Fabricated Structural Steel from Canada, China, and Mexico

Investigation Nos. 701-TA-615-617 and 731-TA-1432-1434 (Preliminary)

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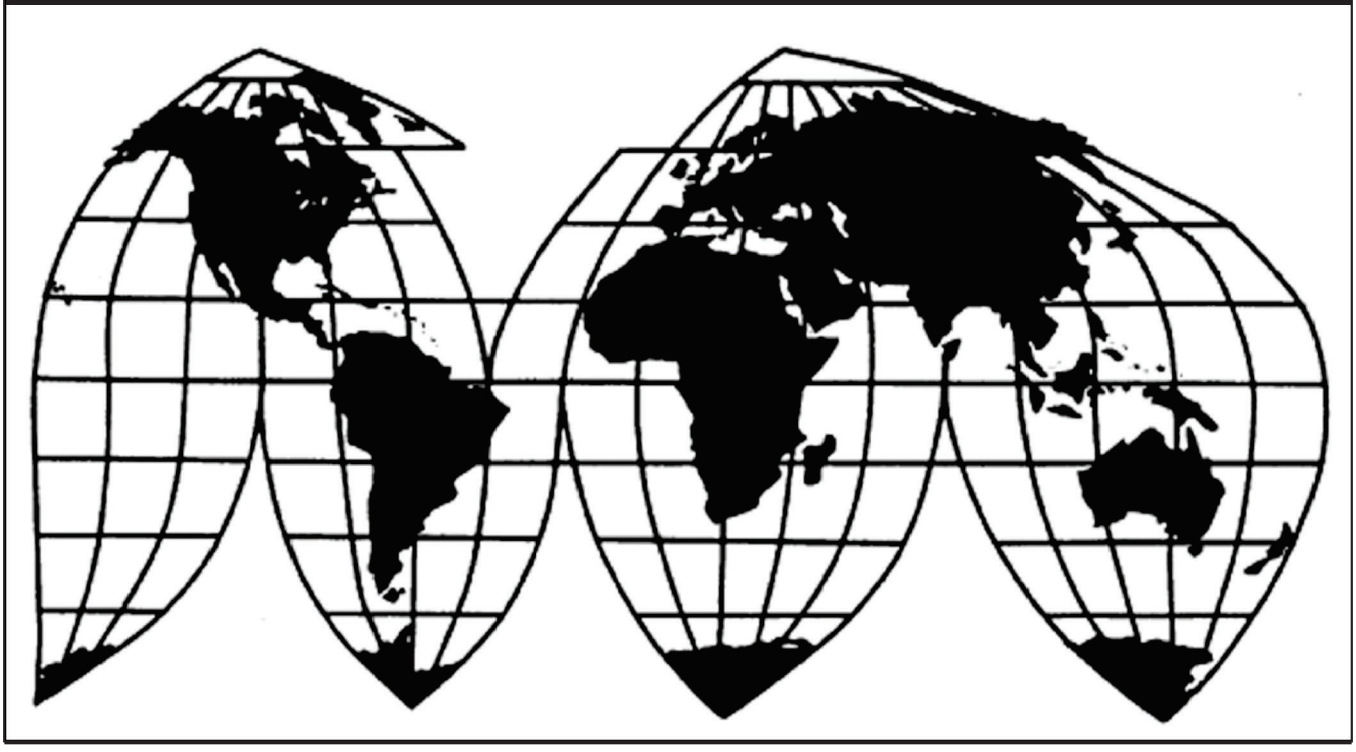

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UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-615-617 and 731-TA-1432-1434 (Preliminary)

Fabricated Structural Steel from Canada, China, and Mexico

DETERMINATIONS

On the basis of the record[1] developed in the subject investigations, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of fabricated structural steel from Canada, China, and Mexico, provided for in subheadings 7308.90.30, 7308.90.60, and 7308.90.95 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 to be subsidized by the governments of Canada, China, and Mexico.[2]

COMMENCEMENT OF FINAL PHASE INVESTIGATIONS

Pursuant to section 207.18 of the Commission's rules, the Commission also gives notice of the commencement of the final phase of its investigations. The Commission will issue a final phase notice of scheduling, which will be published in the *Federal Register* as provided in section 207.21 of the Commission's rules, upon notice from the U.S. Department of Commerce ("Commerce") of affirmative preliminary determinations in the investigations under 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 February 4, 2019, the American Institute of Steel Construction ("AISC"), LLC, Chicago, IL (amended on February 21, 2019 to the Full Member Subgroup of the AISC), filed petitions with the Commission and Commerce, alleging that an industry in the United States is materially

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

[2] 84 FR 7330 (March 4, 2019) and 84 FR 7339 (March 4, 2019).

injured or threatened with material injury by reason of subsidized imports of fabricated structural steel from Canada, China, and Mexico and LTFV imports of fabricated structural steel from Canada, China, and Mexico. Accordingly, effective February 4, 2019, the Commission, pursuant to sections 703(a) and 733(a) of the Act (19 U.S.C. 1671b(a) and 1673b(a)), instituted countervailing duty investigation Nos. 701-TA-615-617 and antidumping duty investigation Nos. 731-TA-1432-1434 (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 February 11, 2019 (84 FR 3245). The conference was held in Washington, DC, on February 25, 2019, 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 determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of fabricated structural steel ("FSS") from Canada, China, and Mexico that are allegedly sold in the United States at less than fair value and are allegedly subsidized by the governments of Canada, China, and Mexico.[1]

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.[2] 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."[3]

II. Background

Parties to the Investigations. The American Institute of Steel Construction, LLC ("AISC"), an industry association with a majority of its full members being producers of FSS, filed the petitions in these investigations on February 4, 2019. On February 21, 2019, petitioner filed an amendment to the petitions, to clarify that the petitioner is the AISC Full Member Subgroup, consisting of full members of AISC as defined in its bylaws. Petitioner appeared at the staff conference and submitted a postconference brief.

Several respondent entities participated in these investigations. The Canadian Institute of Steel Construction ("CISC"), an industry association a majority of whose members produce subject merchandise in Canada, along with individual members of the CISC, Canam Buildings and Structures, Inc., Canatal Industries, Inc., and Walters Inc., producers of subject merchandise in Canada (collectively, "Canadian Respondents"), appeared at the conference and jointly submitted a postconference brief. Corey S.A. de C.V. ("Corey"), a producer of subject

[1] Due to the closing of the federal government on February 20, 2019 as a result of inclement weather conditions, the deadline for these investigations has been tolled by one day pursuant to 19 U.S.C. §§ 1671b(a)(2), 1673b(a)(2).

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

[3] *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).

merchandise in Mexico, appeared at the conference and submitted a postconference brief. No producers or exporters of subject merchandise from China have participated in these investigations.

Several respondent entities that produced, imported, or purchased products that are potentially within the scope of the investigations also participated in the investigations. Exportadora de Postes de Monclova, S.A. de C.V. and Exportadora de Postes GDL, S.A. de C.V. (collectively, "Exportadoras"), both Mexican producers and exporters of transmission and distribution steel monopoles, appeared at the conference and jointly submitted a postconference brief.[4] Direct Scaffold Supply, a U.S. importer of scaffolding from China, appeared at the conference and submitted a postconference brief. Valmont Industries, Inc., a U.S. producer and importer of electrical transmission distribution and substation poles and structures, did not appear at the conference, but submitted a postconference brief jointly with its subsidiaries Valmont Monterrey S. De R.I. de C.V., a Mexican producer and exporter of steel poles, and Valmont Industries (Guangdong) Co. Ltd. and Valmont Industries China Ltd., both Chinese producers and exporters of steel poles (collectively "Valmont"). Wind Turbine & Energy Cables Corp., ("WTEC") a U.S. purchaser and industrial end user of steel beams used to support solar panels, did not appear at the conference, but submitted a postconference brief.

Data Coverage. U.S. industry data are based on the questionnaire responses of 63 producers, accounting for approximately 31.2 percent of U.S. production of FSS in 2017.[5] U.S. import data are based on official U.S. Department of Commerce ("Commerce") import statistics and from questionnaire responses from 20 U.S. importers, accounting in 2017 for approximately 21.5 percent of total subject imports, 50.2 percent of subject imports from Canada, *** percent of subject imports from China, and *** percent of subject imports from Mexico.[6] The Commission received responses to its questionnaires from 36 foreign producers of subject merchandise: 28 producers/exporters in Canada, accounting for approximately 40 percent of production of subject merchandise from Canada in 2017; five producers/exporters in China; and three producers/exporters in Mexico, accounting for approximately 12 percent of production of subject merchandise from Mexico in 2017.[7]

Data Issues. These investigations involve a domestic industry that is highly fragmented and contains many small producers.[8] While 72 U.S. producers submitted responses to the Commission's questionnaire (many of them not usable in whole or in part), responding U.S. producers accounted for less than a majority of U.S. production of FSS.[9] Consequently, the coverage in our questionnaire data of U.S. producers' shipments is understated, and key

[4] SAE Towers Ltd, a U.S. firm that manufactures steel lattice towers, steel monopoles, and substation structures in a plant of its affiliate in Mexico, did not file an entry of appearance or participate in the conference, but its chief executive officer submitted a letter following the conference urging that these products be excluded from the scope or be treated as a "separate domestic equivalent." February 28, 2019 letter of Gus Cedeno to Secretary Barton.

[5] Confidential Report ("CR") at I-11; III-1; Public Report ("PR") at I-7, III-1.

[6] CR at IV-2; PR at IV-2.

[7] CR at VII-4, VII-15, VII-23; PR at VII-3, VII-9, VII-14 to VII-15.

[8] CR at I-5, VI-3; PR at I-4, VI-2.

[9] CR at III-1 and n.1; PR at III-1 n.1.

indicators such as apparent U.S. consumption, the market share of the domestic industry, and U.S. production and employment are understated as well.[10]

Given the data coverage of the Commission's importer questionnaires, the quantities and values in the Commission report are based on official U.S. import statistics, except where otherwise indicated.[11] Official import statistics include some out-of-scope merchandise (regardless of the resolution of whether certain items exported, imported, and/or purchased by respondents are within or outside the scope) because one of the three principal HTS categories listed in the scope (HTS 7308.90.9590) is a basket category that includes some indisputably out-of-scope articles.[12] Consequently, import quantities and import market share in the Commission's data set are likely overstated.

III. Domestic Like Product

A. In General

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."[13] 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."[14] 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."[15]

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.[16] No single factor is

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[10] We recognize that some firms may have had difficulty in providing usable questionnaire responses, and that the time frames for questionnaire responses in preliminary phase investigations are short. However, given that these petitions were filed on behalf of an industry association (and its full members), in any final phase of these investigations, we would anticipate better coordination from petitioner and its members and more extensive cooperation from domestic producers in responding to the Commission's questionnaire. *Cf. Certain Iron Mechanical Transfer Drive Components from Canada and China*, Inv. Nos. 701-TA-550 and 731-TA-1304-1305 (Preliminary), USITC Pub. 4587 at 36 n.213 (Dec. 2015) ("The Commission appreciates diligence and attention to detail, particularly from practitioners that regularly appear before the agency").

[11] CR at IV-3; PR at IV-2.

[12] CR at IV-2 and nn.4-5; PR at IV-2 and nn.4-5.

[13] 19 U.S.C. § 1677(4)(A).

[14] 19 U.S.C. § 1677(4)(A).

[15] 19 U.S.C. § 1677(10).

[16] *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* (Continued…)

dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[17] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[18] 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,[19] the Commission determines what domestic product is like the imported articles Commerce has identified.[20]

B. Product Description

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

> The merchandise covered by these investigations is carbon and alloy fabricated structural steel. Fabricated structural steel is made from steel in which: (1) Iron predominates, by weight, over each of the other contained elements; and (2) the carbon content is two percent or less by weight. Fabricated structural steel products are steel products that have been fabricated for erection or assembly into structures, including, but not limited to, buildings (commercial, office, institutional, and multi-family residential); industrial and utility projects; parking decks; arenas and convention

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(…Continued)
States, 19 CIT 450, 455 (1995); *Torrington Co. v. United States*, 747 F. Supp. 744, 749 n.3 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991) ("every like product determination 'must be made on the particular record at issue' and the 'unique facts of each case'"). The Commission generally considers a number of factors including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. *See Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996).

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

[18] *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.").

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

[20] *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).

centers; medical facilities; and ports, transportation and infrastructure facilities. Fabricated structural steel is manufactured from carbon and alloy (including stainless) steel products such as angles, columns, beams, girders, plates, flange shapes (including manufactured structural shapes utilizing welded plates as a substitute for rolled wide flange sections), channels, hollow structural section (HSS) shapes, base plates, and plate-work components. Fabrication includes, but is not limited to cutting, drilling, welding, joining, bolting, bending, punching, pressure fitting, molding, grooving, adhesion, beveling, and riveting and may include items such as fasteners, nuts, bolts, rivets, screws, hinges, or joints.

The inclusion, attachment, joining, or assembly of non-steel components with fabricated structural steel does not remove the fabricated structural steel from the scope.

Fabricated structural steel is covered by the scope of the investigations regardless of whether it is painted, varnished, or coated with plastics or other metallic or non-metallic substances and regardless of whether it is assembled or partially assembled, such as into modules, modularized construction units, or sub-assemblies of fabricated structural steel.

Subject merchandise includes fabricated structural steel that has been assembled or further processed in the subject country or a third country, including but not limited to painting, varnishing, trimming, cutting, drilling, welding, joining, bolting, punching, bending, beveling, riveting, galvanizing, coating, and/or slitting or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the fabricated structural steel.

Specifically excluded from the scope of these investigations are:

1. Fabricated steel concrete reinforcing bar (rebar) if: (i) It is a unitary piece of fabricated rebar, not joined, welded, or otherwise connected with any other steel product or part; or (ii) it is joined, welded, or otherwise connected only to other rebar.

2. Fabricated structural steel for bridges and bridge sections that meets American Association of State and Highway and Transportation Officials (AASHTO) bridge construction requirements or any state or local derivatives of the AASHTO bridge construction requirements.

3. Pre-engineered metal building systems, which are defined as complete metal buildings that integrate steel framing, roofing and walls to form one, pre-engineered building system, that meet Metal Building Manufacturers Association guide specifications. Pre-engineered metal building systems are typically limited in height to no more than 60 feet or two stories.

4. Steel roof and floor decking systems that meet Steel Deck Institute standards.

5. Open web steel bar joists and joist girders that meet Steel Joist Institute specifications.

   The products subject to the investigations are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings: 7308.90.3000, 7308.90.6000, and 7308.90.9590.

   The products subject to the investigations may also enter under the following HTSUS subheadings: 7216.91.0010, 7216.91.0090, 7216.99.0010, 7216.99.0090, 7222.40.6000, 7228.70.6000, 7301.10.0000, 7301.20.1000, 7301.20.5000, 7308.40.0000, 7308.90.9530, and 9406.90.0030.

   The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the investigations is dispositive.[21]

Commerce's scope appears to be identical to the revised proposed scope in petitioner's February 22, 2019 amendment to the petitions, which differed somewhat from the proposed scope in the original petitions. Petitioner stated that the revision in the February 22 amendment was not intended to narrow or change the scope substantively, but merely to improve the clarity and readability of the scope, reflecting comments it had received from Commerce and U.S. Customs and Border Patrol.[22]

The Commission's questionnaires were based on the scope language in the original petitions, and Commission staff received numerous inquiries from firms receiving questionnaires as to whether the products these firms produced or imported were within the scope of the investigations and thus whether the firms needed to submit questionnaire responses. At the conference, Commission staff asked petitioner's counsel a series of questions as to whether a number of such products were or were not intended to be within the scope, but counsel generally declined to give definitive answers at the conference.[23] In its postconference brief, petitioner expressed its views as to whether certain of these products were within the scope, stating its belief that imports of "scaffolding," "transmission towers," "lattice steel towers" for energy utility/transmission, and "steel poles for electrical transmission in the distribution industry" are not included in the scope, but indicated that steel beams used for solar panels could be within the scope, while adding that whether a particular product is within the scope depends on a detailed description of the item and is in any event a question for Commerce.[24] For purposes of our data analysis in the preliminary phase of these

[21] *Certain Fabricated Structural Steel From Canada, Mexico, and the People's Republic of China: Initiation of Less-Than-Fair-Value Investigations*, 84 Fed. Reg. 7330, 7337 (March 4, 2019); *Certain Fabricated Structural Steel From Canada, Mexico, and the People's Republic of China: Initiation of Countervailing Duty Investigations,* 84 Fed. Reg. 7339, 7343-7344 (March 4, 2019).

[22] February 22, 2019 Amendment to the Petitions with revision to the scope, cover letter from Wiley Rein at 1-2.

[23] Transcript of Conference ("Conference Tr.") at 64-73 (Messer, Price, Weld).

[24] Petitioner's Postconference Brief, Response to Staff Questions, at 1-5.

investigations, we follow the approach of the Commission report and, where the data can be segregated, treat the steel pole and tower and/or scaffolding products produced, exported, and/or imported by Exportadoras, Direct Scaffold Supply, and Valmont as outside the scope of these investigations, and the steel beams used for solar panels purchased by WTEC as within the scope.[25] Although this treatment reflects our current best estimate of whether these products are within or outside the scope, neither these estimates nor petitioner's representations (given the manner in which they were framed) can be regarded as determinative at this stage of the investigations.

Instead, whether such products are within the scope is a question for Commerce, which we anticipate it will seek to clarify by the time of its preliminary determinations. In its notices of initiation, Commerce stated that it is setting aside a period for interested parties to submit scope comments raising issues regarding product coverage, and indicated that it will consider those comments prior to the issuance of its preliminary determinations.[26]

Fabricated structural steel consists of steel mill products that have been fabricated into articles to provide structural support and which are suitable for erection or assembly into a variety of structures, including buildings (commercial, office, institutional, and multi-family residential), industrial and utility projects, parking decks, arenas and convention centers, medical facilities, and ports, transportation and infrastructure facilities. FSS is assembled predominantly from heavy steel sections, especially heavy parallel flange beams, but also from angles, channels, and hollow structural shapes, as well as steel plates.[27]

Petitioner's Argument. Petitioner argues that the Commission should define a single domestic like product that is coextensive with the scope. Petitioner argues that all in-scope FSS represents a continuum of products that share the same physical characteristics and uses, are manufactured in the same domestic facilities using the same employees and production processes, and are sold through a bidding process to end users. It asserts that limited interchangeability and price differences between some FSS products are consistent with the wide range of products comprising a continuum.[28] Petitioner further argues that none of the products specifically excluded from the scope – fabricated steel for use in bridges, fabricated rebar, pre-engineered metal building systems, steel floor and floor decking systems, or open web steel bar joists and joist girders -- should be included in the domestic like product, contending that these out-of-scope products do not share the same physical characteristics and uses with in-scope FSS, are sold in different channels of distribution, are not interchangeable, have different customer and producer perceptions, are not manufactured in the same facilities with the same employees or equipment, and are priced differently.[29]

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[25] *See* CR at IV-1 and n.3; PR at IV-1 and n.3; CR/PR at Appendix D.

[26] *Certain Fabricated Structural Steel From Canada, Mexico, and the People's Republic of China: Initiation of Less-Than-Fair-Value Investigations,* 84 Fed. Reg. 7330, 7331 (March 4, 2019*)*; *Certain Fabricated Structural Steel From Canada, Mexico, and the People's Republic of China: Initiation of Countervailing Duty Investigations*, 84 Fed. Reg. 7339, 7340 (March 4, 2019).

[27] CR at I-26 to I-27; PR at I-19 to I-20.

[28] Petitioner's Postconference Brief at 5-7 and Response to Staff Questions at 10-19.

[29] Petitioner's Postconference Brief at 7-9 and Response to Staff Questions at 19-29.

Respondents' Argument. Canadian Respondents do not make any domestic like product arguments at this time, while reserving the right to make such arguments in any final phase of the investigations.[30] Corey states that it does not challenge the petitioner's proposed definition of the domestic like product, but reserves the right to raise such a challenge in any final phase of these investigations.[31] Various other respondent parties argue that the products that they export, import, and/or purchase (*i.e.,* steel monopoles, steel lattice towers, scaffolding, and steel beams used for solar panels) are not within the scope of the investigations, but contend that if any of those products are determined to be within the scope, the Commission should define the product as a separate like product from other in-scope FSS.[32]

No party has argued that any product outside the scope of investigations should be included within the domestic like product. Moreover, given the lack of clarity of the scope definition, and the unresolved issues with respect to whether such products as steel monopoles, steel lattice towers, scaffolding, and steel beams used for solar panels are within the scope of these investigations, as well as the limited information in the record with respect to these products and the domestic industries (if any) producing them, we do not address the domestic like product arguments raised by Exportadoras, Valmont, Direct Scaffold Supply, and WTEC with respect to these possibly out-of-scope products at this time. However, at the time comments on any draft final phase questionnaires are due, we invite those parties that seek separate like products if particular goods are found to be within the scope, or are arguably within the scope, to renew their arguments and request data collection on these separate products.

C. Analysis

We next address whether for purposes of these preliminary determinations all FSS that is within the scope of these investigations, as it is currently understood, should be defined to be a single domestic like product.

Physical Characteristics and Uses. All in-scope FSS is made from steel mill products (such as heavy parallel flange beams, but also from angles, channels, hollow structural shapes and steel plates), although the amount and type of steel mill products used depends on the intended use of the steel structure being built.[33] FSS is used to provide structural support in a wide variety of commercial and industrial facilities, ensuring that a project can bear certain loads or weights.[34] Petitioner states that the vast majority of in-scope FSS is made for a specific product pursuant to unique design specifications.[35]

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[30] Canadian Respondents' Postconference Brief at 2 and Response to Staff Questions at 2, 4.

[31] Corey's Postconference Brief at 2.

[32] Exportadoras' Postconference Brief at 5-14; Valmont's Postconference Brief at 3-9; Direct Scaffold Supply's Postconference Brief at 17-20; WTEC's Postconference Brief at 4-8.

[33] CR at I-26 to I-27; PR at I-19 to I-20; Conference Tr. at 27 (Zalesne).

[34] CR at I-26, I-35.; PR at I-19, I-25.

[35] Petitioner's February 12, 2019 Response to Supplemental Questions of the Department of Commerce, Vol. I, General and Injury, at 2.

Manufacturing Facilities, Production Processes and Employees. The record indicates that different in-scope FSS products are generally produced by U.S. producers at the same facilities on the same equipment using the same production processes and employees.[36] Conference testimony from U.S. FSS producers indicates that domestic producers of in-scope FSS may work on a wide variety of fabrication projects with very different specifications and end uses, but the fabricator will produce in-scope FSS for these different projects at the same facility using the same production processes, machines, and workers.[37]

Channels of Distribution. Most in-scope FSS is sold through a multiple-round bidding process, in which a contractor issues a request for quotes for a particular project, receives bids from various FSS producers, and awards the bid to a particular producer.[38] In-scope FSS Is typically not sold from inventory or through distributors, but rather is shipped directly to the end user's building site.[39] The Commission's questionnaire data indicate that all U.S. commercial shipments of domestically produced FSS went to end users during the period of investigation.[40]

Interchangeability. Domestically produced in-scope FSS is typically custom-manufactured for a specific construction project, so FSS produced for one project would differ from FSS produced for another project due to differences in design and engineering.[41] While petitioner argues that all in-scope FSS is interchangeable, regardless of end uses, it also acknowledges that FSS for one project may not be interchangeable with FSS for another project.[42]

Producer and Customer Perceptions. Petitioner asserts that all customers and producers expect that the FSS they purchase or produce will meet the specific requirements of each project, and that because each project is unique, the specific expectations for a particular project will also be unique.[43]

Price. As discussed, all in-scope FSS is typically priced through a multi-stage bidding process.[44] Petitioner states that *t*he price of FSS can vary depending on the size and other requirements for a specific project.[45] The pricing data indicate substantial variations both

[36] CR at I-31; PR at I-22.

[37] Conference Tr. at 78 (Labbe), 79 (Cooper), 79-80 (Zalesne).

[38] CR at I-31, V-4 to V-5; PR at I-22, V-3 to V-4; Conference Tr. at 34-35 (Cooper).

[39] CR at I-26; PR at I-19.

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

[41] CR at I-26; PR at I-19.

[42] Petitioner's Postconference Brief, Response to Staff Questions, at 14; Conference Tr. at 31 (Zalesne); Petitioner's February 12, 2019 Response to Supplemental Questions of the Department of Commerce, Vol. I, General and Injury, at 2.

[43] Petitioner's Postconference Brief, Response to Staff Questions, at 15-16; Petitioner's February 12, 2019 Response to Supplemental Questions of the Department of Commerce, Vol. I, General and Injury, at 3.

[44] CR at I-31, V-4 to V-5; PR at I-22, V-3 to V-4.

[45] Petitioner's Postconference Brief, Response to Staff Questions, at 18-19; Petitioner's February 12, 2019 Response to Supplemental Questions of the Department of Commerce, Vol. I, General and Injury, at 3.

between different domestically produced pricing products and within individual products during the January 2015-September 2018 period of investigation ("POI").[46]

Conclusion. The record indicates that all in-scope FSS is generally produced using steel mill products and is generally used for the same purpose of providing structural support. A wide range of different FSS products are produced by domestic producers in the same facilities using the same equipment, production processes, and workers. All domestically produced in-scope FSS generally shares common channels of distribution, including the bidding process and shipments of FSS to end users and not distributors.

At the same time, since most domestically produced in-scope FSS is custom made for a specific end use pursuant to unique design specifications, there are inevitably differences between particular FSS products. Although all in-scope FSS is produced from steel mill products, these inputs include a wide variety of long, flat, tubular, and some stainless steel mill products. These differences limit interchangeability between different FSS products based on different specifications and also lead to price differences.

However, while the current limited record may indicate some differences between individual in-scope FSS products, it does not establish any clear dividing lines between different types of FSS products within this broad grouping. Thus, based on the information in the record indicating generally similar physical characteristics and uses for all in-scope FSS products, as well as similar channels of distribution, and common manufacturing facilities, production processes and employees, for purposes of the preliminary determinations we define a single domestic like product that is coextensive with the scope consisting of all in-scope FSS.[47]

IV. Domestic Industry

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

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to Section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise

[46] CR/PR at Tables V-3 to V-8.

[47] Should any party perceive clear dividing lines between in-scope FSS products, and seek the Commission to define separate like products in any final phase of these investigations, it should identify such products for data collection and explain the basis for the proposed separate like product treatment in its comments on the draft final phase questionnaires.

[48] 19 U.S.C. § 1677(4)(A).

or which are themselves importers.[49] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.[50]

As discussed below, U.S. producers ADF International, Canatal Steel USA, ***, Ocean Steel Corporation, and Supreme Steel Inc. are related parties.[51] [52] No party argues that any domestic producer should be excluded from the domestic industry as a related party.[53]

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

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

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

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

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

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

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

[51] A sixth U.S. producer, *** shares some common ownership with ***, a *** exporter of subject merchandise. CR/PR at Table III-3. *** reported that a *** firm, ***, owns a *** percent interest in ***, and that common shareholders of *** also own ***, while *** reported that common shareholders of *** also own ***. *** U.S. Producers Questionnaire Response at questions I-5 through I-7 (EDIS Document No. ***); *** Foreign Producer Questionnaire Response at question I-3 (EDIS Document No. ***). A U.S. producer is considered a related party if "a third party directly or indirectly controls the producer and the exporter {of subject merchandise}." 19 U.S.C. § 1677(4)(B)(ii)(III). We find that the record is insufficient to determine whether there is a control relationship between ***, ***, and/or their common shareholders, and thus whether *** is a related party. Assuming *arguendo* that *** is a related party, we find that there are not appropriate circumstances to exclude it, given its lack of direct imports, and the lack of any information on the record that its affiliation with *** has influenced its domestic operations.

[52] U.S. producer *** purchased *** short tons of subject imports from *** in 2016. *** U.S. Producer Questionnaire Response at question II-13 (EDIS Document No. ***). The Commission has previously concluded that a purchaser may be treated as a related party if it controls large volumes of subject imports. The Commission has found such control to exist when the domestic producer was responsible for a predominant proportion of an importer's purchases and these purchases were substantial. *See generally Iron Construction Castings from Brazil, Canada, and China*, Inv. Nos. 701-TA-248, 731-TA-262-263, 265 (Fourth Review), USITC Pub. 4655 at 11 (Dec. 2016). *** 2016 purchases of FSS from *** from *** amounted to *** percent of that firm's *** short tons of exports to the United States during the POI. *** Foreign Producer Questionnaire Response at question II-8 (EDIS Document No. ***). Accordingly, the record indicates that *** did not control a sufficiently large volume of subject imports to qualify as a related party.

(Continued…)

We examine below for each of the five related party producers whether appropriate circumstances exist to exclude it from the domestic industry.

ADF International. ADF International ("ADF") is a related party because it imported subject merchandise from *** during the POI, and because ***.[54] ADF accounted for *** percent of U.S. production in 2017.[55] ADF's imports from subject sources in *** were *** short tons in 2015, *** short tons in 2016, *** short tons in 2017, *** short tons in January-September ("interim") 2017 and *** short tons in interim 2018.[56] ADF's U.S. production was *** short tons in 2015, *** short tons in 2016, *** short tons in 2017, *** short tons in interim 2017, and *** short tons in interim 2018.[57] The ratio of its imports of subject merchandise to its U.S. production was *** percent in 2015, *** percent in 2016, *** percent in 2017, *** percent in interim 2017, and *** percent in interim 2018, and *** percent over the entire POI.[58] ADF stated that its reason for importing was ***.[59] ADF ***.[60]

ADF's ratio of subject imports to domestic production fluctuated considerably over the POI. Its subject imports were equivalent to *** percent of its domestic production over the entire POI, indicating that its domestic production *** its importation of subject merchandise. Moreover, ADF indicates that its subject imports may fluctuate depending on ***. Accordingly, we find that appropriate circumstances do not exist to exclude ADF from the domestic industry.

(…Continued)

U.S. producer *** purchased *** short tons of subject merchandise from *** and *** short tons of subject merchandise from *** in January-September ("interim") 2018. *** U.S. Producer Questionnaire Response at question II-13 (EDIS Document No. ***). *** purchased subject imports from *** from importer ***. *Id.* *** purchases of imports from *** in interim 2018 constituted *** percent of the subject imports by *** in the POI (*** short tons). *** Importer Questionnaire Response at question II-7a (EDIS Document No. ***). *** did not identify the importer from which it purchased subject imports from ***; its purchases of subject imports from *** in interim 2018 accounted for *** percent of total imports from *** in interim 2018. *Compare* CR/PR at Table IV-2 *with* *** U.S. Producer Questionnaire Response at question II-13 (EDIS Document No. ***). Accordingly, the record indicates that *** did not control a sufficiently large volume of *** imports from ***, and its subject imports from *** were insufficiently substantial, for it to qualify as a related party.

[53] Petitioner does not argue now for the exclusion of any domestic producers from the domestic industry, but reserves the right to address this issue in any final phase of these investigations. Petitioner's Postconference Brief at 9 and Response to Staff Questions at 30. Canadian Respondents argue that no domestic producer should be excluded as a related party, in that the U.S. producers related to Canadian producers have substantial production assets and employees in the United States, demonstrating their interest in the U.S. FSS industry. Canadian Respondents' Postconference Brief, Response to Staff Questions, at 2-3.

[54] CR/PR at Tables III-3, III-9.

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

[56] CR/PR at Table III-9.

[57] CR/PR at Table III-9.

[58] CR/PR at Table III-9.

[59] CR/PR at Table III-9.

[60] ADF's U.S. Producer Questionnaire Response at question I-4 (EDIS Document No. 667374).

Canatal Steel USA. Canatal Steel USA ("Canatal") is a related party because it imported subject merchandise from *** during the POI.[61] Canatal accounted for *** percent of U.S. production in 2017.[62] Canatal's imports from subject sources in *** were *** short tons in 2015, *** short tons in 2016, *** short tons in 2017, *** short tons in interim 2017, and *** short tons in interim 2018.[63] Canatal's U.S. production was *** short tons in 2015, *** short tons in 2016, *** short tons in 2017, *** short tons in interim 2017, and *** short tons in interim 2018.[64] The ratio of its imports of subject merchandise to its U.S. production was *** percent in 2015, *** percent in 2016, *** percent in 2017, *** percent in interim 2017, and *** percent in interim 2018.[65] Canatal stated that its reason for importing was ***.[66] Canatal ***.[67]

Canatal is a *** U.S. producer and its *** ratio of subject imports to domestic production throughout the POI indicates that its primary interest is in importation rather than domestic production. Moreover, Canatal *** the petitions ***. Accordingly, we find that appropriate circumstances exist to exclude Canatal from the domestic industry.

****.* *** is a related party because ***.[68] *** was the *** domestic producer of FSS in 2017, accounting for *** percent of domestic production.[69] *** imports of subject merchandise were *** short tons in 2015, *** short tons in 2016, *** short tons in 2017, *** short tons in interim 2017, and *** short tons in interim 2018.[70] *** U.S. production was *** short tons in 2015, *** short tons in 2016, *** short tons in 2017, *** short tons in interim 2017, and *** short tons in interim 2018.[71] The ratio of *** imports of subject merchandise to *** domestic production was *** percent in 2015, *** percent in 2016, *** percent in 2017, *** percent in interim 2017, and *** percent in interim 2018. ***.[72]

*** is a *** U.S. producer and the ratio of importation of subject merchandise by *** to *** domestic production declined throughout the POI. Given *** declining and *** ratio of importation of subject merchandise to domestic production, and its apparent primary interest in domestic production, we find that appropriate circumstances do not exist to exclude *** from the domestic industry.

Ocean Steel Corporation. Ocean Steel Corporation ("Ocean") is a related party because it imported subject merchandise from *** during the POI.[73] Ocean accounted for *** percent

[61] CR/PR at Tables III-3, III-9.
[62] CR/PR at Table III-1.
[63] CR/PR at Table III-9.
[64] CR/PR at Table III-9.
[65] CR/PR at Table III-9
[66] CR/PR at Table III-9.
[67] Canatal's U.S. Producer Questionnaire Response at question I-4 (EDIS Document No. 667378).
[68] CR/PR at Table III-3.
[69] CR/PR at Table III-1.
[70] *** U.S. Importer Questionnaire Response (revised) at questions II-5a, II-6a (EDIS Documents Nos. ***).
[71] *** U.S. Producer Questionnaire Response at question II-7 (EDIS Document No. ***).
[72] *** U.S. Producer Questionnaire Response at question I-4 (EDIS Document No. ***).
[73] CR/PR at Tables III-3, III-9.

of U.S. production in 2017.[74] Ocean reported ***, and reported *** domestic production in interim 2018. Ocean's subject imports from *** were *** short tons in 2015, *** short tons in 2016, *** short tons in 2017, *** short tons in interim 2017 and *** short tons in interim 2018.[75] Ocean's U.S. production was *** short tons in 2015, *** short tons in 2016, *** short tons in 2017, *** short tons in interim 2017, and *** short tons in interim 2018.[76] The ratio of its imports of subject merchandise to its U.S. production was *** percent in 2015, *** percent in 2016, *** percent in 2017, *** percent in interim 2017, and *** in interim 2018.[77] Ocean ***.[78]

Ocean is a *** U.S. producer and its *** ratio of subject imports to domestic production throughout the POI indicates that its primary interest is in importation rather than domestic production, particularly in light of the reported ***. Moreover, Ocean *** the petitions ***. Accordingly, we find that appropriate circumstances exist to exclude Ocean from the domestic industry.

Supreme Steel Inc. Supreme Steel Inc. ("Supreme") is a related party because it imported subject merchandise from *** during the POI.[79] Supreme accounted for *** percent of U.S. production in 2017.[80] Supreme's imports from subject sources in *** were *** short tons in 2015, *** short tons in 2016, *** short tons in 2017, *** short tons in interim 2017 and *** short tons in interim 2018.[81] Supreme's U.S. production was *** short tons in 2015, *** short tons in 2016, *** short tons in 2017, *** short tons in interim 2017, and *** short tons in interim 2018.[82] The ratio of its imports of subject merchandise to its U.S. production was *** percent in 2015, *** percent in 2016, *** percent in 2017, *** percent in interim 2017, and *** percent in interim 2018.[83] Supreme ***.[84]

Supreme is a *** U.S. producer with a *** ratio of importation of subject merchandise to U.S. production, indicating that its interest lies more in domestic production than in importation of subject merchandise, although that ratio *** in interim 2018. Given Supreme's *** ratio of subject imports to domestic production, and apparent interest in domestic production, we find that appropriate circumstances do not exist to exclude Supreme from the domestic industry.

Accordingly, we define the domestic industry to consist of all U.S. producers of the domestic like product except Canatal and Ocean.

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

[75] CR/PR at Table III-9.

[76] CR/PR at Table III-9.

[77] CR/PR at Table III-9.

[78] Ocean's U.S. Producer Questionnaire Response at question I-4 (EDIS Document No. 667381).

[79] CR/PR at Tables III-3, III-9.

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

[81] CR/PR at Table III-9.

[82] CR/PR at Table III-9.

[83] CR/PR at Table III-9.

[84] Supreme's U.S. Producer Questionnaire Response at question I-4 (EDIS Document No. 667429).

V. Negligible Imports

Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than 3 percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible.[85]

Arguments of the Parties. Petitioner argues that imports from all three subject countries are clearly above the negligibility threshold. It argues that official U.S. import statistics are the best measure for negligibility given the limited importer questionnaire coverage.[86]

Corey argues that imports of subject merchandise from Mexico are negligible. It asserts that the majority of imports from Mexico within the three HTS codes identified in the petitions are outside the proposed scope in the petitions, and argues that the Commission should therefore conduct its negligibility analysis using importer questionnaire responses.[87] Corey argues that product from Mexico imported by six firms is not in-scope FSS and should be excluded from the Commission's analysis.[88] Based on these adjustments, Corey calculates that subject imports from Mexico are below the 3 percent negligibility threshold.[89]

Analysis. Based on official import statistics, imports from Canada accounted for 20.1 percent of total U.S. imports of FSS by quantity during the period January 2018 through December 2018, the most recent 12-month period preceding the filing of the petitions for which such data are available, while imports from China accounted for 36.1 percent, and imports from Mexico accounted for 24.8 percent.[90] Given the existing ambiguities regarding the scope of these investigations, we have also used two other methods to calculate negligibility, which similarly indicate that imports from each subject country exceed 3 percent of total imports for the pertinent period.[91] [92]

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[85] 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B).

[86] Petitioner's Postconference Brief at 9-13.

[87] Corey's Postconference Brief at 17-19.

[88] Corey's Postconference Brief at 19-26.

[89] Corey's Postconference Brief at 26.

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

[91] Seven firms in China and Mexico (Valmont Industries (Guangdong) Co. Ltd.; Valmont Industries China Ltd.; Valmont Industries (Shandong) Co. Ltd.; Exportadora de Postes de Monclova, S.A. de C.V.; Exportadora de Postes GDL, S.A. de C.V.; Valmont Monterrey S. De R.I. de C.V., and SAE Towers Mexico S de RL de CV.) reported producing and exporting utility towers and poles to the United States that are arguably outside the scope of these investigations. CR at IV-11 n.11; PR at IV-9 to IV-10 n.11. When official U.S. import statistics for calendar year 2018 are adjusted to exclude the exports to the United States by these seven firms, the adjusted data show that imports from Canada accounted for *** percent of total U.S. imports of FSS by quantity in 2018, imports from China accounted for *** percent, and imports from Mexico accounted for *** percent. CR/PR at Table IV-11 n.11; PR at IV-9 to IV-10 n.11.

[92] While Corey argues that we should use importer questionnaire data to compute negligibility, we decline to do so as the principal basis for the analysis in light of the incomplete importer (Continued…)

Thus, imports from each subject country exceed the pertinent 3 percent statutory threshold. We consequently find that imports from each subject country are not negligible.

VI. Cumulation

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

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

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

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

(4) whether the subject imports are simultaneously present in the market.[93]

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

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(…Continued)
questionnaire coverage. We have nevertheless engaged in such a computation, in which we have not included as in-scope imports (and hence have excluded from both the numerator and denominator of our negligibility calculations) imports from Mexico from four importers that we believe to be of out-of-scope merchandise: ***. Based on those questionnaire data, imports from Canada accounted for *** percent of total U.S. imports of FSS by quantity during the period February 2018 through January 2019, the 12-month period preceding the filing of the petitions, while imports from China accounted for *** percent, and imports from Mexico accounted for *** percent. CR/PR at Table IV-3.

Corey contends that imports from two other firms *** and *** were of out-of-scope merchandise that should be excluded from the negligibility computation. Corey's Postconference Brief at 22-23, 24-25. Given the ambiguity of the scope, and on the basis of the information available, we cannot conclude that these imports are out-of-scope, and hence included those imports as subject merchandise for purposes of our negligibility analysis based on questionnaire data.

[93] *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).

determining whether the subject imports compete with each other and with the domestic like product.[94] Only a "reasonable overlap" of competition is required.[95]

A. Arguments of the Parties

Petitioner argues that subject imports from all three subject countries should be cumulated. It asserts that imports from all subject countries are fungible, competing directly with each other and the domestic like product.[96] Petitioner asserts that the Commission's questionnaire data confirm that subject imports from all sources compete in the same geographic market with the domestic like product.[97] It contends that FSS from each subject country and the domestic like product are sold through the same channels of distribution.[98] In addition, it states that subject imports from Canada, China, and Mexico were simultaneously present in the U.S. market throughout the POI, as indicated by official import statistics.[99]

Canadian Respondents argue that subject imports from Canada do not compete with imports from the other two subject countries and should not be cumulated with them. They assert that subject imports from Canada do not compete with subject imports from China, because imports from China compete in the industrial market segment while imports from Canada compete in the commercial segment. Moreover, they assert that FSS from China is built so that it can be shipped in a container so that an engineering procurement company can handle the assembly of the structure at the industrial worksite, while Canadian companies include the installation/erection of the FSS in their contracts with commercial project owners. Canadian Respondents further assert that the small import volume and few U.S. customers of subject Mexican producers, as well as the failure of Mexican producers to offer erection services, indicate a lack of competition between subject imports from Mexico and those from Canada.[100]

B. Analysis

We consider subject imports from Canada, China, and Mexico on a cumulated basis, because the statutory criteria for cumulation are satisfied. As an initial matter, petitioner filed

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

[95] The Statement of Administrative Action (SAA) to the Uruguay Round Agreements Act (URAA), expressly states that "the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition." H.R. Rep. No. 103-316, 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.").

[96] Petitioner's Postconference Brief, Response to Staff Questions, at 45-47, 51-53.

[97] Petitioner's Postconference Brief, Response to Staff Questions, at 47-49.

[98] Petitioner's Postconference Brief, Response to Staff Questions, at 49-50.

[99] Petitioner's Postconference Brief, Response to Staff Questions, at 50.

[100] Canadian Respondents' Postconference Brief at 5-7.

the antidumping and countervailing duty petitions with respect to imports from all three countries on the same day, February 4, 2019.[101]

Fungibility. A majority of responding U.S. producers reported that the domestic like product and subject imports from each of the three subject countries are "always" interchangeable, while a majority of responding U.S. importers reported that the domestic like product and subject imports from each of the three subject countries are "always" or "frequently" interchangeable.[102] In addition, a majority of responding U.S. producers reported that imports from all three subject countries are "always" interchangeable with each other, while a majority of responding U.S. importers reported that subject imports from all three subject countries are "always" or "frequently" interchangeable with each other.[103]

While Canadian Respondents argue that subject imports from Canada do not compete with subject imports from China, asserting that imports from China compete in the industrial market segment and imports from Canada compete in the commercial segment, the Commission has no data regarding U.S. shipments to particular market segments by subject imports from different sources. Canadian Respondents also assert that subject imports from China differ from subject imports from Canada as to the form in which they are shipped to the United States and the extent to which assembly of the imported FSS is required on the construction site. This assertion is not supported by the available information in the record. Questionnaire data indicate that all U.S. shipments of subject imports from China and Mexico in 2017 were of assembled or partially assembled FSS. A substantial proportion (*** percent) of U.S. shipments of subject imports from Canada were also of assembled or partially assembled FSS, as was a majority (***) percent of U.S. shipments of the domestic like product.[104] Thus, the data indicate substantial overlap in subject imports from all sources and the domestic like product in shipments of assembled or partially assembled FSS.

The record indicates that subject imports from all sources and the domestic like product are generally perceived to be "always" or "frequently" interchangeable, and the available record data appear to indicate overlap in product form. Accordingly, the record indicates sufficient fungibility between subject imports from Canada, China, and Mexico, and between the domestic like product and imports from each subject source.

Channels of Distribution. U.S. producers and importers of subject merchandise from Canada reported that all of their U.S. commercial shipments went to end users and no shipments went to distributors. Importers of subject merchandise from China and Mexico reported that almost all of their U.S. commercial shipments went to end users and only small percentages of their U.S. shipments went to distributors.[105]

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

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

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

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

[105] CR/PR at Table II-1. Importers of subject merchandise from China reported that 99.9 percent to 100.0 percent of their U.S. shipments went to end users during each calendar year or interim period of the POI, while importers of subject merchandise from Mexico reported that 96.3 percent to 98.1 percent of their U.S. shipments went to end users during each calendar year or interim period during the POI. *Id.*

Geographic Overlap. The domestic like product and subject imports from Canada were sold in all regions in the contiguous United States. Subject imports from Mexico were sold in every region in the contiguous United States except the Midwest, while subject imports from China were sold in every region in the contiguous United States except the Midwest, the Southeast, and the Mountain regions.[106] Thus, the domestic like product and subject imports from all sources were sold in the Northeast, Central Southwest, and Pacific Coast regions.

Simultaneous Presence in Market. Subject imports from each subject country were present in the U.S. market during each month of the POI.[107] The domestic like product was likewise present in the U.S. market throughout the POI.[108]

Conclusion. As discussed, the record indicates sufficient fungibility between the domestic like product and subject imports from Canada, China, and Mexico to meet the reasonable overlap standard, notwithstanding Canadian Respondents' contrary arguments. The domestic like product and subject imports from all three sources also share overlapping channels of distribution, in that they are all sold almost entirely to end users. The domestic like product and subject imports from all three subject countries were simultaneously present in the U.S. market throughout the POI, and are all sold in the Northeast, Central Southwest, and Pacific Coast regions in the United States. Consequently, the record indicates that there is a reasonable overlap of competition between and among subject imports and the domestic like product. We accordingly analyze subject imports from Canada, China, and Mexico on a cumulated basis for our analysis of whether there is a reasonable indication of material injury by reason of subject imports.

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

A. Legal Standard

In the preliminary phase of antidumping and countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.[109] 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.[110] The statute defines "material injury" as "harm which is not inconsequential,

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

[107] CR/PR at Table IV-6.

[108] CR/PR at Tables V-3 to V-8.

[109] 19 U.S.C. §§ 1671b(a), 1673b(a). The Trade Preferences Extension Act of 2015, Pub. L. 114-27, amended the provisions of the Tariff Act pertaining to Commission determinations of reasonable indication of material injury and threat of material injury by reason of subject imports in certain respects.

[110] 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).

immaterial, or unimportant."[111] 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.[112] 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."[113]

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,[114] 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.[115] In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the "by reason of" standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.[116]

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.[117] In performing its examination, however, the Commission need not isolate

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[111] 19 U.S.C. § 1677(7)(A).

[112] 19 U.S.C. § 1677(7)(C)(iii).

[113] 19 U.S.C. § 1677(7)(C)(iii).

[114] 19 U.S.C. §§ 1671b(a), 1673b(a).

[115] *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).

[116] 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).

[117] 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 (Continued…)

the injury caused by other factors from injury caused by unfairly traded imports.[118] Nor does the "by reason of" standard require that unfairly traded imports be the "principal" cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.[119] It is clear that the existence of injury caused by other factors does not compel a negative determination.[120]

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."[121] Indeed, the Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[122]

(…Continued)
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.

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

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

[120] *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.").

[121] *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. In its (Continued…)

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.[123] 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.[124] 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.[125]

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

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(…Continued)
decision in *Swiff-Train v. United States*, 793 F.3d 1355 (Fed. Cir. 2015), the Federal Circuit affirmed the Commission's causation analysis as comporting with the Court's guidance in *Mittal*.

[122] *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.").

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

[124] *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).

[125] 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 the final phase 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 the final phase of investigations in which there are substantial levels of nonsubject imports.

evidence standard.[126] Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[127]

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

U.S. demand for FSS is driven by demand for construction, particularly nonresidential and industrial construction. Non-building structures (*e.g.,* open air stadiums, chemical plants, power plants, petroleum refineries, and other buildings without a roof) and nonresidential construction account for the largest shares of U.S. demand for FSS. The value of U.S. nonresidential construction increased by 17.4 percent over the POI.[128] A majority of responding U.S. producers and a plurality of responding U.S. importers reported that U.S. demand for FSS has increased since January 2015.[129]

Reported apparent U.S. consumption increased by 6.9 percent between 2015 and 2017, increasing from 2.1 million short tons in 2015 to 2.3 million short tons in 2016 and 2017; it was 1.7 million short tons in interim 2017 and 1.8 million short tons in interim 2018.[130] [131]

2. Supply Conditions

The U.S. FSS market was supplied by four sources: the domestic industry, the two U.S. producers excluded from the domestic industry, subject imports, and nonsubject imports.

The record indicates that the domestic industry is fragmented, containing more than a thousand small- to medium-sized U.S. producers, with considerable variation in the operations of these producers and no single company or small group of companies driving the trends for the domestic industry as a whole.[132] Petitioner reported that the AISC Full Member Subgroup

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

[127] *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.").

[128] CR at II-11 to II-12; IV-20; PR at II-8, iV-17.

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

[130] CR/PR at Tables IV-7, C-3.

[131] As discussed in section II above, the limited coverage of U.S. producers in our questionnaire data may result in U.S. producers' U.S. shipments being understated, while the inclusion of some imports of out-of-scope merchandise in our import data based on U.S. official statistics may result in subject imports being somewhat overstated. Each of these discrepancies could affect the apparent U.S. consumption data in the Commission report.

[132] CR at I-5, VI-3; PR at I-4, VI-2.

currently contains *** full member firms, *** of which produce in-scope FSS, but there are also producers of in-scope FSS that are not full members of AISC.[133]

The domestic industry's reported capacity increased by *** percent between 2015 and 2017, increasing from *** short tons in 2015 to *** short tons in 2016 and *** short tons in 2017; it was *** short tons in interim 2017 and higher, at *** short tons, in interim 2018.[134] The domestic industry's reported capacity utilization rate fell by *** percentage points from 2015 to 2017, declining from *** percent in 2015 to *** percent in 2016 and *** percent in 2017; it was *** percent in interim 2017, and higher, at *** percent, in interim 2018.[135]

The parties agree that producing FSS requires highly skilled labor, particularly for fitting and welding FSS.[136] Canadian Respondents state that FSS producers measure capacity in hours (man-hours or shop-hours) rather than tons, asserting that the amount of labor input required to produce one ton of FSS can vary widely depending on the project.[137] We recognize that there may be limitations in measuring the capacity for the FSS industry in consistent units given that FSS production involves work on a wide variety of different kinds of projects.[138] [139]

The market share of the domestic industry declined from *** percent in 2015 to *** percent in 2016 and *** percent in 2017. It was *** percent in interim 2017, and higher, at *** percent, in interim 2018.[140] [141]

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[133] CR at I-1 n.1, I-5 n.9, III-1 n.1; PR at I-1 n.1, I-5 n.9, III-2 n.1.

[134] CR/PR at Table C-3.

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

[136] Conference Tr. at 28, 115-116, 140-141 (Zalesene), 45 (McPhater); 168 (Rooney); 170 (Kanner); CR at I-32 to I-33; PR at I-23.

[137] Canadian Respondents' Postconference Brief at 21-22. A representative of a U.S. producer testified that domestic producers and subject producers "sell man hours and not tons." Conference Tr. at 81 (Cooper).

[138] Canadian Respondents argue that the domestic industry's reported capacity is inflated and based on unrealistic assumptions about labor productivity. Canadian Respondents' Postconference Brief at 21-24. We invite the parties to suggest any alternative way that we might collect data on capacity for this industry in their comments on the draft questionnaires in any final phase of these investigations.

[139] Canadian Respondents also argue that the domestic industry had little if any available unused capacity during the POI. Canadian Respondents' Postconference Brief at 23-24. Respondents argue that domestic fabricators had severe capacity constraints during the POI, primarily due to the unavailability of skilled workers, which prevented them from bidding for a number of projects. Canadian Respondents' Postconference Brief at 11-12, 24-31; Corey's Postconference Brief at 10-11. Petitioner argues that the domestic industry was fully capable of supplying U.S. demand for FSS during the POI. Petitioner's Postconference Brief at 17-19. We note that a majority of responding U.S. producers and importers reported no supply constraints, although some producers and importers reported a shortage of skilled workers. CR at II-7 to II-8; PR at II-6. In any final phase of these investigations, we will examine further whether the domestic industry experienced any supply constraints during the POI, including difficulty in obtaining sufficient skilled labor.

[140] CR/PR at Table C-3. As discussed in section IV above, there are two U.S. producers excluded from the domestic industry as related parties, Canatal and Ocean. The combined market share of these two excluded firms was *** percent in 2015, and higher, at *** percent, in 2016 and 2017. It was *** percent in interim 2017 and *** percent in interim 2018. CR/PR at Table C-3.

The market share of cumulated subject imports increased from 36.8 percent in 2015 to 40.9 percent in 2016 and 41.7 percent in 2017. It was 42.9 percent in interim 2017 and 44.0 percent in interim 2018.[142]

The largest sources of nonsubject imports during 2017 were Taiwan, Italy, Germany, Spain, and Korea.[143] The market share of nonsubject imports increased from 11.5 percent in 2015 to 12.9 percent in 2016, and then declined to 12.2 percent in 2017; it was 12.5 percent in interim 2017 and 9.7 percent in interim 2018.[144]

3. Substitutability and Other Conditions

Based on the record, we find that there is a moderate to high degree of substitutability between the domestic like product and subject imports.[145] As discussed in section VI.B above, a majority of responding U.S. producers and importers reported that the domestic like product and subject imports from all subject countries are "always" or "frequently" interchangeable.[146] A majority of responding U.S. producers reported that differences other than price between and among subject imports from all sources and the domestic like product are "never" significant, although a majority of responding U.S. importers reported that differences other than price between and among subject imports from all sources and the domestic like product are "always" or "frequently" significant.[147]

Purchasers responding to the Commission's lost sales/lost revenue survey were asked to identify the main factors that their firms considered in making purchasing decisions for FSS. They identified the following major factors: cost (perform within budget, price); capacity (to meet schedule obligations); vendor reliability; schedule (produce in time required, produce and erect to schedule, availability, lead time); meeting technical requirements; meeting quality requirements (meeting building codes, AISC certification requirements, meeting quality assurance standards); Buy American compliance; and experience in projects with a similar size, scope, and complexity.[148] Accordingly, we find that price is one of several important factors in purchasing decisions for FSS.

Most FSS is sold through a multiple-round bidding process, initiated by a construction contractor's request for quotes, followed by bids received from invited FSS producers, and

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[141] As discussed in section II above, the limited coverage of U.S. producers in our questionnaire data results in U.S. producers' U.S. shipments being understated, while the inclusion of some imports of out-of-scope merchandise in our import data based on U.S. official import statistics may result in U.S. shipments of subject imports being overstated. As a result, the market share data in the Commission report is understated for the domestic industry and likely overstated for imports.

[142] CR/PR at Table C-3.

[143] CR at II-7; PR at II-5.

[144] CR/PR at Table C-3.

[145] CR at II-18; PR at II-13.

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

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

[148] CR at II-19; PR at II-14.

finally the contract is awarded to the winning FSS producer(s). Certain FSS producers also include costs for initial design, engineering, and erection services, in addition to structural steel fabrication, in their bid packages. Purchasers may ask specific fabricators to bid on specific contracts, and then will choose firms that they expect to have the expertise and facilities to be able to provide the necessary FSS.[149] While petitioner argues that price is the decisive factor in the bidding process,[150] Canadian Respondents argue that FSS is not a standard product that a FSS producer simply fabricates for a purchaser for a price. Rather, particularly for large projects, a producer's supply of FSS is a multi-faceted process that includes the producer's strategies and logistics to purchase raw materials, unique design and shop drawings, engineering, fabrication, and erection. Canadian Respondents assert that the design and engineering services drive the cost of the project and are essential in successful bids.[151] In any final phase of these investigations, we will examine further the role of these additional services in the bidding process for FSS projects, as well as the capability of the domestic industry to compete for large projects in the U.S. market in which these services may be particularly important.

Regardless of the end use for a particular project, FSS is designed to meet the AISC's *Steel Construction Manual* specifications. The AISC Quality Certification "verif{ies} that the fabricator has the processes, equipment, manpower, commitment, and experience to perform the necessary work and meet a minimum level of industry accepted quality standards."[152] Many U.S. producers (including some producers who are not AISC members) and a number of subject FSS producers have AISC certification.[153]

The production of FSS involves a variety of raw materials, including steel plate, steel structural shapes (such as beams, channels, angle, and hollow steel sections), steel bars, and other steel mill products, as well as numerous metal fasteners.[154] Most U.S. producers and importers reported that raw material costs increased over the POI.[155] Available data show that prices for flat carbon steel products remained below their January 2015 level during almost every month of the POI up through early 2018, after which prices rose. Prices for long steel products fluctuated during the POI, while prices for metal fasteners were stable throughout the POI until July 2018, after which they tended to increase.[156] The domestic industry's overall raw material costs fluctuated irregularly as a share of total cost of goods sold ("COGS"), decreasing from 47.6 percent in 2015 to 45.4 percent in 2016, and then increasing to 47.9 percent in 2017 and reaching 49.3 percent in interim 2018.[157] Most responding U.S. producers reported that

[149] CR at I-31, V-4 to V-5; PR at I-22, V-3 to V-4.

[150] Petitioner's Postconference Brief at 14-17.

[151] Canadian Respondents' Postconference Brief at 12-16.

[152] CR at I-27; PR at I-19 to I-20.

[153] CR at I-27, I-32; PR at I-19 to I-20, I-23; Petition, Volume I, at 2 n.1.

[154] CR at V-1; PR at V-1.

[155] CR at V-1 to V-2; PR at V-1.

[156] CR at V-1; PR at V-1; CR/PR at Figures V-1 to V-3.

[157] CR at V-1; PR at V-1 (the exclusion of two domestic producers from the domestic industry did not change any of these numbers).

FSS contracts fixed both price and quantity, contract prices were not indexed to raw material prices, and the contract price was not renegotiated during the contract.[158]

U.S. producers and U.S. importers of subject merchandise reported that FSS is generally produced-to-order, with each project having a unique delivery schedule.[159] The record indicates that it is important to purchasers that FSS be delivered on time so that the overall construction schedule for a project is not delayed, and some contracts have penalty provisions regarding late delivery.[160]

Additional duties have been imposed on imports of FSS or its raw material inputs under various statutes starting in 2017 and 2018. On March 8, 2018, the President issued Proclamations under Section 232 of the Trade Expansion Act of 1962, as amended,[161] providing for additional duties of 25 percent *ad valorem* on imports of steel mill and aluminum articles, effective March 23, 2018 ("Section 232 tariffs"). The Section 232 tariffs do not cover imports of FSS, but do apply to imports of the raw material inputs for FSS (including steel mill products such as beams and plate).[162] Section 301 of the Trade Act of 1974, as amended,[163] authorizes the Office of the U.S. Trade Representative ("USTR"), at the direction of the President, to take appropriate action to respond to a foreign country's unfair trade practices. On April 6, 2018, USTR published a determination that certain acts, policies, and practices of China under investigation are unreasonable or discriminatory and burden or restrict U.S. commerce, and further determined that imposition of an additional duty on certain products imported from China was appropriate. Imports of FSS from China became subject to an additional 25 percent *ad valorem* duty, effective August 23, 2018.[164] In addition, antidumping and/or countervailing duties were imposed in 2017 on imports of steel cut-to-length plate from 12 countries.[165]

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."[166]

The volume of cumulated subject imports increased by 21.2 percent between 2015 and 2017. Cumulated subject imports increased from 783,648 short tons in 2015 to 929,006 short

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[158] CR at V-10; PR at V-6.

[159] U.S. producers reported that 97.8 percent of their commercial shipments were produced-to-order, with lead times averaging 92 days. Importers reported 96.7 percent of their product was produced-to-order, with an average lead time of 185 days. CR at II-18; PR at II-13 to II-14.

[160] CR at II-19, V-8; PR at II-14, V-5; Conference Tr. at 231 (Posteraro).

[161] 19 U.S.C. § 1862.

[162] CR at I-16 to I-17, I-24 to I-25; PR at I-11, I-18.

[163] 19 U.S.C. § 2411.

[164] CR at I-14 to I-16, I-25; PR at I-9 to I-11, I-18 to I-19.

[165] *See Carbon and Alloy Steel Cut-to-Length Plate from Austria, Belgium, France, Germany, Italy, Japan, Korea, and Taiwan,* Inv. Nos. 701-TA-561 and 731-TA-1317-1318, 1321-1325, and 1327 (Final), USITC Pub. 4691 (May 2017).

[166] 19 U.S.C. § 1677(7)(C)(i).

tons in 2016 and 949,586 short tons in 2017; they were 730,441 short tons in interim 2017 and 813,785 short tons in interim 2018.[167] The market share of cumulated subject imports increased from 36.8 percent of apparent U.S. consumption in 2015 to 40.9 percent in 2016 and 41.7 percent in 2017; their share was 42.9 percent in interim 2017 and 44.0 percent in 2018.[168] Cumulated subject imports gained market share at the expense of the domestic industry, gaining 4.9 percentage points of market share between 2015 and 2017, while the domestic industry lost *** percentage points of market share in the same period.[169] [170]

We find that the volume and increase in volume of cumulated subject imports are significant both in absolute terms and relative to consumption 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
>
> (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.[171]

As discussed in section VII.B.3 above, we find that cumulated subject imports and the domestic like product are moderately to highly substitutable, and that price is one of several factors that are important in purchasing decisions for FSS.

The Commission collected quarterly f.o.b. pricing data on sales of six FSS products shipped to unrelated U.S. customers during the POI.[172] *** U.S. producers in the domestic

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[167] CR/PR at Tables IV-2, C-3.

[168] CR/PR at Table IV-8.

[169] CR/PR at Table C-3.

[170] As discussed in section II above, the inclusion of some imports of out-of-scope merchandise in our import data based on U.S. official statistics may result in subject imports being somewhat overstated, while the limited coverage of U.S. producers in our questionnaire data may result in U.S. producers' U.S. shipments being understated. As a result, the market share data in the Commission report are understated for the domestic industry and likely overstated for imports.

[171] 19 U.S.C. § 1677(7)(C)(ii).

[172] CR at V-12; PR at V-8. The six pricing products are:

Product 1—Fabricated light structural, Grade 50, 0-19 lbs. per linear foot, sold for industrial projects.

Product 2—Fabricated medium structural, Grade 50, 20-119 lbs. per linear foot, sold for industrial projects.

Product 3—Fabricated extra heavy structural, Grade 50, 120 lbs. or greater per linear foot, sold for industrial projects.

Product 4—Fabricated structural steel sold for schools, libraries, labs, and hospitals, 2-4 stories. (Continued…)

industry and six importers provided usable pricing data for sales of the requested products, although not all firms reported pricing data for all products for all quarters.[173] The pricing data reported by these firms accounted for approximately *** percent of the domestic industry's U.S. commercial shipments in 2017, *** percent of U.S. commercial shipments of subject imports from Canada, *** percent of U.S. commercial shipments of subject imports from China, and *** percent of U.S. commercial shipments of subject imports from Mexico.[174]

Much of the pricing data that the Commission obtained was unusable because of both the difficulties that firms had in completing the questionnaire response and irregularities and apparent inaccuracies with the data they did report.[175] The usable pricing data that the Commission obtained consequently cover a very small number of domestic producers relative to those that submitted questionnaire responses. Petitioner argues that in any final phase of these investigations the Commission should collect bid data as well as product pricing data for its pricing analysis, while Canadian Respondents question whether collecting bid data or product pricing data would be useful.[176] In any final phase of these investigations, we request that the parties in their comments on the draft questionnaires suggest the best way for the Commission to collect comparable pricing data for the domestic like product and the subject imports.

Based on the available pricing data obtained by the Commission, cumulated subject imports undersold the domestic like product in nearly all (*** out of ***) quarterly comparisons, at margins ranging between *** percent and *** percent, and an average underselling margin of *** percent.[177] The available data also reflect predominant underselling by volume, with *** short tons of subject imports associated with instances of underselling, as compared to *** short tons of subject imports associated with instances of overselling. Thus, *** percent of the quantity of cumulated subject imports covered by the Commission's pricing data was sold during quarters in which the average price of these imports was less than that of

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Product 5—Fabricated structural steel sold for office buildings, multi-family residential buildings, and mixed-use buildings, 5-19 stories.

Product 6—Fabricated structural steel sold for office buildings, multi-family residential buildings, and mixed-use buildings, 20 stories and greater.

CR at V-12; PR at V-8.

[173] CR at V-14; PR at V-10; Price Data Worksheet at 1 (EDIS Document No. 670480). The Commission received usable pricing data from ***.

[174] CR at V-14; PR at V-10. Price Data Worksheet at 1 (EDIS Document No. 670480). The estimates of the coverage of the Commission's pricing data are based on U.S. commercial shipments reported by U.S. producers and importers in response to the Commission's questionnaires. As discussed in section II above, there was limited coverage of both U.S. producers and U.S. importers in our questionnaire data.

[175] CR at V-12 to V-13; PR at V-9 to V-10.

[176] Petitioner's Postconference Brief at 33-35; Canadian Respondents' Postconference Brief, Response to Staff Questions, at 6-8.

[177] Price Data Worksheet at Table V-10 (EDIS Document No. 670480).

the comparable domestic product.[178] Additionally, five purchasers responding to the Commission's lost sales/lost revenue survey reported that subject import prices were lower than those for domestically produced FSS, three of those purchasers reported that price was a primary reason for their decision to purchase subject imports rather than the domestic like product, and two purchasers reported that U.S. producers reduced their prices to compete with subject imports.[179]

Thus, given the predominance of underselling in the Commission's available pricing data (notwithstanding the limitations of those data), and the information from purchasers in response to the lost sales/lost revenue survey, the record contains evidence that subject imports were priced lower than FSS produced by the domestic industry during the POI. Furthermore, the limited data on the record indicate that subject imports were recurrently priced lower than domestically produced FSS at a time when subject imports were apparently gaining market share at the expense of the domestic industry. Because price is an important factor in purchasing decisions for FSS, and subject imports and the domestic like product are moderately to highly substitutable, we cannot conclude that the shifts in market share from the domestic industry to subject imports were not the result of subject import pricing.

The limited data on the record show that prices for the domestic like product fluctuated but generally rose during the POI. The Commission's pricing data show that prices for producers in the domestic industry increased during the POI for *** and declined for ***.[180] Publicly available index data from the St. Louis Federal Reserve Bank indicates that prices of fabricated structural iron and steel for commercial, residential, institutional and public buildings were largely unchanged between January 2015 and November 2016, increased between November 2016 and June 2017, declined in July 2017, and then increased during the first half of 2018, and increased overall between the beginning and conclusion of the POI.[181] Accordingly, the record does not show that cumulated subject imports depressed prices of the domestic like product to a significant degree.

We also do not find that cumulated subject imports prevented price increases for the domestic like product which otherwise would have occurred to a significant degree. The domestic industry's ratio of COGS to net sales was relatively flat during the calendar years of the POI, declining from *** percent in 2015 to *** percent in 2016 and then increasing to *** percent in 2017; the COGS to net sales ratio was *** percent in interim 2017 and higher, at *** percent, in interim 2018.[182] The record indicates that the domestic industry's higher COGS to net sales ratio in interim 2018 was largely attributable to an increase in the industry's raw

[178] Price Data Worksheet at Table V-10 (EDIS Document No. 670480).

[179] CR at V-33, V-37; PR at V-16, V-18; CR/PR at Tables V-12, V-14.

[180] CR/PR at Tables V-3 to V-5; Price Data Worksheet at Tables V-6 to V-9 (EDIS Document No. 670480).

[181] CR/PR at Figure V-4; CR at V-10 to V-11; PR at V-7.

[182] CR/PR at Table C-3.

material costs,[183] which was not likely to be immediately reflected in the industry's FSS prices given the lack of raw material indexing provisions in most domestic producers' contracts.[184]

Accordingly, given that price is an important factor in purchasing decisions for FSS, subject imports and the domestic like product are moderately to highly substitutable, and the current limited record provides information that subject imports were recurrently priced lower than the domestic like product, we cannot conclude that the shifts in market share from the domestic industry to subject imports were not the result of subject import pricing.

E. Impact of the Subject Imports[185]

Section 771(7)(C)(iii) of the Tariff Act provides that the Commission, in examining the impact of the subject imports on the domestic industry, "shall evaluate all relevant economic factors which have a bearing on the state of the industry." These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debt, research and development, 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."[186]

The available data in the record indicate that the domestic industry lost market share to subject imports during the POI. Additionally, the industry's output indicators and financial indicators declined.

The domestic industry's capacity increased by *** percent between 2015 and 2017, increasing from *** short tons in 2015 to *** short tons in 2016, and *** short tons in 2017. Capacity was *** short tons in interim 2017, and higher, at *** short tons, in interim 2018.[187] Production declined by *** percent from 2015 to 2017, declining from *** short tons in 2015 to *** short tons in 2016 and 2017; it was *** short tons in interim 2017, and higher, at ***

[183] The domestic industry's ratio of COGS to net sales consequently was *** percentage points higher in interim 2018 than in interim 2017. The domestic industry's ratio of raw material costs to net sales followed a similar pattern, as it was *** percentage points higher in interim 2018 than in interim 2017. Derived from CR/PR at Table VI-1; Canatal's U.S. Producer Questionnaire Response at question III-9a (EDIS Document No. 667378); Ocean's U.S. Producer Questionnaire Response at question III-9a (EDIS Document No. 667381).

[184] CR at V-10; PR at V-6.

[185] In its notice initiating the antidumping duty investigations on FSS from Canada, China, and Mexico, Commerce initiated investigations based on estimated dumping margins of 30.41 percent for imports from Canada, 222.35 percent for imports from China, and 30.58 percent for imports from Mexico. *Certain Fabricated Structural Steel From Canada, Mexico, and the People's Republic of China: Initiation of Less-Than-Fair-Value Investigations,* 84 Fed. Reg. 7330, 7335 (March 4, 2019).

[186] 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act of 2015, Pub. L. 114-27.

[187] CR/PR at Table C-3. As discussed in section VI.B.2 above, the parties dispute the probative value of the reported capacity and capacity utilization data.

short tons, in interim 2018.[188] Capacity utilization fell from *** percent in 2015 to *** percent in 2016 and *** percent in 2017; it was *** percent in interim 2017, and higher, at *** percent, in interim 2018.[189]

Net sales quantity declined by *** percent from 2015 to 2017, declining from *** short tons in 2015 to *** short tons in 2016 and *** short tons in 2017; it was *** short tons in interim 2017, and higher, at *** short tons, in interim 2018.[190] U.S. shipments fell by *** percent from 2015 to 2017, declining from *** short tons in 2015 to *** short tons in 2016 and 2017; they were *** short tons in interim 2017, and higher, at *** short tons, in interim 2018.[191] The domestic industry's share of apparent U.S. consumption fell from *** percent in 2015 to *** percent in 2016 and *** percent in 2017; it was *** percent in interim 2017, and higher, at *** percent, in interim 2018.[192]

With respect to employment, the number of production-related workers (PRWs) increased by *** percent from 2015 to 2017, increasing from *** PRWs in 2015 to *** PRWs in 2016 and *** PRWs in 2017; it was *** PRWs in interim 2017, and higher, at *** PRWs, in interim 2018.[193] Hours worked declined by *** percent from 2015 to 2017, increasing from *** hours in 2015 to *** hours in 2016, and then declining to *** hours in 2017; there were *** hours worked in interim 2017, and a greater amount, *** hours, in interim 2018.[194] Wages paid increased by *** percent from 2015 to 2017, increasing from $*** in 2015 to $*** in 2016 and $*** in 2017; they were $*** in interim 2017, and higher, at $***, in interim 2018.[195] Productivity fell by *** percent from 2015 to 2017, declining (in short tons per 1,000 hours) from *** in 2015 to *** in 2016, and then increasing to *** in 2017; it was *** short tons per 1,000 hours in interim 2017 and interim 2018.[196]

Revenues fell by *** percent from 2015 to 2017, declining from $*** in 2015 to $*** in 2016, and then increasing to $*** in 2017; they were $*** in interim 2017, and higher, at $*** in interim 2018.[197] Total COGS declined by *** percent from 2015 to 2017, declining from $*** in 2015 to $*** in 2016 and then increasing to $*** in 2017; it was $*** in interim 2017, and higher, at $***, in interim 2018.[198] The industry's ratio of COGS to net sales fell from *** percent in 2015 to *** percent in 2016 and then increased to *** percent in 2017; it was ***

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[188] CR/PR at Table C-3.

[189] CR/PR at Table C-3.

[190] CR/PR at Table C-3.

[191] CR/PR at Table C-3. Ending inventories of producers in the domestic industry rose by *** percent from 2015 to 2017, increasing from *** short tons in 2015 to *** short tons in 2016 and *** short tons in 2017; they were *** short tons in interim 2017, and higher, at *** short tons, in interim 2018. *Id.* Because FSS is typically produced to order, inventories in this industry are a less pertinent measure of producers' ability to respond to demand. *See* CR at II-4; PR at II-4.

[192] CR/PR at Table C-3.

[193] CR/PR at Table C-3.

[194] CR/PR at Table C-3.

[195] CR/PR at Table C-3.

[196] CR/PR at Table C-3.

[197] CR/PR at Table C-3.

[198] CR/PR at Table C-3.

percent in interim 2017, and higher, at *** percent, in interim 2018.[199] Gross profit declined by *** percent from 2015 to 2017, increasing from $*** in 2015 to $*** in 2016, and then declining to $*** in 2017; it was $*** in interim 2017, and lower, at $*** in interim 2018.[200]

Operating income fell by *** percent from 2015 to 2017, increasing from $*** in 2015 to $*** in 2016, and then declining to $*** in 2017; it was $*** in interim 2017 and lower, at ***, in interim 2018.[201] The industry's operating income margin increased from *** percent in 2015 to *** percent in 2016, and then fell to *** percent in 2017; it was *** percent in interim 2017 and *** percent in interim 2018.[202] Net income declined by *** percent from 2015 to 2017, increasing from $*** in 2015 to $*** in 2016 and then declining to $*** in 2017; it was $*** in interim 2017, and lower, at a $***, in interim 2018.[203] Capital expenditures increased by *** percent between 2015 and 2017, increasing from $*** in 2015 to $*** in 2016, and then fell to $*** in 2017; they were $*** in interim 2017, and higher, at $***, in interim 2018.[204]

As discussed in section VII.D above, subject imports gained market share at the expense of the domestic industry, and there is information in the record indicating that subject imports were recurrently sold at lower prices than the domestic like product. The record does not permit a conclusion that there is a lack of causal relationship between the increased volume of subject imports during the POI and the decline in the domestic industry's market share, nor does it indicate that the industry could not have achieved greater output and revenues but for the subject imports.[205]

In our analysis of the impact of subject imports on the domestic industry, we have taken into account whether there are other factors that may have had an adverse impact during the POI to ensure that we are not attributing injury from other factors to the subject imports. Respondents contend that a number of factors other than the subject imports are responsible for any adverse effects the domestic industry experienced in its output, market share, and financial performance during the POI. These include increases in the industry's raw material costs in the latter portion of the POI, the absence of indexing for raw material costs in domestic producers' contracts, the effects of the Section 232 tariffs, a shortage of skilled labor and other production constraints on the domestic industry, and a lack of capability of many U.S.

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[199] CR/PR at Table C-3.

[200] CR/PR at Table C-3.

[201] CR/PR at Table C-3.

[202] CR/PR at Table C-3.

[203] CR/PR at Table C-3.

[204] CR/PR at Table C-3. The domestic industry incurred research and development ("R&D") expenses of $*** in 2015, $*** in 2016, and $*** in 2017. R&D expenses were $*** in interim 2017 and $*** in interim 2018. CR/PR at Table VI-4 (the excluded producers *** R&D expenses).

[205] In any final phase of these investigations, we will be cognizant of the extent to which we do not receive responses from a substantial number of domestic producers to which we issued questionnaires, as well as the extent to which we receive responses from domestic producers stating that they did not incur adverse effects from the subject imports, and will consider whether the record indicates that a substantial proportion of the domestic industry does not perceive that it incurred an adverse impact from the subject imports.

fabricators to supply large, complex construction projects.[206] We will explore these issues further in any final phase of these investigations.

We have also examined the role of nonsubject imports, which had a relatively steady presence in the U.S. market during the POI. Nonsubject imports gained 0.7 percentage points of market share between 2015 and 2017, while the domestic industry lost *** percentage points of market share.[207] The market share of nonsubject imports was 2.8 percentage points lower in interim 2018 than in interim 2017, while the market share of the domestic industry was *** percentage points higher in interim 2018 than in interim 2017.[208] Thus, based on the available data, nonsubject imports cannot explain the magnitude of the domestic industry's loss of market share during the POI. We will examine further the role of nonsubject imports in the U.S. market in any final phase of these investigations.[209]

VIII. Conclusion

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

[206] *See* Canadian Respondents' Postconference Brief at 9-12, 17-19, 32-36; Corey's Postconference Brief at 11, 13-15.

[207] CR/PR at Table C-3. The market share of nonsubject imports increased from 11.5 percent in 2015 to 12.9 percent in 2016, and then declined to 12.2 percent in 2017. CR/PR at Table C-3.

[208] The market share of nonsubject imports was 12.5 percent in interim 2017 and 9.7 percent in interim 2018. The market share of the domestic industry was *** percent in interim 2017 and *** percent in interim 2018. CR/PR at Table C-3.

[209] As previously discussed, there are several uncertainties concerning available market share data, including what products are within the scope. We expect to have a more precise delineation about what products are included in or excluded from the scope in any final phase of these investigations.

PART I: INTRODUCTION

BACKGROUND

These investigations result from petitions filed with the U.S. Department of Commerce ("Commerce") and the U.S. International Trade Commission ("USITC" or "Commission") by the American Institute of Steel Construction, LLC ("AISC") (amended to the AISC Full Member Subgroup),[1] Chicago, Illinois, on February 4, 2019,[2] 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 fabricated structural steel[3] from Canada, China, and Mexico. The following tabulation provides information relating to the background of these investigations.[4] [5]

[1] The AISC is a not-for-profit technical institute and trade association established in 1921 to serve the structural steel design community and construction industry in the United States. It is the primary trade association for domestic fabricated structural steel producers. The AISC Full Member Subgroup current membership includes *** full member firms, *** of which manufacture fabricated structural steel. Other non-petitioner "ancillary" members of the AISC currently include professionals (***) (e.g., individuals with civil/structural engineering, architecture, or architectural engineering degrees), affiliates (***) (e.g., building inspectors and code officials), students (***), and educators (***); however, the petitioner notes that only the Full Member Subgroup of the AISC should be considered for purposes of petitioner's interested party status. Chris Weld, petitioner's counsel, email message to USITC staff, February 5, 2019; *Petitioner's Response to Respondents' Request to Reject APO Application*, February 19, 2019, pp. 2-4; *Amendment to Petition to Clarify Petitioner*, February 21, 2019; and *Structural Steel: An Industry Overview*, A White Paper by the American Institute of Steel Construction, August 2018, https://www.aisc.org/globalassets/aisc/publications/white-papers/structural_steel_industry_overview_2018.pdf, retrieved March 4, 2019.

[2] Petitioner noted that it originally intended to submit its petitions on December 31, 2018, and the period examined in its petitions are based on that filing date. However, due to extraordinary circumstances relating to the lapse in appropriations and ensuing cessation of Commission operations, from December 21, 2018, through the resumption of operations on January 28, 2019, petitioner was unable to file its petitions on December 31, 2018. Petitioner noted that it filed its petitions "promptly following the reopening of the Federal Government." Petitions, p. 12.

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

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

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

Effective date	Action
February 4, 2019	Petitions filed with Commerce and the Commission; institution of Commission investigations (84 FR 3245, February 11, 2019)
February 25, 2019	Commission's conference
February 25, 2019	Commerce's notice of initiation of antidumping duty investigations (84 FR 7330, March 4, 2019) and countervailing duty investigations (84 FR 7339, March 4, 2019)
March 20, 2019	Commission's vote
March 22, 2019	Commission's determinations
March 29, 2019	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 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.* [6]

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*

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

prevents price increases, which otherwise would have occurred, to a significant degree.. . . In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to. . . (I) actual and potential decline in output, sales, market share, gross profits, operating profits, net profits, ability to service debt, productivity, return on investments, return on assets, and utilization of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.[7]

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

(J) EFFECT OF PROFITABILITY.—The Commission may not determine that there is no material injury or threat of material injury to an industry in the United States merely because that industry is profitable or because the performance of that industry has recently improved. [7]

Organization of report

Part I of this report presents information on the subject merchandise, alleged subsidy/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

Fabricated structural steel consists of steel mill products that have been fabricated into articles to provide structural support and which are suitable for erection or assembly into a

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

variety of structures, including buildings (commercial, office, institutional, and multi-family residential), industrial and utility projects, parking decks, arenas and convention centers, medical facilities, and ports, transportation and infrastructure facilities. Staff estimates that the total apparent U.S. consumption of fabricated structural steel is approximately 4.5 million short tons.[8]

Based on questionnaire responses for U.S. industry data and official import statistics for U.S. import data, apparent U.S. consumption of fabricated structural steel totaled approximately 2.3 million short tons ($6.2 billion) in 2017. U.S. producers' U.S. shipments of fabricated structural steel totaled 1.1 million ($3.3 billion) in 2017, and accounted for 46.2 percent of apparent U.S. consumption by quantity and 52.6 percent by value. U.S. imports from subject sources totaled 949,586 short tons ($2.0 billion) in 2017 and accounted for 41.7 percent of apparent U.S. consumption by quantity and 32.2 percent by value. U.S. imports from nonsubject sources totaled 277,259 short tons ($938.5 million) in 2017 and accounted for 12.2 percent of apparent U.S. consumption by quantity and 15.1 percent by value.

U.S. producers

There are believed to be more than a thousand small- and medium-sized companies producing fabricated structural steel throughout the United States,[9] the following ten of which are the largest firms that responded to the Commission's questionnaire (based on 2017 production quantity): ***.

Foreign producers

Canada

Based on responses to the Commission questionnaire, the largest producers of fabricated structural steel in Canada include the following 10 firms (based on 2017 production quantity): ***. According to ***, the largest Canadian manufacturers exporting items to the United States under HTS statistical reporting numbers 7308.90.3000, 7308.90.6000, and 7308.90.9590 during 2017 were ***. These six firms accounted for *** percent of total exports of items from Canada to the United States reported under these three HTS numbers during 2017.

[8] As discussed in greater detail in Parts III and IV of this report, domestic producers' reported U.S. shipment data are believed to be understated, and official U.S. import statistics are believed to overstate U.S. imports of fabricated structural steel.

[9] Conference transcript, p. 134 (Zalesne); and petitioner's postconference brief, p. 1. The AISC's current membership includes *** full members which manufacture fabricated structural steel. Petitioner's Response to Respondents' Request to Reject APO Application, February 19, 2019, p. 2.

China

The largest producers of fabricated structural steel in China that responded to the Commission's questionnaire (based on 2017 production quantity) include the following three firms: ***. According to ***, the largest Chinese manufacturers exporting items to the United States under HTS statistical reporting numbers 7308.90.3000, 7308.90.6000, and 7308.90.9590 during 2017 were ***;[10] and ***. These eight firms accounted for *** percent of total exports of items from China to the United States reported under these three HTS numbers during 2017.

Mexico

Based on responses to the Commission questionnaire, the largest producers of fabricated structural steel in Mexico (based on 2017 production quantity) include the following three firms: ***, ***,[11] and ***. According to ***, the largest Mexican manufacturers exporting items to the United States under HTS statistical reporting numbers 7308.90.3000, 7308.90.6000, and 7308.90.9590 during 2017 were ***. These five firms accounted for *** percent of total exports of items from Mexico to the United States reported under these three HTS numbers during 2017.

U.S. importers

Canada

The largest U.S. importers of fabricated structural steel from Canada that responded to the Commission's importer questionnaire (based on 2017 import quantity) include the following five firms: ***. According to ***, the largest U.S. importers of items under HTS statistical reporting numbers 7308.90.3000, 7308.90.6000, and 7308.90.9590 during 2017 from Canada were ***. These six firms accounted for *** percent of total U.S. imports of items from Canada reported under these three HTS numbers during 2017.

[10] *** is a producer and exporter of various types of steel poles for use in electricity transmission and distribution, telecommunication, traffic, and lighting markets under ***. ***. Both petitioner and respondents state that steel poles for electrical transmission in the distribution industry do not meet the scope description in these investigations. Petitioner's postconference brief, exh. 1, p. 2; and Valmont's postconference brief, p. 2.

[11] *** produces and exports from Mexico transmission and distribution monopoles, which are tubular and hollow steel poles that are tapered and are used to support utility cables. Petitioner and importers believe these items are not included in the description of the scope in these investigations. ***.

China

The largest U.S. importers of fabricated structural steel from China that responded to the Commission's importer questionnaire (based on 2017 import quantity) include the following three firms: ***, ***,[12] and ***.[13] According to ***, the largest U.S. importers of items under HTS statistical reporting numbers 7308.90.3000, 7308.90.6000, and 7308.90.9590 during 2017 from China were ***. These six firms accounted for *** percent of total U.S. imports of items from China reported under these three HTS numbers during 2017.

Mexico

The largest U.S. importers of fabricated structural steel from Mexico that responded to the Commission's importer questionnaire (based on 2017 import quantity) include the following three firms: ***, ***,[14] and ***.[15] According to ***, the largest U.S. importers of items under HTS statistical reporting numbers 7308.90.3000, 7308.90.6000, and 7308.90.9590 during 2017 from Mexico were ***;[16] ***. These six firms accounted for *** percent of total U.S. imports of items from Mexico reported under these three HTS numbers during 2017.

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[12] *** imports steel framed gazebos from China for do-it-yourself assembly by consumers. The petitioner and importer believe these items are not included in the description of the scope in these investigations. Petitioner's postconference brief, exh. 1, p. 3; and *** importer questionnaire response, II-10.

[13] *** imports dairy headlocks, barn, and corral equipment from China. The petitioner and importer believe the items are not included in the description of the scope in these investigations. *** notes that none of the questions asked in the Commission questionnaire seem to apply to his product. He says that his industry imports under the "other" HTS number as advised by his Customs advisors and freight forwarders because there is no real HTS code to import the lockups and stalls. Petitioner's postconference brief, exh. 1, p. 4; and *** importer questionnaire response, II-10.

[14] *** imports transmission and distribution monopoles from Mexico. Petitioner and importers believe these items are not included in the description of the scope in these investigations. Petitioner's postconference brief, p. 2 and exh. 1, p. 2; and Exportadoras' postconference brief, pp. 2 and 8.

[15] *** imports lattice steel towers and steel poles for the electrical transmission and distribution industry from Mexico. Petitioner and importers believe these items are not included in the description of the scope in these investigations and note that towers and lattice masts typically enter the United States under a different HTS number (7308.20.00) that is not listed in the scope definition. Petitioner's postconference brief, exh. 1, p. 2; and ***.

[16] *** is a U.S. importer of steel poles for use in electricity transmission and distribution, telecommunication, traffic, and lighting markets under ***. ***. Both petitioner and respondents state that steel poles for electrical transmission in the distribution industry do not meet the scope description in these investigations. Petitioner's postconference brief, exh. 1, p. 2; and Valmont's postconference brief, p. 2.

Nonsubject sources

The largest importers of fabricated structural steel responding to the Commission's questionnaire from nonsubject countries (based on 2017 import quantity) (primarily from Italy and Korea) include ***.[17] According to ***, the largest U.S. importers of items under HTS statistical reporting numbers 7308.90.3000, 7308.90.6000, and 7308.90.9590 during 2017 from nonsubject countries were ***. These seven firms accounted for *** percent of total U.S. imports of items from nonsubject countries reported under these three primary HTS numbers during 2017.

U.S. purchasers

Typical U.S. purchasers of fabricated structural steel are construction firms. The leading purchasers that responded to the Commission's survey in the preliminary phase of these investigations include (in order of purchases and imports in 2016-18) are ***.

SUMMARY DATA AND DATA SOURCES

A summary of data collected in these investigations is presented in appendix C. Except as noted, U.S. industry data are based on the usable questionnaire responses of 63 firms that are believed to have accounted for 31.2 percent of U.S. production of fabricated structural steel during 2017 for trade data, 54 firms that are believed to have accounted for 26.3 percent of U.S. production of fabricated structural steel during 2017 for financial data, and 5 firms that are believed to have accounted for *** percent of U.S. production of fabricated structural steel during 2017 for pricing data. U.S. imports are based on official U.S. import statistics (HTS statistical reporting numbers 7308.90.3000, 7308.90.6000, and 7308.90.9590).

PREVIOUS AND RELATED INVESTIGATIONS

Section 332 investigation

In 1984, at the request of the Subcommittee on Trade, House Committee on Ways and Means, and in accordance with section 332(b) of the Tariff Act of 1930, the Commission conducted a study of *Conditions of Competition Between Certain Domestic and Imported Fabricated Structural Steel Products, Inv. No. 332-181*. The study assessed the factors affecting the competitive position of U.S. fabricators of structural steel for buildings, bridges, offshore oil platforms, transmission towers, and other related products, compared the structural characteristics of the U.S. industry with those of principal foreign competitors (primarily

[17] *** imports wind towers under ***, which petitioner believes is not included in the description of the scope of these investigations. Petitioner notes that these items are described in HTS 7308.20.00 or 8502.30.0000, which are not identified in the scope as HTS codes under which in-scope merchandise is likely to enter the United States. Petitioner's postconference brief, exh. 1, p. 3; and ***.

Canada, Japan, and Korea), and described U.S. and foreign Government policies and regulations affecting the fabricated structural steel industry.[18]

Offshore platform jackets and piles from Korea and Japan

In May 1986, the Commission determined that industries in the United States were materially injured by reason of imports of offshore platform jackets and piles from Korea and Japan.[19] Those orders were revoked in October 1987.[20] The Commission noted in its subsequent 1988 preliminary investigations on certain fabricated structural steel from Canada that the offshore platform jackets and piles, which are of fabricated structural steel, were excluded from the investigations on certain fabricated structural steel from Canada, because those 1988 preliminary investigations covered only certain fabricated structural steel for use in buildings.[21]

Certain fabricated structural steel from Canada

In January 1988, a petition was filed on behalf of AISC alleging that an industry in the United States was materially injured by dumped imports of certain fabricated structural steel from Canada. In February 1988, the Commission made a preliminary finding that there was no reasonable indication of material injury or threat thereof and thus no antidumping duty order was issued.[22]

Steel safeguard

Following receipt of a request from the United States Trade Representative ("USTR") on June 22, 2001, the Commission instituted Investigation No. TA-201-73, *Steel*, under section 202 of the Trade Act of 1974 (19 U.S.C. 2252) to determine whether certain steel products, including carbon and alloy fabricated structural units, were being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the

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[18] *Conditions of Competition Between Certain Domestic and Imported Fabricated Structural Steel Products, Inv. No. 332-181*, USITC Publication 1601, November 1984, pp. 1, ix, and xi-xii.

[19] *Offshore Platform Jackets and Piles from the Republic of Korea and Japan, Invs. Nos. 701-TA-248 (Final) and 731-TA-259-260 (Final)*, USITC Publication 1848, May 1986, p. 1.

[20] *Offshore Platform Jackets & Piles from Japan*, 52 FR 41604, October 29, 1987; *Offshore Platform Jackets & Piles from the Republic of Korea*, 52 FR 41603, October 29, 1987; and *Offshore Platform Jackets & Piles from the Republic of Korea*, 52 FR 41606, October 29, 1987.

[21] *Certain Fabricated Structural Steel from Canada, Inv. No. 731-TA-387 (Preliminary)*, USITC Publication 2062, February 1988, p. A-2.

[22] *Certain Fabricated Structural Steel from Canada, Inv. No. 731-TA-387 (Preliminary)*, USITC Publication 2062, February 1988, p. 1.

imported article.[23] The carbon and alloy fabricated structural units included in that investigation were described as structures (excluding prefabricated buildings) and parts of structures (i.e., bridges and bridge sections, lock gates, towers, lattice masts, roofs, roofing frameworks, pillars, and columns) made from iron or steel plates, rods, angles, shapes, sections, tubes, and the like. Also included were sheet-metal roofing, siding, flooring, and roofing drainage equipment. Excluded were doors, windows, their frames and thresholds, and architectural and ornamental work. For purposes of that 2001 investigation, fabricated products were provided for in the following HTS subheadings: 7308.10.0000, 7308.20.0000, 7308.40.0000, 7308.90.3000, 7308.90.6000, 7308.90.7000, 7308.90.9530, and 7308.90.9590.[24]

The Commission unanimously determined that fabricated structural units were not being imported into the United States in such increased quantities as to be a substantial cause of serious injury or threat of serious injury to the domestic industry.[25]

Section 301 proceeding

Section 301 of the Trade Act of 1974, as amended ("Trade Act"),[26] authorizes USTR, at the direction of the President, to take appropriate action to respond to a foreign country's unfair trade practices. On August 18, 2017, USTR initiated an investigation into certain acts, policies, and practices of the Government of China related to technology transfer, intellectual property, and innovation.[27] On April 6, 2018, USTR published its determination that the acts, policies, and practices of China under investigation are unreasonable or discriminatory and burden or restrict U.S. commerce, and are thus actionable under Section 301(b) of the Trade Act.[28] The USTR further determined that it was appropriate and feasible to take action and proposed the imposition of an additional 25 percent duty on products of China with an annual trade value of approximately $50 billion. The additional 25 percent duty was issued in two tranches. Tranche 1 covered 818 tariff subheadings, with an approximate annual trade value of

[23] *Steel, Investigation No. TA-201-73, Volume I: Determinations and Views of Commissioners*, USITC Publication 3479, December 2001, pp. 7-8.

[24] Ibid., p. 13.

[25] Ibid., pp. 1 and 25-26.

[26] 19 U.S.C. § 2411.

[27] *Initiation of Section 301 Investigation; Hearing; and Request for Public Comments: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 82 FR 40213, August 24, 2017.

[28] *Notice of Determination and Request for Public Comment Concerning Proposed Determination of Action Pursuant to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 14906, April 6, 2018.

$34 billion.[29] Tranche 2 covered 279 tariff subheadings, with an approximate annual trade value of $16 billion.[30]

On September 21, 2018, USTR published a notice in the *Federal Register* modifying its prior action in accordance with the specific direction of the President under his authority pursuant to Section 307(a)(1) of the Trade Act, determining to include 5,745 full and partial tariff subheadings with an approximate annual trade value of $200 billion, while maintaining the prior action (i.e., Tranche 3). At that time, USTR determined that the rate of additional duty to be initially 10 percent ad valorem, effective September 24, 2018, and that the rate of additional duty was to increase to 25 percent ad valorem on January 1, 2019.[31] However, on December 1, 2018, President Trump announced that the United States would delay increasing the tariff rate on Tranche 3 to 25 percent.[32] In a *Federal Register* notice published on December 19, 2018, USTR determined, in accordance with the direction of the President, to postpone the date to March 2, 2019, at which time the rate of the additional duties was to increase to 25 percent for the products of China covered by the September 2018 Section 301 action.[33] On March 5, 2019, this increase was postponed until further notice, with the rate of additional duty for the products covered by the September 2018 action remaining at 10 percent until further notice.[34]

Fabricated structural steel, which is primarily classified in HTS subheadings 7308.90.30, 7308.90.60, and 7308.90.95, was included in the list of articles from China subject to the additional 25-percent duties effective June 20, 2018, under Section 301 of the Trade Act of

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[29] *Notice of Action and Request for Public Comment Concerning Proposed Determination of Action Pursuant to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 28710, June 20, 2018. Relevant HTS codes for fabricated structural steel in the Tranche 1 list include the following: 7308.90.3000, 7308.90.6000, 7308.90.9530, and 7308.90.9590.

[30] *Notice of Action Pursuant to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 40823, August 16, 2018. There were no relevant HTS codes for fabricated structural steel in the Tranche 2 list.

[31] *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 47974, September 21, 2018. Relevant HTS codes for fabricated structural steel in the Tranche 3 list include the following: 7216.91.0010, 7216.91.0090, 7301.20.1000, 7301.20.5000, 7308.40.0000, and 9406. 90.0030.

[32] EY, "US Announces Temporary Pause on Planned Increase of List 3 Tariffs on China Origin Goods," December 3, 2018, https://www.ey.com/gl/en/services/tax/international-tax/alert--us-announces-temporary-pause-on-planned-increase-of-list-3-tariffs-on-china-origin-goods---duties-remain-in-force-and-key-issues-remain-unresolved, December 18, 2018.

[33] *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 65198, December 19, 2018.

[34] *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 FR 7966, March 5, 2019.

1974.[35] See the section of this report entitled "Tariff treatment" for further information on HTS numbers applicable to fabricated structural steel subject to these investigations.

Section 232 proclamations

Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862), authorizes the President, on advice of the Secretary of Commerce, to adjust the imports of an article and its derivatives that are being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security. On March 8, 2018, the President issued Proclamations 9704 and 9705 on Adjusting Imports of Steel and Aluminum into the United States, under Section 232 of the Trade Expansion Act of 1962, as amended, providing for additional import duties for steel mill and aluminum articles, effective March 23, 2018. On March 22, 2018, April 30, 2018, May 31, 2018, August 10, 2018, and August 29, 2018, the President issued Proclamations 9710, 9711, 9739, 9740, 9758, 9759, 9772, 9776, and 9777 on Adjusting Imports of Steel and Aluminum into the United States. Under these Presidential Proclamations, in addition to reporting the regular Chapters 72 and 73 of the Harmonized Tariff Schedule ("HTS") classification for the imported steel merchandise and the regular Chapter 76 of the HTS classification for the imported aluminum merchandise, importers shall report the following HTS classification for imported merchandise subject to the additional duty: 9903.80.01 (25 percent ad valorem additional duty for steel mill products) and 9903.85.01 (10 percent ad valorem additional duty for aluminum products). These duty requirements are effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after March 23, 2018.[36] These Section 232 tariffs do not cover fabricated structural steel but do apply to the raw material inputs for fabricated structural steel (including steel mill products such as beams and plate).

NATURE AND EXTENT OF ALLEGED SUBSIDIES AND SALES AT LTFV

Alleged subsidies

On March 4, 2019, Commerce published a notice in the *Federal Register* of the initiation of its countervailing duty investigations on fabricated structural steel from Canada, China, and Mexico.[37]

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[35] *Notice of Action and Request for Public Comment Concerning Proposed Determination of Action Pursuant to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 28710, June 20, 2018.

[36] *Section 232 Tariffs on Aluminum and Steel Duty on Imports of Steel and Aluminum Articles under Section 232 of the Trade Expansion Act of 1962*, https://www.cbp.gov/trade/programs-administration/entry-summary/232-tariffs-aluminum-and-steel, retrieved December 12, 2018.

[37] *Certain Fabricated Structural Steel From Canada, Mexico, and the People's Republic of China: Initiation of Countervailing Duty Investigations*, 84 FR 7339, March 4, 2019.

Canada

Commerce found that there was sufficient information to initiate a countervailing duty investigation on 43 of the 44 alleged programs.[38] Commerce identified the following government programs in Canada:[39]

- Export Guarantee Program
- Foreign Affairs and International Trade Canada CanExport Program
- Export Development Canada Export Financing for Steel
    - Loans
    - Loan Guarantees
    - Export Insurance
- Federal Accelerated Capital Cost Allowances for Class 29 Assets
- Federal Scientific Research and Experimental Development Tax Credit
- Federal Apprenticeship Job Creation Tax Credit
- Western Economic Diversification Canada's Western Innovation Initiative
- Atlantic Investment Tax Credit
- The Federal Atlantic Innovation Fund
- Business Development Program
- Alberta Scientific Research and Experimental Development Tax Credit
- Alberta Export Support Fund
- Employer Trainer Grant (Canada – Alberta Job Grant)
- British Columbia ("BC") Hydro Power Smart: Industrial Energy Managers Program
- BC Hydro Power Smart: Load Curtailment
- BC Hydro Power Smart: Incentives
- Employer Trainer Grant (Canada – BC Job Grant)
- British Columbia Scientific Research and Experimental Development Tax Credit
- Employer Trainer Grant (Canada – Manitoba Job Grant)
- New Brunswick Research and Development Tax Credit
- New Brunswick Large Industrial Renewable Energy Purchase Program
- New Brunswick Workforce Expansion: One Job Pledge
- New Brunswick Financial Assistance to Industry Program
    - Loans
    - Payroll Rebate Program
- Employer Trainer Grant (Canada – Nova Scotia Job Grant)
- Workplace Innovation and Productivity Skills Incentive ("WIPSI") Program
- Quebec Tax Holiday for Large Investment Projects

[38] Commerce did not initiate on the following alleged program: ESSOR Program – Investment Projects Support Component Equity Infusions.

[39] *Enforcement and Compliance Office of AD/CVD Operations Countervailing Duty Initiation Checklist*, Certain Fabricated Structural Steel from Canada, C-122-865, February 25, 2019.

- Tax Credit for the Acquisition of Manufacturing and Processing Equipment in Quebec
- Quebec Capital Cost Allowance for Property Used in Manufacturing and Processing
- Quebec Columbia Scientific Research and Experimental Development Tax Credit
- Hydro Quebec Interruptible Electricity Option Program
- Hydro Quebec Electricity Discount Program for Capital Investments
- Hydro Quebec Electricity Discount Program for Industrial Users
- ESSOR Program – Investment Projects Support Component
    - Loans
    - Loan Guarantees
    - Grants
- EcoPerformance – MERN (TEQ)/Energy Efficiency Conversion Products
- Employer Trainer Grant (Canada – Ontario Job Grant)
- Independent Electricity System Operator ("IESO") Demand Response
- Employer Trainer Grant (Canada – Prince Edward Island Job Grant)
- Employer Trainer Grant (Canada – Saskatchawan Job Grant)

China

Commerce found that there was sufficient information to initiate a countervailing duty investigation, in whole or part, on 25 of the 26 alleged programs.[40] Commerce identified the following government programs in China:[41]

- Provision of Inputs for Less Than Adequate Remuneration ("LTAR")
    - Provision of Hot-Rolled Steel for LTAR
    - Provision of Cut-to-Length Plate for LTAR
    - Provision of Wide Flange Beams for LTAR
    - Provision of Steel Channels for LTAR
    - Provision of Steel Angles for LTAR
    - Provision of Hollow Structural Shapes for LTAR
    - Provision of Iron Ore for LTAR
    - Provision of Electricity for LTAR
    - Provision of Land Use Rights for Favored Industries for LTAR
- Subsidized Financing to the Fabricated Structural Steel Industry
    - Government Directed Debt Restructuring in the Chinese Steel Industry
- Subsidies Under the State Capital Operating Budget ("SCOB")
    - Capital Injections and Other Payments through the SCOB

[40] Commerce did not initiate on the following alleged program: Income Tax Credits for Domestically Owned Companies Purchasing Domestically Produced Equipment.

[41] *Enforcement and Compliance Office of AD/CVD Operations Countervailing Duty Initiation Checklist*, Certain Fabricated Structural Steel from the People's Republic of China (China), C-570-103, February 25, 2019.

- Grant Programs
    - Foreign Trade Development Fund Grants
    - Export Assistance Grants
    - Import Interest Subsidies
    - Export Interest Subsidies
    - Subsidies for Development of Famous Export Brands and China World Top Brands
    - State Key Technology Fund
    - Grants for Energy Conservation and Emissions Reduction
    - Grants for Retiring Outdated Capacity
- Tax Programs
    - Income Tax Reductions for High and New Technology Enterprises
    - Tax Offsets for Research and Development under EIT
    - Preferential Income Tax for Enterprises in the Northeast Region
    - Forgiveness of Tax Arrears for Enterprises Located in the Old Industrial Bases of Northeast China
- Export Credit Subsidies
    - Export Seller's Credit
    - Export Buyer's Credit

Mexico

Commerce found that there was sufficient information to initiate a countervailing duty investigation on 17 of the 19 alleged programs.[42] Commerce identified the following national government programs in Mexico:[43]

- Loan Programs
    - Innovation Incentive Program
    - Bancomext Maquiladora Loans
- Direct Tax Programs
    - Program for the Use of Renewable Energy Sources – Accelerated Depreciation for Renewable Energy Investments
    - Maquiladora Program Tax Benefit
    - Immediate Deduction Program
    - Deduction for New Fixed Assets for Small Companies
    - Special Economic Zones

[42] Commerce did not initiate on the following alleged programs: ALTEX Program and Importer Tax Refund to Exporters (DRAWBACK).

[43] *Enforcement and Compliance Office of AD/CVD Operations Countervailing Duty Initiation Checklist*, Certain Fabricated Structural Steel from Mexico, C-201-851, February 25, 2019.

- Indirect Tax Programs (Duty and VAT Exemption Programs)
    - IMMEX Program
    - PROSEC
    - Eighth Rule Permit
- Grant Programs
    - Tarifa I-15 Program
    - Tarifa I-30 Program
    - Grants from Renewable Energy Funds (Green Fund, Emergent Technologies Fund, Rural Electrification Fund, and Research and Technological Development Fund)
    - Program to Boost Industrial Productivity and Competitiveness ("PPCI")

Commerce identified the following state government programs in Mexico:

- Loan Programs
    - Law for the Promotion of Investments in the State of Jalisco
- Income Tax Programs
    - State Government of Baja California Economic Incentive Program
    - Law to Promote Investment and Employment for the State of Nuevo Leon

Alleged sales at LTFV

On March 4, 2019, Commerce published a notice in the *Federal Register* of the initiation of its antidumping duty investigations on fabricated structural steel from Canada, China, and Mexico.[44] Commerce has initiated antidumping duty investigations based on estimated dumping margins of 30.41 percent for fabricated structural steel from Canada, 222.35 percent for fabricated structural steel from China, and 30.58 percent for fabricated structural steel from Mexico.

THE SUBJECT MERCHANDISE

Commerce's scope

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

> *The merchandise covered by these investigations is carbon and alloy fabricated structural steel. Fabricated structural steel is made from steel in which: (1) Iron predominates, by weight, over each of the other contained elements; and (2) the carbon content is two percent or less by*

[44] *Certain Fabricated Structural Steel From Canada, Mexico, and the People's Republic of China: Initiation of Less-Than-Fair-Value Investigations*, 84 FR 7330, March 4, 2019.

weight. Fabricated structural steel products are steel products that have been fabricated for erection or assembly into structures, including, but not limited to, buildings (commercial, office, institutional, and multifamily residential); industrial and utility projects; parking decks; arenas and convention centers; medical facilities; and ports, transportation and infrastructure facilities. Fabricated structural steel is manufactured from carbon and alloy (including stainless) steel products such as angles, columns, beams, girders, plates, flange shapes (including manufactured structural shapes utilizing welded plates as a substitute for rolled wide flange sections), channels, hollow structural section (HSS) shapes, base plates, and plate-work components. Fabrication includes, but is not limited to cutting, drilling, welding, joining, bolting, bending, punching, pressure fitting, molding, grooving, adhesion, beveling, and riveting and may include items such as fasteners, nuts, bolts, rivets, screws, hinges, or joints.

The inclusion, attachment, joining, or assembly of non-steel components with fabricated structural steel does not remove the fabricated structural steel from the scope.

Fabricated structural steel is covered by the scope of the investigations regardless of whether it is painted, varnished, or coated with plastics or other metallic or nonmetallic substances and regardless of whether it is assembled or partially assembled, such as into modules, modularized construction units, or subassemblies of fabricated structural steel.

Subject merchandise includes fabricated structural steel that has been assembled or further processed in the subject country or a third country, including but not limited to painting, varnishing, trimming, cutting, drilling, welding, joining, bolting, punching, bending, beveling, riveting, galvanizing, coating, and/or slitting or any other processing that would not otherwise remove the merchandise from the scope of the investigations if performed in the country of manufacture of the fabricated structural steel.

Specifically excluded from the scope of these investigations are:

1. Fabricated steel concrete reinforcing bar (rebar) if: (i) It is a unitary piece of fabricated rebar, not joined, welded, or otherwise connected with any other steel product or part; or (ii) it is joined, welded, or otherwise connected only to other rebar.

2. Fabricated structural steel for bridges and bridge sections that meets American Association of State and Highway and Transportation Officials

(AASHTO) bridge construction requirements or any state or local derivatives of the AASHTO bridge construction requirements.

3. Pre-engineered metal building systems, which are defined as complete metal buildings that integrate steel framing, roofing and walls to form one, pre-engineered building system, that meet Metal Building Manufacturers Association guide specifications. Pre-engineered metal building systems are typically limited in height to no more than 60 feet or two stories.

4. Steel roof and floor decking systems that meet Steel Deck Institute standards.

5. Open web steel bar joists and joist girders that meet Steel Joist Institute specifications.

The products subject to the investigations are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings: 7308.90.3000, 7308.90.6000, and 7308.90.9590.

The products subject to the investigations may also enter under the following HTSUS subheadings: 7216.91.0010, 7216.91.0090, 7216.99.0010, 7216.99.0090, 7222.40.6000, 7228.70.6000, 7301.10.0000, 7301.20.1000, 7301.20.5000, 7308.40.0000, 7308.90.9530, and 9406.90.0030.

The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the investigations is dispositive.[45]

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 imported under the following provisions of the Harmonized Tariff Schedule of the United States ("HTS") 7308.90.3000, 7308.90.6000, and 7308.90.9590. The merchandise subject to these investigations may also be imported under the following HTS statistical reporting numbers: 7216.91.0010, 7216.91.0090, 7216.99.0010, 7216.99.0090, 7222.40.6000, 7228.70.6000, 7301.10.0000, 7301.20.1000, 7301.20.5000, 7308.40.0000, 7308.90.9530, and 9406.90.0030.

[45] *Certain Fabricated Structural Steel From Canada, Mexico, and the People's Republic of China: Initiation of Less-Than-Fair-Value Investigations*, 84 FR 7330, March 4, 2019.

The 2019 general rate of duty is "Free" for HTS subheadings 7216.91.00, 7216.99.00, 7222.40.6000, 7228.70.60, 7301.10.0000, 7301.20.10, 7301.20.50, 7308.40.00, 7308.90.30, 7308.90.60, and 7308.90.95.[46] The 2019 general rate of duty is 2.9 percent ad valorem for HTS 9406.90.00.[47] Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Sections 232 and 301 tariff treatment

HTS subheadings 7216.99.00, 7222.40.60, 7228.70.60, and 7301.10.00 (but not HTS 7216.91.00) were included in the enumeration of iron and steel articles subject to the additional 25 percent ad valorem national-security duties under Section 232 of the *Trade Expansion Act of 1962*, as amended.[48] See U.S. notes 16(a) and 16(b), subchapter III of chapter 99.[49] The initial exemptions from these additional 25-percent duties were not continued after May 31, 2018, for the enumerated iron and steel articles originating from Canada, Mexico, or the European Union member states.[50]

Products of China classified in HTS subheadings 7308.90.30, 7308.90.60, and 7308.90.95 became subject to an additional 25 percent ad valorem duty (annexes A and B of 83 FR 40823) on August 23, 2018, under Section 301 of the *Trade Act of 1974*.[51] See U.S. notes 20(c) and 20(d) to subchapter III of chapter 99.[52]

Products of China classified in HTS subheadings 7216.91.00, 7301.20.10, 7301.20.50, 7308.40.00, and 9406.90.00 became subject to an additional initial 10 percent ad valorem duty (annexes A and C of 83 FR 47974), under Section 301 of the *Trade Act of 1974*.[53] Escalation of this duty to 25 percent ad valorem was rescheduled from January 1, 2019 (annex B of 83 FR

[46] *HTSUS (2019) Basic edition*, USITC Publication 4862, January 2019, pp. 72-23, 72-45, 73-2, 73-23.

[47] *HTSUS (2019) Basic edition*, USITC Publication 4862, January 2019, p. 94-19.

[48] *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9705, March 8, 2018, 83 FR 11625, March 15, 2018.

[49] *HTSUS (2019) Basic* edition, USITC Publication 4862, January 2019, pp. 99-III-5 - 99-III-6.

[50] *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9740, April 30, 2018, 83 FR 20683, May 7, 2018; *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9759, May 31, 2018, 83 FR 25857, June 5, 2018.

[51] *Notice of Action Pursuant to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 40823, August 16, 2018.

[52] *HTSUS (2019) Basic edition*, USITC Publication 4862, January 2019, pp. 99-III-18 - 99-III-19, 99-III-20, 99-III-71.

[53] *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 47974, September 21, 2018.

47974) to March 2, 2019 (83 FR 65198),[54] but was subsequently postponed until further notice.[55] See U.S. notes 20(e) and 20(f), subchapter III of chapter 99.[56]

THE PRODUCT

Description and applications

Fabricated structural steel is a fabricated product, designed as load-bearing components to provide structural support when erected or assembled into a wide variety of commercial and industrial facilities.[57] Commercial facilities include commercial, office, institutional, and multi-family residential buildings. Industrial facilities include refineries, petrochemical plants, drill-rig platforms, and utility plants; parking decks; sporting arenas, entertainment centers, and convention centers; medical facilities; and ports, transportation, and other infrastructure facilities.[58] Because fabricated structural steel is typically custom-manufactured for a specific construction project, fabricated structural steel for one project will differ from that designed for another due to differing engineering and design requirements.[59] Hence, fabricated structural steel is usually sold directly to end users (i.e., structural construction contractors), rather than either transacted through distributors or sold from inventory.[60]

Regardless of a structure's commercial or industrial end use, fabricated structural steel is designed to meet AISC's *Steel Construction Manual* specifications.[61] Otherwise, no additional codes or standards exist for fabricated structural steel in industrial applications.[62] Although respondents' witnesses claims otherwise,[63] the petitioner claims that there is no requirement

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[54] *Notice of Action Pursuant to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 65918, December 19, 2018.

[55] *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 FR 7966, March 5, 2019.

[56] *HTSUS (2019) Basic edition*, USITC Publication 4862, January 2019, pp. 99-III-21 - 99-III-22, 99-III-40, 99-III-44, 99-III-71.

[57] Petition, p. 7. Petitioner claims that there is significant overlap in the definitions of FFS for commercial versus industrial facilities, with the same types of steel mill products (e.g., 10 x 12 wide flange beams) being fabricated and with the same essential characteristic of providing structural support. Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, pp. 11-15.

[58] Petition, p. 7; Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 25; Canadian Institute of Steel Construction ("CISC's") postconference brief, Exhibit 1: Respondent's responses to Commission preliminary conference questions, pp. 11-12.

[59] Petition, p. 7; petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 14.

[60] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 15; producer questionnaire responses (question II-8) and importer questionnaire responses (question II-5b).

[61] In the absence of other design criteria, the AISC's Code of Standard Practice (ANSI/AISC360) provisions govern the design of structural steel. Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 14; Exhibit 25: AISC, *Steel Construction Manual*.

[62] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 14.

[63] Conference transcript, p. 209 (Whelan), p. 209 (Salas).

that all fabricated structural steel used in the U.S. market be produced by AISC-certified firms, and that a significant number of subject producers have such certification.[64] The AISC Quality Certification "verif{ies} that the fabricator has the processes, equipment, manpower, commitment, and experience to perform the necessary work and meet a minimum level of industry accepted quality standards."[65]

Fabricated structural steel is assembled predominantly from heavy steel sections, especially heavy parallel flange beams,[66] but also from angles, channels, and hollow structural shapes ("HSS"), as well as steel plates.[67] The mix of steel mill products differs to varying degrees between the in-scope fabricated structural steel and the following five specifically excluded fabricated steel products ("excluded products"):

1. Fabricated steel concrete reinforcing bar ("rebar")— consists of rebar strands that are cut to length, bent to shape, and assembled together either with steel wire ties or by welding.[68] Designed specifically to enhance the compressional and tensional strength of steel-reinforced concrete construction, fabricated rebar is set in place prior to the wet concrete being poured over it, followed by allowing time for the concrete to cure (set) into a solid structure.[69] Beyond the steel wire ties, no other steel mill product is an input to fabricated rebar.[70] [71]

2. Fabricated structural steel for bridges and bridge sections— steel plate is much more the predominant input than are steel sections[72] and the plate for bridge sections is generally longer, larger, and stronger than that for fabricated structural steel.[73] Steel for bridges is produced to meet the American Association of State Highway and Transportation Officials ("AASHTO") bridge construction requirements rather than the AISC's *Steel Construction Manual*

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[64] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 57. See also: Exhibit 87: List of producers in subject and non-subject countries with AISC certifications.

[65] Petitioner's postconfernce brief, p. 14; CISC's postconference brief, Exhibit 2: AISC, *Structural Steel: An Industry Overview*, August 2018, p. 5.

[66] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 8.

[67] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 12.

[68] See: Concrete Reinforcing Steel Institute, "Reinforcing Steel;" "Reinforcing Bar Placing;" "Splicing Bars," 2019.

[69] CRSI, "Reinforcing Steel," 2019; *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine*, *Investigation No. 731-TA-873-875, 878-880, and 882 (Third Review)*, USITC Publication 4838, November 2018, p. I-11.

[70] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 8.

[71] Petitioner further contends that fabricated rebar and fabricated structural steel do not share the same physical characteristics and uses; are not interchangeable; are sold through different channels of distribution; have different customer and producer perceptions; are not produced in the same facilities by the same equipment and employees; and are priced differently. Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 25, footnote 82.

[72] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, pp. 19-20; conference transcript, p. 74 (Zalesne).

[73] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, pp. 8, 19-20, 23; Exhibit 23: *Certain Fabricated Structural Steel from Canada*, *Investigation No. 731-TA-387 (Preliminary), USITC Publication 2062*, February 1988, pp. 5-6.

specifications for in-scope fabricated structural steel.[74] Given the size and weight differences, fabricating steel for bridge components generally requires heavier lifting cranes and longer production facilities; but fewer man-hours of labor and lesser variety of work tasks than producing fabricated structural steel.[75] There are 1,114 facilities certified to fabricate steel for use in buildings but only 370 facilities certified to fabricate steel for use in bridge sections.[76] For producers of fabricated steel for both bridges and in-scope fabricated structural steel, the fabrication is performed in either dedicated facilities or separate production lines,[77] and with dedicated workers.[78]

The following three excluded products differ from fabricated structural steel in terms of the steel mill-product input types; being available in standard sizes that are sold as stock items from inventory or through distributors;[79] conforming to non-AISC technical standards;[80] and not generally being produced by steel fabricators,[81] but in such exceptions, rather in separate facilities, by different production processes, and dedicated employees.[82]

3. Pre-engineered metal building systems[83]— coiled steel sheet is the predominant input material;[84] such systems must conform to the Metal Building Manufacturers Association guide specifications.[85]

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[74] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, pp. 20-21; conference transcript, p. 74 (Zalesne).

[75] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, pp. 22-23; Exhibit 98: Declaration of ***; conference transcript, pp. 74-75 (Zalesne).

[76] CISC's postconference brief, Exhibit 2: AISC, *Structural Steel: An Industry Overview*, August 2018, p. 4.

[77] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, pp. 23-24; conference transcript, p. 75 (Cooper).

[78] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 24; conference transcript, p. 74 (Zalesne).

[79] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, pp. 25-26; Exhibit 41: ARCO Building Systems website excerpts; Exhibit 42: Corrugated metal website excerpts; Exhibit 43: O'Donnell Metal Deck website excerpts.

[80] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 26; Exhibit 45: Metal Building Manufacturers Association website excerpts; Exhibit 46: Steel Deck Institute website excerpts; Exhibit 47: Steel Joist Institute website excerpts.

[81] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 28; Exhibit 45: Metal Building Manufacturers Association website excerpts; Exhibit 46: Steel Deck Institute website excerpts; Exhibit 47: Steel Joist Institute website excerpts.

[82] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 28; Exhibit 48: Canam website excerpts.

[83] For illustrations of building systems, see: Petitioner's postconference brief, Exhibit 41: ARCO Building Systems website excerpts; Exhibit 45: Metal Building Manufacturers Association website excerpts.

[84] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 8.

[85] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 26.

4. Steel roof and floor decking systems[86]— coiled steel sheet is the predominant input material for both roof[87] and floor decking systems;[88] such systems must conform to the Steel Deck Institute standards.[89]

5. Open web steel bar joists and joist girders[90]— in addition to heavy structural sections, plate, hot-rolled coiled sheet, and wire are the predominant input materials;[91] these products must conform to the Steel Joist Institute specifications.[92]

Most fabricated structural steel, for both commercial and industrial construction projects, is sold through a multiple-round bidding process, initiated by a construction contractor's request-for-quotes ("RFQs"), followed by bids received from invited fabricated structural steel producers, and finally the contract awarded to the winning fabricated structural steel producer(s).[93] Certain fabricated structural steel producers also offer costs for initial-design, engineering, and erection services, in addition to structural steel fabrication, as part of their bid packages.[94]

Manufacturing processes

Fabricated structural steel is typically produced on a project-by-project basis, after a contract is awarded to the bid-winning FFS producer(s). Whether being fabricated for use in either commercial or industrial structures, fabricated structural steel is produced in common facilities, by common fabricating processes, and with common employees.[95] After the design and architectural plans are finalized, the FFS fabrication work begins with procurement of the steel mill products, support materials (e.g., fasteners, steel strand and rope), welding materials (e.g., cutting and welding gasses, welding wire, and fluxes), and other input (e.g., galvanizing, painting, insulating, and lubricating) materials.[96] Both domestic and subject producers utilize

[86] For illustrations of roof and floor decking, see: Petitioner's postconference brief, Exhibit 20: Roof decking pictures; Exhibit 43: O'Donnell Metal Deck website excerpts; Exhibit 46: Steel Deck Institute website excerpts.

[87] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 7.

[88] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, pp. 8-9.

[89] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 26.

[90] For illustrations of steel joists, see: Petitioner's postconference brief, Exhibit 20: Roof decking pictures; Exhibit 43: O'Donnell Metal Deck website excerpts; Exhibit 46: Steel Deck Institute website excerpts.

[91] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 9.

[92] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 26.

[93] Petitioner's postconference brief, p. 16; Exhibit 1: Answers to Commission questions, pp. 15, 51; conference transcript, p. 35 (Cooper).

[94] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 53; conference transcript, pp. 164-165, 228 (Guile).

[95] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 17.

[96] Petition, p. 8.

the same manufacturing processes and equipment to fabricate structural steel.[97] According to the Canadian Institute of Steel Construction ("CISC"), Canadian steel fabricating capabilities vary by size, with smaller facilities being limited by production capacity and product range. By contrast, larger, more vertically integrated Canadian fabricators are capable of handling the larger, more complex jobs requiring more extensive work and heavier pieces of steel.[98] Reportedly, only the three AISC-certified Mexican steel fabricators produce the full range of fabricated structural steel, compared to the less certain capabilities of most Mexican steel fabricators, being small-to-medium sized firms that produce for the domestic market.[99] Moreover, the specific manufacturing equipment utilized and floor layout of the production facility may be tailored to the types of fabricated structural steel being produced.[100]

Based upon the design and architectural plans, highly skilled welders, crane operators, and machine operators fabricate the steel mill products into fabricated structural steel components[101] by various cutting, drilling, punching, bending, welding, joining, bolting, pressure fitting, molding, and adhesion steps, as well as various finishing and coating procedures;[102] along with partial assembly operations to the extent possible at the fabricator's production facility. Most fabrication steps are generally performed with the assistance of mechanized and automated equipment but some must be partially or wholly performed manually.[103] Fabricating structural steel components is a labor-intensive process, reportedly requiring 15 to 30 man-hours per ton.[104] Finally, if the completed fabricated structural steel component is not prepared for shipment to either a marshalling yard or to the actual job site, it is stored until shipment.[105]

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[97] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 46; conference transcript, pp. 78, 124 (Labbe).

[98] CISC's postconference brief, Exhibit 1: Respondent's responses to Commission preliminary conference questions, p. 8.

[99] Corey's postconference transcript, Exhibit 1: Responses to the Commission staff's questions, pp. 4-5.

[100] Conference transcript, p. 225 (Whalen).

[101] Petition, p. 8.

[102] Petition, pp. 7-8.

[103] Petition, p. 8.

[104] Petitioner's postconference brief, p. 22; Exhibit 1: Answers to Commission questions, p. 64; conference transcript, p. 28 (Zalesne).

[105] Petition, p. 8.

DOMESTIC LIKE PRODUCT ISSUES

The petitioner argues that there is a single domestic like product that is co-extensive with the scope of the investigations.[106] Respondents SAE Towers Ltd. ("SAE Mexico"),[107] Exportadora de Postes de Monclova, S.A. de C.V. ("Monclova"), GDL,[108] and Valmont[109] argue that electrical transmission, distribution, and substation steel poles and lattice tower structures (referred to in this section as "utility poles and towers") are not part of the scope of the investigations and are a separate domestic like product from in-scope fabricated structural steel.[110] Respondent Direct Scaffold Supply ("DSS"), a U.S. importer of scaffolding, argues that scaffolding is not including in the definition of the scope in these investigations and is a separate domestic like product from in-scope fabricated structural steel.[111] Wind Turbine & Energy Cables Corp. ("WTEC"), an engineering, manufacturing, procurement, and field installation company dedicated to the energy marketplace, requests that the Commission find

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[106] Petitioner's postconference brief, p. 5. The petitioner argues that products that are not part of the scope should not be considered part of the domestic like product because they do not share the same physical characteristics and uses, are not interchangeable, are sold in different channels of distribution, have different customer and producer perceptions, are not manufactured in the same facilities, using the same employees and equipment, and are priced differently. Petitioner's postconference brief, exh. 1, p. 25.

[107] SAE Mexico engineers and manufactures steel lattice towers steel monopoles, and substation structures in Mexico and serves the North American market. SAE's postconference letter, p. 1.

[108] Monclova and GDL produce, export, and import transmission and distribution monopoles. Exportadoras' postconference brief, p. 2.

[109] Valmont Industries, Inc. ("VMI") is a U.S. producer and importer of electrical transmission, distribution and substation poles and tower structures. It is also a U.S. producer of light poles, traffic lights, and communication tower structures. Valmont Monterrey is a Mexican producer and exporter of steel poles for use in electricity transmission and distribution, telecommunication, traffic, and lighting markets. Valmont Guangdong and Valmont Industries (China) Ltd. ("Valmont China") are Chinese producers and exporters of various types of steel poles. Collectively referred to herein as "Valmont." Valmont's postconference brief, p. 1.

[110] SAE's postconference letter, pp. 1-2; Exportadoras' postconference brief, p. 2; and Valmont's postconference brief, p. 1. The petitioner notes that lattice steel towers and steel poles for electrical transmission and distribution are not items included in the description of the scope in these investigations and are not likely to enter the United States under the primary HTS codes that in-scope fabricated structural steel is likely to be imported. Petitioner notes that towers and lattice masts typically enter the United States under a different HTS number (7308.20.00) that is not listed in the scope definition. Petitioner's postconference brief, pp. 2-3 and exh. 1, p. 2.

[111] DSS's postconference brief, pp. 3-19. The petitioner notes that scaffolding is not included in the description of the scope in these investigations and is not likely to enter the United States under the primary HTS codes that in-scope fabricated structural steel is likely to be imported. Petitioner's postconference brief, pp. 2-3.

that steel beams used to support solar panels ("solar steel beams"), such as those purchased and used by WTEC, be considered a separate domestic like product.[112]

The Commission's decision regarding the appropriate domestic product(s) that are "like" the subject imported product is based on a number of factors including: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) common manufacturing facilities, production processes, and production employees; (5) customer and producer perceptions; and (6) price. Information regarding these factors is discussed below.

Physical characteristics and uses

General

The petitioner argues that all in-scope fabricated structural steel shares the same physical characteristics and uses.[113] It notes that all in-scope fabricated structural steel is made from steel mill products (such as parallel flanges, other shapes, angles, and channels, hollow structural shapes, and plate) and is used to build steel structures, although the amount and type of steel mill products depend on the intended use of the structure. Because in-scope fabricated structural steel is primarily built to project-specific design specifications, not only can it vary greatly in shape, size, and amount/complexity of fabrication, it also exists along a continuum of fabricated items, where the same upstream steel products are used and fabricated based on the engineer's design specifications. The petitioner argues that all in-scope fabricated structural steel is used to provide structural support for the building project, ensuring that a structure can bear certain loads or weights.[114]

Utility towers and poles

Respondents argue that utility towers and poles have distinct physical characteristics and uses from in-scope fabricated structural steel products. Utility towers and poles are singularly erected and are not physically attached to other larger structures. They are used to hold and connect electricity cables in utility grids, lighting, traffic signals, or communication equipment and cannot be used to build or support any other type of structure. They are not "custom built" items. By contrast, in-scope fabricated structural steel is assembled and physically connected with other fabricated structural steel or other articles to erect and support larger structures, such as buildings. Furthermore, poles and fabricated structural steel are made from entirely different materials. The primary steel types used as raw material to manufacture poles are ASTM A572 steel with low silicon content, Grade 65, and ASTM A871, whereas in-scope fabricated structural steel typically requires Grade 50 steel as raw material. For steel lattice towers and substation structures, typical steel specifications include ASTM A572 Grades 50 and 65, ASTM A36, and ASTM A58. Where there is some overlap with Grade 50, the

[112] WTEC's postconference brief, p. 1.
[113] Petitioner's postconference brief, p. 6.
[114] Petitioner's postconference brief, exh. 1, pp. 12-14.

engineering design, and manufacturing process is specific to electrical power utility guided by different standards. The steel used to manufacture each of these types of products cannot be used for the other type of product. Furthermore, monopoles are made from coil, while fabricated structural steel products are made from angles, columns, beams, and girders. Also, monopoles and fabricated structural steel require different certifications which address their specific end use. Monopoles must be certified under ASCE 48, while fabricated structural steel products are certified depending on their application, including under ANSI/AISC 360 standards and producers are AISC-certified.[115]

Scaffolding

Respondent DSS argues that scaffolding and fabricated structural steel have different characteristics and uses in that, although they are both generally made from steel, they bear no resemblance to each other. Scaffolding is a bulk manufactured item that forms part of a system that can be used repeatedly and temporarily on a wide range of products. It is used to protect the workers at the construction site, is rented out on a project by project basis, and is never incorporated into a building or structure.[116]

Solar panel beams

WTEC argues that solar panel beams have distinct physical characteristics and uses from other in-scope fabricated structural steel items. It states that solar panel beams are cut to different lengths (generally between 10-16 feet), punched, and assembled on surfaces to form racks that hold up solar panels. In contrast to other fabricated structural steel, solar panel beams are much smaller, they are galvanized to prevent corrosion, they do not provide structural support for buildings and construction projects (instead only supporting the solar panels), and they do not require certification to construction standards. Other fabricated structural steel items, on the other hand, are larger, not galvanized, must provide structural support for the building project (such as schools, libraries, labs, hospitals, office buildings, multi-family residential buildings, mixed-use buildings, commercial buildings, industrial facilities, institutional structures, public infrastructure projects (like hospitals, research labs, airports, and courthouses), high-rise and commercial structures to airports, hospitals, universities, nuclear power plants, pharmaceutical manufacturing and more), and must be certified to construction standards, such as ANSI/AISC 360.[117]

[115] Exportadoras' postconference brief, pp. 6-9; SAE's postconference letter, p. 3; and Valmont's postconference brief, pp. 5-6.

[116] DSS's postconference brief, pp. 6 and 17.

[117] WTEC's postconference brief, pp. 5-7.

Interchangeability

General

The petitioner argues that all in-scope fabricated structural steel is interchangeable. However, given that fabricated structural steel is generally produced to project-specific design specifications, the wide range of fabricated structural steel items produced to different specifications differ only to the extent that they comprise part of a continuum. The petitioner adds that all in-scope fabricated structural steel uses the same upstream products in production.[118]

Utility towers and poles

Respondents argue that utility towers and poles are not interchangeable with in-scope fabricated structural steel. The specifications to which utility towers and poles must adhere are not suitable for the types of intended applications of in-scope fabricated structural steel. Utility towers and poles require different types of steel grades as raw material inputs and cannot use Grade 50 steel used by in-scope fabricated structural steel. They cannot replace in-scope fabricated structural steel to build schools, libraries, labs, hospitals, office buildings, multi-family residential buildings, or mixed-used buildings of any height as they cannot support the structure of these building projects. Conversely, in-scope fabricated structural steel cannot be used for applications of utility towers and poles as it does not meet the appropriate engineering classification requirements. [119]

Scaffolding

Respondent DSS argues that scaffolding is not interchangeable with fabricated structural steel in that scaffolding is designed and used as temporary structures to support personnel, masonry, concrete, during the construction of a building and a different set of design criteria for temporary access and formwork is used, whereas fabricated structural steel is designed to permanent support the structure of a building project.[120]

Solar panel beams

WTEC argues that solar panel beams and other fabricated structural steel are never interchangeable given the difference in physical characteristics and uses. It states that solar panel beams are designed to only support solar panels and do not have the requisite strength

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[118] Petitioner's postconference brief, p. 6 and exh 1, pp. 14-15.

[119] Exportadoras' postconference brief, pp. 9-10; SAE's postconference letter, p. 2; and Valmont's postconference brief, p. 6.

[120] DSS's postconference brief, p. 17.

or physical specifications to support structures, such as buildings. It argues further that, in contrast to other fabricated structural steel, galvanized and/or painted solar panel beams are not weldable, whereas other fabricated structural steel is generally welded together.[121]

Channels of distribution

General

The petitioner argues that in-scope fabricated structural steel is sold primarily to end users through a bidding process by which a potential fabricated structural steel customer (1) issues a request for proposal/quote for a specific building project, (2) receives bids from fabricated structural steel producers, and (3) awards the bid to a particular fabricated structural steel supplier. It notes that fabricated structural steel is typically shipped directly to the construction or job site because it is produced to particular job specifications and, as such, is not commonly sold from inventory or through distributors.[122]

Utility towers and poles

Respondents argue the channels of distribution for utility towers and poles and in-scope fabricated structural steel are very different. Utility towers and poles are typically marketed to electrical generation and distribution companies, telecommunications companies, and municipalities through industry events, conventions, and independent sales representative networks that are exclusive to the utility industry, as well as through blanket contracts based on long-term relationships with customers. In contrast, in-scope fabricated structural steel is almost exclusively sold to general building contractors through a project-specific bidding process.[123]

[121] WTEC's postconference brief, p. 7.

[122] Petitioner's postconference brief, p. 6 and exh. 1, p. 15.

[123] Exportadoras' postconference brief, pp. 11-12; SAE's postconference letter, p. 2; and Valmont's postconference brief, p. 6.

Scaffolding

Respondent DSS argues that scaffolding is distributed through different channels of distribution than fabricated structural steel. It notes that it is the largest distributor of scaffolding in the United States, with operations in Canada, Latin America, and Europe, and that it, nor its scaffolding competitors, have ever distributed any fabricated structural steel. It adds that the channel of distribution for scaffolding is "more akin to distribution of construction supplies and tools."[124]

Solar panel beams

WTEC argues that solar panel beams are sold through different channels of distribution than other fabricated structural steel in that solar panel beams are typically sold through service centers and other fabricated structural steel is almost exclusively sold to end users through project-specific bids.[125]

Customer and producer perceptions

General

The petitioner argues that customer and producer perceptions of in-scope fabricated structural steel are generally the same, in that all producers and customers expect the fabricated structural steel they produce and purchase to meet the specific requirements of each project. All in-scope fabricated structural steel is delivered to the project site in a deliberate sequence by the fabricator in order to be connected/erected in accordance with the engineering designs.[126]

Utility towers and poles

Respondents argue that due to the differences in physical characteristics and uses, customers and producers do not perceive utility towers and poles and in-scope fabricated structural steel as similar products. Respondents state that customers and producers expect in-scope fabricated structural steel for buildings to be designed, engineered, and manufactured to accommodate the heavy load of a typical non-residential building or commercial structure, whereas customers and producers expect utility towers and poles to be manufactured to accommodate lighter loads, but generally with the characteristics necessary for handling electrical and/or telecommunications lines inside the poles and towers. In fact, the respondents point out that the customer base of fabricated structural steel is entirely different than that of

[124] DSS's postconference brief, pp. 17-18.
[125] WTEC's postconference brief, p. 7.
[126] Petitioner's postconference brief, exh. 1, pp. 15-16.

utility towers and poles, with customers in the fabricated structural steel industry typically being construction and building developers and customers in the utility towers and poles industry being electric utilities companies.[127]

Scaffolding

Respondent DSS argues that scaffolding is always perceived to be a different product from fabricated structural steel and that there is never any confusion between the two products.[128]

Solar panel beams

WTEC argues that solar panel beams, which are sold exclusively to the solar energy industry, are perceived by customers and producers as different products than other fabricated structural steel, while fabricated structural steel products are sold to the construction industry, due to the differences in physical characteristics and uses. In fact, it argues that "no customer would purchase solar panel beams to be used in buildings since they are too small to support structures and cannot be welded. Similarly, it would be wholly impractical to use fabricated structural steel for solar panels because they are not designed to support a small article such as a solar panel."[129]

Manufacturing facilities and production employees

General

The petitioner argues that all in-scope fabricated structural steel is generally manufactured in the same domestic facilities using the same processes and with common employees. It notes that the fabricated structural steel used to produce a variety of structures (e.g., buildings (commercial, office, institutional, and multifamily residential), industrial and utility projects, parking decks, arenas and convention centers, medical facilities, and ports, transportation and infrastructure facilities) is manufactured by fabricating (e.g., cutting, bending, punching, drilling, welding, and finishing) steel mill products, such as structural shapes, beams, and plate, to function as the structural support for the projects. It notes that employees use the same welding and fabrication techniques for all fabricated structural steel and argues that different types of specific fabricated structural steel items merely reflect the different design specifications and projects that are part of a continuum of end uses for the same fabricated structural steel items.[130]

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[127] Exportadoras' postconference brief, pp. 12-13; SAE's postconference letter, p. 2; and Valmont's postconference brief, pp. 6-7.

[128] DSS's postconference brief, p. 18.

[129] WTEC's postconference brief, pp. 7-8.

[130] Petitioner's postconference brief, p. 6 and exh. 1, pp. 17-18.

Utility towers and poles

Respondents argue that it is impossible to manufacture in-scope fabricated structural steel products with equipment designed to manufacture utility towers and poles, and vice versa.[131] Because the production processes of utility towers and poles and in-scope fabricated structural steel products are so distinct, the producers of utility towers and poles are different and would not be able to make in-scope fabricated structural steel unless they built a new facility, new equipment was purchased, and employees were completely retrained.[132]

Scaffolding

Respondent DSS argues that the manufacturing facilities and processes to produce scaffolding and fabricated structural steel are different. It explains that scaffolding, which is a bulk-manufactured, commodity item, is produced on different equipment, using different methodologies and standards than used to produce fabricated structural steel. It adds that it is not aware of any scaffolding manufacturer that uses its facility to also manufacture fabricated structural steel and that U.S. producers of scaffolding are not members in the petitioner's association of fabricated structural steel producers.[133]

Solar panel beams

WTEC argues that solar panel beams generally cannot be produced on the same production line, as other fabricated structural steel items because solar panel beams would normally require smaller billets than those used for fabricated structural steel.[134]

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[131] Respondents note that there are eight main steps in transforming the raw material steel coils in the production process of utility poles: (1) levelling, (2) cutting to size, (3) bending, (4) seam-welding, (5) re-shaping, (6) pre-fitting in accordance with the required size of the pole, (7) welding required accessories onto the pole, and (8) welding the base plate onto the bottom of the pole. Respondents argue that the only step in this production process that could potentially overlap with the production process of fabricated structural steel products is the general welding step that is common to many steel products when separate pieces are welded together, but the required welding specifications for utility poles and in-scope fabricated structural steel are different. Exportadoras' postconference brief, pp. 13-14.

[132] Exportadoras' postconference brief, pp. 13-14; SAE's postconference letter, p. 4; and Valmont's postconference brief, p. 7.

[133] DSS's postconference brief, p. 18.

[134] WTEC's postconference brief, p. 8.

Price

General

The petitioner argues that the price of specific fabricated structural steel items can vary depending on the size and other design requirements for a specific project and that differences among in-scope fabricated structural steel items are consistent with the wide range of products comprising a continuum. It adds that all fabricated structural steel is typically priced in the same manner through a bidding process and that the price consists of the total cost of fabricating the steel skeleton of the structure, which includes steel mill inputs and other material cost, design and engineering, and shop labor.[135]

Utility towers and poles

Respondents argue that utility towers and poles are not priced in the same manner and do not share the same customers as in-scope fabricated structural steel. Fabricated structural steel for buildings is generally sold as part of an overall project-specific package for the engineering and construction of buildings, which is determined by a bid-selection process. In contrast, prices with customers of utility towers and poles are often based on long-term blanket contracts and relationships with long-time repeat customers.[136]

Scaffolding

Respondent DSS notes that scaffolding is rented, whereas fabricated structural steel is sold through a bidding process for major construction projects. The difference in cost is hundreds of millions of dollars.[137]

Solar panel beams

WTEC argues that solar panel beams are generally about twice as expensive as other fabricated structural steel items.[138]

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[135] Petitioner's postconference brief, p. 6 and exh. 1, pp. 18-19.
[136] Exportadoras' postconference brief, p. 14; and Valmont's postconference brief, pp. 7-8.
[137] DSS's postconference brief, pp. 18-19.
[138] WTEC's postconference brief, p. 8.

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

U.S. MARKET CHARACTERISTICS

Fabricated structural steel is used in construction to create load bearing frames for structures. It is typically custom made for each project.[1] Fabricated structural steel is used in a variety of structures including: commercial, office, institutional, and multifamily residential buildings; industrial and utility projects; parking decks; arenas; convention centers; medical facilities; ports; and transportation and infrastructure facilities.[2]

Apparent U.S. consumption of fabricated structural steel increased in 2016, 2017, and 2018. Overall, apparent U.S. consumption in 2017 increased by 6.9 percent from 2015 to 2017, and was 8.5 percent higher in January-September 2018 than in January-September 2017.

CHANNELS OF DISTRIBUTION

U.S. producers reported that all U.S. commercial shipments of fabricated structural steel went to end users and importers sold almost all of their fabricated structural steel to end users, as shown in table II-1.

[1] Conference transcript, p. 157 (Posteraro).

[2] Petitions, p. 7.

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Table II-1
Fabricated structural steel: U.S. producers' and importers' U.S. commercial shipments, by sources and channels of distribution, 2015-17, January-September 2017, and January-September 2018

Item	Period				
	Calendar year			January-September	
	2015	2016	2017	2017	2018
	Share of reported shipments (percent)				
U.S. producers' U.S. commercial shipments of fabricated structural steel:					
Distributors	---	---	---	---	---
End users	100.0	100.0	100.0	100.0	100.0
U.S. importers' U.S. commercial shipments of fabricated structural steel from Canada:					
Distributors	---	---	---	---	---
End users	100.0	100.0	100.0	100.0	100.0
U.S. importers' U.S. commercial shipments of fabricated structural steel from China:					
Distributors	---	---	---	---	---
End users	100.0	100.0	100.0	100.0	100.0
U.S. importers' U.S. commercial shipments of fabricated structural steel from Mexico:					
Distributors	4.7	6.3	5.8	5.8	11.4
End users	95.3	93.7	94.2	94.2	88.6
U.S. importers' U.S. commercial shipments of fabricated structural steel from nonsubject countries:					
Distributors	---	---	---	---	---
End users	100.0	100.0	100.0	100.0	100.0

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

GEOGRAPHIC DISTRIBUTION

U.S. producers and importers of fabricated structural steel from Canada reported selling fabricated structural steel to all regions in the contiguous United States (table II-2).[3] Sales by importers of Canadian product were concentrated in the Northeast. Chinese importers sold in ***. Mexican importers reported selling in ***. U.S. producers and importers reported the majority of their sales (62 percent of domestic and 88 percent of import sales) were made between 101 and 1,000 miles of the firm's U.S. point of shipment. U.S. producers sold 28.1 percent of their sales within 100 miles of their production facility and 10.3 percent were over 1,000 miles from their facilities. Importers sold 0.8 percent within 100 miles of their U.S. point of shipment and 11.2 percent over 1,000 miles away.

[3] The numbers of firms counted in this section includes all firms that provided usable qualitative responses to the Commission's questionnaires; certain firms were unable to provide usable quantitative responses, and thus are not included in coverage estimates appearing elsewhere in this report.

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Table II-2
Fabricated structural steel: Geographic market areas in the United States served by U.S. producers and importers

Region	U.S. producers	Importers		
		Canada	China	Mexico
Northeast	32	9	***	***
Midwest	38	2	***	***
Southeast	40	5	***	***
Central Southwest	34	1	***	***
Mountain	27	2	***	***
Pacific Coast	26	2	***	***
Other[1]	8	1	***	***
All regions (except Other)	11	0	***	***
Reporting firms	68	13	***	***

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

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

SUPPLY AND DEMAND CONSIDERATIONS

U.S. supply

Table II-3 provides a summary of the supply factors regarding fabricated structural steel from U.S. producers and from producers in subject countries.

Table II-3
Fabricated structural steel: Supply factors that affect the ability to increase shipments to the U.S. market

Country	Capacity (1,000 short tons)		Capacity utilization (percent)		Ratio of inventories to total shipments (percent)		Shipments by market, 2017 (percent)		Able to shift to alternate products
	2015	2017	2015	2017	2015	2017	Home market shipments	Exports to non-U.S. markets	No. of firms reporting "yes"
United States	1,708	1,880	64.8	56.9	***	***	***	***	15 of 65
Canada	372	363	74.3	67.0	10.8	14.3	36.1	2.2	9 of 28
China	***	***	***	***	***	***	***	***	0 of 5
Mexico	***	***	***	***	***	***	***	***	2 of 3

Note.—Responding U.S. producers accounted for less than half of U.S. production of fabricated structural steel in 2017. Responding foreign producer/exporter firms accounted for more than half of U.S. imports of fabricated structural steel from Canada during 2017. Responding foreign producer/exporter firms accounted for less than a quarter of U.S. imports of fabricated structural steel from China during 2017. Responding foreign producer/exporter firms accounted for less than a quarter of U.S. imports of fabricated structural steel from Mexico during 2017. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from each subject country, please refer to Part I, "Summary Data and Data Sources."

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

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Domestic production

Based on available information, U.S. producers of fabricated structural steel have the ability to respond to changes in demand with moderate-to-large changes in the quantity of shipments of U.S.-produced fabricated structural steel to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of large amounts of unused capacity and some ability to shift production to or from alternate products. A factor mitigating responsiveness of supply is the limited ability to shift shipments from alternate markets. Since almost all product is produced to order, inventories are not likely to represent capacity to respond to future demand.

Unused capacity increased between 2015 and 2017 due to an increase in capacity by 10.7 percent, while production declined by 3.4 percent. Only 6 of the 63 firms reporting capacity reported exports. Most of these exported to Canada, while one firm reported exports to ***. Other products that producers reportedly can produce on the same equipment as fabricated structural steel are stairs and rails, tombstones, fixtures, telecom towers, architectural metals, mixing equipment, and bridges. Factors affecting U.S. producers' ability to shift production include: expertise is focused on fabricated structural steel; competition from smaller facilities; not profitable; space constraints; overhead crane capacity; equipment designed for fabricated structural steel; need to retrain, retool, and certify for the new products. U.S. producers reported availability of labor, shop size, equipment down time, drawing approvals, complexity of design, incomplete designs, limits on welding machinery, and availability of material.[4]

Subject imports from Canada

Based on available information, producers of fabricated structural steel from Canada have the ability to respond to changes in demand with large changes in the quantity of shipments of fabricated structural steel to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity and the ability to shift production to or from alternate products. Factors mitigating responsiveness of supply include limited ability to shift shipments from alternate markets.

Production decreased by 12.0 percent and capacity decreased by 2.3 percent from 2015 to 2017, resulting in reduced capacity utilization. Canadian firms tend to export little product (3.1 percent of shipments or less) to markets other than the United States. Other products that responding foreign producers reportedly can produce on the same equipment as fabricated structural steel are bridges, custom fabrication, and overpasses and rail bridge repairs. Factors affecting foreign producers' ability to shift production include the organization of the factory, lifting capacity, skills/expertise, space required for production of bridge sections, certification, and no interest in shifting production to or from other products.

[4] One producer (***) explained that capacity in terms of tons is not a stable measure of production because it is influenced by the complexity of the jobs.

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Subject imports from China

Based on available information, producers of fabricated structural steel from China have the ability to respond to changes in demand with large changes in the quantity of shipments of fabricated structural steel to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity and ability to shift shipments from alternate markets. Factors mitigating responsiveness of supply include limited ability to shift production to or from alternate products.

Capacity decreased by *** percent and production decreased by *** percent between 2015 and 2017 as capacity utilization declined. Export markets other than the United States received over one third of Chinese shipments. Export markets include Europe (Denmark), Canada, Australia, Asia (Japan, Philippines, Malaysia, Vietnam, and Taiwan), Algeria, Papua New Guinea, and the UAE. Chinese producers report producing no other products on the same equipment as fabricated structural steel.

Subject imports from Mexico

Based on available information, producers of fabricated structural steel from Mexico have the ability to respond to changes in demand with small changes in the quantity of shipments of fabricated structural steel to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the high capacity utilization rate and the small share sold to markets outside Mexico and the United States. Mexican producers have some responsiveness due to the ability of most firms to shift production to other products.

Mexican capacity utilization increased from 2015 to 2017 because Mexican producers increased their production of products other than fabricated structural steel on the same equipment, reducing the capacity allocated to produce fabricated structural steel. Mexican capacity decreased by *** percent from 2015 to 2017 and production declined by *** percent. Mexico exports a minimal amount of fabricated structural steel to markets other than the United States. Other products that responding Mexican producers reportedly can produce on the same equipment as fabricated structural steel are bridges, flat rolled products architectural and ornaments steel, steel tanks, parts of pumps, filtering machinery, escalators, and motor vehicles. Factors affecting foreign producers' ability to shift production include market segments, skills, and a targeted approach to projects.

Imports from nonsubject sources

Nonsubject imports accounted for 22.6 percent of total U.S. imports in 2017. The largest sources of nonsubject imports during 2017 were Taiwan, Italy, Germany, Spain, and Korea. Combined, these countries accounted for 54 percent of nonsubject imports in 2017.

Supply constraints

Most producers (54 of 66) and importers (21 of 27) reported that there were no supply constraints. U.S. producers reported experiencing the following supply constraints: import

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competition leading to prices that U.S. producers were unable to match; timing of orders could cause producers to be unable to supply other requests; rising cost of steel and longer times between mill runs for shapes needed (attributed in part to delays arising from the section 232 tariffs); shortage of skilled workers; and short periods (approximately 3 months) when the firm declines work due to capacity constraints.[5] Some respondents argue that a number of domestic producers reported experiencing supply constraints and that "U.S. fabrication capacity is constrained for the majority of domestic fabricators," largely due to labor shortages.[6] U.S. and Canadian producer, Supreme, reported that it did not have enough capacity in the Pacific Northwest to meet its schedule and therefore it subcontracted its Canadian operations to produce fabricated structural steel.[7]

Importers also reported experiencing supply constraints including: problems with timing orders to match capacity; being selective of customers they work with; difficulty finding other fabricators to aid them when they faced tight deadlines; shortages of skilled labor; and the 232, 301, and current antidumping and countervailing duty investigations creating uncertainty and higher prices.

Respondents claim the purchasers have faced difficulty finding U.S. vendors that were able to fulfill their needs because domestic producers declined to bid or had a backlog that "created unacceptable risk of delay."[8]

U.S. demand

Based on available information, the overall demand for fabricated structural steel is likely to experience small changes in response to changes in price. The main contributing factors are the limited range of substitute products and the small cost share of fabricated structural steel in most of its end-use products.

Respondents predicted that the cost of duties on these projects would result in "many … if not all" the projects affected coming to a halt.[9]

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[5] *** reported that "probably the most difficult part in our industry is to keep our shop occupied without down times in between contracts. Production scheduling is the key and good sales team to get the jobs WHEN we need them. But that's the same reality for everyone. I think the ones that keep their shop busy are the ones with good sales team and good scheduling tools. It's always better to oversell to avoid down times and if there is some over flows it's always an option to do over time or seek for support from other fabricators."

[6] Conference transcript, p. 168 (Rooney). CISP's postconference brief, pp. 10-12, 21-31, Exhibits 9-11; Corey's postconference brief, pp. 10-11, Exhibit 4.

[7] Conference transcript, p. 167 (Guile).

[8] Conference transcript, p. 174 (Caso).

[9] Conference transcript, p. 171 (Kanner).

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End uses and cost share

U.S. demand for fabricated structural steel depends on the demand for U.S.-produced downstream structures in which it is used. Reported end uses include buildings (commercial, office, institutional, and multi-family residential), industrial and utility projects, parking decks, arenas, convention centers, medical facilities, ports, and transportation and infrastructure facilities.

Fabricated structural steel accounts for a varying amount of the share of the cost of the projects in which it is used. The petitioner states that fabricated structural steel represents a small percentage of the overall cost of a project, with Novel Iron Works estimating a cost share of 10 percent.[10] Canadian respondents state that engineering and design costs are what drive the cost of the project, with the steel itself accounting for around 30 percent of the installed price.[11] The petitioner indicated that material costs typically account for between 25 and 30 percent of the final cost of the fabricated and erected structure.[12] However, if land and other costs are included the cost share is lower.[13]

Reported cost shares for some end uses were as follows:

- Buildings/commercial ranged from 2.5 to 95 percent
- Office buildings ranged from 3 to 84 percent
- Medical/hospital/ healthcare/assisted living ranged from 5 to 84 percent
- Schools ranged from 10 to 75 percent
- Warehouse/distribution/ bulk material ranged from 5 to 84
- Industrial/ manufacture facility ranged from 0.8 to 35 percent
- Power facilities ranged from 5 to 25 percent
- Retail ranged from 30 to 43 percent
- Racks ranged from 8 to 98 percent
- Retail ranged from 30 to 43 percent
- Residential construction ranged from 10 to 40 percent
- Government/public/municipal/police/fire ranged from 8.7 to 43 percent
- Arenas/stadiums/entertainment ranged from 9.2 to 12 percent
- Airport/transport facilities reported 10 percent.[14]

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[10] Petitioner's postconference brief, Answers to Questions (Exhibit 1), p. 42; conference transcript, p. 103 (Noveletsky).

[11] CISP's postconference brief, pp. 12-14; conference transcript, p. 262 266 (Dougan, Posteraro).

[12] CISP's postconference brief, Answers to Questions (Exhibit 1), p. 9, and Exhibit 2. AISC is a not-for-profit technical institute and trade association for the use of structural steel in the construction industry. See *AISC website*, https://www.aisc.org/, retrieved March 2, 2019.

[13] Conference transcript, p. 104 (Kapland).

[14] Other products included air cooled condenser (30 percent), building renovations (5 percent), data center (28 percent), "institutional" (1 percent), "mixed use" (10 percent), hotel/office (10 percent), "poles" (60 percent), private development (10 percent), "process structure" (3 to 10 percent), metal

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Business cycles

Half the U.S. producers (33 of 66) indicated that the market was subject to business cycles or conditions of competition. Most importers (14 of 26) indicated that the market was not subject to business cycles or conditions of competition. Twelve producers and seven importers identified specific business cycles including: demand follows the overall economy /construction cycle; seasonal cycles within the construction cycle; and retail sales tend to be lower in winter. Twenty-six U.S. producers and seven importers reported distinctive conditions of competition including:

- all projects are bid;
- no price escalators;
- import competition;
- product is made to order;
- fabricators ability to perform "design assist" to manage all the changes requested during a project and manage complex requirements is becoming more important;
- fabricators are being asked to take on greater responsibilities;
- transportation cost limit area fabricators can sell in;
- competition from wood and concrete;
- product made cannot be sold to anyone else if the original purchaser does not need it; and
- demand is affected by need to increase infrastructure, natural disasters, alternative energies, and replacement due to obsolescence.

Reported changes in conditions of demand since 2015 (other than those reported above) include: increased demand post-recession; steel fabricators are more involved in the design process; more competition from producers in other regions; developers have put projects on hold during the presidential elections to await election results; and changes in exchange rates.

Demand

Demand for fabricated structural steel is driven by demand in the construction sector (particularly nonresidential construction).[15] The value of U.S. nonresidential construction increased by 17.4 percent from $640.3 billion in January 2015 to $751.8 billion in September 2018 and the value of U.S. residential construction increased by 33.2 percent from $402.5 billion in January 2015 to $536.1 billion in September 2018 (figure II-1).

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decking (27 percent), "steel and precast" (27 percent), "structural steel" (10 percent), towers (75 percent), and water treatment plant (4 percent).

[15] Petitioner's postconference brief, p. 20.

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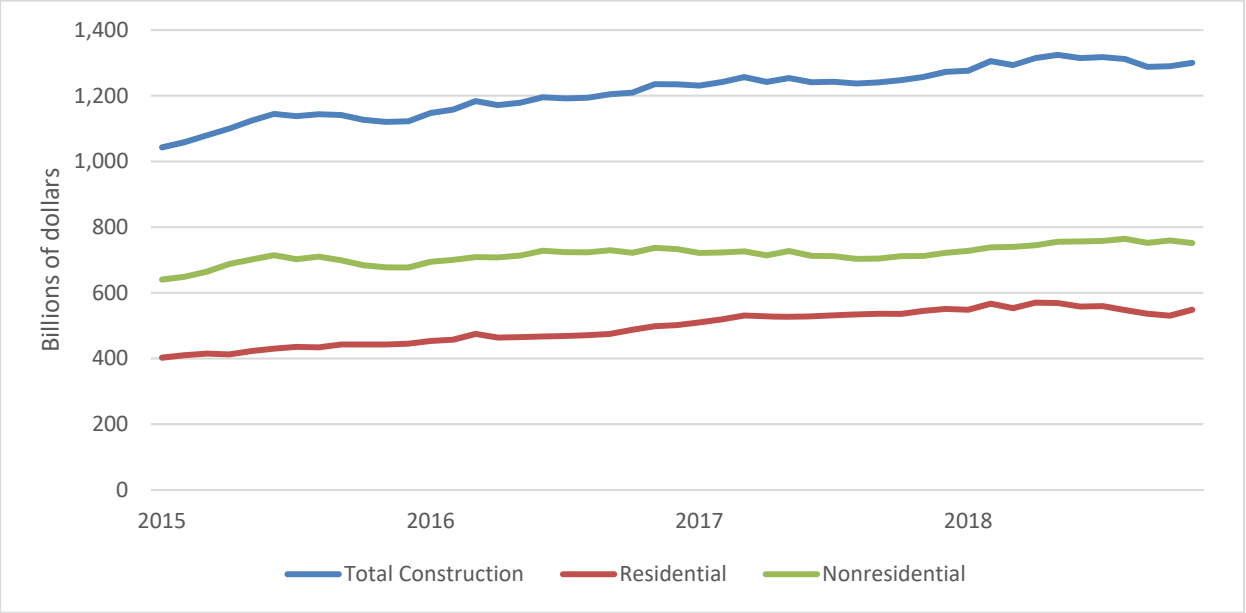
Figure II-1
U.S. construction: Total, residential and nonresidential construction put in place, seasonally adjusted, monthly, January 2015-November 2018



Source: Construction put in place, U.S. Census, https://www.census.gov/construction/c30/historical_data.html, retrieved March 8, 2019.

Section 301 tariffs, section 232 tariffs, and antidumping and countervailing duty orders

U.S. producers and importers were asked if the Section 301 tariffs, the Section 232 tariffs, and/or the antidumping and countervailing duty orders on cut-to-length ("CTL") plate had an impact on the fabricated structural steel market (table II-4).

Table II-4
Fabricated structural steel: Number of firms reporting that the section 301 tariffs, section 232 tariffs, or CTL plate AD/CVD orders had an impact on the fabricated structural steel market

Item	U.S. producer		U.S. importer	
	Yes	No	Yes	No
Section 232	43	6	19	5
Section 301	6	16	12	5
CTL plate AD/CVD	7	12	2	9

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

Those firms reporting that there was an impact on their firm or the market for fabricated structural steel were asked if the impact had been in overall demand, supply, price, or raw material cost, and if these had increased or decreased (table II-5).

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Table II-5

Fabricated structural steel: Number of firms reporting that the section 232, section 301, or CTL plate AD/CVD orders had caused types of changes for the fabricated structural steel market

	U.S. producer				U.S. importer			
Type of change	Increased	No change	Decreased	Fluctuated	Increased	No change	Decreased	Fluctuated
	Section 232							
Overall demand	5	32	6	11	2	8	6	3
Overall supply	5	35	6	8	2	10	3	3
Price	37	8	3	6	16	0	1	1
Raw material cost	47	6	0	5	18	0	0	1
	Section 301							
Overall demand	2	22	3	7	2	3	2	5
Overall supply	2	24	1	6	3	4	0	5
Price	9	18	1	6	8	2	0	2
Raw material cost	9	20	0	5	6	4	0	2
	AD and CVD on CTL plate							
Overall demand	2	17	1	7	0	6	0	0
Overall supply	3	16	2	6	0	6	0	0
Price	4	17	3	5	2	3	0	1
Raw material cost	10	11	1	6	3	2	0	0

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

Because most producers and importers reported that the section 232 tariffs increased the raw material costs and prices of fabricated structural steel, this section focuses primarily on the impact of these tariffs. Producers and importers listed a number of changes caused by the section 232 tariffs including:

- while the cost of inputs increased by 14 to 50 percent, the contracts did not reflect the increase in these costs; projects were not awarded because of price insecurity;
- increases in the price of steel should allow downstream firms to increase prices as long as imports do not depress prices; cost increase therefore prices increased;
- building became more expensive;
- low availability of input makes it more difficult to meet schedules;
- some purchases shifted from using fabricated steel to concrete wood or masonry;
- lost opportunities to larger fabricators who were able to get volume discounts or use alternative suppliers;
- initially purchasers increased purchases from U.S. producers but once they realized they did not cover fabricated structural steel they shifted back to imports;
- projects were put on hold or rebid;
- fabricators were unable to pass on price increases;
- shift of import product to fabricated structural steel;
- both demand and input prices increased thus it is difficult to determine what caused prices to increase;
- the U.S. cost of fabricated structural steel increased by the cost of Canadian product did not;

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- total construction costs increased by 1 to 2 percent;
- during 4 to 6 months no jobs were awarded to our firm;
- price uncertainty and longer delivery times;
- sales decreased by 50 percent;
- Canadian firms shifted from purchasing U.S. produced steel to purchasing steel from other sources;
- retaliatory tariffs were imposed on U.S. exports; and
- increased demand for imports.

The petitioner states that the section 232 national security tariffs, the section 301 tariffs on Chinese imports, and the antidumping and countervailing duty orders on CTL plate have not had a meaningful impact on the domestic fabricated structural steel industry.[16] Respondent importer Corey states that the imposition of section 232 duties have caused construction projects in the United States to be put on hold or delayed due to the uncertainty of the tariffs, and Canadian respondents state that the 232 duties increased the price of all structural steel (whether imported or domestically produced) by as much as 30 percent.[17]

U.S. producers also reported that the effects of the 301 include: unsettled market was an advantage to the Canadian fabricators, increased cost of fasteners, customer enquires about Chinese content, and slight reduction of Chinese competition in the U.S. market. Importers reported additional section 301 tariff effects, including: less competition from Chinese tubular poles, possible circumvention of duties, increased costs, small and medium sized business hurt, 35 percent reduction in turnover increased prices passed to customer; increased demand for fabricated structural steel produced in North America; tight demand; reduced sales due to passing additional costs onto customers; less purchases from China; the importer had to absorb over $1 million in tariffs, and shipments were delayed.

U.S. producers and importers reported that the effects of the CTL plate petitions or antidumping and countervailing duty orders include: higher prices and fewer sources; foreign producers shifted production downstream increasing the imports of fabricated structural steel; increased fabricated structural steel from Canada; increased demand for domestic material; reduced availability; and reduced profitability.

The petitioner argues that the effect of other trade measures, such as the Section 301 tariffs, the Section 232 tariffs, and the antidumping and countervailing duty orders on CTL plate, "have not had a meaningful impact on the U.S. fabricated structural steel industry and should not affect the Commission's analysis of either material injury or threat of material injury, except inasmuch as the measures incentivize foreign producers to ramp up fabricated structural steel shipments to avoid duty liability."[18] The petitioner states that the Section 301 tariffs, which apply only to imports from China, would not have had any impact for months after imposition given the lag time between bid award and actual fabricated structural steel supply. In addition,

[16] Petitioner's postconference brief, pp. 22-25.
[17] Corey's postconference brief, pp. 4, 13-15; CISP's postconference brief, pp. 17-19.
[18] Petitioner's postconference brief, pp. 22-23.

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the petitioner asserts that U.S. producer questionnaire responses report that the 25-percent level of the section 301 tariff is not high enough to make a material impact.[19] [20]

Demand trends

A majority of firms (41 of 62 responding U.S. producers and 10 of 20 responding importers) reported an increase in U.S. demand for fabricated structural steel since January 1, 2015 (table II-6). Relatively few firms reported a decrease in demand for fabricated structural steel in the United States.

Table II-6
Fabricated structural steel: Firms' responses regarding U.S. demand and demand outside the United States

Item	Increase	No change	Decrease	Fluctuate
Demand in the United States				
U.S. producers	41	3	5	13
Importers	10	2	2	6
Demand outside the United States				
U.S. producers	2	4	6	6
Importers	7	6	1	3

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

Substitute products

Material substitutability is limited as the majority of steel-framed structures (e.g., a stadium roof) could not feasibly be replaced with concrete.[21] In fact, reportedly only a small share of building construction projects could utilize either fabricated structural steel or concrete.[22] Further, the petitioner contends that the choice of structural framing material does not appear sensitive to price shifts between fabricated structural steel and concrete and as a result, the relative market shares between fabricated structural steel and concrete in building construction "stays within a pretty close range" from year to year.[23]

A majority of U.S. producers (32 of 60) reported that there were no substitutes, while a majority of importers (14 of 25) reported that there were substitutes. Substitutes reported included: concrete used in construction of buildings, wood used in building low and medium height construction, and masonry construction used in building low and medium height

[19] Ibid.

[20] Monclova and GDL (producers of transmission and distribution monopoles in Mexico) argue that the Section 301 tariffs have no impact on their exports of monopoles, as they export exclusively from Mexico and do not export or import product from China. Exportadoras' postconference brief, p. 4.

[21] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, pp. 58-59.

[22] Conference transcript, p. 94 (Labbe).

[23] Conference transcript, p. 95 (Cooper).

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construction.[24] The petitioner states that some types of construction lend themselves to be made of concrete, while others lend themselves to fabricated structural steel, and there is a relatively small share of projects that could be made using either type of construction.[25] While building using construction methods that do not require fabricated structural steel is possible,[26] the building created would be differ from one made using fabricated structural steel, and any such decision will be made during the design phase of any project. The shift between concrete and fabricated structural steel cannot occur during construction and is not likely to occur in the short run.

The petitioner states that while substitutes such as concrete may be possible for some projects, only a small percentage of projects could use them, and many projects (such as stadium roofs) do not allow the use of substitutes. Any substitution for fabricated structural steel would also have to take place at the planning phase by building designers, and designed and engineered to such specifications.[27]

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported fabricated structural steel depends upon such factors as relative prices, quality (e.g., grade standards, defect rates, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, reliability of supply, product services, etc.). Based on available data, staff believes that there is moderate to high degree of substitutability between domestically produced fabricated structural steel and fabricated structural steel imported from subject sources.[28]

Lead times

Fabricated structural steel is generally produced-to-order, with each project having a unique delivery schedule.[29] U.S. producers reported that 97.8 percent of their commercial

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[24] One importer (***) reported that the entrance of a new cement producer has increased competition requiring fabricated structural steel fabricators to be "more aggressive." Respondent Exportadoras argues that there are no substitutes for monopoles. Exportadoras' postconference brief, Answers to Questions (Exhibit 1), p. 2.

[25] Conference transcript, p. 94 (Labbe).

[26] Corey's postconference brief, Answers to Questions (Exhibit 1), p. 2 and attachment 3; conference transcript, pp. 264-265 (Kelly).

[27] Petitioner's postconference brief, Answers to Questions (Exhibit 1), pp. 58-59.

[28] The substitutability of Chinese product for that from other sources is less clear because there is relatively little information about this source.

[29] Respondent Corey states that the custom nature of the market means no inventories and long production lead times. Corey's postconference brief, p. 5.

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shipments were produced-to-order, with lead times averaging 92 days.[30] Importers reported 96.7 percent of their product was produced-to-order, with an average lead time of 185 days.[31]

Due to fabricated structural steel being produced for a specific project, producers are unable to immediately supply customers with product; however, purchasers do not require immediate delivery once the bids are finalized. Purchasers, however, do require that the fabricated structural steel be delivered in time with the construction schedule. It is very important for purchasers that the delivery schedule does not delay overall construction schedules.[32]

Factors affecting purchasing decisions

Purchasers responding to lost sales lost revenue allegations[33] were asked to identify the main purchasing factors their firm considered in their purchasing decisions for fabricated structural steel. The major purchasing factors identified by firms included: cost (perform within budget, price); capacity (to meet schedule obligations); vendor reliability; schedule (produce in time required, produce and erect to schedule, availability, lead time); meeting technical requirements; meeting quality requirements (meeting building codes, AISC certification requirements, meeting quality assurance standards); Buy American compliance; and experience in projects with a similar size, scope, and complexity.

Comparison of U.S.-produced and imported fabricated structural steel

In order to determine whether U.S.-produced fabricated structural steel can generally be used in the same applications as imports from Canada, China, and Mexico, U.S. producers, importers, and purchasers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in table II-7, most responding U.S. producers reported that fabricated structural steel from all sources were always interchangeable and most importers reported that fabricated structural steel from all sources was either always or frequently interchangeable. Differences reported included: some fabricators in China and Mexico cannot deliver all contract requirements; the product for each project is unique; Chinese steel is regularly prohibited; U.S. and Canadian fabricators each have different technical capacities and this limits interchangeability; all U.S. and subject country pairs have differences in grades, sectional profiles, design codes, certification welding procedures, and quality; larger facilities in Canada lead to greater competiveness; U.S., Canada, and Mexico use the same material standards and welding procedures; and quality standards make products more interchangeable.

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[30] The remaining 2.2 percent of U.S. producers' commercial shipments came from inventories, with lead times averaging 26 days.

[31] The remaining 3.3 percent of importers' commercial shipments came from foreign inventories with an average lead time of 120 days.

[32] Conference transcript, pp. 131-132 (Zalesne).

[33] This information is compiled from responses by purchasers identified by the U.S. producers in their lost sales and lost revenue allegations. See Part V for additional information.

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Table II-7
Fabricated structural steel: Interchangeability between fabricated structural steel produced in the United States and in other countries, by country pair

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. Canada	46	13	2	1	9	8	3	4
U.S. vs. China	30	13	6	1	4	8	4	5
U.S. vs. Mexico	31	16	3	1	7	8	4	4
Subject countries comparisons:								
Canada vs. China	21	9	4	1	4	8	3	4
Canada vs. Mexico	21	10	2	1	7	8	3	4
China vs. Mexico	22	7	1	1	4	8	---	4
Nonsubject countries comparisons:								
U.S. vs. nonsubject	26	10	1	1	3	8	2	4
Canada vs. nonsubject	18	8	2	1	3	8	3	4
China vs. nonsubject	19	6	1	1	3	8	---	4
Mexico vs. nonsubject	18	7	---	1	3	8	1	4

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

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

In addition, producers and importers were asked to assess how often differences other than price were significant in sales of fabricated structural steel from the United States, Canada, China, and Mexico, or nonsubject countries. As seen in table II-8, most responding U.S. producers reported that there were never differences other than price between all country pairs. Most importers reported that there were always or frequently differences other than price between all country pairs. Differences other than price reported included: China uses different transportation methods and this affects scheduling and lead times; Canadian firms can provide services that China cannot; most Canadian producers are more vertically integrated than most U.S. producers; Chinese producers may not be ASTM compliant; and some materials are not available from China.

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Table II-8
Fabricated structural steel: Significance of differences other than price between fabricated structural steel produced in the United States and in other countries, by country pair

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. Canada	2	5	18	32	6	6	5	3
U.S. vs. China	3	2	16	24	7	3	2	2
U.S. vs. Mexico	1	2	16	24	5	2	2	4
Subject countries comparisons:								
Canada vs. China	2	1	8	18	6	2	2	0
Canada vs. Mexico	1	2	7	17	4	2	2	1
China vs. Mexico	1	---	7	18	3	0	1	0
Nonsubject countries comparisons:								
U.S. vs. nonsubject	1	1	12	21	4	1	2	1
Canada vs. nonsubject	1	---	6	15	3	1	2	0
China vs. nonsubject	1	---	6	15	2	1	1	0
Mexico vs. nonsubject	1	---	6	15	2	1	1	0

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

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

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

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the subsidies and/or 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*. Information in Part III and (except as noted) is based on the questionnaire responses of 63 firms that accounted for 31.2 percent of U.S. production of fabricated structural steel during 2017.[1]

U.S. PRODUCERS

The Commission issued a U.S. producer questionnaire to 189 firms based on information contained in the petitions, and 63 firms provided usable trade data on their productive operations.[2] Staff believes that these responses represent 31.2 percent of U.S. production of fabricated structural steel in 2017.[3]

Table III-1 lists U.S. producers of fabricated structural steel, their production locations, positions on the petition, and shares of total production.

[1] To maximize volume and geographic coverage, the Commission issued questionnaires to the *** largest fabricators with membership in AISC based on ***; the largest AISC member fabricator in each State not otherwise represented in the first grouping; and one non-AISC affiliated fabricator from each State. The Commission received 65 responses from surveyed AISC members, 3 responses from surveyed non-members; and 4 voluntary responses. Nine of these responses were not useable due to data concerns.

[2] The Commission received nine responses *** that were omitted due to data concerns.

[3] An estimate of total U.S. production of fabricated structural steel can be found in Exhibit 1 of the petition submitted February 4, 2019.

Table III-1
Fabricated structural steel: U.S. producers of fabricated structural steel, their positions on the petitions, production locations, and shares of reported production, 2017

Firm	Position on petition	Production location(s)	Share of production (percent)
4G	***	Lincoln, NE	***
Able	***	Mesa, AZ	***
ADF	***	Great Falls, Montana	***
Almet	***	New Haven, Indiana	***
Banker	***	Lynchburg, VA Orlando, FL South Plainfield, NJ	***
Basden	***	Burleson, TX	***
Ben Hur	***	St. Louis, MO	***
Berlin	***	White Post, VA Natural Bridge Station, VA	***
Blattner	***	CAPE GIRARDEAU MO	***
Canatal	***	Roanoke, VA	***
Capco	***	Providence, RI	***
Capone	***	Rowley, MA Berlin, NH	***
Central	***	Waco, TX	***
Cives	***	Augusta, Maine Gouverneur, New York Winchester, Virginia Rosedale, Mississippi Thomasville, Georgia Wolcott, Indiana	***
ConXtech	***	Hayward, CA	***
Cooper	***	Shelbyville, TN	***
Crystal	***	Delmar, DE Gallaway, TN Federalsburg, MD	***
CSE	***	Germantown WI	***
Drake-Williams	***	Omaha, NE Aurora, CO	***
Ennis	***	Ennis, TX Ft. Worth, TX Shawnee, Ok	***
FabArc	***	Oxford, AL	***

Table continued on next page.

Table III-1—Continued
Fabricated structural steel: U.S. producers of fabricated structural steel, their positions on the petitions, production locations, and shares of reported production, 2017

Firm	Position on petition	Production location(s)	Share of production (percent)
FabSouth	***	Fort Lauderdale, FL Daytona Beach, FL Orlando, FL Winston-Salem, NC Kinston, NC Scottdale, GA Victoria, TX Waco, TX Taylors, SC	***
Falcon	***	Haltom City TX Kaufman TX Euless TX Conroe TX	***
Geiger and Peters	***	Indianapolis, IN	***
George	***	Lebanon, OH	***
GMF	***	Lakeland, FL	***
Herrick	***	Stockton, CA San Bernardino, CA	***
HME	***	Topeka, KS	***
Indiana	***	Indianapolis, IN Lafayette, IN	***
Irwin	***	Justin, TX	***
Jeffords	***	Plattsburgh, NY Potsdam, NY	***
LD	***	Largo, Florida	***
LM Welding	***	Tangent, OR	***
McCombs	***	Statesville, NC	***
Merrill	***	Schofield, WI Springfield, MO	***
Metals Fab	***	Airway Heights, WA	***
Midwest	***	Lincoln, NE	***
Mound	***	Springboro, Ohio	***
NAF	***	Cullman, Alabama Winfield, Alabama	***
Novel Iron	***	Greenland, NH	***
Ocean	***	Conklin, NY	***
Owen	***	Columbia, SC Wilmington, DE	***
Palmer	***	McAllen, Texas	***
PAX	***	Gonzales, LA DeRidder, LA	***
PKM	***	Salina, KS	***

Table continued on next page.

Table III-1—Continued
Fabricated structural steel: U.S. producers of fabricated structural steel, their positions on the petitions, production locations, and shares of reported production, 2017

Firm	Position on petition	Production location(s)	Share of production (percent)
Prospect	***	Little Rock, AR Armorel, AR	***
Puma	***	Cheyenne, WY	***
PV	***	Carter Lake, Iowa	***
Qualico	***	Webb, AL Midlothian, TX	***
RK	***	Fredonia, KS	***
Samuel Grossi	***	Bensalem, PA	***
Schuff Steel	***	Phoenix, AZ Eloy, AZ Bellemont, AZ Stockton, CA Ottawa, KS Humble, TX	***
Shepard	***	Hartford, CT Newington, CT	***
Sippel	***	Ambridge, PA	***
SSS	***	Meridian, MS	***
Steel of Carolina	***	Winston-Salem, NC Hickory, NC	***
Steel Service	***	Jackson, MS	***
SteelFab	***	Charlotte, NC Dublin, GA Florence, SC Durant, OK Emporia, VA Roanoke, AL	***
Stewart-Amos	***	Harrisburg, PA	***
Stone Bridge	***	Gansevoort, NY	***
Superior	***	Knoxville, TN Rockmart, GA	***
Supreme	***	Portland, OR	***
Telko	***	Scottsboro, AL	***
Trinity (Florida)	***	Green Cove Springs, FL	***
Trinity (Texas)	***	Trinity, TX	***

Table continued on next page.

Table III-1—Continued
Fabricated structural steel: U.S. producers of fabricated structural steel, their positions on the petitions, production locations, and shares of reported production, 2017

Firm	Position on petition	Production location(s)	Share of production (percent)
TrueNorth	***	Fargo, ND Mandan, ND Billings, MT Rapid City, SD Missoula, MT Fargo, ND	***
United	***	East Hartford, CT	***
Universal	***	Lithonia, GA Thomasville, NC	***
Van Dellen	***	Caledonia, MI	***
WW AFCO	***	Oklahoma City, OK Little Rock, AR San Angelo, TX Greeley, CO Lubbock, TX Abilene, TX	***
Wylie	***	Springfield, TN	***
Zalk Josephs	***	Stoughton, WI	***
Total			***

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

Table III-2 presents a summary of the responses from U.S. producers regarding their position on the petitions. The vast majority of U.S. producers who submitted a response to the Commission support imposition of the antidumping and countervailing duties for all subject countries.

Table III-2
Fabricated structural steel: U.S. producers' responses on position regarding petition

* * * * * * *

Table III-3 presents information on U.S. producers' ownership, related and/or affiliated firms of fabricated structural steel. As indicated below, 19 U.S. producers are owned by another firm, 6 U.S. producers are related to other producers of the subject merchandise and 6 U.S. producers are related to importers/exporters of the subject merchandise.[4] *** firms are related to a Chinese or Mexican company. In addition, as discussed in greater detail below, 4 U.S. producer directly imported fabricated structural steel and 15 purchased fabricated structural steel from U.S. importers or domestic producers.

Table III-3
Fabricated structural steel: U.S. producers' ownership, related and/or affiliated firms since January 1, 2015

* * * * * * *

Table III-4 presents U.S. producers' reported changes in operations since January 1, 2015.

Table III-4
Fabricated structural steel: U.S. producers' reported changes in operations, since January 1, 2015

* * * * * * *

U.S. PRODUCTION, CAPACITY, AND CAPACITY UTILIZATION

Table III-5 and figure III-1 present U.S. producers' production, capacity, and capacity utilization for the top ten firms based on 2017 production quantity that responded to the Commission's questionnaires *** and all other firms for 2015-17 and the interim periods (January to September 2017 and January to September 2018).[5] Reported total capacity to produce fabricated structural steel increased by 10.1 percent during 2015-17, with capacity in the 2018 interim period 5.5 percent higher than in interim 2017. *** of the top ten firms maintained capacity during 2015-17, although six of the top ten U.S. producers increased capacity through acquisition or expansion. Capacity was higher for four of the top ten firms in the 2018 interim period compared to the 2017 interim period.

Total production of fabricated structural steel decreased by 3.4 percent during 2015-17, reflecting declining production reported by five of the top ten U.S. producers, which more than offset sizable increases in production between 2015 and 2017 by four other of the ten U.S.

[4] *** have ownership by, are related to an importer/exporter, and/or have a related producer of a Canadian company.

[5] Ten of the responding U.S. producers providing usable data reported at least periodic use of tolling arrangements ***. *** of these firms was among the top ten firms based on 2017 production quantity, and collectively these firms accounted for less than *** percent of reported U.S. production in 2017.

producers based on 2017 production quantity. All other U.S. producers reported an aggregate decrease in production between 2015 and 2017. Comparing interim 2017 with interim 2018, total production was 11.7 percent higher in interim 2018, driven by production gains from four of the top ten U.S. producers.

U.S. producers' average capacity utilization declined by 7.9 percentage points during 2015-17, with reductions reported by *** of the ten largest U.S producers, *** that saw its capacity utilization increase by *** percentage points from 2015 to 2017.

Table III-5
Fabricated structural steel: U.S. producers' production, capacity, and capacity utilization, 2015-17, January to September 2017, and January to September 2018

Item	Calendar year			January to September	
	2015	2016	2017	2017	2018
	Capacity (short tons)				
***[1]	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total capacity	1,707,965	1,768,410	1,880,107	1,434,273	1,512,988
	Production (short tons)				
***[1]	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total production	1,106,140	1,063,481	1,068,929	778,846	869,880

Table continued on next page.

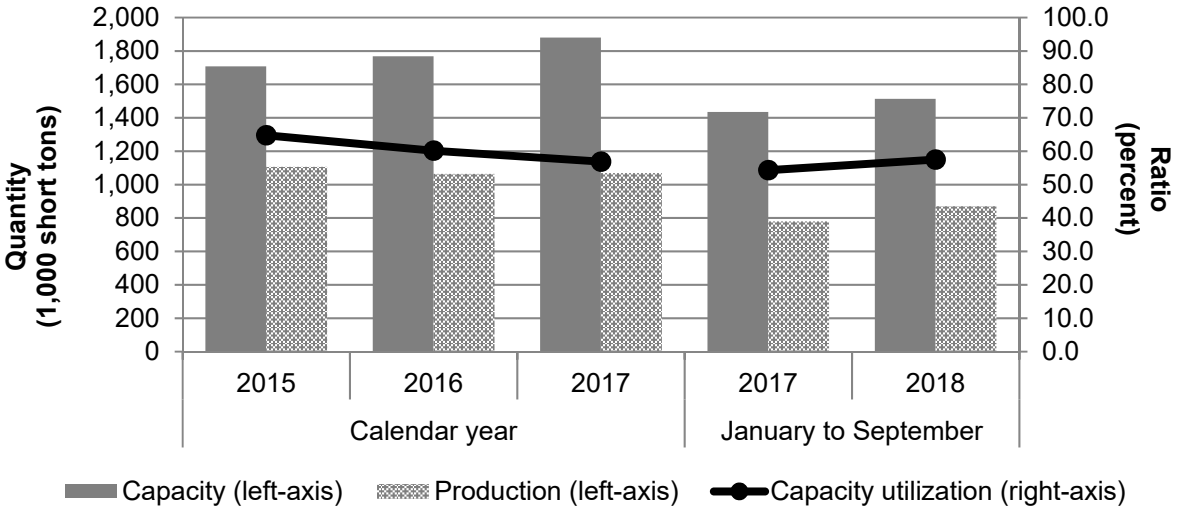
Table III-5–Continued
Fabricated structural steel: U.S. producers' production, capacity, and capacity utilization, 2015-17, January to September 2017, and January to September 2018

Item	Calendar year			January to September	
	2015	2016	2017	2017	2018
	Capacity utilization (percent)				
***[1]	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average capacity utilization	64.8	60.1	56.9	54.3	57.5

1 ***

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

Figure III-1
Fabricated structural steel: U.S. producers' production, capacity, and capacity utilization, 2015-17, January to September 2017, and January to September 2018



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

Alternative products

As shown in table III-6, less than ten percent of the production volume on equipment used to produce fabricated structural steel consisted of other products. Nine firms reported producing products other than fabricated structural steel, primarily excluded fabricated structural steel for bridges and sections. The share of total out-of-scope production to total production remained steady, decreasing from *** percent in 2015 to *** percent in 2017. Total out-of-scope production was *** percent lower in interim 2018 compared with interim 2017. Overall capacity utilization, including products other than fabricated structural steel, decreased by *** percentage points from 2015 to 2017. Overall capacity utilization was higher in interim 2018 than in interim 2017 by *** percentage points.

Table III-6
Fabricated structural steel: U.S. producers' overall plant capacity and production on the same equipment as subject production, 2015-17, January to September 2017, and January to September 2018

* * * * * * *

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

Table III-7 presents U.S. producers' U.S. shipments, export shipments, and total shipments. U.S. producers' total shipments of fabricated structural steel decreased from *** short tons in 2015 to *** short tons in 2017. The value of these shipments increased by *** percent from 2015 to 2017, while the average unit value of U.S. shipments increased by *** percent. Total shipments were *** percent higher in interim 2018 than in interim 2017. U.S. shipments declined 4.7 percent from 2015 to 2017, however the quantity of U.S. shipments in interim 2018 was 12.6 percent higher than interim 2017. The value of U.S. shipments increased by 3.3 percent from 2015 to 2017. Export shipments share of value were a minor portion of total shipments, representing *** percent in 2015, decreasing to *** percent in 2017. The average unit value of exported fabricated structural steel decreased from $*** per short ton in 2015 to $*** per short ton in 2017.[6]

[6] ***

Table III-7
Fabricated structural steel: U.S. producers' U.S. shipments, exports shipments, and total shipments, 2015-17, January to September 2017, and January to September 2018

Item	Calendar year			January to September	
	2015	2016	2017	2017	2018
	Quantity (short tons)				
U.S. shipments	1,104,012	1,049,722	1,052,401	759,421	855,130
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***
	Value (1,000 dollars)				
U.S. shipments	3,156,330	3,026,757	3,261,948	2,356,618	2,880,968
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***
	Unit value (dollars per short ton)				
U.S. shipments	2,859	2,883	3,100	3,103	3,369
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***
	Share of quantity (percent)				
U.S. shipments	***	***	***	***	***
Export shipments	***	***	***	***	***
Total shipments	100.0	100.0	100.0	100.0	100.0
	Share of value (percent)				
U.S. shipments	***	***	***	***	***
Export shipments	***	***	***	***	***
Total shipments	100.0	100.0	100.0	100.0	100.0

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

U.S. PRODUCERS' INVENTORIES

Table III-8 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.[7] End-of-period inventories increased by 17.3 percent between 2015 and 2017, and there were 21.4 percent higher in interim 2018 than in interim 2017. The ratio of inventories to U.S. production, U.S. shipments, and total shipments increased throughout the period, from a low of *** percent of total shipments in 2015 reaching *** percent in 2017. Total shipments were *** percentage points higher in interim 2018 than in interim 2017.

[7] *** reported large end-of-period inventories averaging more than *** of the total from 2015 to 2017, and more than *** of the totals in the interim periods.

Table III-8
Fabricated structural steel: U.S. producers' inventories, 2015-17, January to September 2017, and January to September 2018

Item	Calendar year			January to September	
	2015	2016	2017	2017	2018
	Quantity (short tons)				
U.S. producers' end-of-period inventories	82,440	91,995	96,711	92,308	112,099
	Ratio (percent)				
Ratio of inventories to.--					
U.S. production	7.5	8.7	9.0	8.9	9.7
U.S. shipments	7.5	8.8	9.2	9.1	9.8
Total shipments	***	***	***	***	***

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

U.S. PRODUCERS' IMPORTS AND PURCHASES

U.S. producers' imports and purchases of fabricated structural steel are presented in table III-9 and III-10. Five U.S. producers, ***, recorded imports of fabricated structural steel during the period for which data were collected.[8] Of the responding U.S. producers, *** reported imports from ***, while *** reported imports of fabricated structural steel from ***. Sixteen U.S. producers, *** purchased fabricated structural steel during the period for which data were collected.[9] Total purchases to total production represented *** percent in 2015, *** percent in 2016, *** percent in 2017, *** percent in interim 2017, and *** percent in interim 2018. The *** of U.S. producers' purchases are made from domestic producers.[10]

Three U.S. producers, ***, of the 16 aforementioned U.S. producers purchased in-scope fabricated structural steel from Canada between 2015 and 2017, and there were *** purchases from China or Mexico during that same period. *** U.S. producers purchased more than 50 percent of their production from the subject countries. Two U.S. producers, ***, purchased in-scope fabricated structural steel from Canada in interims 2017 and 2018. One U.S. producer, ***, was the only purchaser of in-scope fabricated structural steel from China and Mexico in interim 2018, which represented *** of their total production. There were *** purchases from non-subject countries.

[8] *** reported imports of fabricated structural steel, however they were removed from table III-9 because trade data reported in their questionnaire was not usable.

[9] Data for purchases from domestic producers may be overstated each year by *** short tons as *** may have misreported data in the questionnaire.

[10] *** was the largest single purchaser of in-scope fabricated structural steel during the reporting period, with *** purchased from domestic producers.

Table III-9
Fabricated structural steel: U.S. producers' U.S. imports, 2015-17, January to September 2017, and January to September 2018

* * * * * * *

Table III-10
Fabricated structural steel: U.S. producers' U.S. production purchases, 2015-17, January to September 2017, and January to September 2018

* * * * * * *

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table III-11 shows U.S. producers' employment-related data.[11] The number of production and related workers ("PRWs") increased by 1.3 percent from 2015 to 2017. The number of PRWs in the 2018 interim period was 7.0 percent higher compared to interim 2017. Total hours worked and hours worked per PRW decreased during 2015-17 by 1.2 percent and 2.5 percent, respectively. Wages paid increased by 4.1 percent during 2015-17, while hourly wages paid grew at a higher rate of 5.4 percent. Wages paid in the interim period were 9.2 percent higher in 2018 than in 2017, however hourly wages were 2.4 percent lower in 2018 than 2017. Overall productivity decreased by 2.2 percent from 2015 to 2017. In the interim period, there was no change in productivity from 2017 to 2018.

Table III-11
Fabricated structural steel: U.S. producers' employment related data, 2015-17, January to September 2017, and January to September 2018

Item	Calendar year			January to September	
	2015	2016	2017	2017	2018
Production and related workers (PRWs) (number)	10,750	10,841	10,886	10,739	11,486
Total hours worked (1,000 hours)	22,792	22,973	22,514	16,919	18,927
Hours worked per PRW (hours)	2,120	2,119	2,068	1,575	1,648
Wages paid ($1,000)	508,868	520,770	529,657	385,804	421,394
Hourly wages (dollars per hour)	$22.33	$22.67	$23.53	$22.80	$22.26
Productivity (short tons per 1,000 hours)	48.5	46.3	47.5	46.0	46.0
Unit labor costs (dollars per short ton)	$460	$490	$496	$495	$484

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 173 firms believed to be importers of fabricated structural steel or other products entering under the primary Harmonized tariff Schedule ("HTS") statistical reporting numbers identified in the petitions.[1] Twenty firms provided a usable response. Sixteen firms indicated that they did not import fabricated structural steel into the United States[2] and seven firms provided completed questionnaire responses on imported items that do not appear to correspond to the product definition used in the Commission's questionnaires (and drawn from the proposed scope product description as outlined in the petitions).[3] The data reported in the seven questionnaire responses from firms that do not appear to be importing in-scope fabricated structural steel are not aggregated with the data presented in the body of this report, but are presented separately in appendix D.

[1] The Commission issued questionnaires to the leading firms identified in *** documents as having together accounted for almost *** of U.S. imports under HTS statistical reporting numbers 7308.90.3000, 7308.90.6000, and 7308.90.9590 in 2017.

[2] The following 16 firms reported that they have not imported fabricated structural steel since January 1, 2015: ***.

[3] These seven firms are ***.

Based on official Commerce statistics for imports of fabricated structural steel under HTS statistical reporting numbers 7308.90.3000, 7308.90.6000, and 7308.90.9590,[4] importers' questionnaire data accounted for the following shares of imports during 2017:[5]

- 50.2 percent of total U.S. imports from Canada
- *** percent of total U.S. imports from China
- *** percent of total U.S. imports from Mexico
- 21.5 percent of total U.S. imports from subject sources
- *** percent of total U.S. imports from nonsubject sources
- 19.3 percent of total U.S. imports from all countries

In light of the low data coverage by the Commission's importer questionnaires in the preliminary phase of these investigations, especially with respect to imports from China, import quantities and values presented in this report are based on official U.S. import statistics, unless indicated otherwise. However, official U.S. import statistics are overstated to the extent that they include other products not within the scope of these investigations.

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[4] The petitioner believes that these three primary HTS categories account for the vast majority of the fabricated structural steel entering the United States and that they are generally limited to fabricated structural steel, although petitioner states that some subject merchandise could be included in these data. The petitioner asserted that, given the very low import coverage in Commission questionnaires, the official U.S. import statistics are the best available data on the record in these investigations for evaluating U.S. imports of fabricated structural steel from Canada, China, and Mexico. Petitions, p. 11; conference transcript, pp. 72-73; and petitioner's postconference brief, pp. 9 and 11. Respondents from Canada argue, however, that the three primary HTS numbers for fabricated structural steel overstate U.S. imports of fabricated structural steel from Canada by about *** percent in 2017 and that out-of-scope merchandise accounts for the overstatement. Conference transcript, p. 206 (Dougan); and CISP's postconference brief, exh. 1, p.1. Respondents from Mexico argue that most of the imports under the HTS codes selected by petitioners are items that they believe are not in scope, such as transmission towers, wind towers, street lights, rack systems and metal buildings. Conference transcript, p. 190 (Salas). Specifically, HTS 7308.90.9590 was named by a U.S. Licensed Customs Broker (present on the respondent panel at the conference) as being an overly broad "other" category where utility towers and poles enter the United States. Conference transcript, p. 206 (Pimienta).

[5] The response rates presented are calculated based on a comparison of the quantity of 2017 U.S. imports of fabricated structural steel as reported in the responses to the Commission's U.S. importer questionnaires (including the responses of the seven firms that provided completed questionnaire responses on imported items that do not appear to meet Commerce's scope and petitioner's product description as outlined in the petitions, as these data also appear to be included in the official import statistics for the three primary HTS numbers) (***) with total quantity of 2017 U.S. imports of fabricated structural steel as reported by official Commerce import statistics under HTS statistical reporting numbers 7308.90.3000, 7308.90.6000, and 7308.90.9590. Questionnaire data coverage presented may be imprecise because the official Commerce statistics under these three HTS numbers may include other products not within the scope of these investigations, particularly with respect to HTS statistical reporting number 7308.90.9590. In addition, minor amounts of in-scope merchandise may be included under other HTS categories.

Table IV-1 lists the 20 responding U.S. importers of in-scope fabricated structural steel from Canada, China, Mexico, and other sources, their locations, and their shares of U.S. imports, in 2017.

Table IV-1
Fabricated structural steel: U.S. importers, their headquarters, and share of total imports by source, 2017

Firm	Headquarters	Share of imports by source (percent)					
		Canada	China	Mexico	Subject sources	Nonsubject sources	All import sources
ADF	Terrebonne, QC, Canada	***	***	***	***	***	***
Babcock	Barberton, OH	***	***	***	***	***	***
Beauce-Atlas	Sainte-Marie De Beauce, QC, Canada	***	***	***	***	***	***
BID Group	St George, SC	***	***	***	***	***	***
Breton	St-Bruno, QC, Canada	***	***	***	***	***	***
Canam	Point of Rocks, MD	***	***	***	***	***	***
Canatal	Thetford Mines, QC, Canada	***	***	***	***	***	***
Cimolai	Porcia, PN, Italy	***	***	***	***	***	***
Corey	San José Del Castillo, El Salto, JA, Mexico	***	***	***	***	***	***
ESC	Spring, TX	***	***	***	***	***	***
Frazier	Long Valley, NJ	***	***	***	***	***	***
Herrick	Stockton, CA	***	***	***	***	***	***
IRL Mexico	Chula Vista, CA	***	***	***	***	***	***
Marid	Windsor Junction, NS, Canada	***	***	***	***	***	***
Ocean	Saint John, NB, Canada	***	***	***	***	***	***
Shell	Houston, TX	***	***	***	***	***	***
Sunpower	San Jose, CA	***	***	***	***	***	***
Supreme	Portland, OR	***	***	***	***	***	***
Trimax	Ste-Marie, QC, Canada	***	***	***	***	***	***
Walters	Hamilton, ON, Canada	***	***	***	***	***	***
Total		***	***	***	***	***	***

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but 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 fabricated structural steel from Canada, China, Mexico, and all other sources. According to official import statistics, China was the largest subject source of U.S. imports of fabricated structural steel in 2017, accounting for 40.2 percent of total imports (by quantity) in 2017, followed by Canada at 19.2 percent and Mexico at 18.0 percent. The share of the quantity of total U.S. imports of fabricated structural steel held by the subject sources combined increased from 76.2 percent of total U.S. imports in 2015 to 77.4 percent in 2017, and was 81.9 percent of total imports during January-September ("interim") 2018. The quantity of U.S. imports of fabricated structural steel from all three subject countries combined increased by 21.2 percent from 2015 to 2017, and were 11.4 percent higher in interim 2018 than in interim 2017.

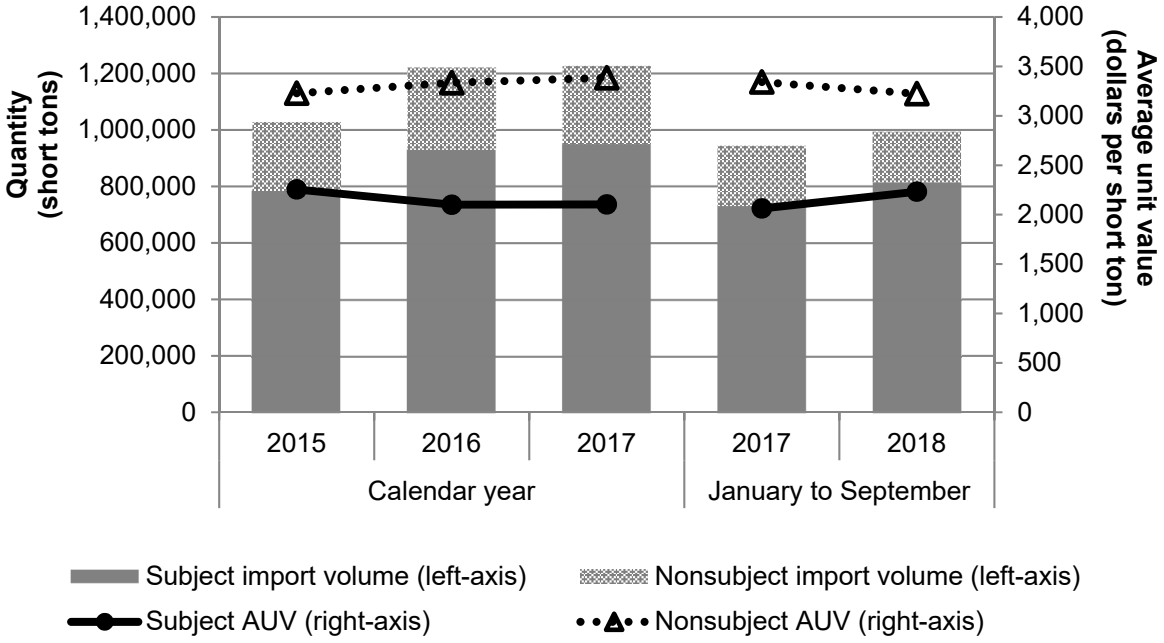
U.S. imports of fabricated structural steel from Canada (in terms of quantity) increased by 39.8 percent from 2015 to 2017, and were 13.3 percent higher in interim 2018 than in interim 2017. There were similar trends in the value of U.S. imports from Canada (albeit at different magnitudes). The average unit values of U.S. imports of fabricated structural steel from Canada, which were consistently the highest of the three subject countries, increased by 1.1 percent from a low of $2,787 per short ton in 2015 to $2,819 per short ton in 2017. The average unit value of U.S. imports from Canada was $2,825 per short ton during interim 2017 compared to $2,828 per short ton during interim 2018. The ratio of U.S. imports from Canada to U.S. production increased from 15.3 percent in 2015 to 22.1 percent in 2017. It was 21.5 percent during interim 2017 and 21.8 percent in interim 2018.

Table IV-2
Fabricated structural steel: U.S. imports, by source, 2015-17, January to September 2017, and January to September 2018

Item	Calendar year			January to September	
	2015	2016	2017	2017	2018
	Quantity (short tons)				
U.S. imports from.--					
Canada	168,829	227,765	235,999	167,385	189,585
China	368,641	476,818	492,838	397,491	390,018
Mexico	246,178	224,422	220,750	165,565	234,182
Subject sources	783,648	929,006	949,586	730,441	813,785
Nonsubject sources	244,303	292,140	277,259	213,757	179,930
All import sources	1,027,951	1,221,146	1,226,845	944,198	993,715
	Value (1,000 dollars)				
U.S. imports from.--					
Canada	470,476	633,974	665,202	472,880	536,075
China	778,654	909,726	918,125	730,345	820,047
Mexico	518,007	407,966	413,993	303,730	461,068
Subject sources	1,767,137	1,951,665	1,997,320	1,506,955	1,817,190
Nonsubject sources	788,792	974,168	938,466	714,295	580,003
All import sources	2,555,929	2,925,833	2,935,786	2,221,249	2,397,192
	Unit value (dollars per short ton)				
U.S. imports from.--					
Canada	2,787	2,783	2,819	2,825	2,828
China	2,112	1,908	1,863	1,837	2,103
Mexico	2,104	1,818	1,875	1,835	1,969
Subject sources	2,255	2,101	2,103	2,063	2,233
Nonsubject sources	3,229	3,335	3,385	3,342	3,223
All import sources	2,486	2,396	2,393	2,353	2,412
	Share of quantity (percent)				
U.S. imports from.--					
Canada	16.4	18.7	19.2	17.7	19.1
China	35.9	39.0	40.2	42.1	39.2
Mexico	23.9	18.4	18.0	17.5	23.6
Subject sources	76.2	76.1	77.4	77.4	81.9
Nonsubject sources	23.8	23.9	22.6	22.6	18.1
All import sources	100.0	100.0	100.0	100.0	100.0
	Share of value (percent)				
U.S. imports from.--					
Canada	18.4	21.7	22.7	21.3	22.4
China	30.5	31.1	31.3	32.9	34.2
Mexico	20.3	13.9	14.1	13.7	19.2
Subject sources	69.1	66.7	68.0	67.8	75.8
Nonsubject sources	30.9	33.3	32.0	32.2	24.2
All import sources	100.0	100.0	100.0	100.0	100.0
	Ratio to U.S. production				
U.S. imports from.--					
Canada	15.3	21.4	22.1	21.5	21.8
China	33.3	44.8	46.1	51.0	44.8
Mexico	22.3	21.1	20.7	21.3	26.9
Subject sources	70.8	87.4	88.8	93.8	93.6
Nonsubject sources	22.1	27.5	25.9	27.4	20.7
All import sources	92.9	114.8	114.8	121.2	114.2

Source: Compiled from official U.S. import statistics using HTS statistical reporting numbers 7308.90.3000, 7308.90.6000, and 7308.90.9590, accessed February 25, 2019.

Figure IV-1
Fabricated structural steel: U.S. import volumes and average unit values, 2015-17, January to September 2017, and January to September 2018



Source: Compiled from official U.S. import statistics using HTS statistical reporting numbers 7308.90.9590, 7308.90.3000, and 7308.90.6000, accessed February 25, 2019.

U.S. imports of fabricated structural steel from China (in terms of quantity) increased by 33.7 percent from 2015 to 2017, but were 1.9 percent lower in interim 2018 than in interim 2017. There was a similar trend in the value of U.S. imports from China from 2015 to 2017 (albeit at a different magnitude), but the value of such imports was higher in interim 2018 than in interim 2017. The average unit values of U.S. imports of fabricated structural steel from China, which were the lowest of the three subject countries in 2017 and interim 2018, declined by 11.8 percent from a high of $2,112 per short ton in 2015 to $1,863 per short ton in 2017. The average unit value of U.S. imports from China was $1,837 per short ton during interim 2017 compared to $2,103 per short ton during interim 2018. The ratio of U.S. imports from China to U.S. production increased from 33.3 percent in 2015 to 46.1 percent in 2017. It was 51.0 percent during interim 2017 and 44.8 percent in interim 2018.

U.S. imports of fabricated structural steel from Mexico (in terms of quantity) declined by 10.3 percent from 2015 to 2017, but were 41.4 percent higher in interim 2018 than in interim 2017. There was a similar trend in the value of U.S. imports from Mexico (albeit at a different magnitude). The average unit values of U.S. imports of fabricated structural steel from Mexico, which were the lowest of the three subject countries in 2015 and 2016, declined overall by 10.9 percent from a high of $2,104 per short ton in 2015 to $1,875 per short ton in 2017. The average unit value of U.S. imports from Mexico was $1,835 per short ton during interim 2017 compared to $1,969 per short ton during interim 2018. The ratio of U.S. imports from Mexico to

U.S. production declined from 22.3 percent in 2015 to 20.7 percent in 2017. It was 21.3 percent during interim 2017 and 26.9 percent in interim 2018.

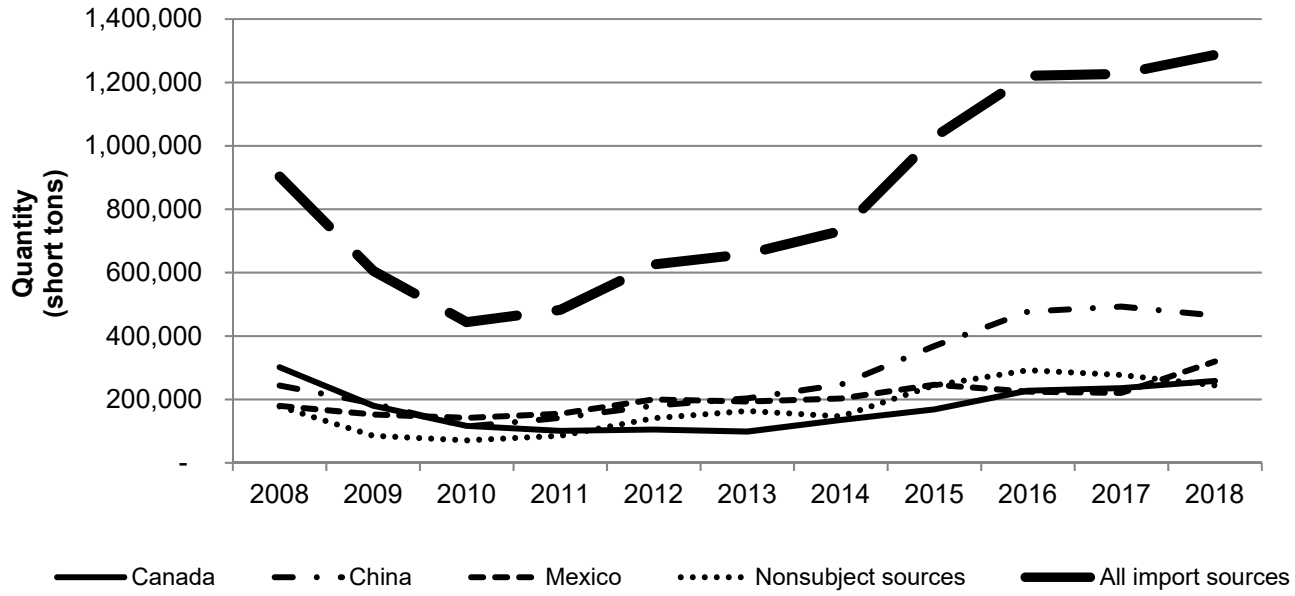
The leading suppliers of nonsubject sources of fabricated structural steel to the United States during 2017 were Taiwan, Italy, Germany, Spain, and Korea, representing 3.0 percent, 2.7 percent, 2.6 percent, 1.9 percent, and 1.9 percent of all imports by quantity, respectively. The share of the quantity of U.S. imports of fabricated structural steel attributable to nonsubject sources declined from 23.8 percent of total U.S. imports in 2015 to 22.6 percent in 2017, and was 22.6 percent of total imports during interim 2017 and 18.1 percent in interim 2018.

Figure IV-2 presents historical annual official U.S. import statistics from 2008 to 2018[6] for imports of merchandise from Canada, China, Mexico, and other nonsubject sources. These data show that total fabricated structural steel imports declined by 50.9 percent (or by 459,222 shorts tons) from 903,020 short tons in 2008 to 443,798 short tons in 2010, after which they increased by 131.6 percent (or by 584,153 short tons) from 2010 to 2015 and by 25.2 percent (or by 259,177 short tons) from 2015 to 2018. Imports during 2018 (1.3 million short tons) were 42.5 percent higher than U.S. imports in 2008. Imports from China accounted for the largest share of the increase.[7]

[6] Official U.S. import statistics for calendar year 2018 were released on March 6, 2019, and became accessible on March 8, 2019.

[7] The petitioner points out that U.S. import volumes grew each year since 2010, surpassing the 2007 "pre-recession construction boom" level in 2015, and that import levels have continued to increase annually since 2015. Petitioner's postconference brief, p. 20 and exh. 1, p. 75.

Figure IV-2
Fabricated structural steel: Historical U.S. imports, 2008-18



Source: Compiled from official U.S. import statistics using HTS statistical reporting numbers 7308.90.9590, 7308.90.3000, and 7308.90.6000, accessed February 25, 2019.

NEGLIGIBILITY

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.[8] Negligible imports are generally defined in the Act, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.[9]

From February 2018 to January 2019, the most recent 12-month period preceding the filing of the petitions in these investigations, imports from each subject country accounted for more than 3 percent of total U.S. imports of fabricated structural steel. Table IV-3 presents the individual shares of total imports accounted by subject countries by quantity during February 2018-January 2019 based on questionnaire data and based on official import statistics for January 2018-December 2018.[10]

According to questionnaire responses, during the period February 2018 through January 2019, imports from Canada accounted for *** percent of total reported imports; imports from China accounted for *** percent; and imports from Mexico accounted for *** percent. Imports from all three subject countries collectively accounted for *** percent of the volume of all such merchandise imported into the United States. According to official U.S. import statistics, for calendar year 2018, imports from Canada accounted for 20.1 percent of total U.S. imports; imports from China accounted for 36.1 percent; and imports from Mexico accounted for 24.8 percent. Imports from all three subject countries collectively accounted for 81.0 percent of the volume of all such merchandise imported into the United States.[11]

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[8] 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)).

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

[10] Official U.S. import statistics for December 2018, which were released on March 6, 2019, and became accessible on March 8, 2019, are the most recently available import data. The December 2018 release date for U.S. import statistics by the U.S. Census Bureau was delayed due to the recent lapse in federal funding. The new release schedule was prepared by the U.S. Census Bureau in coordination with other agencies and the Office of Management and Budget. "FT900 U.S. International Trade in Goods and Services Press Release Schedule," U.S. Census Bureau, https://www.census.gov/foreign-trade/reference/release_schedule.html, retrieved on March 10, 2019.

[11] At least three firms in China (Valmont Industries (Guangdong) Ltd.; Valmont Industries (China), Ltd.; and Valmont Industries (Shandong) Co., Ltd.) and at least four firms in Mexico (Valmont Monterrey S de RL de CV; SAE Towers Mexico S de RL de CV; Exportadora de Postes, SA de CV; and Exportadora de

Table IV-3
Fabricated structural steel: U.S. imports in the twelve month period preceding the filing of the petitions

Item	Questionnaire data: February 2018 through January 2019		Official import statistics: January 2018 through December 2018	
	Quantity (short tons)	Share quantity (percent)	Quantity (short tons)	Share quantity (percent)
U.S. imports from.--				
Canada	***	***	258,526	20.1
China	***	***	464,734	36.1
Mexico	***	***	319,690	24.8
Subject sources	***	***	1,042,950	81.0
Nonsubject sources	***	***	244,178	19.0
All import sources	***	***	1,287,128	100.0

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

CUMULATION CONSIDERATIONS

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

Postes de Monclova S) produced and exported to the United States utility towers or poles that do not appear to correspond to the product definition used in the Commission's questionnaires (and drawn from the proposed scope product description as outlined in the petitions). Official U.S. import statistics for calendar year 2018, as adjusted to exclude the exports to the United States by the firms listed above, show that U.S. imports from Canada accounted for *** percent of total U.S. imports; imports from China accounted for *** percent; and imports from Mexico accounted for *** percent. Imports from all three subject countries collectively accounted for *** percent of the volume of all such merchandise imported into the United States.

Fungibility

The Commission requested information concerning U.S. producers' and U.S. importers' U.S. shipments of fabricated structural steel, by assembled/partially assembled fabricated structural steel and other in-scope fabricated structural steel (including disassembled fabricated structural steel), for calendar year 2017.[12] These data are presented in table IV-4 and figure IV-3.

Table IV-4
Fabricated structural steel: U.S. producers' and U.S. importers' U.S. shipments by product types, 2017

* * * * * * *

Figure IV-3
Fabricated structural steel: U.S. producers' and U.S. importers' U.S. shipments by product type, 2017

* * * * * * *

These data show that, in 2017, slightly more than one-half of U.S. producers' U.S. shipments were fabricated structural steel as assembled/partially assembled fabricated structural steel and slightly more than one-half of Canadian importers' U.S. shipments were other in-scope fabricated structural steel (including disassembled fabricated structural steel). U.S. importers from China and Mexico, however, reported that all of their U.S. shipments of imported fabricated structural steel were assembled/partially assembled fabricated structural steel. U.S. importers from nonsubject sources reported that a majority (***) of their U.S. shipments of imports of fabricated structural steel were other in-scope fabricated structural steel (including disassembled fabricated structural steel).

[12] As defined in the petitions and the Commission's questionnaires, "fabricated structural steel may be either assembled" or "partially assembled, such as into modules, modularized construction units, or sub-assemblies of fabricated structural steel." Disassembled fabricated structural steel pieces "contain characteristics or items, such as holes, fasteners, nuts, bolts, rivets, screws, tongue and grooves, hinges, or joints, so that the products(s) may be joined, attached, or assembled to one or more additional product(s)." Petitions, pp. 5-6. The scope on which Commerce initiated the investigations did not include language concerning "disassembled" fabricated structural steel. *Certain Fabricated Structural Steel From Canada, Mexico, and the People's Republic of China: Initiation of Less-Than-Fair-Value Investigations*, 84 FR 7330, March 4, 2019; and *Certain Fabricated Structural Steel From Canada, Mexico, and the People's Republic of China: Initiation of Countervailing Duty Investigations*, 84 FR 7339, March 4, 2019.

Geographical markets

Fabricated structural steel produced in the United States is shipped nationwide.[13] In 2017, the official U.S. import statistics show that a large majority of U.S. imports of fabricated structural steel from Canada entered through U.S. ports located on the eastern coast (68.1 percent) and northern border (25.1 percent) of the United States. U.S. imports of fabricated structural steel from China were somewhat more evenly distributed between U.S. entry ports located on the western coast (38.0 percent), eastern coast (24.9 percent), and southern border (22.9 percent) of the United States, with a smaller share entering the United States via the northern border (14.2 percent). The large majority of U.S. imports of fabricated structural steel from Mexico (80.3 percent) entered the United States through ports located on the southern border of the United States, with a smaller share (19.6 percent) entering through the western coast. Almost one-half (46.7 percent) of U.S. imports of fabricated structural steel from nonsubject sources entered the United States through ports located on the eastern coast of the United States, with smaller shares entering through the western coast (22.9 percent) and southern border (21.1 percent). Table IV-5 presents U.S. import quantities of fabricated structural steel by source and border of entry during 2017.[14] The data presented include in-scope fabricated structural steel, as well as a quantity of out-of-scope merchandise, such as utility towers and poles.

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

[14] The "East" border of entry includes the following Customs entry districts for fabricated structural steel: Baltimore, MD; Boston, MA; Buffalo, NY; Charleston, SC; Charlotte, NC; New York, NY; Norfolk, VA; Ogdensburg, NY; Philadelphia, PA; Portland, ME; Providence, RI; San Juan, PR; Savannah, GA; St. Albans, VT; Virgin Islands; and Washington, DC. The "North" border of entry includes the following Customs entry districts for fabricated structural steel: Chicago, IL; Cleveland, OH; Detroit, MI; Duluth, MN; Great Falls, MT; Milwaukee, WI; Minneapolis, MN; Pembina, ND; and St. Louis, MO. The "South" border of entry includes the following Customs entry districts for fabricated structural steel: Dallas-Fort Worth, TX; El Paso, TX; Houston-Galveston, TX; Laredo, TX; Miami, FL; Mobile, AL; New Orleans, LA; Port Arthur, TX; and Tampa, FL. The "West" border of entry includes the following Customs entry districts for fabricated structural steel: Anchorage, AK; Columbia-Snake, OR; Honolulu, HI; Los Angeles, CA; Nogales, AZ; San Diego, CA; San Francisco, CA; and Seattle, WA.

Table IV-5
Fabricated structural steel: U.S. imports by border of entry, 2017

Item	Border of entry				
	East	North	South	West	All borders
	Quantity (short tons)				
U.S. imports from.--					
Canada	160,760	59,126	119	15,994	235,999
China	122,882	70,081	112,644	187,231	492,838
Mexico	207	2	177,280	43,261	220,750
Subject sources	283,849	129,208	290,043	246,485	949,586
Nonsubject sources	129,433	25,713	58,505	63,608	277,259
All import sources	413,282	154,921	348,548	310,094	1,226,845
	Share across (percent)				
U.S. imports from.--					
Canada	68.1	25.1	0.1	6.8	100.0
China	24.9	14.2	22.9	38.0	100.0
Mexico	0.1	0.0	80.3	19.6	100.0
Subject sources	29.9	13.6	30.5	26.0	100.0
Nonsubject sources	46.7	9.3	21.1	22.9	100.0
All import sources	33.7	12.6	28.4	25.3	100.0
	Share down (percent)				
U.S. imports from.--					
Canada	38.9	38.2	0.0	5.2	19.2
China	29.7	45.2	32.3	60.4	40.2
Mexico	0.1	0.0	50.9	14.0	18.0
Subject sources	68.7	83.4	83.2	79.5	77.4
Nonsubject sources	31.3	16.6	16.8	20.5	22.6
All import sources	100.0	100.0	100.0	100.0	100.0

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Source: Compiled from official U.S. import statistics using HTS statistical reporting numbers 7308.90.3000, 7308.90.6000, and 7308.90.9590, accessed February 25, 2019.

Presence in the market

Table IV-6 and figures IV-4 and IV-5 present monthly official U.S. import statistics for subject countries and nonsubject sources. The data presented include in-scope fabricated structural steel, as well as a quantity of out-of-scope merchandise, such utility towers and poles. The monthly import statistics indicate that U.S. imports of fabricated structural steel from the three subject countries were present in each month during January 2015-December 2018.

Table IV-6
Fabricated structural steel: U.S. imports by month, January 2015 through December 2018

Item	U.S. imports					
	Canada	China	Mexico	Subject sources	Nonsubject sources	All import sources
2015.--						
January	10,700	25,949	14,818	51,466	13,672	65,139
February	8,498	21,905	14,164	44,568	9,290	53,858
March	12,613	32,156	15,764	60,533	23,146	83,679
April	11,477	29,288	15,903	56,668	21,674	78,342
May	11,894	31,159	19,209	62,262	18,670	80,931
June	16,486	30,988	21,660	69,134	18,059	87,193
July	16,770	28,144	25,367	70,281	21,165	91,446
August	14,580	21,782	24,998	61,360	21,535	82,895
September	16,830	28,100	21,553	66,483	20,985	87,468
October	18,071	30,619	25,304	73,994	21,880	95,874
November	16,635	44,585	24,949	86,170	27,637	113,807
December	14,275	43,965	22,490	80,730	26,590	107,320
2016.--						
January	14,623	48,765	20,231	83,619	19,205	102,823
February	16,839	42,242	13,121	72,203	25,213	97,416
March	16,206	43,433	15,197	74,836	29,753	104,589
April	17,548	49,226	17,200	83,973	28,168	112,141
May	21,619	43,756	18,075	83,449	26,016	109,465
June	20,953	42,032	18,656	81,640	25,303	106,943
July	22,816	38,001	18,023	78,840	32,401	111,241
August	19,491	39,137	21,580	80,208	22,506	102,714
September	16,890	35,111	21,016	73,017	19,852	92,868
October	21,778	29,564	20,132	71,473	16,733	88,206
November	19,938	34,703	20,326	74,967	23,113	98,080
December	19,064	30,850	20,867	70,781	23,876	94,657

Table continued on next page.

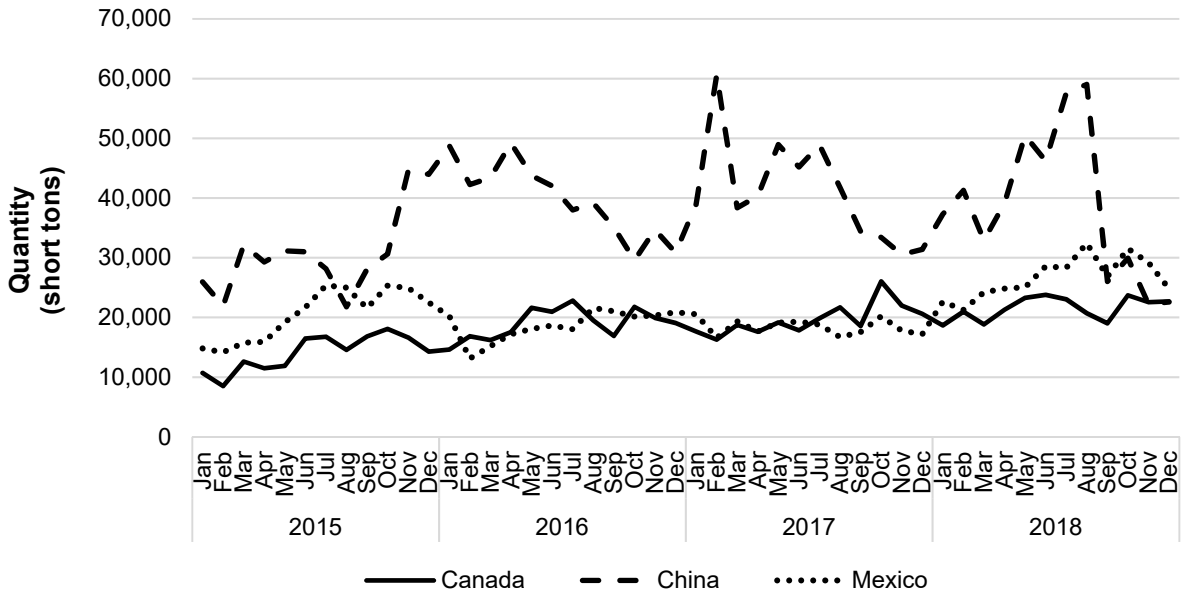
Table IV-6—Continued
Fabricated structural steel: U.S. imports by month, January 2015 through December 2018

Item	U.S. imports					
	Canada	China	Mexico	Subject sources	Nonsubject sources	All import sources
2017.--						
January	17,654	38,921	20,536	77,111	28,069	105,181
February	16,283	60,656	16,582	93,520	21,179	114,700
March	18,750	38,354	19,340	76,444	20,960	97,404
April	17,589	40,317	17,650	75,556	24,266	99,822
May	19,160	48,936	19,127	87,223	27,746	114,969
June	17,843	45,201	19,274	82,317	27,454	109,772
July	19,857	48,892	18,795	87,544	23,799	111,343
August	21,688	41,756	16,710	80,154	20,674	100,827
September	18,561	34,458	17,552	70,570	19,610	90,181
October	26,029	33,412	20,207	79,648	25,742	105,389
November	21,980	30,537	17,779	70,297	18,406	88,703
December	20,605	31,398	17,198	69,201	19,353	88,555
2018.--						
January	18,678	37,282	22,640	78,600	17,533	96,133
February	20,975	41,287	21,272	83,534	17,520	101,054
March	18,826	32,927	24,227	75,979	20,531	96,510
April	21,286	39,148	24,843	85,277	18,471	103,749
May	23,280	50,506	25,054	98,839	22,966	121,805
June	23,789	46,211	28,570	98,570	26,259	124,829
July	23,037	57,616	28,311	108,965	20,465	129,429
August	20,700	59,033	32,439	112,173	17,837	130,010
September	19,014	26,009	26,826	71,849	18,347	90,196
October	23,696	29,934	31,520	85,150	16,763	101,913
November	22,552	22,210	29,177	73,939	25,361	99,300
December	22,693	22,572	24,810	70,076	22,124	92,200

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

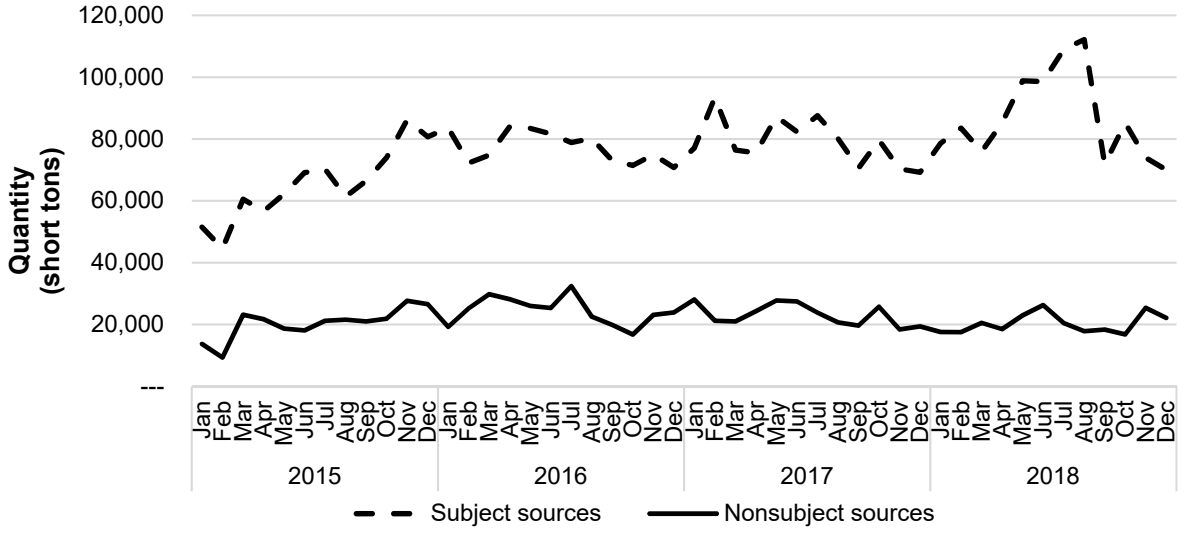
Source: Compiled from official U.S. import statistics using HTS statistical reporting numbers 7308.90.3000, 7308.90.6000, and 7308.90.9590, accessed February 25, 2019 (December 2019 data accessed March 8, 2019).

Figure IV-4
Fabricated structural steel: Monthly U.S. imports from individual subject sources, January 2015 through December 2018



Source: Compiled from official U.S. import statistics using HTS statistical reporting numbers 7308.90.9590, 7308.90.3000, and 7308.90.6000, accessed February 25, 2019 (December 2018 accessed March 8, 2019).

Figure IV-5
Fabricated structural steel: Monthly U.S. imports from subject sources and nonsubject sources, January 2015 through December 2018



Source: Compiled from official U.S. import statistics using HTS statistical reporting numbers 7308.90.9590, 7308.90.3000, and 7308.90.6000, accessed February 25, 2019 (December 2018 accessed March 8, 2019).

APPARENT U.S. CONSUMPTION

According to the AISC, apparent U.S. consumption of fabricated structural steel is largely driven by demand for non-residential construction, multi-story residential construction (including hotels and dormitories), non-building structures (including open-air stadiums, process and chemical plants, power plants, petroleum refineries, and other buildings that do not have a roof), and other non-structural applications (including rack systems, marine applications, trailers, transportation, and mobile homes). Non-building structures and non-residential construction represented the largest U.S. demand segments for fabricated structural steel, accounting for 40 percent and 37 percent, respectively. Non-structural applications accounted for approximately 15 percent of overall demand for fabricated structural steel and multi-story residential construction represented 8 percent.[15] The demand for fabricated structural steel, which is driven primarily by activity in the non-residential and industrial construction markets, has increased modestly and at a steady pace since 2015, alongside U.S. spending increases in relevant construction sectors.[16]

Table IV-7 and figure IV-6 present data on apparent U.S. consumption for fabricated structural steel for 2015-17, January-September 2017, and January-September 2018.[17] Apparent consumption, by quantity, increased from 2.1 million short tons in 2015 to 2.3 million short tons in 2017, equivalent to a 6.9 percent increase. Apparent consumption was 8.5 percent higher in interim 2018 than it was in interim 2017. The value of apparent U.S. consumption increased from $5.7 billion in 2015 to $6.2 billion in 2017, an overall increase of 8.5 percent. The value of apparent consumption during interim 2018 was 15.3 percent higher than reported during interim 2017.

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[15] *Structural Steel: An Industry Overview*, A White Paper by the American Institute of Steel Construction, August 2018, https://www.aisc.org/globalassets/aisc/publications/white-papers/structural_steel_industry_overview_2018.pdf, retrieved March 4, 2019.

[16] Petitioner's postconference brief, p. 20; and Corey's postconference brief, pp. 3-4.

[17] Questionnaire data received from the U.S. industry are believed to account for 31.2 percent of the fabricated structural steel production of the entire U.S. fabricated structural steel industry in 2017 and are, therefore, understated. Official U.S. import statistics presented are overstated by quantities of imported out-of-scope merchandise (e.g., utility towers and poles). Thus, the domestic industry component of apparent U.S. consumption is understated and the U.S. import component is overstated.

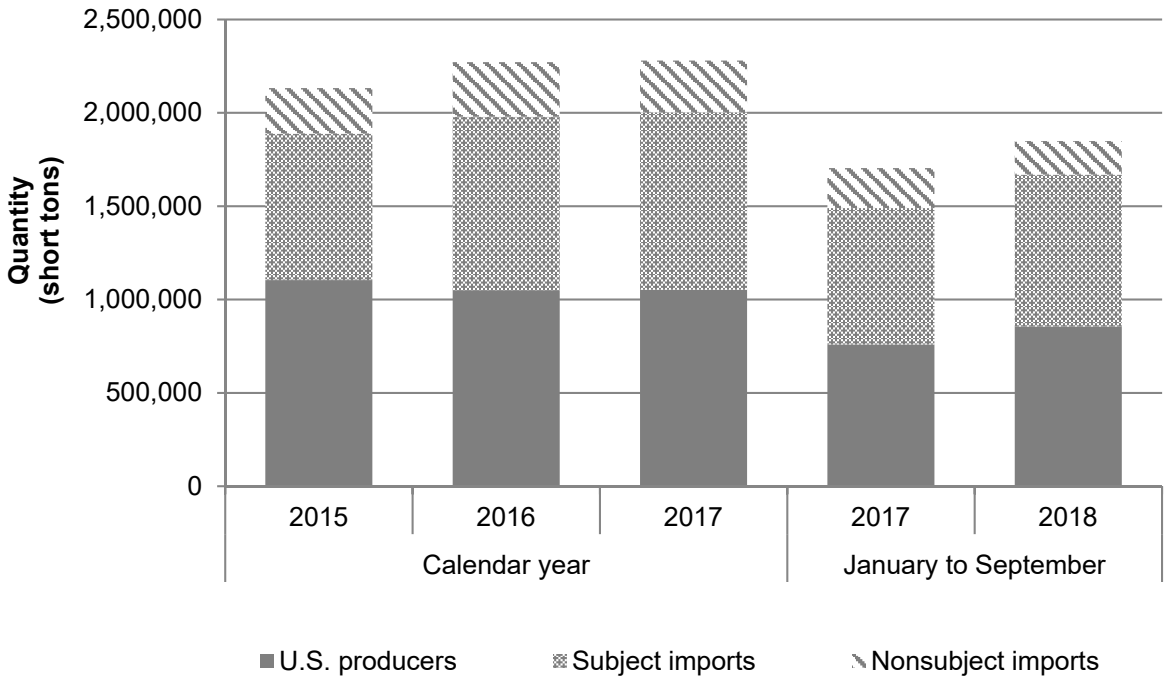
Table IV-7
Fabricated structural steel: Apparent U.S. consumption, 2015-17, January to September 2017, and January to September 2018

Item	Calendar year			January to September	
	2015	2016	2017	2017	2018
	Quantity (short tons)				
U.S. producers' U.S. shipments	1,104,012	1,049,722	1,052,401	759,421	855,130
U.S. imports from.--					
Canada	168,829	227,765	235,999	167,385	189,585
China	368,641	476,818	492,838	397,491	390,018
Mexico	246,178	224,422	220,750	165,565	234,182
Subject sources	783,648	929,006	949,586	730,441	813,785
Nonsubject sources	244,303	292,140	277,259	213,757	179,930
All import sources	1,027,951	1,221,146	1,226,845	944,198	993,715
Apparent U.S. consumption	2,131,963	2,270,868	2,279,246	1,703,619	1,848,845
	Value (1,000 dollars)				
U.S. producers' U.S. shipments	3,156,330	3,026,757	3,261,948	2,356,618	2,880,968
U.S. imports from.--					
Canada	470,476	633,974	665,202	472,880	536,075
China	778,654	909,726	918,125	730,345	820,047
Mexico	518,007	407,966	413,993	303,730	461,068
Subject sources	1,767,137	1,951,665	1,997,320	1,506,955	1,817,190
Nonsubject sources	788,792	974,168	938,466	714,295	580,003
All import sources	2,555,929	2,925,833	2,935,786	2,221,249	2,397,192
Apparent U.S. consumption	5,712,259	5,952,590	6,197,734	4,577,867	5,278,160

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Source: Compiled from data submitted in response to Commission questionnaires and from official U.S. import statistics using HTS statistical reporting numbers 7308.90.3000, 7308.90.6000, and 7308.90.9590, accessed February 25, 2019.

Figure IV-6
Fabricated structural steel: Apparent U.S. consumption, 2015-17, January to September 2017, and January to September 2018



Source: Compiled from data submitted in response to Commission questionnaires and from official U.S. import statistics using HTS statistical reporting numbers 7308.90.3000, 7308.90.6000, and 7308.90.9590, accessed February 25, 2019.

The following tabulation presents limited data on apparent U.S. consumption for fabricated structural steel for calendar year 2018. These data show that apparent consumption, by quantity, increased from 2.3 million short tons in 2017 to 2.4 million short tons in 2018, equivalent to a 6.5 percent increase. The value of apparent U.S. consumption increased from $6.2 billion in 2017 to $7.1 billion in 2018, an increase of 14.3 percent.

Item	Apparent consumption Calendar year 2018
	Quantity (short tons)
U.S. producers' U.S. shipments	1,140,474
U.S. imports from.--	
Canada	258,526
China	464,734
Mexico	319,690
Subject sources	1,042,950
Nonsubject sources	244,178
All import sources	1,287,128
Apparent U.S. consumption	2,427,602
	Value (1,000 dollars)
U.S. producers' U.S. shipments	3,944,986
U.S. imports from.--	
Canada	730,199
China	1,010,498
Mexico	630,368
Subject sources	2,371,066
Nonsubject sources	768,737
All import sources	3,139,803
Apparent U.S. consumption	7,084,789

U.S. MARKET SHARES

U.S. market share data for fabricated structural steel are presented in table IV-8.[18] U.S. producers' share of the domestic market, by quantity, decreased by 5.6 percentage points, from 51.8 percent of the market in 2015 to 46.2 percent of the market in 2017. During interim 2018, the U.S. producers accounted for 46.3 percent of the U.S. market (in terms of quantity). In terms of value, the U.S. producers' share of the domestic market, by quantity, decreased by 2.6 percentage points, from 55.3 percent of the market in 2015 to 52.6 percent of the market in 2017. During interim 2018, the U.S. producers accounted for 54.6 percent of the U.S. market (in terms of value).

Subject imports' share of the U.S. market, by quantity, increased by 4.9 percentage points from 36.8 percent of the U.S. market in 2015 to 41.7 percent of the U.S. market in 2017. Subject imports' share of the U.S. market, by value, increased by 1.3 percentage points from 30.9 percent of the U.S. market in 2015 to 32.2 percent of the U.S. market in 2017. The shares of the U.S. market of subject imports from Canada and subject imports from China both individually increased from 2015 to 2017, with the share of subject imports from Mexico declining. Imports from subject sources held 44.0 percent of the U.S. market, by quantity, and 34.4 percent, by value, during interim 2018 compared with 42.9 percent of the U.S. market, by quantity, and 32.9 percent, by value, during interim 2017.

Nonsubject countries' share of the domestic market, by quantity, fluctuated upward overall by 0.7 percentage points—from 11.5 percent of the market in 2015 to 12.2 percent of the market in 2017. During interim 2018, nonsubject countries held 9.7 percent of the U.S. market, by quantity, compared with 12.5 percent during interim 2017. In terms of value, the nonsubject countries' share of the domestic market fluctuated upward overall by 1.3 percentage points—from 13.8 percent of the market in 2015 to 15.1 percent of the market in 2017. During interim 2018, nonsubject countries held 11.0 percent of the U.S. market, by quantity, compared with 15.6 percent during interim 2017.

[18] Questionnaire data received from the U.S. industry are believed to account for 31.2 percent of the entire U.S. fabricated structural steel industry and are, therefore, understated. Official U.S. import statistics presented are overstated by quantities of imported out-of-scope merchandise (e.g., utility towers and poles). Thus, the domestic industry component of market share is understated and the U.S. import component is overstated.

Table IV-8
Fabricated structural steel: Market shares, 2015-17, January to September 2017, and January to September 2018

Item	Calendar year			January to September	
	2015	2016	2017	2017	2018
	Quantity (short tons)				
Apparent U.S. consumption	2,131,963	2,270,868	2,279,246	1,703,619	1,848,845
	Share of quantity (percent)				
U.S. producers' U.S. shipments	51.8	46.2	46.2	44.6	46.3
U.S. importers' U.S. shipments from.--					
Canada	7.9	10.0	10.4	9.8	10.3
China	17.3	21.0	21.6	23.3	21.1
Mexico	11.5	9.9	9.7	9.7	12.7
Subject sources	36.8	40.9	41.7	42.9	44.0
Nonsubject sources	11.5	12.9	12.2	12.5	9.7
All import sources	48.2	53.8	53.8	55.4	53.7
	Value (1,000 dollars)				
Apparent U.S. consumption	5,712,259	5,952,590	6,197,734	4,577,867	5,278,160
	Share of value (percent)				
U.S. producers' U.S. shipments	55.3	50.8	52.6	51.5	54.6
U.S. importers' U.S. shipments from.--					
Canada	8.2	10.7	10.7	10.3	10.2
China	13.6	15.3	14.8	16.0	15.5
Mexico	9.1	6.9	6.7	6.6	8.7
Subject sources	30.9	32.8	32.2	32.9	34.4
Nonsubject sources	13.8	16.4	15.1	15.6	11.0
All import sources	44.7	49.2	47.4	48.5	45.4

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Source: Compiled from data submitted in response to Commission questionnaires and from official U.S. import statistics using HTS statistical reporting numbers 7308.90.3000, 7308.90.6000, and 7308.90.9590, accessed February 25, 2019.

The following tabulation presents market share data for fabricated structural steel for calendar year 2018. Comparing these data with calendar year 2017 data presented in table IV-8, they show that the U.S. producers' share of the domestic market, by quantity, increased by 0.8 percentage points, from 46.2 percent of the market in 2017 to 47.0 percent of the market in 2018. Subject imports' share of the U.S. market increased by 1.3 percentage points from 41.7 percent of the U.S. market in 2017 to 43.0 percent of the U.S. market in 2018. Canada's and Mexico's shares of the U.S. market individually increased from 2017 to 2018, with imports from China declining. The share of the domestic market held by nonsubject sources, by quantity, declined by 2.1 percentage points—from 12.2 percent of the market in 2017 to 10.1 percent of the market in 2018.

Item	Market share Calendar year 2018
	Share of quantity (percent)
U.S. producers' U.S. shipments	47.0
U.S. imports from.--	
Canada	10.6
China	19.1
Mexico	13.2
Subject sources	43.0
Nonsubject sources	10.1
All import sources	53.0
Apparent U.S. consumption	100.0
	Share of value (percent)
U.S. producers' U.S. shipments	55.7
U.S. imports from.--	
Canada	10.3
China	14.3
Mexico	8.9
Subject sources	33.5
Nonsubject sources	10.9
All import sources	44.3
Apparent U.S. consumption	100.0

PART V: PRICING DATA

FACTORS AFFECTING PRICES

Raw material costs

Overall raw material costs fluctuated irregularly as a share of cost of goods sold ("COGS"), from 47.6 percent in 2015 down to 45.4 percent in 2016, before increasing to 47.9 percent in 2017, and reaching 49.3 percent in interim 2018. The production of fabricated structural steel requires a variety of raw materials, including steel plate, steel structural shapes (such as beams, channels, angle, and hollow steel sections), steel bars, and other steel mill products, as well as small but numerous metal fasteners.[1] Prices for flat and long/tubular steel products are presented in figures V-1 and V-2, and prices for metal fasteners are presented in figure V-3. Flat steel product prices were below the January 2015 price in every month, except April 2017, until February or March 2018 (depending on the product), after which the price was higher in every quarter.[2] Prices of long and tubular steel products followed less pronounced patterns and the prices of fasteners were largely unchanged until July 2018 when the prices tended to increase. Most U.S. producers (55 of 66) and importers (21 of 26) reported raw material costs had increased.[3] All other producers and importers reported that raw material costs had fluctuated.[4]

Figure V-1
Flat carbon steel products: Index of prices of flat products, by month, January 2015-January 2019

* * * * * * *

Figure V-2
Long steel products: Index of prices of long and tubular products, by month, January 2015-January 2019

* * * * * * *

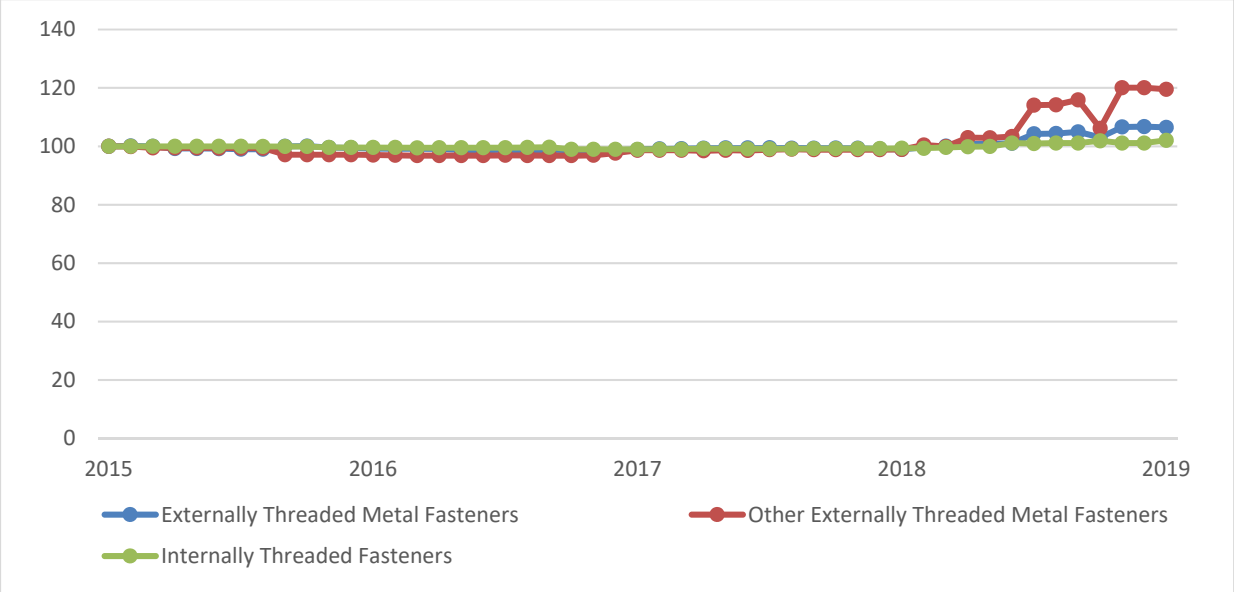
[1] Petitioner's postconference brief, Answers to Questions (Exhibit 1), pp. 8-9.

[2] A combination of antidumping and countervailing duty orders on hot-rolled steel from Australia, Brazil, Japan, Korea, Netherlands, Turkey, and the United Kingdom entered into effect in the United States in October 2016. A combination of antidumping and countervailing duty orders on cut-to-length plate from Austria, Belgium, Brazil, China, France, Germany, Italy, Japan, Korea, South Africa, Taiwan, and Turkey entered into effect in the United States in January-May 2017.

[3] The numbers of firms counted in this section includes all firms that provided usable qualitative responses to the Commission's questionnaires; certain firms were unable to provide usable quantitative responses, and thus are not included in coverage estimates appearing elsewhere in this report.

[4] Petitioners state that raw material prices for a particular job are generally "***," and that "***." Petitioner's postconference brief, p. 40.

Figure V-3
Metal fasteners non-aircraft: Index of prices of metal non-aircraft fasteners, by month, January 2015-January 2019



Source: U.S. Bureau of Labor Statistics, Producer Price Index by Industry, February 19, 2019. Retrieved from Federal Reserve Economic Data (FRED) database, Economic Research Division, Federal Reserve Bank of St. Louis, February 19, 2019 https://fred.stlouisfed.org/series/PCU3327223327223 https://fred.stlouisfed.org/series/PCU3327223327223199 https://fred.stlouisfed.org/series/WPU108103.

Transportation costs to the U.S. market

Transportation costs for fabricated structural steel shipped from subject countries to the United States averaged 1.1 percent for Canada, 9.1 percent for China, and 1.8 percent for Mexico during 2017. These estimates were derived from official import data and represent the transportation and other charges on imports.[5]

U.S. inland transportation costs

Almost all responding U.S. producers (64 of 66) and importers (21 of 23) reported that they typically arrange transportation to their customers. Most responding U.S. producers (43 of 48) reported that their U.S. inland transportation costs were 5 percent or less, while most importers (10 of 19) reported U.S. inland transportation costs of 2 to 6 percent.

[5] The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2017 and then dividing by the customs value based on the HTS statistical reporting numbers 7308.90.9590, 7308.90.3000, and 7308.90.6000.

PRICING PRACTICES

Bidding process

Both the petitioner and the respondents report that prices are set using a multi-stage bid process.[6] Both also report that purchasers ask specific fabricators to bid on specific contracts, and purchasers choose firms that they expect to have the expertise and facilities to be able to provide the necessary fabricated structural steel.[7] Bid development, for fabricators, particularly for complex or difficult projects, tends to be costly because "each project has its own design."[8] The contracts fabricators bid on include more than just the provision of the fabricated structural steel, and when bidding begins, the designs may be incomplete.[9]

The number of invited bidders generally ranges from four to eight, according to one conference witness.[10] However, another witness noted that the number can vary inversely with the size of the project, with four or five invited bidders for larger projects but with ten or more for smaller projects.[11] The bidding process is reportedly the same for both domestic and subject producers.[12] Depending on the size of the project, the entire bidding process, from start to finish, can extend from three to four months for smaller projects and from six months or more for larger projects.[13]

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[6] Conference transcript, pp. 35, 250 (Cooper, Caso); petitioner's postconference brief, pp. 1, 13-17, 31; CISC's postconference brief, p. 15.

[7] For example, one respondent, purchaser Manhattan West Construction, reported that it examines a number of criteria to determine which from fabricators it will request a bid. Its criteria include: ability to handle size and complexity in design; experience in the New York market erecting large-scale high rise steel frame buildings using local union labor; ability to provide performance bonds for the value of the structural steel package; and an organization that could offer creative engineering solutions which would reduce schedule risks by streamlining fabrication. Conference transcript, pp. 55, 173 (Kaplan, Caso). W&W/AFCO Steel stated that between four and eight fabricators will typically participate in a bid, with the number of participants decreasing with the size and complexity of the project. Novel Iron Works stated that larger projects tend to involve four to five bidders, while the smaller ones can involve ten or more bidders. Petitioner's postconference brief, p. 16, Answers to Questions (Exhibit 1), p. 51; conference transcript, pp. 35, 41 (Cooper, Noveletsky).

[8] Conference transcript, pp. 54, 63 (Kaplan).

[9] Conference transcript, pp. 100, 237 (Noveletsky, Kanner).

[10] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 51; conference transcript, p. 35 (Cooper).

[11] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, p. 51; conference transcript, p. 41 (Noveletsky).

[12] Petitioner's postconference brief, Exhibit 1: Answers to Commission questions, pp. 49-50; conference transcript, p. 87 (Zalesne), p. 87 (Lebbe).

[13] Petitioner's postconference brief, p. 16; Exhibit 1: Answers to Commission questions, p. 60; conference transcript, p. 35 (Cooper).

Respondents, however, report that the bidding process differs between commercial and industrial projects, as discussed in greater detail below.[14]

Commercial projects

The petitioner emphasizes that the multi-round bid process causes U.S. firms to reduce prices in order to compete against imports,[15] and that this process allows purchasers to "directly pressure producers to lower prices or lose the sale," since contractors commonly quote prices of competitors during the bidding process.[16] The petitioner reports:

> "We're given a set of contract documents to bid to, and they're very specific in those requirements. We get a book of specifications that outlines the American Institute of Steel Construction's requirements, as well as the engineer and the architect's requirements and the owner's requirements. We all bid to the same set of plans and specifications."[17]

Nonetheless, a contractor's plans may change over the bidding process and require modification of the bids.[18] According to the petitioner, the amount of engineering done by fabricators is "small," fabricators bid on a "very defined scope of technical work," "price is the deciding factor in all bids," and prices are driven down each round.[19] Nonetheless, the petitioner also reports that "sometimes the drawings are not complete," drawings become more complete in successive rounds, and for the final bid purchasers request "apples-to-apples" bids.[20] Finally the petitioner notes that because these bids tend to be for large contracts that can last over multiple years, the impact of any lost sale tends to be correspondingly large.[21]

Respondents report that the multi-round bidding process is required to clarify the exact specifications of what is included and excluded in each bid, alternative items that may be wanted, and the possible responses to changes in the bids.[22] The bids and bidding process are complex and include services as well as material,[23] availability of capacity, installation

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[14] Conference transcript, p. 229 (Posteraro).
[15] Conference transcript, pp. 57-58 (Kaplan).
[16] Petitioner's postconference brief, pp. 14-17, 31; conference transcript, p. 99 (McPhater).
[17] Conference transcript, p. 87 (Cooper).
[18] Conference transcript, p. 35 (Cooper).
[19] Conference transcript, pp. 41, 87 (Noveletsky, Cooper, Labbe).
[20] Conference transcript, p. 100 (Noveletsky).
[21] Installation was estimated to represent 40 percent of the cost of the overall contract. Conference transcript, p. 52, 227 (Labbe, Posteraro).
[22] Conference transcript, pp. 249-250, 257 (Caso, Guile).
[23] Conference transcript, p. 185 (McKinney).

logistics,[24] timeliness of delivery, and minimization of construction time and labor.[25] Respondents claim that almost all contracts include installation costs,[26] and there may be a trade-off between labor in fabrication and more expensive labor in erection so that the choice of fabricator may be strategic.[27] Respondents report that in some projects, cost is "not the determining factor."[28] In fact, the value of the contract may not be final when the contract is awarded.[29] Respondents claim that in other cases purchasers may request a final price even if some of the specifications are not set.[30] Respondents report that U.S. producers that need to sub-contract out some production because of scheduling problems have used Canadian producers.[31] Respondents also report that most contracts include "a penalty clause."[32] Respondents state that the fabricators are the lead subcontractors (including erection) because they have "deep pockets."[33]

Industrial projects

Respondents state that the bidding and pricing process of industrial construction differs from that reported for commercial construction. According to respondents, industrial fabricated structural steel is typically purchased by engineering procurement construction ("EPC") companies. Thus according to respondents, industrial projects tend to have the purchase of fabricated structural steel separated from the installation.[34] Respondents allege that the product EPC firms purchase tends to be simpler than what is used in commercial construction and the EPC companies are reimbursed for erection on a "cost reimbursement basis." Thus, the price of the fabricated structural steel is separated from the price of erection services. In industrial projects, respondents claim that the price of the fabricated structural steel is very important and Chinese product is frequently used due to its competitive price.[35]

The petitioner provided limited information about bidding on industrial projects, however, at least one representative reported that his firm no longer bids on "industrial projects" if there is competition from Chinese firms.[36]

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[24] Conference transcript, p. 250 (Caso).

[25] During the bidding process issues discussed include: "intellectual capacity, engineering skill, design skill, {and} installation skill, being put to bear to create the best cost-effective measure for the developer that's putting the building up on schedule." Conference transcript, pp. 228-230 (Posteraro, Nolan).

[26] Conference transcript, p. 255 (Posteraro).

[27] Conference transcript, pp. 254, 256 (Posteraro).

[28] Conference transcript, p. 174 (Caso).

[29] Conference transcript, p. 253 (Posteraro).

[30] Conference transcript, p. 259 (Whalen).

[31] Conference transcript, p. 213 (Whalen).

[32] Conference transcript, p. 231 (Posteraro).

[33] Conference transcript, p. 243 (Grillo).

[34] Conference transcript, p. 260 (Whalen).

[35] Conference transcript, pp. 229-230 (Guile).

[36] Conference transcript, p. 37 (Cooper).

Pricing methods

U.S. producers and importers reported using mainly transaction-by-transaction negotiations and contracts. As presented in table V-1, U.S. producers sell primarily using transaction-by-transaction negotiations. Importers reported selling primarily using contracts.

Table V-1
Fabricated structural steel: U.S. producers' and importers' reported price-setting methods, by number of responding firms[1]

Method	U.S. producers	Importers
Transaction-by-transaction	46	8
Contract	31	12
Set price list	2	---
Other	8	3
Responding firms	67	19

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

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

U.S. producers and importers reported selling most of their fabricated structural steel under long-term contracts, with most of the remaining sales under short-term contracts (table V-2).

Table V-2
Fabricated structural steel: U.S. producers' and importers' shares of U.S. commercial shipments by type of sale, 2017

* * * * * * *

Most U.S. producers and importers reported short-term contracts were between 100 to 200 days long. Most U.S. producers reporting long-term contracts lasting 600 days or fewer, while most responding importers reported long-term contracts were longer than 600 days.

Most responding U.S. producers reported the same terms across all contract lengths. The majority of U.S. producers reported that the contract price was not renegotiated during the contract, that contracts fixed both price and quantity, and that prices were not indexed to raw material prices. Most responding importers also reported similar terms across all contract lengths. Most importers' contracts, however, allowed price renegotiation during contracts, although like the U.S. producers, most importers' contracts fix both price and quantity, and do not index prices to raw material costs.

Purchasers also provided a general description of their firms' method of purchase for fabricated structural steel. Most purchasers reported bid purchases.

Sales terms and discounts

U.S. producers and importers typically quote prices on a delivered basis. Most producers (59 of 67) and importers (19 of 24) reported no discount policy. One U.S. producer reported quantity discounts and eight reported other discounts, including: early payment discounts; discounts to compete against Canadian competition; and discounts when the producer had a short backlog. Four importers reported quantity discounts, two reported total volume discounts, and two reported other discounts, including early payment discounts and discounts on a transaction-by-transaction basis.

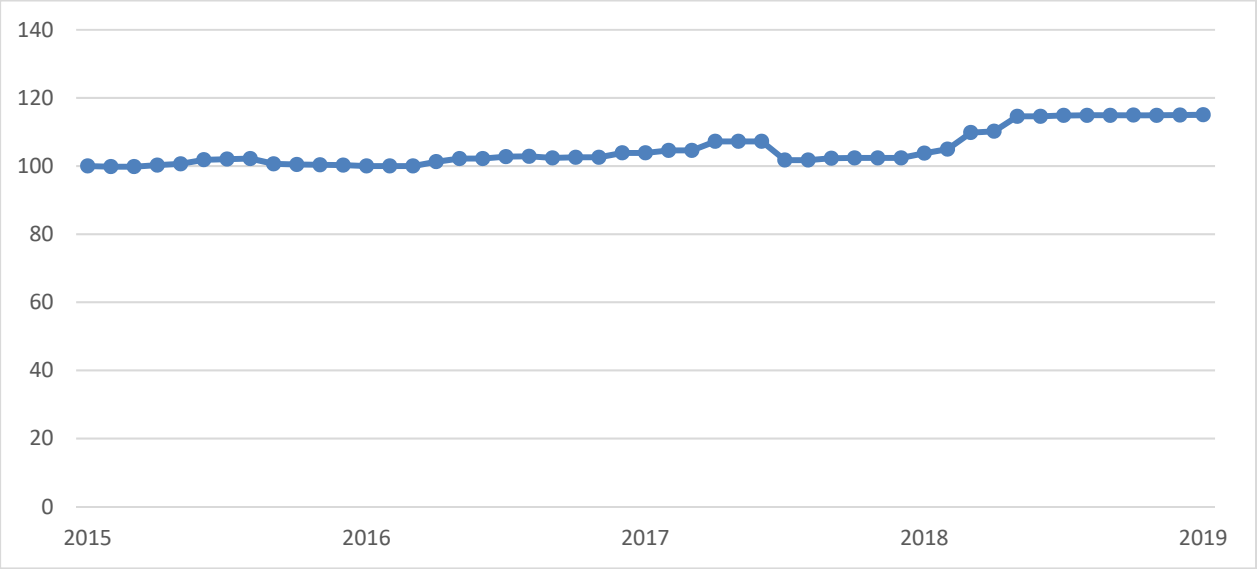
PRICE DATA

Publicly available data

The St. Louis Federal Reserve Bank provides an index of the price of fabricated structural iron and steel for commercial, residential, institutional, and public buildings (figure V-4). Prices were largely unchanged between January 2015 and November 2016, after which prices increased until June 2017, declined in July 2017, and then increased during the first half of 2018.

Figure V-4

Fabricated structural iron and steel for commercial, residential, institutional, and public buildings: price index, monthly, not seasonally adjusted



Source: U.S. Bureau of Labor Statistics, Producer Price Index by Industry, February 26, 2019. Retrieved from Federal Reserve Economic Data (FRED) database, Economic Research Division, Federal Reserve Bank of St. Louis, https://fred.stlouisfed.org/series/PCU33231233231212, retrieved February 26, 2019.

Pricing data from questionnaires

The petitioner reports that fabricated structural steel is sold using bids, however, the constraints of a preliminary-phase investigation limit the ability to collect useable bid data. Because of this, the petitioner proposed six pricing products in its petitions. The petitioner stated that these pricing products "may allow for a usable pricing analysis,"[37] but suggested the use of bid data in addition to pricing product data in the event of final phase investigations.[38] Respondents agree that price competition should be assessed using bid data, and Canadian respondents contend that pricing data collected through the Commission's producer and importer questionnaires "cannot be relied upon to analyze underselling."[39]

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following fabricated structural steel products shipped to unrelated U.S. customers during January 2015-September 2018.

Product 1.—Fabricated light structural, Grade 50, 0-19 lbs. per linear foot, sold for industrial projects.

Product 2.—Fabricated medium structural, Grade 50, 20-119 lbs. per linear foot, sold for industrial projects.

Product 3.—Fabricated extra heavy structural, Grade 50, 120 lbs. or greater per linear foot, sold for industrial projects.

Product 4.—Fabricated structural steel sold for schools, libraries, labs, and hospitals, 2-4 stories.

Product 5.—Fabricated structural steel sold for office buildings, multi-family residential buildings, and mixed-use buildings, 5-19 stories.

Product 6.—Fabricated structural steel sold for office buildings, multi-family residential buildings, and mixed-use buildings, 20 stories and greater.

Pricing exclusions

Most firms had difficulty responding to the request for this pricing data. Indeed, as initially submitted, approximately half of the responding producers reported no price data at

[37] Petitions, volume 1, p. 27.

[38] Petitioner's postconference brief, pp. 33-34.

[39] Conference transcript, p. 180 (Dougan); CISC's postconference brief, pp. 36-37, Responses to Questions (Exhibit 1), pp. 6-8.

all, and half the remaining firms reported price data equivalent to their entire sales.[40] Moreover, firms reported data resulting in prices that did not change from quarter to quarter within each year. Thirteen firms, including 12 U.S. producers and 1 importer, reported identical prices for a variety of products.[41] Sixteen U.S. producers and four importers reported quantities and values that resulted in estimated prices which differed between products but which did not change from quarter to quarter within each year.[42] [43]

Of the remaining firms, *** reported price data that were inconsistent with data reported elsewhere in its questionnaire.[44]

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[40] This reflects the type of pricing products that the petitioners proposed. The Commission collected quantity and value for fabricated structural steel used in different types of construction and AUVs for different types of construction. Nonetheless, most firms responding were unable to provide usable responses.

[41] The firms reporting identical prices for two or more pricing products include U.S. producers (***), and importer (***). One of these firms, *** explained that since the firm did not sell the products separately, the best way to estimate the value of the individual products was to average the value over the total tonnage sold in the year. Another, ***, reported that it used annual sales of the products and allocated the quantities of these to each of the quarters based on the overall amount of sales. It had also allocated the values. *** reported: "Our internal systems do not provide for the segregation of data that allows us to provide accurate numbers as requested. Historical averages were used across the board to approximate the quantities and values for each product." *** reported "We do not have any data for products broken down by the 6 categories you listed. All of our projects consist of a mixture of light, medium and heavy fabricated structural steel. Also we don't keep data on the categories 5 and 6 you listed. Every construction project is different unlike manufacturing where you basically make the same product over and over again. I used estimated percentages of our total work to provide the numbers requested in IV-2b. To summarize our data, fabricated steel prices have remained about the same over the time period listed with the exception of a raw material price increase raising total costs 3-5%." *** reported "We took sales divided by the tons each year and applied those to the estimated percentage tons in each product. While we agree that different products should have different prices but we don't sell in that manner. A fabricated structure would have all different type sizes/products estimated to come to a lump sum price for the project."

[42] The firms reporting no quarterly price changes included U.S. producers (***) and importers (***). ***. A few of these responses included what appeared to be errors; these were the only variation to this pattern.

[43] Some of these firms did not provide data on multiple products and so it is not possible to determine if they used a similar allocation method to that used by firms reporting multiple products at the same unit value. One of these firms *** reported, that it "included ALL sales of FSS within Category 6 and allocated sales equally between quarters within a year." Three firms (***) reported prices that differed from quarter to quarter but the prices of different pricing products in the same quarter were the same.

[44] ***. This firm's data have been excluded from pricing analysis.

Pricing data as provided by the producers and importers

Five U.S. producers and six importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[45] Pricing data reported by these firms accounted for approximately *** percent of U.S. producers' commercial shipments of fabricated structural steel and *** percent of commercial U.S. shipments of subject imports from Canada, *** percent of commercial U.S. shipments of subject imports from China, and *** percent of commercial U.S. shipments of subject imports from Mexico in 2017.

Price data for products 1-6 are presented in tables V-3 to V-8 and figures V-5 to V-10. Quarter to quarter variation in prices and quantities reflects both the small number of firms providing price data and the variations in the projects themselves, for which the fabricated structural steel may include greater or lesser amounts of fabrication and require larger or smaller amounts of material.

Table V-3
Fabricated structural steel: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by quarters, January 2015-September 2018

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Table V-4
Fabricated structural steel: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by quarters, January 2015-September 2018

* * * * * * *

Table V-5
Fabricated structural steel: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by quarters, January 2015-September 2018

* * * * * * *

Table V-6
Fabricated structural steel: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by quarters, January 2015-September 2018

* * * * * * *

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

Table V-7
Fabricated structural steel: Weighted-average f.o.b. prices and quantities of domestic and imported product 5 and margins of underselling/(overselling), by quarters, January 2015-September 2018

* * * * * * *

Table V-8
Fabricated structural steel: Weighted-average f.o.b. prices and quantities of domestic and imported product 6 and margins of underselling/(overselling), by quarters, January 2015-September 2018

* * * * * * *

Figure V-1
Fabricated structural steel: Weighted-average prices and quantities of domestic and imported product 1, by quarters, January 2015-September 2018

* * * * * * *

Figure V-4
Fabricated structural steel: Weighted-average prices and quantities of domestic and imported product 2, by quarters, January 2015-September 2018

* * * * * * *

Figure V-5
Fabricated structural steel: Weighted-average prices and quantities of domestic and imported product 3, by quarters, January 2015-September 2018

* * * * * * *

Figure V-6
Fabricated structural steel: Weighted-average prices and quantities of domestic and imported product 4, by quarters, January 2015-September 2018

* * * * * * *

Figure V-7
Fabricated structural steel: Weighted-average prices and quantities of domestic and imported product 5, by quarters, January 2015-September 2018

* * * * * * *

Figure V-8
Fabricated structural steel: Weighted-average prices and quantities of domestic and imported product 6, by quarters, January 2015-September 2018

* * * * * * *

Price trends

In general, prices fluctuated during January 2015-September 2018. Table V-9 summarizes the price trends, by country and by product. As shown in the table, domestic price increases ranged from *** to *** percent and decreases ranged from *** to *** percent during January 2015-September 2018, while the import price increase was *** percent and decreases ranged from *** to *** percent.

Table V-9
Fabricated structural steel: Summary of weighted-average f.o.b. prices for products 1-6 from the United States, Canada, China, and Mexico

Item[2]	Number of quarters	Low price (dollars per short ton)	High price (dollars per short ton)	Change in price[1] (percent)
Product 1				
United States	15	***	***	***
Product 2				
United States	15	***	***	***
China	7	***	***	***
Product 3				
United States	15	***	***	***
Product 4				
United States	15	***	***	***
Canada	15	***	***	***
Product 5				
United States	15	***	***	***
Canada	15	***	***	***
Mexico	2	***	***	***
Product 6				
United States	14	***	***	***
Canada	15	***	***	***
Mexico	9	***	***	***

[1] Percentage change from the first quarter in which data were available to the last quarter in which price data were available.
[2] Table includes only instances in which price data were reported.

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

Price comparisons

As shown in table V-10, prices for product imported from Canada were below those for U.S.-produced product in 37 of 44 instances (*** short tons); margins of underselling ranged from 1.3 to 69.5 percent. In the remaining seven instances (*** short tons), prices for product from Canada were between 5.2 and 15.6 percent above prices for the domestic product. Prices for product imported from China were below those for U.S.-produced product in all seven instances (*** short tons); margins of underselling ranged from 31.0 to 57.8 percent. Prices for product imported from Mexico were below those for U.S.-produced product in 9 of 10 instances (*** short tons), the price of product from Mexico was *** percent above prices for the domestic product.

Table V-10
Fabricated structural steel: Instances of underselling/overselling and the range and average of margins, by country, January 2015-September 2018

Item[2]	Underselling				
	Number of quarters	Quantity[1] (short tons)	Average margin (percent)	Margin range (percent)	
				Min	Max
Product 2	7	9,971	44.1	***	***
Product 4	15	45,610	29.8	***	***
Product 5	15	59,096	34.8	***	***
Product 6	16	72,754	20.7	***	***
Total	53	187,432	30.4	1.3	69.5
Canada	37	124,297	30.0	***	***
China	7	9,971	44.1	***	***
Mexico	9	53,164	21.0	***	***
Total	53	187,432	30.4	1.3	69.5
Item	**(Overselling)**				
	Number of quarters	**Quantity[1] (short tons)**	**Average margin (percent)**	**Margin range (percent)**	
				Min	**Max**
Product 2	---	---	---	***	***
Product 4	---	---	---	***	***
Product 5	2	12,033	(7.5)	***	***
Product 6	6	10,749	(14.0)	***	***
Total	8	22,782	(12.4)	(5.2)	(33.2)
Canada	7	22,765	(9.4)	***	***
China	---	---	---	***	***
Mexico	1	17	***	***	***
Total	8	22,782	(12.4)	(5.2)	(33.2)

[1] These data include only quarters in which there is a comparison between the U.S. and subject product.
[2] Table includes only instances in which import price data were reported.

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

LOST SALES AND LOST REVENUE

The Commission requested that U.S. producers of fabricated structural steel report purchasers where they experienced instances of lost sales or revenue due to competition from imports of fabricated structural steel from Canada, China, and Mexico during January 2015-September 2018. Of the 66 responding U.S. producers, 35 reported that they had to reduce prices, and 4 reported that they had to roll back announced price increases. Thirty-six of 63

responding U.S. producers reported that they had lost sales.[46] Six U.S. producers submitted usable lost sales and lost revenue allegations.[47] The six responding U.S. producers identified 65 firms with one or more lost sales or revenue allegations (116 consisting of lost sales allegations and 23 consisting of lost revenue allegations). Most lost sales allegations (109) and all 23 lost revenue allegations involved Canadian fabricated structural steel. The remaining lost sales allegations involved fabricated structural steel from China (4), Canada/China (2), and Mexico (1). Producers reported lost sales allegations since 2015 but only reported lost revenue allegations for 2017.[48] The lost sales allegations covered 77,222 short tons, and $1.5 billion.[49] [50] The lost revenue allegations covered 18,805 short tons and $3.5 million.[51]

Staff contacted 65 purchasers and received responses from 12 purchasers. Responding purchasers reported purchasing 744,035 short tons of fabricated structural steel during 2015-17 (table V-11).

[46] One producer, ***, selected both yes and no for reducing prices and lost sales. It reported this response because it was not certain. This firm has been included with firms responding yes.

[47] Only lost sales/lost revenue allegations that included an email contact were usable. Three producers provided lost sales/lost revenue allegations that did not include email contacts. A number of producers also provided lost sales/lost revenue allegations on the day the questionnaires were due. These lost sales and lost revenue are not included in this section because it was not possible to contact the firms in time to get responses.

[48] One producer (***) reported nine instances of lost sales and one instance of lost revenue but did not report the year in which these occurred.

[49] Values and amounts of some lost sales allegations were not available.

[50] In its postconference brief, the petitioner alleges that there has been "more than $3 billion in alleged lost sales and revenue" during January 2015-September 2018. Petitioner's postconference brief, p. 1.

[51] Values and amounts of some lost revenue allegations were not available.

Table V-11
Fabricated structural steel: Purchasers' responses to purchasing patterns

Purchaser	Purchases during 2015-17 (short tons)			Change in domestic share[2] (pp, 2015-17)	Change in subject country share[2] (pp, 2015-17)
	Domestic	Subject	All other[1]		
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total	94,602	176,345	473,088	1.4	(17.8)

[1] Includes all other sources and unknown sources.
[2] Percentage points (pp) change: Change in the share of the firm's total purchases of domestic and/or subject country imports between first and last years.

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

During 2017, responding purchasers purchased and/or imported 10.3 percent from U.S. producers, 11.6 percent from Canada, 0.5 percent from China, 4.3 percent from Mexico, 0.8 percent from nonsubject countries, and 72.5 percent from "unknown source" countries. Of the seven responding purchasers reporting their purchase patterns for domestic product, two reported increasing domestic purchases, one reported decreasing domestic purchases, three reported no change in domestic purchases, and one reported fluctuating domestic purchases. Three firms reported not purchasing any domestic product.[52] Firms reporting that they increased their purchases of domestic product reported new contracts or increased economic activity. The firm that reported decreasing purchases of domestic product cited an increase in the cost of steel. Among the firms reporting unchanged domestic purchases, one firm stated that it typically purchases from U.S. producers unless capacity is not available, and one reported only a single purchase.

Of the six responding purchasers reporting their purchase patterns for Canadian product, two purchasers reported increasing purchases of Canadian imports, one reported decreasing purchases, two reported no change in its purchases, and one reported fluctuating purchases. Three firms reported not purchasing any Canadian fabricated structural steel. Among the firms reporting increased purchases of Canadian product, reasons cited included the

[52] Of the 12 responding purchasers, two purchasers indicated that they did not know the source of the fabricated structural steel they purchased and one did not report either the amount or the source of its purchases.

cost of steel, new contract, and an inability to meet contractual commitments because of demand and labor shortages, and therefore subcontracting to a Canadian facility.[53]

Of the three responding purchasers reporting their purchase patterns for Chinese product, two reported fluctuating purchases, and one reported increasing purchases. Five firms reported not purchasing any Chinese fabricated structural steel. The firm that reported increased purchases from China indicated doing so because of new contracts. One of the firms reporting fluctuating purchases reported doing so because it purchased limited amounts from China due to major scheduling issues, but when it did purchase Chinese product it purchased products requiring a large amount of labor to take advantage of the lower Chinese wages.

Of the four responding purchasers reporting their purchase patterns for Mexican product, two reported increasing purchases of Mexican fabricated structural steel, one reported reducing its purchases of Mexican imports, and one purchase were unchanged. Five firms reported not purchasing any Mexican imports. Among the firms reporting increased purchases of Mexican product, one reported doing so because its demand had increased, and the other reported that it expects to increase purchases from Corey (Mexico) because it is a "significant operation that can provide shop capacity at an advantageous price." The purchaser that reported decreasing purchases from Mexico did so because it purchases on an as needed basis. The purchaser reporting constant purchases (***) elaborated that *** from which it purchases all its imported fabricated structural steel.

Six of 11 responding purchasers reported that, since 2015, they had purchased imported fabricated structural steel from Canada instead of U.S.-produced product. Five of six of these purchasers reported that prices of subject imports from Canada were lower than U.S.-produced product. Three[54] of these purchasers reported that price was a primary reason for the decision to purchase imported Canadian product rather than U.S.-produced product, while three reported that it was not. Three purchasers estimated the quantity of fabricated structural steel purchased from Canada instead of domestic product; quantities ranged from *** short tons to *** short tons, for a total of 44,468 short tons (tables V-12 and V-13). Among the reported non-price reasons for purchasing imported rather than U.S.-produced product, one firm cited a lack of U.S. capacity; one firm noted that while price is one factor among many, the ability to deliver on time and correctly are more important factors; and one firm cited the reliability and efficiency of working with its Canadian establishments, and stated that U.S. producers are "often not in a position to meet our project schedule requirements."

One of 11 responding purchasers (***) reported purchasing Chinese product since 2015 it reported it did not purchase Chinese fabricated structural steel instead of U.S. fabricated structural steel.[55] One purchaser (***) reported that it had purchased imported fabricated

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[53] One purchaser reported decreased purchases of Canadian product because it purchase on an as needed basis.

[54] One firm responded both yes and no to the questions. It stated that sometimes price was the primary reason for purchasing Canadian product and sometimes it was not.

[55] *** reported purchasing Chinese product because there is "no known U.S. fabricator for this product type and finish."

structural steel from China instead of U.S.-produced product. It reported Chinese prices were lower than U.S. prices. It reported that price was not a primary reason for its purchase of imported Chinese product rather than U.S.-produced product.[56]

Two of 11 responding purchasers (***)[57] reported purchasing Mexican product since 2015. Two firms (***)[58] reported that they had purchased imported fabricated structural steel from Mexico instead of U.S.-produced product. They reported that prices of subject imports from Mexico were lower than U.S.-produced product. Both reported that price was not a primary reason for the decision to purchase imported Mexican product rather than U.S.-produced product.

Table V-12
Fabricated structural steel: Purchasers' responses to purchasing subject imports instead of domestic product

Purchaser	Purchased imports instead of domestic (Y/N)	Imports priced lower (Y/N)	If purchased imports instead of domestic, was price a primary reason		
			Y/N	If Yes, quantity purchased instead of domestic (short tons)	If No, non-price reason
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total	Yes--6; No--5	Yes--5; No--1	Yes--3; No--3	44,468	---

1 ***

2 ***

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

[56] *** reported that its purchases of Chinese product was very limited purchases of product with large amounts of labor involved to take advantage of the lower price of Chinese labor. Its purchase of Chinese product was limited because of scheduling issues.

[57] ***.

[58] ***.

Table V-13
Fabricated structural steel: Purchasers' responses to purchasing subject instead of domestic, by country

Source	Count of purchasers reporting subject instead of domestic	Count of purchasers reporting that imports were price lower	Count of purchasers reporting that price was a primary reason for shifting	Quantity subject purchased (short tons)
Canada	6	5	3	44,468
China	1	1	---	---
Mexico	2	2	---	---

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

Of the 12 responding purchasers, two reported that U.S. producers had reduced prices in order to compete with lower-priced imports from Canada, China, and/or Mexico, while none reported that they had not, and nine reported that they did not know (tables V-14 and V-15). *** estimated the amount of price reduction; *** 5.0 percent. In describing the price reductions, *** stated that U.S. fabricators reduced their prices to compete with Canadian as well as other U.S. fabricators, but did not quantify its statement.

Table V-14
Fabricated structural steel: Purchasers' responses to U.S. producer price reductions

Purchaser	U.S. producers reduced priced to compete with subject imports (Y/N)	If U.S. producers reduced prices	
		Estimated U.S. price reduction (percent)	Additional information, if available
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Totals	Yes--2; No--0; Don't Know—9	5.0	---

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

Table V-15
Fabricated structural steel: Purchasers' responses to U.S. producer price reductions, by country

Source	Count of purchasers reporting U.S. producers reduced prices	Simple average of estimated U.S. price reductions (percent)	Range of estimated U.S. price reductions (percent)
Canada	***	5.0	***
China	---	---	---
Mexico	---	---	---

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

In responding to the lost sales lost revenue survey, some purchasers provided additional information on purchases and market dynamics. *** stated that pricing competition between U.S. and Canadian firms is usually very competitive. *** reported that the biggest threat to its continued operation is competition from subsidized product from China, India, and Turkey, but that none of the product that comes from its plant in Mexico is subsidized. *** stated that the domestic steel fabricator that was awarded its project sourced certain portions of the steel from overseas suppliers itself due largely to lack of domestic fabrication capacity. It elaborated that to the best of its knowledge, "no domestic steel fabricators have a fabrication line with a crane with sufficient lifting capacity that can tolerate the size and weight necessary to produce the subject merchandise based on the final design from the Engineer of Record."

PART VI: FINANCIAL EXPERIENCE OF U.S. PRODUCERS

BACKGROUND

Fifty-four U.S. producers, accounting for 26.3 percent of estimated U.S. production in 2017 (approximately 85 percent of the U.S. producers represented in Part III of this report for 2017) provided usable financial data on their fabricated structural steel operations.[1] [2] [3] [4] Three firms (***) reported internal consumption and one firm (***) reported transfers to related firms. With respect to their U.S. operations, four producers (***) reported purchasing inputs from related suppliers in 2017.[5]

Seven out of 54 U.S. producers included in the financial data reported tolling arrangements; these companies' production of fabricated structural steel represented 7.8

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[1] Based on AISC's estimate of U.S. production of fabricated structural steel from the quantity of shipments of steel mill products of *** short tons in 2017, these 54 U.S. producers' production was 898,940 short tons in 2017. Petition, exh. I-3 and U.S. producer questionnaires, II-7.

[2] Forty-five U.S. producers reported financial results on the basis of generally accepted accounting principles (GAAP), while two U.S. producers *** used International Financial Reporting Standards (IFRS), one U.S. producer *** used cash basis, and one U.S. producer *** used tax basis. Five U.S. producers *** reported financial results using a basis other than GAAP, IFRS, cash, or tax. U.S. producers generally reported their financial results using calendar-year periods. Seventeen U.S. producers' fiscal years do not end on December 31; however, all firms provided data on a calendar year basis.

[3] Two U.S. producers, ***, were unable to report financial data for the in-scope fabricated structural steel only and provided financial data combining fabricated structural steel and out-of-scope erection services. Both producers reported that they could not remove the revenue and costs associated with out-of-scope erection services within the questionnaire deadline. From 2015 to 2017, ***. Their financial data are excluded from this section of the report. In the Commission's related investigation on fabricated structural steel over 30 years ago, the usable financial data from 23 U.S. producers of fabricated structural steel accounted for 6.4 percent of estimated U.S. production in 1986, but included unallocated costs from other fabricated structural steel operations from eight U.S. producers. The Commission stated in its views and report that "one should exercise caution in comparing the financial results for each year because yearly revenues and expenses consist of many projects with unique specifications, the completion of which may span two or more accounting periods." *Certain Fabricated Structural Steel from Canada, Inv. No. 731-TA-387 (Preliminary)*, USITC Publication 2062, February 1988, pp. 48 and A-19.

[4] Seven U.S. producers, ***, submitted incomplete U.S. producer questionnaires with no or incomplete financial data and therefore are not included in this section of the report. Staff contacted these producers to amend their questionnaire responses but did not receive responses to supply usable financial data. These firms' combined total shipments are equivalent to less than 15 percent of reported total production in 2017.

[5] ***. The percent of inputs purchased from related suppliers were 10 percent or less of each producer's COGS in 2017 ***. U.S. producer questionnaires, III-6, III-7, and III-8.

percent of reported total fabricated structural steel production.[6] [7] Witnesses at the conference testified that fabricated structural steel producers may refer to tolling with a broader definition to include subcontracting (i.e., where additional raw material is added to the product fabricated by the subcontractor or toller).[8] [9]

Ten companies out of 54 reported sales of other products and services in the same facility as fabricated structural steel, such as bridge and bridge sections, fabricated steel stairs, gates, and asphalt drum mixing equipment, as well as drafting and engineering services.

The fabricated structural steel industry's financial data are consistent with characterizations in the petition and from conference testimony that this industry generally consists of small- to medium-sized companies, with much variation among U.S. producers' operations due to the number and complexity of projects in each period examined.[10] No single company or small group of companies represented a majority of the fabricated structural steel industry or drove the financial data trends in this section of the report.

OPERATIONS ON FABRICATED STRUCTURAL STEEL

Table VI-1 presents aggregated financial data on 54 U.S. producers' operations of fabricated structural steel, while table VI-2 presents the corresponding changes in average unit values. Appendix E presents selected company-specific financial data for the largest 10 out of 54 fabricated structural steel U.S. producers, based on 2017 production, that reported usable financial data.

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[6] These seven companies reporting tolling arrangements were: ***. Two companies, ***, provided the Commission with additional estimates on their tolling arrangements. ***. *** reported *** tolling arrangements in 2015, with tolling sales of *** percent of total net sales in 2016 and *** percent in 2017 with two domestic fabricated structural steel producers. ***'s U.S. producer questionnaires, II-4; staff telephone interview with ***; and ***.

[7] Three additional companies *** not included in this section of the report also reported tolling or subcontracting arrangements. U.S. producer questionnaires, II-4.

[8] Conference transcript, pp. 111-112 (Zalesne).

[9] U.S. producers testified regarding using subcontractors, also called "sublet fabrication," to accommodate scheduling shifts on a project in order to overcome "backlog" or when "the workload gets too large." Conference transcript, pp. 146-147 (Labbe) and p. 147 (Noveletsky).

[10] AISC witnesses testified that projects vary in length and size, resulting in revenues and expenditures spreading across different accounting periods. In addition, costs associated with bidding on projects not awarded may also spread across accounting periods, e.g. "time of bid" versus "time of award". Two of the largest 10 U.S. producers, ***, provided details on their financial data fluctuations each period. ***. ***. Conference transcript, p. 119 (Kaplan) and p. 120 (Zalesne); ***, email message to USITC staff, March 1, 2019; and, ***, email message to USITC staff, March 1, 2019.

Table VI-1

Fabricated structural steel: Results of operations of U.S. producers, 2015-17, January to September 2017, and January to September 2018

Item	Calendar year			January to September	
	2015	2016	2017	2017	2018
	Quantity (short tons)				
Commercial sales	***	***	***	***	***
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Total net sales	965,795	905,102	891,111	640,164	739,557
	Value (1,000 dollars)				
Commercial sales	***	***	***	***	***
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Total net sales	2,834,002	2,667,771	2,809,131	2,017,622	2,509,251
Cost of goods sold.-- Raw materials	1,094,568	952,158	1,098,362	758,345	1,046,777
Direct labor	483,719	454,077	465,690	341,918	395,232
Other factory costs	720,856	689,929	727,893	527,331	681,937
Total COGS	2,299,143	2,096,164	2,291,945	1,627,594	2,123,946
Gross profit	534,859	571,607	517,186	390,028	385,305
SG&A expense	434,834	429,316	481,246	341,069	397,543
Operating income or (loss)	100,025	142,291	35,940	48,959	(12,238)
Interest expense	8,479	8,178	9,994	7,461	11,192
All other expenses	27,905	42,882	40,638	29,656	58,249
All other income	22,836	37,112	53,820	46,209	65,289
Net income or (loss)	86,477	128,343	39,128	58,051	(16,390)
Depreciation/amortization	38,175	40,127	46,990	33,889	37,585
Cash flow	124,652	168,470	86,118	91,940	21,195
	Ratio to net sales (percent)				
Cost of goods sold.-- Raw materials	38.6	35.7	39.1	37.6	41.7
Direct labor	17.1	17.0	16.6	16.9	15.8
Other factory costs	25.4	25.9	25.9	26.1	27.2
Average COGS	81.1	78.6	81.6	80.7	84.6
Gross profit	18.9	21.4	18.4	19.3	15.4
SG&A expense	15.3	16.1	17.1	16.9	15.8
Operating income or (loss)	3.5	5.3	1.3	2.4	(0.5)
Net income or (loss)	3.1	4.8	1.4	2.9	(0.7)

Table continued on next page.

Table VI-1--Continued

Fabricated structural steel: Results of operations of U.S. producers, 2015-17, January to September 2017, and January to September 2018

Item	Calendar year			January to September	
	2015	2016	2017	2017	2018
	Ratio to total COGS (percent)				
Cost of goods sold.-- Raw materials	47.6	45.4	47.9	46.6	49.3
Direct labor	21.0	21.7	20.3	21.0	18.6
Other factory costs	31.4	32.9	31.8	32.4	32.1
Average COGS	100.0	100.0	100.0	100.0	100.0
	Unit value (dollars per short ton)				
Commercial sales	***	***	***	***	***
Internal consumption	***	***	***	***	***
Transfers to related firms	***	***	***	***	***
Total net sales	2,934	2,947	3,152	3,152	3,393
Cost of goods sold.-- Raw materials	1,133	1,052	1,233	1,185	1,415
Direct labor	501	502	523	534	534
Other factory costs	746	762	817	824	922
Average COGS	2,381	2,316	2,572	2,542	2,872
Gross profit	554	632	580	609	521
SG&A expense	450	474	540	533	538
Operating income or (loss)	104	157	40	76	(17)
Net income or (loss)	90	142	44	91	(22)
	Number of firms reporting				
Operating losses	7	7	18	16	16
Net losses	10	9	22	18	19
Data	53	53	54	52	53

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

Table VI-2

Fabricated structural steel: Changes in AUVs, between calendar years and between partial year periods

Item	Between calendar years			Between partial year period
	2015-17	2015-16	2016-17	2017-18
	Change in AUVs (dollars per short ton)			
Commercial sales	***	***	***	***
Internal consumption	***	***	***	***
Transfers to related firms	***	***	***	***
Total net sales	218	13	205	241
Cost of goods sold.-- Raw materials	99	(81)	181	231
Direct labor	22	1	21	0
Other factory costs	70	16	55	98
Average COGS	191	(65)	256	329
Gross profit	27	78	(51)	(88)
SG&A expense	90	24	66	5
Operating income or (loss)	(63)	54	(117)	(93)
Net income or (loss)	(46)	52	(98)	(113)

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

Net sales

From 2015 to 2017, aggregate net sales quantity for 53 companies declined by 7.7 percent, from 965,171 short tons in 2015 to 889,111 short tons in 2017, while net sales values were relatively stable at $2.8 billion (an irregular decline of 0.9 percent).[11] In terms of relative size in the fabricated structural steel industry, *** were the largest responding producers by net sales, consistently accounting for approximately *** percent of net sales quantity and value of responding producers.[12] As presented in tables VI-1 and appendix E, net sales quantity declined each year from 2015 to 2017 and net sales value fluctuated, declining in 2016 before increasing in 2017. From 2015 to 2017, 29 companies reported declines while 24 companies reported increases in net sales quantity. Three companies, ***, reported the largest net sales quantity declines of *** short tons, *** short tons, and *** short tons, respectively, from 2015 to 2017.

Net sales value was relatively stable, with 26 companies reporting declines and 27 companies reporting increases from 2015 to 2017. Both *** reported increases in net sales value in all periods, with ***'s net sales value increasing by $*** and ***'s net sales value increasing by $*** from 2015 to 2017. *** reported the largest net sales value decline of $***

[11] Financial data for 2015 and 2016 aggregate responses for 53 producers since *** did not start operations until October 2017.

[12] ***.

from 2015 to 2017, with *** reporting the second largest net sales value decline at $*** and *** reporting the third largest decline at $***. Net sales quantity and value were both higher in January-September 2018 than in January-September 2017.[13]

On a per-short ton basis, revenue increased each year, from $2,934 in 2015 to $3,152 in 2017 and was higher in January-September 2018 than in January-September 2017. From 2015 to 2017, 29 companies reported increases in per-short ton net sales value while 24 companies reported decreases. *** reported the highest increase in revenues per-short ton of $*** while *** reported the highest decline of $*** per-short ton from 2015 to 2017. During the period examined, average unit values varied markedly from a low of $*** per-short ton (***) to $*** per-short ton (***). Net sales quantity and value, as well as unit value, were all higher in January-September 2018 than in January-September 2017.[14]

Cost of goods sold ("COGS") and gross profit or (loss)

From 2015 to 2017, aggregated COGS declined slightly by 0.3 percent. COGS was higher in January-Septemer 2018 than in January-September 2017. As shown in table VI-1, raw materials represent the largest component of total COGS, ranging from 45.4 percent to 49.3 percent during the period examined. Raw material costs increased from 2015 to 2017, in both absolute value and per-short ton. Raw material costs were higher in January-September 2018 than in January-September 2017 in both absolute and per-short ton values. Table VI-3 presents details on raw material inputs as a share of total raw material costs in 2017. Steel plates alone accounted for 12.7 percent of raw material costs, while all other steel mill products combined (in particular, structural steel shapes) accounted for the largest share of raw material costs in 2017.

[13] ***'s net sales quantity decline and concurrent net sales value increase during the same period may reflect the complexity of its fabricated structural steel sold during the period examined and/or the spread of revenue and costs across more than one period for larger projects.

[14] Thirty-two firms reported higher per-short ton sales values in January-September 2018 than in January-September 2017.

Table VI-3

Fabricated structural steel: U.S. producers' raw material inputs, 2017

Item	Calendar year 2017		
	Value (1,000 dollars)	Unit value (dollars per short ton)	Share of value (percent)
Steel plates (carbon & alloy, including stainless)	139,904	157	12.7
Structural steel shapes & other steel mill products[1]	859,016	964	78.2
Fabrication supplies[2]	66,526	75	6.1
Other raw material inputs[3]	32,916	37	3.0
All raw material inputs	1,098,362	1,233	100.0

[1] Structural steel shapes included angles, beams, channels, columns, flange shapes, girders, HSS, sheet piling, structural steel pipes and tubes, and tees.
[2] Fabrication supplies included materials needed to cut, drill, weld, join, bolt, bend, punch, pressure fit, mold, adhere, or other process (e.g. epoxy, bolts, weld wire).
[3] Other raw materials included paint, primer, gases, and galvanizing.

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

Direct labor costs ranged from 18.6 percent to 21.7 percent of total COGS during the period examined. From 2015 to 2017, direct labor decreased in absolute value but increased on a per-short ton basis. Other factory costs ranged from 31.4 percent to 32.9 percent of total COGS, and increased in both absolute value and on a per-short ton basis from 2015 to 2017. Direct labor and other factory costs were higher in January-September 2018 than in January-September 2017 in both absolute and per-short ton values. As a ratio to net sales, per-short ton COGS declined from 81.1 percent in 2015, to 78.6 percent in 2016, then increased to 81.6 percent in 2017; COGS as a ratio to net sales was higher in January-September 2018 than in January-September 2017.

Table VI-1 shows that producers' aggregate gross profit declined by 3.3 percent from 2015 to 2017, increasing from $534.9 million in 2015 to $571.6 million in 2016 before decreasing to $517.2 million in 2017. Gross profit was lower in January-September 2018 than in January-September 2017.

As shown in appendix E, average raw material costs, direct labor, and other factory costs varied noticeably by company.[15] [16] [17] These cost differences reflect underlying differences in raw materials input costs, direct labor, and other factory costs that vary from project to project and possible variations in accounting periods for project reporting noted earlier (see footnote 12 in this section of the report).

Selling, general, and administrative ("SG&A") expenses and operating income or (loss)

As shown in tables VI-1 and appendix E, the industry's SG&A expense ratios (i.e., total SG&A expenses divided by net sales) were relatively constant, ranging from 15.3 percent to 17.1 percent from 2015 to January-September 2018. Most U.S. producers reported low or zero selling expenses for their fabricated structural steel operations due to the project nature of fabricated structural steel sales.[18] Selling expenses were approximately one-fourth of total SG&A costs and less than five percent as a share of revenue, decreasing from 2015 to 2017 but were higher in January-September 2018 than in January-September 2017.

From 2015 to 2017, operating income declined by 64.1 percent, increasing from $100.0 million in 2015 to $142.3 million in 2016 before decreasing sharply to $35.9 million in 2017.[19] Operating income was much lower in January-September 2018 (a loss of $12.2 million) than in January-September 2017 (a profit of $48.9 million).[20] Aggregated for the industry, operating margins (i.e. operating income divided by net sales) fluctuated, from 3.5 percent in 2015, up to 5.3 percent in 2016, before falling to 1.3 percent in 2017. Like operating income, operating margins were much lower in January-September 2018 than in January-September 2017.

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[15] Among the largest 10 out of 54 fabricated structural steel producers included in this section of the report, raw materials ranged from $476 per-short ton to $2,039 per-short ton during the period examined. Within the same company, raw materials per-short ton could vary markedly from year to year (for example, from $*** per-short ton to $*** per-short ton *** or from $*** per-short ton in 2015 to $*** per-short ton ***).

[16] Among the largest 10 out of 54 fabricated structural steel producers included in this section of the report, direct labor costs ranged from $194 per-short ton to $996 per-short ton during the period examined. Within the same company, direct labor per-short ton also varied, from $269 per-short ton to $519 per-short ton ***.

[17] Among the largest 10 out of 54 fabricated structural steel producers included in this section of the report, other factory costs ranged from $183 per-short ton to $2,336 per-short ton during the period examined. Within the same company, other factory costs per-short ton also varied, from $606 per-short ton to $2,219 per-short ton ***.

[18] U.S. producer WW AFCO testified that it included selling costs related to bidding on projects that it lost in G&A and other overhead costs. *** also reported that costs for failed bids are included in their G&A. Conference transcript, p. 118 (Cooper); ***, email message to USITC staff, March 1, 2019; and, ***, email message to USITC staff, March 1, 2019.

[19] Out of 54 U.S. producers, 18 experienced operating losses in one or more years from 2015 to 2017.

[20] Twelve U.S. producers reported operating losses in both January-September 2017 and January-September 2018.

As shown in appendix E, the *** largest U.S. producers out of 54, (***), reported increases in operating income from 2015 to 2017, but *** reported lower operating income in January-September 2018 than in January-September 2017. *** reported the highest operating margins of the largest 10 out of 54 U.S. producers, with *** percent in 2015, *** percent in 2016, and *** percent in 2017.

Other expenses and income

Overall, all other expenses and interest expenses increased from 2015 to 2017 and expenses were higher in January-September 2018 than in January-September 2017.[21] As a share of revenue, interest expenses and all other expenses and income consistently accounted for 0.5 percent or less of total reported revenue.

Net income or (loss)

From 2015 to 2017, net income declined by 54.8 percent, increasing from $86.5 million in 2015 to $128.3 million in 2016, before declining to $39.1 million in 2017; net income was lower in January-September 2018 than in January-September 2017.[22] Three companies, ***, reported the largest increases of net income (more than $***) from 2015 to 2017.[23] *** reported the largest net losses (more than $***) from 2015 to 2017.[24] Aggregated, net profit margins for U.S. producers of fabricated structural steel were 3.1 percent in 2015, increasing to 4.8 percent in 2016, before declining to 1.4 percent in 2017; net profit margins were lower in January-September 2018 than in January-September 2017.

[21] Ten companies *** reported nonrecurring expenses mostly classified in other expenses and income during the period examined. These nonrecurring items were consistently less than one percent of total costs and expenses.

[22] Out of 54 U.S. producers, 22 reported net losses in one or more years from 2015 to 2017, 18 reported net losses in January-September 2017, and 19 reported net losses in January-September 2018.

[23] These companies reported $*** in net profit from 2015 to 2017.

[24] *** reported a net loss of $*** and *** reported a net loss of $*** from 2015 to 2017.

VARIANCE ANALYSIS

A variance analysis is not presented in this report due to differences in product mix (the complexity of fabrication designs) and projects.[25]

CAPITAL EXPENDITURES AND RESEARCH AND DEVELOPMENT ("R&D") EXPENSES

Table VI-4 presents capital expenditures and R&D expenses. Aggregated capital expenditures increased by 36.6 percent from 2015 to 2017 and were higher in January-September 2018 than in January-September 2017.[26] Most companies incurred capital expenditures for replacing equipment to improve efficiency and repairs related to plant, property, and equipment. Four out of 54 companies (***) reported R&D expenses in at least one yearly period for computer programs, studies, and labor-related items. Two additional companies (***) reported R&D expenses only in January-September 2018 for ***. Witness testimony stated that R&D is low or nonexistent because the technical advances in fabricated structural steel are by entities outside of actual fabricators, such as processes and machinery developed by other companies which are purchased by fabricated structural steel producers.[27]

[25] Witnesses both supporting and opposing the imposition of antidumping and countervailing duties testified that fabricated structural steel prices and costs vary from project to project. One witness for petitioner testified that it sells "man hours not tons" because the labor of one job is not static and that its cost model is "fluid and varies, depending on project type" with five different projects being fabricated at one plant may use the same equipment and workers. Counsel for Canadian respondents testified that prices of fabricated structural steel can vary from $1,000 to $6,000 per ton, with factors such as complexity of fabrication, scheduling, and the cost of erection as part of the determining factor. Witnesses for Canatal, Canam, Supreme testified that the costs of a project are not based on steel tonnage, but rather based on the complexity of the fabrication and the scheduling with large variations in raw material and other costs. "It is based on raw material costs, the number of hours to detail, engineer, fabricate, and erect the structural steel." Canatal provided examples of two projects it worked on where the tonnage is not reflective of costs: Wynn Casino and Four Seasons Hotel in Boston. The Wynn Casino project had more steel involved, with 10 miles of welds and over 250,000 bolts while the Four Seasons project had custom made plates and 800 tons. The dollar per ton was more than twice as much in the Four Seasons project as in the Wynn Casino project. Conference transcript, p. 19 (Noonan), p. 79 (Cooper), p. 81 (Cooper), pp. 158-159 (Posteraro), p. 175 (Guile), and p. 173 (Caso).

[26] *** reported that the large increase in fabricated structural steel capital expenditures in 2017 and in January-September 2018 was the result of ***.

[27] Conference transcript, p. 113 (McPhater).

Table VI-4
Fabricated structural steel: Capital expenditures and R&D expenses for U.S. producers, by firm, 2015-17, January to September 2017, and January to September 2018

	Calendar year			January to September	
	2015	2016	2017	2017	2018
Item	Capital expenditures (1,000 dollars)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total capital expenditures	45,218	79,127	61,772	38,843	72,818
	R&D expenses (1,000 dollars)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

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

ASSETS AND RETURN ON ASSETS ("ROA")

Table VI-5 presents data on the U.S. producers' total assets and their ROA. Total assets increased from 2015 to 2017 while ROA irregularly declined.

Table VI-5
Fabricated structural steel: U.S. producers' total assets and return on assets, 2015-17

Firm	Calendar years		
	2015	2016	2017
	Total net assets (1,000 dollars)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Total net assets	1,330,635	1,486,728	1,587,311
	Operating ROA (percent)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Average operating return on assets	7.5	9.6	2.3

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

CAPITAL AND INVESTMENT

The Commission requested U.S. producers of fabricated structural steel to describe any actual or potential negative effects of imports of fabricated structural steel from Canada, China, and/or Mexico on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Tables VI-6 tabulates the responses of U.S. producers on their fabricated structural steel operations. Appendix F presents the detailed narrative responses of all U.S. producers regarding actual and anticipated negative effects of subject imports on their fabricated structural steel operations.

Table VI-6
Fabricated structural steel: Actual and anticipated negative effects of imports on investment and growth and development

Item	No	Yes
Negative effects on investment	33	36
Cancellation, postponement, or rejection of expansion projects		12
Denial or rejection of investment proposal		1
Reduction in the size of capital investments		20
Return on specific investments negatively impacted		20
Other		21
Negative effects on growth and development	33	38
Rejection of bank loans		4
Lowering of credit rating		4
Problem related to the issue of stocks or bonds		2
Ability to service debt		10
Other		30
Anticipated negative effects of imports	20	52

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

PART VII: THREAT CONSIDERATIONS AND INFORMATION ON NONSUBJECT COUNTRIES

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

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

THE INDUSTRY IN CANADA

The Canadian respondents report that "most Canadian fabricators are large, vertically integrated producers which provide patented designs, design assistance, engineering services, and post-fabrication erection services. These comprehensive services are specifically attuned to

[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."

large, complex construction projects like stadiums, large office towers, shopping malls, etc."[3] They further note that Canada and the United States have "mutually benefitted" for generations from a market for fabricated structural steel in North America that is integrated, with many Canadian producers operating substantial U.S. facilities[4] and using U.S.-produced steel inputs in both their U.S. and Canadian facilities that produce fabricated structural steel. In fact, they argue further that many large-scale complex construction projects are staffed by highly skilled teams composed of U.S.-Canadian partnerships.[5] More detailed information for the Canadian industry is not readily available due to the fragmentation of the industry and the lack of data collection by either the Canadian Institute for Steel Construction or the Canadian government.[6]

The Commission issued foreign producers' or exporters' questionnaires to 40 firms believed to produce and/or export fabricated structural steel from Canada.[7] Usable responses to the Commission's questionnaires were received from 28 firms. These firms' exports to the United States were equivalent to 77.9 percent of U.S. imports of fabricated structural steel from Canada in 2017 as reported in official U.S. import statistics under HTS 7308.90.3000, 7308.90.6000, and 7308.90.9590.[8] According to estimates requested of the responding Canadian producers, the production of fabricated structural steel in Canada reported in Commission questionnaires accounts for approximately 40 percent of overall production of fabricated structural steel in Canada in 2017.[9] Table VII-1 presents information on the operations of the responding producers of fabricated structural steel in Canada. Firms in Canada were also asked to report their exports to the United States of fabricated structural steel that were produced in Canada but not by their firm. This information is presented in table VII-2.

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[3] CISC's postconference brief, pp. 9-10.

[4] For example, Canam Group operates 25 facilities in North America, 18 of which are in the United States and 8 of which produce fabricated structural steel. CISC's postconference brief, p. 16.

[5] CISC's postconference brief, pp. 16-17.

[6] Conference transcript, p. 217 (Whale).

[7] These firms were identified through a review of information submitted in the petitions and contained in *** records.

[8] The response rate presented was calculated based on a comparison of the quantity of 2017 Canadian exports of fabricated structural steel to the United States as reported in the responses to the Commission's U.S. foreign producer questionnaires (***) with total quantity of 2017 U.S. imports of fabricated structural steel from Canada as reported by official Commerce import statistics under HTS statistical reporting numbers 7308.90.3000, 7308.90.6000, and 7308.90.9590. Questionnaire data coverage presented may be imprecise because the official Commerce statistics under these three HTS numbers may include other products not within the scope of these investigations, particularly with respect to HTS statistical reporting number 7308.90.9590. In addition, minor amounts of in-scope merchandise may be included under other basket HTS categories.

[9] Despite the relatively low self-reported production coverage of questionnaire responses from Canadian producers, respondents from Canada indicate that the coverage of Canadian producers providing a questionnaire response in these investigations is "reasonably complete." Conference transcript, p. 204 (Dougan); and CISC's postconference brief, p. 19.

Table VII-1
Fabricated structural steel: Summary data on firms in Canada, 2017

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
Acier Fortin	***	***	***	***	***	***
Acier Trimax	***	***	***	***	***	***
ADF Groupe	***	***	***	***	***	***
AI Industries	***	***	***	***	***	***
Breton Steel 2016	***	***	***	***	***	***
Burnco Manufacturing	***	***	***	***	***	***
Canam Buildings and Structures	***	***	***	***	***	***
Cherubini Metal Works Limited	***	***	***	***	***	***
Coastal Metals	***	***	***	***	***	***
Constructions Proco	***	***	***	***	***	***
Frazier Industrial Co.	***	***	***	***	***	***
Industries Canatal	***	***	***	***	***	***
Les Aciers Solider Inc.	***	***	***	***	***	***
Les Constructions Beauce-Atlas	***	***	***	***	***	***
Marid Industries Limited	***	***	***	***	***	***
Métal Perreault	***	***	***	***	***	***
Nico Metal Inc.	***	***	***	***	***	***
Norgate Metal 2012	***	***	***	***	***	***
Ocean Steel & Construction	***	***	***	***	***	***
Pipe & Piling Supplies	***	***	***	***	***	***
Saskarc	***	***	***	***	***	***
Sofab Structural Steel	***	***	***	***	***	***
Sky Structures Inc.[1]	***	***	***	***	***	***
Sturo Metal	***	***	***	***	***	***
Supermetal Structures	***	***	***	***	***	***
Supreme Steel LP	***	***	***	***	***	***
Walters	***	***	***	***	***	***
X.L. Ironworks Company	***	***	***	***	***	***
Total	***	***	***	***	***	***

[1] Sky Structures Inc. ***.

Note.-- Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

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

Table VII-2
Fabricated structural steel: Summary data on non-producer exporters in Canada, 2017

* * * * * * *

Changes in operations

As presented in table VII-3, producers in Canada reported numerous operational and organizational changes since January 1, 2015.

Table VII-3
Fabricated structural steel: Reported changes in operations by producers in Canada, since January 1, 2015

* * * * * * *

Operations on fabricated structural steel

Table VII-4 presents information on the operations of the responding producers and exporters of fabricated structural steel in Canada. Canadian producers' capacity declined overall by 2.3 percent from 371,901 short tons in 2015 to 363,358 short tons in 2017, reflecting in particular ***. Capacity in Canada was lower in interim 2018 than in interim 2017, although projections for 2019 indicate that a 3.4 percent increase in capacity is expected over 2017 levels. Production declined overall by 12.0 percent from 276,425 short tons in 2015 to 243,278 short tons in 2017, and was lower in interim 2018 than in interim 2017. An increase of 17.5 percent over 2017 production levels is projected for 2019. Capacity utilization decreased from 74.3 percent in 2015 to 67.0 percent in 2017, and is projected to increase to 76.1 percent in 2019.

From 2015 to 2017, an increasing share of Canadian producers' total shipments of fabricated structural steel were exports to the United States (44.6 percent of total shipments in 2015, 52.9 percent in 2016, 61.7 percent in 2017, 58.4 percent in interim 2017, and 59.2 percent in interim 2018). Exports to the United States are projected to decline to 52.3 percent of Canadian producers' total shipments by 2019. Home market shipments, on the other hand, declined as a share of Canadian producers' total shipments from a high of 53.3 percent in 2015 to a low of 36.1 percent in 2017. Home market shipments accounted for 38.5 percent of Canadian producers' total shipments in interim 2018 and are projected to account for 45.8 percent in 2019. The Canadian producers reported that *** of their total shipments were internal consumption/transfers of fabricated structural steel.

Four Canadian producers reported exports to markets other than the United States since 2015. These exports, which accounted for between *** percent of Canadian producers' total shipments since 2015, were destined for the following export markets: ***.

Table VII-4
Fabricated structural steel: Data on industry in Canada, 2015-17, January to September 2017, and January to September 2018 and projection calendar years 2018 and 2019

Item	Actual experience					Projections	
	Calendar year			January to September		Calendar year	
	2015	2016	2017	2017	2018	2018	2019
	Quantity (short tons)						
Capacity	371,901	353,982	363,358	276,738	274,882	361,891	375,547
Production	276,425	235,005	243,278	180,472	178,796	256,831	285,813
End-of-period inventories	29,381	26,009	33,612	50,853	47,153	23,097	21,476
Shipments:							
Home market shipments:							
Internal consumption/ transfers	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Total home market Shipments	145,172	104,952	85,004	64,300	68,761	103,967	131,582
Export shipments to:							
United States	121,470	126,055	145,507	95,753	105,713	149,479	150,452
All other markets	5,948	7,370	5,212	3,833	4,137	5,426	5,500
Total exports	127,418	133,425	150,719	99,586	109,850	154,905	155,952
Total shipments	272,590	238,377	235,723	163,886	178,611	258,872	287,534
	Ratios and shares (percent)						
Capacity utilization	74.3	66.4	67.0	65.2	65.0	71.0	76.1
Inventories/production	10.6	11.1	13.8	21.1	19.8	9.0	7.5
Inventories/total shipments	10.8	10.9	14.3	23.3	19.8	8.9	7.5
Share of shipments:							
Home market shipments:							
Internal consumption/ transfers	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Total home market shipments	53.3	44.0	36.1	39.2	38.5	40.2	45.8
Export shipments to:							
United States	44.6	52.9	61.7	58.4	59.2	57.7	52.3
All other markets	2.2	3.1	2.2	2.3	2.3	2.1	1.9
Total exports	46.7	56.0	63.9	60.8	61.5	59.8	54.2
Total shipments	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Quantity (short tons)						
Resales exported to the United States	23,823	37,799	37,854	28,649	31,757	35,427	29,170
Total exports to the U.S.	145,293	163,854	183,361	124,402	137,470	184,906	179,622
	Ratios and shares (percent)						
Share of total exports to the United States:							
Exported by producers	83.6	76.9	79.4	77.0	76.9	80.8	83.8
Exported by resellers	16.4	23.1	20.6	23.0	23.1	19.2	16.2
Adjusted share of total shipments exported to the United States	53.3	68.7	77.8	75.9	77.0	71.4	62.5

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

Alternative products

Fourteen of the twenty-eight responding Canadian firms reported production of other products in their facilities that are used to produce in-scope fabricated structural steel (table VII-5). These producers reported producing not only in-scope fabricated structural steel, but also excluded fabricated structural steel for bridges and bridge sections and/or other out-of-scope products (e.g., conveyor sections, steel rack systems, pre-engineered metal building systems, and pipe). Eight of these 14 firms reported that they are able to switch production between in-scope fabricated structural steel and other products using the same equipment and/or labor. *** noted that, although it is able to use the same production facilities and some of the same production equipment to switch between the production of in-scope fabricated structural steel and ***, it "***." On an aggregate basis, in-scope fabricated structural steel accounted for 71.3 percent of total production by responding producers in Canada during 2017, excluded fabricated structural steel used for bridges and sections accounted for 9.2 percent, other specifically excluded fabricated structural steel products accounted for 12.2 percent, and other out-of-scope products accounted for 7.4 percent. Overall plant capacity of the Canadian producers followed the same general trend as plant capacity specific to in-scope fabricated structural steel production (see table VII-4), declining overall from 2015 to 2017.

Table VII-5
Fabricated structural steel: Overall capacity and production on the same equipment as in-scope production by producers in Canada, 2015-17, January to September 2017, and January to September 2018

Item	Calendar year			January to September	
	2015	2016	2017	2017	2018
	Quantity (short tons)				
Overall capacity	463,956	447,087	454,533	342,305	340,249
Production:					
Fabricated structural steel	276,425	235,005	243,278	180,472	178,796
Out-of-scope production:					
Excluded fabricated structural steel used for bridges and sections	13,854	27,507	31,299	24,495	10,107
Other specifically excluded fabricated structural steel products	45,211	44,523	41,677	29,389	33,641
All other products	31,116	32,878	25,134	16,704	23,078
Total out-of-scope production	90,181	104,908	98,110	70,588	66,826
Total production on same machinery	366,606	339,913	341,388	251,060	245,622
	Ratios and shares (percent)				
Overall capacity utilization	79.0	76.0	75.1	73.3	72.2
Production:					
Fabricated structural steel	75.4	69.1	71.3	71.9	72.8
Out-of-scope production:					
Excluded fabricated structural steel used for bridges and sections	3.8	8.1	9.2	9.8	4.1
Other specifically excluded fabricated structural steel products	12.3	13.1	12.2	11.7	13.7
All other products	8.5	9.7	7.4	6.7	9.4
Total out-of-scope production	24.6	30.9	28.7	28.1	27.2
Total production on same machinery	100.0	100.0	100.0	100.0	100.0

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

Exports

According to the Global Trade Atlas ("GTA"), the leading export markets in dollar value for certain fabricated steel (HS 7308.90) from Canada is the United States (table VII-6). During 2017, the United States was the largest export market for certain fabricated steel from Canada, accounting for 94.1 percent. In 2017, exports of certain fabricated steel from Canada to the United States were valued at an estimated $779 million.[10] The overall value of Canadian exports of these products to the United States has increased by more than 37 percent between 2015 and 2017.[11]

Table VII-6
Fabricated steel structures and parts of structures (not elsewhere specified or indicated), of iron or steel: Exports from Canada by destination market, 2015-17

Destination market	Calendar year		
	2015	2016	2017
	Value (1,000 dollars)		
Exports from Canada to the United States	567,384	733,541	778,962
Exports from Canada to other major destination markets.--			
Colombia	246	327	3,858
United Kingdom	3,604	3,900	3,623
France	2,026	2,468	3,321
Netherlands	1,907	1,917	2,476
United Arab Emirates	1,165	896	2,283
Bermuda	663	773	2,221
Macau	7,476	1,598	2,212
Suriname	9,295	2,014	2,100
All other destination markets	25,655	22,468	26,465
Total exports from Canada	619,422	769,901	827,521
	Share of value (percent)		
Exports from Canada to the United States	91.6	95.3	94.1
Exports from Canada to other major destination markets.--			
Colombia	0.0	0.0	0.5
United Kingdom	0.6	0.5	0.4
France	0.3	0.3	0.4
Netherlands	0.3	0.2	0.3
United Arab Emirates	0.2	0.1	0.3
Bermuda	0.1	0.1	0.3
Macau	1.2	0.2	0.3
Suriname	1.5	0.3	0.3
All other destination markets	4.1	2.9	3.2
Total exports from Canada	100.0	100.0	100.0

Note.—Included are items such as steel columns, pillars, posts, beams, girders and similar structural units, including fabricated structural steel. Exports may include fabricated steel excluded from the product scope of this case. Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Source: Official exports statistics under HS subheading 7308.90, as reported by Statistics Canada in the Global Trade Atlas database, accessed February 20, 2019.

[10] Canada Customs reported exports only by value and not by quantity to IHS/GTIS.

[11] Export data are not available for 2018.

THE INDUSTRY IN CHINA

The petitioner estimated that, in 2016, there were approximately 8,644 entities in the Chinese metal fabrication industry, a majority of which it believes to be steel fabricators.[12] The Commission issued foreign producers' or exporters' questionnaires to 209 firms believed to produce and/or export fabricated structural steel from China.[13] Usable responses to the Commission's questionnaire were received from the following five firms: United Steel Structures, Shanghai Matsuo Steel Structure Co.; Auriga (Shanghai) Enterprise Co.; Fujian Tung Kang Steel Co.; and Modern Heavy Industries (Taicang) Co. These firms' exports to the United States were equivalent to 7.2 percent of U.S. imports of fabricated structural steel from China in 2017, as reported in official U.S. import statistics under HTS 7308.90.3000, 7308.90.6000, and 7308.90.9590.[14] Responding Chinese producers' questionnaire responses did not include reliable estimates of their firms' shares of the total production of fabricated structural steel in China. Table VII-7 presents information on the operations of the responding producers and exporters of fabricated structural steel in China. Firms in China were also asked to report their exports to the United States of fabricated structural steel that were produced in China but not by their firm. This information is presented in table VII-8.

[12] Petitions, p. 39.

[13] These firms were identified through a review of information submitted in the petitions and contained in *** records. The Commission also issued a foreign producer questionnaire to the China Steel Construction Society, but did not receive a reply directly from this association.

[14] The response rate presented was calculated based on a comparison of the quantity of 2017 Chinese exports of fabricated structural steel to the United States as reported in the responses to the Commission's U.S. foreign producer questionnaires (***) with total quantity of 2017 U.S. imports of fabricated structural steel from China as reported by official Commerce import statistics under HTS statistical reporting numbers 7308.90.3000, 7308.90.6000, and 7308.90.9590. Questionnaire data coverage presented may be imprecise because the official Commerce statistics under these three HTS numbers may include other products not within the scope of these investigations, particularly with respect to HTS statistical reporting number 7308.90.9590. In addition, minor amounts of in-scope merchandise may be included under other basket HTS categories.

Table VII-7
Fabricated structural steel: Summary data on firms in China, 2017

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
Auriga (Shanghai) Enterprise	***	***	***	***	***	***
Fujian Tung Kang Steel Co.	***	***	***	***	***	***
Modern Heavy Industries (Taicang) Co.	***	***	***	***	***	***
Shanghai Matsuo Steel Structure	***	***	***	***	***	***
United Steel Structures	***	***	***	***	***	***
Total	***	***	***	***	***	***

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

Table VII-8
Fabricated structural steel: Summary data on non-producer exporters in China, 2017

* * * * * * *

Changes in operations

Two of the five responding producers of fabricated structural steel in China reported operational and organizational changes since January 1, 2015 (table VII-9). *** reported that it opened a new facility *** and expanded ***; whereas *** reported that it closed one of its facilities and ***.

Table VII-9
Fabricated structural steel: Reported changes in operations by producers in China, since January 1, 2015

* * * * * * *

Operations on fabricated structural steel

Table VII-10 presents information on the operations of the responding producers and exporters of fabricated structural steel in China. Chinese producers' capacity declined overall by *** percent from *** short tons in 2015 to *** short tons in 2017, reflecting a decline in capacity reported by ***, which subsequently reported an increase in its capacity to produce fabricated structural steel as it opened a new facility *** and expanded ***. Overall reported capacity in China was lower in interim 2018 than in interim 2017, and projections for 2019 indicate that a *** percent decrease in capacity is expected over 2017 levels, reflecting the closure and relocation of one of ***'s facilities. Production declined overall by *** percent

from *** short tons in 2015 to *** short tons in 2017, but was higher in interim 2018 than in interim 2017. An increase of *** percent over 2017 production levels is projected for 2019. Capacity utilization decreased from *** percent in 2015 to *** percent in 2017, was *** percent in interim 2018, and is projected to increase to *** percent in 2019.

Table VII-10
Fabricated structural steel: Data on industry in China, 2015-17, January to September 2017, and January to September 2018 and projection calendar years 2018 and 2019

* * * * * * *

Export shipments to markets other than the United States, which accounted for the largest share of Chinese producers' total shipments of fabricated structural steel, declined from *** percent of total shipments in 2015 to *** percent in 2017, and were *** percent during interim 2018. Projections indicate that the share of total shipments held by Chinese producers' exports to markets other than the United States are expected to increase to *** percent in 2019. Other export markets identified by responding Chinese producers include ***.

From 2015 to 2017, an increasing share of Chinese producers' total shipments of fabricated structural steel were exports to the United States (*** percent of total shipments in 2015, *** percent in 2016, *** percent in 2017, *** percent in interim 2017, and *** percent in interim 2018). Exports to the United States are projected to decline to *** percent of Chinese producers' total shipments by 2019. Home market shipments, on the other hand, fluctuated between a range of *** percent and *** percent of total Chinese producers' shipments since 2015. Home market shipments are projected to account for *** percent of total shipments in 2019. The overwhelming majority of home market shipments are commercial shipments, with only *** percent of total shipments representing internal consumption/transfers of fabricated structural steel in 2017.

Alternative products

No responding Chinese firms reported the production of other out-of-scope products on the same equipment and machinery used to produce in-scope fabricated structural steel.

Exports

According to GTA, the largest export markets for certain fabricated steel (HS 7308.90) from China are Japan and the United States (table VII-11). During 2017, exports to the United States accounted for 10.8 percent of China's total exports of these products. In 2017, exports of certain fabricated steel from China to the United States amounted to 660,665 short tons ($908 million). The overall quantity of Chinese exports of these products to the United States has increased by more than 37 percent from 2015 to 2017.[15]

[15] Export data are not available for 2018.

Table VII-11
Fabricated steel structures and parts of structures (not elsewhere specified or indicated), of iron or steel: Exports from China by destination market, 2015-17

Destination market	Calendar year		
	2015	2016	2017
	Quantity (short tons)		
Exports from China to the United States	478,984	649,839	660,665
Exports from China to other major destination markets.--			
Japan	729,058	697,225	690,911
Korea	784,975	722,736	648,838
Australia	308,372	313,707	353,315
Hong Kong	257,632	277,717	342,630
Malaysia	149,107	223,404	245,757
Indonesia	303,915	243,349	223,819
Philippines	134,070	111,258	163,700
Pakistan	90,904	149,162	163,370
All other destination markets	2,720,262	2,502,831	2,630,532
Total exports from China	5,957,280	5,891,228	6,123,537
	Value (1,000 dollars)		
Exports from China to the United States	696,577	821,542	907,584
Exports from China to other major destination markets.--			
Japan	1,005,247	953,397	927,108
Korea	1,151,321	937,433	759,874
Australia	429,599	355,733	422,743
Hong Kong	391,752	432,112	569,308
Malaysia	186,625	253,603	264,094
Indonesia	351,246	262,512	235,205
Philippines	174,938	133,156	210,603
Pakistan	121,454	209,116	227,057
All other destination markets	4,690,899	3,719,672	3,791,883
Total exports from China	9,199,660	8,078,277	8,315,459

Table continued on next page.

Table VII-11–Continued
Fabricated steel structures and parts of structures (not elsewhere specified or indicated), of iron or steel: Exports from China by destination market, 2015-17

Destination market	Calendar year		
	2015	2016	2017
	Unit value (dollars per short ton)		
Exports from China to the United States	1,454	1,264	1,374
Exports from China to other major destination markets.--			
Japan	1,379	1,367	1,342
Korea	1,467	1,297	1,171
Australia	1,393	1,134	1,197
Hong Kong	1,521	1,556	1,662
Malaysia	1,252	1,135	1,075
Indonesia	1,156	1,079	1,051
Philippines	1,305	1,197	1,287
Pakistan	1,336	1,402	1,390
All other destination markets	1,724	1,486	1,441
Total exports from China	1,544	1,371	1,358
	Share of quantity (percent)		
Exports from China to the United States	8.0	11.0	10.8
Exports from China to other major destination markets.--			
Japan	12.2	11.8	11.3
Korea	13.2	12.3	10.6
Australia	5.2	5.3	5.8
Hong Kong	4.3	4.7	5.6
Malaysia	2.5	3.8	4.0
Indonesia	5.1	4.1	3.7
Philippines	2.3	1.9	2.7
Pakistan	1.5	2.5	2.7
All other destination markets	45.7	42.5	43.0
Total exports from China	100.0	100.0	100.0

Note.—Included are items such as steel columns, pillars, posts, beams, girders and similar structural units, including fabricated structural steel. Exports may include fabricated steel excluded from the product scope of this case.

Source: Official exports statistics under HS subheading 7308.90, as reported by China Customs in the Global Trade Atlas database, accessed February 20, 2019.

THE INDUSTRY IN MEXICO

The Mexican respondents provided a listing of 12 AISC-certified firms in Mexico that produce in-scope fabricated structural steel.[16] Nine of the dozen firms listed have a combined annual capacity to produce approximately *** short tons of fabricated structural steel in Mexico as follows: Acero Tecnologia, SA de CV (40,000 short tons);[17] Aceros Lozano SA de CV (26,500 short tons);[18] Acesta SA de CV (26,500 short tons);[19] Aciarium Estructuras SA de CV ("Emycsa") (73,000 short tons);[20] Construcciones Industriales Tapia SA de CV (35,500 short tons);[21] Corey SA de CV ("Corey") (*** short tons);[22] Industria Metalicas de Monclova SA de CV ("IMMSA") (*** short tons);[23] Preacero Pellizzari Mexico SA de CV (40,000 short tons);[24] and Grupo Industrial Persal SA de CV ("Persal") (*** short tons).[25] More detailed information on the Mexican industry is not readily available due to the fragmentation of the industry and the lack of data collection by either the Instituto Mexicano de la Construccion en Acero or the Mexican government.[26]

The Commission issued foreign producers' or exporters' questionnaires to 16 firms believed to produce and/or export fabricated structural steel from Mexico.[27] Usable responses to the Commission's questionnaire were received from three firms: Corey, Persal, and IMMSA. These firms' exports to the United States accounted for *** percent of U.S. imports of fabricated structural steel from Mexico in 2017, as reported in official U.S. import statistics under HTS 7308.90.3000, 7308.90.6000, and 7308.90.9590.[28] According to estimates requested

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[16] Corey's postconference brief, att. 2.

[17] Acero Tecnología SA de CV company webpage, http://atecno.com.mx/, retrieved March 6, 2019.

[18] Aceros Lozano SA de CV company webpage, http://www.aceroslozano.com.mx/nosotros/?lang=en, retrieved March 6, 2019.

[19] Acesta SA de CV company webpage, http://www.acesta.com.mx/en/services, retrieved March 6, 2019.

[20] Emycsa company webpage, http://www.emycsa.com/en/fabricacion.pl, retrieved March 6, 2019.

[21] Construcciones Industriales Tapia SA de CV company webpage, http://citapia.com.mx/en/engineering/, retrieved March 6, 2019.

[22] Corey foreign producer questionnaire response.

[23] IMMSA foreign producer questionnaire response.

[24] Preacero Pellizzari Mexico SA de CV company webpage, http://preacero.com/home/en/mexico-planta-procesos-productivos/, retrieved March 6, 2019.

[25] Persal foreign producer questionnaire response.

[26] Conference transcript, pp. 269-272 (Salas).

[27] These firms were identified through a review of information submitted in the petitions and contained in *** records.

[28] The response rate presented was calculated based on a comparison of the quantity of 2017 Mexican exports of fabricated structural steel to the United States as reported in the responses to the Commission's U.S. foreign producer questionnaires (***) with total quantity of 2017 U.S. imports of fabricated structural steel from Mexico as reported by official Commerce import statistics under HTS statistical reporting numbers 7308.90.3000, 7308.90.6000, and 7308.90.9590. Questionnaire data coverage presented may be imprecise because the official Commerce statistics under these three HTS

of the responding Mexican producers, the production of fabricated structural steel in Mexico reported in questionnaires accounts for approximately 12 percent of overall production of fabricated structural steel in Mexico.[29] Table VII-12 presents information on the operations of the responding producers and exporters of fabricated structural steel in Mexico.

Table VII-12
Fabricated structural steel: Summary data on firms in Mexico, 2017

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
Corey	***	***	***	***	***	***
Persal	***	***	***	***	***	***
IMMSA	***	***	***	***	***	***
Total	***	***	***	***	***	***

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

Changes in operations

As presented in table VII-13, one responding producer in Mexico (***) reported several operational and organizational changes since January 1, 2015, including ***.

Table VII-13
Fabricated structural steel: Reported changes in operations by producers in Mexico, since January 1, 2015

* * * * * * *

Operations on fabricated structural steel

Table VII-14 presents information on the operations of the responding producers and exporters of fabricated structural steel in Mexico. Mexican producers' capacity declined overall by *** percent from *** short tons in 2015 to *** short tons in 2017, reflecting *** declines in capacity reported by ***. Capacity in Mexico was higher in interim 2018 than in interim 2017, and projections for 2019 indicate that a *** percent increase in capacity is expected over 2017 levels. Production increased by *** percent from *** short tons in 2015 to *** short tons in 2016, but declined in 2017 to 2015 levels. Production in Mexico was lower in interim 2018 than

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numbers may include other products not within the scope of these investigations, particularly with respect to HTS statistical reporting number 7308.90.9590. In addition, minor amounts of in-scope merchandise may be included under other basket HTS categories.

[29] Respondents from Mexico indicate that the largest AISC-certified Mexican producer of in-scope fabricated structural steel (Corey) provided a questionnaire response in these investigations. Conference transcript, p. 203 (Salas); and Corey's postconference brief, p. 20.

in interim 2017; however, an increase of *** percent over 2017 production levels is projected for 2019. Capacity utilization increased from *** percent in 2015 to *** percent in 2017, but is projected to decline to *** percent in 2018 before increasing to *** percent in 2019.

Table VII-14
Fabricated structural steel: Data on industry in Mexico, 2015-17, January to September 2017, and January to September 2018 and projection calendar years 2018 and 2019

* * * * * * *

The overwhelming majority of Mexican producers' total shipments of fabricated structural steel were home market shipments (*** percent in 2015, *** percent in 2016, *** percent in 2017, *** percent in interim 2017, and *** percent in interim 2018). However, projections indicate that the share of Mexican producers' total shipments of fabricated structural steel destined for the home market are expected to decline to *** percent of total shipments by 2019. Exports to the United States accounted for a declining share of Mexican producers' total shipments of fabricated structural steel (*** percent of total shipments in 2015, *** percent in 2016, and *** percent in 2017). Exports to the United States are projected to increase to *** percent of Mexican producers' total shipments by 2019. *** producers in Mexico (***) reported exports to markets other than the United States since 2015. These exports, which accounted for *** percent of Mexican producers' total shipments since 2015, were destined for the following export markets: ***.

Alternative products

*** responding firms in Mexico (***) reported production of other products in their facilities that also produce in-scope fabricated structural steel (table VII-15). These firms reported producing not only in-scope fabricated structural steel, but also excluded fabricated structural steel for bridges and bridge sections and other out-of-scope products.[30] *** firms reported that they are able to switch production between in-scope fabricated structural steel and other products using the same equipment and/or labor. *** noted that bridges are rapidly becoming "a very important segment for our business, given its higher profitability when compared to in-scope {fabricated structural steel}." In fact, on an aggregate basis, the share of total reported production in Mexico held by bridges increased from *** percent in 2015 to *** percent in 2017, and was *** percent in interim 2018. In-scope fabricated structural steel, on the other hand, accounted for a declining share of total production reported by the three producers in Mexico (*** percent in 2015, *** percent in 2016, *** percent in 2017, *** in interim 2017, and *** percent in interim 2018). Other out-of-scope products accounted for *** percent of total production in 2017. Overall plant capacity of the producers of fabricated structural steel in Mexico fluctuated since 2015 within a relatively narrow range.

[30] Other out-of-scope products identified include (1) steel articles not further worked, (2) flat-rolled steel products, (3) architectural and ornamental steel articles, (4) steel tanks, (5) parts of pumps, (6) parts of filtering machinery, (7) parts of escalators, (8) parts of motor vehicles, (9) tower sections for temporary shoring and tower crane jumping systems, and (10) crane mats.

Table VII-15

Fabricated structural steel: Overall capacity and production on the same equipment as in-scope production by producers in Mexico, 2015-17, January to September 2017, and January to September 2018

* * * * * * *

Exports

According to GTA, the largest export market for certain fabricated steel (HS 7308.90) from Mexico is the United States (table VII-16). During 2017, the United States was the top export market for certain fabricated steel from Mexico, accounting for 91.3 percent of Mexico's total exports of these products. In 2017, exports of certain fabricated steel from Mexico to the United States amounted to 253,747 short tons ($502 million). The overall quantity of Mexican exports of these products to the United States has decreased by almost 5 percent from 2015 to 2017.[31]

Table VII-16

Fabricated steel structures and parts of structures (not elsewhere specified or indicated), of iron or steel: Exports from Mexico by destination market, 2015-17

Destination market	Calendar year		
	2015	2016	2017
	Quantity (short tons)		
Exports from Mexico to the United States	266,560	256,192	253,747
Exports from Mexico to other major destination markets.--			
Guatemala	4,577	3,935	4,369
Panama	458	709	3,986
Nicaragua	1,841	2,811	3,487
Colombia	738	156	2,721
Peru	735	674	1,814
Costa Rica	1,001	1,472	1,296
Belize	376	175	1,240
Jamaica	89	98	908
All other destination markets	18,003	4,446	4,366
Total exports from Mexico	294,378	270,667	277,933
	Value (1,000 dollars)		
Exports from Mexico to the United States	604,381	501,809	502,214
Exports from Mexico to other major destination markets.--			
Guatemala	8,794	7,495	8,282
Panama	1,321	1,612	7,348
Nicaragua	3,743	3,587	5,674
Colombia	2,754	527	3,668
Peru	1,761	1,652	3,127
Costa Rica	2,149	2,576	1,974
Belize	532	390	1,299
Jamaica	364	245	2,769
All other destination markets	31,150	13,963	11,293
Total exports from Mexico	656,947	533,857	547,647

Table continued on next page.

[31] Export data are not available for 2018.

Table VII-16—Continued
Fabricated steel structures and parts of structures (not elsewhere specified or indicated), of iron or steel: Exports from Mexico by destination market, 2015-17

Destination market	Calendar year		
	2015	2016	2017
	Unit value (dollars per short ton)		
Exports from Mexico to the United States	2,267	1,959	1,979
Exports from Mexico to other major destination markets.--			
Guatemala	1,921	1,905	1,896
Panama	2,885	2,273	1,844
Nicaragua	2,033	1,276	1,627
Colombia	3,731	3,382	1,348
Peru	2,394	2,451	1,724
Costa Rica	2,146	1,751	1,524
Belize	1,414	2,226	1,048
Jamaica	4,102	2,511	3,050
All other destination markets	1,730	3,141	2,586
Total exports from Mexico	2,232	1,972	1,970
	Share of quantity (percent)		
Exports from Mexico to the United States	90.6	94.7	91.3
Exports from Mexico to other major destination markets.--			
Guatemala	1.6	1.5	1.6
Panama	0.2	0.3	1.4
Nicaragua	0.6	1.0	1.3
Colombia	0.3	0.1	1.0
Peru	0.2	0.2	0.7
Costa Rica	0.3	0.5	0.5
Belize	0.1	0.1	0.4
Jamaica	0.0	0.0	0.3
All other destination markets	6.1	1.6	1.6
Total exports from Mexico	100.0	100.0	100.0

Note.—Included are items such as steel columns, pillars, posts, beams, girders and similar structural units, including fabricated structural steel. Exports may include fabricated steel excluded from the product scope of this case. Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Source: Official exports statistics under HS subheading 7308.90, as reported by INEGI in the Global Trade Atlas database, accessed February 20, 2019.

SUBJECT COUNTRIES COMBINED

Table VII-17 presents summary data on operations of the reporting subject producers of fabricated structural steel in Canada, China, and Mexico combined. Table VII-18 presents overall plant capacity and production for reporting subject producers in Canada, China, and Mexico combined.

Aggregate subject producers' capacity declined overall by 4.8 percent from 663,636 short tons in 2015 to 631,831 short tons in 2017, and was lower in interim 2018 than in interim 2017, although projections for 2019 indicate that a 1.3 percent increase in capacity is expected over 2017 levels. Production declined overall by 9.0 percent from 522,891 short tons in 2015 to 475,646 short tons in 2017, but was higher in interim 2018 than in interim 2017. An increase of 13.3 percent over 2017 production levels is projected for 2019. Capacity utilization decreased from 78.8 percent in 2015 to 75.3 percent in 2017, but is projected to increase to 84.2 percent in 2019.

From 2015 to 2017, a generally increasing share of subject producers' total shipments of fabricated structural steel were exports to the United States (32.3 percent of total shipments in 2015, 41.2 percent in 2016, 40.4 percent in 2017, 40.1 percent in interim 2017, and 42.8 percent in interim 2018). Exports to the United States are projected to decline to 35.4 percent of subject producers' total shipments by 2019.

Table VII-17
Fabricated structural steel: Data on industry in subject sources, 2015-17, January to September 2017, and January to September 2018 and projection calendar years 2018 and 2019

Item	Actual experience					Projections	
	Calendar year			January to September		Calendar year	
	2015	2016	2017	2017	2018	2018	2019
	Quantity (short tons)						
Capacity	663,636	641,753	631,831	474,386	462,217	594,287	640,188
Production	522,891	467,456	475,646	330,631	335,196	461,075	538,748
End-of-period inventories	38,401	33,807	39,490	57,827	53,281	30,194	30,586
Shipments:							
Home market shipments:							
Internal consumption/ transfers	27,448	26,375	19,802	14,369	15,555	11,794	30,555
Commercial home market shipments	237,131	187,152	200,508	136,973	129,316	186,526	232,716
Total home market shipments	264,579	213,527	220,310	151,342	144,871	198,320	263,271
Export shipments to:							
United States	166,056	194,354	187,196	125,503	141,717	189,821	190,475
All other markets	84,183	63,455	56,186	35,966	44,813	64,169	84,710
Total exports	250,239	257,809	243,382	161,469	186,530	253,990	275,185
Total shipments	514,818	471,336	463,692	312,811	331,401	452,310	538,456
	Ratios and shares (percent)						
Capacity utilization	78.8	72.8	75.3	69.7	72.5	77.6	84.2
Inventories/production	7.3	7.2	8.3	17.5	15.9	6.5	5.7
Inventories/total shipments	7.5	7.2	8.5	18.5	16.1	6.7	5.7
Share of shipments:							
Home market shipments:							
Internal consumption/ transfers	5.3	5.6	4.3	4.6	4.7	2.6	5.7
Commercial home market shipments	46.1	39.7	43.2	43.8	39.0	41.2	43.2
Total home market shipments	51.4	45.3	47.5	48.4	43.7	43.8	48.9
Export shipments to:							
United States	32.3	41.2	40.4	40.1	42.8	42.0	35.4
All other markets	16.4	13.5	12.1	11.5	13.5	14.2	15.7
Total exports	48.6	54.7	52.5	51.6	56.3	56.2	51.1
Total shipments	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Quantity (short tons)						
Resales exported to the United States	23,823	38,099	38,154	28,949	32,257	35,927	29,670
Total exports to the U.S.	189,879	232,453	225,350	154,452	173,974	225,748	220,145
	Ratios and shares (percent)						
Share of total exports to the United States:							
Exported by producers	87.5	83.6	83.1	81.3	81.5	84.1	86.5
Exported by resellers	12.5	16.4	16.9	18.7	18.5	15.9	13.5
Adjusted share of total shipments exported to the United States	36.9	49.3	48.6	49.4	52.5	49.9	40.9

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

Table VII-18
Fabricated structural steel: Overall capacity and production on the same equipment as in-scope production by producers in subject sources, 2015-17, January to September 2017, and January to September 2018

* * * * * * *

U.S. INVENTORIES OF IMPORTED MERCHANDISE

Table VII-19 presents data on U.S. importers' reported inventories of fabricated structural steel. U.S. importers' end-of-period inventories of imports from subject countries declined by *** percent from 2015 to 2017, but were *** percent higher during interim 2018 than in interim 2017. U.S. importers' end-of-period inventories of imports from Canada and China declined by *** percent and *** percent, respectively, from 2015 to 2017. U.S. importers' end-of-period inventories of imports from Mexico increased by *** from 2015 to 2017. By far, Canada held the largest share of subject country end-of-period inventories in 2017, accounting for *** percent of the total. There were no reported inventories held by U.S. importers of fabricated structural steel from nonsubject sources.

Table VII-19
Fabricated steel: U.S. importers' end-of-period inventories of imports by source, 2015-17, January to September 2017, and January to September 2018

* * * * * * *

The parties noted that fabricated structural steel is typically shipped directly to the construction or job site because it is produced to particular job specifications and, as such, large inventories are not commonly held.[32] This is reflected in the data shown, as the ratio of inventories to U.S. imports during 2017 was *** percent for Canada, *** percent for China, and *** percent for Mexico.

U.S. IMPORTERS' OUTSTANDING ORDERS

The Commission requested importers to indicate whether they imported or arranged for the importation of fabricated structural steel from Canada, China, and/or Mexico after September 30, 2018 (table VII-20). Responding importers from China reported that there were *** arranged U.S. imports of fabricated structural steel after ***, but reported a total of *** short tons of U.S. imports scheduled during the last quarter of 2018 and the first quarter of 2019. Responding importers of fabricated structural steel from Canada reported a total of 103,010 short tons arranged for importation from October 2018 through September 2019. Responding importers from Mexico reported a total of *** short tons of arranged imports from October 2018 through September 2019. Responding importers from nonsubject sources reported a total of *** short tons of arranged imports from October 2018 through September

[32] Petitioner's postconference brief, exh. 1, p. 15.

2019. Seventeen responding importers reported outstanding orders of fabricated structural steel from subject and nonsubject sources during October 2018 to September 2019.

Table VII-20
Fabricated steel: Arranged imports, October 2018 through September 2019

* * * * * * *

ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS

Canada Border Services Agency ("CBSA") issued preliminary antidumping ("AD") and countervailing ("CVD") duty orders on fabricated industrial steel components ("FISCs") originating within or exported from China, effective January 1, 2017.[33] CBSA issued final AD orders on FISCs (various classifications under HS 7308, 7216, and 7301) from China at rates ranging from 32.9 to 45.8 percent *ad valorem*. Final CVD orders on FISCs from China were issued on May 25, 2017, by CBSA at rates ranging from 11,656.06 to 675,470 Renminbi per metric ton.[34] Based on available information, fabricated steel from Canada or Mexico has not been subject to any AD or CVD duty investigations outside the United States.

INFORMATION ON NONSUBJECT COUNTRIES

Table VII-21 presents value data for global exports of certain fabricated steel (HS 7308.90) from the United States, the three subject countries, and the largest nonsubject sources (based on export value) to all worldwide destinations during 2015-17.[35]

[33] Canada Border Services Agency, "Notice of Preliminary Determinations", https://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/fisc2016/fisc2016-np-eng.html, (accessed February 28, 2019).

[34] Canada Border Services Agency, "Measures in Force," https://www.cbsa-asfc.gc.ca/sima-lmsi/mif-mev-eng.html, (accessed various dates).

[35] Export data are not available by quantity for all countries and are, therefore, not presented in the table. Export data are not available for 2018.

Table VII-21
Fabricated steel structures and parts of structures (not elsewhere specified or indicated), of iron or steel: Global exports by destination market, 2015-17

Exporter	Calendar year		
	2015	2016	2017
	Value (1,000 dollars)		
United States	940,061	773,216	738,081
Canada	619,422	769,901	827,521
China	9,199,660	8,078,277	8,315,459
Mexico	656,947	533,857	547,647
All other major reporting exporters.--			
Korea	3,061,313	3,457,395	4,516,562
Germany	2,763,816	2,615,742	2,890,875
Poland	1,666,954	1,827,158	2,146,595
Belgium	1,261,520	1,238,290	1,445,369
Netherlands	713,159	1,338,197	1,384,352
Spain	1,230,239	1,198,107	1,323,871
Italy	1,035,214	1,093,144	1,220,073
Czech Republic	1,018,812	1,038,668	1,140,110
Austria	614,135	610,797	670,799
Turkey	796,662	637,993	652,566
All other exporters	9,178,490	8,909,719	7,504,901
Total global exports	34,756,406	34,120,462	35,324,783
	Share of value (percent)		
United States	2.7	2.3	2.1
Canada	1.8	2.3	2.3
China	26.5	23.7	23.5
Mexico	1.9	1.6	1.6
All other major reporting exporters.--			
Korea	8.8	10.1	12.8
Germany	8.0	7.7	8.2
Poland	4.8	5.4	6.1
Belgium	3.6	3.6	4.1
Netherlands	2.1	3.9	3.9
Spain	3.5	3.5	3.7
Italy	3.0	3.2	3.5
Czech Republic	2.9	3.0	3.2
Austria	1.8	1.8	1.9
Turkey	2.3	1.9	1.8
All other exporters	26.4	26.1	21.2
Total global exports	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 7308.90 reported by various national statistical authorities in the Global Trade Atlas database, accessed February 20, 2019.

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
84 FR 3245, February 11, 2019	*Fabricated Structural Steel From Canada, China, and Mexico; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations*	https://www.govinfo.gov/content/pkg/FR-2019-02-11/pdf/2019-01730.pdf
84 FR 7330, March 4, 2019	*Certain Fabricated Structural Steel From Canada, Mexico, and the People's Republic of China: Initiation of Less-Than-Fair-Value Investigations*	https://www.govinfo.gov/content/pkg/FR-2019-03-04/pdf/2019-03818.pdf
84 FR 7339, March 4, 2019	*Certain Fabricated Structural Steel From Canada, Mexico, and the People's Republic of China: Initiation of Countervailing Duty Investigations*	https://www.govinfo.gov/content/pkg/FR-2019-03-04/pdf/2019-03819.pdf

APPENDIX B

LIST OF STAFF CONFERENCE WITNESSES

CALENDAR OF PUBLIC PRELIMINARY CONFERENCE

Those listed below appeared as witnesses at the United States International Trade Commission's preliminary conference:

Subject: Fabricated Structural Steel from Canada, China, and Mexico

Inv. Nos.: 701-TA-615-617 and 731-TA-1432-1434 (Preliminary)

Date and Time: February 25, 2019 - 9:30 a.m.

Sessions were held in connection with these preliminary phase investigations in the Main Hearing Room (Room 101), 500 E Street, SW., Washington, DC.

OPENING REMARKS:

In Support of Imposition (**Christopher B. Weld**, Wiley Rein LLP)
In Opposition to Imposition (**Nancy A. Noonan**, Arent Fox LLP)

In Support of the Imposition of
Antidumping and Countervailing Duty Orders:

Wiley Rein LLP
Washington, DC
on behalf of

American Institute of Steel Construction, LLC ("AISC")
Full Member Subgroup

Peter Labbe, President and General Manager,
Cives Steel Company, New England Division

Hollie Noveletsky, Chief Executive Officer and Owner,
Novel Iron Works Inc.

David Zalesne, President, Owen Steel Company; Chairman
of the Board of Directors, American Institute of
Steel Construction, LLC

Rick Cooper, Chief Executive Officer and President,
W&W/AFCO /Steel

In Support of the Imposition of
Antidumping and Countervailing Duty Orders (continued):

Dr. Seth T. Kaplan, President, International Economic Research LLC

Travis Pope, Economist, Capital Trade, Inc.

Alan H. Price)
Christopher B. Weld) – OF COUNSEL
Stephanie M. Bell)

King & Spalding LLP
Washington, DC
on behalf of

Banker Steel Company ("Banker Steel")

Chet McPhater, President, Banker Steel

J. Michael Taylor) – OF COUNSEL

In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders:

Arent Fox LLP
Washington, DC
on behalf of

Canadian Fabricated Steel Industry

Ed Whalen, President and Chief Executive Officer,
Canadian Institute for Steel Construction

Daniel P. Rooney, President and General Manager,
Great Falls Plant, ADF Group

James Paschini, General Manager, Terrebonne Plant,
ADF Group

Ralph Poulin, President, Canatal

Joe Posteraro, Director of Projects & Contract Admin., Canatal

Mario Giguere, Controller, Canatal

Robert M. Grillo, Account Executive, Canatal

In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders (continued):

Lise-Andrée Lessard, Director of Finance, Canatal

Louis Guertin, Vice President, Legal Affairs, Canam Buildings and Structures

Serge Dussault, Vice President, Canam Buildings and Structures

Ron Peppe, Vice President Human and Legal Resources & Secy. Canam Steel Corporation

Walter Koppelaar, Chairman and Chief Executive Officer, Walters, Inc.

Peter Kranendonk, President, Walters, Inc.

Kevin Guile, Chief Operating Officer, Supreme Group

Martin Savoie, Vice President Operations, BeauceAtlas

Serge Marcoux, Vice President and Chief Financial Officer, BeauceAtlas

Sabrina Kanner, Executive Vice President-Design and Buildings, Brookfield Properties

Henry Caso, Senior Vice President, Manhatten West Construction, Brookfield Properties

James Dougan, Vice President, Economic Consulting Services

Matthew M. Nolan)
) – OF COUNSEL
Nancy A. Noonan)

In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders (continued):

Harris Bricken
Seattle, WA
on behalf of

District Scaffold Supply

Gary S. Davis, Director, Direct Scaffold Supply, LP

Mike Swindall, Specialty Account Manager, Scaffold Sales International LLC

Michael J. Doxey, Chief Executive Officer, Direct Scaffold Supply, LP

Charles Weiss, President, Scaffold Resource, LLC

William E. Perry) – OF COUNSEL

Gilliland & McKinney International Counselors LLC
Washington, DC
on behalf of

Corey S.A. de C.V.

Javier Salas, Vice President, Corey S.A. de C.V.

John Kelly, Vice President, Related Companies

Sheridan S. McKinney)
) – OF COUNSEL
John R. Gilliland)

GreenbergTraurig, LLP
Washington, DC
on behalf of

Exportadora de Postes de Monclova, S.A. de C.V.
Exportadora de Postes GDL, S.A. de C.V.

Dr. Carlos H. Ramirez, President, TransAmerican Power Products, Inc.

Arturo Pimienta, President, UIS International

Irwin P. Altschuler) – OF COUNSEL

INTERESTED PARTY IN OPPOSITION:

Reed Smith LLP
McLean, VA
on behalf of

StepUP Scaffold ("StepUp")

Stacey C. Forbes) – OF COUNSEL

REBUTTAL/CLOSING REMARKS:

In Support of Imposition (**Alan H. Price** and **Dr. Seth T. Kaplan**, International Economic Research LLC)
In Opposition to Imposition (**Matthew M. Nolan**, ArentFox LLP; **Sheridan S. McKinney**, Gilliland & McKinney International Counselors LLC; and **James Dougan**, Economic Consulting Services)

-END-

APPENDIX C

SUMMARY DATA

Table C-1
Fabricated structural steel: Summary data concerning the U.S. market, 2015-17, January to September 2017, and January to September 2018
(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to September		Calendar year			Jan-Sep
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
U.S. consumption quantity:									
Amount	2,131,963	2,270,868	2,279,246	1,703,619	1,848,845	6.9	6.5	0.4	8.5
Producers' share (fn1)	51.8	46.2	46.2	44.6	46.3	(5.6)	(5.6)	(0.1)	1.7
Importers' share (fn1):									
Canada	7.9	10.0	10.4	9.8	10.3	2.4	2.1	0.3	0.4
China	17.3	21.0	21.6	23.3	21.1	4.3	3.7	0.6	(2.2)
Mexico	11.5	9.9	9.7	9.7	12.7	(1.9)	(1.7)	(0.2)	2.9
Subject sources	36.8	40.9	41.7	42.9	44.0	4.9	4.2	0.8	1.1
Nonsubject sources	11.5	12.9	12.2	12.5	9.7	0.7	1.4	(0.7)	(2.8)
All import sources	48.2	53.8	53.8	55.4	53.7	5.6	5.6	0.1	(1.7)
U.S. consumption value:									
Amount	5,712,259	5,952,590	6,197,734	4,577,867	5,278,160	8.5	4.2	4.1	15.3
Producers' share (fn1)	55.3	50.8	52.6	51.5	54.6	(2.6)	(4.4)	1.8	3.1
Importers' share (fn1):									
Canada	8.2	10.7	10.7	10.3	10.2	2.5	2.4	0.1	(0.2)
China	13.6	15.3	14.8	16.0	15.5	1.2	1.7	(0.5)	(0.4)
Mexico	9.1	6.9	6.7	6.6	8.7	(2.4)	(2.2)	(0.2)	2.1
Subject sources	30.9	32.8	32.2	32.9	34.4	1.3	1.9	(0.6)	1.5
Nonsubject sources	13.8	16.4	15.1	15.6	11.0	1.3	2.6	(1.2)	(4.6)
All import sources	44.7	49.2	47.4	48.5	45.4	2.6	4.4	(1.8)	(3.1)
U.S. imports from:									
Canada:									
Quantity	168,829	227,765	235,999	167,385	189,585	39.8	34.9	3.6	13.3
Value	470,476	633,974	665,202	472,880	536,075	41.4	34.8	4.9	13.4
Unit value	$2,787	$2,783	$2,819	$2,825	$2,828	1.1	(0.1)	1.3	0.1
Ending inventory quantity	***	***	***	***	***	***	***	***	***
China:									
Quantity	368,641	476,818	492,838	397,491	390,018	33.7	29.3	3.4	(1.9)
Value	778,654	909,726	918,125	730,345	820,047	17.9	16.8	0.9	12.3
Unit value	$2,112	$1,908	$1,863	$1,837	$2,103	(11.8)	(9.7)	(2.4)	14.4
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Mexico:									
Quantity	246,178	224,422	220,750	165,565	234,182	(10.3)	(8.8)	(1.6)	41.4
Value	518,007	407,966	413,993	303,730	461,068	(20.1)	(21.2)	1.5	51.8
Unit value	$2,104	$1,818	$1,875	$1,835	$1,969	(10.9)	(13.6)	3.2	7.3
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subject sources:									
Quantity	783,648	929,006	949,586	730,441	813,785	21.2	18.5	2.2	11.4
Value	1,767,137	1,951,665	1,997,320	1,506,955	1,817,190	13.0	10.4	2.3	20.6
Unit value	$2,255	$2,101	$2,103	$2,063	$2,233	(6.7)	(6.8)	0.1	8.2
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Nonsubject sources:									
Quantity	244,303	292,140	277,259	213,757	179,930	13.5	19.6	(5.1)	(15.8)
Value	788,792	974,168	938,466	714,295	580,003	19.0	23.5	(3.7)	(18.8)
Unit value	$3,229	$3,335	$3,385	$3,342	$3,223	4.8	3.3	1.5	(3.5)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All import sources:									
Quantity	1,027,951	1,221,146	1,226,845	944,198	993,715	19.3	18.8	0.5	5.2
Value	2,555,929	2,925,833	2,935,786	2,221,249	2,397,192	14.9	14.5	0.3	7.9
Unit value	$2,486	$2,396	$2,393	$2,353	$2,412	(3.8)	(3.6)	(0.1)	2.5
Ending inventory quantity	***	***	***	***	***	***	***	***	***
U.S. producers':									
Average capacity quantity	1,707,965	1,768,410	1,880,107	1,434,273	1,512,988	10.1	3.5	6.3	5.5
Production quantity	1,106,140	1,063,481	1,068,929	778,846	869,880	(3.4)	(3.9)	0.5	11.7
Capacity utilization (fn1)	64.8	60.1	56.9	54.3	57.5	(7.9)	(4.6)	(3.3)	3.2
U.S. shipments:									
Quantity	1,104,012	1,049,722	1,052,401	759,421	855,130	(4.7)	(4.9)	0.3	12.6
Value	3,156,330	3,026,757	3,261,948	2,356,618	2,880,968	3.3	(4.1)	7.8	22.3
Unit value	$2,859	$2,883	$3,100	$3,103	$3,369	8.4	0.9	7.5	8.6
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	82,440	91,995	96,711	92,308	112,099	17.3	11.6	5.1	21.4
Inventories/total shipments (fn1)	***	***	***	***	***	***	***	***	***
Production workers	10,750	10,841	10,886	10,739	11,486	1.3	0.8	0.4	7.0
Hours worked (1,000s)	22,792	22,973	22,514	16,919	18,927	(1.2)	0.8	(2.0)	11.9
Wages paid ($1,000)	508,868	520,770	529,657	385,804	421,394	4.1	2.3	1.7	9.2
Hourly wages (dollars per hour)	$22.33	$22.67	$23.53	$22.80	$22.26	5.4	1.5	3.8	(2.4)
Productivity (short tons per 1,000 hours)	48.5	46.3	47.5	46.0	46.0	(2.2)	(4.6)	2.6	(0.2)
Unit labor costs	$460	$490	$496	$495	$484	7.7	6.4	1.2	(2.2)

Table continued on next page.

Table C-1--Continued
Fabricated structural steel: Summary data concerning the U.S. market, 2015-17, January to September 2017, and January to September 2018
(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to September		Calendar year			Jan-Sep
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
U.S. producers.--Continued									
Net sales:									
Quantity	965,795	905,102	891,111	640,164	739,557	(7.7)	(6.3)	(1.5)	15.5
Value	2,834,002	2,667,771	2,809,131	2,017,622	2,509,251	(0.9)	(5.9)	5.3	24.4
Unit value	$2,934	$2,947	$3,152	$3,152	$3,393	7.4	0.4	7.0	7.7
Cost of goods sold (COGS)	2,299,143	2,096,164	2,291,945	1,627,594	2,123,946	(0.3)	(8.8)	9.3	30.5
Gross profit or (loss)	534,859	571,607	517,186	390,028	385,305	(3.3)	6.9	(9.5)	(1.2)
SG&A expenses	434,834	429,316	481,246	341,069	397,543	10.7	(1.3)	12.1	16.6
Operating income or (loss)	100,025	142,291	35,940	48,959	(12,238)	(64.1)	42.3	(74.7)	fn2
Net income or (loss)	86,477	128,343	39,128	58,051	(16,390)	(54.8)	48.4	(69.5)	fn2
Capital expenditures	45,218	79,127	61,772	38,843	72,818	36.6	75.0	(21.9)	87.5
Unit COGS	$2,381	$2,316	$2,572	$2,542	$2,872	8.0	(2.7)	11.1	13.0
Unit SG&A expenses	$450	$474	$540	$533	$538	19.9	5.4	13.9	0.9
Unit operating income or (loss)	$104	$157	$40	$76	$(17)	(61.1)	51.8	(74.3)	fn2
Unit net income or (loss)	$90	$142	$44	$91	$(22)	(51.0)	58.4	(69.0)	fn2
COGS/sales (fn1)	81.1	78.6	81.6	80.7	84.6	0.5	(2.6)	3.0	4.0
Operating income or (loss)/sales (fn1)	3.5	5.3	1.3	2.4	(0.5)	(2.3)	1.8	(4.1)	(2.9)
Net income or (loss)/sales (fn1)	3.1	4.8	1.4	2.9	(0.7)	(1.7)	1.8	(3.4)	(3.5)

Notes:

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Questionnaire data received from the U.S. industry are believed to account for 31.2 percent of the entire U.S. FSS industry and are, therefore, understated. Official U.S. import statistics presented are overstated by quantities of imported out-of-scope merchandise (e.g., utility towers and poles). Thus, the domestic industry component of apparent U.S. consumption and market share is understated and the U.S. import component is overstated.

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Undefined.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting numbers 7308.90.9590, 7308.90.3000, and 7308.90.6000, accessed February 25, 2019.

Table C-2
Fabricated structural steel: Summary data concerning the U.S. market excluding three U.S. producers, ADF, Canatal, and Ocean, 2015-17, January to September 2017, and January to September 2018

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

	Reported data					Period changes			
	Calendar year			January to September		Calendar year			Jan-Sep
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
U.S. consumption quantity:									
Amount	2,131,963	2,270,868	2,279,246	1,703,619	1,848,845	6.9	6.5	0.4	8.5
Producers' share (fn1):									
Included producers	***	***	***	***	***	***	***	***	***
Excluded producers	***	***	***	***	***	***	***	***	***
All producers	51.8	46.2	46.2	44.6	46.3	(5.6)	(5.6)	(0.1)	1.7
Importers' share (fn1):									
Canada	7.9	10.0	10.4	9.8	10.3	2.4	2.1	0.3	0.4
China	17.3	21.0	21.6	23.3	21.1	4.3	3.7	0.6	(2.2)
Mexico	11.5	9.9	9.7	9.7	12.7	(1.9)	(1.7)	(0.2)	2.9
Subject sources	36.8	40.9	41.7	42.9	44.0	4.9	4.2	0.8	1.1
Nonsubject sources	11.5	12.9	12.2	12.5	9.7	0.7	1.4	(0.7)	(2.8)
All import sources	48.2	53.8	53.8	55.4	53.7	5.6	5.6	0.1	(1.7)
U.S. consumption value:									
Amount	5,712,259	5,952,590	6,197,734	4,577,867	5,278,160	8.5	4.2	4.1	15.3
Producers' share (fn1):									
Included producers	***	***	***	***	***	***	***	***	***
Excluded producers	***	***	***	***	***	***	***	***	***
All producers	55.3	50.8	52.6	51.5	54.6	(2.6)	(4.4)	1.8	3.1
Importers' share (fn1):									
Canada	8.2	10.7	10.7	10.3	10.2	2.5	2.4	0.1	(0.2)
China	13.6	15.3	14.8	16.0	15.5	1.2	1.7	(0.5)	(0.4)
Mexico	9.1	6.9	6.7	6.6	8.7	(2.4)	(2.2)	(0.2)	2.1
Subject sources	30.9	32.8	32.2	32.9	34.4	1.3	1.9	(0.6)	1.5
Nonsubject sources	13.8	16.4	15.1	15.6	11.0	1.3	2.6	(1.2)	(4.6)
All import sources	44.7	49.2	47.4	48.5	45.4	2.6	4.4	(1.8)	(3.1)
U.S. imports from:									
Canada:									
Quantity	168,829	227,765	235,999	167,385	189,585	39.8	34.9	3.6	13.3
Value	470,476	633,974	665,202	472,880	536,075	41.4	34.8	4.9	13.4
Unit value	$2,787	$2,783	$2,819	$2,825	$2,828	1.1	(0.1)	1.3	0.1
Ending inventory quantity	***	***	***	***	***	***	***	***	***
China:									
Quantity	368,641	476,818	492,838	397,491	390,018	33.7	29.3	3.4	(1.9)
Value	778,654	909,726	918,125	730,345	820,047	17.9	16.8	0.9	12.3
Unit value	$2,112	$1,908	$1,863	$1,837	$2,103	(11.8)	(9.7)	(2.4)	14.4
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Mexico:									
Quantity	246,178	224,422	220,750	165,565	234,182	(10.3)	(8.8)	(1.6)	41.4
Value	518,007	407,966	413,993	303,730	461,068	(20.1)	(21.2)	1.5	51.8
Unit value	$2,104	$1,818	$1,875	$1,835	$1,969	(10.9)	(13.6)	3.2	7.3
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subject sources:									
Quantity	783,648	929,006	949,586	730,441	813,785	21.2	18.5	2.2	11.4
Value	1,767,137	1,951,665	1,997,320	1,506,955	1,817,190	13.0	10.4	2.3	20.6
Unit value	$2,255	$2,101	$2,103	$2,063	$2,233	(6.7)	(6.8)	0.1	8.2
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Nonsubject sources:									
Quantity	244,303	292,140	277,259	213,757	179,930	13.5	19.6	(5.1)	(15.8)
Value	788,792	974,168	938,466	714,295	580,003	19.0	23.5	(3.7)	(18.8)
Unit value	$3,229	$3,335	$3,385	$3,342	$3,223	4.8	3.3	1.5	(3.5)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All import sources:									
Quantity	1,027,951	1,221,146	1,226,845	944,198	993,715	19.3	18.8	0.5	5.2
Value	2,555,929	2,925,833	2,935,786	2,221,249	2,397,192	14.9	14.5	0.3	7.9
Unit value	$2,486	$2,396	$2,393	$2,353	$2,412	(3.8)	(3.6)	(0.1)	2.5
Ending inventory quantity	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-2--Continued
Fabricated structural steel: Summary data concerning the U.S. market excluding three U.S. producers, ADF, Canatal, and Ocean, 2015-17, January to September 2017, and January to September 2018

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

	Reported data					Period changes			
	Calendar year			January to September		Calendar year			Jan-Sep
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
Included U.S. producers':									
Average capacity quantity	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***
Capacity utilization (fn1)	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Inventories/total shipments (fn1)	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***
Wages paid ($1,000)	***	***	***	***	***	***	***	***	***
Hourly wages (dollars per hour)	***	***	***	***	***	***	***	***	***
Productivity (short tons per 1,000 hours)	***	***	***	***	***	***	***	***	***
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)	***	***	***	***	***	***	***	***	***
Net income or (loss)	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***
Unit net income or (loss)	***	***	***	***	***	***	***	***	***
COGS/sales (fn1)	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales (fn1)	***	***	***	***	***	***	***	***	***
Net income or (loss)/sales (fn1)	***	***	***	***	***	***	***	***	***

Notes:

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Questionnaire data received from the U.S. industry are believed to account for 31.2 percent of the entire U.S. FSS industry and are, therefore, understated. Official U.S. import statistics presented are overstated by quantities of imported out-of-scope merchandise (e.g., utility towers and poles). Thus, the domestic industry component of apparent U.S. consumption and market share is understated and the U.S. import component is overstated.

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Undefined.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting numbers 7308.90.9590, 7308.90.3000, and 7308.90.6000, accessed February 25, 2019.

Table C-3
Fabricated structural steel: Summary data concerning the U.S. market excluding two U.S. producers, Canatal and Ocean, 2015-17, January to September 2017, and January to September 2018

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

	Reported data					Period changes			
	Calendar year			January to September		Calendar year			Jan-Sep
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
U.S. consumption quantity:									
Amount	2,131,963	2,270,868	2,279,246	1,703,619	1,848,845	6.9	6.5	0.4	8.5
Producers' share (fn1):									
Included producers	***	***	***	***	***	***	***	***	***
Excluded producers	***	***	***	***	***	***	***	***	***
All producers	51.8	46.2	46.2	44.6	46.3	(5.6)	(5.6)	(0.1)	1.7
Importers' share (fn1):									
Canada	7.9	10.0	10.4	9.8	10.3	2.4	2.1	0.3	0.4
China	17.3	21.0	21.6	23.3	21.1	4.3	3.7	0.6	(2.2)
Mexico	11.5	9.9	9.7	9.7	12.7	(1.9)	(1.7)	(0.2)	2.9
Subject sources	36.8	40.9	41.7	42.9	44.0	4.9	4.2	0.8	1.1
Nonsubject sources	11.5	12.9	12.2	12.5	9.7	0.7	1.4	(0.7)	(2.8)
All import sources	48.2	53.8	53.8	55.4	53.7	5.6	5.6	0.1	(1.7)
U.S. consumption value:									
Amount	5,712,259	5,952,590	6,197,734	4,577,867	5,278,160	8.5	4.2	4.1	15.3
Producers' share (fn1):									
Included producers	***	***	***	***	***	***	***	***	***
Excluded producers	***	***	***	***	***	***	***	***	***
All producers	55.3	50.8	52.6	51.5	54.6	(2.6)	(4.4)	1.8	3.1
Importers' share (fn1):									
Canada	8.2	10.7	10.7	10.3	10.2	2.5	2.4	0.1	(0.2)
China	13.6	15.3	14.8	16.0	15.5	1.2	1.7	(0.5)	(0.4)
Mexico	9.1	6.9	6.7	6.6	8.7	(2.4)	(2.2)	(0.2)	2.1
Subject sources	30.9	32.8	32.2	32.9	34.4	1.3	1.9	(0.6)	1.5
Nonsubject sources	13.8	16.4	15.1	15.6	11.0	1.3	2.6	(1.2)	(4.6)
All import sources	44.7	49.2	47.4	48.5	45.4	2.6	4.4	(1.8)	(3.1)
U.S. imports from:									
Canada:									
Quantity	168,829	227,765	235,999	167,385	189,585	39.8	34.9	3.6	13.3
Value	470,476	633,974	665,202	472,880	536,075	41.4	34.8	4.9	13.4
Unit value	$2,787	$2,783	$2,819	$2,825	$2,828	1.1	(0.1)	1.3	0.1
Ending inventory quantity	***	***	***	***	***	***	***	***	***
China:									
Quantity	368,641	476,818	492,838	397,491	390,018	33.7	29.3	3.4	(1.9)
Value	778,654	909,726	918,125	730,345	820,047	17.9	16.8	0.9	12.3
Unit value	$2,112	$1,908	$1,863	$1,837	$2,103	(11.8)	(9.7)	(2.4)	14.4
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Mexico:									
Quantity	246,178	224,422	220,750	165,565	234,182	(10.3)	(8.8)	(1.6)	41.4
Value	518,007	407,966	413,993	303,730	461,068	(20.1)	(21.2)	1.5	51.8
Unit value	$2,104	$1,818	$1,875	$1,835	$1,969	(10.9)	(13.6)	3.2	7.3
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Subject sources:									
Quantity	783,648	929,006	949,586	730,441	813,785	21.2	18.5	2.2	11.4
Value	1,767,137	1,951,665	1,997,320	1,506,955	1,817,190	13.0	10.4	2.3	20.6
Unit value	$2,255	$2,101	$2,103	$2,063	$2,233	(6.7)	(6.8)	0.1	8.2
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Nonsubject sources:									
Quantity	244,303	292,140	277,259	213,757	179,930	13.5	19.6	(5.1)	(15.8)
Value	788,792	974,168	938,466	714,295	580,003	19.0	23.5	(3.7)	(18.8)
Unit value	$3,229	$3,335	$3,385	$3,342	$3,223	4.8	3.3	1.5	(3.5)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All import sources:									
Quantity	1,027,951	1,221,146	1,226,845	944,198	993,715	19.3	18.8	0.5	5.2
Value	2,555,929	2,925,833	2,935,786	2,221,249	2,397,192	14.9	14.5	0.3	7.9
Unit value	$2,486	$2,396	$2,393	$2,353	$2,412	(3.8)	(3.6)	(0.1)	2.5
Ending inventory quantity	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-3--Continued
Fabricated structural steel: Summary data concerning the U.S. market excluding two U.S. producers, Canatal and Ocean, 2015-17, January to September 2017, and January to September 2018

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

	Reported data					Period changes			
	Calendar year			January to September		Calendar year			Jan-Sep
	2015	2016	2017	2017	2018	2015-17	2015-16	2016-17	2017-18
Included U.S. producers':									
Average capacity quantity	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***
Capacity utilization (fn1)	***	***	***	***	***	***	***	***	***
U.S. shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Inventories/total shipments (fn1)	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***
Wages paid ($1,000)	***	***	***	***	***	***	***	***	***
Hourly wages (dollars per hour)	***	***	***	***	***	***	***	***	***
Productivity (short tons per 1,000 hours)	***	***	***	***	***	***	***	***	***
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)	***	***	***	***	***	***	***	***	***
Net income or (loss)	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***
Unit net income or (loss)	***	***	***	***	***	***	***	***	***
COGS/sales (fn1)	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales (fn1)	***	***	***	***	***	***	***	***	***
Net income or (loss)/sales (fn1)	***	***	***	***	***	***	***	***	***

Notes:

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Questionnaire data received from the U.S. industry are believed to account for 31.2 percent of the entire U.S. FSS industry and are, therefore, understated. Official U.S. import statistics presented are overstated by quantities of imported out-of-scope merchandise (e.g., utility towers and poles). Thus, the domestic industry component of apparent U.S. consumption and market share is understated and the U.S. import component is overstated.

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Undefined.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics using HTS statistical reporting numbers 7308.90.9590, 7308.90.3000, and 7308.90.6000, accessed February 25, 2019.

APPENDIX D

DATA SUBMITTED BY U.S. IMPORTERS AND FOREIGN PRODUCERS OF NON-CONFORMING ITEMS

Appendix D-1
Fabricated structural steel: Excluded U.S. importers, their headquarters, and share of total imports by source, 2017

Firm	Headquarters	Share of imports by source (percent)				
		Canada	China	Mexico	Nonsubject sources	All import sources
SAE	Houston, TX	***	***	***	***	***
Hatfield	Gooding, ID	***	***	***	***	***
Sears	Hoffman Estates, IL	***	***	***	***	***
Big Lots	Columbus, OH	***	***	***	***	***
Vestas	Pueblo, CO	***	***	***	***	***
Monclova	Monclova, Coahuila, Mexico	***	***	***	***	***
GDL Poles	Guadalajara, Jalisco, Mexico	***	***	***	***	***
Total		***	***	***	***	***

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

Appendix D-2
Fabricated structural steel: Excluded U.S. imports, by source, 2015-17, January to September 2017, and January to September 2018

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Appendix D-3
Fabricated structural steel: Excluded U.S. imports in the twelve month period preceding the filing of the petitions

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Appendix D-4
Fabricated structural steel: U.S. producers' and excluded U.S. importers' U.S. shipments by product types, 2017

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Appendix D-5
Fabricated structural steel: Excluded summary data on firms in China, 2017

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
Valmont Industries (China) Ltd.	***	***	***	***	***	***

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

Appendix D-6
Fabricated structural steel: Reported changes in operations by producers in China, since January 1, 2015

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Appendix D-7
Fabricated structural steel: Excluded data on industry in China, 2015-17, January to September 2017, and January to September 2018 and projection calendar years 2018 and 2019

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Appendix D-8
Fabricated structural steel: Excluded overall capacity and production on the same equipment as in-scope production by producers in China, 2015-17, January to September 2017, and January to September 2018

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Appendix D-9
Fabricated structural steel: Excluded summary data on firms in Mexico, 2017

Firm	Production (short tons)	Share of reported production (percent)	Exports to the United States (short tons)	Share of reported exports to the United States (percent)	Total shipments (short tons)	Share of firm's total shipments exported to the United States (percent)
Montajes Frontera SA de CV	***	***	***	***	***	***
Exportadora de Postes de Monclova SA de CV	***	***	***	***	***	***
Exportadora de Postes GDL, SA de CV	***	***	***	***	***	***
Valmont Monterrey S de RL de CV	***	***	***	***	***	***
Total	***	***	***	***	***	***

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

Appendix D-10
Fabricated structural steel: Reported changes in operations by producers in Mexico, since January 1, 2015

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Appendix D-11
Fabricated structural steel: Excluded data on industry in Mexico, 2015-17, January to September 2017, and January to September 2018 and projection calendar years 2018 and 2019

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Appendix D-12
Fabricated structural steel: Excluded overall capacity and production on the same equipment as in-scope production by producers in Mexico, 2015-17, January to September 2017, and January to September 2018

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APPENDIX E

U.S. PRODUCERS' FINANCIAL RESULTS BY FIRM

Table E-1
Fabricated structural steel: Select results of operations of U.S. producers, by company, 2015-17, January to September 2017, and January to September 2018

Item	Calendar year			January to September	
	2015	2016	2017	2017	2018
	Total net sales (short tons)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total net sales quantity	965,795	905,102	891,111	640,164	739,557
	Total net sales (1,000 dollars)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total net sales value	2,834,002	2,667,771	2,809,131	2,017,622	2,509,251
	Cost of goods sold (1,000 dollars)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total COGS	2,299,143	2,096,164	2,291,945	1,627,594	2,123,946

Table continued on next page.

Table E-1--Continued
Fabricated structural steel: Select results of operations of U.S. producers, by company, 2015-17, January to September 2017, and January to September 2018

Item	Calendar year			January to September	
	2015	2016	2017	2017	2018
	Gross profit or (loss) (1,000 dollars)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
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Total gross profit or (loss)	534,859	571,607	517,186	390,028	385,305
	SG&A expenses (1,000 dollars)				
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Total SG&A expenses	434,834	429,316	481,246	341,069	397,543
	Operating income or (loss) (1,000 dollars)				
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Total operating income or (loss)	100,025	142,291	35,940	48,959	(12,238)

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Table E-1--Continued
Fabricated structural steel: Select results of operations of U.S. producers, by company, 2015-17, January to September 2017, and January to September 2018

Item	Calendar year			January to September	
	2015	2016	2017	2017	2018
	Net income or (loss) (1,000 dollars)				
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Total net income or (loss)	86,477	128,343	39,128	58,051	(16,390)
	COGS to net sales ratio (percent)				
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Average COGS to net sales ratio	81.1	78.6	81.6	80.7	84.6
	Gross profit or (loss) to net sales ratio (percent)				
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Average gross profit or (loss) to net sales ratio	18.9	21.4	18.4	19.3	15.4

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Table E-1--Continued
Fabricated structural steel: Select results of operations of U.S. producers, by company, 2015-17, January to September 2017, and January to September 2018

Item	Calendar year			January to September	
	2015	2016	2017	2017	2018
	SG&A expense to net sales ratio (percent)				
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Average SG&A expense to net sales ratio	15.3	16.1	17.1	16.9	15.8
	Operating income or (loss) to net sales ratio (percent)				
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Average operating income or (loss) to net sales ratio	3.5	5.3	1.3	2.4	(0.5)
	Net income or (loss) to net sales ratio (percent)				
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Average net income or (loss) to net sales ratio	3.1	4.8	1.4	2.9	(0.7)

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Table E-1--Continued
Fabricated structural steel: Select results of operations of U.S. producers, by company, 2015-17, January to September 2017, and January to September 2018

Item	Calendar year			January to September	
	2015	2016	2017	2017	2018
	Unit net sales value (dollars per short ton)				
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Average unit net sales value	2,934	2,947	3,152	3,152	3,393
	Unit raw materials (dollars per short ton)				
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Average unit raw materials	1,133	1,052	1,233	1,185	1,415
	Unit direct labor (dollars per short ton)				
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Average unit direct labor	501	502	523	534	534

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Table E-1--Continued
Fabricated structural steel: Select results of operations of U.S. producers, by company, 2015-17, January to September 2017, and January to September 2018

Item	Calendar year			January to September	
	2015	2016	2017	2017	2018
	Unit other factory costs (dollars per short ton)				
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Average unit other factory costs	746	762	817	824	922
	Unit COGS (dollars per short ton)				
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Average unit COGS	2,381	2,316	2,572	2,542	2,872
	Unit gross profit or (loss) (dollars per short ton)				
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Average unit gross profit or (loss)	554	632	580	609	521

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Table E-1--Continued
Fabricated structural steel: Select results of U.S. producers' open market financial operations, by firm, 2012-17, January to September 2017, and January to September 2018

Item	Calendar year			January to September	
	2015	2016	2017	2017	2018
	Unit total SG&A expenses (dollars per short ton)				
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Average unit SG&A expense	450	474	540	533	538
	Unit operating income or (loss) (dollars per short ton)				
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Average unit operating income or (loss)	104	157	40	76	(17)
	Unit net income or (loss) (dollars per short ton)				
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Average unit net income or (loss)	90	142	44	91	(22)

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

APPENDIX F

U.S. PRODUCERS' RESPONSES ON NEGATIVE EFFECTS OF SUBJECT IMPORTS

Table F-1

Fabricated structural steel: Narratives relating to actual and anticipated negative effects of imports on investment and growth and development, since January 1, 2015

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