

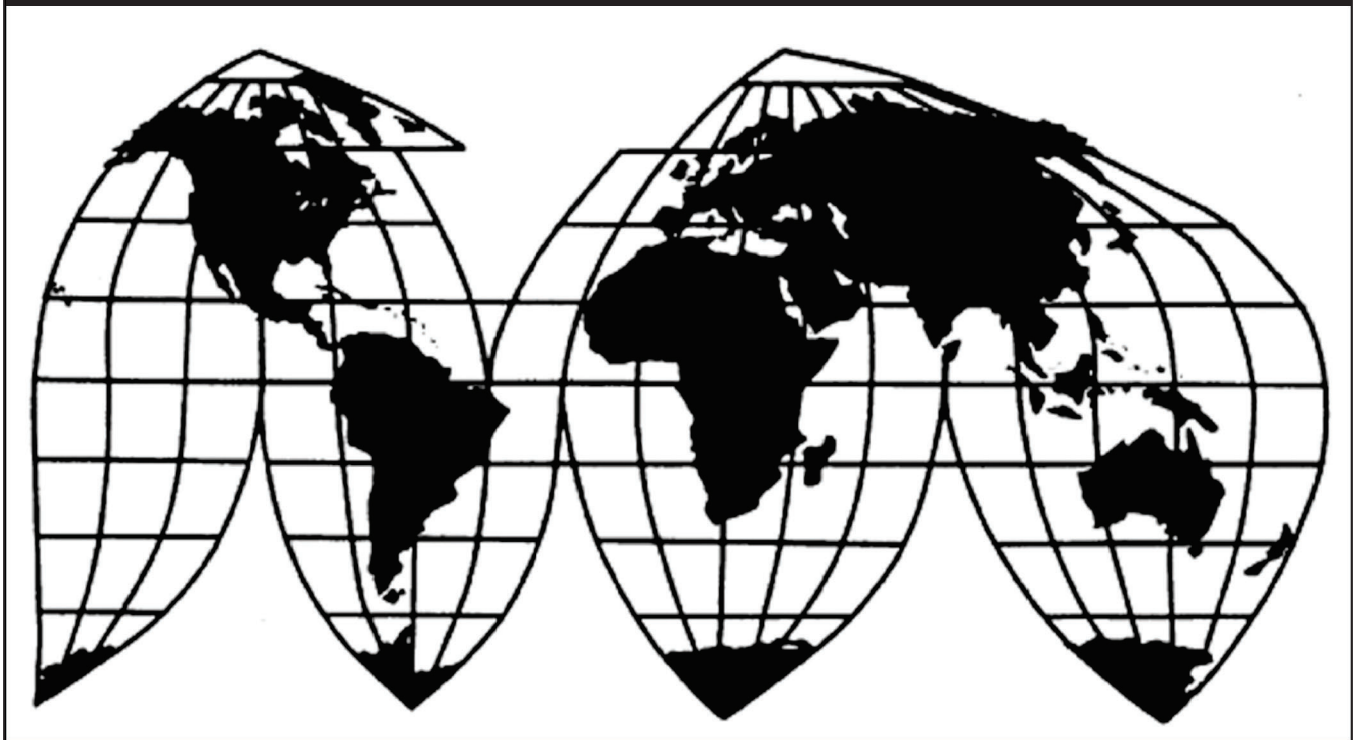
Carbon and Certain Alloy Steel Wire Rod from China

Investigation Nos. 701-TA-512 and 731-TA-1248 (Review)

Publication 5064

June 2020

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note: Information that would reveal confidential operations of individual concerns may not be published.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-512 and 731-TA-1248 (Review)

Carbon and Certain Alloy Steel Wire Rod from China

DETERMINATIONS

On the basis of the record¹ developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the antidumping and countervailing duty orders on carbon and certain alloy steel wire rod (“wire rod”) from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted these reviews on December 2, 2019 (84 FR 66007) and determined on March 6, 2020 that it would conduct expedited reviews (85 FR 29483, May 15, 2020).

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

Views of the Commission

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

I. Background

Original Investigations: On January 31, 2014, six domestic producers of wire rod -- ArcelorMittal USA LLC, Charter Steel (“Charter”), Evraz Rocky Mountain Steel (“EVRAZ”), Gerdau Ameristeel US Inc. (“Gerdau”), Keystone Consolidated Industries, Inc. (“Keystone”), and Nucor Corp. (“Nucor”) -- filed antidumping and countervailing duty petitions covering wire rod from China.¹ In January 2015, the Commission determined that a domestic industry was materially injured by reason of dumped and subsidized imports of wire rod from China.² The Department of Commerce (“Commerce”) issued antidumping and countervailing duty orders on imports of wire rod from China on January 8, 2015.³

Current Reviews: On December 2, 2019, the Commission instituted these first five-year reviews.⁴ The Commission received a single response to its notice of institution, filed on behalf of six domestic producers of wire rod: Charter, Commercial Metals Company (“CMC”), EVRAZ, Liberty Steel USA (“Liberty”), Nucor, and Optimus Steel LLC (“Optimus”) (collectively, “the domestic producers”).⁵

¹ Confidential Report, INV-SS-018 (Feb. 24, 2020) (“CR”) at I-3, Public Report (“PR”) at I-3.

² *Carbon and Certain Alloy Steel Wire Rod from China*, Inv. Nos. 701-TA-512 and 731-TA-1248 (Final), USITC Pub. 4509 (Jan. 2015) (“*Original Determinations*”).

³ *Carbon and Certain Alloy Steel Wire Rod From the People’s Republic of China: Antidumping Duty Order*, 80 Fed. Reg. 1015 (Jan. 8, 2015); *Carbon and Certain Alloy Steel Wire Rod From the People’s Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 80 Fed. Reg. 1018 (Jan. 8, 2015).

⁴ *Carbon and Certain Alloy Steel Wire Rod From China; Institution of Five-Year Reviews*, 84 Fed. Reg. 66007 (Dec. 2, 2019).

⁵ Response to Notice of Institution (Jan. 2, 2020) (“Response”).

On March 6, 2020, the Commission determined that the domestic interested party group response to the notice of institution was adequate and that the respondent interested party group response was inadequate. Finding that no other circumstances warranted conducting full reviews, the Commission determined to conduct expedited reviews.⁶ The domestic producers submitted comments, pursuant to Commission rule 207.62(d), regarding what determinations the Commission should reach in these reviews.⁷

In these five-year reviews, U.S. industry data are based on information that the domestic producers submitted in response to the notice of institution. The domestic producers estimate that they accounted for approximately 80 percent of domestic production of wire rod in 2018.⁸ U.S. import data and related information are based on Commerce's official import statistics.⁹ Foreign industry data and related information are based on information from the domestic producers, questionnaire responses from the original investigations, and publicly available information gathered by staff.¹⁰ Staff contacted five U.S. purchasers of wire rod that were identified by the domestic producers in their response to the notice of institution; of these five purchasers, three responded to the Commission's adequacy phase questionnaire.¹¹

II. Domestic Like Product and Industry

A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the "domestic like product" and the "industry."¹² The Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle."¹³ The Commission's

⁶ *Scheduling of Expedited Five-Year Reviews; Carbon Steel Wire Rod from China*, 85 Fed. Reg. 29483 (May 15, 2020).

⁷ Final Comments (May 20, 2020) ("Comments").

⁸ CR/PR at Table I-1.

⁹ CR/PR at Table I-6.

¹⁰ See generally CR/PR at I-26 to I-29.

¹¹ CR/PR at D-3.

¹² 19 U.S.C. § 1677(4)(A).

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

practice in five-year reviews is to examine the domestic like product definition from the original investigation(s) and consider whether the record indicates any reason to revisit the prior findings.¹⁴

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

Certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately circular cross section, less than 19.00 mm in actual solid cross-sectional diameter. Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; or (e) concrete reinforcing bars and rods. Also excluded are free cutting steel (also known as free machining steel) products (i.e., products that contain by weight one or more of the following elements: 0.1 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorus, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium). All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.¹⁵

This scope definition is essentially unchanged from Commerce's scope definition in the original investigations.¹⁶

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

¹⁵ *Carbon and Certain Alloy Steel Wire Rod From the People's Republic of China: Final Results of the Expedited First Five-Year Sunset Review of the Antidumping Duty Order*, 85 Fed. Reg. 19136, 19136-37 (Apr. 6, 2020); *Carbon and Certain Alloy Steel Wire Rod From the People's Republic of China: Final Results of the Expedited First Five-Year Sunset Review of the Countervailing Duty Order*, 85 Fed. Reg. 17533, 17533 (Mar. 30, 2020).

¹⁶ In the original investigations, Commerce described the wire rod as being "in coils, of approximately round cross section." *Original Determinations*, USITC Pub. 4509 at 5. The scope language now describes the wire rod as being "in coils, of approximately circular cross section." 85 Fed. Reg. at 17533; 85 Fed. Reg. at 19136.

Commerce indicated that there have been no administrative reviews, changed circumstances determinations, new shipper reviews, scope rulings, or duty absorption findings in connection with the antidumping duty order. *Issues and Decision Memorandum for the Final Results of Expedited First Sunset Review of the Antidumping Duty Order on Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China*, A-570-012 (March 31, 2020) (EDIS Doc. 707365) at 3. With respect to the countervailing duty order, Commerce has not conducted any administrative reviews, new shipper reviews, scope rulings, circumvention determinations, or changed circumstances determinations. *Issues and Decision Memorandum for the Expedited First Sunset Review of the Countervailing Duty Order on*

Wire rod is a hot-rolled intermediate steel product of circular or approximately circular cross section that typically is produced in nominal fractional diameters up to 47/64 inch (18.7 mm) and sold in irregularly wound coils, primarily for subsequent drawing and finishing by wire drawers into industrial (or standard) quality wire. The wire is then used to manufacture products such as nails, reinforcing wire mesh, and chain link fence.¹⁷

In the original investigations, the Commission defined a single domestic like product consisting of all wire rod corresponding to Commerce's scope definition.¹⁸ The definition of the domestic like product was not disputed.¹⁹

In the current reviews, the domestic producers agree with the Commission's definition of the domestic like product from the original investigations.²⁰ The record contains no information suggesting that the characteristics or uses of domestically produced wire rod have changed since the original investigations.²¹ Accordingly, we define a single domestic like product to be wire rod, coextensive with the scope of the orders under review.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."²² 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.

Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China, C-570-013 (March 24, 2020) (EDIS Doc. 707365) at 4.

¹⁷ CR/PR at I-10 to I-11.

¹⁸ *Original Determinations*, USITC Pub. 4509 at 6.

¹⁹ *Original Determinations*, USITC Pub. 4509 at 6 & n.18.

²⁰ Response at 21.

²¹ See generally CR/PR at I-10 to I-17.

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

In the original investigations, the Commission defined the domestic industry as consisting of all producers of the domestic like product.²³ The Commission determined that there were no related party issues under 19 U.S.C. § 1677(4)(b).²⁴

In the current reviews, the domestic producers agree with the Commission's prior definition of the domestic industry.²⁵ The domestic producers state that they do not import subject merchandise and are not related to any importers or foreign producers of subject merchandise.²⁶ Moreover, the record does not otherwise indicate that there are any related party or other domestic industry issues in these reviews. Consequently, we again define the domestic industry to consist of all domestic producers of wire rod.

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

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."²⁷ The Uruguay Round Agreements Act Statement of Administrative Action ("SAA") states that "under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."²⁸ Thus, the likelihood standard is prospective in

²³ *Original Determinations*, USITC Pub. 4509 at 6.

²⁴ *Original Determinations*, USITC Pub. 4509 at 6 n.20.

²⁵ Response at 21.

²⁶ Response at 17.

²⁷ 19 U.S.C. § 1675a(a).

²⁸ SAA, H.R. Rep. 103-316, vol. I at 883-84 (1994). The SAA states that "[t]he likelihood of injury standard applies regardless of the nature of the Commission's original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed." *Id.* at 883.

nature.²⁹ The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.³⁰

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”³¹ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”³²

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”³³ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce

²⁹ While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

³⁰ See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

³¹ 19 U.S.C. § 1675a(a)(5).

³² SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

³³ 19 U.S.C. § 1675a(a)(1).

regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).³⁴ The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination.³⁵

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.³⁶ In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.³⁷

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.³⁸

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth,

³⁴ 19 U.S.C. § 1675a(a)(1). As noted, Commerce has not issued any duty absorption findings with respect to the orders on wire rod from China.

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

³⁶ 19 U.S.C. § 1675a(a)(2).

³⁷ 19 U.S.C. § 1675a(a)(2)(A-D).

³⁸ See 19 U.S.C. § 1675a(a)(3). The SAA states that "{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.³⁹ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the orders under review and whether the industry is vulnerable to material injury upon revocation.⁴⁰

No respondent interested party participated in these expedited reviews. The record, therefore, contains limited new information with respect to the wire rod industry in China. Accordingly, for our determinations, we rely as appropriate on the facts available from the original investigations and the limited new information on the record in these reviews.

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁴¹ The following conditions of competition inform our determinations.

1. Demand Conditions

Original Investigations. In the original investigations, the Commission observed that wire rod is a hot-rolled intermediate steel product that is used in a variety of downstream products in the construction, automotive, energy, and agriculture industries. Consequently, demand for wire rod depended on demand for these downstream products. Apparent U.S. consumption of wire rod increased from 5.13 million short tons in 2011 to 5.33 million short tons in 2012, then declined to 5.31 million short tons in 2013, for an overall increase of 3.5 percent from 2011 to 2013.⁴²

³⁹ 19 U.S.C. § 1675a(a)(4).

⁴⁰ The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

⁴¹ 19 U.S.C. § 1675a(a)(4).

⁴² *Original Determinations*, USITC Pub. 4509 at 12-13.

Current Reviews. Domestic producers indicate that the uses and demand drivers for wire rod have not changed since the original investigations and that U.S. demand for wire rod has remained fairly stable.⁴³ The record compiled in these reviews indicates that apparent U.S. consumption of wire rod was lower in 2018 than in 2013; this disparity likely largely reflects differences in domestic industry coverage.⁴⁴ The domestic producers assert that worldwide demand for wire rod is flat or declining.⁴⁵

2. Supply Conditions

Original Investigations. The ten domestic producers comprising the domestic industry were the largest source of supply of wire rod to the U.S. market during the original period of investigation (January 2011 through June 2014), although the industry's share of apparent U.S. consumption declined from 75.6 percent in 2011 to 67.8 percent in 2013.⁴⁶ Seven domestic producers internally transferred wire rod to produce downstream products (wire products), but the Commission found that the captive production provision did not apply.⁴⁷ Nonetheless, the Commission considered as a condition of competition that a significant share of domestic production was sold in the merchant market and examined merchant market data as well as data for the total U.S. market.⁴⁸

⁴³ Response at 19-20.

⁴⁴ CR/PR at Table I-7. The U.S. shipment data used to compute apparent U.S. consumption for 2018 are based on information provided by the domestic producers, which accounted for an estimated 80 percent of domestic production for that year, while that for 2013 was based on information provided by all domestic producers. CR/PR at I-18.

⁴⁵ Comments at 4.

⁴⁶ *Original Determinations*, USITC Pub. 4509 at 13.

⁴⁷ The Commission found that while the threshold and the first two criteria of the statutory captive production provision were satisfied, what was then the third criterion was not met because it appeared that there was a substantial overlap between the products produced from wire rod that was internally transferred and the products produced from wire rod sold into the merchant market. *Original Determinations*, USITC Pub. 4509 at 11-12. The third criterion was subsequently removed from the captive production provision by the Trade Preferences Act of 2015.

⁴⁸ *Original Determinations*, USITC Pub. 4509 at 12-13.

The Commission observed that production capacity of the domestic industry declined by 1.9 percent between 2011 and 2013 but remained at a level near that of apparent U.S. consumption throughout the period of investigation. Several U.S. producers reported production curtailments, although a few domestic producers expanded or made improvements to their production facilities during the period of investigation.⁴⁹

Nonsubject countries were the largest source of supply to the U.S. wire rod market after the domestic industry during the original investigations, but their share of apparent U.S. consumption declined from 24.4 percent in 2011 to 20.5 percent in 2013. Canada was the largest individual source of imported wire rod in 2011 and 2012 and the second largest after subject imports from China in 2013. By 2013, subject imports from China became the largest individual import source of supply to the U.S. market. The Commission also observed that U.S. antidumping duty orders were in effect on wire rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago, and a U.S. countervailing duty order was in effect on wire rod from Brazil.⁵⁰

Current Reviews. The domestic industry has undergone several structural changes during the period of review. ArcelorMittal closed its wire rod mill in Georgetown, South Carolina in 2015. Liberty acquired that plant in 2017, as well as the facilities of another wire rod producer, Keystone, in 2019.⁵¹ Liberty resumed production of wire rod at the Georgetown plant in July 2018.⁵² Optimus purchased Gerdau's wire rod mill in Beaumont, Texas in the first quarter of 2018, and CMC purchased Gerdau's wire rod mill in Jacksonville, Florida in 2018.⁵³

The domestic industry was the largest source of supply of wire rod to the U.S. market during 2018, accounting for 70.2 percent of apparent U.S. consumption by quantity.⁵⁴ Nonsubject imports, primarily from Canada, Japan, Germany, and Brazil, accounted for the remaining 29.8 percent share of wire rod consumed in the U.S. market in 2018.⁵⁵ Subject imports have remained in the U.S. market in very limited quantities since Commerce issued the antidumping and countervailing duty orders in January 2015.⁵⁶

⁴⁹ *Original Determinations*, USITC Pub. 4509 at 12-13.

⁵⁰ *Original Determinations*, USITC Pub. 4509 at 13.

⁵¹ CR/PR at Table I-4.

⁵² CR/PR at Table I-4.

⁵³ CR/PR at Table I-4.

⁵⁴ CR/PR at Table I-7. Because, as explained above, the data in the record for 2018 do not include U.S. shipments for all domestic wire rod producers, domestic industry market penetration for 2018 is somewhat understated and market penetration data for imports are somewhat overstated.

⁵⁵ CR/PR at Table I-7.

⁵⁶ See CR/PR at Table I-6.

Wire rod from Belarus, Brazil, Indonesia, Italy, Korea, Mexico, Moldova, Russia, South Africa, Spain, Trinidad and Tobago, Turkey, Ukraine, United Arab Emirates, and the United Kingdom became subject to countervailing and/or antidumping duty orders in 2017.⁵⁷ The Commission is currently conducting full third five-year reviews of the orders on wire rod from Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago.⁵⁸

3. Substitutability and Other Conditions

Original Investigations. In the original investigations, the Commission noted that the largest categories of shipments for both the domestic industry and U.S. importers of the subject merchandise were of industrial/standard quality grades. Most producers reported that the domestic like product and subject imports were always interchangeable, and a majority of importers and purchasers reported that they were always or frequently interchangeable. Accordingly, the Commission found that domestically produced wire rod and subject imports of the same type, particularly in the industrial/standard grades, were highly substitutable. The Commission also found that price was an important factor in purchasing decisions as more purchasers (56 out of 57) identified price as being very important than any other factor. Finally, the Commission observed that raw material costs comprised domestic producers' single largest component of cost of goods sold and such costs per short ton declined over the period of investigation.⁵⁹

Current Reviews. The information on the record of these reviews does not suggest that the substitutability of subject merchandise and the domestic like product or the importance of price in purchasing decisions have changed significantly since the original investigations.⁶⁰

⁵⁷ See CR/PR at Table I-2.

⁵⁸ *Carbon and Certain Alloy Steel Wire Rod From Brazil, Indonesia, Mexico, Moldova, and Trinidad and Tobago; Scheduling of Full Five-Year Reviews*, 85 Fed. Reg. 14506, 14507 (Mar. 12, 2020).

⁵⁹ *Original Determinations*, USITC Pub. 4509 at 14.

⁶⁰ See Response at 21 (“{t}he U.S. market for {wire rod} remains extremely competitive and price-sensitive”); Comments at 3.

The subject merchandise has been subject to additional duties of 25 percent *ad valorem* pursuant to section 232 of the Trade Expansion Act of 1962, as amended,⁶¹ since March 23, 2018 (“section 232 tariffs”).⁶² The subject merchandise has also been subject to additional duties under section 301 of the Trade Act of 1974, as amended (“section 301 tariffs”).⁶³ Section 301 tariffs were 15 percent *ad valorem* effective September 1, 2019, and were reduced to 7.5 percent *ad valorem* effective February 14, 2020.⁶⁴

C. Likely Volume of Subject Imports

1. Original Investigations

In the original investigations, the Commission found that subject imports increased from 144 short tons in 2011 to 241,966 short tons in 2012 and 618,790 short tons in 2013. Subject import market share rose to 4.5 percent in 2012 and 11.7 percent in 2013. The Commission observed that the increase in subject import market penetration came largely at the expense of the domestic industry. The domestic industry lost 7.7 percentage points of market share from 2011 to 2013, with a decline from 75.6 percent in 2011 to 67.8 percent in 2013. The Commission concluded that the volume of subject imports and their increase were significant both in absolute terms and relative to apparent consumption in the United States.⁶⁵

2. The Current Reviews

In the current reviews, the record reflects that subject imports maintained a limited presence in the U.S. market. During the period of review, annual subject import volume ranged from a low of 32 short tons in 2017 to a high of 1,672 short tons in 2015 (the year the orders were imposed) and was 406 short tons in 2018, compared to the high of 618,790 short tons in 2013 during the original investigations, evidencing the orders’ disciplining effect on subject import volume.⁶⁶ However, the continued presence of subject imports in the U.S. market during the period of review, albeit in small volumes, notwithstanding the disciplining effect of

⁶¹ 19 U.S.C. § 1862.

⁶² CR/PR at I-9; see *Adjusting Imports of Steel Into the United States*, 83 Fed. Reg. 11625, 11629 (Mar. 15, 2018).

⁶³ 19 U.S.C. § 2411.

⁶⁴ CR/PR at I-10.

⁶⁵ *Original Determinations*, USITC Pub. 4509 at 15.

⁶⁶ CR/PR at Tables I-6 and C-1.

the orders, demonstrates a sustained interest in exporting to the United States.⁶⁷ Likewise, the Chinese producers' sales offices and marketing presence in the United States suggest that they remain interested in exporting to the United States.⁶⁸

At the time of the original investigations, the wire rod industry in China was the largest in the world, accounting for 77.3 percent of total global wire rod production.⁶⁹ The record in the current reviews indicates that the wire rod industry in China continues to be large. Domestic producers identified 77 possible producers of wire rod in China, and the record shows that Chinese producers of wire rod added to their capacity during the review period.⁷⁰ Domestic producers estimate that the Chinese industry's production capacity was *** short tons in 2018, an amount equivalent to over *** times the apparent U.S. consumption for that year.⁷¹

The Chinese industry is the world's largest exporter of wire rod and related products, directing their exports to many markets throughout the world.⁷² Although exports from China of these products declined irregularly from 12.43 million short tons in 2014 to 6.13 million short tons in 2018, they accounted for 25.5 percent of global export volume in bars and rod in 2018.⁷³

Moreover, Chinese producers of wire rod face barriers in several other export markets (including the European Union), which barriers provide an incentive to direct exports of wire rod to the U.S. market in the event of revocation of the orders under review.⁷⁴ The record also indicates that the United States has the highest prices in the world for wire rod, making the U.S. market particularly attractive to exports.⁷⁵

⁶⁷ CR/PR at Table I-6.

⁶⁸ Response at 5-6; Comments at 6-8.

⁶⁹ USITC Pub. 4509 at VII-3.

⁷⁰ Response at 5 and Exhibit 2; CR/PR at Table I-8 (noting expansions and acquisitions).

⁷¹ Response at 5-6 (basing estimate on *** production data for China and an approximation of nonparticipating U.S. producers' U.S. shipments).

⁷² CR/PR at Tables I-9 and I-12. The export data available from the Global Trade Atlas concern bars and rods, a product category that includes both subject wire rod and out-of-scope merchandise such as steel bar. *Id.*

⁷³ See CR/PR at I-32, Table I-12. As noted, the export data concern bars and rods, a product category that includes both subject wire rod and out-of-scope merchandise such as steel bar. *Id.*

⁷⁴ See CR/PR at Tables I-10 and I-11. Specifically, Australia, the European Union, India, Mexico, and Indonesia have imposed antidumping duties on wire rod products from China. CR/PR at Table I-10. Additionally, Egypt, the Cooperation Council for the Arab States, Indonesia, and Vietnam currently have ongoing safeguard investigations, or have safeguard measures in place, that apply to the wire rod product from China. CR/PR at Table I-11.

⁷⁵ Purchasers that responded to the Commission's adequacy phase questionnaire stated that ***. CR/PR at D-4 to D-5. As previously discussed, wire rod from China is also subject to section 232

We therefore find that, absent the disciplining effect of the orders, wire rod producers in China are likely to direct significant volumes of subject merchandise to the United States. Accordingly, we find that the likely volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would likely be significant if the orders were revoked.⁷⁶

D. Likely Price Effects

1. Original Investigations

In the original investigations, the Commission found that subject imports and domestically produced wire rod made to the same specifications were highly substitutable and that price was an important factor in purchasing decisions. Moreover, both the domestic like product and the subject imports were made to order and concentrated in the industrial quality grades.⁷⁷

The Commission collected quarterly pricing data on five wire rod products—three industrial quality products, a mesh quality product, and a product for spring applications. The pricing data showed that subject imports undersold the domestic like product in 36 of 38 comparisons. The Commission concluded that the underselling was significant in the light of the importance of price in purchasing decisions. It also observed that subject imports captured market share from the domestic industry through their underselling.⁷⁸

Three Commissioners found significant price depression by the subject imports. They explained that domestic producers lowered prices as increasing quantities of low-priced subject imports entered the market, notwithstanding a 3.5 percent increase in consumption from 2011 to 2013. They observed that the domestic industry's unit sales values declined more than unit

and 301 tariffs. However, one purchaser indicated that ***. *Id.* Purchasers' responses also indicate to us that ***. *Id.* In light of this information, we are not persuaded that section 232 and section 301 tariffs would deter significant quantities of subject imports from entering the U.S. market if the orders under review are revoked.

⁷⁶ Due to the expedited nature of these reviews, the record does not contain current information regarding inventories of wire rod or subject producers' ability to shift production to wire rod from out-of-scope products.

⁷⁷ *Original Determinations*, USITC Pub. 4509 at 16-17.

⁷⁸ *Original Determinations*, USITC Pub. 4509 at 16-17.

raw materials costs and found subject imports had significantly depressed prices for domestically produced wire rod.⁷⁹

The Commission concluded that there was significant underselling of the domestic like product by the subject imports, which had the effect of increasing the market share of the subject imports at the expense of the domestic industry.⁸⁰

2. The Current Reviews

In these reviews, we continue to find, for the reasons stated in section III.B.3., that the domestic like product and subject imports are highly substitutable and that price is an important factor in purchasing decisions.⁸¹ Consequently, subject imports would likely undersell the domestic like product, as they did in the original investigations, to gain market share if the antidumping and countervailing duty orders were revoked. The underselling would likely cause the domestic industry to lower prices or forgo price increases to cover costs, as was the case in the original investigations. Accordingly, we conclude that the likely significant volume of subject imports would undersell the domestic like product to a significant degree to gain market share and would likely have price suppressing or depressing effects if the orders were revoked.

E. Likely Impact

1. Original Investigations

In the original investigations, the Commission found that virtually all trade and financial indicators for the domestic industry declined, in spite of increases in apparent U.S. consumption. The domestic industry's capacity, which declined in each full year, fell by 1.9 percent from 2011 to 2013. The industry's production and shipments also fell; its production was 6.5 percent lower in 2013 than in 2011. Capacity utilization declined by 3.4 percentage points from 2011 to 2013. Although the domestic industry still accounted for the majority of apparent U.S. consumption, its market share declined steadily over the period of investigation

⁷⁹ *Original Determinations*, USITC Pub. 4509 at 18. The other three Commissioners did not find significant price depression or suppression. They found that the predominant effect of the low-priced subject imports was to cause the domestic industry to lose volume and market share. *Id.* at 18.

⁸⁰ *Original Determinations*, USITC Pub. 4509 at 18.

⁸¹ The record does not contain current pricing comparisons because of the expedited nature of these reviews.

as it lost 7.7 percentage points of market share. The number of production and related workers employed in the domestic industry, the total hours worked, and wages paid fluctuated from year to year and declined slightly overall from 2011 to 2013.⁸²

The Commission observed that the financial performance of the domestic industry showed substantial declines during the period of investigation, even as apparent U.S. consumption increased. Because sales revenues declined at a somewhat higher rate than costs, the domestic industry's operating income fell by more than half. The domestic industry's ratio of operating income to net sales declined from 7.0 percent in 2011 to 5.1 percent in 2012 and 4.1 percent in 2013.⁸³

Thus, the Commission found that despite increases in apparent U.S. consumption, the domestic industry's trade and financial performance declined substantially over the period of investigation. It therefore concluded that the significant volume of subject imports, which gained market share at the expense of the domestic industry through significant and pervasive underselling, had a significant impact on the domestic industry.⁸⁴

In its non-attribution analysis, the Commission rejected respondents' arguments that the domestic industry's reliance on captive consumption or the use of Buy American programs insulated the industry from subject import competition. The Commission further found that subject imports had injurious effects on the domestic industry distinct from those of nonsubject imports, because subject imports undersold nonsubject imports from Canada and Turkey in the majority of comparisons and took market share from both the domestic industry and nonsubject imports.⁸⁵

2. The Current Reviews

In the current reviews, the information available concerning the domestic industry's condition is based on data provided by the six domestic producers that jointly responded to the notice of institution. In 2018, the domestic producers' capacity was 4.0 million short tons, production was 3.3 million short tons, and capacity utilization was 82.4 percent. Their U.S.

⁸² *Original Determinations*, USITC Pub. 4509 at 19-20.

⁸³ *Original Determinations*, USITC Pub. 4509 at 20.

⁸⁴ *Original Determinations*, USITC Pub. 4509 at 20-21.

⁸⁵ *Original Determinations*, USITC Pub. 4509 at 21-22. The Commission also rejected respondents' arguments that the domestic producers were more dependent on income from bar products than from wire rod products, and that prices of wire rod sold in the merchant market were intended to yield only incremental revenue and not necessarily to result in a profit. *Id.* at 21.

shipments totaled 3.2 million short tons. Domestic producers reported an operating income of \$298.6 million from net sales of \$2.4 billion, resulting in an operating income margin of 12.4 percent in 2018.⁸⁶ The limited evidence in these expedited reviews is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury should the orders be revoked.

As discussed above, we have found that, upon revocation of the orders, subject import volume would likely be significant and subject imports would likely have significant price effects. Based on the information on the record, we further find that the likely significant volume and price effects of the subject imports would likely have a significant adverse impact on the production, shipment, sales, market share, employment, and revenues of the domestic industry. The likely declines in these factors would, in turn, likely have a direct adverse impact on the domestic industry's profitability.

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute likely injury from other factors to the subject imports. Nonsubject imports fluctuated over the period, generally increasing from 2014 to 2017 before declining in 2018 for an overall decrease in volume from 2014 to 2018; they accounted for 29.8 percent share of apparent U.S. consumption in 2018.⁸⁷ Given the substitutability of imported and domestically produced wire rod, the importance of price in purchasing decisions, and the likely underselling by subject imports in the event of revocation of the orders, as well as the fact that the domestic industry supplies a majority of the U.S. market for wire rod, any likely increase in subject imports would likely take market share away, at least in part, from the domestic industry. Consequently, the subject imports would likely have adverse effects distinct from any that may be caused by nonsubject imports if the orders were revoked.

IV. Conclusion

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

⁸⁶ CR/PR at Table I-5.

⁸⁷ CR/PR at Tables I-6 and I-7. During the original investigations, nonsubject imports' market share declined from 24.4 percent in 2011 to 20.5 percent in 2013. CR/PR at Table I-7.

Information obtained in these reviews

Background

On December 2, 2019, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted reviews to determine whether revocation of the antidumping and countervailing duty orders on carbon and certain alloy steel wire rod (“wire rod”) from China would likely lead to continuation or recurrence of material injury.² All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.³ ⁴ The following tabulation presents information relating to the background and schedule of this proceeding:

Effective date	Action
December 1, 2019	Notice of institution by Commerce (84 FR 65968, December 2, 2019)
December 2, 2019	Notice of initiation by Commission (84 FR 66007, December 2, 2019)
March 6, 2020	Commission’s vote on adequacy
March 31, 2020	Commerce’s results of its expedited reviews
June 15, 2020	Commission’s determinations and views

¹ 19 U.S.C. 1675(c).

² 84 FR 66007, December 2, 2019. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders. 84 FR 65968, December 2, 2019. Pertinent Federal Register notices are referenced in app. A, and may be found at the Commission’s website (www.usitc.gov).

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

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

Responses to the Commission’s notice of institution

Individual responses

The Commission received one submission in response to its notice of institution in the subject reviews. It was filed on behalf of Charter Steel (“Charter”), Commercial Metals Company (“CMC”), EVRAZ Rocky Mountain Steel (“EVRAZ”), Liberty Steel USA (“Liberty”), Nucor Corporation (“Nucor”), and Optimus Steel LLC (“Optimus”), domestic producers of wire rod (collectively referred to herein as “domestic interested parties”).

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

Table I-1

Wire rod: Summary of responses to the Commission’s notice of institution

Type of interested party	Completed responses	
	Number of firms	Coverage
Domestic:		
U.S. producer	6	80%

Note: The coverage figure presented is the estimated share of total U.S. production of wire rod in 2018 accounted for by responding firms as provided by the domestic interested parties in their response to the notice of institution. The estimate was calculated as the quantity of reported production (3,263,893 short tons) divided by the domestic interested parties’ estimate of total U.S. industry production in 2018 (4,082,086 short tons). Domestic interested parties’ response to the notice of institution, January 2, 2020, p.19.

Party comments on adequacy

The Commission received party comments on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews from the domestic interested parties. The domestic interested parties request that the Commission conduct expedited reviews of the antidumping and countervailing duty orders on wire rod.⁵

The original investigations

The original investigations resulted from petitions filed on January 31, 2014 with Commerce and the Commission by ArcelorMittal USA LLC (“ArcelorMittal”), Chicago, Illinois; Charter Steel (“Charter”), Saukville, Wisconsin; Evraz Pueblo⁶ (“Evraz”), Pueblo, Colorado; Gerdau Ameristeel US Inc. (“Gerdau”), Tampa, Florida; Keystone Consolidated Industries, Inc. (“Keystone”), Dallas, Texas; and Nucor Corporation (“Nucor”), Charlotte, North Carolina.⁷ On November 19, 2014, Commerce determined that imports of wire rod from China were being, or were likely to have been, sold in the United States at less than fair value (“LTFV”) and subsidized by the Government of China.⁸ The Commission determined on January 2, 2015 that the domestic industry was materially injured by reason of imports of wire rod from China.⁹ On January 8, 2015, Commerce issued its antidumping and countervailing duty orders with the final weighted-average dumping margins ranging from 106.19 to 110.25 percent and net subsidy rates ranging from 178.46 to 193.31 percent.¹⁰

⁵ Domestic interested parties’ comments on adequacy, February 13, 2020, p. 2.

⁶ On January 31, 2014, Evraz Rocky Mountain Steel became Evraz Pueblo.

⁷ Carbon and Certain Alloy Steel Wire Rod from China, Inv. Nos. 701-TA-512 and 731-TA-1248 (Final), USITC Publication 4509, January 2015 (“Original publication”), p. I-1.

⁸ 79 FR 68860, November 19, 2014; 79 FR 68858, November 19, 2014. With respect to its final antidumping duty determination, Commerce also found that critical circumstances existed for the China-wide entity, but did not exist for the separate rate companies in China. With respect to its final countervailing duty determination, Commerce also found that critical circumstances existed with respect to imports from Benxi Steel, Hebei Iron & Steel, and all other producers/exporters of steel wire rod from China.

⁹ 80 FR 1049, January 8, 2015. The Commission also found that imports subject to Commerce’s affirmative critical circumstances determinations were not likely to undermine seriously the remedial effect of the antidumping and countervailing duty orders on wire rod from China.

¹⁰ 80 FR 1015, January 8, 2015; 80 FR 1018, January 8, 2015.

Previous and related investigations

Title VII investigations

The Commission has conducted a number of previous import relief investigations on wire rod products or similar merchandise. Table I-2 presents data on previous and related title VII investigations.

Table I-2

Wire rod: Previous and related title VII investigations

Original investigation				First review		Second review		Current status
Date ¹	Number	Country	Outcome	Date ¹	Outcome	Date ¹	Outcome	
1982	731-TA-88	Venezuela	Negative	-	-	-	-	-
1982	731-TA-113	Brazil	Affirmative	-	-	-	-	ITA revoked 9/20/85
1982	731-TA-114	Trinidad & Tobago	Affirmative	-	-	-	-	ITA revoked 12/14/87
1982	701-TA-148	Brazil	Affirmative ²	-	-	-	-	Investigation terminated 8/21/85
1982	701-TA-149	Belgium	Affirmative ²	-	-	-	-	Petition withdrawn 11/9/82
1982	701-TA-150	France	Affirmative ²	-	-	-	-	Petition withdrawn 11/9/82
1983	701-TA-209	Spain	Affirmative	-	-	-	-	ITA revoked 9/11/85
1983	731-TA-157	Argentina	Affirmative	1998	Negative	-	-	-
1983	731-TA-158	Mexico	Negative ²	-	-	-	-	-
1983	731-TA-159	Poland	Negative	-	-	-	-	-
1983	731-TA-160	Spain	Affirmative	-	-	-	-	ITA revoked 9/16/85
1984	731-TA-205	E. Germany	Affirmative ²	-	-	-	-	Petition withdrawn 8/1/85
1985	701-TA-243	Portugal	Negative ²	-	-	-	-	-
1985	701-TA-244	Venezuela	Affirmative ²	-	-	-	-	Petition withdrawn 7/24/85
1985	731-TA-256	Poland	Affirmative ²	-	-	-	-	Petition withdrawn 9/10/85
1985	731-TA-257	Portugal	Affirmative ²	-	-	-	-	Petition withdrawn 11/20/85
1985	731-TA-258	Venezuela	Affirmative ²	-	-	-	-	Petition withdrawn 8/30/85
1992	701-TA-314	Brazil	Affirmative	1999	-	-	-	ITA revoked 11/15/99
1992	701-TA-315	France	Affirmative	1999	-	-	-	ITA revoked 11/15/99
1992	701-TA-316	Germany	Affirmative	1999	-	-	-	ITA revoked 11/15/99
1992	701-TA-317	United Kingdom	Affirmative	1999	-	-	-	ITA revoked 11/15/99
1992	731-TA-552	Brazil	Affirmative	1999	-	-	-	ITA revoked 11/15/99
1992	731-TA-553	France	Affirmative	1999	-	-	-	ITA revoked 11/15/99
1992	731-TA-554	Germany	Affirmative	1999	-	-	-	ITA revoked 11/15/99
1992	731-TA-555	United Kingdom	Affirmative	1999	-	-	-	ITA revoked 11/15/99
1992	731-TA-572	Brazil	Negative	-	-	-	-	-

Table continued on next page.

Table I-2--Continued

Wire rod: Previous and related title VII investigations

Original investigation				First review		Second review		Current status
Date ¹	Number	Country	Outcome	Date ¹	Outcome	Date ¹	Outcome	
1993	731-TA-646	Brazil	Negative	-	-	-	-	-
1993	731-TA-647	Canada	Affirmative ²	-	-	-	-	Petition withdrawn 4/18/94
1993	731-TA-648	Japan	Negative	-	-	-	-	-
1993	731-TA-649	Trinidad & Tobago	Negative ²	-	-	-	-	-
1994	701-TA-359	Germany	Negative ²	-	-	-	-	-
1994	731-TA-686	Belgium	Affirmative ²	-	-	-	-	Petition withdrawn 7/7/94
1994	731-TA-687	Germany	Negative ²	-	-	-	-	-
1997	701-TA-368	Canada	Negative	-	-	-	-	-
1997	701-TA-369	Germany	Negligible ³	-	-	-	-	-
1997	701-TA-370	Trinidad & Tobago	Negative	-	-	-	-	-
1997	701-TA-371	Venezuela	Negative	-	-	-	-	-
1997	731-TA-763	Canada	Negative	-	-	-	-	-
1997	731-TA-764	Germany	Negative	-	-	-	-	-
1997	731-TA-765	Trinidad & Tobago	Negative	-	-	-	-	-
1997	731-TA-766	Venezuela	Negative	-	-	-	-	-
2001	701-TA-417	Brazil	Affirmative	2007	Affirmative	2013	Affirmative	Ongoing full review
2001	701-TA-418	Canada	Affirmative	-	-	-	-	ITA revoked 1/23/04
2001	701-TA-419	Germany	Negative	-	-	-	-	-
2001	701-TA-420	Trinidad and Tobago	Negative ⁴	-	-	-	-	-
2001	701-TA-421	Turkey	Negative ⁴	-	-	-	-	-
2001	731-TA-953	Brazil	Affirmative	2007	Affirmative	2013	Affirmative	Ongoing full review
2001	731-TA-954	Canada	Affirmative	2007	Negative	-	-	-
2001	731-TA-955	Egypt	Negligible ³	-	-	-	-	-
2001	731-TA-956	Germany	Negligible ³	-	-	-	-	-
2001	731-TA-957	Indonesia	Affirmative	2007	Affirmative	2013	Affirmative	Ongoing full review
2001	731-TA-958	Mexico	Affirmative	2007	Affirmative	2013	Affirmative	Ongoing full review
2001	731-TA-959	Moldova	Affirmative	2007	Affirmative	2013	Affirmative	Ongoing full review
2001	731-TA-960	South Africa	Negligible ³	-	-	-	-	-
2001	731-TA-961	Trinidad & Tobago	Affirmative	2007	Affirmative	2013	Affirmative	Ongoing full review
2001	731-TA-962	Ukraine	Affirmative	2007	Affirmative	2013	Negative	-
2001	731-TA-963	Venezuela	Negligible ³	-	-	-	-	-
2005	731-TA-1099	China	Negative ²	-	-	-	-	-
2005	731-TA-1100	Germany	Negative ²	-	-	-	-	-

Table continued on next page.

Table I-2--Continued

Wire rod: Previous and related title VII investigations

Original investigation				First review		Second review		
Date ¹	Number	Country	Outcome	Date ¹	Outcome	Date ¹	Outcome	
2005	731-TA-1101	Turkey	Negative ²	-	-	-	-	-
2014	701-TA-512	China	Affirmative	-	-	-	-	Current review
2014	731-TA-1248	China	Affirmative	-	-	-	-	Current review
2017	701-TA-573	Italy	Affirmative	-	-	-	-	Order in effect 5/21/18
2017	701-TA-574	Turkey	Affirmative	-	-	-	-	Order in effect 5/21/18
2017	731-TA-1349	Belarus	Affirmative	-	-	-	-	Order in effect 1/24/18
2017	731-TA-1350	Italy	Affirmative	-	-	-	-	Order in effect 5/21/18
2017	731-TA-1351	Korea	Affirmative	-	-	-	-	Order in effect 5/21/18
2017	731-TA-1352	Russia	Affirmative	-	-	-	-	Order in effect 1/24/18
2017	731-TA-1353	South Africa	Affirmative	-	-	-	-	Order in effect 3/14/18
2017	731-TA-1354	Spain	Affirmative	-	-	-	-	Order in effect 5/21/18
2017	731-TA-1355	Turkey	Affirmative	-	-	-	-	Order in effect 5/21/18
2017	731-TA-1356	Ukraine	Affirmative	-	-	-	-	Order in effect 3/14/18
2017	731-TA-1357	United Arab Emirates	Affirmative	-	-	-	-	Order in effect 1/24/18
2017	731-TA-1358	United Kingdom	Affirmative	-	-	-	-	Order in effect 5/21/18

¹ "Date" refers to the year in which the investigation or review was instituted by the Commission.

² Preliminary determination.

³ The Commission found subject imports to be negligible, and its investigation was thereby terminated.

⁴ The Department of Commerce made a negative determination.

Source: U.S. International Trade Commission publications.

Safeguard investigation¹¹

In 1999, the Commission conducted a safeguard investigation under section 202 of the Trade Act of 1974 to determine whether steel wire rod was 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 imported article. The Commission was equally divided in its injury determination.¹² The President considered the determination of the Commissioners voting in the affirmative and issued Proclamation 7273 imposing relief in the form of a tariff-rate quota (“TRQ”) on imports of steel wire rod for a period of three years and one day, effective March 1, 2000.

Imports of subject products in excess of the quarterly or the annual quota amounts were assessed duties in addition to the column-1 general rates of duty in the amounts of 10 percent ad valorem in the first year of relief (in-quota quantity of 1,580,000 short tons); 7.5 percent ad valorem in the second year of relief (in-quota quantity of 1,611,600 short tons); and 5 percent ad valorem in the third year of relief (in-quota quantity of 1,643,832 short tons). The President subsequently issued Proclamation 7505 effective November 24, 2001, modifying the TRQ, by providing that the in-quota quantity of the TRQ be allocated among these four supplier country groupings: European Community; Commonwealth of Independent States; Trinidad and Tobago; and all other countries.

¹¹ This section is based on Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, Inv. Nos. 701-TA-417 and 731-TA-953, 957-959, 961, and 962 (Second Review), USITC Publication 4472, June 2014 (“Second review publication”), p. I-12; and Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, Investigation Nos. 701-TA-417 and 731-TA-953, 954, 957-959, 961, and 962 (Review), USITC Publication 4014, June 2008 (“First review publication”), pp. I-11-I-12.

¹² Pursuant to section 311(a) of the North American Free Trade Agreement (“NAFTA”) Implementation Act, the Commission made negative findings with respect to imports of wire rod from Canada and Mexico.

Commerce's five-year review

Commerce is conducting expedited reviews with respect to the orders on imports of wire rod from China and intends to issue the final results of these reviews based on the facts available not later than March 31, 2020.¹³ Commerce's Issues and Decision Memorandum, published concurrently with Commerce's final results, contains complete and up-to-date information regarding the background and history of the orders, including scope rulings, duty absorption, changed circumstances reviews, and anti-circumvention. A complete version of the Issues and Decision Memorandum can be accessed at <http://enforcement.trade.gov/frn/>. The Memorandum will also include any decisions that may have been pending at the issuance of this report. Any foreign producers/exporters that are not currently subject to the antidumping or countervailing duty orders on imports of wire rod from China are noted in the sections titled "The original investigations" and "U.S. imports," if applicable.

The product

Commerce's scope

Commerce has defined the scope as follows:

{C}ertain hot-rolled products of carbon steel and alloy steel, in coils, of approximately circular cross section, less than 19.00 mm in actual solid cross-sectional diameter. Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; or (e) concrete reinforcing bars and rods. Also excluded are free cutting steel (also known as free machining steel) products (i.e., products that contain by weight one or more of the following elements: 0.1 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorus, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium). All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

¹³ Letter from Alex Villanueva, Senior Director, Office I, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce to Nannette Christ, Director of Investigations, January 22, 2020.

The products under order are currently classifiable under subheadings 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035 of the HTSUS. Products entered under subheadings 7213.99.0090 and 7227.90.6090 of the HTSUS also may be included in this scope if they meet the physical description of subject merchandise above. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.¹⁴

U.S. tariff treatment

Based upon the scope set forth by Commerce, information available to the Commission indicates that the merchandise subject to these reviews is currently imported under the following provisions of the 2020 Harmonized Tariff Schedule (“HTS”) of the United States: 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093; 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035. The column-1 general duty rate for imports of wire rod under all these provisions is “free.”

Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Wire rod is subject to an additional 25-percent ad valorem duty under Section 232 of the Trade Expansion Act of 1962, as amended,¹⁵ under HTS chapter 99.¹⁶

¹⁴ 80 FR 1015, January 8, 2015.

¹⁵ 19 U.S.C. § 1862.

¹⁶ 83 FR 11625, March 15, 2018. See U.S. note 16(b), subchapter III of HTS chapter 99. HTSUS (2020) Basic Edition, USITC Publication 5011, January 2020, ch. 99, pp. 99-III-5 – 99-III-6, 99-III-139 – 99-III-140.

Wire rod from China also became subject to an additional 10 percent ad valorem duty under Section 301 of the Trade Act of 1974, as amended,¹⁷ in USTR’s fourth enumeration (“Tranche 4, List 1”) effective on or after September 1, 2019.¹⁸ This duty was subsequently increased to 15 percent ad valorem while retaining the same effective date.¹⁹ Effective February 14, 2020, the 15 percent duty was reduced to 7.5 percent.²⁰

Description and uses²¹

Wire rod is a hot-rolled intermediate steel product of circular or approximately circular cross section that typically is produced in nominal fractional diameters up to 47/64 inch (18.7 mm) and sold in irregularly wound coils, primarily for subsequent drawing and finishing by wire drawers.²² Wire rod sold in the United States is categorized by quality according to end use. End-use categories are broad descriptions with overlapping metallurgical qualities, chemistries,²³ and physical characteristics.²⁴

¹⁷ 19 U.S.C. § 2411.

¹⁸ 84 FR 43304, August 20, 2019.

¹⁹ 84 FR 45821, August 30, 2019.

²⁰ 85 FR 3741, January 22, 2020. See also U.S. notes 20(r) and 20(s) to subchapter III of HTS subchapter 99. HTSUS (2020) Basic Edition, USITC Publication 5011, January 2020, ch. 99, pp. 99-III-79 – 99-III-80, 99-III-89 – 99-III-90, 99-III-149.

²¹ Unless otherwise noted, this information is based off on Original publication, pp. I-15 through I-17.

²² Wire drawers (also referred to as redrawers) manufacture wire and wire products and may be independent of the wire rod manufacturers or may be affiliated parties.

²³ Steel chemistries are designated as “grades” of standardized composition ranges for carbon, nonferrous metals, and nonmetallic elements. See e.g., table 2-1, Standard Steels for Wire Rods and Wire Nonresulfurized Carbon Steels, Manganese Maximum Not Exceeding 1.00 Percent. Iron and Steel Society (“I&SS”), Steel Products Manual: Carbon Steel Wire and Rods, August 1993, p. 36.

²⁴ Steel ductility, hardness, and tensile strength are positively correlated with carbon content. Alloying elements can be added at the steel melting stage of the manufacturing process to impart various characteristics to the wire rod.

Table I-3 presents quality and commodity descriptions for 11 major types of wire rod, as indicated by the Iron and Steel Society. Industrial quality wire rod currently accounts for the majority of wire rod consumed in the United States. It is primarily intended for drawing into industrial (or standard) quality wire that, in turn, is used to manufacture such products as nails, reinforcing wire mesh, and chain link fence. Industrial quality wire rod generally is manufactured from low- or medium-low-carbon steel.²⁵ Other relatively large-volume qualities of wire rod consumed in the United States include high- and medium-high carbon and cold-heading quality. High- and medium-high carbon wire rod are intended for drawing into wire for such products as strand, upholstery spring, mechanical spring, rope, screens, and pre-stressed concrete wire.²⁶

²⁵ I&SS, Steel Products Manual: Carbon Steel Wire and Rods, August 1993, p. 36.

²⁶ The end uses of very high quality wire rod are those where manufacturing processes involve large amounts of cold deformation of the steel, such as in recessed quality cold heading; those that are safety critical, such as automotive wheel bolts and tire reinforcing wire; those that have very demanding consistency requirements or unusual steel chemistry requirements, such as certain welding grades; and other applications that put unusual and demanding requirements on the steel.

Table I-3**Wire rod: Quality, end uses, and important characteristics**

Quality	End uses	Important characteristics
Chain quality	Electric welded chain	Butt-welding properties and uniform internal soundness
Cold-finishing quality	Cold-drawn bars	Surface quality
Cold-heading quality	Cold-heading, cold-forging, cold- extrusion products	Internal soundness, good surface quality, may require thermal treatments
Concrete reinforcement	Nondeformed rods for reinforcing concrete (plain round or smooth surface rounds)	Chemical composition important only insofar as it affects mechanical property
Fine wire	Insect screen, weaving wire, florist wire	Rods must be suitable for drawing into wire sizes as small as 0.035 inch (0.889 mm) without intermediate annealing; internal quality important
High carbon and medium-high carbon	Strand and rope, tire bead, upholstery spring, mechanical spring, screens, aluminum conductors steel reinforced core, pre-stressed concrete strand; pipe wrap wire is a subset	Requires thermal treatment prior to drawing; however, it is not intended to be used for music wire or valve spring wire
Industrial (standard) quality	Nails, coat hangers, mesh for concrete reinforcement, fencing	Can only be drawn a limited number of times before requiring thermal treatment
Music spring wire	Springs subject to high stress; valve springs are a subset	Restrictive requirements for chemistry, cleanliness, segregation, decarburization, surface imperfections
Scrapless nut	Fasteners produced by cold heading, cold expanding, cold punching, thread tapping	Internal soundness, good surface quality
Tire cord	Tread reinforcement in pneumatic tires	Restrictive requirements for cleanliness, segregation, decarburization, chemistry, surface imperfections
Welding quality	Wire for gas welding, electric arc welding, submerged arc welding, metal inert gas welding	Restrictive requirements for uniform chemistry

Source: Iron and Steel Society, Steel Products Manual: Carbon Steel Wire and Rods, August 1993, pp. 35-37.

Manufacturing processes²⁷

The manufacturing process for wire rod consists of several stages: (1) melting and refining to set the steel's chemical and metallurgical properties; (2) casting the steel into a semi-finished shape (billet); (3) hot-rolling the billet into rod on a multi-stand, high-speed rolling mill; and (4) coiling and controlled cooling of the wire rod as it passes along a Stelmor deck, a specialized conveyor unique to the wire rod industry. The equipment used to produce wire rod is much the same throughout the world and without significant differences in production technology.

U.S. and foreign wire rod manufacturers have made capital investments in their production facilities to improve processing efficiencies and product quality. Higher standards for product quality (e.g., dimensional tolerances, control over residual or trace elements, and coil weights) have been applied across the entire range of wire rod products largely in response to customer demands for improved performance on the customer's equipment. These improvements have tended to blur the distinctions among quality terms over time.

Melting stage

There are two primary process routes by which steel for rod has been made in the United States and in foreign countries: the integrated process, which employs blast furnaces and basic oxygen furnaces ("BOFs"), and the nonintegrated (or "minimill") production process, which utilizes an electric arc furnace ("EAF") to produce raw steel. In both processes, pig iron, ferrous scrap, and/or direct reduced iron ("DRI") are charged into BOFs or EAFs. In the United States, all steel (or nearly all steel) for rod production is melted from ferrous scrap in an EAF, along with other raw materials that may also be added as part of the EAF charge.²⁸ Alloy agents are added to the liquid steel to impart specific properties to finished steel products. The molten steel is poured or tapped from the furnace to a ladle, which is an open-topped, refractory-lined vessel that has an off-center opening in its bottom and is equipped with a nozzle. Meanwhile,

²⁷ Unless otherwise noted, this information is based on Original publication, January 2015, pp. I-18 through I-22.

²⁸ Minimills use ferrous scrap as their primary raw material but may add DRI or hot-briquetted iron and/or pig iron, with the mix— which may vary over time and locations— depending on the relative costs of the raw materials, specifications for the end product, and individual furnace configurations. Minimills that produce high quality rod products, such as high carbon, cold heading quality, tire cord quality, and/or other special quality wire rod may use less ferrous scrap and more DRI than other steelmakers, however the production process in general does not change.

the primary steelmaking vessel (either EAF or BOF) may be charged with new materials to begin another refining cycle.

Molten steel typically is further treated in a ladle metallurgy station, where its chemistry is refined to give the steel those properties required for specific applications. At the ladle metallurgy, or secondary steel making station, the chemical content (particularly that of carbon and sulfur) is adjusted and alloying agents may be added.²⁹ The steel may be degassed (eliminating oxygen and hydrogen) at low pressures.³⁰ Ladle metallurgy stations are equipped with electric arc power to adjust the temperature of the molten steel for optimum casting and to allow it to serve as a holding reservoir for the tundish.

Casting stage

Once molten steel with the requisite properties has been produced, it is cast into a form that can enter the rolling process. Continuous (strand) casting is the method primarily used in the United States. In strand casting, the ladle containing molten steel is transferred from the ladle metallurgy station to the caster and the molten steel is poured at a controlled rate into a refractory-lined tundish (reservoir dam), which in turn controls the rate of flow of the molten steel into the molds at the top of the caster. The tundish may have a special design or employ

²⁹ Boron can be added as ferroboration to molten steel (in concentrations of 0.0015–0.0030 percent or 15–30 parts per million (“ppm”)) to increase the hardenability of the steel. However, because of boron’s high reactivity with any dissolved oxygen and nitrogen in the molten steel, ferroboration is the last addition at the ladle metallurgy station, under controlled conditions, and only after the molten steel is “killed” (deoxidized or degassed). Shieldalloy Metallurgical Corp., “Boron,” Ferroalloys & Alloying Additives Online Handbook, November 23, 2000. According to the Iron & Steel Society, fine-grained, standard killed carbon steels may include 0.0005–0.003 percent (5–30 ppm) boron to enhance the steel’s hardenability. Standard boron alloy steels can contain 0.0005–0.003 percent (5–30 ppm) boron. Iron & Steel Society, Note 4 to “Table 1 Standard Carbon Steels, Cast or Heat Chemical Ranges and Limits, Bars, Wire Rods, Blooms, Billets and Slabs” and footnote “a” to Standard Boron Alloy Steels in “Table 7 Standard Alloy Steels, Cast or Heat Chemical Ranges and Limits, Bars, Wire Rods, Blooms, Billets and Slabs,” Pocketbook of Standard Steels, July 1996.

³⁰ Liquid steel absorbs gasses from the atmosphere and from the materials used in the steelmaking process. These gasses, chiefly oxygen and hydrogen, cause embrittlement, voids, and nonmetallic inclusions. Low pressures, such as in a vacuum, aid the release of oxygen in gas form without the need for additions of deoxidizers such as silicon, aluminum, or titanium, which form nonmetallic inclusions in steel. Additionally, the carbon content may be reduced more readily at low pressure (because it combines with oxygen to form carbon monoxide and is released in gaseous form), resulting in a more ductile steel. Moreover, hydrogen gas causes embrittlement, low ductility, and blow holes in steel; vacuum treatment more readily removes hydrogen from the steel. Hence the use of deoxidizing processes results in more efficient processing and cleaner steel.

electromagnetic stirring to ensure homogeneity of the steel. The strand caster is designed to produce billets in the desired cross-sectional dimensions, based on the dimensions of the rod and the design of the rolling mill. Billets may be sent directly (“hot-charged”) into the rolling mill or, depending upon the rolling mill's schedule, sent to a storage yard. While in storage, billets may be inspected and subjected to one or more conditioning operations (e.g., grinding or turning) to prepare them for hot rolling. This preparation is more common with cold-heading quality rods intended to be made into fasteners.³¹

Rolling stage

The wire rod rolling process determines the rod's size (diameter) and dimensional precision, depth of decarburization, surface defects and seams, amount of mill scale, structural grain size, and within limits set by the chemistry, tensile strength and other physical properties. There is little or no difference among the wire rod rolling mills in the United States, or between U.S. mills and their foreign competitors.³² A larger billet will produce a heavier coil. Also, usable coil size may be limited by the capabilities of the wire drawer's equipment and machinery.

Modern rod rolling mills consist of five parts: a roughing mill, an intermediate mill, a pre-finishing mill, a no-twist finishing mill, and a coiler combined with a conveyor cooling bed along which the coiled rod travels prior to being collected, tied, compacted, and readied for shipment. Wire rod mills typically consist of 22 to 29 rolling stands and the specialized Stelmor conveyor deck;³³ the need for uniform metallurgical properties requires close temperature control accomplished by accelerating or retarding the rod's cooling as it is rolled and conveyed along the Stelmor deck. This is accomplished by water quench, forced air drafts, or by lowering removable hoods overtop the deck. Metallurgical quality, temperature, and dimensional tolerance usually are inspected in-line.

³¹ The purpose of these surface treatments is to make the steel billet softer and more ductile (annealing); in the case of surface grinding, seam and folds are removed.

³² The rolling process, however, can be optimized for various quality levels. The rolling process for higher quality steel, such as for cold heading quality and other surface sensitive products, must be designed to maximize surface integrity. This is managed by the number of rolling stands used to get to a specific end diameter, the design of the reductions taken at each step, and the design of the guiding equipment used to keep the steel moving on the proper path through the mill.

³³ The Stelmor conveyor deck allows for controlled cooling of the wire rod. The cooling speed imparts certain physical characteristics, thereby enabling producers to produce a wider range of wire rod qualities. Likewise, the Stelmor deck may be optimized for specific end products. Most, if not all, U.S. wire rod producers have installed controlled cooling capacities.

Exiting the reheat furnace, the billet is initially reduced on a roughing mill (which usually consists of approximately five stands). It then is passed through and successively reduced in size on several more stands, termed intermediate rolling. After the last intermediate rolling stand, the rolling mill usually splits into dual lines and the product is passed along to a pre-finishing mill which reduces it further in diameter. Rod mills often employ a “twist” mill for primary and intermediate rolling, but the final rolling is nearly always on a no-twist Morgan Vee mill (the rolls in each of approximately five stands are set a 90-degree angles to allow the rod to be rolled without twisting). This produces a nearly uniform non-oriented grain structure in the steel.

Cooling stage

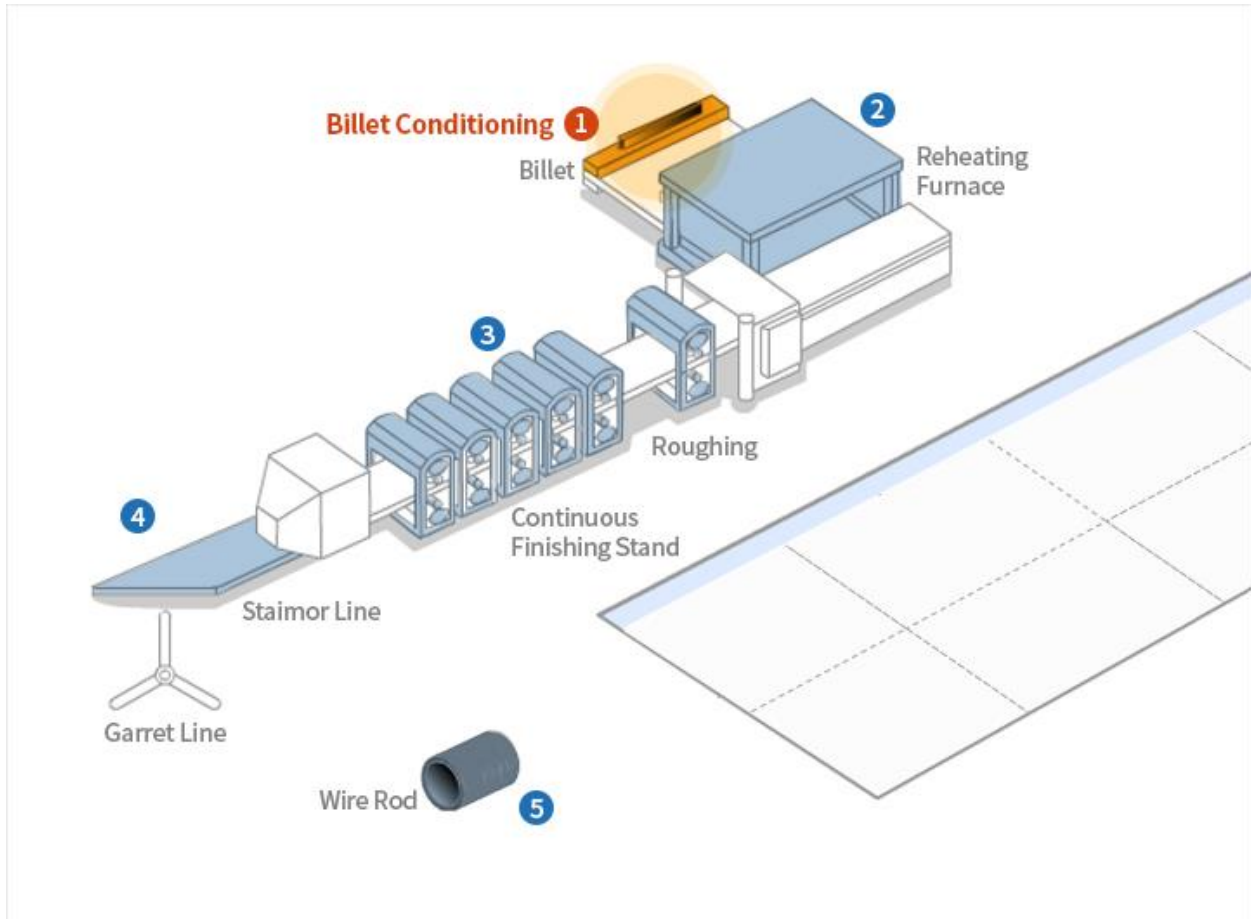
After exiting the last finishing stand, the rod is coiled into concentric loops and placed on a conveyor which moves the hot wire rod along while it cools. During rolling, the rod is water-cooled as it travels along the Stelmor deck; cooling practices are varied depending on the designated end use of the rod and the customer's preferences. The speed at which the rod is cooled affects the consistency and formation of its metallurgical structure (grain structure and physical properties such as tensile strength). It also affects scale buildup, which determines yield losses at the wire drawer. The cooling rate may be varied through the use of removable covers (insulating hoods which may be independently raised or lowered) over the deck or blown-air cooling, or a combination of the two, or through varying the speed of the roller table. The end user often specifies the cooling practice of the rod purchased.

At the end of the cooling deck, workers crop the ends of each rod to remove the part of the rod which may be of lower quality due to uneven temperature control; the cropped ends are also used for testing and inspection. The rod is then collected onto a carrier, transferred to a “c” hook, compacted, tied, and readied for shipment, or for further finishing or in-house fabrication. Figure I-1 illustrates the reheat through cooling stages of the wire rod production process.

Domestic producers manufacture various types of wire rod on essentially the same equipment, in the same facilities, and with the same production personnel. While changes to production processes are limited, changes in chemical composition, alloying elements and other raw materials, stand fittings, and cooling speed determine the quality of the wire rod produced. The basic equipment, machinery, facilities, and production personnel, however, remain the same to produce industrial quality, tire cord quality, welding quality, and cold heading quality wire rod.

Figure I-1

Wire rod: Reheat and rolling process



Source: POSCO Web site,
<http://product.posco.com/homepage/product/eng/jsp/process/s91p2000320w.jsp>, accessed January 29, 2020.

The industry in the United States

U.S. producers

During the final phase of the original investigations, the Commission received U.S. producer questionnaires from 10 firms, which accounted for all production of wire rod in the United States during 2013.³⁴ Six U.S. producers that accounted for 80 percent of U.S. production during 2018 provided data in response to the Commission's notice of institution in these reviews. In their response, they provided a list of 10 known and currently operating U.S. producers of wire rod.³⁵

³⁴ Original publication, p. I-5.

³⁵ Domestic interested parties' response to the notice of institution, January 2, 2020, pp. 16 and 18.

Recent developments

Table I-4 presents events in the U.S. industry since the original investigations.

Table I-4

Wire rod: Recent developments in the U.S. industry

Date	Company	Event
August 2015	ArcelorMittal	Plant closing: ArcelorMittal closed its wire rod mill in Georgetown, South Carolina.
April 2017	Liberty House Group	Acquisition: Liberty House Group purchased ArcelorMittal's inactive wire rod mill in Georgetown, South Carolina.
April 2018	Optimus Steel	Acquisition: Optimus Steel completed its acquisition of a wire rod operation and two processing units in the United States from Gerdau. The assets included a mill in Beaumont, Texas and the Beaumont Wire Products and Carrollton Wire Products processing units.
July 2018	Liberty House Group	Plant opening: Liberty House Group announced that it reopened its wire rod mill in Georgetown, South Carolina. The mill has a production capacity of 750,000 rolling tons per year.
November 2018	Commercial Metals Company (CMC)	Acquisition: CMC announced the acquisition of Gerdau's Jacksonville, Florida Ameristeel mill in addition to 32 other rebar fabrication facilities. The Jacksonville mill produces both rebar and wire rod products. The mill estimates that it produces the equivalent of 18 thousand miles of wire rod per year.
January 2019	Liberty Steel USA	Acquisition: Liberty Steel USA announced the acquisition of Keystone Consolidated Industries ("KCI"). KCI is a producer of steel fabricated wire products, industrial wire, and wire rods.

Source: Jacksonville Daily Record, "Commercial Metals Buys Gerdau Ameristeel," December 4, 2018, <https://www.jaxdailyrecord.com/article/commercial-metals-buys-gerdau-ameristeel>, accessed February 3, 2020; Market Insider, "GERDAU: Company Concludes Sale Of U.S. Assets To Optimus Steel," April 2, 2018, <https://markets.businessinsider.com/news/interestrates/gerdau-company-concludes-sale-of-u-s-assets-to-optimus-steel-1020254402>, accessed February 3, 2020; GFG Alliance Company, "GFG Alliance Company, Liberty Steel USA, Completes \$320m Acquisition of Keystone Consolidated Industries and Pledges Additional Investment," January 2, 2019, <https://www.gfgalliance.com/media/gfg-alliance-company-liberty-steel-usa-completes-320m-acquisition-of-keystone-consolidated-industries-and-pledges-additional-investment/>, accessed February 3, 2020; Fastmarkets AMM, "Liberty House Restarts Georgetown Mill in South Carolina," July 29, 2018, <https://www.amm.com/Article/3823869/Liberty-House-restarts-Georgetown-mill-in-South-Carolina.html>, accessed February 3, 2020.

U.S. producers' trade and financial data

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution in the current five-year reviews.³⁶ Table I-5 presents a compilation of the data submitted from all responding U.S. producers as well as trade and financial data submitted by U.S. producers in the original investigations.

Table I-5

Wire rod: Trade and financial data submitted by U.S. producers, 2011-13, and 2018

Item	2011	2012	2013	2018
Capacity (short tons)	5,150,146	5,117,686	5,051,499	3,959,885
Production (short tons)	3,907,416	3,879,061	3,655,088	3,263,893
Capacity utilization (percent)	75.9	75.8	72.4	82.4
U.S. shipments:				
Quantity (short tons)	3,876,145	3,809,727	3,599,459	3,189,555
Value (\$1,000)	3,012,124	2,827,033	2,529,516	2,382,896
Unit value (dollars per short ton)	777	742	703	747
Net sales (\$1,000)	3,041,011	2,858,631	2,552,083	2,408,811
COGS (\$1,000)	2,735,782	2,621,410	2,357,315	2,002,726
COGS/net sales (percent)	90.0	91.7	92.4	83.1
Gross profit (loss) (\$1,000)	305,229	237,221	194,768	406,086
SG&A expenses (\$1,000)	91,441	91,545	89,824	107,484
Operating income (loss) (\$1,000)	213,788	145,676	104,944	298,602
Operating income (loss)/net sales (percent)	7.0	5.1	4.1	12.4

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

Source: For the years 2011-13, data are compiled using data submitted in the Commission's original investigations. See app. C. For the year 2018, data are compiled using data submitted by domestic interested parties. Domestic interested parties' response to the notice of institution, January 2, 2020, exh. 5.

³⁶ Individual company trade and financial data are presented in app. B.

Definitions of the domestic like product and domestic industry

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. Under the related parties provision, the Commission may exclude a related party for purposes of its injury determination if “appropriate circumstances” exist.³⁷

In its original determinations, the Commission defined one domestic like product comprised of all wire rod products coextensive with Commerce’s scope and it defined the domestic industry as all U.S. producers of wire rod.³⁸

In its notice of institution for these first five-year review, the Commission solicited comments from interested parties regarding what they deemed to be the appropriate definitions of the domestic like product and domestic industry and inquired as to whether any related parties issues existed. According to their response to the notice of institution, the domestic interested parties agree with these definitions of the domestic like product and the domestic industry, but reserve the right to comment on the appropriate definition during the course of the proceeding.³⁹ The domestic interested parties stated that they are not importers or foreign producers of the subject merchandise and that they are not aware of any non-participating U.S. producers that are importers of or are related to a foreign producer/exporter or importer of subject merchandise.⁴⁰

³⁷ Section 771(4)(B) of the Tariff Act of 1930, 19 U.S.C. § 1677(4)(B).

³⁸ 84 FR 66007, December 2, 2019. Original publication, pp. 5-6. There were no related party issues in the original investigation. *Ibid.*, p. 6 n.20.

³⁹ Domestic interested parties’ response to the notice of institution, January 2, 2020, p. 21.

⁴⁰ Domestic interested parties’ response to the notice of institution, January 2, 2020, p. 17.

U.S. imports and apparent U.S. consumption

U.S. importers

During the final phase of the original investigations, the Commission received useable U.S. importer questionnaires from 30 firms, which accounted for virtually all U.S. imports of wire rod from China and 83.5 percent of U.S. imports from nonsubject sources during 2013.⁴¹ Import data presented in the original investigations were based on official Commerce statistics.

Although the Commission did not receive responses from any respondent interested parties in these current reviews, in its response to the Commission's notice of institution, the domestic interested parties provided a list of 39 potential U.S. importers of wire rod.⁴²

U.S. imports

Table I-6 presents the quantity, value, and unit value of U.S. imports from China as well as the other top sources of U.S. imports (shown in descending order of 2018 imports by quantity).

⁴¹ Original publication, p. IV-1.

⁴² Domestic interested parties' response to the notice of institution, January 2, 2020, exh. 6.

Table I-6
Wire rod: U.S. imports, 2014-18

Item	2014	2015	2016	2017	2018
	Quantity (short tons)				
China (subject)	374,785	1,672	81	32	406
Canada	524,324	561,752	552,375	566,469	543,855
Japan	198,802	265,401	254,372	261,677	282,022
Germany	82,441	83,946	58,236	114,612	154,846
Brazil	103,483	128,799	143,841	174,961	105,844
All other sources (nonsubject)	516,473	747,510	767,564	689,655	264,671
Subtotal, nonsubject	1,425,523	1,787,408	1,776,388	1,807,373	1,351,237
Total imports	1,800,307	1,789,080	1,776,469	1,807,405	1,351,643
	Landed, duty-paid value (\$1,000)				
China (subject)	196,661	887	56	30	544
Canada	405,564	358,637	326,208	385,161	467,603
Japan	179,208	234,712	232,060	222,967	281,510
Germany	77,207	77,063	49,227	69,659	117,309
Brazil	66,020	72,576	71,178	100,537	70,980
All other sources (nonsubject)	321,719	373,279	322,597	338,813	176,285
Subtotal, nonsubject	1,049,718	1,116,268	1,001,269	1,117,136	1,113,686
Total imports	1,246,379	1,117,155	1,001,325	1,117,166	1,114,230
	Unit value (dollars per short ton)				
China (subject)	525	530	686	944	1,340
Canada	774	638	591	680	860
Japan	901	884	912	852	998
Germany	937	918	845	608	758
Brazil	638	563	495	575	671
All other sources (nonsubject)	623	499	420	491	666
Subtotal, nonsubject	736	625	564	618	824
Total imports	692	624	564	618	824

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

Source: Compiled from official Commerce statistics for HTS statistical reporting numbers 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035.

Apparent U.S. consumption and market shares

Table I-7 presents data on U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption and market shares.

Table I-7

Wire rod: U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares, 2011-13, and 2018

Item	2011	2012	2013	2018
	Quantity (short tons)			
U.S. producers' U.S. shipments	3,876,145	3,809,727	3,599,459	3,189,555
U.S. imports from—				
China	144	241,966	618,790	406
All other sources	1,253,898	1,276,955	1,089,837	1,351,237
Total imports	1,254,042	1,518,921	1,708,627	1,351,643
Apparent U.S. consumption	5,130,187	5,328,648	5,308,086	4,541,198
	Value (1,000 dollars)			
U.S. producers' U.S. shipments	3,012,124	2,827,033	2,529,516	2,382,896
U.S. imports from—				
China	162	146,243	335,857	544
All other sources	1,142,860	1,115,063	895,744	1,113,686
Total imports	1,143,021	1,261,306	1,231,601	1,114,230
Apparent U.S. consumption	4,155,145	4,088,339	3,761,117	3,497,126

Table continued on next page.

Table I-7--Continued**Wire rod: U.S. producers' U.S. shipments, U.S. imports, apparent U.S. consumption, and market shares, 2011-13, and 2018**

Item	2011	2012	2013	2018
Share of consumption based on quantity (percent)				
U.S. producer's share	75.6	71.5	67.8	70.2
U.S. imports from.--				
China	0.0	4.5	11.7	0.0
All other sources	24.4	24.0	20.5	29.8
Total imports	24.4	28.5	32.2	29.8
Share of consumption based on value (percent)				
U.S. producer's share	72.5	69.1	67.3	68.1
U.S. imports from.--				
China	0.0	3.6	8.9	0.0
All other sources	27.5	27.3	23.8	31.8
Total imports	27.5	30.9	32.7	31.9

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

Source: For the years 2011-13, data are compiled using data submitted in response to Commission questionnaires and official Commerce statistics obtained in the Commission's original investigations. See app. C. For the year 2018, U.S. producers' U.S. shipments are compiled from the domestic interested parties' response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS statistical reporting numbers 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035.

The industry in China

During the final phase of the original investigations, the Commission issued questionnaires to 29 firms in China believed to produce and/or export wire rod and the Commission received responses from 7 firms. None of these responding firms reported the approximate share of their production to total wire rod production in China nor did they report the approximate share of their exports to total exports of wire rod to the United States.⁴³

Although the Commission did not receive responses from any respondent interested parties in these five-year reviews, the domestic interested parties provided a list of 77 possible producers and/or exporters of wire rod in China in their response to the notice of institution.⁴⁴

⁴³ Original publication, p. VII-3-VII-4.

⁴⁴ Domestic interested parties' response to the notice of institution, January 2, 2020, exh. 2.

Recent developments

Table I-8 presents events in the Chinese industry since the original investigations.

Table I-8: Recent developments in the Chinese Industry

Date	Company	Event
September 2016	Baowu Steel Group	Acquisition: Baowu Steel Group announced the acquisition of Wuhan Iron and Steel Company. The majority of Wuhan Iron and Steel Company's production is flat products, but the company also produces wire rod.
July 2018	China First Metallurgical Group Corporation	Expansion: Lishui Huahong Iron and Steel Products Company, a subsidiary of China First Metallurgical Group Corporation, completed production and put into operation a new 70-ton electric furnace. Lishui Huahong produces many steel products, including steel wires and rods.
November 2018	Fujian Sangang Group	Expansion: Fujian Sangang Group, a producer of wire rod and other steel products, purchased the rights to the steel-making capacity of a plant owned by Laiwu Steel Co. The added capacity acquired totals 1.35 million metric tons.
June 2019	Baowu Steel Group	Acquisition: Baowu Steel Group, a major producer of wire rod and other steel products, announced the acquisition of a majority stake of Magang Steel. The combined crude steel production capacity of the two companies would total 87 million metric tons.
December 2019	Baowu Steel Group	Acquisition: Baowu Steel Group announced its intent to acquire a majority stake of Chongqing Iron and Steel. Baowu Steel Group and Chongqing Iron and Steel are producers of wire rod and other steel products.

Source: Bakin, "No. 1 electric furnace of Lishui 70 tons electric furnace project of China No.1 Smelter Successfully Put Into Operation," Metallurgical Corporation of China, July 24, 2018, http://www.mcc.com.cn/mcc/_132154/_132572/537925/index.html, accessed February 4, 2020; Reuters, "China Baosteel's Takeover of Wuhan to Create World's No. 2 Steelmaker," September 20, 2016, <https://www.reuters.com/article/us-china-baosteel-mergers-idUSKCN11Q0U3>, accessed February 4, 2020; Wang, Ying, "Baowu Steel Set to Buy Majority Stake in Peer," China Daily, December 31, 2019, <https://www.chinadaily.com.cn/a/201912/31/WS5e0a9e03a310cf3e355819bb.html>, accessed February 4, 2020; Argus Media, "China's Sangang Buys Steel Capacity," November 20, 2018, <https://www.argusmedia.com/en/news/1795837-chinas-sangang-buys-steel-capacity>, accessed February 4, 2020; Hancock, Tom, "China Steel Groups Merger Set to Exceed US Output," Financial Times, June 3, 2019, <https://www.ft.com/content/a7c93fae-85bc-11e9-a028-86cea8523dc2>, accessed February 4, 2020.

China's exports

Table I-9 presents China's exports of steel bars and rod (including wire rod)⁴⁵ during 2014-18 to leading export markets (in descending order of volume for 2018), followed by exports to the United States. The top 5 export markets, by volume for Chinese steel bars and rod (including wire rod) were Korea, Thailand, the Philippines, Indonesia, and Vietnam in 2018. Collectively, those five countries represented 57.4 percent of China's total steel bar and rod exports in 2018. China's steel bar and rod exports to the United States fell significantly after 2014, but rose slightly in 2018. Nonetheless, in 2018, China's steel bar and rod exports to the United States represented less than 0.01 percent of China's steel bar and rod exports by volume.

⁴⁵ These data are believed to be overstated as these HS subheadings contain products outside the scope of these reviews, such as steel bars or other specifically excluded items from the scope.

Table I-9**Steel bars and rod (including wire rod), China: global exports, 2014-18**

Exporter	Calendar year				
	2014	2015	2016	2017	2018
	Quantity (short tons)				
Korea South	1,189,178	1,201,448	1,288,978	1,210,661	899,816
Thailand	1,336,774	1,389,333	1,280,280	837,819	798,635
Philippines	670,637	700,096	848,057	734,525	787,084
Indonesia	651,750	654,560	750,744	611,819	518,263
Vietnam	1,082,713	1,443,263	1,474,262	641,669	516,996
Japan	451,944	383,651	357,139	340,247	234,697
Saudi Arabia	435,110	510,119	459,775	161,513	187,071
Malaysia	599,694	933,968	641,908	205,575	184,368
Colombia	190,638	199,248	82,879	104,329	165,250
Singapore	429,283	468,568	407,367	161,464	146,984
United States	250,682	2,145	36	52	349
All other exporters	5,147,824	5,493,015	4,296,215	1,799,277	1,691,928
Total global exports	12,436,230	13,379,414	11,887,641	6,808,951	6,131,441

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

Source: Compiled from Global Trade Atlas, HS 7213.91 Bars And Rods, Hot-Rolled, in Irregularly Wound Coils, of Iron Or Nonalloy Steel, of Circular Cross-Section Measuring Less Than 14 mm in Diameter, Nesoi; HS 7213.99, Bars and Rods, Hot-Rolled, in Irregularly Wound Coils, of Iron or Nonalloy Steel, Nesoi; HS 7227.20, Bars and Rods of Silico-Manganese Steel, Hot-Rolled, in Irregularly Wound Coils; and HS 7227.90, Bars and Rods of Alloy Steel (Other Than Stainless), Hot-Rolled, in Irregularly Wound Coils, Nesoi. These data are believed to be overstated as these HS subheadings contain some products outside the scope of these reviews, such as certain steel bars or other specifically excluded items from the scope.

Antidumping duty orders, countervailing duty orders, and safeguard measures in third-country markets

Antidumping and countervailing duty orders

Table I-10 presents antidumping and countervailing duty orders imposed by third countries on China.

Table I-10

Wire rod: Antidumping and countervailing duty orders in third-country markets, January 2015 – December 2019

Third country and subject products	Action date	Subject partner(s)	Order (rates)
Australia			
Wire rod in coils	Imposed April 2016; amended February 2019	China	Antidumping (39.5 percent)
European Union			
Wire rod	Initiated August 2009; extended October 2015	China	Antidumping (24 percent)
India			
Wire rod of alloy or non-alloy steel	Imposed November 2016; amended October 2017	China	Antidumping (\$535-\$546 dollars per ton)
Indonesia			
Steel wire rods	Imposed April 2018	China	Antidumping (10.2 percent to 13.5 percent)
Mexico			
Steel wire rod	Imposed July 2016	China	Antidumping (\$0.49 per kilogram)
Indonesia			
High carbon steel wire rod	Imposed May 2014; extended May 2019	China	Antidumping (16.1 percent to 34.0 percent)
Low carbon steel wire rod	Imposed January 2015	China	Antidumping (17.2 percent to 34.4 percent)

Source: World Trade Organization (“WTO”), “Definitive Antidumping Measures” semiannual reports of the tabulated third countries; third-country government agency official notices, no date, https://docsonline.wto.org/Dol2FE/Pages/FE_Search/FE_S_S001.aspx?language=1, retrieved February 1, 2020.

Safeguard measures

Table I-11 presents ongoing safeguard investigations and safeguard measures imposed by third countries on certain trade partners including China.

Table I-11

Wire rod: Safeguard actions in third-country markets, January 2015 – December 2019

Third country and subject products	Action date	Subject partner(s)	Order (rates)
Egypt			
"Semi-finished products of iron or non-alloy steel and Steel rebar," including rods of iron or non-alloy steel, not further worked than hot-rolled	Initiated October 2019	All countries	Definitive Safeguard Measure; 25 percent (10/12/2019-4/11/2019), 21 percent (4/12/2020-4/11/2021); 17 percent (4/12/2021-4/11/2022)
Cooperation Council for the Arab States (GCC)			
"Certain steel products," including wire rod	Initiated October 2019	All countries	Initiation of Safeguard Investigation
Indonesia			
Steel wire rods & deformed bar in coils	Initiated April 2017	All countries	Definitive Safeguard Measure; 13.9 percent (4/15/2017-4/14/2018); 12.9 percent (4/15/2018-4/14/2019); 11.9 percent (4/15/2019-4/14/2020);
Vietnam			
"Certain semi-finished and finished products of alloy and non-alloy steel," including rods of iron or non-alloy steel	Initiated July 2016	All countries	Definitive Safeguard Measure 14.2% (3/22/2016-8/1/2016) 15.4% (8/2/2016-3/21/2017) 13.9% (3/22/2017-3/21/2018) 12.4% (3/22/2018-3/21/2019) 10.9% (3/22/2019-3/21/2020)

Source: WTO: Committee on Safeguards, notification reports of the tabulated third countries, no date, https://docsonline.wto.org/Dol2FE/Pages/FE_Search/FE_S_S001.aspx?language=1, retrieved February 3, 2020.

The global market

Table I-12 presents global steel bar and rod (including wire rod)⁴⁶ exports during 2014-2018, by volume, from leading sources as well as the United States. In 2018, the volume of global steel bar and rod exports (HS 7213.91, HS 7213.99, HS 7227.20, and 7227.90) totaled 24.1 million short tons, valued at \$13.1 billion dollars. China is the largest global exporter of steel bars and rod with 6.1 million short tons exported in 2018, which represented 25.5 percent of global export volume. The next four leading steel bar and rod exporters in 2018, by volume, were Germany, Turkey, Japan, and Russia. Combined with China, these 5 countries represented 51.1 percent of global export volume in 2018. Steel wire and rod exports from the United States totaled just over 85,000 short tons in 2018.

⁴⁶ These data are believed to be overstated as these HS subheadings contain some products outside the scope of these reviews, such as certain steel bars or other specifically excluded items from the scope.

Table I-12**Bars and rod (including wire rod): Global exports by major sources, 2014-18**

Exporter	Calendar year				
	2014	2015	2016	2017	2018
	Quantity (short tons)				
China	12,436,230	13,379,414	11,887,641	6,808,951	6,131,441
Germany	2,194,830	2,170,890	1,923,474	1,852,905	1,740,555
Japan	1,897,967	1,881,865	1,908,121	1,780,850	1,659,425
Turkey	731,600	564,644	747,279	1,168,196	1,527,883
Russia	621,870	666,474	1,062,218	1,148,918	1,234,367
South Korea	961,885	998,732	1,008,263	872,401	960,728
Italy	837,143	813,292	857,478	934,395	951,488
Czech Republic	797,526	929,133	1,019,676	974,293	947,237
Spain	871,128	853,136	823,125	937,289	911,516
Belgium	543,973	481,148	373,523	494,569	885,159
United States	144,453	104,528	101,773	107,216	85,116
All other exporters	7,087,647	6,918,448	7,293,992	7,892,327	7,024,503
Total global exports	29,126,253	29,761,706	29,006,563	24,972,309	24,059,417

Source: Compiled from Global Trade Atlas, HS 7213.91 Bars And Rods, Hot-Rolled, in Irregularly Wound Coils, of Iron Or Nonalloy Steel, of Circular Cross-Section Measuring Less Than 14 mm in Diameter, Nesoi; HS 7213.99, Bars and Rods, Hot-Rolled, in Irregularly Wound Coils, of Iron or Nonalloy Steel, Nesoi; HS 7227.20, Bars and Rods of Silico-Manganese Steel, Hot-Rolled, in Irregularly Wound Coils; and HS 7227.90, Bars and Rods of Alloy Steel (Other Than Stainless), Hot-Rolled, in Irregularly Wound Coils, Nesoi. These data are believed to be overstated as these HS subheadings contain some products outside the scope of these reviews, such as certain steel bars or other specifically excluded items from the scope.

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 65968 December 2, 2019	<i>Initiation of Five-Year (Sunset) Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2019-12-02/pdf/2019-26015.pdf
84 FR 66007 December 2, 2019	<i>Carbon and Certain Alloy Steel Wire Rod From China; Institution of Five-Year Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2019-12-02/pdf/2019-25938.pdf

APPENDIX B
COMPANY-SPECIFIC DATA

RESPONSE CHECKLIST FOR U.S. PRODUCERS

* * * * *

APPENDIX C

SUMMARY DATA COMPILED IN ORIGINAL INVESTIGATIONS

Table C-1

Wire rod: Summary data concerning the U.S. market, 2011-13, January to June 2013, and January to June 2014

(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 June		Calendar year			Jan-Jun
	2011	2012	2013	2013	2014	2011-13	2011-12	2012-13	2013-14
U.S. consumption quantity:									
Amount (4).....	5,130,187	5,328,648	5,308,086	2,735,825	***	3.5	3.9	(0.4)	***
Producers' share (1).....	75.6	71.5	67.8	69.2	***	(7.7)	(4.1)	(3.7)	***
Importers' share (1):									
China (4).....	0.0	4.5	11.7	10.0	***	11.7	4.5	7.1	***
All others sources.....	24.4	24.0	20.5	20.8	***	(3.9)	(0.5)	(3.4)	***
Total imports (4).....	24.4	28.5	32.2	30.8	***	7.7	4.1	3.7	***
U.S. consumption value:									
Amount (4).....	4,155,145	4,088,339	3,761,117	1,966,691	***	(9.5)	(1.6)	(8.0)	***
Producers' share (1).....	72.5	69.1	67.3	68.4	***	(5.2)	(3.3)	(1.9)	***
Importers' share (1):									
China (4).....	0.0	3.6	8.9	7.7	***	8.9	3.6	5.4	***
All others sources.....	27.5	27.3	23.8	23.9	***	(3.7)	(0.2)	(3.5)	***
Total imports (4).....	27.5	30.9	32.7	31.6	***	5.2	3.3	1.9	***
U.S. imports from:									
China:									
Quantity (4).....	144	241,966	618,790	274,888	***	429,759.0	167,987.9	155.7	***
Value (4).....	162	146,243	335,857	151,946	***	207,712.8	90,388.2	129.7	***
Unit value.....	\$1,123	\$604	\$543	\$553	***	(51.7)	(46.2)	(10.2)	***
Ending inventory quantity.....	0	***	***	***	***	(fn2)	(fn2)	***	***
All other sources:									
Quantity.....	1,253,898	1,276,955	1,089,837	568,635	640,635	(13.1)	1.8	(14.7)	12.7
Value.....	1,142,860	1,115,063	895,744	469,082	484,792	(21.6)	(2.4)	(19.7)	3.3
Unit value.....	\$911	\$873	\$822	\$825	\$757	(9.8)	(4.2)	(5.9)	(8.3)
Ending inventory quantity.....	55,995	***	***	***	***	***	***	***	***
Total imports:									
Quantity (4).....	1,254,042	1,518,921	1,708,627	843,524	***	36.2	21.1	12.5	***
Value (4).....	1,143,021	1,261,306	1,231,601	621,028	***	7.7	10.3	(2.4)	***
Unit value.....	\$911	\$830	\$721	\$736	***	(20.9)	(8.9)	(13.2)	***
Ending inventory quantity.....	55,995	97,262	144,645	101,771	127,539	158.3	73.7	48.7	25.3
U.S. producers':									
Average capacity quantity (3).....	5,150,146	5,117,686	5,051,499	2,557,566	2,610,949	(1.9)	(0.6)	(1.3)	2.1
Production quantity.....	3,907,416	3,879,061	3,655,088	1,970,026	1,909,764	(6.5)	(0.7)	(5.8)	(3.1)
Capacity utilization (1).....	75.9	75.8	72.4	77.0	73.1	(3.4)	(0.1)	(3.4)	(3.9)
U.S. shipments:									
Quantity.....	3,876,145	3,809,727	3,599,459	1,892,301	1,850,061	(7.1)	(1.7)	(5.5)	(2.2)
Value.....	3,012,124	2,827,033	2,529,516	1,345,663	1,341,255	(16.0)	(6.1)	(10.5)	(0.3)
Unit value.....	\$777	\$742	\$703	\$711	\$725	(9.6)	(4.5)	(5.3)	1.9
Export shipments:									
Quantity.....	34,687	26,748	24,319	***	***	(29.9)	(22.9)	(9.1)	***
Value.....	28,888	31,597	22,566	***	***	(21.9)	9.4	(28.6)	***
Unit value.....	\$833	\$1,181	\$928	***	***	11.4	41.8	(21.4)	***
Ending inventory quantity.....	193,261	235,847	266,867	300,278	310,333	38.1	22.0	13.2	3.3
Inventories/total shipments (1).....	4.9	6.1	7.4	***	***	2.4	1.2	1.2	***
Production workers.....	2,234	2,277	2,194	2,249	2,233	(1.8)	1.9	(3.6)	(0.7)
Hours worked (1,000s).....	4,552	4,587	4,259	2,157	2,282	(6.4)	0.8	(7.2)	5.8
Wages paid (\$1,000).....	166,385	174,648	156,838	81,172	85,022	(5.7)	5.0	(10.2)	4.7
Productivity (short tons per 1,000 hours).....	858	846	858	913	837	(0.0)	(1.5)	1.5	(8.4)
Unit labor costs.....	\$42.58	\$45.02	\$42.91	\$41.20	\$44.52	0.8	5.7	(4.7)	8.0
Net sales:									
Quantity.....	3,910,832	3,836,475	3,623,777	1,905,307	1,865,657	(7.3)	(1.9)	(5.5)	(2.1)
Value.....	3,041,011	2,858,631	2,552,083	1,359,093	1,355,867	(16.1)	(6.0)	(10.7)	(0.2)
Unit value.....	\$778	\$745	\$704	\$713	\$727	(9.4)	(4.2)	(5.5)	1.9
Cost of goods sold (COGS).....	2,735,782	2,621,410	2,357,315	1,248,827	1,284,965	(13.8)	(4.2)	(10.1)	2.9
Gross profit or (loss).....	305,229	237,221	194,768	110,266	70,902	(36.2)	(22.3)	(17.9)	(35.7)
SG&A expenses.....	91,441	91,545	89,824	46,635	47,369	(1.8)	0.1	(1.9)	1.6
Operating income or (loss).....	213,788	145,676	104,944	63,631	23,533	(50.9)	(31.9)	(28.0)	(63.0)
Capital expenditures.....	60,426	72,514	183,522	140,353	35,084	203.7	20.0	153.1	(75.0)
Unit COGS.....	\$700	\$683	\$651	\$655	\$689	(7.0)	(2.3)	(4.8)	5.1
Unit SG&A expenses.....	\$23	\$24	\$25	\$24	\$25	6.0	2.1	3.9	3.7
Unit operating income or (loss).....	\$55	\$38	\$29	\$33	\$13	(47.0)	(30.5)	(23.7)	(62.2)
COGS/sales (1).....	90.0	91.7	92.4	91.9	94.8	2.4	1.7	0.7	2.9
Operating income or (loss)/sales (1).....	7.0	5.1	4.1	4.7	1.7	(2.9)	(1.9)	(1.0)	(2.9)

Notes:

(fn1)—Reported data are in percent and period changes are in percentage points.

(fn2)—Undefined.

(fn3)—Excludes 750,000 short tons of capacity from Gerdau-Perth Amboy which has been idled since 2009.

(fn4)—Adjusted for ***.

Source: Compiled from data submitted in response to Commission questionnaires and from official statistics of the U.S. Department of Commerce.

APPENDIX D

PURCHASER QUESTIONNAIRE RESPONSES

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

1. Have there been any significant changes in the supply and demand conditions for carbon and certain alloy steel wire rod that have occurred in the United States or in the market for carbon and certain alloy steel wire rod in China since January 1, 2014?

Purchaser	Changes that have occurred
***	***
***	***

Table continued on following page.

Purchaser	Changes that have occurred
***	***

2. Do you anticipate any significant changes in the supply and demand conditions for carbon and certain alloy steel wire rod in the United States or in the market for carbon and certain alloy steel wire rod in China within a reasonably foreseeable time?

Purchaser	Anticipated changes
***	***
***	***
***	***