INVESTIGATIONS

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

BACKGROUND

On June 27, 2013, a petition was filed with the Commission and Commerce by All America Threaded Products Inc., Denver, Colorado; Bay Standard Manufacturing Inc., Brentwood, California; and Vulcan Threaded Products Inc., Pelham, Alabama, alleging that an industry in the United States is materially injured or threatened with material injury by reason of LTFV and subsidized imports of certain steel threaded rod from India and LTFV imports of

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

certain steel threaded rod from Thailand. Accordingly, effective June 27, 2013, the Commission instituted countervailing duty investigation No. 701-TA-498 and antidumping duty investigation Nos. 731-TA-1213-1214 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of July 3, 2013 (78 FR 40170). The conference was held in Washington, DC, on July 18, 2013, and all persons who requested the opportunity were permitted to appear in person or by counsel.

Views of the Commission

Based on the record in the preliminary phase of these investigations, we find that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of certain steel threaded rod ("STR") from Thailand that are allegedly sold in the United States at less than fair value and imports of STR from India that are allegedly sold in the United States at less than fair value and subsidized by the Government of India.

I. The Legal Standard for Preliminary Determinations

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

II. Background

The petitions in these investigations were filed on June 27, 2013, by Vulcan Threaded Products, Inc. ("Vulcan"), All America Threaded Products, Inc. ("All America"), and Bay Standard Manufacturing Inc. ("Bay Standard") (collectively "Petitioners"), U.S. producers of STR. Petitioners appeared at the staff conference and submitted a postconference brief.

Respondent Porteous Fastener Company ("Porteous"), a U.S. importer of STR from India and Thailand, did not participate in the staff conference but submitted a postconference brief.[3] In addition, the National Fastener Distributer Association ("NFDA"), which states that it is comprised of approximately 135 members that import or purchase STR from India and Thailand, submitted a letter opposing the imposition of duties.[4]

Unless otherwise noted, the U.S. industry data cited herein are based on the questionnaire responses of four producers, accounting for the vast majority of U.S. production of STR in 2012.[5] For the reasons discussed below, U.S. import data are based on official U.S.

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[1] 19 U.S.C. §§ 1671b(a), 1673b(a) (2000); *see also American Lamb Co. v. United States*, 785 F.2d 994, 1001-04 (Fed. Cir. 1986); *Aristech Chem. Corp. v. United States, 2*0 CIT 353, 354-55 (1996).

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

[3] North American Steel Correction, Inc. and Stelfast, Inc., both U.S. importers of subject merchandise, had counsel enter an appearance on their behalf, but did not otherwise participate in these investigations. *See* Entry of Appearance by Matthew T. McGrath, dated July 10, 2013, EDIS document 513135.

[4] Letter from NFDA, dated July 23, 2013, EDIS document 514305 ("NFDA Letter").

[5] Confidential Staff Report ("CR") at I-5; Public Staff Report ("PR") at I-3.

Department of Commerce ("Commerce") import statistics from a single tariff subheading.[6] The Commission received usable responses to its questionnaires from 14 foreign producers or exporters of STR in India, accounting for the vast majority of U.S. imports of subject merchandise from India during the period of investigation ("POI"), which encompasses January 2010 through March 2013.[7] The Commission did not receive responses to its questionnaires from any foreign producers or exporters of STR from Thailand.[8]

STR has been the subject of one prior antidumping duty investigation in the United States. In 2008, Vulcan filed an antidumping duty petition regarding STR from China. Following an affirmative determination by Commerce, the Commission determined that the U.S. STR industry was materially injured by reason of imports of STR from China.[9] In April 2009, Commerce issued an antidumping duty order on Chinese imports of STR, which is still in effect.[10]

III. Domestic Like Product

A. Legal Standard

In determining whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the "domestic like product" and the "industry."[11] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Tariff Act"), defines the relevant domestic industry as the "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[12] In turn, the Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation."[13]

The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[14] No single factor is

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[6] CR at I-5; PR at I-3 – I-4.

[7] CR at VII-3; PR at VII-3.

[8] CR at VII-5; PR at VII-4.

[9] *Certain Steel Threaded Rod from China,* Inv. No. 731-TA-1145 (Final), USITC Pub. 4070 at 3 (April 2009) ("CSTR from China Final Determination" and "CSTR from China Final Report"). *See also Certain Steel Threaded Rod from China,* Inv. No. 731-TA-1145 (Preliminary), USITC Pub. 3996 (April 2008) ("CSTR from China Preliminary Determination").

[10] *Certain Steel Threaded Rod from China: Notice of Antidumping Duty Order*, 70 Fed. Reg. 17,154 (April 14, 2009).

[11] 19 U.S.C. § 1677(4)(A).

[12] 19 U.S.C. § 1677(4)(A).

[13] 19 U.S.C. § 1677(10).

[14] *See*, *e.g.*, *Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Torrington Co. v. United States*, 747 F. Supp. 744, 749 n.3 (Ct. Int'l Trade

(Continued…)

dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[15] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[16] Although the Commission must accept Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value,[17] the Commission determines what domestic product is like the imported articles Commerce has identified.[18]

B. Product Description

In its notice of initiation, Commerce defined the imported merchandise within the scope of these investigations as steel threaded rod, which it defined as follows:

> Certain threaded rod, bar, or studs, of carbon quality steel, having a solid, circular cross section, of any diameter, in any straight length, that have been forged, turned, cold-drawn, cold-rolled, machine straightened, or otherwise cold-finished, and into which threaded grooves have been applied. In addition, the steel threaded rod, bar, or studs subject to this investigation are nonheaded and threaded along greater than 25 percent of their total length. A variety of finishes or coatings, such as plain oil finish as a temporary rust protectant, zinc coating (i.e., galvanized, whether by electroplating or hot-dipping), paint, and other similar finishes and coatings, may be applied to the merchandise. Included in the scope of this investigation are steel threaded rod, bar, or studs, in which:

(…Continued)

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

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

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

[17] *See*, *e.g.*, *USEC, Inc. v. United States*, 34 Fed. Appx. 725, 730 (Fed. Cir. 2002) ("The ITC may not modify the class or kind of imported merchandise examined by Commerce."); *Algoma Steel Corp. v. United States,* 688 F. Supp. 639, 644 (Ct. Int'l Trade 1988), *aff'd*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).

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

(1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 1.80 percent of manganese, or
- 1.50 percent of silicon, or
- 1.00 percent of copper, or
- 0.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 1.25 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.012 percent of boron, or
- 0.10 percent of molybdenum, or
- 0.10 percent of niobium, or
- 0.41 percent of titanium, or
- 0.15 percent of vanadium, or
- 0.15 percent of zirconium.

Steel threaded rod is currently classifiable under subheadings 7318.15.5051, 7318.15.5056, 7318.15.5090 and 7318.15.2095 of the Harmonized Tariff Schedule of the United States (''HTSUS''). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive. Excluded from the scope of this investigation are: (a) threaded rod, bar, or studs which are threaded only on one or both ends and the threading covers 25 percent or less of the total length; and (b) threaded rod, bar, or studs made to American Society for Testing and Materials (''ASTM'') A193 Grade B7, ASTM A193 Grade B7M, ASTM A193 Grade B16, and ASTM 320 Grade L7.[19]

The product under investigation is carbon steel rod threaded along greater than 25 percent of its length. The great majority of STR is made from low-carbon steel, which is easier to cut than steel with higher levels of carbon, and threaded along its entire length. Rod threaded along its entire length is a versatile product, as it can be cut to the desired length at a construction site. Petitioners estimate that fully threaded STR that is three-eighths inches in diameter accounts for about 60 percent of the U.S. market of low-carbon STR. STR that is threaded only on one end or both ends, but not in the middle, accounts for a small share of the

[19] *Steel Threaded Rod from India and Thailand: Initiation of Antidumping Duty Investigations*, 78 Fed. Reg. 44,526, 44,530-44,531 (July 24, 2013).

U.S. STR market. Such products are usually ordered for specific applications where the customer knows the exact length that is required.[20]

STR is primarily used in commercial construction applications to suspend support systems such as those for electrical conduit, pipes for plumbing, HVAC ductwork, and sprinkler systems. Normally, one end of the STR is fastened to the ceiling and the other end is fastened to the support that holds the pipes or ductwork or sprinkler system. Other applications include structural tie-downs in earthquake and hurricane restraint systems for roofing, headless screws and general fasteners, and bolts to join pipe joints in the waterworks industry. The product is also used for basic industrial repairs.[21]

C. Analysis

Petitioners argue that the Commission should define the domestic like product to be steel threaded rod that is coextensive with the definition of the scope of the subject merchandise.[22] For the purposes of these preliminary determinations, Porteous does not dispute Petitioners' proposed definition of the domestic like product.[23] In the prior investigation of STR from China, the Commission found a single like product that was coextensive with Commerce's scope, which is essentially identical to the scope in these investigations.[24]

For the reasons discussed below, we define the domestic like product to be coextensive with the scope of these investigations, *i.e.*, STR.

Physical Characteristics and Uses. All STR shares the same characteristic threaded grooves and is made primarily from low-carbon steel.[25] All or most STR is used for the same purpose, namely noncritical bolting applications, in which high strength, heat resistance, or special corrosion resistance is not required.[26] STR can vary in terms of length, diameter, finishes, and whether the rod is fully or partially threaded.[27] STR is distinguishable from

[20] CR at I-9 – I-10; PR at I-7 – I-8.

[21] CR at I-9; PR at I-7.

[22] Petitioners' Postconference Brief at 2-5.

[23] Porteous's Postconference Brief at 2. Porteous states that it reserves the right to make an argument regarding the domestic like product in any final phase of these investigations. *Id.* at 3. We invite any party who intends to assert alternative domestic like product definitions in any final phase of these investigation to raise any such issues and to indicate on what products data should be collected in its comments to the draft questionnaires.

[24] CSTR from China Final Determination, USITC Pub. 4070 at 4-6. The applicable HTSUS reporting numbers have changed since the investigation of STR from China. Petition at I-9 – I-11; Staff Conference Transcript ("Conference Tr.") at 38-42 (Magrath).

[25] CR at I-9 – I-11; PR at I-7 – I-9.

[26] CR at I-9 – I-10; PR at I-7 – I-8; Petitioners' Postconference Brief at 4. *See also* CSTR from China Final Report, USITC Pub. 4070 at I-8 & II-1.

[27] CR at I-9 – I-11; PR at I-7 – I-9; Conference Tr. at 14, 19, 37 (Logan), 23 (Broderick).

threaded rod made from material other than low-carbon steel in that STR can easily be cut to desired lengths by customers.[28]

Manufacturing Facilities, Production Processes and Employees. All STR is produced using common manufacturing facilities, employees and production processes.[29] To the extent that the STR is zinc-plated, some domestic producers have in-house zinc-plating lines, while others outsource their zinc-plating needs.[30] Most of the responding domestic producers make other products using the same equipment that is used to make STR.[31]

Channels of Distribution. During the POI, almost all shipments of STR by domestic producers were made to distributors and master distributors.[32]

Interchangeability. STR is not interchangeable with threaded rod made from other materials because STR cannot be used in more demanding applications that require heat resistance, high strength, or high corrosion resistance.[33] Although threaded rod made from other materials theoretically could be used for non-critical bolting applications, it would not be economical to do so and, because of the difficulty in cutting threaded rod made from a higher strength steel, it would be impractical to do so.[34]

Producer and Customer Perceptions. There is nothing in the record to contradict Petitioners' assertion that customers view STR as a single domestic like product, valued for its versatility because it generally can be cut to a desired length when and where needed.[35]

Price. There is some variation in STR prices according to length, finish, size, and other such features.[36] There is no specific information in the record on the relative prices of STR and threaded rod made from other materials, but according to Petitioners, the latter is generally priced higher.[37]

Conclusion. Although STR can vary in terms of length, diameter, finishes, and whether it is fully or partially threaded, there do not appear to be any clear dividing lines based on physical

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[28] CR at I-10; PR at I-8; Conference Tr. at 17-18, 93-94 (Logan); Petitioners' Postconference Brief at 3.

[29] CR at I-11, VI-2, n.3; PR at I-8 – I-9, VI-1, n.3; Conference Tr. at 14-16, 47-48 (Logan); Petitioners' Postconference Brief at 3, n.7 & Exh. 1 at 12. *See also* CSTR from China Final Determination, USITC Pub. 4070 at 5; CSTR from China Final Report, USITC Pub. 4070 at I-7. Most STR is manufactured from wire rod, although larger diameter STR may be manufactured from steel bar. CR at I-11; PR at I-8 – I-9; Conference Tr. at 14 (Logan).

[30] CR at VI-2, n.3; PR at VI-VI-1, n.3.

[31] CR at III-4 – III-5; PR at III-3; Petitioners' Postconference Brief at Exh. 1, p. 2.

[32] CR at II-2; PR at II-1; CR/PR at Table II-1; Conference Tr. at 53-54 (Logan), 55 (Broderick) 84-87 (Logan, Broderick); Petitioners' Postconference Brief at 3.

[33] Petitioners' Postconference Brief at 4. *See also* CSTR from China Final Report, USITC Pub. 4070 at II-1.

[34] CR at II-14; PR at II-10; Conference Tr. at 17 (Logan); Petitioners' Postconference Brief at 3-5. *See also* CSTR from China Preliminary Determination, USITC Pub. 3996 at 6; CSTR from China Final Report, USITC Pub. 4070 at II-9.

[35] Petitioners' Postconference Brief at 4-5.

[36] CR/PR at Tables V-3 – V-6.

[37] Petitioners' Postconference Brief at 4-5.

characteristics. All STR has common characteristics (threaded grooves and ease of cutting to size) and end uses (non-critical bolting applications), and STR is not interchangeable with threaded rod made from different materials. Therefore, based on the record in the preliminary phase of these investigations and the lack of argument to the contrary, we define a single domestic like product, coextensive with the scope, consisting of STR.

IV. Domestic Industry

A. Legal Standard

The domestic industry is defined as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[38] 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.

B. Related Parties

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to Section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.[39] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.[40]

The record indicates that six domestic producers produced STR during the POI: Vulcan, All America, Bay Standard, All Ohio, Interstate, and Conklin & Conklin.[41] Conklin & Conklin did not respond to the Commission's questionnaire, and although Interstate responded, it did not provide any usable production, pricing, or financial data.[42] Three of the four remaining

[38] 19 U.S.C. § 1677(4)(A).

[39] *See Torrington Co. v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), *aff'd mem.*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), *aff'd mem.,* 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

[40] The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following: (1) the percentage of domestic production attributable to the importing producer; (2) the reason the U.S. producer has decided to import the product subject to investigation, *i.e*., whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market; and (3) the position of the related producer vis-a-vis the rest of the industry, *i.e*., whether inclusion or exclusion of the related party will skew the data for the rest of the industry. *See, e.g*., *Torrington Co. v. United States*, 790 F. Supp. at 1168.

[41] Petition at Exhibit 1.

[42] CR at III-1, n.1, V-5, n.5 & VI-1, n.1; PR at III-1, n.1, V-4, n.5 & VI-1, n.1. The record indicates that *** imported subject STR from India during the POI. CR/PR at Table IV-1. However, because it

(Continued…)

domestic producers – (***, ***, and ***) – are subject to possible exclusion under the related parties provision because they imported subject merchandise during the POI.[43]

Petitioners argue that *** should be excluded from the domestic industry because it imports a *** amount of STR relative to its domestic production.[44] Porteous takes no position on whether any domestic producers should be excluded from the domestic industry, but claims that Petitioners import smaller diameter rod because it is more economical than producing it in the United States.[45]

For the reasons discussed below, we do not exclude any firm from the domestic industry as a related party for purposes of these preliminary determinations.

***. We do not find appropriate circumstances exist to exclude Petitioner *** from the domestic industry as a related party. *** was the ***-largest domestic producer in 2012, accounting for *** percent of domestic production in that year,[46] and its production volumes *** over the POI.[47] Because it is a petitioner and imported ***,[48] *** interests appear to lie more with domestic production than with importing. Moreover, it does not appear that *** derived a significant benefit from its importation of subject STR from *** because its financial results were *** the industry average in 2010 and 2011.[49] [50] [51] Although its operating margins were *** in 2012, this does not appear to be attributable to its ***.

***. We do not find appropriate circumstances exist to exclude Petitioner *** from the domestic industry as a related party. *** was the ***-largest domestic producer, accounting

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(…Continued)
failed to provide usable production, pricing, or financial data, there are no data concerning the firm to exclude even assuming *arguendo* that appropriate circumstances existed to exclude it.

[43] CR at III-7; PR at III-7; CR/PR at Table III-5.

[44] Petitioners' Postconference Brief at 8.

[45] Porteous's Postconference Brief at 2-3.

[46] CR/PR at Table III-1.

[47] CR/PR at Table III-5.

[48] *** ratio of subject imports to its domestic production was *** percent in 2010, 2011, and 2012, respectively; it was *** percent in January through March 2012 ("interim 2012") and *** percent in January through March 2013 ("interim 2013"). CR/PR at Table III-5. *** explained that it imported subject merchandise from *** because ***. *** Importer Questionnaire Response.

[49] *** ratio of operating income to net sales ***. CR/PR at Table VI-2.

[50] Consistent with her practice in past investigations and reviews, Commissioner Aranoff does not rely on individual-company operating income margins, which reflect a domestic producer's financial operations related to production of the domestic like product, in assessing whether a related party has benefitted from importation of subject merchandise. Rather, she determines whether to exclude a related party based principally on its ratio of subject imports to domestic production and whether its primary interests lie in domestic production or importation.

[51] For purposes of the preliminary phase of these investigations, Commissioner Pinkert does not rely upon any related producer's financial performance in determining whether there are appropriate circumstances to exclude it from the domestic industry. In his view, the present record is not sufficient to link any producer's profitability on its U.S. operations to any specific benefit it derives from its related party status.

for *** percent of domestic production in 2012,[52] and its production volumes *** over the POI.[53] Because it is a petitioner and imported ***,[54] *** interests appear to lie more with domestic production than with importing. Moreover, *** does not appear to have derived any significant financial benefit from its importation given that its financial results for *** were *** the industry average.[55]

***. We do not find appropriate circumstances exist to exclude *** from the domestic industry as a related party for purposes of our analysis in these preliminary determinations. As an initial matter, *** accounts for such a small share of domestic production that, even if *** were excluded, the aggregate financial data for the domestic industry would be essentially unchanged.[56] In addition, because *** production volumes *** over the POI,[57] and its ratio of subject imports to domestic production *** overall during the POI,[58] the data suggest that its principal interest is in domestic production.[59] This is supported by the fact that the volume of subject imports *** imported never equated to more than a third of its domestic production.[60] Moreover, there is no clear correlation between *** imports of subject merchandise and its financial performance during the POI; during the year in which its financial results *** the industry average, its ratio of subject imports to production was ***.[61]

Therefore, based on the current record and the domestic like product definition, we define the domestic industry as all U.S. producers of steel threaded rod.

[52] CR/PR at Table III-1.

[53] CR/PR at Table III-5.

[54] *** ratio of subject imports to its domestic production was *** percent ***, which was the *** during the POI that it imported subject merchandise from ***. CR/PR at Table III-5. *** explained that it imported subject merchandise because ***. *** Importer Questionnaire Response. Although *** reported that ***, and it ***, it did report that it ***. *Id.*

[55] *** ratio of operating income to net sales was *** than the industry average throughout the POI. CR/PR at Table VI-2.

[56] CR/PR at Table VI-2, note. *** accounted for *** percent of domestic production in 2012. CR/PR at Table III-1.

[57] CR/PR at Table III-5.

[58] *** ratio of subject imports to its domestic production was *** percent in 2010, 2011, and 2012, respectively; it was *** percent in interim 2012 and *** percent in interim 2013. CR/PR at Table III-5. It reported that it imported subject merchandise ***. CR at III-7, n.10; PR at III-4, n.10.

[59] *** with respect to these investigations of STR from India and Thailand. *** Importer Questionnaire Response.

[60] CR/PR at Table III-5.

[61] CR/PR at Tables III-5 & VI-2. *** ratio of operating income to net sales was *** than the industry average in 2010 and *** than the industry average in 2011 and 2012. CR/PR at Tables VI-2.

V. Cumulation[62]

A. In General

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

(1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;
(2) the presence of sales or offers to sell in the same geographic markets of subject imports from different countries and the domestic like product;
(3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and

(4) whether the subject imports are simultaneously present in the market.[63]

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.[64] Only a "reasonable overlap" of competition is required.[65]

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[62] Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than 3 percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible. 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B); *see also* 15 C.F.R. § 2013.1 (developing countries for purposes of 19 U.S.C. § 1677(36)). Negligibility is not an issue in these investigations. Based on official Commerce statistics, subject imports from India and Thailand each exceed the requisite statutory negligibility threshold for the most recent 12-month period preceding the filing of the petition for which data are available. From June 2012 to May 2013, subject imports from India accounted for 27.9 percent of total U.S. imports of STR by quantity, and subject imports from Thailand accounted for 28.9 percent of total U.S. imports. CR at IV-7; PR at IV-6.

[63] *See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278-80 (Final), USITC Pub. 1845 (May 1986), *aff'd*, *Fundicao Tupy, S.A. v. United States*, 678 F. Supp. 898 (Ct. Int'l Trade), *aff'd*, 859 F.2d 915 (Fed. Cir. 1988).

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

[65] The Statement of Administrative Action ("SAA") to the Uruguay Round Agreements Act ("URAA"), expressly states that "the new section will not affect current Commission practice under

(Continued…)

B. Analysis[66]

In these investigations, the threshold criterion is satisfied because Petitioners filed the antidumping and countervailing duty petitions with respect to India and the antidumping duty petition with respect to Thailand on the same day, June 27, 2013.[67] We consequently examine whether there is a reasonable overlap of competition between subject imports from India and Thailand and between subject imports from each source and the domestic like product.

Fungibility. The record shows that STR, when produced to the desired length, diameter, and finish, is generally fungible.[68] All responding U.S. producers and the majority of responding importers reported that STR produced in the United States, India and Thailand was "always" or "frequently" interchangeable.[69] When asked whether differences other than price are ever significant to purchasers choosing between the domestic like product and subject imports or among subject imports, all responding U.S. producers and the majority of responding importers indicated that differences other than price were only "sometimes" or "never" a significant factor in comparing the domestic like product with subject imports or in comparing subject imports with each other.[70]

Channels of Distribution. Subject imports from both countries and the domestic like product were sold to distributors and end users throughout the POI, with the large majority of both the domestic like product and imports from India and Thailand being sold to distributors.[71]

Geographic Overlap. The record reflects that the market for STR is nationwide and that the domestic like product and subject merchandise from both subject countries are sold throughout the United States.[72]

Simultaneous Presence in Market. Subject imports from both subject countries and the domestic like product were present throughout the POI, with subject imports entering the

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which the statutory requirement is satisfied if there is a reasonable overlap of competition." H.R. Rep. No. 103-316, Vol. I at 848 (1994) (*citing Fundicao Tupy*, 678 F. Supp. at 902); *see Goss Graphic Sys., Inc. v. United States*, 33 F. Supp. 2d 1082, 1087 (Ct. Int'l Trade 1998) ("cumulation does not require two products to be highly fungible"); *Wieland Werke, AG*, 718 F. Supp. at 52 ("Completely overlapping markets are not required.").

[66] Petitioners argue that the statutory prerequisites to cumulation are met because the petitions on STR from India and Thailand were filed simultaneously on June 27, 2013, and there is a reasonable overlap of competition based on the factors that the Commission generally considers. Petitioners' Postconference Brief at 13-18. Porteous makes no argument regarding cumulation for purposes of the Commission's analysis of whether there is a reasonable indication of material injury by reason of subject imports.

[67] None of the statutory exceptions to cumulation applies.

[68] CR at II-15; PR at II-10 – II-11.

[69] CR at II-16 – II-17; PR at II-11 – II-12.

[70] CR at II-18 – II-19; PR at II-12 – II-13; CR/PR at Table II-5.

[71] CR at II-2; PR at II-1; CR/PR at Table II-1.

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

United States every month between January 2010 and March 2013 and Petitioners reporting that they sell STR in the U.S. market every day.[73]

Conclusion. Because the antidumping and countervailing duty petitions were filed on the same day, and we find that there is a reasonable overlap of competition between and among the subject imports and the domestic like product, we cumulate subject imports from India and Thailand for our analysis of whether there is a reasonable indication of material injury by reason of subject imports.

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

A. Legal Standard

In the preliminary phase of antidumping and countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.[74] In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.[75] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[76] In assessing whether there is a reasonable indication that the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[77] No single factor is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[78]

Although the statute requires the Commission to determine whether there is a reasonable indication that the domestic industry is "materially injured by reason of" unfairly traded imports,[79] it does not define the phrase "by reason of," indicating that this aspect of the injury analysis is left to the Commission's reasonable exercise of its discretion.[80] In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the "by reason of" standard must ensure that subject imports

[73] CR at IV-8; PR at IV-6; CR/PR at Tables V-3 – V-6; Petitioners' Postconference Brief at 18.

[74] 19 U.S.C. §§ 1671b(a), 1673b(a).

[75] 19 U.S.C. § 1677(7)(B). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each {such} factor ... {a}nd explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B).

[76] 19 U.S.C. § 1677(7)(A).

[77] 19 U.S.C. § 1677(7)(C)(iii).

[78] 19 U.S.C. § 1677(7)(C)(iii).

[79] 19 U.S.C. §§ 1671b(a), 1673b(a).

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

are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.[81]

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.[82] In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.[83] Nor does the

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

[82] SAA, H.R. Rep. 103-316, Vol. I at 851-52 (1994) ("{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports."); S. Rep. 96-249 at 75 (1979) (the Commission "will consider information which indicates that harm is caused by factors other than less-than-fair-value imports."); H.R. Rep. 96-317 at 47 (1979) ("in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;" those factors include "the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry"); *accord Mittal Steel*, 542 F.3d at 877.

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

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"by reason of" standard require that unfairly traded imports be the "principal" cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.[84] It is clear that the existence of injury caused by other factors does not compel a negative determination.[85]

Assessment of whether material injury to the domestic industry is "by reason of" subject imports "does not require the Commission to address the causation issue in any particular way" as long as "the injury to the domestic industry can reasonably be attributed to the subject imports" and the Commission "ensure{s} that it is not attributing injury from other sources to the subject imports."[86] [87] Indeed, the Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[88]

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tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.").

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

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

[86] *Mittal Steel*, 542 F.3d at 877-78; *see also id.* at 873 ("While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured 'by reason of' subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology.") *citing United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75.

[87] Commissioner Pinkert does not join this paragraph or the following three paragraphs. He points out that the Federal Circuit, in *Bratsk*, 444 F.3d 1369, and *Mittal Steel*, held that the Commission is required, in certain circumstances when considering present material injury, to undertake a particular kind of analysis of nonsubject imports, albeit without reliance upon presumptions or rigid formulas. *Mittal Steel* explains as follows:

> What *Bratsk* held is that "where commodity products are at issue and fairly traded, price-competitive, non-subject imports are in the market," the Commission would not fulfill its obligation to consider an important aspect of the problem if it failed to consider whether non-subject or non-LTFV imports would have replaced LTFV subject imports during the period of investigation without a continuing benefit to the domestic industry. 444 F.3d at 1369. Under those circumstances, *Bratsk* requires the Commission to consider whether replacement of the LTFV subject imports might have occurred during the period of investigation, and it requires the Commission to provide an explanation of its conclusion with respect to that factor.

542 F.3d at 878.

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

The Federal Circuit's decisions in *Gerald Metals*, *Bratsk,* and *Mittal Steel* all involved cases in which the relevant "other factor" was the presence in the market of significant volumes of price-competitive nonsubject imports. The Commission interpreted the Federal Circuit's guidance in *Bratsk* as requiring it to apply a particular additional methodology following its finding of material injury in cases involving commodity products and a significant market presence of price-competitive nonsubject imports.[89] The additional "replacement/benefit" test looked at whether nonsubject imports might have replaced subject imports without any benefit to the U.S. industry. The Commission applied that specific additional test in subsequent cases, including the *Carbon and Certain Alloy Steel Wire Rod from Trinidad and Tobago* determination that underlies the *Mittal Steel* litigation.

Mittal Steel clarifies that the Commission's interpretation of *Bratsk* was too rigid and makes clear that the Federal Circuit does not require the Commission to apply an additional test nor any one specific methodology; instead, the court requires the Commission to have "evidence in the record 'to show that the harm occurred 'by reason of' the LTFV imports,'" and requires that the Commission not attribute injury from nonsubject imports or other factors to subject imports.[90] Accordingly, we do not consider ourselves required to apply the replacement/benefit test that was included in Commission opinions subsequent to *Bratsk*.

The progression of *Gerald Metals*, *Bratsk*, and *Mittal Steel* clarifies that, in cases involving commodity products where price-competitive nonsubject imports are a significant factor in the U.S. market, the Court will require the Commission to give full consideration, with adequate explanation, to non-attribution issues when it performs its causation analysis.[91]

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.[92] Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[93]

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[89] *Mittal Steel*, 542 F.3d at 875-79.

[90] *Mittal Steel*, 542 F.3d at 873 (quoting from *Gerald Metals*, 132 F.3d at 722), 875-79 & n.2 (recognizing the Commission's alternative interpretation of *Bratsk* as a reminder to conduct a non-attribution analysis).

[91] To that end, after the Federal Circuit issued its decision in *Bratsk*, the Commission began to present published information or send out information requests in final phases of investigations to producers in nonsubject countries that accounted for substantial shares of U.S. imports of subject merchandise (if, in fact, there were large nonsubject import suppliers). In order to provide a more complete record for the Commission's causation analysis, these requests typically seek information on capacity, production, and shipments of the product under investigation in the major source countries that export to the United States. The Commission plans to continue utilizing published or requested information in final phases of investigations in which there are substantial levels of nonsubject imports.

[92] We provide in our respective discussions of volume, price effects, and impact a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

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

B. Conditions of Competition and the Business Cycle

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

1. Demand Conditions

Demand for STR depends on demand for the downstream products in which STR is used.[94] STR is generally used in commercial construction, where it is cut to length on site and used to suspend electrical conduit, pipes for plumbing, HVAC ductwork, and sprinkler pipes for fire protection systems.[95] STR accounts for a relatively small though highly variable share of the cost of the end-use products in which it is commonly used,[96] and most questionnaire respondents reported no substitutes for STR in the applications in which it is used.[97]

The main U.S. purchasers of STR are master distributors, which buy large quantities or containers from manufacturers for resale to smaller distributors, and distributors that resell STR along with many other fastening products.[98] As a whole, these distributors sell to a wide variety of firms in the commercial construction industry, but individual distributors tend to focus on specific industry segments, such as electrical, plumbing, and general construction.[99]

Questionnaire respondents reported that U.S. demand for STR follows general economic and commercial construction trends.[100] They were divided regarding changes in U.S. demand for STR during the POI, although a majority of U.S. producers and a plurality of importers reported that demand had fluctuated during the period.[101] Petitioners assert that demand for STR is increasing solidly as the U.S. economy recovers from the recession.[102] As measured by apparent U.S. consumption of STR, demand increased from *** pounds in 2010 to *** pounds in 2011 and *** pounds in 2012 and was *** pounds in interim 2012 and *** pounds in interim 2013.[103]

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[94] CR at II-11 – II-12; PR at II-8.

[95] CR at I-3, I-4, I-9, II-1; PR at I-3, I-7 – I-8, II-1. STR is also used, among other things, as structural tie-downs in earthquake and hurricane roofing restraint systems, as headless screws in general fastener applications, to bolt together pipe joints in the waterworks industry, for joint restraint systems for underground piping, and for basic industrial repairs. *Id.*

[96] CR at II-15; PR at II-10.

[97] CR at II-14; PR at II-10.

[98] CR at I-4 & II-2; PR at I-3, II-1 – II-2; CR/PR at Table II-1; Conference Tr. at 51-53 (Logan).

[99] CR at I-4; PR at I-3.

[100] CR at II-11 – II-12; PR at II-8.

[101] CR at II-13 – II-14; PR at II-9 – II-10; CR/PR at Table II-3.

[102] Conference Tr. at 28-29 (Magrath).

[103] CR/PR at Table IV-3. Apparent consumption is calculated using official import data from Harmonized Tariff Schedule of the United States ("HTSUS") subheading 7318.15.5056. According to Petitioners, the majority of imports of subject merchandise are reported under HTSUS subheading 7318.15.5056, and the majority of merchandise entered under this subheading is subject merchandise. CR at I-5, n.4; PR at I-4, n.4. Porteous argues that responses to the Commission's questionnaires represent the most accurate data for determining import volume and pricing. Porteous's Postconference Brief at 3. We find for the purposes of the preliminary phase of these investigations,

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2. Supply Conditions

Sources of supply to the U.S. market during the POI included the domestic industry, subject imports, and imports from nonsubject sources.[104]

The domestic industry was the largest source of STR, supplying about half of the U.S. market during the POI.[105] Vulcan and All America are the largest of the six known manufacturers of STR in the United States.[106] In June 2010, All America consolidated the operations of six firms into a single corporate entity,[107] and in 2011 the domestic industry reported higher capacity levels as All America restarted production capacity at its acquired firms.[108] All producers except *** reported that they produced or anticipated producing other products (***) on the same equipment and machinery used to produce threaded rod. However, ***.[109]

Imports of STR from nonsubject sources held the second-largest share of the U.S. market in 2010, but since 2011, the volume of nonsubject imports has been less than subject imports.[110] The largest nonsubject sources of U.S. STR imports are Taiwan and China.[111] As discussed above, STR imports from China have been subject to an antidumping duty order since April 2009.[112] Petitioners report that imports of STR from China fell after the order was imposed,[113] but imports from China continue to have a U.S. market presence.[114]

Since 2011, cumulated subject imports from India and Thailand have been the second-largest source of supply to the U.S. market.[115] The largest responding producers of threaded rod in India are Maharaja International, Mangal Steel Enterprises Limited, Meeras International, and Sunil Industries.[116] No threaded rod producer from Thailand responded to the

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however, that the official import data from tariff subheading HTSUS 7318.15.5056 are more reliable than questionnaire data because several large importers of subject merchandise did not provide questionnaire responses and the record indicates that the majority of subject merchandise is imported under HTSUS 7318.15.5056. CR at I-5 & n.4, I-9; PR at I-4, n.4, I-7; Conference Tr. at 39-45 (Magrath).

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

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

[106] CR/PR at I-3.

[107] The six firms included BoltMaster, Inc./RediBolt of Chicago, IL; Threaded Rod Company, Inc. of Indianapolis, IN; Watson Metal Products Corp. of Kenilworth, NJ; Lancaster Threaded Products, Inc. of Lancaster, PA; Rods Indiana, Inc. of Butler, IN; and J&D Industrial Products, Inc. of Butler, IN. Conference Tr. at 20-22, 81-82 (Broderick); CR at III-1 – III-2 at n.3; PR at III-1 n.3.

[108] CR/PR at III-2 – III-3 & Table III-2.

[109] CR at III-4 – III-5; PR at III-3. *** is the only domestic producer that uses its equipment primarily in the production of ***. CR at III-4; PR at III-3.

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

[111] CR at II-10; PR at II-7.

[112] *Certain Steel Threaded Rod from China: Notice of Antidumping Duty Order*, 70 Fed. Reg. 17,154 (April 14, 2009).

[113] Conference Tr. at 11 (Upton), 27 (Magrath).

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

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

[116] CR/PR at I-3.

Commission's questionnaire,[117] although Petitioners assert that Tycoons Worldwide Group is the largest producer in Thailand and likely accounts for the vast majority of STR exports to the United States from Thailand.[118]

3. Substitutability and Other Conditions

We find a high degree of substitutability among domestically produced STR and STR from both subject sources.[119] As explained above, all domestic producers and a majority of importers reported that the domestic like product and subject imports were "always" or "frequently" interchangeable and that differences other than price were only "sometimes" or "never" a significant factor in STR sales.[120] Buy America policies were reported to affect only a very small portion of purchases.[121]

The primary raw material used to manufacture STR is low-carbon steel wire rod, or in the case of larger-diameter STR, low-carbon steel bar.[122] Raw materials (including wire rod) accounted for approximately 75 percent of the cost of goods sold ("COGS") for STR during the POI.[123] The price of carbon steel wire rod increased steadily between January 2010 and November 2011 and then declined with minor fluctuations until June 2013, for an overall decline of almost 6.0 percent during the POI.[124]

C. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[125]

Cumulated subject imports had a significant and increasing presence in the U.S. market during the POI. The volume of cumulated subject imports was 27.3 million pounds in 2010, 34.8 million pounds in 2011, and 42.8 million pounds in 2012; it was 10.9 million pounds in interim 2012 and 11.1 million pounds in interim 2013.[126]

As explained above, demand as measured by apparent U.S. consumption rose *** percent from 2010 to 2012.[127] The volume of cumulated imports of STR rose at a much higher rate, increasing 57.0 percent from 2010 to 2012.[128] Apparent consumption was *** percent

[117] CR/PR at I-3.
[118] Conference Tr. at 79-80 (Waite), 90 (Logan); Petitioners' Postconference Brief at Exh. 1 at 1.
[119] CR/PR at II-15; PR at II-11.
[120] CR at II-16 – II-17; PR at II-11 – II-12.
[121] At the staff conference, All America reported that Buy America restrictions applied to approximately one percent of its sales of STR. Conference Tr. at 57 (Broderick).
[122] CR at I-11 & V-1; PR at I-8 – I-9, V-1.
[123] CR at V-1 & VI-2; PR at V-1.
[124] CR at V-1; PR at V-1; CR/PR at Figure V-1.
[125] 19 U.S.C. § 1677(7)(C)(i).
[126] CR/PR at Table IV-3.
[127] CR/PR at Table C-1.
[128] CR/PR at Table C-1.

lower in interim 2013 than in interim 2012, whereas the volume of subject imports was 2.1 percent higher in interim 2013 than in interim 2012.[129]

The share of apparent U.S. consumption held by cumulated subject imports, by quantity, increased from *** percent in 2010 to *** percent in 2011 and *** percent in 2012, for an overall increase of *** percentage points.[130] This gain in market share came at the expense of both the domestic industry and nonsubject imports. The domestic industry's market share by quantity decreased steadily from *** percent in 2010 to *** percent in 2011 and *** percent in 2012.[131] The volume of nonsubject imports fell 2.9 percent from 37.9 million pounds in 2010 to 36.8 million pounds in 2012, and nonsubject imports' share of apparent U.S. consumption, by quantity, decreased 4.5 percentage points from *** percent in 2010 to *** percent in 2012.[132]

Cumulated subject imports of STR were also significant relative to domestic production. They were equivalent to *** percent of U.S. production in 2010, *** percent in 2011, and *** percent in 2012, and were *** percent in interim 2012 and *** percent in interim 2013.[133]

We find for purposes of the preliminary phase of these investigations that the cumulated volume of subject imports, and the increase in that volume, is significant both in absolute terms and relative to consumption and production in the United States.

D. Price Effects of the Subject Imports

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

> (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and

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

[130] Subject imports' U.S. market share by quantity was *** percentage points higher in interim 2013 (*** percent) than in interim 2012 (*** percent). CR/PR at Table C-1.

[131] CR/PR at Table C-1. The domestic industry's market share by quantity was *** percentage points higher in interim 2013 (*** percent) than in interim 2012 (*** percent). Porteous and the NFDA argue that there is attenuated competition between the domestic like product and subject imports, claiming that the domestic industry does not produce sufficient quantities of STR with certain finishes to satisfy demand in the U.S. market, does not produce STR smaller than 3/8 inch in diameter, and does not produce STR with certain specific types of threading, namely acme and coil threads, which Porteous claims are specialty products that are sold through different channels of distribution. Porteous's Postconference Brief at 4-5; NFDA Letter at 1. The domestic industry disputes these claims. Conference Tr. at 14 (Logan), 23 (Broderick). The record of these preliminary phase investigations does not contain sufficient data to enable us to engage in a detailed examination of these issues. We intend to explore these issues further in any final phase of these investigations.

[132] CR/PR at Tables IV-3, IV-4 & C-1. Nonsubject imports' U.S. shipments by quantity were 37.8 percent lower in interim 2013 (6.6 million pounds) than in interim 2012 (10.2 million pounds); nonsubject imports' market share by quantity was 6.6 percentage points lower in interim 2013 (17.8 percent) than in interim 2012 (24.4 percent). *Id.*

[133] CR/PR at Table IV-5.

(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[134]

We find that there is a high degree of substitutability between subject imports from India and Thailand and the domestic like product and that price is an important consideration in purchasing decisions. As explained above, all domestic producers and a majority of importers reported that the domestic like product and subject imports were "always" or "frequently" interchangeable and that differences other than price were only "sometimes" or "never" a significant factor in STR sales.[135]

The Commission sought quarterly pricing data for four types of STR.[136] Cumulated subject imports undersold the domestic like product in *** out of 104 quarterly comparisons and oversold it in the remaining *** comparisons.[137]

In addition to this mixed picture regarding underselling, there were a number of confirmed instances in which the domestic industry lost sales and revenue due to competition from subject imports.[138] Six responding purchasers reported shifting from the domestic like product to subject imports due to price.[139] Indeed, as discussed above, cumulated subject imports increased market share at the expense of the domestic industry during the POI.[140] In

[134] 19 U.S.C. § 1677(7)(C)(ii).

[135] CR at II-16 – II-17; PR at II-11 – II-12.

[136] CR at V-5 – V-6; PR at V-4. The pricing products include the following: (1) low-carbon steel fully threaded rod, electroplated with zinc, 3/8 inch diameter, and 10 feet in length; (2) low-carbon steel fully threaded rod, electroplated with zinc, 3/8 inch diameter, and six feet in length; (3) low-carbon steel fully threaded rod, electroplated with zinc, 1/2 inch diameter, and 10 feet in length; and (4) low-carbon steel fully threaded rod, plain, 3/4 inch diameter, and 12 feet in length. *Id.* The Commission received usable data from three U.S. producers and 21 importers. *Id.* Not all responding firms reported for all quarters, and some major importers did not submit any data. *Id.* Pricing data reported by these firms accounted for *** percent of the domestic industry's shipments of STR, *** percent of U.S. shipments of subject imports from India, and *** percent of U.S. shipments of subject imports from Thailand. *Id.* We invite the parties in their comments on the draft questionnaires in any final phase of these investigations to suggest ways to increase the coverage of the pricing data, including by adding additional pricing products such as smaller-diameter or hot-dipped galvanized STR.

[137] CR at V-16; PR at V-9. Petitioners argue that data reported by certain importers should be excluded as unreliable or aberrational. Petitioners' Postconference Brief at 23-25. Once these data are excluded, Petitioners claim subject importers undersold the domestic like product in *** out of 104 quarterly comparisons, and in particular with respect to Product 1, *** out of 26 instances. *Id.* If the data proposed by Petitioners were excluded, subject imports undersold the domestic like product in 48 out of 94 instances, with the changes in underselling occurring with respect to Products 2 and 3. CR at V-17, n.9; PR at V-7 n.9. We will consider further our pricing data and the evidence of underselling and competition in any final phase of these investigations.

[138] CR/PR at Tables V-10 to V-13. The Commission's staff confirmed *** out of 145 lost sales allegations, valued at $***, and *** out of 148 lost revenue allegations, valued at $***. *Id.*

[139] CR at V-18; PR at V-10.

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

addition, there are a significant number of confirmed lost revenue allegations, where U.S. producers had to lower their prices in response to subject import pricing.[141] When asked whether the domestic industry reduced prices to compete with subject imports, ten out of 17 responding purchasers reported that U.S. producers had reduced their prices to compete with imports from India and Thailand since 2010.[142] This lost revenue likely contributed to the domestic industry's declining profitability.[143] Based on the existence of confirmed lost sales and revenue data, the existence of mixed underselling, and the information in the record indicating the importance of price in purchasing decisions, we find that subject imports' market share gain during the POI was attributable, at least in part, to their pricing.

We have also considered changes in U.S. and subject import prices over the POI. STR price trends appear to be influenced, at least in part, by fluctuations in raw material costs, most notably carbon steel wire rod, the principal raw material used in the production of STR.[144] Data for the domestically produced products show that the prices for three of the pricing products fluctuated but increased over the POI and the fourth increased more consistently overall.[145] Consequently, we do not find that subject imports depressed prices to a significant degree.

We have also examined whether subject imports have prevented price increases, which would have otherwise occurred, to a significant degree during the POI. As discussed above, apparent U.S. consumption increased *** percent from 2010 to 2012.[146] During that time, the domestic industry's net sales unit value also increased from $*** in 2010 to $*** in 2011 and $*** in 2012, representing an overall increase of *** percent.[147] That increase, however, was insufficient to cover the increases in costs, as the domestic industry's unit COGS increased at a greater rate, rising from $*** in 2010 to $*** in 2011 and $*** in 2012, for an overall increase of *** percent.[148] As a result, the domestic industry's COGS as a ratio to net sales increased

[141] CR/PR at Tables V-12 & V-13.

[142] CR at V-19; PR at V-11.

[143] CR/PR at Table VI-1.

[144] *Compare, e.g.,* CR/PR at Figure V-1 *with, e.g.,* CR/PR at Tables V-3 to V-6.

[145] CR/PR at Tables V-3 to V-6. The prices for U.S.-produced Product 1 fluctuated over the POI, increasing from $*** per pound in 2010 to $*** in the second quarter of 2011 before decreasing to $*** in the last quarter of 2012 and first quarter of 2013. CR/PR at Table V-3. The prices for U.S.-produced Product 2 also fluctuated slightly over the POI, increasing from $*** per pound in 2010 to $*** in 2011 before decreasing to $*** in the last quarter of 2012 and first quarter of 2013. CR/PR at Table V-4. The prices for U.S.-produced Product 3 fluctuated over the POI, increasing from $0.59 per pound in 2010 to $0.66 in the second quarter of 2011 before decreasing to $0.62 in the last quarter of 2012 and increasing to $*** in the first quarter of 2013. CR/PR at Table V-5. The prices for U.S.-produced Product 4 generally trended upward over the POI, increasing from $*** per pound in 2010 to $*** in the first three quarters of 2012 before decreasing to $*** in the last quarter of 2012 and first quarter of 2013. CR/PR at Table V-6.

[146] CR at IV-9; PR at IV-7.

[147] CR/PR at Table C-1. The domestic industry's net sales unit value was $*** in interim 2012 and $*** in interim 2013. *Id.*

[148] CR/PR at Table C-1. Unit COGS were $*** in interim 2012 and $*** in interim 2013. *Id.*

steadily from *** percent in 2010 to *** percent in 2011 and *** in 2012.[149] Consequently, we find that the domestic industry was unable to raise prices sufficiently to cover increasing costs at a time when the volume of cumulated subject imports was increasing at a significant rate and the domestic industry was losing market share to subject imports.[150] Thus, for the purposes of our preliminary determinations, we find that subject imports prevented price increases, which would otherwise have occurred, to a significant degree.[151]

Consequently, based on the above information regarding a mixed pattern of underselling, confirmed lost sales and lost revenues, and evidence of price suppression, we find for the purposes of these preliminary determinations that subject imports adversely affected prices of domestically produced STR.

E. Impact of the Subject Imports[152]

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

During the POI, despite rising apparent U.S. consumption, many of the domestic industry's indicators remained relatively stable or did not improve at the same pace as apparent consumption.[153] The domestic industry's U.S. shipments increased from *** pounds in 2010 to *** pounds in 2011 and *** pounds in 2012, representing an overall increase of only *** percent, as compared with the *** percentage point increase in apparent consumption.[154] Consequently, as discussed above, the U.S. producers' share of the U.S. market declined from *** percent in 2010 to *** percent in 2012.[155] The domestic industry's production increased irregularly by *** percent overall between 2010 and 2012, starting at *** pounds in 2010,

[149] CR/PR at Table C-1. The ratio of COGS to net sales was *** percent in interim 2012 and *** percent in interim 2013. *Id.*

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

[151] In any final phase of these investigations, we will further examine the relationship between raw material costs and any suppression of domestic STR prices.

[152] In its notice initiating the antidumping duty investigations of STR from India and Thailand, Commerce reported estimated dumping margins ranging from 17.93 to 119.87 percent for imports from India, and 63.16 to 74.90 percent for imports from Thailand. *Steel Threaded Rod from India and Thailand: Initiation of Antidumping Duty Investigations*, 78 Fed. Reg. 44,526 (July 24, 2013).

[153] As discussed above, during the POI, apparent consumption increased at a rate of *** percent. CR at IV-9; PR at IV-7.

[154] CR/PR at Table III-3 & C-1. The domestic industry's U.S. shipments were *** pounds in interim 2012 and *** pounds in interim 2013. *Id.*

[155] CR/PR at Table C-1. The domestic industry's share of apparent consumption was *** percentage points higher in interim 2013 than in interim 2012, at *** and ***, respectively. *Id.*

falling to *** pounds in 2011, and increasing to *** pounds in 2012.[156] Net sales by quantity and value increased by *** and *** percent, respectively.[157] The domestic industry's production capacity increased *** percent from 2010 to 2012, and capacity utilization increased slightly overall during that time period by *** percentage points, starting at *** percent in 2010, falling to *** percent in 2011, and increasing to *** percent in 2012.[158] The number of production workers and hours worked remained stable, while wages paid and productivity increased overall.[159]

Despite the relative stability or improvement of some output and employment-related indicators, there were declines in several key financial indicators. The domestic industry's aggregate operating income declined over the POI, from a profit in 2010 of $*** to operating losses of $*** in 2011 and $*** 2012.[160] The domestic industry's ratio of operating income to net sales fell by *** percentage points from 2010 to 2012, with operating margins declining from *** percent in 2010 to negative *** percent in 2011 and negative *** percent in 2012.[161]

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[156] CR/PR at Tables III-2 & C-1. Production in interim 2013 was slightly higher by *** percent than in interim 2012. *Id.* The domestic industry's end-of-period inventories declined both on an absolute basis and relative to production and shipments from 2010 to 2012. Inventories were higher on both an absolute and relative basis in interim 2013 than they were in 2012. CR/PR at Table III-4.

[157] CR/PR at Table C-1. In interim 2013, net sales by quantity and volume were lower than in interim 2012 by *** and *** percent, respectively. *Id*

[158] CR/PR at Tables III-2 & C-1. The domestic industry's production capacity was *** pounds in 2010, *** pounds in 2011, and *** pounds in 2012. *Id.* Capacity was *** pounds in interim 2012 and interim 2013, and capacity utilization was *** percent in interim 2012 and *** percent in interim 2013. *Id.* NFDA argues that the imposition of significant duties on subject imports will lead to supply chain shortages and disruptions because the domestic industry has inadequate supply. NFDA Letter at 2. Throughout the POI, however, the domestic industry's total production capacity exceeded apparent U.S. consumption. *Compare, e.g.*, CR/PR at Table III-2 (production capacity) *with, e.g.*, CR/PR at Table IV-4 (apparent U.S. consumption); *see also* Conference Tr. at 77 (Logan).

[159] CR/PR at Table III-6. The number of production workers was *** in 2010, *** in 2011, and *** in 2012; it was *** in interim 2012 and *** in interim 2013. *Id.* The total hours worked were *** in 2010, *** in 2011, and *** in 2012; they were *** in interim 2012 and *** in interim 2013. *Id.* Wages paid were $*** in 2010, $*** in 2011, and $*** in 2012; they were $*** in interim 2012 and $*** in interim 2013. *Id.* Productivity was *** pounds per hour in 2010, *** pounds per hour in 2011, and *** pounds per hour in 2012; it was *** pounds per hour in interim 2012 and *** pounds per hour in interim 2013. CR/PR at Table C-1.

[160] CR/PR at Table VI-1. The domestic industry's aggregate operating income was higher in interim 2013 at $*** than in interim 2012, which was $***. *Id.* Although there appears to be some improvement in the domestic industry's operating income and other indicators from interim 2012 to interim 2013, the weight we accord to changes between the interim periods is limited, given that the interim periods are only three months in duration. In any final phase of these investigations, we intend to collect updated data.

[161] CR/PR at Tables VI-1 & C-1. Operating margins were *** percent in interim 2012 and *** percent in interim 2013. *Id.* The domestic industry's aggregate capital expenditures declined irregularly from $*** in 2010, to $*** in 2011, and then to $*** in 2012; capital expenditures were $*** in interim

(Continued…)

For the purposes of these preliminary determinations, we find that the cumulated subject imports had an adverse impact on the domestic industry. As described above, even though apparent U.S. consumption was rising, significant and increasing volumes of price-competitive cumulated subject imports from India and Thailand took market share from the domestic industry and caused domestic producers to lose sales and revenue. There is also evidence that subject imports suppressed U.S. producers' prices. This rendered the domestic industry unable to increase its prices to sufficiently cover rising costs, causing the domestic industry's financial condition to decline from a *** profit in 2010 to operating losses in 2011 and 2012.

We have also considered whether there are other factors that may have had an adverse impact on the domestic industry during the POI to ensure that we are not attributing injury from other such factors to the subject imports.[162] As discussed above, the largest source of nonsubject imports was China, but these imports were subject to an antidumping duty order throughout this period. Unlike subject imports, nonsubject imports lost market share between 2010 and 2012, falling from *** percent in 2010 to *** percent in 2011 and *** percent in 2012.[163] Accordingly, we do not find the declining volume of nonsubject imports to be a significant contributing factor to the domestic industry' material injury.

VII. Conclusion

For the reasons stated above, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of subject imports of STR from Thailand that are allegedly sold in the United States at less than fair value and imports of the STR from India that are allegedly sold in the United States at less than fair value and subsidized by the Government of India.

(…Continued)
2012 and $*** in interim 2013. CR/PR at Table VI-4. No firms reported research and development expenses. CR at VI-8; PR at VI-2.

[162] Based on the record evidence in the preliminary phase of these investigations, Commissioner Pinkert finds that price competitive, nonsubject imports were a significant factor in the U.S. market for STR during the period of investigation. CR/PR at Table C-1. Regardless of whether STR constitutes a commodity product, however, he notes that the record does not support finding that nonsubject imports would have replaced subject imports during the period of investigation without benefit to the domestic industry if subject imports had exited the U.S. market. There is no record information in this preliminary phase of these investigations regarding the ability or propensity of nonsubject suppliers to replace subject imports. *See* CR at VII-8 to VII-9, PR at VII-6 to VII-7. Moreover, as noted above, imports from the largest nonsubject source, China, are subject to an antidumping order, and nonsubject imports from all sources declined over the POI. CR/PR at Table C-1.

[163] CR/PR at Table IV-4. In addition, nonsubject imports' share of the U.S. market in interim 2013 was *** percentage points lower than it had been in interim 2012, while subject imports' market share was *** percentage points higher, respectively, in interim 2013 than interim 2012. CR/PR at Table C-1.

PART I: INTRODUCTION

BACKGROUND

These investigations result from a petitions filed with the U.S. Department of Commerce ("Commerce") and the U.S. International Trade Commission ("USITC" or "Commission") by All America Threaded Products, Inc., Denver, CO ("All America"), Bay Standard Manufacturing, Inc., Brentwood, CA, ("Bay Standard") and Vulcan Threaded Products, Inc., Pelham, AL ("Vulcan"), on June 27, 2013, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized and less-than-fair-value ("LTFV") imports of certain steel threaded rod ("threaded rod") [1] from India and LTFV imports for threaded rod from Thailand. The following tabulation provides information relating to the background of these investigations.[2] [3]

Effective date	Action
June 27, 2013	Petitions filed with Commerce and the Commission; institution of Commission investigations (78 FR 40170, July 3, 2013)
July 18	Commission's conference
July 24	Commerce's notice of initiation (78 FR 44526 and 78 FR 44532, antidumping duty and countervailing duty, respectively)
August 9	Scheduled date for the Commission's vote
August 12	Scheduled dated for the Commission's determinations
August 19, 2013	Scheduled dated for the Commission's views

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory criteria

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

> *shall consider (I) the volume of imports of the subject merchandise, (II) the effect of imports of that merchandise on prices in the United States for domestic like products, and (III) the impact of imports of such*

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

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

[3] A list of witnesses appearing at the conference is presented in app. B of this report.

merchandise on domestic producers of domestic like products, but only in the context of production operations within the United States; and. . . may consider such other economic factors as are relevant to the determination regarding whether there is material injury by reason of imports.

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

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

Organization of report

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

of domestic and imported products, respectively. *Part VI* presents information on the financial experience of U.S. producers. *Part VII* presents the statutory requirements and information obtained for use in the Commission's consideration of the question of threat of material injury as well as information regarding nonsubject countries.

MARKET SUMMARY

Threaded rod is generally used in commercial construction to suspend electrical conduit, pipes for plumbing, HVAC ductwork, and sprinkler systems. The leading U.S. producers of threaded rod are Vulcan and All America, while leading responding producers of threaded rod outside the United States include Maharaja International, Mangal Steel Enterprises Limited, Meeras International, and Sunil Industries of India. No threaded rod producer from Thailand responded to the Commission's questionnaire. The leading U.S. importers of threaded rod from India are Elite Components and Fastenal Company, while the leading importers of threaded rod from Thailand are Brighton-Best International, Inc. and Porteous Fastener Company ("Porteous"). Leading importers of threaded rod from nonsubject countries (primarily China and Taiwan) include Fastenal Company ("Fastenal"), Itochu Building Products Inc. Co. ("Itochu"), and Porteous. The main U.S. purchasers are distributors who resell threaded rod along with many other fastening products. These distributors/purchasers tend to focus on specific industry segments, such as electrical, plumbing, general construction, etc. The end users to whom these distributors of threaded rod sell constitute a wide variety of firms in the commercial construction industry. For example, end-user purchasers of threaded rod are firms that install sprinkler systems, hang pipes for plumbing or electrical conduit, install HVAC ductwork, install structural tie-downs, and provide basic industrial installation and repair services.

Apparent U.S. consumption of threaded rod totaled approximately *** pounds ($***) in 2012. Currently, six firms are known to produce threaded rod in the United States. U.S. producers' U.S. shipments of threaded rod totaled *** pounds ($***) in 2012, and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. imports from subject sources totaled 42.8 million pounds ($23.3 million) in 2012 and accounted for 27.6 percent of apparent U.S. consumption by quantity and *** percent by value. U.S. imports from nonsubject sources totaled 36.8 million pounds ($32.0 million) in 2012 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value.

SUMMARY DATA AND DATA SOURCES

A summary of data collected in these investigations is presented in appendix C, table C-1. Except as noted, U.S. industry data are based on questionnaire responses of four firms that accounted for the vast majority of U.S. production of threaded rod during 2012. U.S. imports

are based on official statistics as there are several larger importers that did not provide questionnaire responses.[4]

PREVIOUS AND RELATED INVESTIGATIONS

Threaded rod has been the subject of one prior antidumping duty investigation in the United States. On March 5, 2008, Vulcan filed an antidumping duty petition against imports of threaded rod from China. Following an affirmative determination by Commerce, on February 27, 2009, the Commission determined that the U.S. threaded rod industry was materially injured by reason of imports of threaded rod from China.[5] Commerce issued an antidumping duty order on Chinese imports of threaded rod in October 2008, with margins ranging from 55.16 percent to 206.00 percent. The final results of the first administrative review were published on November 4, 2011, with margins of 0.37 percent for one company (RMB Fasteners Ltd.), 55.16 percent for seven companies, and 206.00 percent for the China-wide rate. On November 9, 2012, the final results of the second administrative review were published, with margins of 19.68 percent for one company (RMB Fasteners Ltd.) and 206.00 percent for the China-wide rate. On April 9, 2013, the preliminary results of the third administrative review were published, with a margin of 20.05 percent for two companies, and 206.00 percent for the China-wide rate. [6]

[4] Petitioners reported that the majority of imports of threaded rod covered under the scope of these investigations are imported under 7318.15.5056 of the 2013 U.S. harmonized tariff schedule ("HTS") and that the majority of merchandise entered under this provision is covered merchandise. Conference transcript, pp. 38 (Magrath) and 39-41 (Waite).

[5] *Certain Steel Threaded Rob from China, Inv. No. 731-TA-1145 (Final)*, USTIC Publication 4070, April 2009, p. 3.

[6] *Certain Steel Threaded Rod from the People's Republic of China: Notice of Antidumping Duty Order*, 70 FR 17154, April 14, 2009. *Certain Steel Threaded Rod from the People's Republic of China: Final Results and Final Partial Rescission of Antidumping Duty Administrative Review*, 76 FR 68400, November 4, 2011. *Certain Steel Threaded Rod from the People's Republic of China: Final Results and Final Partial Rescission of Antidumping Duty Administrative Review; 2010–2011*, 77 FR 67332, November 9, 2012. *Certain Steel Threaded Rod from the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review; 2011–2012*, 78 FR 21101, April 9, 2013.

NATURE AND EXTENT OF ALLEGED SUBSIDIES AND SALES AT LTFV

Alleged subsidies

On July 24, 2013, Commerce published a notice in the *Federal Register* of the initiation of its countervailing duty investigation on threaded rod from India.[7] Commerce indicated its intent to investigate the following 11 alleged programs :[8]

Government of India Subsidy Programs:

- Duty Entitlement Passbook Schemes (DEPS)
- Pre-Shipment and Post-shipment Export Financing
- Export Promotion of Capital Good Scheme (EPCGS)
- Advance Licenses Program
- Government of India Loan Guarantees
- National Manufacturing Competitiveness Program – Marketing Assistance Scheme

Subsidy Programs of the State of Maharashtra

- Industrial Promotion Subsidy
- Octroi Refund Scheme
- Electricity Duty Exemption
- Waiver of Stamp Duty
- Incentives to Strengthen Micro-, Small-, Medium-Sized Manufacturing Enterprises

Alleged sales at LTFV

On July 24, 2013, Commerce published a notice in the *Federal Register* of the initiation of its antidumping duty investigations on threaded rod from India and Thailand.[9] Commerce has initiated antidumping duty investigations based on estimated dumping margins ranging from

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[7] *Steel Threaded Rod from India: Initiation of Countervailing Duty Investigation*, 78 FR 44532, July 24, 2013.

[8] Commerce determined that the following five programs did not meet the requirements for initiation:

Subsidy Programs of the State of Gujarat

- Interest Subsidy
- Subsidy for Quality Certifications
- Subsidy for Skill Enhancements
- Subsidy for Energy and Water Conservation
- Support for Market Development

[9] *Steel Threaded Rod from India and Thailand: Initiation of Antidumping Duty Investigations*, 78 FR 44526, July 24, 2013.

17.93 to 119.87 percent for product from India and 63.16 to 74.90 percent for product from Thailand.

THE SUBJECT MERCHANDISE

Commerce's scope

Commerce has defined the scope of these investigations as follows:

> *The merchandise covered by these investigations is steel threaded rod. Steel threaded rod is certain threaded rod, bar, or studs, of carbon quality steel, having a solid, circular cross section, of any diameter, in any straight length, that have been forged, turned, cold-drawn, cold-rolled, machine straightened, or otherwise cold-finished, and into which threaded grooves have been applied. In addition, the steel threaded rod, bar, or studs subject to these investigations are nonheaded and threaded along greater than 25 percent of their total length. A variety of finishes or coatings, such as plain oil finish as a temporary rust protectant, zinc coating (i.e., galvanized, whether by electroplating or hot-dipping), paint, and other similar finishes and coatings, may be applied to the merchandise. Included in the scope of these investigations are steel threaded rod, bar, or studs, in which: (1) Iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:*
>
> • *1.80 percent of manganese, or*
> • *1.50 percent of silicon, or*
> • *1.00 percent of copper, or*
> • *0.50 percent of aluminum, or*
> • *1.25 percent of chromium, or*
> • *0.30 percent of cobalt, or*
> • *0.40 percent of lead, or*
> • *1.25 percent of nickel, or*
> • *0.30 percent of tungsten, or*
> • *0.012 percent of boron, or*
> • *0.10 percent of molybdenum, or*
> • *0.10 percent of niobium, or*
> • *0.41 percent of titanium, or*
> • *0.15 percent of vanadium, or*
> • *0.15 percent of zirconium.*
>
> *Steel threaded rod is currently classifiable under subheadings 7318.15.5051,7318.15.5056, 7318.15.5090 and 7318.15.2095 of the*

Harmonized Tariff Schedule of the United States (''HTSUS''). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive. Excluded from the scope of these investigations are: (a) Threaded rod, bar, or studs which are threaded only on one or both ends and the threading covers 25 percent or less of the total length; and (b) threaded rod, bar, or studs made to American Society for Testing and Materials (''ASTM'') A193 Grade B7, ASTM A193 Grade B7M, ASTM A193 Grade B16, and ASTM A320 Grade L7.[10]

Tariff treatment

Based upon the scope set forth by the Department of Commerce, information available to the Commission indicates that the merchandise subject to these investigations is classifiable in subheading 7318.15.50 and primarily imported under statistical reporting number 7318.15.5056 of the 2013 HTS.[11] Threaded rod may also be imported under statistical reporting numbers 7318.15.5051, 7318.15.5090, and 7318.15.2095.

THE PRODUCT

Description and applications[12]

The product covered under the scope of these investigations is carbon steel rod threaded along greater than 25 percent of its length. This product is primarily used in nonresidential construction applications to suspend support systems for electrical conduit, pipes for plumbing, HVAC ductwork, sprinkler systems, etc. Normally, one end of the threaded rod is fastened to the ceiling and the other end is fastened to the support that is holding the pipes or ductwork or sprinkler system (figure I-1). Other applications include structural tie-downs in earthquake and hurricane restraint systems for roofing, headless screws and general fasteners, and bolts to join pipe joints in the waterworks industry. The product is also used for basic industrial repairs. Often, the threaded rod is cut at the construction site to the required length.

[10] *Steel Threaded Rod from India and Thailand: Initiation of Antidumping Duty Investigations*, 78 FR 44526, July 24, 2013.

[11] Threaded rod may also be imported under the following provisions: 7318.15.5051, 7318.15.5090, and 7318.15.2095.

[12] Information in this section is taken from the conference transcript, pp. 16-19 (Logan).

Figure I-1.
Threaded rod in a piping support system

Source: Conference exhibit from *Sprinkler Age* magazine, cover photograph, June 2013.

The great majority of threaded rod is made from low carbon steel[13] and threaded along its entire length. (Low-carbon steel is easier to cut than carbon steel with higher levels of carbon). Rod threaded along its entire length is a versatile product as it can be cut to the needed length on site. Petitioners estimate that about 60 percent of the U.S. market of low carbon steel threaded rod is accounted for by rod which is three-eighths inches in diameter. A small share of the U.S. threaded rod market is accounted for by threaded rod which is threaded only on one end or both ends, but not in the middle. Such products are usually ordered for specific applications where the customer knows the exact length that is required.

Manufacturing processes[14]

The primary raw material used in the production of threaded rod is low-carbon steel wire rod or low-carbon steel bar for larger diameters.[15] The production process is the same for either raw material.

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[13] Low-carbon steel is defined by the petitioners as carbon steel with a carbon level at or below that specified in grade SAE 1018, i.e. 0.18 percent carbon or less. Threaded rod made of medium- and high-carbon steel reportedly accounts for less than 3 percent of U.S. threaded rod production and are included in the threaded rod product scope. Petitioners' postconference brief, exh. 1, p. 11.

[14] Information in this section is from the conference transcript, pp. 14-16, (Logan). Although this section describes Vulcan's manufacturing process, the manufacturing process is similar for all producers. worldwide. Ibid., pp. 47-48 (Logan).

[15] According to the Porteous, a U.S. importer, U.S. producers do not make threaded rod in sizes below 3/8 inches in diameter. Porteous' postconference brief, p. 5. Petitioners state that they produce

(*continued*...)

The production process begins with the removal of surface scale[16] from the wire rod or bar which is then cold drawn, straightened, and cut to length. Cold drawing and straightening the wire rod ensures that it is round and properly sized in terms of the desired diameter. Next, the wire rod is fed through a threading machine, which forms the threaded grooves along the rod's length by a process known as thread rolling, which pushes the steel out of the valleys and into peaks, forming the threaded grooves. Finally, the threaded rod is either coated with a plain oil finish in the threading process or is galvanized using either zinc plating or a hot-dip galvanizing process. In the U.S. market, petitioners report that most threaded rod is zinc plated[17] and the coating does not blend into the underlying material. In the hot-dip process, the steel is dipped into molten zinc and the zinc bonds chemically with the steel. In other words, the zinc penetrates the steel and this physical bond between the zinc and the steel provides greater corrosion resistance than the zinc-plating process.

DOMESTIC LIKE PRODUCT ISSUES

No issues with respect to domestic like product have been raised in these investigations. In the earlier investigation of steel threaded rod from China, the Commission found a single domestic like product coextensive with the scope of the investigation.[18] Petitioners argue that, just as in the earlier investigation, the Commission should define the domestic like product to be coextensive with the definition of the scope of the subject merchandise.[19] Respondent Porteous, for the purposes of the preliminary investigations, does not dispute the Petitioners' proposed definition of the domestic like product.[20]

(…*continued*)
the full range of diameters including diameters below 3/8 inches. "At Vulcan . . . we produce diameters under one-quarter of an inch, . . . and up to two and a half inches in diameter." Conference transcript, p. 14 (Logan). "All America produces and sells the full range of threaded rod and stud products in terms of diameter . . . " Conference transcript, p. 23 (Broderick).

[16] Scale is the oxide of iron that forms on the surface of steel after heating and occurs, unless preventative measures are taken, after the wire rod manufacturing process.

[17] Conference transcript, p. 15 (Logan).

[18] *Certain Steel Threaded Rob from China, Inv. No. 731-TA-1145 (Final)*, USTIC Publication 4070, April 2009, p. 6.

[19] Petition p. I-14 and Petitioners' postconference brief, p. 5.

[20] Porteous' postconference brief, p. 2.

PART II: SUPPLY AND DEMAND INFORMATION[1]

U.S. MARKET CHARACTERISTICS

Although steel threaded rod has a variety of applications and uses, its primary uses are in commercial construction, where it is cut to different lengths, depending on the application. Threaded rod has many uses—to support electrical conduit, pipes for plumbing, HVAC ductwork, and sprinkler pipes for fire protection systems; as structural tie downs in earthquakes and hurricane restraints for roofing; as headless screws in general fastener applications; for bolting together pipe joints in the waterworks industry; for basic industrial repairs; and for joint restraint systems for underground piping.[2]

Threaded rod is manufactured in various diameters and lengths, and can have several different finishes applied.[3] According to Petitioners, most of the threaded rod in the U.S. market is zinc plated, with hot-dipped galvanized threaded rod accounting for about 7 to 10 percent of the market.[4] Most responding producers and importers indicated that there had been no significant changes in product range, product mix, or marketing since January 2010. [5]

CHANNELS OF DISTRIBUTION

The large majority of U.S. producers' and, with the exception of imports from China, importers' U.S. shipments of threaded rod are sold mainly to distributors (table II-1).[6] Petitioners also stated that threaded rod is sold almost exclusively sold through distributors.[7] Petitioners explained that threaded rod is initially purchased primarily by distributors of threaded rod, who are reselling threaded rod as one of many other fastening products. In addition, Petitioners explained that starting in the late 1960s and 1970s, "master distributors" emerged that will buy mass quantities from manufacturers to sell to smaller distributors, which tend to focus on specific industry segments, such as electrical, plumbing, general construction, etc.[8] End users to whom the distributors of threaded rod sell constitute a wide variety of firms

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[1] While certain data reported by *** were not useable, this Part of the report includes some of *** responses from part IV of the producer questionnaire and part III of the importer questionnaire.

[2] Petition, p. I-9.

[3] *Certain Steel Threaded Rob from China, Inv. No. 731-TA-1145 (Final)*, USTIC Publication 4070, April 2009, p. II-1.

[4] Conference transcript, pp. 15, 57 (Logan).

[5] One producer (*** reported changes, adding that since it ***." Three importers indicated changes and one added that it ***, and another that dumping duties and exchange rates had altered its purchasing patterns.

[6] Importer ***.

[7] Petition, pp. I-13, I-14. According to Petitioners, a substantial amount of imported subject merchandise is imported through master distributors. Conference transcript, p. 54 (Logan).

[8] Conference transcript, pp. 51-53 (Logan).

in the commercial construction industry. For example, end-user purchasers of threaded rod are firms that install sprinkler systems, hang pipes for plumbing or electrical conduit, install HVAC ductwork, install structural tie-downs, and provide basic industrial installation and repair services.[9] According to Porteous, "threaded rod with coil threads is a relatively new product that is sold to the concrete distribution trade and not through normal threaded rod distribution channels."[10]

Table II-1
Threaded rod: U.S. producers' and importers' U.S. shipments, by sources and channels of distribution, 2010-12, January-March 2012 and January-March 2013

Item	Period				
	Calendar year			January-March	
	2010	2011	2012	2012	2013
	Share of reported shipments (percent)				
U.S. producers' U.S. shipments of threaded rod:					
Distributors	***	***	***	***	***
End users	***	***	***	***	***
U.S. importers' U.S. shipments of threaded rod from India:					
Distributors	75.2	42.6	58.1	51.2	71.2
End users	24.8	57.4	41.9	48.8	28.8
U.S. importers' U.S. shipments of threaded rod from Thailand:					
Distributors	95.6	98.9	99.4	98.6	97.6
End users	4.4	1.1	0.6	1.4	2.4
U.S. importers' U.S. shipments of threaded rod from China:					
Distributors	62.3	28.9	37.4	47.0	59.8
End users	37.7	71.1	62.6	53.0	40.2
U.S. importers' U.S. shipments of threaded rod from Taiwan:					
Distributors	83.0	91.3	77.4	78.9	72.1
End users	17.0	8.7	22.6	21.1	27.9
U.S. importers' U.S. shipments of threaded rod from all other countries:					
Distributors	70.6	88.7	85.0	87.4	91.5
End users	29.4	11.3	15.0	12.6	8.5

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

GEOGRAPHIC DISTRIBUTION

Most of the responding U.S. producers reported selling threaded rod to all regions of the contiguous United States (table II-2). Most responding importers of threaded rod from India reported selling to at least three regions, with seven selling to all regions of the contiguous

[9] Petitioners add that "carbon steel threaded rod cannot be used in critical applications which have more demanding performance requirements. For example, carbon steel threaded rod cannot be used in applications that require heat resistance, high-strength, or corrosion resistance, such as for the automotive, aerospace, and oil and gas industries." Petitioners' postconference brief, p. 4.

[10] Porteous, postconference brief, p. 5.

United States. About half of the responding importers of threaded rod from Thailand reported selling to three or more regions of the United States.

Table II-2

Threaded rod: Geographic market areas in the United States served by U.S. producers and importers, by number of responding firms

Region	Number of firms		
	U.S. producers	Importers	
		India	Thailand
Northeast	4	16	4
Midwest	4	14	5
Southeast	4	18	6
Central Southwest	3	14	5
Mountain	4	12	6
Pacific Coast	5	15	6
Other[1]	3	8	3
All region (except Other)	3	7	3
Responding firms	5	28	8

[1] All other U.S. markets, including AK, HI, PR, and VI, among others.

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

Three U.S. producers shipped more than 75 percent of their sales between 101 and 1,000 miles of their production facility, while one shipped more than 75 percent of its sales within 100 miles, and the other shipped more than 50 percent over 1,000 miles from its production facility. Most importers reported shipping threaded rod from their storage facilities. Most responding importers reported shipping at least 50 percent of their product within 100 miles of their U.S. point of shipment with many of these reporting shipping at least 75 percent within 100 miles of their U.S. point of shipment. A number of responding importers reported selling most of their product between 101 and 1,000 miles; and only a few reported shipping at least 50 percent of their product over 1,000 miles of their U.S. point of shipment.

SUPPLY AND DEMAND CONSIDERATIONS

U.S. supply

Domestic production

Based on available information, U.S. producers of threaded rod have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of U.S.-produced threaded rod to the U.S. market. The main contributing factors to the moderate-to-high degree of responsiveness of supply are the availability of unused capacity and the existence of some inventories.

Petitioners identified six U.S. producers: All American, All-Ohio, Bay Standard, Conklin, Interstate, and Vulcan. Vulcan is the largest domestic producer.[11]

Industry capacity

Domestic capacity utilization increased slightly from *** percent in 2010 to *** percent in 2012, driven by small and similar increases in both production and capacity.[12] This relatively low level of capacity utilization suggests that U.S. producers may have substantial capacity to increase production of threaded rod in response to an increase in prices. Petitioners reported that the "U.S. industry alone has more than enough capacity to satisfy domestic demand."[13] According to respondent Porteous, "the U.S. industry does not produce hot-dipped galvanized threaded rod in sufficient quantities to satisfy demand."[14] Porteous also added that "domestic producers do not produce threaded rod in sizes below 3/8 inches in diameter."[15]

Alternative markets

U.S. producers *** suggesting that U.S. producers have ***, ability to shift shipments between the U.S. market and other markets in response to price changes.

Inventory levels

U.S. producers' inventories, as a ratio to shipments, declined slightly from *** percent in 2010 to *** percent in 2012.[16] These inventory levels suggest that U.S. producers have an ability to respond to changes in demand with changes in the quantity shipped from inventories.

Production alternatives

Four of five responding U.S. producers stated that they could switch production from other products to threaded rod. Other products that producers reportedly can produce on the same equipment as threaded rod include alloy steel, stainless steel and double and single end threaded rod, anchor bolt and stab bolts, threaded rod manufactured in other grades, and

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[11] Petition, p. I-2, I-4. The Commission received questionnaire responses from five of the six identified U.S. producers.

[12] U.S. producers' capacity utilization was *** percent in interim 2012 and *** percent in interim 2013.

[13] Petitioners' postconference brief, p. 13.

[14] Porteous postconference brief, p. 4.

[15] Porteous postconference brief, p. 5. Vulcan representatives reported that the firm produces "diameters under one-quarter of an inch, which are called machine screw sizes, and up to two and a half inches in diameter." In addition, All America representatives reported that "All America produces and sells the full range of threaded rod and stud products in terms of diameter, length, finish in metallurgy, including high volumes of low carbon steel." Conference transcript, p. 14 (Logan) and p. 23 (Broderick).

[16] These values were *** percent in interim 2012 and *** percent in interim 2013.

threaded rod "not covered in the scope." U.S. producers identified several factors affecting their ability to shift production between alternate products, including qualified workers, product sales and market size, physical size of the facilities, and overall production capacity.

Supply constraints

U.S. producers did not report any supply constraints.

Subject imports

According to Petitioners, production capacity of producers in India and Thailand has increased "significantly" during the POI, and "there are more than 70 producers/exporters of {threaded rod} in India and Thailand."[17] Petitioners also argued that "Imports from India and Thailand are focused on the high volume products, what we would call our bread and butter products."[18]

Subject imports from India[19]

Based on available information, producers of threaded rod from India have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of threaded rod to the U.S. market. The main contributing factor to the moderate-to-high degree of responsiveness of supply is the availability of unused capacity.

Industry capacity

Capacity utilization for responding Indian producers increased slightly from 68.4 percent in 2010 to 69.9 percent in 2012,[20] and is projected to increase to 74.0 and 74.4 percent in 2013 and 2014, respectively. This moderate level of capacity utilization suggests that Indian producers may have some capacity to increase production of threaded rod in response to an increase in prices. According to Porteous, the "market for {hot-dipped galvanized threaded rod} is serviced by subject countries, particularly India, and is sold to different customers in the

[17] Petition, p. I-26. Petitioners also estimated that in 2010, imports of threaded rod from India and Thailand were 27.3 million pounds, and had increased by 57 percent to 42.8 million pounds in 2012. Petition, p. I-12.

[18] Conference transcript, p. 25 (Broderick).

[19] Petitioners' economist identified 69 Indian producers and exporters of threaded rod. Conference transcript, p. 35 (Magrath). They estimated that 10 to 12 of these producers account for the vast majority of exports to the United States. They also stated that Indian producers export all types of threaded rod, but generally do not produce the larger diameter sizes. Conference transcript, pp. 46, 59, 90 (Logan). The Commission received responses from 14 Indian producers of threaded rod.

[20] Indian producers' capacity utilization was 81.4 percent in interim 2012 and 79.1 percent in interim 2013.

United States, particularly customers that want threaded rod for use in high corrosion environments such as marine markets, at higher prices." [21]

Alternative markets

Indian producers shipped between 73 percent and 83 percent of total shipments to the U.S. market, generally 15 percent or less to non-U.S. markets, and less than 1 percent to their domestic market.

Inventory levels

For Indian producers of threaded rod, inventories as a ratio to shipments decreased from approximately 13.9 percent in 2010 to 9.7 percent in 2012.[22] These inventory levels suggest that Indian producers have an ability to respond to changes in demand with changes in the quantity shipped from inventories.

Production alternatives

Almost all responding Indian producers indicated that they did not produce any other products on the same machinery or equipment. One Indian producer reported that it also produced stainless steel and alloy steel threaded rod on the same machinery or equipment as threaded rod. Two Indian producers indicated the ability to shift production between threaded rod and double ended rods[23] and stainless steel and alloy steel threaded rod (as well as metric-sized rods).[24]

Supply constraints

Almost all importers of threaded rod from India reported no supply constraints. Two importers identified antidumping duty laws as a supply constraint. Several Indian producers identified constraints on production, including labor shortages/availability, availability of electricity, limited orders, lack of technology upgrades, average machine speed, and limited wire-drawing capacity.

[21] Porteous, postconference brief, p. 4.

[22] Inventories accounted for 44.6 percent in interim 2012 and 27.1 percent of total shipments in interim 2013.

[23] The firm (***) also indicated that it had not yet manufactured this product.

[24] The firm (***) indicated that it could switch production in response to relative changes in price and changes in conditions of competition.

Subject imports from Thailand[25]

The Commission did not receive any questionnaire responses from Thai producers of threaded rod.

Industry capacity

Petitioners stated that Tycoons Worldwide Group, a Thai manufacturer of steel wire rod, "has reported publically that its capacity to produce threaded rod is 40 million pounds annually."[26]

Supply constraints

None of the importers of threaded rod from Thailand reported any supply constraints.

Nonsubject imports

The largest sources of nonsubject imports during 2010-12 were Taiwan and China. Combined, these countries accounted for approximately 38 percent (by quantity) of total imports in 2012, although imports from Taiwan declined from approximately 26 percent of total imports (by quantity) in 2010 to less than 14 percent of total imports (by quantity) in 2012.

U.S. demand

Based on available information, the overall demand for threaded rod is likely to change relatively little in response to changes in price. The main contributing factors are the very limited substitutes and the relatively small cost share of threaded rod in the most common end-use products, though this varies considerably across end-use and definition of end product (e.g., sprinkler system vs. commercial building).

Petitioners identified commercial construction as the primary use for threaded rod.[27] They also stated that "In general, total demand for threaded rod has increased solidly over the period as the industry recovered from the deep recession."[28]

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[25] Petitioners' economist stated that they had identified 18 Thai producers and exporters of threaded rod. Conference transcript, p. 35 (Magrath). Petitioners added that one of these producers accounts for the vast majority of exports to the United States. They also stated that Thai producers export only plain and zinc plated threaded rod, and generally do not produce the larger diameter sizes. Conference transcript, pp. 46, 59, 90 (Logan).

[26] Petitioners' postconference brief, p. 31. They added that this capacity represents twice the volume of U.S. imports of threaded rod from Thailand in 2012. Petitioners' postconference brief, Ex. 1, p. 10.

[27] Petition, p. I-9.

[28] Conference transcript, p. 28 (Magrath).

End uses

U.S. demand for threaded rod depends on the demand for U.S.-produced downstream products. Reported end uses include commercial construction; hanging of pipe, sprinkler systems, conduit, electrical, lights, struts, and HVAC units; tie downs and fastening; concrete anchors; aluminum door and window manufacturing; embeds and extenders; and general framing and anchoring.

Business cycles

Three of five responding U.S. producers (including ***) and almost one-third of responding importers indicated that the market was subject to business cycles or conditions of competition. U.S. producers indicated that the threaded rod demand generally follows the general economic business cycle and the business cycle of the commercial construction industry. One producer noted that activity was slowest in November and December. Two U.S. producers reported changes in business cycles or conditions of competition; changes include lower prices driven by increased competition and overseas supply, and improvement in the economy since the recession. U.S. importers also identified seasonal business cycles associated with the construction market and general economic conditions.[29] Most of these responding importers also reported changes in the business cycles or conditions of competition, including improvements in the construction industry, a decrease in price from competitors, increased price and margin pressure from U.S. producers, "strong Indian currency," and less overall business driving down prices.

Apparent consumption

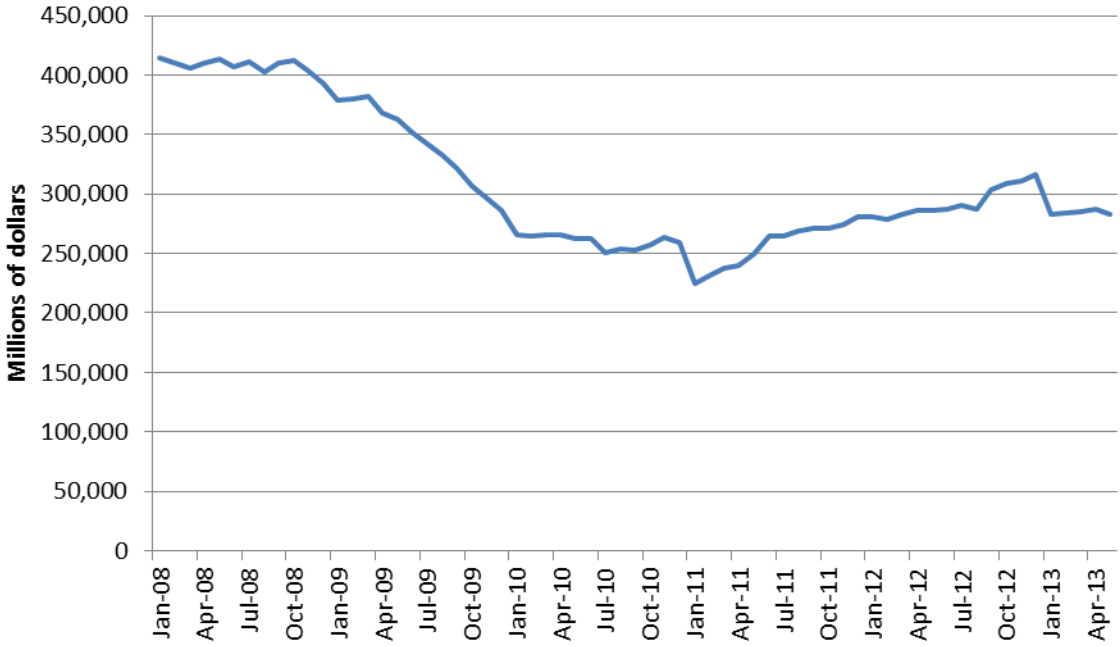
Apparent U.S. consumption of threaded rod increased during 2010-12. Overall, apparent U.S. consumption in 2012 was approximately *** percent higher than in 2010.

Demand trends

Overall demand for threaded rod depends on the demand for its end-uses, of which most are connected to nonresidential/commercial construction activity. Private nonresidential construction spending decreased by 45 percent from January 2008 to January 2011 driven by the recession and economic slowdown, then increased steadily until December 2012 (increasing by 41 percent), and declining by 11 percent from December 2012 to May 2013 (figure II-1). During the POI, nonresidential construction activity increased by about 8 percent.

[29] In general, U.S. importers reported increased demand in the spring and summer months, and decreased demand in fall and winter months. One importer added that the market was "highly competitive," and another added that threaded rod was a "worldwide commodity" influenced by "labor, steel prices and currency fluctuations."

Figure II-1
Private, nonresidential construction: Private, nonresidential construction spending (seasonally-adjusted, annual rate, reported monthly), January 2008—May 2013



Source: U.S. Census Bureau at http://www.census.gov/construction/c30/c30index.html, retrieved July 6, 2013.

Three U.S. producers indicated that U.S. demand for threaded rod had fluctuated since January 2010 with no clear trend, one reported no change, and another (***) that there had been a slight increase. Producers indicated that demand has been "choppy" and difficult to predict, while demand for "specials {e.g., nonstandard sized threaded rod} has increased." Two producers reported on demand outside the United States: one producer reported "no change" and the other that demand outside the U.S. market had increased relative to demand in the U.S. market. Most responding importers indicated that demand within the United States had fluctuated or had decreased (citing "choppy" demand that was difficult to predict, a change or instability in the U.S. economy, the recession, "severe" competition, and a weak construction market).[30] About one-third of responding importers indicated no change or an overall increase in demand[31] (with several citing improvement in construction activity or the overall economy). Few importers reported changes in demand outside the United States; of those that did, a plurality of importers indicated that demand did not change (table II-3).

[30] Another firm explained that it had shifted its focus to other product categories.
[31] One firm identified both "no change" and "overall decrease" in its questionnaire response.

Table II-3

Threaded rod: Firms' perceptions regarding changes in U.S. demand since January 2010, by number of responding firms

	Number of firms reporting			
Item	**Increase**	**No change**	**Decrease**	**Fluctuate**
Demand in the United States				
U.S. producers	1	1	0	3
Importers	6	4	8	12
Demand outside the United States				
U.S. producers	1	1	0	0
Importers	2	5	2	3

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

Substitute products

Four of five responding U.S. producers and almost all U.S. importers indicated that there were no substitutes for threaded rod. [32] According to Petitioners, there is "little interchangeability between {the subject steel threaded rod} and other types of threaded rod due to engineering and design requirements, end-user preferences, and pricing differences."[33]

Cost share

Most responding firms did not identify cost shares with associated end uses, with some noting that the information was "unknown" or that they were distributors/wholesalers. Of the identified end uses (provided by 1 U.S. producer and 10 importers), threaded rod accounted for a highly variable share of the cost of the end-use products in which it is used. Some reported end uses and cost shares were as follows: commercial construction, pipe hanging, and electrical (1 to 20 percent); hanging lights, pipes, struts, HVAC units (10 to 20 percent), concrete anchors (10 percent), embeds (85 percent), concrete ties (95 percent), and general framing and anchoring (80 percent).

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported threaded rod depends upon such factors as relative prices, quality (e.g., grade standards, reliability of supply, defect rates, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.). Based on available data, staff believes

[32] One U.S. producer identified "DE stud" for hanging pipe, adding that it did not affect the price of threaded rod. A few importers (four importers) identified substitutes for threaded rod, including heat treated carbon rods and stainless steel rods for all applications; concrete anchors and bolts for use in concrete; and aluminum and steel cable for use in hanging struts for cable runs. None indicated that changes in the price of these substitutes affected the price of threaded rod.

[33] Petition, p. I-14.

that there is high degree of substitutability between domestically produced threaded rod and threaded rod imported from subject sources.

Lead times

Most responding U.S. producers ship at least 80 percent of threaded rod from inventory (including ***), with lead times ranging from 1 to 7 days; lead times for product that is produced to order ranged from 7 to 30 days. Most U.S. producers typically arranged for transportation.

The vast majority of importers sold at least 90 percent of sales from inventory at lead times ranging from 2 to 14 days[34] (with most 5 days or less); several importers sold 100 percent of product that is produced to order with lead times ranging from 90 to 120 days; and only a few importers indicated that 100 percent of subject product was sold from the foreign manufacturers' inventory with lead times ranging from 90 to 120 days.[35] Most importers generally arrange for transportation.

Comparison of U.S.-produced and imported threaded rod

In order to determine whether U.S.-produced threaded rod can generally be used in the same applications as imports from India and Thailand, U.S. producers and importers were asked whether the products can "always," "frequently," "sometimes," or "never" be used interchangeably. As shown in table II-4, all responding U.S. producers indicated that product from all country sources was "always" or "frequently" interchangeable with that from all other country sources. One producer (***) noted that the "only reason it would not be interchangeable is if it was being used in a U.S. government job that required that it be domestic product."[36]

[34] One firm indicated a lead time of 90 days.

[35] Two importers responded "1 day."

[36] Petitioners also noted that "such Buy America requirements protect very little of our product." Conference transcript, p. 25 (Broderick).

Table II-4

Threaded rod: Perceived interchangeability between threaded rod produced in the United States and in other countries, by country pairs

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
U.S. vs. subject countries:								
U.S. vs. India	2	3	0	0	18	10	0	0
U.S. vs. Thailand	1	2	0	0	7	6	1	0
Subject countries comparisons:								
India vs. Thailand	2	1	0	0	8	3	0	0
Nonsubject countries comparisons:								
U.S. vs. China	1	2	0	0	11	7	0	0
U.S. vs. Taiwan	1	2	0	0	9	5	1	0
U.S. vs. other	1	0	0	0	5	3	0	0
India vs. China	2	1	0	0	9	4	0	0
India vs. Taiwan	2	1	0	0	10	3	0	0
India vs. other	1	0	0	0	5	2	0	0
Thailand vs. China	2	1	0	0	8	3	0	0
Thailand vs. Taiwan	2	1	0	0	8	3	0	0
Thailand vs. other	1	0	0	0	5	2	0	0

Note.—A=Always, F=Frequently, S=Sometimes, N=Never.

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

Almost all responding importers indicated that U.S.-produced and Indian-produced, and U.S-produced and Thai-produced threaded rod can “always” or “frequently” be used in the same applications. A few responding importers indicated that interchangeability was affected if domestic product was required. One importer (***) indicated that U.S. and Thai product were “sometimes” interchangeable, noting that Thailand has limited or no capability to produce hot dipped galvanized (HDG) rod, which limits its ability to participate in market applications where HDG is required. One importer noted that “low carbon steel rods are the same no matter where in the world they are produced.”

All responding importers indicated that Indian and Thai product are “always” or “frequently” interchangeable. Almost all importers indicated that U.S. threaded rod and product from nonsubject countries can “always” or “frequently” be used in the same applications. One importer (***) reported that U.S. and Taiwan product were only “sometimes” interchangeable, noting that Taiwan has limited or no capability to produce HDG rod, which limits its ability to participate in market applications where HDG is required.

In addition, producers and importers were asked to assess how often differences other than price were significant in sales of threaded rod from the United States, subject, or nonsubject countries. As shown in table II-5, all responding U.S. producers indicated that differences other than price were “sometimes” or “never” a significant factor in comparing U.S. product to either Indian or Thai product. One U.S. producer commented that lead times and

quality matter to some customers, and another noted that it could manufacture to ASTM F 1554 specifications and "test to compliance with lot certifications as requested."

Most responding importers indicated that differences other than price were "sometimes" or "never" significant between U.S. product and Indian or Thai product, or between Indian and Thai product. Importer reported differences other than price included that lead times and quality matter to some customers; that "Indian manufacturers tend to have slower deliveries {and it preferred} to purchase from non-Indian manufacturers;" that "quality, reliability, lead time for India are all poor;" that Thailand has limited HDG capability and limited capability to meet A36 specification requirements; that no domestic producer supplies specialty rod to its region; that freight costs and inventory are factors; and that U.S. producers do not provide private label, have lower quality paper tube, and use flatbed trucks instead of pallets. In comparing U.S., Indian, and Thai product to nonsubject country product, most responding importers indicated that differences other than price were "sometimes" or "never' significant.

Table II-5

Threaded rod: Significance of differences other than price between threaded rod produced in the United States and in other countries, by country pair

	Number of U.S. producers reporting				Number of U.S. importers reporting			
Country pair	A	F	S	N	A	F	S	N
U.S. vs. subject countries								
U.S. vs. India	0	0	3	2	5	2	9	12
U.S. vs. Thailand	0	0	2	1	0	2	5	7
Subject countries comparisons:								
India vs. Thailand	0	0	2	1	0	1	3	7
Nonsubject countries comparisons:								
U.S. vs. China	0	0	2	1	3	1	4	9
U.S. vs. Taiwan	0	0	2	1	0	1	4	9
U.S. vs. other	0	0	0	1	0	0	2	4
India vs. China	0	0	2	1	0	1	4	7
India vs. Taiwan	0	0	2	1	0	1	2	9
India vs. other	0	0	0	1	0	0	1	4
Thailand vs. China	0	0	2	1	0	0	3	8
Thailand vs. Taiwan	0	0	2	1	0	0	2	9
Thailand vs. other	0	0	0	1	0	0	1	4

Note.--A = Always, F = Frequently, S = Sometimes, N = Never.

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

Petitioners stated that "Threaded rod is sold primarily on the basis of price, and there are no significant quality differences between threaded rod made by one manufacturer versus another;"[37] and that threaded rod is a "commodity type product, and price is the primary factor

[37] Conference transcript, p. 6 (Waite).

that customers consider making their purchasing decisions."[38] They added availability and "prompt delivery" are relevant non-price factors.[39]

[38] Petitioners' postconference brief, p. 9.
[39] Conference transcript, p. 95 (Broderick).

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

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the alleged subsidies and alleged dumping margins was presented in *Part I* of this report and information on the volume and pricing of imports of the subject merchandise is presented in *Part IV* and *Part V*. Information on the other factors specified is presented in this section and/or *Part VI* and (except as noted) is based on the questionnaire responses of five firms that accounted for the vast majority of U.S. production of threaded rod during 2012.

U.S. PRODUCERS

The Commission sent U.S. producer questionnaires to six firms based on information contained in the petition. Four firms provided useable data on their productive operations.[1] Staff believes that these responses represent vast majority of U.S. production of threaded rod.[2]

Table III-1 lists U.S. producers of threaded rod, their production locations, positions on the petition, total production, and shares of total production.[3]

[1] One firm *** reported producing threaded rod, but did not provide useable data. The remaining U.S. producer listed in petition Conklin & Conklin is believed to be a small manufacturer with limited threaded rod production. Petition, Exh.I-1, declaration regarding production of steel threaded rod by the U.S. industry, p. 5.

[2] Petitioners stated that the three petitioners represent great bulk of U.S. production. Conference transcript, p. 26 (Magrath).

[3] All American was formed by Acme Manufacturing Co., Denver, CO in June 2010 by combining the operations of six previous acquisitions: (1) BoltMaster, Inc./RediBolt, Chicago, IL; (2) Threaded Rod Company, Inc., Indianapolis, IN; (3) Watson Metal Products Corp., Kenilworth, NJ; (4) Lancaster Threaded Products, Inc., Lancaster, PA; (5) Rods Indiana, Inc., Butler, IN; and (6) J&D Industrial Products, Inc., Butler, IN. These operations were subsequently consolidated into the three facilities listed in the table. *All America Treaded Products, About Us*, found at http://www.aatprod.com/about-us, retrieved on July 3, 2013.

Table III-1
Threaded rod: U.S. producers of threaded rod, their positions on the petition, production locations, production, and shares of reported production, 2012

Firm	Position on orders	U.S. production locations	Related and/or affiliated firms in the United States	Share of production (percent)
All America Threaded Products (**i)**	Support	Denver, CO Indianapolis, IN Lancaster, PA	None	***
All Ohio Threaded Rod Co	***	Cleveland, OH	None	***
Bay Standard Manufacturing, Inc.	Support	Brentwood, CA	None	***
Interstate Threaded Products, Inc.	Support	Dallas, TX	None	***
Vulcan Threaded Products Inc.	Support	Pelham, AL	None	***
Total				100.0

[1] All America Threaded Rod is ***
[2] No useable data provided.

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

As indicated in table III-1, no U.S. producers are related to foreign producers of the subject merchandise. In addition, as discussed in greater detail below, four U.S. producers directly import the subject merchandise and three purchase threaded rod from other U.S. firms.

U.S. PRODUCTION, CAPACITY, AND CAPACITY UTILIZATION

Table III-2 and figure III-1 present U.S. producers' production, capacity, and capacity utilization. U.S. capacity for threaded rod increased *** percent from 2010 to 2012 and was the same in interim 2012 as it was in interim 2013. Two firms, All America and *** reported increases in capacity during 2010-12. All America reported that the increase in its capacity in 2011 was due to the ramping up of capacity at its acquired firms.[4] The increase in capacity in *** was largely due to *** which attributed to ***.[5] U.S. production of threaded rod increased *** percent from 2010 to 2012, and was *** percent higher in interim 2013 compared with interim 2012. While all U.S. producers reported overall increased production from 2010 to 2012, two producers (***) reported declines in 2011. In addition, two U.S. producers (***) reported lower production in interim 2013 compared with interim 2012. Capacity utilization increased from *** percent in 2010 to *** percent in 2012, although it declined between 2010 and 2011 for all but one producer (***). All but two U.S. producers (***) had higher capacity

[4] Conference transcript, pp. 21-22 (Broderick).
[5] Email from ***.

utilization in interim 2013 than in interim 2012, resulting in higher capacity utilization for the U.S. industry.

Table III-2
Threaded rod: U.S. producers' production, capacity, and capacity utilization, 2010-12, January-March 2012, and January-March 2013

* * * * * * *

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

Figure III-1
Threaded rod: U.S. producers' production, capacity, and capacity utilization, 2010-12, January-March 2012, and January-March 2013

* * * * * * *

Source: Table III-2.

Reported constraints in the manufacturing process for the U.S. producers include ***.

All producers except *** reported production or anticipating production of other products (***) on the same equipment and machinery used to produce threaded rod. ***.[6] Vulcan reported that shifting from threaded rod to a threaded product not covered by the scope is mostly a matter of changing the type of dies used in the production process.[7]

Bay Standard reported that it ***. All America ***.

U.S. PRODUCERS' U.S. SHIPMENTS AND EXPORTS

Table III-3 presents U.S. producers' U.S. shipments, export shipments, and total shipments. Domestic commercial shipments accounted for *** of U.S. producers' shipments of threaded rod during the period of investigation. U.S. producers' commercial shipments increased *** percent from 2010 to 2012, but were *** percent lower in interim 2013 compared with interim 2012**.** U.S. shipments for all firms increased between 2010 and 2012. ***. All firms, except ***, reported lower U.S. shipments in interim 2013 compared with interim 2012. No firm reported internal consumption, transfers to related firms, or export shipments during the period of investigation.

[6] ***.

[7] Conference transcript, pp. 49-50 (Logan).

Table III-3
Threaded rod: U.S. producers' U.S. shipments, exports shipments, and total shipments, 2010-12, January-March 2012, and January-March 2013

* * * * * * *

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

U.S. PRODUCERS' INVENTORIES

Table III-4 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments over the period examined**.** U.S. producers' inventories decreased by *** percent between 2010 and 2012, and were *** percent higher in interim 2013 compared with interim 2012**.** ***, accounted for the vast majority of inventories during the period of investigation. ***. ***.

Table III-4
Threaded rod: U.S. producers' inventories, 2010-12, January-March 2012, and January-March 2013

* * * * * * *

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

U.S. PRODUCERS' IMPORTS AND PURCHASES

U.S. producers' imports and purchases of threaded rod are presented in table III-5.[8] All U.S. producers except *** directly imported the threaded rod from subject countries and all firms but *** purchased threaded rod from domestic firms.[9] [10] Imports by ***. None of the three firms that purchased threaded rod reported total purchases equivalent to greater than *** percent of their production, and none of these firms relied on a single firm for its purchases.

Table III-5
Threaded rod: U.S. producers' U.S. production, imports and purchases, 2010-12, January-March 2012, and January-March 2013

* * * * * * *

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

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[8] ***.
[9] ***.
[10] ***.

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table III-6 shows U.S. producers' employment-related data during the period of investigation. In the aggregate, U.S. producers reported a stable number of production and related workers ("PRWs") during 2010-2012.[11]

Table III-6
Threaded rod: Average number of production and related workers, hours worked, wages paid to such employees, hourly wages, productivity, and unit labor costs, 2010-12, January-March 2012, and January-March 2013

* * * * * * *

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

[11] ***.

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

U.S. IMPORTERS

The Commission issued importer questionnaires to 80 firms believed to be importers of threaded rod, as well as to all U.S. producers of threaded rod.[1] Usable questionnaire responses were received from 35 companies, representing 68.2 percent of total imports from India and 73.6 percent of total imports from Thailand between 2010 and 2012 under HTS subheading 7318.15.5056, a "basket" category that the petitioners estimate mostly correspond to threaded rod covered by the scope of these investigations.[2] [3] Table IV-1 lists all responding U.S. importers of threaded rod from India, Thailand, and other sources, their locations, and their shares of U.S. imports, in 2012.

Table IV-1
Threaded rod: U.S. importers, sources of imports, U.S. headquarters, and shares of reported imports in 2012

Firm	Headquarters	Source of imports	Share of imports			
			India	Thailand	Other	Total
All America	Denver, CO	***	***	***	***	***
All Ohio.	Cleveland, OH	***	***	***	***	***
All Tools, Inc.	San Juan, PR	***	***	***	***	***
AYK International Corp.	North Brunswick, NJ	***	***	***	***	***
Bay Standard	Brentwood, CA	***	***	***	***	***
Brighton-Best International, Inc.	Long Beach, CA	***	***	***	***	***

Table continued on next page.

[1] The Commission issued questionnaires to those firms identified in the petition, along with firms that, based on a review of data provided by U.S. Customs and Border Protection ("Customs"), may have accounted for more than one percent of total imports from India or Thailand, or more than five percent of imports from all other sources under HTS statistical reporting numbers 7318.15.5056, 7318.15.5051, and 7318.15.5090 in 2010-2012.

[2] Conference transcript, p. 39 (Waite).

[3] These firms also represent approximately 30 percent and 5 percent of total imports from India and Thailand, respectively, under statistical reporting numbers 7318.15.5051 and 7318.15.5090 under which threaded rod may also be imported. The largest importer from both sources under these HTS provisions *** did not provide questionnaire responses.

Table IV-1--*Continued*
Threaded rod: U.S. importers, sources of imports, U.S. headquarters, and shares of reported imports in 2012

Firm	Headquarters	Source of imports	Share of imports			
			India	Thailand	Other	Total
Building Fasteners of MN d/b/a B&F Fasteners Supply	Minneapolis, MN	***	***	***	***	***
Building Materials Distributors, Inc.	Galt, CA	***	***	***	***	***
Carpenter & Paterson, Inc.	Woburn, MA	***	***	***	***	***
Chun Yu Works (USA), Inc.	Chino, CA	***	***	***	***	***
DC International	Wilsonville, OR	***	***	***	***	***
Ebinga Manufacturing	Brington, MI	***	***	***	***	***
Edmar Manufacturing, Inc.	Holland, MI	***	***	***	***	***
Elite Components	Sugarland, TX	***	***	***	***	***
Endries International, Inc.	Brillion, WI	***	***	***	***	***
Fastenal	Winona,MN	***	***	***	***	***
Industrial Fittings & Valves	Toa Baja, PR	***	***	***	***	***
Industrial Products Company	Lynchburg, VA	***	***	***	***	***
International Fasteners, Inc.	Tampa, FL	***	***	***	***	***
Interstate	Dallas, TX	***	***	***	***	***
Itochu	New York, NY	***	***	***	***	***
Kirkwood Industries, Inc.	Woodinville, WA	***	***	***	***	***
MDGlobal-Imex, Inc.	Rancho Santa Margarita, CA	***	***	***	***	***
OCM Inc.	Vernon Hills, IL	***	***	***	***	***
Porteous	Santa Fe Springs, CA	***	***	***	***	***

Table continued on next page.

Table IV-1--*Continued*
Threaded rod: U.S. importers, sources of imports, U.S. headquarters, and shares of reported imports in 2012

Firm	Headquarters	Source of imports	Share of imports			
			India	Thailand	Other	Total
R H Kelehner	Medfield, MA	***	***	***	***	***
Rapid Cool Trading U.S.A. Inc.	Blacksburg, VA	***	***	***	***	***
San Juan Distributors	Bayamon, PR	***	***	***	***	***
Sunbelt Group L.P.	Houston, TX	***	***	***	***	***
Super Brite Screw Corp. (Puerto Rico)	Carolina, PR	***	***	***	***	***
Timberline Fasteners	Commerce City, CO	***	***	***	***	***
Titan Fastner Products, Inc.	Brunswick, GA	***	***	***	***	***
U S Castings	Waco, TX	***	***	***	***	***
Vertex-DXP Enterprises	Attleboro, MA	***	***	***	***	***
World Horizons Ltd.	Pompano Beach, FL	***	***	***	***	***
Total			100.0	100.0	100.0	100.0

[1] Less than 0.05 percent.

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

U.S. IMPORTS

Table IV-2 and figure IV-1 present data for U.S. imports of threaded rod from India, Thailand, and all other sources. The quantity of U.S. imports from India increased by 5.4 million pounds (25.8 percent) in 2011 and declined by 5.7 million pounds (21.6 percent) in 2012, ending 1.4 percent lower than in 2010. The value of imports from India followed a similar trend, but was 2012 12.4 percent higher at the end of 2012 compared to 2010. The quantity of U.S. imports from Thailand increased 2.1 million pounds (34.6 percent) in 2011 and increased again in 2012 by 13.7 million pounds (162.9 percent), imports from Thailand (on a quantity basis) were 253.7 percent higher in 2012 than in 2010. The value of imports from Thailand followed a similar trend, ending 272.8 percent higher in 2012 compared with 2010. The quantity of imports from India and Thailand was 4.9 percent higher and 0.7 percent lower, respectively, in interim 2013 compared with interim 2012. The volume of U.S. imports from nonsubject countries declined 2.9 percent from 2010 to 2012, and was 34.7 percent lower in January-March 2013 relative to January-March 2012.

The share of U.S. imports, by quantity, accounted for by India declined 6.2 percentage points between 2010 and 2012, while Thailand's share of U.S. imports increased by 18.2 percentage points, and imports from all other sources were 11.9 percentage points lower.

Table IV-2
Threaded rod: U.S. imports by source, 2010-12, January-March 2012, and January-March 2013

Item	Calendar year			January-March	
	2010	2011	2012	2012	2013
	Quantity (1,000 pounds)				
India	21,021	26,442	20,724	5,422	5,686
Thailand	6,244	8,402	22,087	5,487	5,449
Subtotal, subject	27,265	34,844	42,811	10,909	11,135
China	13,440	13,819	19,510	4,574	4,098
Taiwan	16,665	11,550	10,713	3,743	1,392
All others	7,817	7,577	6,618	1,848	1,149
Subtotal, nonsubject	37,922	32,945	36,841	10,166	6,638
Total U.S. imports	65,187	67,789	79,652	21,076	17,773
	Value ($1,000)[1]				
India	10,828	14,690	12,166	3,087	3,308
Thailand	2,977	4,256	11,099	2,652	2,698
Subtotal, subject	13,805	18,946	23,265	5,739	6,006
China	9,464	11,458	16,205	3,892	3,249
Taiwan	10,135	8,085	7,543	2,611	1,078
All others	6,036	7,768	8,262	1,692	1,227
Subtotal, nonsubject	25,635	27,311	32,009	8,195	5,554
Total U.S. imports	39,440	46,257	55,275	13,934	11,560
	Unit value (per pound)				
India	0.52	0.56	0.59	0.57	0.58
Thailand	0.48	0.51	0.50	0.48	0.50
Average, subject	0.51	0.54	0.54	0.53	0.54
China	0.70	0.83	0.83	0.85	0.79
Taiwan	0.61	0.70	0.70	0.70	0.77
All others	0.77	1.03	1.25	0.92	1.07
Subtotal, nonsubject	0.68	0.83	0.87	0.81	0.84
Average, total imports	0.61	0.68	0.69	0.66	0.65
	Share of quantity (percent)				
India	32.2	39.0	26.0	25.7	32.0
Thailand	9.6	12.4	27.7	26.0	30.7
Subtotal, subject	41.8	51.4	53.7	51.8	62.6
China	20.6	20.4	24.5	21.7	23.1
Taiwan	25.6	17.0	13.4	17.8	7.8
All others	12.0	11.2	8.3	8.8	6.5
Subtotal, nonsubject	58.2	48.6	46.3	48.2	37.4
Total U.S. imports	100.0	100.0	100.0	100.0	100.0
	Share of value (percent)				
India	27.5	31.8	22.0	22.2	28.6
Thailand	7.5	9.2	20.1	19.0	23.3
Subtotal, subject	35.0	41.0	42.1	41.2	52.0
China	24.0	24.8	29.3	27.9	28.1
Thailand	25.7	17.5	13.6	18.7	9.3
All others	15.3	16.8	14.9	12.1	10.6
Subtotal, nonsubject	65.0	59.0	57.9	58.8	48.0
Total U.S. imports	100.0	100.0	100.0	100.0	100.0

Notes continued on next page.

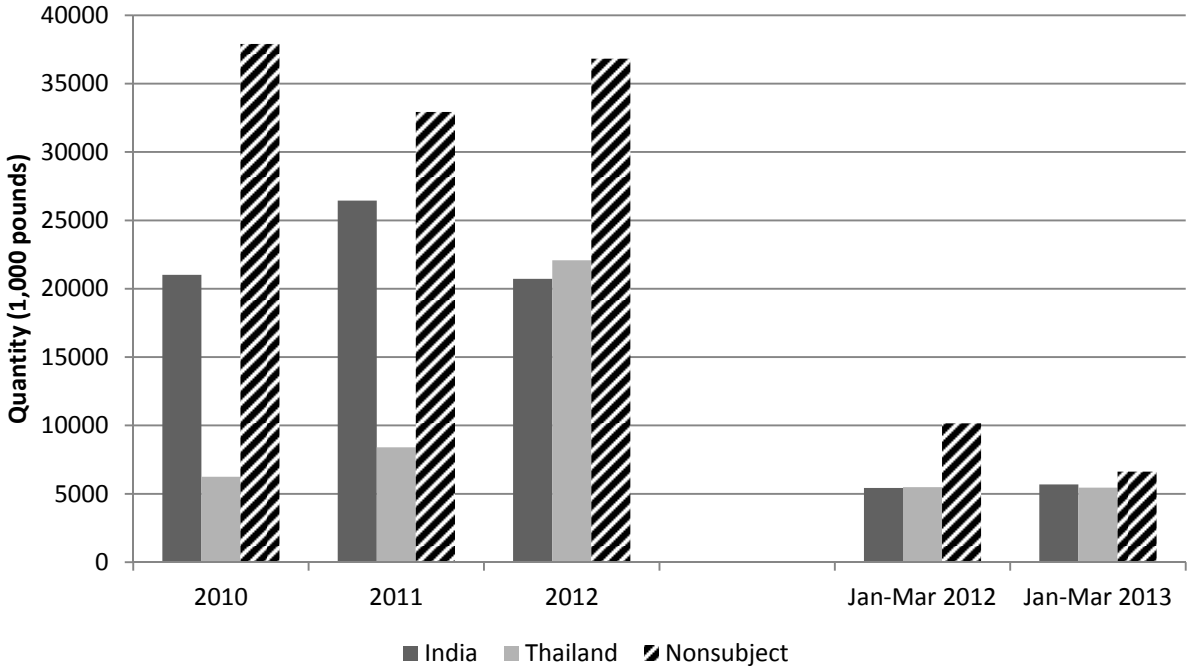
Table IV-2--*Continued*
Threaded rod: U.S. imports by source, 2010-12, January-March 2012, and January-March 2013

[1] Landed, duty paid.

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

Source: Compiled from official Commerce statistics.

Figure IV-1
Threaded rod: U.S. imports by source, 2010-12, January-March 2012, and January-March 2013



Source: Table IV-2.

NEGLIGIBILITY

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.[4] Negligible imports are generally defined in the Tariff Act of 1930, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually

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

account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible. Imports from India accounted for 27.9 percent and imports from Thailand accounted for 28.9 percent of total imports of threaded rod by quantity during June 2012 – May 2013.

CUMULATION CONSIDERATIONS

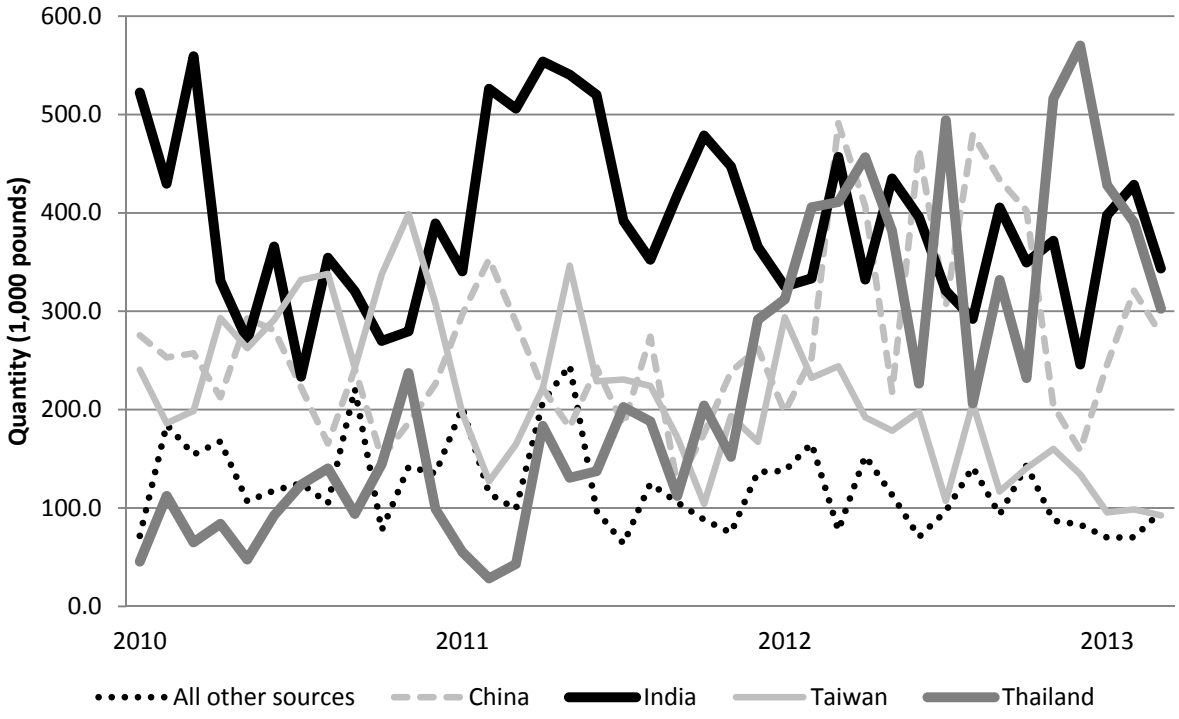
In assessing whether imports should be cumulated, the Commission determines whether U.S. imports from the subject countries compete with each other and with the domestic like product and has generally considered four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographical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

Presence in the market

With respect to simultaneous presence in the market, between January 2010 and March 2013, imports of threaded rod from India and Thailand entered the United States in every month.[5] However, as shown in Figure IV-2, monthly volumes varied over time.

[5] Department of Commerce's official statistics (HTS 7318.15.5056).

Figure IV-2
Threaded rod: U.S. imports, monthly entries into the United States, by sources, January 2010-March 2013



Source: Compiled from official Commerce statistics (HTS 7318.15.5056).

Geographical markets

With respect to geographic markets, U.S. imports of threaded rod from India primarily entered the United States through the Customs districts of (1) Houston-Galveston, TX; (2) Los Angeles, CA; (3) Charleston, SC; and (4) New York, NY. U.S. imports of threaded rod from Thailand primarily entered the United States through the Customs districts of (1) Los Angeles, CA; (2) Savannah, GA; (3) Seattle, WA; and (4) New York, NY. U.S. imports of threaded rod from all other sources primarily entered the United States through the Customs districts of (1) Houston-Galveston, TX; (2) Los Angeles, CA; (3) Savannah, GA; (4) Chicago, IL; and (5) New York, NY.

APPARENT U.S. CONSUMPTION

Table IV-3 and figure IV-2 present data on apparent U.S. consumption and U.S. market shares for threaded rod over the period of investigation. Apparent U.S. consumption, by quantity, increased each year, *** percent in 2011 and *** percent in 2012, ending *** percent higher than in 2010. Apparent U.S. consumption was lower, by *** percent in interim 2013 compared with interim 2012.

Table IV-3
Threaded rod: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 2010-12, January-March 2012, and January-March 2013

Item	Calendar year			January-March	
	2010	2011	2012	2012	2013
	Quantity (1,000 pounds)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. imports from--					
India	21,021	26,442	20,724	5,422	5,686
Thailand	6,244	8,402	22,087	5,487	5,449
Subtotal (subject)	27,265	34,844	42,811	10,909	11,135
China	13,440	13,819	19,510	4,574	4,098
Taiwan	16,665	11,550	10,713	3,743	1,392
All other sources	7,817	7,577	6,618	1,848	1,149
Subtotal (nonsubject)	37,922	32,945	36,841	10,166	6,638
Total imports	65,187	67,789	79,652	21,076	17,773
Apparent consumption	***	***	***	***	***
	Value ($1,000)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. imports from--					
India	10,828	14,690	12,166	3,087	3,308
Thailand	2,977	4,256	11,099	2,652	2,698
Subtotal (subject)	13,805	18,946	23,265	5,739	6,006
China	9,464	11,458	16,205	3,892	3,249
Taiwan	10,135	8,085	7,543	2,611	1,078
All other sources	6,036	7,768	8,262	1,692	1,227
Subtotal (nonsubject)	25,635	27,311	32,009	8,195	5,554
Total imports	39,440	46,257	55,275	13,934	11,560
Apparent consumption	***	***	***	***	***

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

Figure IV-2
Threaded rod: Apparent U.S. consumption, by sources, 2010-12, January-March 2012, and January-March 2013

* * * * * * *

Source: Table IV-3.

U.S. MARKET SHARES

U.S. market share data are presented in table IV-4. From 2010 to 2012, U.S. producers lost *** percentage points of market share based on quantity and *** percentage points based on value. Comparing interim 2012 with interim 2013, U.S. producers gained *** percentage points of market share based on quantity and *** percentage points based on value. From 2010 to 2012, U.S. imports from India lost *** percentage points of market share based on quantity and *** percentage points based on value. During the same period, U.S. imports from Thailand gained *** percentage points based on quantity and *** percentage points based on value. Comparing interim 2012 with interim 2013, U.S. imports from India gained *** percentage points of market share based on quantity and *** percentage points based on value, while U.S. imports from Thailand gained *** percentage points based on quantity and *** percentage points based on value.

Table IV-4
Threaded rod: U.S. consumption and market shares, 2010-12, January-March 2012, and January-March 2013

* * * * * * *

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

RATIO OF IMPORTS TO U.S. PRODUCTION

Table IV-5 presents data on the ratio of U.S. imports to U.S. production. The ratio of U.S. imports from India to U.S. production declined *** percentage points between 2010 and 2012 and was *** percentage point higher in interim 2013 compared with interim 2012. The ratio of U.S. imports from Thailand to U.S. production increased *** percentage points between 2010 and 2012 and was *** percentage points lower in interim 2013 compared with interim 2012.

Table IV-5
Threaded rod: Ratio of U.S. imports to U.S. production, 2010-12, January-March 2012, and January-March 2013

* * * * * * *

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

PART V: PRICING DATA[1]

FACTORS AFFECTING PRICES

Raw material costs

Threaded rod is made primarily from low-carbon steel wire rod or low-carbon steel bar.[2] The main raw material used in the production of threaded rod is carbon steel wire rod; the wire rod is cold-drawn, straightened, cut to length, threaded, and then galvanized.[3] Raw materials (including wire rod) accounted for approximately 75 percent of total cost of goods sold during 2010-12 (see Part VI: Financial Experience of U.S. Producers for additional information). As seen in figure V-1, the price of carbon steel wire rod increased rapidly (65 percent) between January 2008 and August 2008, before declining rapidly (44 percent) until February 2009. Prices increased steadily until November 2011 (by 47 percent relative to February 2009), and then dropped rapidly at the end of 2011 and continued to steadily decline with minor fluctuations until June 2013. Between January 2012 and June 2013, the price of low-carbon steel wire rod declined by 9 percent (and declined 6 percent over the entire period). Over the POI (January 2010 to March 2013), the price of low carbon steel wire rod declined by almost 6 percent.

U.S. producers and importers provided a wide variety of responses about trends in raw material prices since January 2010. Two U.S. producers reported that raw material and steel prices had declined in the last year, with one noting that it was driven by a decrease in scrap prices. Two producers reported that prices have fluctuated, but did not indicate a time period, and another described steel prices as unchanged for most of the past year. Of the 20 responding importers, almost half indicated that raw material prices had declined recently or were decreasing; four characterized raw material prices as either flat/stable; and five as volatile/fluctuating. Many linked the changes in raw material prices to changes in the steel market or the prices of steel and iron.

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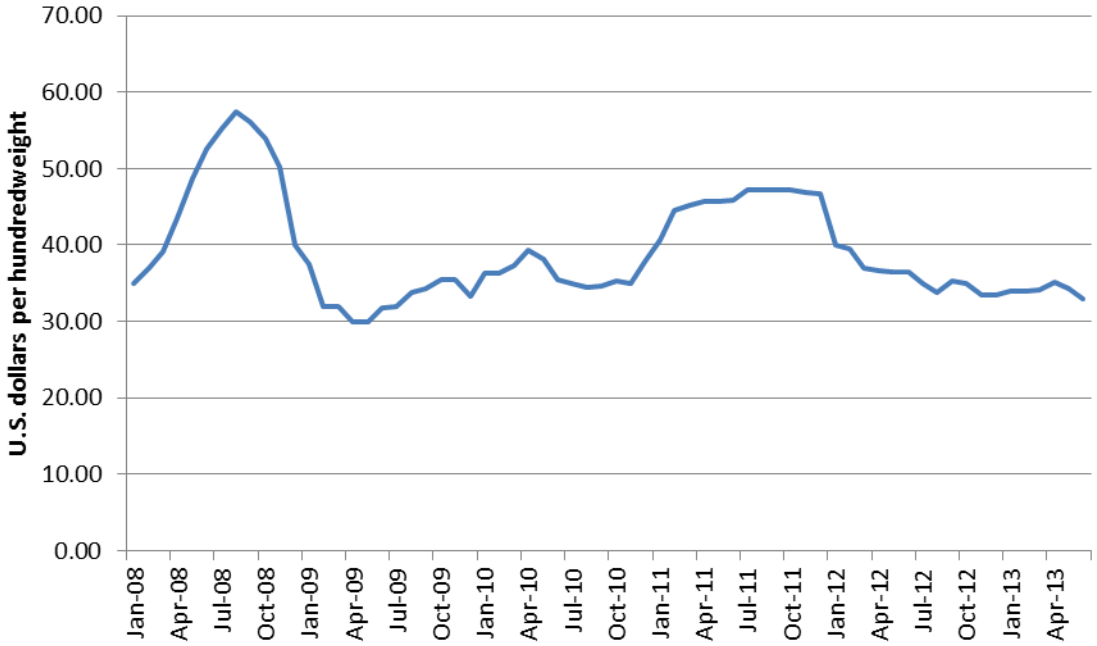
[1] While certain data reported by *** were not useable, this Part of the report includes some of *** responses from part IV of the producer questionnaire and part III of the importer questionnaire.

[2] *Certain Steel Threaded Rob from China, Inv. No. 731-TA-1145 (Final)*, USTIC Publication 4070, April 2009, p. II-1; conference transcript, p. 14 (Logan).

[3] *Certain Steel Threaded Rob from China, Inv. No. 731-TA-1145 (Final)*, USTIC Publication 4070, April 2009, p. V-1; conference transcript, pp. 14-15 (Logan).

Figure V-1
Low carbon steel wire rod: Average monthly U.S. prices in dollars per hundredweight



Source: American Metal Market.

U.S. inland transportation costs

Most responding U.S. producers and importers reported that they typically arrange transportation to their customers. U.S. producers reported that their U.S. inland transportation costs ranged from 5 to 8 percent. Importer responses varied. Importers reported transportation costs ranging from 1 to 5 percent (9 importers), 6 to 10 percent (7 importers), and 10 to 20 percent (5 importers).[4]

PRICING PRACTICES

Pricing methods

U.S. producers and importers reported using transaction-by-transaction negotiations, contracts, set price lists, and other methods to set prices for threaded rod. As presented in table V-1, U.S. producers and importers sell primarily using transaction-by-transaction negotiations and contracts. Other pricing methods included cost plus, price match, or adjustment if "competitive situation dictates."

[4] A few importers reported higher transportation cost shares of 25 percent (2 firms) and more than 90 percent (3 firms).

Table V-1

Threaded rod: U.S. producers' and importers' reported price setting methods, by number of responding firms[1]

Method	Number of firms[1]	
	U.S. producers	Importers
Transaction-by-transaction	5	26
Contract	3	13
Set price lists	2	6
Other	1	5

[1] The sum of responses down will not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

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

Most U.S. producers and importers reported selling the majority of threaded rod on the spot market (more than 60 percent of shipments for U.S. producers and more than 80 percent of shipments for importers) (table V-2). U.S. producers' short-term contracts were for 3 to 12 months, did not allow for price renegotiation, fixed price, and did not have meet-or-release provisions. No U.S. producer reported using long-term contracts. While a few importers sold threaded rod using short-term contracts, very few reported using long-term contracts. Importers' short-term contracts were for 1 to 12 months, did not allow for price renegotiations, fixed quantity, price or both, and did not have meet-or-release provisions.

Table V-2

Threaded rod: U.S. producers' and importers' shares of U.S. commercial shipments by type of sale, 2012

Type of sale	U.S. producers	Importers
Long-term contracts	**0**	**1**
Short-term contracts	**33**	**11**
Spot sales	**67**	**88**
Total	**100**	**100**

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

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

Sales terms and discounts

U.S. producers typically quote prices on either an f.o.b. or delivered basis, with sales terms most often net 30 days. Although terms and discounts varied, often "by customer," U.S. producers generally offered quantity and/or annual volume discounts/rebates. Responding importers quote prices on a delivered (mostly) and f.o.b. basis, with sales terms most often net 30 days, though several importers noted that terms vary by customer. Sixteen of 30 responding importers offered no discount; the remaining importers offered a variety of discounts including, quantity (8 importers), annual volume (7 importers), and others (e.g., cost plus, price match, payment-terms discount, and transaction-by-transaction).

PRICE DATA

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following threaded rod products shipped to unrelated U.S. customers during January 2010—March 2013.

Product 1.-- Low-carbon steel fully threaded rod, electroplated with zinc, a ⅜ inch diameter (as measured from the top of the thread), in 10 foot lengths, in cardboard tubes.

Product 2.-- Low-carbon steel fully threaded rod, electroplated with zinc, a ⅜ inch diameter (as measured from the top of the thread), in 6 foot lengths, in cardboard tubes.

Product 3.-- Low-carbon steel fully threaded rod, electroplated, a ½-inch diameter (as measured from the top of the thread), in 10-foot lengths, in cardboard tubes.

Product 4.-- Low-carbon steel fully threaded rod, plain, ¾ inch diameter (as measured from the top of the thread), 12 feet in length, in cardboard tubes.

Three U.S. producers (***) [5] and 21 importers[6] provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters. Pricing data reported by these firms accounted for approximately *** percent of U.S. producers' shipments of threaded rod, *** percent of U.S. shipments of subject imports from India, and *** percent of U.S. shipments of subject imports from Thailand overall during the POI. Pricing data reported by importers of threaded rod from nonsubject countries accounted for approximately *** percent of U.S. shipments of imports from Taiwan and less than *** percent of U.S. shipments of imports from China overall during the POI.[7]

Price data for products 1-4 are presented in tables V-3 to V-6 and figure V-2. Nonsubject country prices are presented in Appendix D.

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[5] U.S. producer *** did not provide useable price data.

[6] Price data provided by importers *** were not included in the following tables and charts. ***" Importer ***. Certain Steel Threaded Rob from China, Inv. No. 731-TA-1145 (Final), INV-GG-020, March 16, 2009, p. V-8; email from ***, July 19, 2013. Itochu and Fastenal price data are presented in Appendix E.

The vast majority (***) of Itochu imports were from *** and a substantial amount *** of Fastenal imports were from ***.

[7] Overall, pricing data were distributed as follows: ***. Vulcan accounted for *** percent of domestic pricing data. Importers Porteous and Elite ***. Importer Elite accounted for *** and importer Porteous accounted for ***.

Table V-3

Threaded rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 1[1] and margins of underselling/(overselling), by quarters, January 2010-March 2013

* * * * * * *

[1] Product 1: Low-carbon steel fully threaded rod, electroplated with zinc, a ⅜ inch diameter (as measured from the top of the thread), in 10 foot lengths, in cardboard tubes.

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

Table V-4

Threaded rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 2[1] and margins of underselling/(overselling), by quarters, January 2010-March 2013

* * * * * * *

[1] Product 2: Low-carbon steel fully threaded rod, electroplated with zinc, a ⅜ inch diameter (as measured from the top of the thread), in 6 foot lengths, in cardboard tubes.

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

Table V-5

Threaded rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 3[1] and margins of underselling/(overselling), by quarters, January 2010-March 2013

* * * * * * *

[1] Product 3: Low-carbon steel fully threaded rod, electroplated, a ½-inch diameter (as measured from the top of the thread), in 10-foot lengths, in cardboard tubes.

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

Table V-6

Threaded rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 4[1] and margins of underselling/(overselling), by quarters, January 2010-March 2013

* * * * * * *

[1] Product 4: Low-carbon steel fully threaded rod, plain, 3/4 inch diameter (as measured from the top of the thread), 12 feet in length, in cardboard tubes.

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

Figure V-2

Threaded rod: Weighted-average prices and quantities of domestic and imported product 1, by quarters, January 2010-March 2013

* * * * * * *

Price trends

In general, prices for threaded rod increased for domestic and Indian product, but decreased for product from Thailand during January 2010—March 2013. Table V-7 summarizes the price trends, by country and by product. As shown in the table, domestic price increases were comparable for products 1 through 3 (zinc plated threaded), with increases ranging from 3.9 percent to 5.7 percent. For product 4 (plain threaded rod), domestic prices increased almost 15 percent over the POI. For all 4 products, prices for product from India had similar increasing price trends over the POI compared to domestic prices, but the percentage increases were larger than domestic price increases (particularly for product 2). Prices for product from Thailand decreased for all four products over the POI—with small-to-moderate decreases for products 1 and 3 (1.3 percent and 8.9 percent) and larger decreases for products 2 and 4 (59.1 percent and 61.5 percent). In 2011, particularly in the second quarter of 2011, import volumes of products from Thailand increased substantially from small levels.[8]

Table V-7

Threaded rod: Summary of weighted-average f.o.b. prices for products 1-4 from the United States, India and Thailand

* * * * * * *

Price comparisons

As shown in table V-8 and V-9, prices for threaded rod imported from India and Thailand were below those for U.S.-produced product in 40 of 104 instances; margins of underselling ranged from 0.1 to 8.7 percent. In the remaining 64 instances, prices for threaded rod from India and Thailand were between 0.2 and 190.6 percent above prices for the domestic product.

[8] For example, the percent increase in quantity from Thailand from the first quarter of 2011 compared to the first quarter of 2013 for product 1 was *** percent, product 2 was *** percent, product 3 was more than *** percent, and product 4 was more than *** percent.

Underselling is moderately concentrated in products 1 and 3; overselling is highly concentrated in products 2 and 4. [9]

Table V-8

Threaded rod: Instances of underselling/overselling and the range and average of margins, by country, January 2010-March 2013

* * * * * * *

Table V-9

Threaded rod: Instances of underselling/overselling and the range and average of margins, by product, January 2010-March 2013

* * * * * * *

LOST SALES AND LOST REVENUE

The Commission requested U.S. producers of threaded rod to report any instances of lost sales or revenue they experienced due to competition from imports of threaded rod from India or Thailand since January 2010. Of the five responding U.S. producers, three reported that they had to reduce prices or roll back announced price increases, and four indicated that they had lost sales to imports from India or Thailand. Two U.S. producers (***) indicated that they had not reduced prices or rolled back price increases to avoid losing sales to imports from India or Thailand. The 145 lost sales allegations totaled $2.8 million and involved over 2 million pounds and almost 58,000 pieces of threaded rod, and the 148 lost revenue allegations totaled approximately $153,000 in lost revenue and involved 832 thousand pounds and almost 10,000 pieces of threaded rod. Staff contacted almost all purchasers and a summary of the information obtained follows (see tables V-10 to V-13).

Purchasers responding to the lost sales and lost revenue allegations also were asked whether they shifted their purchases of threaded rod from U.S. producers to suppliers of threaded rod from India or Thailand since 2010. Six of the 24 responding purchasers reported that they had shifted purchases of threaded rod from U.S. producers to subject imports since 2010; six[10] purchasers reported that price was the reason for the shift.[11]

---

[9] Petitioners argued for the exclusion of pricing data from importers All Tools, All Ohio, and Titan. If excluded, the number of underselling instances would be 48 out of 94 and overselling would be 46 instances. Changes in underselling instances occur in products 2 and 3; one-half of the decrease in instances of overselling (10 out of 20) occurs in product 4.

[10] These purchasers are not all the same as the preceding six purchasers as some purchasers responded to the second half of the question without answering the first half and vice versa.

[11] Additional substantive comments included (1) “Some items were purchased from importers so that we could get the sale, that we would have lost due to cost;” (2) “We are hesitate to do direct

(*continued*...)

In addition, they were asked whether U.S. producers reduced their prices in order to compete with suppliers of threaded rod from India or Thailand. Ten of 17 responding purchasers reported that the U.S. producers had reduced their prices in order to compete with the prices of subject imports since 2010.[12]

Table V-10
Threaded rod: U.S. producers' lost sales allegations, quantity reported in pounds

* * * * * * *

Table V-11
Threaded rod: U.S. producers' lost sales allegations, quantity reported in pieces

* * * * * * *

Table V-12
Threaded rod: U.S. producers' lost revenue allegations, quantity reported in pounds

* * * * * * *

(…*continued*)
importation of this product. If you look into our importation program, you will find that our imported volume on threaded rod product line is relatively small, compared with any other importers. The reason we do not prefer to do direct import of this product line is that we have to purchase at large volume in order to allow oversea manufacturers to process our order for us; that means, we have to put in much more capital on inventory of this product line. The reasons we import this product are following: (a) Domestic manufacturers cannot provide us with our own label, in other words, we cannot have our own brand on this product. (b) The packaging quality from overseas producers are much better, they use heavy duty tube, while domestic tubes are much thinner. (c) Oversea producers can palletize this product for us, while domestic manufacturers delivered from a flatbed truck, which will take much more space when stocking this item. In terms of pricing, it does not make that much difference between domestic offering and oversea pricing. This is due to large price increase in International ocean freight for the past couple years;" (3) "I can't honestly say yes or no, but I assume foreign made goods drove down prices from American made goods. Our last direct purchase from India for all threaded product was on Sept. 30, 2009. The quality was poor. I then directed we purchase from reputable U.S. suppliers. Most threaded rod we've purchase for the past several years has been produced domestically;" (4) "Other Asian nations were more expensive;" and (5) "Price is not the only reason, I can't only depend on 2 or 3 factories."

[12] Additional substantive comments from responding and non-responding purchasers include (1) "All America has always been competitive;" (2) "I don't know, like I said I have purchased threaded rod from overseas. Happy with product, material wrapping, palletizing, as well as time;" (3) "U.S. producers never reduce their pricing to offer our company and try to win more business;" (4) "Pricing has been kept quite low for a long while now, which is a little out of the ordinary from past experience;" (5) "Threaded rod pricing did not get reduced to us from a U.S. producer until August of 2012. Prices actually increased in August 2011 for approximately 12 months;" and (6) "No apparent changes in price (up or down) since May 2009."

Table V-13
Threaded rod: U.S. producers' lost revenue allegations, quantity reported in pieces

* * * * * * *

Additional lost sales and lost revenue comments

***
***.
***
***.
***
***.

PART VI: FINANCIAL EXPERIENCE OF U.S. PRODUCERS

INTRODUCTION

Four U.S. producers *** provided useable financial data on their operations on threaded rod.[1] These data are believed to account for the vast majority of U.S. production of threaded rod in 2012. No firms reported tolling operations, internal consumption, or transfers to related firms. ***.

All America was formed in June 2010, and reflects the combined operations of acquisitions made in 2008 (Threaded Rod), 2009 (Lancaster Threaded Products and Watson Metal Products), and 2010 (Rods Indiana and J&D Industrial Products).[2]

OPERATIONS ON THREADED ROD

Income-and-loss data for U.S. producers of threaded rod are presented in table VI-1, while selected financial data, by firm, are presented in table VI-2. The reported financial condition of the U.S. industry *** from 2010 to 2012, and *** between the comparable interim periods. The reported aggregate net sales quantity *** from 2010 to 2012, while the aggregate net sales value *** during this time. Collectively, the aggregate cost of goods sold ("COGS") and selling, general, and administrative ("SG&A") expenses *** during this time. As a result of the *** in operating costs and expenses as compared to revenue, aggregate operating income ***. Between the comparable interim periods, net sales quantity ***, net sales value ***, and combined operating costs and expenses ***. The *** in operating costs and expenses as compared to revenue resulted in *** in operating income in January-March 2013 and compared to January-March 2012.

Per-pound raw material costs *** from 2010 to 2012, then *** between the comparable interim periods. Raw materials accounted for an average *** percent of total COGS for the reporting period, and had the greatest impact on the increase or decrease in per-pound COGS during this time. From 2010 to 2012, per-pound raw material costs ***, while per-pound total COGS increased by ***. Between the comparable interim periods, per-pound raw material costs ***, while per-pound total COGS declined by ***.[3]

Table VI-1
Threaded rod: Results of operations of U.S. producers, 2010-12, January-March 2012, and January-March 2013

* * * * * * *

[1] ***.

[2] Conference transcript (Broderick), pp. 20-21, and e-mail correspondence from ***, July 24, 2013.

[3] ***. Petitioners' postconference brief, exhibit 1, p. 12.

Table VI-2
Threaded rod: Selected results of operations of U.S. producers, by firm, 2010-12, January-March 2012, and January-March 2013

* * * * * * *

Variance analysis

The variance analysis presented in table VI-3 is based on the data in table VI-1.[4] The analysis shows that the decline in operating income from 2010 to 2012 is attributable to a higher unfavorable net cost/expense variance despite favorable price and volume variances (that is, costs and expenses increased more than prices). In January-March 2013 as compared to January-March 2012, the analysis shows that the increase in operating income is primarily attributable to a higher favorable net cost/expense variance despite unfavorable price and volume variances (that is, costs and expenses declined more than prices).

Table VI-3
Threaded rod: Variance analysis on the operations of U.S. producers, 2010-12, and January-March 2012-13

* * * * * * *

Capital expenditures

The responding firms' aggregate data on capital expenditures are shown in table VI-4. No firms reported research and development ("R&D") expenses. Aggregate capital expenditures irregularly declined from 2010 to 2012. In January-March 2013, capital expenditures were higher than in January-March 2012. The majority of reported capital expenditures reflect the data reported by ***. According to ***.[5] ***.[6] ***.[7]

---

[4] The Commission's variance analysis is calculated in three parts; sales variance, cost of sales variance (COGS variance), and SG&A expense variance. Each part consists of a price variance (in the case of the sales variance) or a cost variance (in the case of the COGS and SG&A expense variance), and a volume variance. The sales or cost variance is calculated as the change in unit price or unit cost/expense times the new volume, while the volume variance is calculated as the change in volume times the old unit price or unit cost. Summarized at the bottom of the table, the price variance is from sales; the cost/expense variance is the sum of those items from COGS and SG&A variances, respectively, and the volume variance is the sum of the volume components of the net sales, COGS, and SG&A expense variances.

[5] Petitioners' postconference brief, exhibit 1, p. 13.

[6] Ibid.

[7] Ibid.

Table VI-4
Threaded rod: Capital expenditures of U.S. producers, 2010-12, January-March 2012, and January-March 2013

* * * * * * *

Assets and return on investment

The Commission's questionnaire requested data on assets used in the production, warehousing, and sale of threaded rod to compute return on investment ("ROI"). Data on the U.S. producers' total assets and their ROI are presented in table VI-5. The total assets utilized in the production, warehousing, and sales of threaded rod increased from $*** million in 2010 to $*** million in 2012. The ROI consistently declined during the period for which data were requested, from *** percent in 2010 to *** percent in 2012.

Table VI-5
Threaded rod: U.S. producers' total assets and return on investment, 2010-12

* * * * * * *

Capital and investment

The Commission requested U.S. producers of threaded rod to describe any actual or potential negative effects of imports of threaded rod from India or Thailand on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Responses by U.S. producers follow.

Actual Negative Effects:

***

Potential Negative Effects:

***

PART VII: THREAT CONSIDERATIONS AND INFORMATION ON NONSUBJECT COUNTRIES

Section 771(7)(F)(i) of the Act (19 U.S.C. § 1677(7)(F)(i)) provides that—

> *In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors*[1]*--*
>
> *(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,*
>
> *(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,*
>
> *(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,*
>
> *(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,*
>
> *(V) inventories of the subject merchandise,*

---

[1] Section 771(7)(F)(ii) of the Act (19 U.S.C. § 1677(7)(F)(ii)) provides that "The Commission shall consider {these factors} . . . as a whole in making a determination of whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted under this title. The presence or absence of any factor which the Commission is required to consider . . . shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition."

(VI) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products,

(VII) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),

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

(IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).[2]

Information on the nature of the alleged subsidies was presented earlier in this report; information on the volume and pricing of imports of the subject merchandise is presented in *Parts IV* and *V*; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in *Part VI*. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries.

[2] Section 771(7)(F)(iii) of the Act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other WTO member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

THE INDUSTRY IN INDIA

The Commission issued foreign producers' or exporters' questionnaires to 69 firms believed to produce and/or export threaded rod from India.[3] Useable responses to the Commission's questionnaire were received from 14 firms. These firms' exports to the United States accounted for the vast majority of U.S. imports of threaded rod from India over the period of investigation. According to estimates requested of the responding Indian producers, the production of threaded rod in India referenced in this Part of the report accounts for the majority of the overall production of threaded rod in India and exports of threaded rod to the United States.

Production capacity increased in each year, ending 13.0 million pounds higher (32.3 percent) in 2012 than in 2010. Eight of the 14 responding firms increased production capacity during 2010-12. Two firms, *** commenced production of threaded rod in 2010 and 2012, respectively. Approximately *** of the increase in capacity was attributed to ***. In addition, *** had the largest individual increase in production between 2010 and 2012, contributing to the 35.1 percent (9.6 million pounds) increase in aggregated Indian production. Four firms reported lower production in 2010 than in 2012, including ***. The vast majority of shipments of threaded rod for all but three of responding firms during 2010-12 were exported to the United States, which increased 31.0 percent between 2010 and 2012. Nine firms projected increased exports to the United States in 2013 and 2014.[4] Table VII- 1 presents information on the threaded rod operations of the responding producers and exporters in India.

[3] These firms were identified through a review of information submitted in the petition and contained in proprietary Customs records.

[4] One firm projected exports to remain the same in 2013 as in 2012 and three firms projected declining exports in 2013. Four firms projected exports to remain the same in 2014. One firm, *** did not report projections since ***. Email from ***.

Table VII-1
Threaded rod: Data for producers in India, 2010-12, January-March 2012, and January-March 2013

Items	Actual experience					Projections	
	Calendar year			January-March		Calendar year	
	2010	2011	2012	2012	2013	2013	2014
	Quantity (1,000 pounds)						
Capacity	40,169	45,569	53,139	11,098	11,861	55,494	58,540
Production	27,487	35,363	37,135	9,033	9,378	41,064	43,533
End-of-period inventories	3,634	4,627	3,730	3,828	2,527	3,918	3,302
Shipments:							
Internal consumption/ transfers	1,578	4,165	4,348	381	563	4,612	5,169
Home market	40	92	17	17	17	317	635
Exports to:							
United States	21,503	25,472	28,177	7,509	8,099	29,962	31,992
All other markets	2,950	4,641	5,830	672	637	6,044	6,973
Total exports	24,453	30,113	34,007	8,181	8,736	36,006	38,965
Total shipments	26,071	34,370	38,372	8,579	9,316	40,935	44,769
	Ratios and shares (percent)						
Capacity utilization	68.4	77.6	69.9	81.4	79.1	74.0	74.4
Inventories/production	13.2	13.1	10.0	10.6	6.7	9.5	7.6
Inventories/shipments	13.9	13.5	9.7	11.2	6.8	9.6	7.4
Share of total shipments:							
Internal consumption/ transfers	6.1	12.1	11.3	1.1	1.5	11.3	11.5
Home market	0.2	0.3	0.0	0.0	0.0	0.8	1.4
Exports to:							
United States	82.5	74.1	73.4	21.9	21.7	73.2	71.5
All other markets	11.3	13.5	15.2	2.0	1.7	14.8	15.6
Total exports	93.8	87.6	88.6	23.8	23.4	88.0	87.0

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

THE INDUSTRY IN THAILAND

The Commission issued foreign producers'/exporters' questionnaires to 18 firms believed to produce and/or export threaded rod from Thailand.[5] No responses were received. Petitioners reported that Tycoons Worldwide Group ("Tycoons") is by far the largest producer in Thailand.[6] Tycoons' facility in Rayong, Thailand has an annual wire rod production capacity of 7,936.6 million pounds (360,000 metric tons) and a threaded rod capacity of 396.8 million

[5] These firms were identified through a review of information submitted in the petition and contained in proprietary Customs records.

[6] Conference transcript, p. 79 (Waite) and p. 90 (Logan); and postconference brief, Exh. 1, p. 1.

pounds (1,500 metric tons per month).[7] Exports accounted for 59 percent of Tycoons' total sales in 2010 and 2011, and 52 percent in 2012.[8]

U.S. INVENTORIES OF IMPORTED MERCHANDISE

Table VII-2 presents data on U.S. importers' reported inventories of threaded rod.[9] Inventories of imports as well as the ratio to U.S. imports and the ratio to U.S. shipments of imports from both India and Thailand increased overall during 2010-12, while those from all other sources declined overall over the same period. One firm, *** accounted for roughly *** of the inventories of imports from India. Two firms (***) accounted for the majority of the inventories of imports from Thailand.

Table VII-2
Threaded rod: U.S. importers' inventories, 2010-12, January-March 2012, and January-March 2013

Item	Calendar year			January-March	
	2010	2011	2012	2012	2013
Imports from India					
Inventories (1,000 pounds)	3,573	3,981	4,511	2,983	4,505
Ratio to U.S. imports (percent)	20.5	24.3	35.7	23.9	20.9
Ratio to U.S. shipments of imports (percent)	22.3	29.4	36.9	24.1	33.9
Imports from Thailand					
Inventories (1,000 pounds)	252	2,899	7,892	5,185	7,762
Ratio to U.S. imports (percent)	24.9	45.4	40.2	25.4	40.2
Ratio to U.S. shipments of imports (percent)	27.2	77.6	55.0	44.1	36.0
Imports from all other sources					
Inventories (1,000 pounds)	10,133	6,825	7,318	7,578	5,894
Ratio to U.S. imports (percent)	40.3	29.4	27.3	25.8	37.2
Ratio to U.S. shipments of imports (percent)	55.1	26.1	28.2	32.6	27.3
Imports from all sources					
Inventories (1,000 pounds)	13,958	13,705	19,721	15,746	18,161
Ratio to U.S. imports (percent)	32.0	29.8	33.4	25.3	32.1
Ratio to U.S. shipments of imports (percent)	39.5	31.5	37.6	33.2	32.2

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

[7] Petition, Exh. 16 and Tycoons Worldwide Group (Thailand) Public Co., Ltd, Annual report 2012, p. 3.
[8] Tycoons Worldwide Group (Thailand) Public Co., Ltd, Annual report 2012, p. 5.
[9] Inventories do not include those for importer Fastenal, which represented approximately *** percent of imports from India, *** percent of imports from Thailand, and *** percent of imports from all other sources under HTS statistical reporting number 7318.15.5056. The firm reported that ***

U.S. IMPORTERS' OUTSTANDING ORDERS

The Commission requested importers to indicate whether they imported or arranged for the importation of threaded rod from India and Thailand after March 31, 2013. Table VII-3 presents the quantity and value of orders by 27 U.S. importers which indicated that they had imported or arranged for the importation of threaded rod from India and Thailand, and other sources.

Table VII-3
Threaded rod: U.S. importers' orders for subsequent to March 2013

Source	Jan-Mar 2013	Apr-Jun 2013	July-Sept 2013	Oct-Sept 2013	Total
	Quantity (1,000 pounds)				
India	267,267	229,860	263,861	160	761,148
Thailand	5,674	2,605	2,585	0	10,864
Subtotal, subject	272,941	232,465	266,446	160	772,012
All others	3,490	6,133	4,163	0	13,786
Total U.S. imports	276,431	238,598	270,609	160	785,798

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

ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

No responding producer, importer or foreign producer reported countervailing or antidumping duty orders on threaded rod from India or Thailand other than the antidumping order on U.S. imports from China (see *Part I* of this report for further details).

INFORMATION ON NONSUBJECT COUNTRIES

In assessing whether the domestic industry is materially injured or threatened with material injury "by reason of subject imports," the legislative history states "that the Commission must examine all relevant evidence, including any known factors, other than the dumped or subsidized imports, that may be injuring the domestic industry, and that the Commission must examine those other factors (including non-subject imports) 'to ensure that it is not attributing injury from other sources to the subject imports.'"[10]

[10] *Mittal Steel Point Lisas Ltd. v. United States*, 542 F.3d 867.87 (Fed. Cir. 2008), quoting from Statement of Administrative Action on Uruguay Round Agreements Act, H.R. Rep. 103-316, Vol. I at 851-52; see also *Bratsk Aluminum Smelter v. United States*, 444 F.3d 1369 (Fed. Cir. 2006).

According to the petitioners, the major threaded rod industries in nonsubject countries supplying the U.S. market are China and Taiwan.[11] China has a very large capacity to produce threaded rod and its threaded rod industry is export-oriented. In 2009, an antidumping duty order was imposed on threaded rod imports from China.[12] Taiwan is also a supplier of threaded rod to the U.S. market, but, "the volume of imports from Taiwan has fallen over the past few years, probably the result of its relatively high costs of materials and labor compared with producers in India and Thailand."[13] According to U.S. import statistics, Malaysia is the third largest threaded rod import source.[14]

Nonsubject imports accounted for a declining share of total U.S. imports during 2010-12, 58.2 percent in 2010, 48.6 percent in 2011, and 46.3 percent in 2012 (table VII-4). According to official Commerce import statistics, China and Taiwan account for the great majority of imports from nonsubject countries; 82.0 percent in 2012. Malaysia is the third-largest source of nonsubject imports and accounted for 10.8 percent of nonsubject imports in 2012.

[11] Conference transcript, pp. 67-71, (Logan).

[12] Petitioners' postconference brief, exh. 1, p. 5.

[13] Ibid.

[14] Petitioners believe that U.S. imports from Malaysia are actually produced in China and transshipped through Malaysia. Conference transcript, pp. 68-70 and Petitioners postconference brief, exh. 1, pp. 5-6.

Table VII-4
Threaded rod: U.S. imports, by subject and major nonsubject supplier, 2010-12, January-May 2012, and January-May 2013

Country	Calendar year			January-May	
	2010	2011	2012	2012	2013
	Quantity (1,000 pounds)				
India	21,021	26,442	20,724	9,150	9,373
Thailand	6,244	8,402	22,087	9,560	9,206
Subtotal, subject	27,265	34,844	42,811	18,711	18,579
China	13,440	13,819	19,510	7,612	7,741
Taiwan	16,665	11,550	10,713	5,546	2,339
Malaysia	5,561	3,903	3,997	1,815	1,119
All others	2,255	3,674	2,621	1,326	737
Subtotal nonsubject	37,922	32,945	36,841	16,299	11,936
Total imports	65,187	67,789	79,652	35,009	30,515
	Value ($1,000 dollars)1				
India	10,828	14,690	12,166	5,247	5,514
Thailand	2,977	4,256	11,099	4,633	4,645
Subtotal, subject	13,805	18,946	23,266	9,880	10,159
China	9,464	11,458	16,205	6,484	6,184
Taiwan	10,135	8,085	7,543	3,841	1,965
Malaysia	3,303	2,727	3,232	1,357	2,067
All others	2,733	5,042	5,030	1,994	1,291
Subtotal nonsubject	25,635	27,311	32,009	13,677	11,507
Total imports	39,440	46,257	55,275	23,557	21,666
	Unit value (dollars per pound)				
India	0.52	0.56	0.59	0.57	0.59
Thailand	0.48	0.51	0.50	0.48	0.50
Average, subject	0.51	0.54	0.54	0.53	0.55
China	0.70	0.83	0.83	0.85	0.80
Taiwan	0.61	0.70	0.70	0.69	0.84
Malaysia	0.59	0.70	0.81	0.75	1.85
All others	0.12	0.14	0.19	1.50	1.75
Average nonsubject	0.77	0.10	0.13	0.84	0.96
Average, all imports	0.61	0.68	0.69	0.67	0.71

[1] Landed, duty paid.

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

Source: Compiled from official Commerce statistics.

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
78 FR 40170 July 3, 2013	*Certain Steel Threaded Rod From India and Thailand; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations*	http://www.gpo.gov/fdsys/pkg/FR-2013-06-03/pdf/2013-13071.pdf
78 FR 44526 July 24, 2013	*Steel Threaded Rod From India and Thailand: Initiation of Antidumping Duty Investigations*	http://www.gpo.gov/fdsys/pkg/FR-2013-07-24/pdf/2013-17794.pdf
78 FR 4532 July 24, 2013	*Steel Threaded Rod From India: Initiation of Countervailing Duty Investigation*	http://www.gpo.gov/fdsys/pkg/FR-2013-07-24/pdf/2013-17795.pdf

APPENDIX B

CALENDAR OF THE PUBLIC STAFF CONFERENCE

CALENDAR OF PUBLIC PRELIMINARY CONFERENCE

Subject: Certain Steel Threaded Rod from India and Thailand

Inv. Nos.: 701-TA-498 and 731-TA-1213-1214 (Preliminary)

Date and Time: July 18 2013 - 9:30 a.m.

Sessions were held in connection with these preliminary phase investigations in Courtroom A (Room 100), 500 E Street, S.W., Washington, DC.

OPENING REMARKS:

Petitioners (**Frederick P. Waite**, Vorys, Sater, Seymour and Pease LLP)

In Support of the Imposition
Antidumping and Countervailing Duty Orders:

Vorys, Sater, Seymour and Pease LLP
Washington, DC
on behalf of

Vulcan Threaded Products Inc.
All America Threaded Products Inc.
Bay Standard Manufacturing Inc.

William D. Upton, Jr., President, Vulcan Threaded Products Inc.

Alan D. Logan, Vice President, Operations, Vulcan Threaded Products Inc.

Brent Jenkins, Sales and Marketing Analyst, Vulcan Threaded Products Inc.

L. G. Broderick, President and CEO, All America Threaded Products Inc.

Dr. Patrick Magrath, President, Magrath & Otis, LLC

Frederick P. Waite)
) – OF COUNSEL
Kimberly R. Young)

CLOSING REMARKS:

Petitioner (**Frederick P. Waite**, Vorys, Sater, Seymour and Pease LLP)

APPENDIX C

SUMMARY DATA

Table C-1

Threaded rod: Summary data concerning the U.S. market, 2010-2012, January-March 2012, and January-March 2013

(Quantity=1,000 pounds; Value=$1,000; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent -- exceptions noted)

	Reported data					Period changes			
				January-March					January-March
Item	2010	2011	2012	2012	2013	2010-12	2010-11	2011-12	2012-13
U.S. consumption quantity:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***
Importers' share (1):									
India	***	***	***	***	***	***	***	***	***
Thailand	***	***	***	***	***	***	***	***	***
Subtotal, subject	***	***	***	***	***	***	***	***	***
China	***	***	***	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***	***	***	***
All other nonsubject countires	***	***	***	***	***	***	***	***	***
Subtotal, nonsubject	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***
U.S. consumption value:									
Amount	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***
Importers' share (1):									
India	***	***	***	***	***	***	***	***	***
Thailand	***	***	***	***	***	***	***	***	***
Subtotal, subject	***	***	***	***	***	***	***	***	***
China	***	***	***	***	***	***	***	***	***
Taiwan	***	***	***	***	***	***	***	***	***
All other nonsubject countires	***	***	***	***	***	***	***	***	***
Subtotal, nonsubject	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***
U.S. imports from:									
India:									
Quantity	21,021	26,442	20,724	5,422	5,686	(1.4)	25.8	(21.6)	4.9
Value	10,828	14,690	12,166	3,087	3,308	12.4	35.7	(17.2)	7.2
Unit value	0.52	0.56	0.59	0.57	0.58	14.0	7.8	5.7	2.2
Ending inventory quantity	3,573	3,981	4,511	2,983	4,505	26.3	11.4	13.3	51.0
Thailand:									
Quantity	6,244	8,402	22,087	5,487	5,449	253.7	34.6	162.9	(0.7)
Value	2,977	4,256	11,099	2,652	2,698	272.8	43.0	160.8	1.7
Unit value	0.48	0.51	0.50	0.48	0.50	5.4	6.3	(0.8)	2.4
Ending inventory quantity	252	2,899	7,892	5,185	7,762	3031.7	1050.4	172.2	49.7
Subject sources:									
Quantity	27,265	34,844	42,811	10,909	11,135	57.0	27.8	22.9	2.1
Value	13,805	18,946	23,265	5,739	6,006	68.5	37.2	22.8	4.7
Unit value	0.51	0.54	0.54	0.53	0.54	7.3	7.4	(0.1)	2.5
Ending inventory quantity	3,825	6,880	12,403	8,168	12,267	224.3	79.9	80.3	50.2
China:									
Quantity	13,440	13,819	19,510	4,574	4,098	45.2	2.8	41.2	(10.4)
Value	9,464	11,458	16,205	3,892	3,249	71.2	21.1	41.4	(16.5)
Unit value	0.70	0.83	0.83	0.85	0.79	17.9	17.7	0.2	(6.8)
Ending inventory quantity	293	196	80	266	201	(72.7)	(33.1)	(59.2)	(24.4)
Taiwan:									
Quantity	16,665	11,550	10,713	3,743	1,392	(35.7)	(30.7)	(7.3)	(62.8)
Value	10,135	8,085	7,543	2,611	1,078	(25.6)	(20.2)	(6.7)	(58.7)
Unit value	0.61	0.70	0.70	0.70	0.77	15.8	15.1	0.6	11.1
Ending inventory quantity	6,545	4,860	5,638	5,140	4,319	(13.9)	(25.7)	16.0	(16.0)
All other sources:									
Quantity	7,817	7,577	6,618	1,848	1,149	(15.3)	(3.1)	(12.7)	(37.8)
Value	6,036	7,768	8,262	1,692	1,227	36.9	28.7	6.4	(27.5)
Unit value	0.77	1.03	1.25	0.92	1.07	61.7	32.8	21.8	16.6
Ending inventory quantity	3,295	1,769	1,600	2,172	1,374	(51.4)	(46.3)	(9.6)	(36.7)
All sources:									
Quantity	65,187	67,789	79,652	21,076	17,773	22.2	4.0	17.5	(15.7)
Value	39,440	46,257	55,275	13,934	11,560	40.1	17.3	19.5	(17.0)
Unit value	0.61	0.68	0.69	0.66	0.65	14.7	12.8	1.7	(1.6)
Ending inventory quantity	13,958	13,705	19,721	15,746	18,161	41.3	(1.8)	43.9	15.3

Table C-1

Threaded rod: Summary data concerning the U.S. market, 2010-2012, January-March 2012, and January-March 2013

(Quantity=1,000 pounds; Value=$1,000; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent -- exceptions noted)

	Reported data					Period changes			
				January-March					January-March
Item	2010	2011	2012	2012	2013	2010-12	2010-11	2011-12	2012-13
U.S. producers':									
Average capacity quantity	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Inventories/total shipments	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***
Wages paid ($1,000)	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***
Productivity (pounds per hour)	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***
UNIT SG&A expenses	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales (1)	***	***	***	***	***	***	***	***	***

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

(2) Undefined

Note: --Financial data are reported on a fiscal year basis and not necessarily be comparable to data reported on a calender year basis.

Due to rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

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

APPENDIX D

NONSUBJECT COUNTRY PRICE DATA

Six importers reported price data for nonsubject countries China and Taiwan for products 1, 2, 3, and 4 described in Part V of this report. Price data reported by these firms accounted for less than 1 percent of U.S. imports from China and 24.3 percent of U.S. imports from Taiwan. These data were collected on the same basis as those presented in tables V-3 to V-6. Price and quantity data for China and Taiwan are shown in tables D-1 to D-4 and in figures D-1 to D-4 (with domestic and subject sources).

In comparing nonsubject country pricing data with U.S. producer pricing data, prices for product imported from China and Taiwan were lower than prices for U.S.-produced product in 25 instances and higher in 32 instances. In comparing nonsubject country pricing data with subject country pricing data, prices for product imported from nonsubject countries were lower than prices for product imported from subject countries in 71 instances and higher in 43 instances.

Table D-1

Threaded rod: Weighted-average f.o.b. prices and quantities of imported product 1[1] and margins of underselling/(overselling), by quarters, January 2010-March 2013

* * * * * * *

Table D-2

Threaded rod: Weighted-average f.o.b. prices and quantities of imported product 2[1] and margins of underselling/(overselling), by quarters, January 2010-March 2013

* * * * * * *

Table D-3

Threaded rod: Weighted-average f.o.b. prices and quantities of imported product 3[1] and margins of underselling/(overselling), by quarters, January 2010-March 2013

* * * * * * *

Table D-4

Threaded rod: Weighted-average f.o.b. prices and quantities of imported product 4[1] and margins of underselling/(overselling), by quarters, January 2010-March 2013

* * * * * * *

Figure D-1

Threaded rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, by quarters, January 2010-March 2013

* * * * * * *

Figure D-2

Threaded rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, by quarters, January 2010-March 2013

* * * * * * *

Figure D-3

Threaded rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, by quarters, January 2010-March 2013

* * * * * * *

Figure D-4

Threaded rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, by quarters, January 2010-March 2013

* * * * * * *

APPENDIX E

ITOCHU AND FASTENAL PRICE DATA

Table E-1

Threaded rod: Reported price data[1] for Itochu/Prime Source, imports from India and Thailand, by quarters, January 2010-March 2013

* * * * * * *

Table E-2

Threaded rod: Reported price data for Itochu/Prime Source, imports from Taiwan, by quarters, January 2010-March 2013

* * * * * * *

Table E-3

Threaded rod: Reported price data for Fastenal, imports from India by quarters, January 2010-March 2013

* * * * * * *

Table E-4

Threaded rod: Reported price data for Fastenal, imports from Thailand by quarters, January 2010-March 2013

* * * * * * *

Table E-5

Threaded rod: Reported price data for Fastenal, imports from China by quarters, January 2010-March 2013

* * * * * * *

Table E-6

Threaded rod: Reported price data for Fastenal, imports from Taiwan by quarters, January 2010-March 2013

* * * * * * *