Twist Ties from China

Investigation Nos. 701-TA-649 and 731-TA-1523 (Final)

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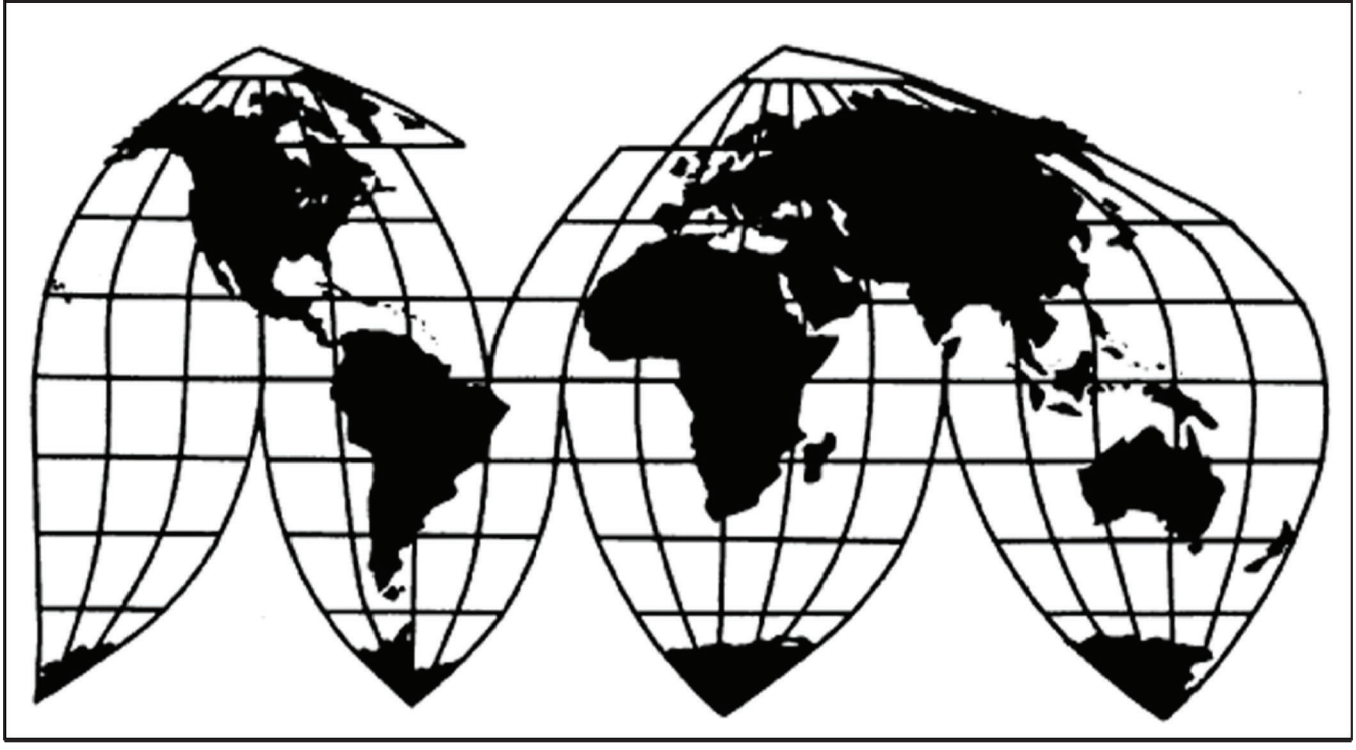

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April 2021

CONTENTS

Page

CONTENTS

Page

CONTENTS

Page

CONTENTS

Page

Appendixes

Note.—Information that would reveal confidential operations of individual concerns may not be published.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-649 and 731-TA-1523 (Final)

Twist Ties from China

DETERMINATIONS

On the basis of the record[1] developed in the subject investigations, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that an industry in the United States is materially injured by reason of imports of twist ties from China, provided for in subheadings 8309.90.00 and 5609.00.30 of the Harmonized Tariff Schedule of the United States, that have been found by the U.S. Department of Commerce ("Commerce") to be sold in the United States at less than fair value ("LTFV"), and to be subsidized by the government of China.[2]

BACKGROUND

The Commission instituted these investigations effective June 26, 2020, following receipt of petitions filed with the Commission and Commerce by Bedford Industries, Inc., Worthington, Minnesota. The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by Commerce that imports of twist ties from China were subsidized within the meaning of section 703(b) of the Act (19 U.S.C. 1671b(b)) and sold at LTFV within the meaning of 733(b) of the Act (19 U.S.C. 1673b(b)). Notice of the scheduling of the final phase of the Commission's investigations and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on December 22, 2020 (85 FR 83613). In light of the restrictions on access to the Commission building due to the COVID–19 pandemic, the Commission conducted its hearing through written testimony and video conference on February 16, 2021. All persons who requested the opportunity were permitted to participate.

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

[2] Chair Jason E. Kearns and Commissioner David S. Johanson dissenting.

Views of the Commission

Based on the record in the final phase of these investigations, we determine that an industry in the United States is materially injured by reason of imports of twist ties from China found by the U.S. Department of Commerce ("Commerce") to be sold in the United States at less than fair value ("LTFV") and subsidized by the government of China.[1]

I. Background

Bedford Industries, Inc. ("Bedford"), a U.S. producer of twist ties, filed the petitions in these investigations on June 26, 2020. Bedford submitted prehearing and posthearing briefs and final comments, and a representative for Bedford provided written testimony and appeared at the hearing accompanied by counsel.[2] No respondent party actively participated in these final phase investigations.[3]

U.S. industry data are based on the questionnaire responses of two firms that accounted for the vast majority of domestic production of twist ties in 2019.[4] U.S. import data are based on the questionnaire responses of 13 U.S. importers of twist ties from China and on export data from one responding foreign producer.[5] Data concerning the subject industry is based on the questionnaire response of one foreign producer that estimated it accounts for *** percent of overall production of twist ties in China in 2019.[6]

II. Domestic Like Product

A. In General

In determining whether an industry in the United States is materially injured or threatened with material injury by reason of imports of subject merchandise, the Commission

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[1] Chair Kearns and Commissioner Johanson determine that an industry in the United States is not materially injured or threatened with material injury by reason of subject imports of twist ties from China. *See* Separate and Dissenting Views of Chair Jason E. Kearns and Commissioner David S. Johanson. They join Sections I-IV.C of the majority views.

[2] In light of the restrictions on access to the Commission building due to the COVID-19 pandemic, the Commission conducted its hearing through written witness testimony, and videoconference held on February 16, 2021, as set forth in procedures provided to the parties.

[3] Notably, no respondent submitted briefs in the final phase or participated in the hearing. *See* Hearing Transcript ("Tr.") at 2 (list of parties to the hearing). Hongda was the only Chinese producer to respond to the Commission's questionnaire in the final phase of these investigations. CR/PR at II-6 n.22.

[4] Confidential Report, Memorandum INV-TT-036 (Mar. 10, 2021) ("CR") and Public Report, *Twist Ties from China*, Inv. Nos. 701-TA-649 and 731-TA-1523 (Final), USITC Pub. 5179 (April 2021) ("PR") at I-4 and III-1. The two leading U.S. producers of twist ties are petitioner Bedford and T and T Industries, Inc. ("T&T"). CR/PR at I-3. U.S. producer ***. CR/PR at II-2 n.12. In contrast, U.S. producer ***. *Id.* Bedford accounts for *** of U.S. production, while *** accounts for *** of U.S. production. CR/PR at Table III-1.

[5] CR/PR at I-4 and IV-1.

[6] CR/PR at I-4 and VII-3.

first defines the "domestic like product" and the "industry."[7] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Tariff Act"), defines the relevant domestic industry as the "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[8] In turn, the Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation."[9]

By statute, the Commission's "domestic like product" analysis begins with the "article subject to an investigation," *i.e.*, the subject merchandise as determined by Commerce.[10] Therefore, Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value is "necessarily the starting point of the Commission's like product analysis."[11] The Commission then defines the domestic like product in light of the imported articles Commerce has identified.[12] The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[13] No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[14] The

[7] 19 U.S.C. § 1677(4)(A).

[8] 19 U.S.C. § 1677(4)(A).

[9] 19 U.S.C. § 1677(10).

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

[11] *Cleo Inc. v. United States*, 501 F.3d 1291, 1298 (Fed. Cir. 2007); *see also Hitachi Metals, Ltd. v. United States*, Case No. 19-1289, slip op. at 8-9 (Fed. Circ. Feb. 7, 2020) (the statute requires the Commission to start with Commerce's subject merchandise in reaching its own like product determination).

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

[13] *See*, *e.g.*, *Cleo*, 501 F.3d 1299; *NEC Corp. v. Dep't of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Torrington Co. v. United States*, 747 F. Supp. 744, 749 n.3 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991) ("every like product determination 'must be made on the particular record at issue' and the 'unique facts of each case'"). The Commission generally considers a number of factors, including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. *See Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996).

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

Commission looks for clear dividing lines among possible like products and disregards minor variations.[15]

B. Product Description

Commerce defined the scope of the imported merchandise in these investigations as follows:

> … twist ties, which are thin, bendable ties for closing containers, such as bags, bundle items, or identifying objects. A twist tie in most circumstances is comprised of one or more metal wires encased in a covering material, which allows the tie to retain its shape and bind against itself. However, it is possible to make a twist tie with plastic and no metal wires. The metal wire that is generally used in a twist tie is stainless or galvanized steel and typically measures between the gauges of 19 (.0410' diameter) and 31 (.0132') (American Standard Wire Gauge). A twist tie usually has a width between .075' and 1' in the cross-machine direction (width of the tie—measurement perpendicular with the wire); a thickness between .015' and .045' over the wire; and a thickness between .002' and .020' in areas without wire. The scope includes an all-plastic twist tie containing a plastic core as well as a plastic covering (the wing) over the core, just like paper and/or plastic in a metal tie. An all-plastic twist tie (without metal wire) would be of the same measurements as a twist tie containing one or more metal wires. Twist ties are commonly available individually in pre-cut lengths ("singles"), wound in large spools to be cut later by machine or hand, or in perforated sheets of spooled or single twist ties that are later slit by machine or by hand ("gangs").
>
> The covering material of a twist tie may be paper (metallic or plain), or plastic, and can be dyed in a variety of colors with or without printing. A twist tie may have the same covering material on both sides or one side of paper and one side of plastic. When comprised of two sides of paper, the paper material is bound together with an adhesive or plastic. A twist tie may also have a tag or label attached to it or a pre-applied adhesive attached to it.
>
> Excluded from the scope of the investigation are twist ties packaged with bags for sale together where the quantity of twist ties does not exceed twice the number of bags in each package. Also excluded are twists ties that constitute part of the packaging of the imported product, for example, merchandise

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

anchored/secured to a backing with twist ties in the retail package or a bag of bread that is closed with a twist tie.

Twist ties are imported into the United States under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 8309.90.0000 and 5609.00.3000. Subject merchandise may also enter under HTSUS subheadings 3920.51.5000, 3923.90.0080, 3926.90.9990, 4811.59.6000, 4821.10.2000, 4821.10.4000, 4821.90.2000, 4821.90.4000, and 4823.90.8600. These HTSUS subheadings are provided for reference only. The written description of the scope of the investigation is dispositive.[16]

Twist ties are thin, bendable fasteners used in a variety of applications and industries, including for closing containers, such as plastic food bags, bread bags, dry cleaning bags, and garbage bags; for coiling, bundling, or labeling products such as vegetables or other produce, garden supplies, and electrical cables; and for nose wires in facemasks.

Twist ties are generally composed of one or more metal wires encased in a covering material, usually plastic or paper, which allows twist ties to retain their shape and bind against themselves. The metal wire used in twist ties is generally stainless or galvanized steel and typically measures between the gauges of 19 (.0410" diameter) and 31 (.0132") (American Standard Wire Gauge). The covering material on twist ties may be paper (metallic or plain) or plastic, and can be dyed in a variety of colors, with or without printing. Twist ties may have the same covering material on both sides, or one side of paper and one side of plastic. When comprised of two sides of paper, the paper material is bound together with an adhesive or plastic. Twist ties can also be made solely with plastic with a plastic core and with no metal wires. Relevant plastic polymers include polypropylene, polystyrene, polyethylene, polyethylene terephthalate, and polyvinyl chloride. Twist ties may also have a tag, label, or pre-applied adhesive attached to them.[17]

C. Petitioner's Arguments

Petitioner argues that the Commission should find a single domestic like product coextensive with the scope of Commerce's investigations.[18] It submits that there are no new facts on the record to alter the Commission's findings from the preliminary phase of these investigations.[19]

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[16] *Twist Ties from the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value*, 86 Fed. Reg. 10,536, 10,539 (Feb. 22, 2021); and *Twist Ties from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 86 Fed. Reg. 10,542, 10,543-44 (Feb. 22, 2021).

[17] CR/PR at I-9.

[18] Petitioner's Prehearing Brief at 6.

[19] Petitioner's Prehearing Brief at 6-8.

D. Domestic Like Product Analysis

In the preliminary determinations, the Commission defined a single domestic like product comprised of twist ties, coextensive with the scope of these investigations. The issue was not disputed. The Commission found that all twist ties share the same physical characteristics and end uses, are manufactured in the United States using similar types of machines and manufacturing processes, are generally interchangeable, and share similar channels of distribution. In addition, it found that, while consumers perceive some differences in twist tie products and there are a range of prices based on the materials used, function, and size of the product, there does not appear to be clear dividing lines between any of the domestically produced twist ties.[20]

The record in the final phase of these investigations does not contain any information calling into question the findings the Commission made in the preliminary determinations. Moreover, no party contests the Commission's definition in the preliminary determinations. Accordingly, we define a single domestic like product consisting of twist ties, coextensive with the scope.

III. Domestic Industry

The domestic industry is defined as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[21] 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.

Petitioner agrees with the Commission's definition of the domestic industry as all U.S. producers of twist ties in the preliminary determinations.[22] There are no new issues arising under the related parties provision in these final phase investigations.[23] Accordingly, and in light of our definition of the domestic like product, we define the domestic industry as all U.S. producers of twist ties.

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[20] *Twist Ties from China*, Inv. Nos. 701-TA-649 and 731-TA-1523 (Preliminary), USITC Pub. 5104 (Aug. 2020) at 8-12.

[21] 19 U.S.C. § 1677(4)(A).

[22] Petitioner's Prehearing Brief at 8-9.

[23] In the preliminary determinations, the Commission found that *** was subject to the related parties provision because it imported subject merchandise during the preliminary period of investigation (Jan. 2017 to Mar. 2020). We found however that appropriate circumstances did not exist to exclude *** from the domestic industry since its interests were mainly in domestic production rather than importation. Confidential Preliminary Determination (Aug. 18, 2020), EDIS Doc. No. 717580 at 13-15. The record in the final phase of these investigations does not contain any information calling into question the findings the Commission made in the preliminary determinations.

IV. Material Injury by Reason of Subject Imports[24]

Based on the record in the final phase of this investigation, we find that an industry in the United States is materially injured by reason of imports of twist ties from China that Commerce has found to be sold in the United States at LTFV and subsidized by the government of China.

A. Legal Standards

In the final phase of antidumping and countervailing duty investigations, the Commission determines whether an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.[25] In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.[26] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[27] In assessing whether the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[28] No single factor is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[29]

Although the statute requires the Commission to determine whether the domestic industry is "materially injured or threatened with material injury by reason of" unfairly traded imports,[30] it does not define the phrase "by reason of," indicating that this aspect of the injury analysis is left to the Commission's reasonable exercise of its discretion.[31] In identifying a

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[24] Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than three percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible. 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B); *see also* 15 C.F.R. § 2013.1 (developing countries for purposes of 19 U.S.C. § 1677(36)).

Subject imports from China during the most recent 12-month period preceding the filing of the petitions (June 2019 to May 2020) accounted for *** percent of total imports by quantity. CR/PR at Table IV-4. We therefore find that subject imports from China are not negligible.

[25] 19 U.S.C. §§ 1671d(b), 1673d(b).

[26] 19 U.S.C. § 1677(7)(B). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each {such} factor ... and explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B).

[27] 19 U.S.C. § 1677(7)(A).

[28] 19 U.S.C. § 1677(7)(C)(iii).

[29] 19 U.S.C. § 1677(7)(C)(iii).

[30] 19 U.S.C. §§ 1671d(b), 1673d(b).

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

causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the "by reason of" standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.[32]

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.[33] In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.[34] Nor does

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

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

[34] SAA at 851-52 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports."); *Taiwan Semiconductor,* 266 F.3d at 1345 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports ... . *Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports*." (emphasis in original)); *Asociacion de Productores de Salmon y Trucha de Chile AG v. United States*, 180 F. Supp. 2d 1360, 1375 (Ct. Int'l Trade 2002) ("{t}he Commission is not required to isolate the effects of subject imports from other factors contributing to injury" or make "bright-line distinctions" between the effects of subject imports and other causes.); *see also Softwood Lumber from*

(Continued...)

the "by reason of" standard require that unfairly traded imports be the "principal" cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.[35] It is clear that the existence of injury caused by other factors does not compel a negative determination.[36]

Assessment of whether material injury to the domestic industry is "by reason of" subject imports "does not require the Commission to address the causation issue in any particular way" as long as "the injury to the domestic industry can reasonably be attributed to the subject imports."[37] The Commission ensures that it has "evidence in the record" to "show that the harm occurred 'by reason of' the LTFV imports," and that it is "not attributing injury from other sources to the subject imports." [38] The Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[39]

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial

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Canada, Inv. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 100-01 (Dec. 2003) (Commission recognized that "{i}f an alleged other factor is found not to have or threaten to have injurious effects to the domestic industry, *i.e*., it is not an 'other causal factor,' then there is nothing to further examine regarding attribution to injury"), *citing Gerald Metals,* 132 F.3d at 722 (the statute "does not suggest that an importer of LTFV goods can escape countervailing duties by finding some tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.").

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

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

[37] *Mittal Steel*, 542 F.3d at 876 & 78; *see also id.* at 873 ("While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured 'by reason of' subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology."), *citing United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75. In its decision in *Swiff-Train v. United States*, 793 F.3d 1355 (Fed. Cir. 2015), the Federal Circuit affirmed the Commission's causation analysis as comporting with the Court's guidance in *Mittal*.

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

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

evidence standard.[40] Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[41]

B. Data Issues

At the outset, we discuss the data and methodologies used to measure imports in these investigations.[42]

Petitioner reported that twist tie imports primarily enter the United States under Harmonized Tariff Schedule ("HTS") statistical reporting numbers 8309.90.0000 and 5609.00.3000.[43] Both of these HTS numbers are basket categories that appear to include significant quantities of out-of-scope product; import volume, as reported by importer questionnaire responses (in pounds), was equivalent to approximately *** percent of imports under HTS number 8309.90.0000.[44] Thus, we have not relied on official import statistics to measure imports of twist ties in these investigations and instead have relied on importer and exporter questionnaire data as explained below.

As an initial matter, we note that Petitioner in its petition provided estimates of the total U.S. market by value as totaling $*** in 2017 and 2018, and $*** in 2019, with the value of imports estimated by Petitioner at $*** in 2017, $*** in 2018, and $*** in 2019.[45]

In the final phase of these investigations, we issued foreign producer questionnaires to the five firms identified by Petitioner as sources of subject twist ties, and received only one response, from Hongda.[46] Hongda estimates that it accounted for approximately *** percent of overall twist tie exports to the United States from China and approximately *** percent of overall production of twist ties in China in 2019.[47] It reported export shipments to the United States of *** twist ties in 2017, *** twist ties in 2018, and *** twist ties in 2019.[48]

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

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

[42] We note that we invited counsel, in a request accompanying the draft final phase questionnaires, to comment on this and other data issues. However, we received no response to this request. *Email to Petitioner's Counsel*, September 18, 2020 (EDIS Doc. No. 738228).

[43] Petitions at 11; CR/PR at IV-1 n.3.

[44] Petitions, Exh. GEN-S5; Petitioner's Postconference Brief, Exh. Bedford-3 at 2. *See also* CR/PR at IV-1 n.3.

[45] CR/PR at IV-1 n.4.

[46] Petitions at 14-15; CR/PR at VII-3.

[47] CR/PR at VII-3.

[48] CR/PR at Table VII-3.

We also issued importer questionnaires to 26 firms (including U.S. producers) and received usable questionnaire responses from 13 firms.[49] [50]

Importer questionnaire responses in these final phase investigations place subject import volume at 1.8 billion twist ties in 2017, 1.9 billion twist ties in 2018, and 1.2 billion twist ties in 2019, with subject import values at $2.8 million in 2017, $3.3 million in 2018, and $1.9 million in 2019.[51] We observe that volumes reported in the questionnaire responses were substantially lower than the estimates of subject imports provided by Petitioner, and that Hongda's reported volume accounted for *** percent of the volume reported in the importer questionnaires for 2017, 2018, and 2019, respectively,[52] despite Hongda's estimate that it accounts for *** percent of exports to the United States of subject merchandise.

Given these data discrepancies and limitations, in these final phase investigations, we compiled two sets of data for purposes of measuring subject imports and U.S. importers' U.S. shipments. The first set of data is based strictly on U.S. importer questionnaire responses, *i.e.*, the quantities and values of subject imports and U.S. importers' U.S. shipments reported to the Commission.[53] The second set of data relies on the quantity of exports to the U.S. market reported by Chinese producer Hongda to determine subject import quantities, and uses average unit values ("AUVs") derived from U.S. importers' questionnaire responses to provide a measure of subject import values.[54] [55] We then used these two data sets to calculate corresponding alternative measures of apparent U.S. consumption.[56] Use of the data set derived from Hongda's export volumes and AUVs from U.S. importer questionnaires resulted in apparent U.S. consumption data, by value, that were closer to the total U.S. market value estimates of Petitioner than reliance on importer questionnaire data. Thus, the record in these final phase investigations includes import data based strictly on U.S. importer questionnaire

[49] CR/PR at IV-1. In the final phase of these investigations, we increased importer coverage (from nine to 13 responding firms) compared to the preliminary phase by issuing importer questionnaires to firms listed in the preliminary phase of these investigations, firms that participated in Commerce proceedings, and firms identified as importers of twist ties through internet research. *Id*.

[50] In the final phase of these investigations we did not receive an importer questionnaire *** from domestic producer T&T, and did not receive an importer questionnaire response from importer Schermerhorn Bros.; we therefore relied on the data they submitted in the preliminary phase. CR/PR at IV-2 n.7, VI-1 nn.2, 14.

[51] CR/PR at Table IV-2.

[52] *Derived from* CR/PR at Tables IV-2 and VII-3.

[53] CR/PR at I-4, IV-1 n.4; *see also* CR/PR at Tables IV-2, IV-6, C-1.

[54] CR/PR at Table C-2 n.2; *see also* CR/PR at Tables F-1, C-2. This methodology is consistent with the methodology used in the preliminary determination to measure subject imports. CR/PR at IV-2 n.4; Confidential Preliminary Determinations at 21-22.

[55] The import data from questionnaire responses generally follows the trends in Hongda's exports in that they both show a decline in volume in 2017 and 2019. Hongda's export trends diverge from imports data in 2018 and in the interim periods. CR/PR at IV-1 n.4.

[56] *Compare* Table C-1 *with* Table C-2.

data as well as constructed import data derived from Hongda's exports to the United States and U.S. importers' reported AUVs.[57] [58]

C. Conditions of Competition and the Business Cycle

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

1. Demand Considerations

Demand for twist ties is derived from demand for downstream products that use twist ties in their packaging or downstream products.[59] Reported end uses include packaging ties for bundles of food items, bundling ties for computer and TV cords, closing ties for dry cleaning and garbage bags, and nose wires for facemasks.[60] Twist ties typically account for a small share of the cost of the end-use products in which they are used.[61]

Market participants differed on whether the U.S. twist ties market experienced demand changes during the period of investigation of January 2017 through September 2020 ("POI"). Most importers reported no change in U.S. demand, whereas a plurality of purchasers reported that demand increased.[62] While no U.S. producer addressed this issue in their questionnaire responses, Petitioner contends that demand fluctuated during the POI; it claims that demand for twist ties declined in 2019 due to leaf and romaine lettuce harvest-related issues, and increased in 2020 as the COVID-19 pandemic created a need for nose wires in facemasks.[63] Based on apparent U.S. consumption data for twist ties compiled in the final phase investigations, there was a *** percent decline from 2017 to 2019, from *** twist ties in 2017 to *** twist ties in 2018 and *** twist ties in 2019; it was *** twist ties in the January through September ("interim") 2019 period and higher, at *** twist ties, in interim 2020.[64] [65]

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[57] CR/PR at Tables C-1, C-2.

[58] As discussed in their Separate and Dissenting Views, Chair Kearns and Commissioner Johanson rely on the data from Hongda in their analysis of subject import volumes, apparent consumption, and market shares.

[59] CR/PR at II-9.

[60] CR/PR at II-9; Petitioner's Prehearing Brief at 9.

[61] CR/PR at II-9.

[62] CR/PR at Table II-5.

[63] CR/PR at II-10; Petitioner's Prehearing Brief at 26; Petitioner's Posthearing Brief, Exh. 1, Answers to Commissioner and Commission Staff Questions, at 13-19.

[64] CR/PR at Tables IV-6, C-1. The import dataset based on Hongda's data, discussed above, indicates that apparent U.S. consumption declined by *** percent from 2017 to 2019, from *** twist ties in 2017 to *** twist ties in 2018 and *** twist ties in 2019; it was *** twist ties in interim 2019 and higher, at *** twist ties, in interim 2020. *Id*. at Tables F-1, C-2.

[65] Petitioner indicated that firms use a variety of metrics to measure twist tie quantity in the U.S. market, including weight (pounds), units (twist ties), and length (feet). Petitions at 15-19. In the preliminary phase of these investigations, we determined to use twist ties as our unit of measure for quantity. Confidential Preliminary Determination at 22. In the final phase of these investigations, we (Continued...)

2. Supply Considerations

The domestic industry had the largest share of the U.S. market during the POI, followed by subject imports. Nonsubject imports were present in the U.S. market in very small quantities.

The domestic industry's share of the quantity of apparent U.S. consumption fluctuated, but increased overall by *** percentage points from 2017 to 2019, from *** percent in 2017 to *** percent in 2018 and *** percent in 2019; it was *** percent in interim 2019 and higher, at *** percent, in interim 2020.[66] The domestic industry's capacity, which declined by *** percent from 2017 to 2019, exceeded apparent U.S. consumption throughout the POI.[67] There were several developments in the domestic industry during the POI. *** reported that it expanded its manufacturing facility to boost production of twist ties and out-of-scope merchandise.[68] Petitioner reports that it remained operational despite the COVID-19 pandemic, but implemented ***.[69] In addition, *** reported that it curtailed several twist tie production lines due to subject import competition.[70] Two purchasers reported that they experienced supply constraints during the pandemic.[71]

Subject imports accounted for the second largest share of the U.S. twist ties market during the POI. Their share of the quantity of apparent U.S. consumption fluctuated, but declined overall by *** percentage points from 2017 to 2019, from *** percent in 2017 to *** percent in 2018 and *** percent in 2019; it was *** percent in interim 2019 and lower, at ***

collected data from market participants in units and weight. *See* U.S. Importer's Questionnaire at questions II-5b, II-5c, II-6b, II-6c; U.S. Producer's Questionnaire at question II-8; Foreign Producer's Questionnaire at question II-8b. We also asked participants to specify how they recorded twist tie quantity. *See* U.S. Importer's Questionnaire at question II-8 and U.S. Producer's Questionnaire at question II-10. Based on the responses received, we found that units of twist ties remained the best measurement method.

[66] CR/PR at Table IV-7. The import dataset based on Hongda's data shows that the domestic industry's share of apparent U.S. consumption fluctuated but increased overall by *** percentage points from 2017 to 2019, from *** percent in 2017 to *** percent in 2018 and *** percent in 2019; it was *** percent in interim 2019 and lower, at *** percent, in interim 2020. *Id*., at Tables F-2, C-2. Thus, the domestic industry's share of apparent U.S. consumption was *** percentage points lower in interim 2020 than in interim 2019.

[67] *Compare* CR/PR at Table III-3 *with* CR/PR at Table IV-6.

[68] CR/PR at Table III-2 (U.S. producers' reported changes in operations: *** expansions).

[69] CR/PR at II-8 – II-9.

[70] CR/PR at Table III-2.

[71] CR/PR at II-8.

percent, in interim 2020.[72] One U.S. importer reported that supply chain issues caused by the pandemic led to international and domestic shipping delays.[73]

Nonsubject imports accounted for the smallest share of the U.S. twist ties market during the POI. Their limited share of the quantity of apparent U.S. consumption remained stable throughout, at *** percent in 2017, *** percent in 2018, and *** percent in 2019; it was *** percent in both interim periods.[74] Only one responding U.S. importer reported importing nonsubject imports during the POI; these imports were from Korea and Japan.[75]

3. Substitutability and Other Conditions

We find that there is a moderate-to-high degree of substitutability between domestically produced twist ties and subject imports when made to the same specifications.[76] *** and most purchasers reported that domestically produced and subject twist ties are always or frequently interchangeable, whereas a plurality of importers reported that they are only sometimes interchangeable.[77]

Most purchasers reported that domestic twist ties and subject imports were comparable on most purchasing factors, and always or usually met minimum quality specifications.[78] In comparisons between the domestic product and subject imports regarding 15 purchasing factors, a majority of the responding purchasers found the domestic product and subject imports comparable with respect to every factor except for delivery terms, delivery

[72] CR/PR at Table IV-7. The import dataset based on Hongda's data shows that subject imports' share of apparent U.S. consumption fluctuated but declined overall by *** percentage points from 2017 to 2019, from *** percent in 2017 to *** percent in 2018 and *** percent in 2019; it was *** percent in interim 2019 and higher, at *** percent, in interim 2020. *Id*., at Tables F-2, C-2. Thus, subject imports' share of apparent U.S. consumption was *** percentage points higher in interim 2020 than in interim 2019.

[73] CR/PR at II-8.

[74] CR/PR at Table IV-7. The import dataset based on Hongda's data shows that nonsubject imports' share of apparent U.S. consumption remained stable throughout the POI, at *** percent in 2017, *** percent in 2018, and *** percent in 2019; it was *** in interim 2019 and *** percent in interim 2020. *Id*., at Tables F-2, C-2.

[75] CR/PR at IV-1 n.5. Petitioner claims that nonsubject imports may have been sourced from the Netherlands, Japan, and Mexico, but estimates each source country to have accounted for a share of one percent or less of apparent U.S. consumption. Petitioner's Postconference Brief, Exh. Bedford-1, at 20.

[76] The degree of substitution between domestic and imported twist ties depends upon such factors as relative prices, quality (*e.g.*, grade standards, defect rates), and conditions of sale (*e.g.*, price discounts/rebates, lead times between order and delivery dates, reliability of supply, product services). CR/PR at II-11.

[77] CR/PR at Table II-11. One such importer reported that the interchangeability of a twist tie depends on its method of production, and that domestic twist ties are produced using a "different method" to that applied by the subject Chinese industry. CR/PR at II-15.

[78] CR/PR at Tables II-10 and II-12. The record also indicates that only one foreign supplier failed in its attempt to quality twist ties or had lost its approved status since 2017. CR/PR at II-14.

time, and price.[79] Firms had varied responses concerning substitute products for twist ties, with twist ties accounting for a small cost share of end use products.[80]

We find that price is an important factor in purchasing decisions for twist ties. Purchasers most frequently listed price (13 firms), quality (12 firms), and availability (seven firms) among the top three factors in their purchasing decisions. Price and quality were most frequently cited as the first-most important factor (six firms each); price was also most frequently reported as the second-most important factor (six firms), followed by quality (four firms) and availability (two firms).[81] The factors rated as very important by more than half of responding purchasers were product consistency, quality meets industry standards, and reliability of supply (14 firms each); availability and price (13 firms each); and delivery time (11 firms).[82] A plurality of responding purchasers (six of 15) reported that they usually purchased the lowest-priced product.[83]

Domestically produced twist ties are primarily sold using ***; although a plurality of importers reported selling subject imports on a transaction-by-transaction basis, set price lists and other methods also were reported.[84] *** and responding importers reported selling the majority of their commercial shipments of twist ties in the spot market.[85] *** and importer *** also reported selling twist ties through long-term, annual or short-term contracts, none of which were indexed to raw material prices.[86] Petitioner reported its twist ties are ***; importers reported that all their commercial shipments came from inventories.[87]

Imports of steel wire – the main raw material used to make twist ties[88] – from numerous sources were subject to additional duties effective March 23, 2018 under Section 232 of the Trade Expansion Act of 1962 ("Section 232 tariffs").[89] Market participants differed on whether Section 232 tariffs impacted raw material costs.[90]

As of September 24, 2018, 10 percent *ad valorem* duties were imposed on imports of twist ties produced in China under Section 301 of the Trade Act of 1974 ("Section 301

[79] CR/PR at Table II-10. Most purchasers reported that the domestic product was superior with respect to delivery terms and delivery time, and subject imports were superior with respect to price. *Id*. Purchasers were evenly divided with respect to availability. *Id*.

[80] CR/PR at II-9 – II-11.

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

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

[83] CR/PR at II-12.

[84] CR/PR at Table V-2.

[85] CR/PR at Table V-3.

[86] CR/PR at V-4.

[87] CR/PR at II-11.

[88] CR/PR at V-1. Paper and plastic also account for substantial proportions of raw material costs. In 2019, steel wire accounted for *** percent of U.S. producers' raw material costs, plastic accounted for *** percent, and paper accounted for *** percent. *Id*.

[89] 19 U.S.C. § 1862. Twist ties themselves are not subject to Section 232 tariffs. CR/PR at I-8.

[90] *** and two of eight responding importers reported that raw material costs increased following issuance of the tariffs; the other six importers reported no change in raw material costs. CR/PR at Table V-1.

tariffs").[91] Such Section 301 tariffs were increased to 25 percent *ad valorem* as of May 10, 2019.[92] Most market participants reported that they did not did know whether Section 301 tariffs had any impact on the U.S. twist ties market.[93] Those importers and purchasers with knowledge of the tariffs' impact reported no changes to the supply of twist ties from any source, U.S. demand, or raw material costs. However, importers were evenly divided on whether the tariffs impacted prices.[94] [95]

D. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[96]

As previously discussed in Section IV.B, we collected and compiled import data on the basis of two datasets, namely importer questionnaire data and a constructed import data based on AUVs reported by importers and export quantities reported by Hongda. We base our analysis of subject import volume primarily on the importer questionnaire dataset, which we find to be the more reliable measure of imports because it takes into account more market participants than the constructed import data set, which is based on data from a single exporter, and there is no time lag between the date of export shipments and importation in the United States to account for in this dataset unlike the constructed import dataset.[97] However, we have also taken into consideration the constructed import data set in our determination as noted below.[98]

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[91] 19 U.S.C. § 2411. *See* 83 Fed. Reg. 47,974 (Sept. 21, 2018).

[92] CR/PR at I-7 – I-8, App. D; *Notice of Modification of Section 301 Action*, 84 Fed. Reg. 20,459 (Office of U.S. Trade Rep. May 9, 2019).

[93] CR/PR at II-2.

[94] CR/PR at Table II-1. Three importers reported that prices increased, and three reported no change to prices. *Id*. Purchasers were also divided on this issue; two reported that prices increased, and three reported no change to prices. *Id*.

[95] Chair Kearns and Commissioner Johanson do not join the remainder of these views; *see* their Separate and Dissenting Views.

[96] 19 U.S.C. § 1677(7)(C)(i).

[97] The use of this importer questionnaire dataset is also consistent with past Commission practice. *See*, *e.g.*, *Dried Tart Cherries from Turkey*, Inv. Nos. 701-TA-622 and 731-TA-1448 (Final), USITC Pub. 5014 (Jan. 2020) at 12.

[98] Regardless of the choice of dataset as the primary basis for our analysis, subject import volumes and share of apparent U.S. consumption declined over the full POI. They declined by 38.3 percent and *** percentage points respectively if measured by the U.S. importer questionnaire dataset and by *** percent and *** percentage points respectively if measured by the constructed import dataset. CR/PR at Tables C-1 and C-2. For the interim periods, subject imports declined by 26.5 percent if measured by the U.S. importer questionnaire dataset and increased by *** percent if measured by the constructed import dataset. *Id.* Subject import market share is higher over the full POI and the interim periods if measured by the constructed import dataset (between *** and *** precent) than if measured by the U.S. importer questionnaire dataset (between *** and ***). *Id.*

According to these data, subject imports by quantity fluctuated but declined overall, increasing from 1.8 billion twist ties in 2017 to 1.9 billion twist ties in 2018, then decreasing to 1.2 billion twist ties in 2019; subject imports were 623.0 million in interim 2019 and lower, at 517.1 million, in interim 2020.[99]

As previously discussed in Section IV.C.2, subject imports' share of the quantity of apparent U.S. consumption followed a similar pattern, increasing from *** percent in 2017 to *** percent in 2018, then decreasing to *** percent in 2019; it was *** percent in interim 2019 and lower, at *** percent, in interim 2020.[100]

In light of the foregoing, we find that the volume of subject imports is significant in absolute terms and relative to consumption in the United States.

E. Price Effects of the Subject Imports

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

> (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and
>
> (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[101]

As previously discussed in Section IV.C.3, we find that the domestic like product and subject imports have a moderate-to-high degree of substitutability, and that price is an important factor in purchasing decisions for twist ties.

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[99] CR/PR at Table IV-2. Petitioner explains that the lower subject import volume in 2019 and in interim 2020 compared to 2018 and interim 2019 respectively as follows: subject imports temporarily receded from the market in 2019 due to a number of developments, including implementation of new labeling requirements for produce ties by two large retailers that required the use of higher-value twist tie products that suppliers of subject imports were unable to provide at the time; adverse lettuce harvest-related conditions that led to growers holding an excess supply of produce ties in inventory; *** purported decision to insource twist ties production from China following a commercial disagreement with ***; and delays in supply because of the pandemic. Petitioner's Posthearing Brief at 3-5, Exh. 1 at 1-3, 10-19. If measured by the constructed import dataset, subject imports declined overall from 2017 to 2019, decreasing from *** twist ties in 2017 to *** twist ties in 2018, then decreasing to *** twist ties in 2019; subject imports were *** in interim 2019 and higher, at *** in interim 2020. CR/PR at Table C-2.

[100] CR/PR at Table IV-7. Between 2017 and 2018, subject imports gained *** percentage points of market share at the domestic industry's expense. *Id*. If measured by the constructed import dataset, subject import market share increased from *** percent in 2017 to *** percent in 2018, then decreased to *** percent in 2019; subject import market share increased from *** percent in interim 2019 to *** percent in interim 2020. CR/PR at Table C-2.

[101] 19 U.S.C. § 1677(7)(C)(ii).

The Commission collected quarterly price data on four twist tie products.[102] *** and two importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[103] [104]

The pricing data show pervasive underselling. Subject imports were priced below domestically produced product in 43 of 46 available quarterly price comparisons (or 93.4 percent of such comparisons) from the first quarter of 2017 through the third quarter of 2020, at margins ranging from *** to *** percent.[105] The quantity of subject imports covered by underselling comparisons was *** twist ties, while the quantity in overselling comparisons was *** twist ties.[106] Thus, *** percent of the quantity of subject imports of the four pricing products was sold during quarters in which the average price of the imports was less than that of the comparable domestic product.[107]

Confirmed lost sales also indicate that subject imports were sold at lower prices than the domestic product during the POI. Of the 15 purchasers that responded to the Commission's questionnaires, nine responded that they purchased subject imports rather than the domestic like product. Eight of these purchasers reported that subject import prices were lower than those for the domestic like product, and seven of these purchasers reported that price was a primary reason for their decision to purchase subject imports rather than the domestic like product.[108]

Based on the foregoing, we find that there has been significant price underselling by subject imports.

We have also examined the data on price trends. Domestic like product prices for two of the three pricing products for which meaningful price comparison data were gathered increased over the POI, with increases of *** percent for domestically produced Pricing Product

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[102] CR/PR at V-5. The pricing products were:

Product 1. – Paper/paper 29 gauge cut tie, ranging from 4" x 5/32" to 4" x 3/16";

Product 2. – Paper/paper 29 gauge cut tie, ranging from 7" x 5/32" to 7" x 3/16";

Product 3. – Produce tie, wet strength paper/paper 27 gauge, galvanized wire, 8" x 7/16"; and

Product 4. – Produce tie, wet strength paper/paper 27 gauge, galvanized wire, 10" x 7/16". *Id*.

[103] CR/PR at V-6. Pricing data reported by these firms accounted for approximately *** percent of U.S. producers' U.S. shipments of twist ties and *** percent of U.S. shipments of subject imports in 2019. *Id*.

[104] Petitioner recommended that we collect data on these four twist tie pricing products in the petitions. Petitions at 16-17. In the preliminary determinations, we found that reported pricing data for these pricing products accounted for *** percent of U.S. producers' U.S. commercial shipments and *** percent of U.S. commercial shipments of subject imports; the reported pricing data did not reflect transactions involving *** and twist ties of wire gauge sizes of *** that U.S. producers reported selling in the U.S. market during the period of investigation. Confidential Preliminary Determination at 30 n. 126. In the absence of any response from market participants to our request for comments on the draft final phase questionnaires, we did not change the pricing products.

[105] CR/PR at Table V-9.

[106] CR/PR at Table V-9.

[107] *Derived from* CR/PR at Tables V-4 – V-7.

[108] CR/PR at Table V-11.

1 from the first quarter of 2017 to the third quarter of 2020, and *** for domestically produced Pricing Product 4. Prices for domestically produced Pricing Product 3 declined by *** percent during this period.[109] Pricing Product 1 covers quantities of domestically produced twist ties that are an order of magnitude greater than those of the other three pricing products.[110] Subject import prices for each of these pricing products increased during the POI, by ***, ***, and *** percent for 2017, 2018, and 2019, respectively.[111]

Two of seven responding purchasers claiming knowledge of whether U.S. producers reduced prices during the POI reported that producers reduced prices in order to compete with lower-priced subject imports.[112] Petitioner also testified at the hearing that it had to lower its prices to meet price competition from subject imports in order to retain client accounts.[113]

We have also examined whether the record reflects that subject imports prevented domestic price increases that otherwise would have occurred to a significant degree. To this end, the record demonstrates that the domestic industry's ratio of the cost of goods sold ("COGS") to net sales increased by *** percentage points from 2017 to 2019, from *** percent in 2017 to *** percent in 2018 and *** percent in 2019; it was *** percent in interim 2019 and *** percent in interim 2020.[114]

The domestic industry's unit COGS increased by *** percent from 2017 to 2019, from $*** in 2017 to $*** in 2018 and $*** in 2019; it was $*** in interim 2019 and $*** in interim 2020.[115] However, the increases in net sales unit values failed to cover these increased unit costs during the POI. The domestic industry's net sales AUVs increased by only *** percent from 2017 to 2019, from $*** in 2017 to $*** in 2018 and $*** in 2019; it was $*** in interim 2019 and higher, at $*** in interim 2020.[116] The spread between the industry's net sales unit values and its unit COGS fluctuated, but declined overall from 2017 to 2019, decreasing from $*** in 2017 to $*** in 2018, when subject import volume and market share increased; the spread increased slightly to $*** in 2019, as subject import volume and market share declined;

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[109] CR/PR at Table V-8. Prices for domestically produced Pricing Product 2 declined by *** percent during the POI. *Id*. Subject import price data for Pricing Product 2 was limited and did not lend itself to a meaningful price trend analysis. *Id*., at Note.

[110] *See* CR/PR at Tables V-4 – V-7.

[111] CR/PR at Table V-8.

[112] CR/PR at Table V-12. One of these purchasers reported a price reduction of *** percent; the other responding purchaser stated that, while it was unable to provide an estimated percentage figure, domestic like product prices were ***. *Id*.

[113] Tr. at 26 (Milbrandt). Petitioner contends that lost sales and lost revenue allegations it filed with the petitions provide additional evidence of price suppression in the twist ties market. Petitioner's Posthearing Brief at 6; Petitions, Exh. GEN-8. Petitioner identified 21 firms in its lost sales and lost revenue allegations. Four firms on the allegation list responded in these final phase investigations, three responded only in the preliminary phase, and one firm responded in both phases. On the basis of these allegations and information compiled during the preliminary phase of these investigations, staff contacted 60 purchasers and received responses from 16 purchasers, compiled into the report in CR/PR at Tables V-10 – V-12.

[114] CR/PR at Tables VI-1, C-1.

[115] CR/PR at Tables VI-1, C-1.

[116] CR/PR at Tables VI-1, C-1.

similarly, the spread between unit sale values and unit COGS was $*** in interim 2019 and higher, at $*** in interim 2020, corresponding to lower subject import volumes and market share.[117] Thus, as unit costs increased considerably over the POI, the domestic industry was unable to increase its net sales AUV to sufficiently cover increasing costs.[118]

We observe that the domestic industry's rising costs during the POI primarily were driven by raw material and direct labor costs,[119] which are among the type of costs domestic producers would ordinarily expect to be able to pass on to purchasers, particularly in this investigation given the prevalence of spot market sales in the twist ties industry, which represented the *** of U.S. producers' U.S. shipments.[120] Instead, the available record evidence reflects that the domestic industry was unable to pass on increasing raw material and direct labor costs as a consequence of subject import competition. Specifically, the domestic industry witness in his sworn testimony at the hearing repeatedly represented that his firm, which comprises *** of the domestic industry by measure of production share,[121] was unable to raise prices during the POI due to low-priced subject imports, and there is no evidence on the record to the contrary.[122]

[117] *Derived from* CR/PR at Table VI-1.

[118] Moreover, information on the record suggests that the domestic industry's increase in its net sales AUV during the POI was in part a function of a change in product mix, as the domestic industry was able to supply higher value twist tie products to the U.S. market after two large retailers altered their produce tie labeling requirements in a manner that the subject Chinese industry was unable to supply at time. Tr. at 18 (Milbrandt) ("The small increase in Bedford's sales between 2018 to 2019 likely reflected the fact that the quantity of produce ties Bedford was able to sell decreased, but there was a temporary ability to sell more Bib Ties because two large U.S. retailers in late 2018 and 2019 implemented a new labeling requirement for Bib Ties that Bedford was able to accommodate on a sooner timeframe than the Chinese competition . . . ."). Thus, the full magnitude of the cost-price squeeze experienced by the domestic industry is to some extent likely masked by change in product mix that occurred in the latter half of the POI.

[119] Between 2017 to 2019, raw material AUVs increased by *** percent, from $*** in 2017 to $*** in 2018 and $*** in 2019; it was $*** in interim 2019 and higher, at $*** in interim 2020. Direct labor AUVs increased by *** percent from 2017 to 2019, from $*** in 2017 to $*** in 2018 and $*** in 2019; it was $*** in interim 2019 and higher, at $***, in interim 2020. CR/PR at Tables VI-1 – VI-2.

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

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

[122] *E.g.*, Tr. (Milbrandt) at 26 ("Certainly, we've had to decrease prices to hold onto business, to maintain opportunities, and what's been particularly difficult for us is, and across this industry, we have not been able to ask for a price increase since 2015."); *id.* at 16 ("These lower prices . . . have prevented Bedford from raising prices to customers in the United States, even in the face of rising production costs."); *id.* at 16-17 (""The existence of the unfairly traded imported twist ties from China has imposed a cost squeeze on Bedford such that we are unable to raise prices to match the increase in our costs to manufacture twist ties."); *id.* at 39 ("{W}e had customers saying to us I've got an offer, there's Chinese competition out there, I don't want to have to go to it, we want to buy U.S., but the price is low. And so we didn't feel like the market could absorb a price increase.").

Although apparent U.S. consumption ostensibly decreased by *** percent over the full POI, [123] which in some cases may affect the ability of a domestic industry to pass on rising costs, we do not find in this investigation that the decline in apparent U.S. consumption based on the data collected explains the domestic industry's inability to adequately raise prices in an environment of increasing costs.

First, as explained above in Section IV.C.1, there is a considerable disconnect between the record data on apparent U.S. consumption and questionnaire responses concerning perceptions in demand, which indicated that most participants perceived demand in the United States to have either increased or stayed the same during the POI. To the extent that most responding market participants did not report decreasing demand in the U.S. market during the POI, these data suggest market participants did not perceive any decline in demand or try to leverage any perceived decline in demand to avoid price increases. We also observe that the majority of market participants reporting that demand did not decline during the POI is also consistent with the hearing testimony received by the Commission.[124]

Second, the pricing data on the record do not correspond to the trends in apparent U.S. consumption during the POI. Specifically, while apparent U.S. consumption declined by *** percent from the first quarter of 2017 to the last quarter of 2019, the domestic industry's prices for three of the four pricing products increased.[125] By contrast, while apparent U.S. consumption data was *** percent higher in interim 2020 than in interim 2019, the domestic industry's prices for all four pricing products declined between the first and third quarters of interim 2020.[126] Thus, assuming *arguendo* that apparent U.S. consumption is an accurate reflection of demand trends in this market, there is a disconnect between apparent U.S. consumption and pricing product data, with declines in apparent U.S. consumption over the POI

[123] Apparent U.S. consumption increased from interim 2019 to interim 2020 by *** percent. CR/PR at Table C-1. If apparent U.S. consumption is based on the constructed import dataset, apparent U.S. consumption declined by *** percent over the full POI and increased by *** percent from interim 2019 to interim 2020. CR/PR at Table C-2.

[124] Tr. at 38 ("So, from our perspective, we haven't seen the market soften in terms of demand from our customers . . . .").

[125] Between the first quarter of 2017 and the last quarter of 2019, prices for domestically produced Pricing Product 1 increased by *** percent, whereas prices for domestically produced Pricing Products 2 and 4 increased by *** percent and *** percent, respectively. Prices for domestically produced Pricing Product 3 declined by *** percent during this period. *Derived from* CR/PR at Tables V-4 – V-7.

While we acknowledge that the available pricing product data are limited, we observe that they are nevertheless aligned with the trends in net sales AUVs discussed above.

[126] Between the first and third quarters of 2020, domestic prices declined by *** percent for Pricing Product 1, *** percent for Pricing Product 2, *** percent for Pricing Product 3, and *** percent for Pricing Product 4. *Derived from* CR/PR at Tables V-4 – V-7.

generally tracking to higher prices and increases in apparent U.S. consumption generally tracking to lower prices.[127] [128]

We thus find significant price suppression as quantities of lower-priced subject imports prevented the domestic industry from increasing prices commensurate with rising costs during the POI.

Accordingly, we thus conclude that subject imports had significant price effects.

F. Impact of the Subject Imports[129]

Section 771(7)(C)(iii) of the Tariff Act provides that examining the impact of subject imports, the Commission "shall evaluate all relevant economic factors which have a bearing on the state of the industry."[130] These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debts, research and development ("R&D"), and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[131]

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[127] Given the lack of responses to the Commission's questionnaires by U.S. importers and foreign producers and the resulting discrepancies and limitations in the datasets underlying apparent U.S. consumption that that caused (*see supra* Section IV.B), apparent U.S. consumption in this investigation does not fully reflect actual demand. This is confirmed by market participants' reported perceptions of demand, which as noted above indicate that most market participants perceive demand to have either increased or remained the same.

[128] Commissioner Schmidtlein does not join in the preceding paragraph or its accompanying footnotes, which seem to suggest that the market principles of supply and demand do not apply to this market. She disagrees with that proposition, and notes that the majority opinion relies on the fact that market participants perceived that demand was either going up or was stable during the POI as support for its finding that the domestic industry should have been able to raise prices in order to sufficiently cover its increasing costs.

[129] The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). In its final determination of sales at LTFV, Commerce found an antidumping duty margin of 72.96 for imports from China. 86 Fed. Reg. 10,536, 10,538 (Feb. 22, 2021). We take into account in our analysis the fact that Commerce has made final findings that all subject producers in China are selling subject imports in the United States at LTFV. In addition to this consideration, our impact analysis has considered other factors affecting domestic prices. Our analysis of the significant underselling and price effects of subject imports, described in both the price effects discussion and below, is particularly probative to an assessment of the impact of the subject imports.

[130] 19 U.S.C. § 1677(7)(C)(iii); *see also* SAA at 851 and 885 ("In material injury determinations, 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 also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.").

[131] 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act of 2015 ("TPEA"), Pub. L. 114-27.

The record in these investigations shows that most of the domestic industry's performance indicators declined from 2017 to 2019 and were higher in interim 2020 than in interim 2019, as subject imports receded from the market. The domestic industry's capacity declined by *** percent between 2017 and 2019, from *** twist ties in 2017 to *** twist ties in 2018 and *** twist ties in 2019; it was *** twist ties in interim 2019 and *** percent higher, at *** twist ties, in interim 2020.[132] Production declined by *** percent from 2017 to 2019, from *** twist ties in 2017 to *** twist ties in 2018 and *** twist ties in 2019; it was *** twist ties in interim 2019 and *** percent higher, at *** twist ties, in interim 2020.[133] Thus, the industry's capacity utilization increased by *** percentage points from 2017 to 2019, from *** percent in 2017 to *** percent in 2018 and *** percent in 2019, as its capacity declined more rapidly than production; it was *** percent in interim 2019 and *** percentage points higher, at *** percent, in interim 2020.[134]

The domestic industry's U.S. shipments also declined from 2017 to 2019 and were higher in interim 2020 than in interim 2019. They decreased by *** percent from 2017 to 2019, from *** twist ties in 2017 to *** twist ties in 2018 and *** twist ties in 2019; they were *** twist ties in interim 2019 and *** percent higher, at *** twist ties, in interim 2020.[135] The domestic industry's market share declined by *** percentage points from *** percent in 2017 to *** percent in 2018 and then increased to *** percent in 2019; it was *** percent in interim 2019 and *** percentage points higher, at *** percent, in interim 2020.[136] End-of-period inventories fluctuated but declined overall by *** percent from 2017 to 2019, from *** twist ties in 2017 to *** twist ties in 2018 and *** twist ties in 2019; they were *** twist ties in interim 2019 and *** percent higher, at *** twist ties, in interim 2020.[137]

The domestic industry's employment-related indicators generally improved from 2017 to 2019 and were higher in interim 2020 than in interim 2019. Employment fluctuated but increased overall by *** percent from 2017 to 2019, from *** production and related workers ("PRWs") in 2017 to *** PWRs in 2018 and *** PRWs in 2019; there were *** PRWs in interim 2019 and slightly fewer, *** PRWs, in interim 2020.[138] Total hours worked also fluctuated but increased overall during this period by *** percent, from *** hours in 2017 to *** hours in 2018 and *** hours in 2019; there were *** hours in interim 2019 and *** percent more, at *** hours, in interim 2020.[139] Wages paid increased by *** percent from 2017 to 2019, from $*** in 2017 to $*** in 2018 and $***; they totaled $*** in interim 2019 and were *** percent higher, at $***, in interim 2020.[140] Productivity in 1,000 twist ties per hour declined by *** percent from 2017 to 2019, from *** in 2017 to *** in 2018 and 2019; it was *** in interim 2019 and *** percent higher, at ***, in interim 2020.[141]

[132] CR/PR at Tables III-3, C-1.
[133] CR/PR at Tables III-3, C-1.
[134] CR/PR at Tables III-3, C-1.
[135] CR/PR at Tables III-5, C-1.
[136] CR/PR at Tables IV-7, C-1.
[137] CR/PR at Tables III-7, C-1.
[138] CR/PR at Tables III-9, C-1.
[139] CR/PR at Tables III-9, C-1.
[140] CR/PR at Tables III-9, C-1.
[141] CR/PR at Tables III-9, C-1.

Several of the domestic industry's financial performance indicators declined from 2017 to 2019 and were higher in interim 2020 than in interim 2019. Net sales value fluctuated but increased overall by *** percent from 2017 to 2019, decreasing from $*** in 2017 to $*** in 2018 and increasing to $*** in 2019; they were $*** in interim 2019 and *** percent higher, at $***, in interim 2020.[142] Total COGS fluctuated but increased overall by *** percent from 2017 to 2019, decreasing from $*** in 2017 to $*** in 2018 and increasing to $*** in 2019; they were $*** in interim 2019 and *** percent higher, at $***, in interim 2020.[143] The domestic industry's ratio of COGS to net sales increased by *** percentage points from 2017 to 2019, from *** percent in 2017 to *** percent in 2018 and *** percent in 2019; it was *** percent in interim 2019 and *** percentage points lower, at *** percent, in interim 2020.[144]

Measures of profitability generally declined from 2017 and 2019, but were higher in interim 2020 than in interim 2019. The domestic industry's gross profit declined by *** percent from 2017 to 2019, from $*** in 2017 to $*** in 2018 and $*** in 2019; it was $*** in interim 2019 and *** percent higher, at $*** in interim 2020.[145] Operating income declined by *** percent from 2017 to 2019, from $*** in 2017 to $*** in 2018 and $*** in 2019; it was $*** and was *** percent higher, at $***, in interim 2020.[146] The industry's operating margin declined by *** percentage points from 2017 to 2019, from *** percent in 2017 to *** percent in 2018 and *** percent in 2019; it was *** percent in interim 2019 and *** percentage points higher, at *** percent, in interim 2020.[147] Net income declined by *** percent from 2017 to 2019, from $*** in 2017 to $*** in 2018 and $*** in 2019; it was $*** in interim 2019 and *** percent higher, at $***, in interim 2020.[148] The industry's net income margin declined by *** percentage points from 2017 to 2019, from *** percent in 2017 to *** percent in 2018 and *** percent in 2019; it was *** percent in interim 2019 and higher, at *** percent, in interim 2020.[149]

Capital expenditures declined by *** percent between 2017 and 2019, from $*** in 2017 to $*** in 2018 and $*** in 2019; they were $*** in interim 2019 and *** percent higher, at $***, in interim 2020.[150] Net asset values increased by *** percent from 2017 to 2019, from $*** in 2017 to $*** in 2018 and $*** in 2019.[151] Operating return on assets declined by *** percentage points from 2017 to 2019, from *** percent in 2017 to *** percent in 2018 and *** percent in 2019.[152] Additionally, both responding producers reported that subject imports had negative effects on investment, growth, and development.[153]

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[142] CR/PR at Tables VI-1, C-1.
[143] CR/PR at Tables VI-1, C-1.
[144] CR/PR at Tables VI-1, C-1.
[145] CR/PR at Tables VI-1, C-1.
[146] CR/PR at Tables VI-1, C-1.
[147] CR/PR at Tables VI-1, C-1.
[148] CR/PR at Tables VI-1, C-1.
[149] CR/PR at Tables VI-1, C-1.
[150] CR/PR at Tables VI-5, C-1.
[151] CR/PR at Tables VI-5, C-1.
[152] CR/PR at Tables VI-5.
[153] CR/PR at Table VI-7.

Thus, the record indicates that a significant volume of lower-priced subject imports undersold the domestic like product and, this significant underselling took sales from the domestic industry. [154] Consequently, the domestic industry's output and revenues were lower than they would have been otherwise. Moreover, the price-suppressing effects of subject imports prevented the domestic industry from increasing prices commensurate with rising costs, further reducing revenues from what they would have been otherwise. As a result of subject imports, the domestic industry suffered declines in financial performance from 2017 to 2019. We accordingly find that subject imports had a significant impact on the domestic industry.

We have also considered factors other than subject imports to ensure that we are not attributing any material injury caused by other factors to subject imports. We find that demand conditions, including an ostensible *** percent decline in reported apparent U.S. consumption between 2017 and 2019,[155] cannot explain the domestic industry's difficulties. We have explained in Section IV.E that declines in reported apparent U.S. consumption cannot explain the price suppression that the domestic industry experienced during the POI. Declines in reported apparent U.S. consumption also cannot explain the domestic industry's lost sales over the POI and loss of market share to subject imports between 2017 and 2018.

Nonsubject imports' share of apparent U.S. consumption was minimal throughout the POI.[156] Additionally, the pricing data show that nonsubject import AUVs were higher than subject import AUVs in each of the reporting periods.[157] Accordingly, nonsubject imports do not explain the domestic industry's declining output and financial performance indicators from 2017 to 2019, nor do they explain the price effects experienced by the industry.

V. Conclusion

For the reasons stated above, we determine that an industry in the United States is materially injured by reason of subject imports of twist ties from China that are sold in the United States at LTFV and subsidized by the government of China.

[154] Subject imports also gained *** percentage points of market share from domestic producers between 2017 and 2018. If apparent U.S. consumption is based on the constructed import dataset, subject imports gained *** percentage points of market share from domestic producers during this period.

[155] CR/PR at Tables IV-6, C-1.

[156] CR/PR at Table IV-7.

[157] CR/PR at Table IV-2.

Separate and Dissenting Views of
Chair Jason E. Kearns and Commissioner David S. Johanson

I. No Material Injury by Reason of Subject Imports

We concur with our colleagues on the issues of background, domestic like product, domestic industry, legal standards, and conditions of competition (sections I.-IV.C of the majority Views). Therefore, we adopt and incorporate the majority's findings and analysis regarding those issues. As explained below, while we find that the volume of subject imports in absolute terms and relative to consumption was significant, we do not find a significant increase in subject imports. While we find significant underselling due to its prevalence, we do not find any significant effects (*i.e.*, a shift in market share, price depression, or price suppression) as a result of that underselling. We further find that subject imports did not have an adverse impact on the domestic industry's condition. Finally, we do not find that subject imports pose a threat of material injury to the domestic industry in the imminent future.

A. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[1]

We determine that subject import data based on Hongda's export data are the most appropriate basis for our analysis. As discussed above in section IV.B, the record contains two sets of data for import volume. However, Hongda's reported export volume by quantity is substantially greater than the import data from importer questionnaires.[2] Thus, the former present a more complete picture of the overall volume of subject imports, and relying on the importer questionnaire data would necessarily result in substantially undercounting subject imports.[3]

Based on Hongda's export data, the volume of subject imports by quantity declined each year from 2017 to 2019, but was higher in interim 2020 than in interim 2019. Subject imports fell by *** percent from 2017 to 2018 (from *** twist ties to *** twist ties) and by *** percent from 2018 to 2019 (to *** twist ties), for an overall decline of *** percent.[4] Subject

[1] 19 U.S.C. § 1677(7)(C)(i).

[2] Total import volumes by quantity reported in importer questionnaires were equivalent to the following percentage of Hongda's reported exports: *** percent in 2017, *** percent in 2018, *** percent in 2019, *** percent in interim 2019, and *** percent in interim 2020. *Derived from* Confidential Report, Memorandum INV-TT-036 (Mar. 10, 2021) ("CR") and Public Report*, Twist Ties from China*, Inv. Nos. 701-TA-649 and 731-TA-1523 (Final), USITC Pub. 5179 (April 2021) ("PR") at Tables IV-2 and C-2.

[3] We note further that this uses the information available on subject import volume that is most favorable to Petitioner by showing higher import volumes throughout the period of investigation ("POI") than the alternative data set. *Compare* CR/PR at Table C-2 (exporter data) *with* Table C-1 (importer data).

[4] CR/PR at Table C-2.

import volume was *** twist ties in interim 2020, *** percent higher than the level in interim 2019, ***.[5] However, the volume in interim 2020, annualized, was substantially lower than the level in 2017.[6]

Subject import market share by quantity was essentially steady from 2017 (*** percent to 2018 (*** percent), then it fell sharply to *** percent in 2019.[7] Subject import market share was slightly higher in interim 2020 (*** percent) than in interim 2019 (*** percent), but remained substantially below the level in 2017 and 2018.[8]

We find that the volume of subject imports is significant both in absolute terms and relative to consumption in the United States. We further find, however, that there was not a significant increase in the volume of subject imports either in absolute terms or relative to consumption over the POI, given their overall substantially declining quantity and market share during the POI.[9] [10] Moreover, as discussed below, we do not find that subject imports had significant price effects, nor did they have a significant impact on the domestic industry.

[5] CR/PR at Table C-2.

[6] Annualized subject import volume in 2020 is *** twist ties (***multiplied by 4/3).

[7] CR/PR at Table C-2.

[8] CR/PR at Table C-2.

[9] Petitioner contends that subject imports receded from the U.S. market beginning in 2019 due to a number of market developments. *See* Petitioner's Posthearing Br. at 2, Exh. 1 at 1-3, 14-19. We address these contentions below, in Section II.B.1. We also note that the imposition of Section 301 tariffs on subject imports from China had some effect on the volume of subject imports from 2019 onward. *See* CR/PR at VII-4 n.5.

[10] We note that, comparing 2019 to 2017 and comparing interim periods, subject imports lost market share to domestically produced twist ties. *See* CR/PR at Table C-2. Moreover, based on the available shipment data, this shift in market share occurred in the two largest channels of distribution, distributors and end users, and also for shipments to retailers between interim periods. *See* CR/PR at Tables IV-8-IV-10. The largest channel was end users (which increased from *** percent of the market in 2017 to *** percent in interim 2020), followed by distributors (which accounted for *** percent of the market in 2017 and *** percent in interim 2020); the retailer channel was by far the smallest, and accounted for a declining share of the market (*** percent in 2017 and *** percent in interim 2020). *See* CR/PR at Tables IV-8, IV-9, IV-10 (distributors, retailers, end users, respectively). In the largest channel, end users, subject import market share was lower in 2019 than in 2017 and also in interim 2020 compared to interim 2019, while the domestic industry's market share was higher in 2019 than in 2017 and in interim 2020 compared to interim 2019. CR/PR at Table IV-10. With respect to distributors, the domestic industry's market share also increased overall from 2017 to 2019 and was higher in interim 2020 than in interim 2019. CR/PR at Table IV-8. Finally, in the smallest channel, retailers, subject imports' market share was higher in 2019 than in 2017 while the domestic industry's share was lower; however, between interim periods, the opposite was true, and subject imports' share was at the lowest of the POI, and domestic product's at its highest, in interim 2020. CR/PR at Table IV-9. Any market share loss in the retailer channel from 2017 to 2019 was dwarfed by gains in the larger end user and distributor channels from 2017 to 2019, and was erased in interim 2020, as the domestic industry gained market share from subject imports in this channel as well.

B. Price Effects of the Subject Imports

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

> (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and
>
> (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[11]

As discussed above, we find that there is a moderate-to-high degree of substitutability between domestically produced twist ties and subject imports, and that price is an important consideration in purchasing decisions, along with other factors.

The Commission collected quarterly price data for the total quantity and f.o.b. value of four twist tie products shipped by U.S. producers and importers to unrelated customers between January 2017 and September 2020.[12] *** and importers *** provided usable pricing data for sales of the requested products, although not all firms reported pricing for all quarters. Pricing data reported by these firms accounted for approximately *** percent of U.S. producers' shipments of twist ties and *** percent of U.S. shipments of subject imports from China in 2019.[13]

Subject imports undersold the domestic like product in 43 of 46 quarterly price comparisons at an average underselling margin of *** percent; the quantity of subject imports in these underselling comparisons was *** twist ties. Subject imports oversold the domestic

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[11] 19 U.S.C. § 1677(7)(C)(ii).

[12] CR/PR at V-5-V-6. The pricing products were as follows:

Product 1. – Paper/paper 29 gauge cut tie, ranging from 4" x 5/32" to 4" x 3/16";

Product 2. – Paper/paper 29 gauge cut tie, ranging from 7" x 5/32" to 7" x 3/16";

Product 3. – Produce tie, wet strength paper/paper 27 gauge, galvanized wire, 8" x 7/16"; and

Product 4. – Produce tie, wet strength paper/paper 27 gauge, galvanized wire, 10" x 7/16".

CR/PR at V-5.

[13] CR/PR at V-6. Petitioner recommended that we collect data on these four twist tie pricing products in the petitions. Petitions at 16-17. In the preliminary determinations, we found that reported pricing data for these pricing products accounted for *** percent of U.S. producers' U.S. commercial shipments and *** percent of U.S. commercial shipments of subject imports; the reported pricing data did not reflect transactions involving *** and twist ties of wire gauge sizes of *** that U.S. producers reported selling in the U.S. market during the period of investigation. Confidential Preliminary Determination (Aug. 18, 2020), EDIS Doc. No. 717580 at 30 n.126. In the absence of any response from market participants to our request for comments on the draft final phase questionnaires, we did not change the pricing products.

like product in the remaining three comparisons; the quantity of subject imports in these comparisons was *** twist ties.[14]

We have also examined lost sales information in our underselling analysis. Of the 15 purchasers that responded to questionnaires, nine reported they had purchased subject imports instead of domestic product since 2017. Eight of these reported that subject import prices were lower than prices for domestic product, and seven reported that price was a primary reason for purchasing subject imports rather than domestic product.[15] However, the quantity of subject imports they reported purchasing because of price totaled *** twist ties. This is equivalent to only about *** percent of total subject imports and *** percent of the domestic industry's total U.S. shipments since 2017.[16]

While we find this underselling to be significant in the sense that underselling was clearly predominant over the POI, as discussed below we do not find that this underselling had any significant adverse price effects.

The underselling did not lead to a significant shift in market share from domestic product to subject imports. From 2017 to 2018, subject import market share increased by only *** percentage points, and the domestic industry lost only *** percentage points. From 2018 to 2019, subject import market share fell sharply, by *** percentage points, and the domestic industry gained *** percentage points. Between interim periods, subject imports gained a modest *** percentage points of market share, while the domestic industry lost *** percentage points. Subject imports' market share in interim 2020, *** percent, was substantially lower than their market share in 2017, the beginning of the POI, when it was *** percent.[17] Thus, despite pervasive underselling, subject imports *lost* market share to the domestic like product.

We have examined price trends for the domestic like product and subject imports. Between the first quarter of 2017 and the third quarter of 2020, prices increased for domestically produced products 1 and 3, and declined for domestically produced products 2 and 4.[18] However, product 1 had by far the largest volume for domestically produced product, with a volume each quarter far exceeding that for the other three pricing products combined. Over the POI, prices for subject imports increased for the three pricing products with

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[14] CR/PR at Table V-9.

[15] CR/PR at V-17. Petitioner contends that lost sales and lost revenue allegations it filed with the petitions provide additional evidence of price suppression in the twist ties market. Petitioner's Posthearing Br. at 6; Petitions, Exh. GEN-8. We note that the allegations contained in the petitions lacked corroborating evidence in the form of copies (as opposed to purported extracts) of email correspondences and price lists, raising questions as to the precise nature and context of these correspondences. Petitioner identified 21 firms in its lost sales and lost revenue allegations. Four firms on the allegation list responded in these final phase investigations, three responded only in the preliminary phase, and one firm responded in both phases. On the basis of these allegations and information compiled during the preliminary phase of these investigations, staff contacted 60 purchasers and received responses from 16 purchasers, which are compiled in the report in CR/PR at Tables V-10-V-12.

[16] *Derived from* CR/PR at Tables V-11 and C-2.

[17] *See* CR/PR at Table C-2.

[18] CR/PR at Table V-8.

substantial data.[19] Thus, we do not find that subject imports depressed prices to a significant degree.

We have examined whether subject imports prevented price increases, which otherwise would have occurred, to a significant degree. The industry's ratio of cost of goods sold ("COGS") to net sales increased from *** percent in 2017 to *** percent in 2018 and *** percent in 2019, for an overall increase of *** percentage points.[20] At the same time, subject import market share was essentially steady from 2017 to 2018, rising by only *** percentage points, then fell by *** percentage points in 2019. However, apparent U.S. consumption fell by *** percent in 2018 and by *** percent in 2019, for an overall decline of *** percent.[21] Thus, to the extent that the domestic industry's cost-price squeeze from 2017 to 2019 indicates an inability to increase prices in line with rising costs, the record indicates that this was not due to subject imports, but rather was due to falling demand.[22] Between interim periods, the industry's COGS to net sales ratio improved slightly, falling by *** percentage points.[23] At the same time, subject import market share rose by *** percentage points, but apparent U.S. consumption rose by *** percent.[24] Thus, the interim data also support the conclusion that the industry's ability to keep prices in line with costs is driven by demand changes rather than changes in subject import market share.

Petitioner claimed that it had to reduce prices or was prevented from raising prices due to price competition from subject imports.[25] However, the record contains little beyond assertions regarding this point.[26] At the hearing, Chair Kearns asked Petitioner to provide

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[19] CR/PR at Table V-8. Subject import price data for product 2 were limited and did not allow a meaningful price trend analysis. *Id.* Only two of 15 responding purchasers reported that U.S. producers had reduced prices to compete with lower-priced imports; five reported they had not (eight reported that they did not know). CR/PR at V-17 and Table V-12.

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

[21] CR/PR at Table C-2.

[22] We find the apparent consumption data to be a suitable proxy for demand in the market. Questionnaire responses from market participants provided a mixed picture of demand perceptions, but only a minority of responding importers (three of nine) and of responding purchasers (five of thirteen) reported that demand in the United States had increased. Responses that demand had increased or was unchanged may reflect an increase in demand in interim 2020, when, as Petitioner argues, there was increased demand for twist ties for nose wires in facemasks. *See, e.g.*, CR/PR at II-10; Petitioner's Prehearing Br. at 26. Moreover, given the widely varied applications and industries that use twist ties, individual market participants would not be expected to have a broad understanding of overall demand trends. Finally and importantly, apparent consumption calculated from each of the two alternative import data sets shows the same trend – declines in 2018 and 2019, and an increase between interim periods. Thus, as the Commission typically does, we view the apparent consumption figures as indicative of U.S. demand for twist ties.

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

[24] CR/PR at Table C-2.

[25] *See*, *e.g.*, Petitioner's Prehearing Br. at 17-18; Petitioner's Posthearing Br., Exh. 1 at 19.

[26] Petitioner's claim that if it raised prices it would lose market share is contradicted by the record, which shows substantial domestic industry market share gains notwithstanding subject imports' lower prices and notwithstanding domestic price increases with respect to two of the four pricing products, including the product with the highest volume by far, as discussed above.

documentary evidence to support its claims that it could not raise prices due to subject imports; Petitioner's representative agreed to do so.[27] However, in its posthearing brief,[28] Petitioner merely provided very brief "summaries" regarding one competitor, without any of the requested documentary support, nor any meaningful explanation of how Petitioner's prices were depressed or suppressed. Moreover, the alleged information is from 2017 and, at latest, July 2018; there was no responsive information provided for the more recent part of the POI. In contrast, the weight of the record evidence, as discussed above, does not show a significant link between subject imports and price depression or suppression.

In sum, while we find underselling by subject imports to be prevalent, we do not find that such underselling had any significant effects on market share, nor do we find that subject imports depressed prices to a significant degree or prevented price increases, which otherwise would have occurred, to a significant degree.

C. Impact of the Subject Imports[29]

Section 771(7)(C)(iii) of the Tariff Act provides that examining the impact of subject imports, the Commission "shall evaluate all relevant economic factors which have a bearing on the state of the industry."[30] These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debts, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[31]

From 2017 to 2019, some indicators of the industry's condition worsened, although others improved. This coincided with a substantial decline in apparent U.S. consumption, ***

[27] Transcript of Hearing ("Tr.") at 53-54.

[28] Petitioner's Posthearing Br., Exh. 1 at 7.

[29] The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). In its final determination of sales at less value Commerce found an antidumping duty margin of 72.96 for imports from China. 86 Fed. Reg. 10,536, 10,538 (Feb. 22, 2021). We take into account in our analysis the fact that Commerce has made final findings that all subject producers in China are selling subject imports in the United States at less than fair value. In addition to this consideration, our impact analysis has considered other factors affecting domestic prices. Our analysis of the underselling but lack of price effects of subject imports, described in both the price effects discussion and below, is particularly probative to an assessment of the impact of the subject imports.

[30] 19 U.S.C. § 1677(7)(C)(iii); *see also* SAA at 851 and 885 ("In material injury determinations, 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 also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.").

[31] 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act of 2015, Pub. L. 114-27.

percent.[32] The industry's capacity fell by *** percent, and its production fell by *** percent; as a result, its capacity utilization rose by *** percent.[33] U.S. shipments fell by *** percent.[34] However, due to the larger decline in apparent U.S. consumption, the domestic industry's market share rose by *** percentage points.[35] End-of-period inventories were *** percent lower in 2019 than in 2017, and the ratio of end-or period inventories to total shipments fell by *** percentage points.[36] Most of the domestic industry's labor indicators improved from 2017 to 2019; in particular, the number of production workers ("PRWs") rose by *** percent, and total wages paid by *** percent.[37] The industry's net sales quantity fell by *** percent by quantity, but rose by *** percent by value, and the average unit value ("AUV") of its net sales rose by *** percent.[38] Its financial performance declined, with its operating income falling by *** percent and its net income declining by *** percent; its operating income to net sales ratio fell from *** percent to *** percent and its net income to net sales ratio fell from *** percent to *** percent.[39] Capital expenditures fell by *** percent while research and development expenses rose by *** percent.[40]

Thus, from 2017 to 2019, many of the industry's performance indicators improved, despite declining apparent U.S. consumption, but its financial performance did worsen, due primarily to an increase in its ratio of COGS to net sales. However, as discussed above, we do not find that subject imports had a significant price suppressing effect, and that it was demand

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[32] CR/PR at Table C-2. Apparent U.S. consumption declined from *** twist ties in 2017 to *** in 2018 and *** in 2019. CR/PR at Table C-2.

[33] CR/PR at Table C-2. The domestic industry's capacity declined from *** twist ties in 2017 to *** in 2018 and *** in 2019. CR/PR at Tale C-2. The industry's production declined from *** twist ties in 2017 to *** in 2018 and *** in 2019. CR/PR at Table C-2. Thus, the industry's capacity utilization increased from *** percent in 2017 to *** percent in 2018 and *** percent in 2019. CR/PR at Table C-2.

[34] CR/PR at Table C-2. U.S. shipments decreased from *** twist ties in 2017 to *** in 2018 and were *** in 2019. CR/PR at Table C-2.

[35] CR/PR at Table C-2. The domestic industry's market share was *** percent in 2017, *** percent in 2018, and *** percent in 2019. CR/PR at Table C-2.

[36] CR/PR at Table C-2. End-of-period inventories were *** twist ties in 2017, *** in 2018, and *** in 2019. Their ratios to total shipments were *** percent in 2017, *** percent in 2018, and *** percent in 2019. CR/PR at Table C-2.

[37] CR/PR at Table C-2. PRWs totaled *** in 2017, *** in 2018, and *** in 2019. CR/PR at Table C-2. Total wages paid increased from $*** in 2017 to $*** in 2018 and $*** in 2019. CR/PR at Table C-2.

[38] CR/PR at Table C-2. Net sales quantity was *** twist ties in 2017, *** in 2018, and *** in 2019; net sales value was $*** in 2017, $*** in 2018, and $*** in 2019. CR/PR Table C-2. Average unit values increased from $*** in 2017 to $*** in 2018 and $*** in 2019. CR/PR at Table C-2.

[39] CR/PR at Table C-2. Operating income declined from $*** in 2017 to $*** in 2018 and $*** in 2019. Net income declined from $*** in 2017 to $*** in 2018 and $*** in 2019. The industry's operating margin declined from *** percent in 2017 to *** percent in 2018 and *** percent in 2019. Its net income margin declined from *** percent in 2017 to *** percent in 2018 and *** percent in 2019. CR/PR at Table C-2.

[40] CR/PR at Table C-2. Capital expenditures were $*** in 2017, $*** in 2018, and $*** in 2019. Research and development expenses increased from $*** in 2018 and $*** in 2019. CR/PR at Table C-2.

trends that drove the industry's cost-price squeeze. As was the case in our analysis for price effects, we find it highly probative that the domestic industry's financial condition worsened over a period when apparent U.S. consumption was falling and subject import market share was essentially steady (from 2017 to 2018) and then falling sharply (from 2018 to 2019). Thus, on this record, we find that declines in the industry's financial condition were not due to subject imports, but rather were tied to declining demand.

Comparing interim periods, apparent consumption was *** percent higher in interim 2020 than in interim 2019.[41] At the same time, subject import volume was *** percent higher, and subject import market share was slightly higher, by *** percentage points.[42] However, the industry's condition, by almost all measures, improved markedly between interim periods. Comparing interim 2020 to interim 2019, capacity was *** percent higher, production was *** percent higher, capacity utilization was *** percentage points higher (and reached the highest level seen during the POI), and U.S. shipments were *** percent higher.[43] Most employment indicators improved, including hours worked, wages paid, and hourly wages; although the number of PRWs fell, it was by only *** percent (***).[44] Net sales rose *** percent by quantity and *** percent by value.[45] The industry's profitability improved substantially, with operating income up by *** percent and net income *** percent higher.[46] The industry's operating income to net sales ratio rose by *** percentage points to *** percent, only *** percentage points below the level in 2017; the net income to net sales ratio rose by *** percentage points to *** percent, also only *** percentage points below the 2017 level.[47]

Thus, the interim period data buttress the story told by the full year data – that the industry's condition correlates with apparent U.S. consumption trends, but not with subject import volume. To reiterate, when apparent consumption declined substantially, the industry's

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[41] CR/PR at Table C-2. Apparent U.S. consumption was *** twist ties in interim 2020 and *** in interim 2019. CR/PR at Table C-2.

[42] CR/PR at Table C-2. The volume of subject imports was *** twist ties in interim 2020 and *** in interim 2020. Subject import market share was *** percent in interim 2020 and *** percent in interim 2019. CR/PR at Table C-2.

[43] CR/PR at Table C-2. Domestic capacity was *** twist ties in interim 2020 and *** in interim 2019; domestic production was *** twist ties in interim 2020 and *** in interim 2019. CR/PR at Table C-2. Capacity utilization was therefore higher in interim 2020 (*** percent) than in interim 2019 (*** percent). CR/PR at Table C-2. U.S. shipments were also higher, *** twist ties, in interim 2020 compared to *** in interim 2019. CR/PR at Table C-2.

While ending inventories were *** percent higher in interim 2020, the ratio of inventories to total shipments fell, by *** percentage points. CR/PR at Table C-2.

[44] CR/PR at Table C-2. Hours worked were *** in interim 2020 and *** in interim 2019; wages were $*** in interim 2020 and $*** in interim 2019; hourly wages were $*** in interim 2020 and $*** in interim 2019; and PRWs were *** in interim 2020 and *** in interim 2019. CR/PR at Table C-2.

[45] CR/PR at Table C-2. The industry's net sales quantity was *** in interim 2020 and *** in interim 2019; its net sales value was $*** in interim 2020 and $*** in interim 2019. CR/PR at Table C-2.

[46] CR/PR at Table C-2. The industry's operating income was $*** in interim 2020 and $*** in interim 2019. Its net income was $*** in interim 2020 and $*** in interim 2019. CR/PR at Table C-2.

[47] CR/PR at Table C-2. The industry's operating margin was *** percent in interim 2020 and *** percent in interim 2019; its net income margin was *** percent in interim 2020 and *** percent in interim 2019. CR/PR at Table C-2.

financial performance similarly declined; when apparent consumption rose, the industry's condition improved markedly. In contrast, when subject import market share was steady (in 2018) or declining (in 2019), the industry's financial condition worsened; when it rose (in interim 2020), the industry's financial condition nonetheless improved markedly.

In sum, given that subject import volume and market share did not increase significantly (and rather fell in 2019 and interim 2020), the lack of record evidence showing adverse price effects, and the lack of correlation between the performance of the domestic industry and subject imports, we find that subject imports did not have a significant impact on the domestic industry.

Thus, we find that the domestic industry is not materially injured by reason of subject imports that Commerce has found that are sold in the United States at less than fair value and to be subsidized by the government of China.

II. No Threat of Material Injury by Reason of Subject Imports

A. Legal Standard

Section 771(7)(F) of the Tariff Act directs the Commission to determine whether the U.S. industry is threatened with material injury by reason of the subject imports by analyzing whether "further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted."[48] The Commission may not make such a determination "on the basis of mere conjecture or supposition," and considers the threat factors "as a whole" in making its determination whether dumped or subsidized imports are imminent and whether material injury by reason of subject imports would occur unless an order is issued.[49] In making our determination, we consider all statutory threat factors that are relevant to these investigations.[50]

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[48] 19 U.S.C. § 1677(7)(F)(ii).

[49] 19 U.S.C. § 1677(7)(F)(ii).

[50] These factors are as follows:

(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement) and whether imports of the subject merchandise are likely to increase,

(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,

(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,

(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices and are likely to increase demand for further imports,

(V) inventories of the subject merchandise,

(Continued...)

B. Analysis

1. Likely Volume

As discussed above, subject import volume and market share fell in 2018 and 2019. Subject import volume was *** percent lower in 2019 than in 2017, and subject import market share in 2019, *** percent, was substantially lower than the 2017 level, *** percent.[51] While the volume of subject imports rose in interim 2020, on an annualized basis it was still substantially below the 2017 level, and subject import market share reached only *** percent, well below the levels in 2017 (*** percent) and 2018 (*** percent).[52]

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

…

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

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

19 U.S.C. § 1677(7)(F)(i). To organize our analysis, we discuss the applicable statutory threat factors using the same volume/price/impact framework that applies to our material injury analysis. Statutory threat factors (I), (II), (III), (V), and (VI) are discussed in the analysis of subject import volume. Statutory threat factor (IV) is discussed in the analysis of subject import price effects. Statutory factors (VIII) and (IX) are discussed in the analysis of impact. Statutory factor (VII) concerning agricultural products is inapplicable to this investigation.

[51] CR/PR at Table C-2. We note Petitioner's arguments regarding reasons for the decline in subject imports in 2019 and interim 2020. First, Petitioner argues that *** changed its fresh produce labeling requirements for bib ties at the end of 2018, and that Chinese producers needed about a year to meet these requirements. *See, e.g.*, Petitioner's Posthearing Br. at 2 and Exh. 1 at 1-3. The record does not support a finding that any such change would lead to such a dramatic decline in subject import volume. Only about *** percent of reported purchases and imports are of produce twist ties. *Derived from* purchasers' questionnaire responses at III-1, III-3, and CR/PR at Table V-10. Based on Petitioner's own estimates, bib ties accounted for no more than 10 percent of its shipments by quantity. Petitioner's specific allegations related only to one retailer; while *** is admittedly large, there are many other produce retailers.

Petitioner also argues that *** reduced its subject imports to increase domestic production. *See, e.g.*, Petitioner's Posthearing Br. at 2 and Exh. 1 at 3. However, *** reduced imports amounted to a decline of only *** twist ties from 2017 to 2019, which was only *** percent of the total decline in subject imports over that period. *See* CR/PR at Tables III-8 and C-2.

Thus, there is little record support for the contention that a substantial part of the decline in subject imports in 2019 was due to temporary factors. Moreover, there is no indication or argument that *** reduction of subject imports is temporary. In any event, regardless of the reason for the decline, the fact remains that at the end of interim 2020 subject import market share, and volume annualized, were substantially below the level at the beginning of the POI.

[52] CR/PR at Table C-2. Annualized 2020 subject import volume is *** twist ties (*** multiplied by 4/3).

The Commission received a response to its foreign producer questionnaire from one producer in China, Hongda.[53] Hongda estimated that it accounted for only *** of overall production of twist ties in China in 2019, and that it accounted for approximately *** percent of overall exports of twist ties from China to the United States.[54] However, the record does not otherwise indicate that there are other significant exporters of subject merchandise to the United States, and Petitioner has not specifically identified any in its arguments before the Commission. The record also does not indicate that there are a significant number of major importers of subject merchandise besides those that responded to Commission questionnaires, nor has Petitioner identified any such importers. Given that Hongda's export volumes are substantially higher than reported importer import volumes, it is highly likely that any other importers that may exist are mostly importing product from Hongda. Thus, based on the record, in particular the disparity between importers' reported import volumes and Hongda's export data, we do not find it likely that there are other subject producers that exported substantial volumes of subject merchandise to the United States during the POI.

We therefore view Hongda's data as a good basis upon which to assess the likelihood of substantially increased subject imports in the imminent future. Hongda's reported capacity to produce twist ties was steady throughout the POI, at *** twist ties in each full year of the POI and *** twist ties in both interim periods.[55] Hongda's reported production increased throughout the POI, such that its capacity utilization rose from *** percent in 2017 to *** percent in 2019; it was higher, at *** percent, in interim 2020 than in interim 2019, when it was *** percent.[56] While Hongda exported the majority of its shipments throughout the POI, exports' share of its total shipments declined each year of the POI.[57] Moreover, exports to the United States accounted for a substantially declining share of its total shipments, falling from *** percent in 2017 to *** percent in 2018 and *** percent in 2019; it was *** percent in interim 2019 and *** percent in interim 2020.[58] Thus, the trends in Hongda's production and shipments do not indicate a likelihood of substantially increased subject imports into the United States. Moreover, if there are any other producers of subject merchandise, their exports to the United States did not increase substantially over the POI, as evidenced by the declining trend in importers' reported subject imports. There is no indication that any such producers will, in the

[53] CR/PR at VII-3.

[54] CR/PR at VII-3.

[55] CR/PR at Table VII-3. Its projected capacity remains at the same level for full years 2020 and 2021. *Id.*

[56] CR/PR at Table VII-3. Its projected capacity utilization is *** percent in 2020 and *** percent in 2021. *Id.*

[57] CR/PR at Table VII-3. Exports' share of Hongda's total shipments fell from *** percent in 2017 to *** percent in 2018 and *** percent in 2019; it declined from *** percent in interim 2019 to *** percent in interim 2020. Its projected exports as a share of total shipments is *** percent in 2020 and *** percent in interim 2021. *Id*.

[58] CR/PR at Table VII-3. Its projected exports to the United States as a share of total shipments is *** percent in 2020 and *** percent in 2021. We note that there is no indication that there are antidumping or countervailing duty orders on twist ties from China in any third-country markets. CR/PR at VII-9.

imminent future, change behavior and export significant volumes of subject merchandise to the United States.

We have also taken into account inventories of subject merchandise. While importers' absolute end-of-period inventories rose from 2017 to 2019 and between interim periods, the inventory level at the end of interim 2020 was lower than that at the end of 2019, and only *** twist ties higher than the level in 2017.[59] We note that all importers' commercial shipments came from inventories,[60] and therefore substantial inventory levels are not surprising. In any event, the level of end-of-period inventories throughout the POI did not lead to a significant increase in shipments of subject imports; rather, such shipments fell from 2017 and between interim periods.[61] Thus, we do not find that inventory levels are likely to cause a significant increase in subject imports in the imminent future.[62] [63]

With respect to the potential for product shifting, Hongda reported producing other products on the same equipment and machinery used to produce twist ties.[64] However, its reported overall capacity utilization was very high; it was *** percent in 2019 and *** percent in interim 2020.[65] Moreover, the possibility of product shifting existed throughout the POI, and did not lead to a substantial increase in subject imports; rather, subject import volume fell.

Accordingly, we do not find a likelihood of substantially increased subject imports in the imminent future.[66] While the volume of subject imports will likely remain significant in the

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[59] CR/PR at Table VII-5. We note Petitioner's arguments that importer inventories were high in 2019 and interim 2020 because the market for produce ties was "tumultuous" in 2019 due to E. coli outbreaks and lettuce harvest conditions. *See, e.g.,* Petitioner's Posthearing Br. at 2 and Exh. 1 at 14-19. However, these claims were not raised until the hearing and were not presented in any detail until Petitioner's posthearing brief; moreover, Petitioner has not provided any indication of the share of the U.S. twist tie market it alleges was impacted. In any event, our analysis of inventories here is not affected by alleged reasons for increases; we take the increases as a given.

[60] CR/PR at II-11.

[61] CR/PR at Table IV-3. Importers' shipments of subject imports fell from *** twist ties in 2017 to *** in 2019 and from *** twist ties in interim 2019 to *** in interim 2020. *Id*.

[62] Hongda's reported inventories fell from *** twist ties in 2017 to *** in 2019; they were *** twist ties in both interim periods. CR/PR at Table VII-3. Hongda's declining inventories, and the fact that its exports to the United States fell over the POI notwithstanding its inventories, further support our conclusion with respect to likely volume.

[63] We note that *** importers reported arranging imports of subject merchandise after September 2020. However, the total volume reported, *** twist ties, is equivalent to only *** percent of annualized 2020 apparent consumption. *Derived from* CR/PR at Tables VII-6 and C-2.

[64] CR/PR at VII-6. These other products include ***.

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

[66] In our analysis, we have considered the nature of the subsidies Commerce has found to be countervailable, particularly whether the countervailable subsidies are ones described in Articles 3 or 6.1 of the WTO Agreement on Subsidies and Countervailing Measures, and whether imports of the subject merchandise are likely to increase. 19 U.S.C. § 1677(7)(F)(i)(I). We observe that in its final countervailing duty determination concerning twist ties from China, Commerce found the following subsidy programs to be countervailable: income tax programs, preferential lending, grant programs, LTAR programs, and export credit insurance subsidies. *See* Department of Commerce Memorandum, (Continued...)

imminent future, the record indicates no imminent change in conditions of competition that would likely change the lack of a causal relationship we found during the POI between the significant volume of low-priced subject imports and any significant adverse price effects or significant impact on the domestic industry's condition.

2. Likely Price Effects

As discussed above, while we found prevalent underselling over the POI, we did not find that subject imports had any significant price depressing or suppressing effects, nor did the underselling lead to a market share shift from domestically produced twist ties to subject imports. To the contrary, the domestic industry gained substantial market share from subject imports notwithstanding the underselling by subject imports observed during the POI. The record does not indicate that the price effects of subject imports are likely to be different in the imminent future than they were during the POI. Moreover, our finding that there is not a likelihood of significantly increased subject imports in the imminent future further supports a conclusion that subject imports are not imminently likely to have significant price effects.

Accordingly, we find that imports of subject merchandise are not likely to enter at prices that are likely to have a significant depressing or suppressing effect on domestic prices, or are likely to increase demand for such imports.

3. Likely Impact

We find that subject imports are not likely to have a significant impact on the domestic industry in the imminent future. As discussed above, we have found that the volume of subject imports is not likely to increase significantly in the imminent future. Furthermore, subject imports are not likely to enter at prices that are likely to have a significant depressing or suppressing effect on domestic prices.

We set forth above how the domestic industry's performance improved at the end of the POI. Of particular note, the ratios of its operating income and net income to its net sales in interim 2020 were each only *** percentage points below the levels in 2017.[67] Apparent U.S. consumption grew by a healthy *** percent between interim periods,[68] and there is no indication on the record that demand is likely to decline in the imminent future.[69] Thus, we do not find that the domestic industry is vulnerable to material injury from subject imports.

Issues and Decision Memorandum for the Final Determination of the Countervailing Duty Investigation of Twist Ties from the People's Republic of China, C-570-132 (February 16, 2021) (EDIS Document No. 735602). We have taken these subsidy findings into account in our analysis of likely subject import volume.

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

[68] CR/PR at Table C-2.

[69] Certain market forecast reports on the record indicate a positive growth outlook for bag closures, which include twist ties and plastic clip closures, with some predictions of a short-term drop in sales due to COVID-19. One source forecasts a global compound annual growth rate of 5.6 percent for bag closures in the imminent future and beyond. *See* CR/PR at VII-10 and nn.14, 15, 18; *see also* Tr. at 31 (Mr. Milbrandt) (describing a "growing" twist tie market).

While the industry's capital expenditures fell from 2017 to 2019, they increased substantially between interim periods.[70] The decline in capital expenditures over the full years of the POI coincided with subject imports' market share being steady (from 2017 to 2018) and then sharply declining (from 2018 to 2019). The increase between interim periods occurred as subject imports' market share grew. Research and development expenses increased both from 2017 to 2019 and between interim periods.[71] Based on these trends, and on our findings regarding likely volume and price effects, we find that subject imports are not likely to have an actual or potential negative effect on the domestic industry's existing development and production efforts.

We thus find that an industry in the United States is not threatened with material injury by reason of subject imports.

III. Conclusion

For the reasons stated above, we determine that an industry in the United States is not materially injured or threatened with material injury by reason of subject imports of twist ties from China that are sold in the United States at less than fair value and are subsidized by the government of China.

[70] CR/PR at Table VI-5. Capital expenditures were $*** in 2017, $*** in 2018, and $*** in 2019; they were $*** in interim 2019 and $*** in interim 2020. *Id*.

[71] CR/PR at Table VI-5. Research and development expenses were $*** in 2017, $*** in 2018, and $*** in 2019; they were $*** in interim 2019 and $*** in interim 2020. *Id*.

Part I: Introduction

Background

These investigations result from petitions filed with the U.S. Department of Commerce ("Commerce") and the U.S. International Trade Commission ("USITC" or "Commission") by Bedford Industries, Inc., Worthington, Minnesota, on June 26, 2020, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized and less-than-fair-value ("LTFV") imports of twist ties[1] from China. The following tabulation provides information relating to the background of these investigations.[2] [3]

Effective date	Action
June 26, 2020	Petitions filed with Commerce and the Commission; institution of the Commission's investigations (85 FR 39933, July 2, 2020)
July 16, 2020	Commerce's notice of initiation (85 FR 45161, July 27, 2020 (AD) and 85 FR 45188, July 27, 2020 (CVD))
August 10, 2020	Commission's preliminary determinations (85 FR 49681, August 14, 2020)
December 1, 2020	Commerce's preliminary CVD determination (85 FR 77167, December 1, 2020)
December 3, 2020	Scheduling of final phase of Commission investigations (85 FR 83613, December 22, 2020)
December 10, 2020	Commerce's preliminary LTFV determination (85 FR 79468, December 10, 2020)
February 16, 2021	Commission's hearing
February 22, 2021	Commerce's final LTFV determination (86 FR 10536, February 22, 2021); Commerce's final CVD determination (86 FR 10542, February 22, 2021)
March 23, 2021	Commission's vote
April 8, 2021	Commission's views

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

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

[3] Appendix B contains a list of the witnesses who appeared at the Commission's hearing.

Statutory criteria

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

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

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

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

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

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

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

Organization of report

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

Market summary

Twist ties are thin, bendable fasteners for closing containers such as bags, bundling items, or identifying objects. The leading U.S. producers of twist ties are Bedford Industries, Inc. ("Bedford") and T and T Industries, Inc. ("T and T" or "T&T"), while leading producers of twist ties outside the United States include Zhenjiang Hongda Commodity Co., Ltd ("Hongda") of China. The leading U.S. importers of twist ties from China are ***. U.S. purchasers of twist ties are firms that produce and/or package baked goods and agricultural products, and distributors of loose twist ties and twist tie ribbon; leading purchasers include ***.

Apparent U.S. consumption of twist ties totaled approximately *** twist ties ($***) in 2019. Currently, two firms are known to produce twist ties in the United States, Bedford and T and T. U.S. producers' U.S. shipments of twist ties totaled approximately *** ($***) in 2019 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. importers' U.S. shipments of imports

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

from subject sources totaled approximately *** twist ties ($***) in 2019 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. importers' shipments of imports from nonsubject sources totaled *** twist ties ($***) in 2019 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value.

Summary data and data sources

A summary of data collected in these investigations is presented in appendix C, table C-1.[6] Except as noted, U.S. industry data are based on the questionnaire responses of two firms that accounted for the vast majority U.S. production of twist ties during 2019. U.S. import data are based on the responses of 13 firms that are believed to have accounted for an estimated *** percent of imports of twist ties from China in 2019.[7] Foreign industry data are based on the questionnaire of one producer/exporter in China whose exports accounted for an estimated *** percent of estimated imports of twist ties from China in 2019.[8]

Nature and extent of subsidies and sales at LTFV

Subsidies

On February 22, 2021, Commerce published a notice in the *Federal Register* of its final determination of countervailable subsidies for producers and exporters of product from China.[9] Table I-1 presents Commerce's findings of subsidization of twist ties in China.

[6] Quantities are presented in 1,000s of twist ties. For additional information and quantity data by pounds, see appendix E.

[7] Based on the value of responding U.S. importers' combined 2019 imports from China ($***) and petitioner's estimated combined value for all 2019 imports of twist ties from China ($***). For additional information on data coverage regarding imports, see Part IV.

[8] Based on reported exports to the United States (*** twist ties) and petitioner's estimated value for imports from China in 2019 ($***) converted to quantity using the 2019 average unit value of reported imports of twist ties from China (*** dollars per 1,000 twist ties).

[9] 86 FR 10542, February 22, 2021.

Table I-1
Twist ties: Commerce's final subsidy determination with respect to imports from China

Entity	Preliminary countervailable subsidy margin (percent)
Dongguan Guanqiao Industrial Co., Ltd	111.96
Foshan Shunde Ronggui Yingli Industrial Co., Ltd	111.96
Yiwu Kurui Handicraft Co. Ltd	111.96
Zhenjiang Hongda Commodity Co. Ltd	111.96
Zhenjiang Zhonglian I/E Co., Ltd	111.96
All others	111.96

Source: 86 FR 10542, February 22, 2021.

Sales at LTFV

On February 22, 2021, Commerce published a notice in the *Federal Register* of its final determination of sales at LTFV with respect to imports from China.[10] Table I-2 presents Commerce's dumping margins with respect to imports of twist ties from China.

Table I-2
Twist ties: Commerce's final weighted-average LTFV margins with respect to imports from China

Exporter/Producer	Preliminary dumping margin (percent)
Rongfa Plastic Products Co., Ltd. (also known as Zhenjiang Rongfa Plastic Co., Ltd)	72.96
Tianjin Kyoei Packaging Supplies Co., Ltd	72.96
China-Wide Entity	72.96

Source: 86 FR 10536, February 22, 2021

The subject merchandise

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:[11]

The merchandise covered by this investigation consists of twist ties, which are thin, bendable ties for closing containers, such as bags, bundle items, or identifying objects. A twist tie in most circumstances is comprised of one or more metal wires encased in a covering material, which allows the tie to retain its

[10] 86 FR 10536, February 22, 2021.
[11] Ibid.

shape and bind against itself. However, it is possible to make a twist tie with plastic and no metal wires. The metal wire that is generally used in a twist tie is stainless or galvanized steel and typically measures between the gauges of 19 (.0410' diameter) and 31 (.0132') (American Standard Wire Gauge). A twist tie usually has a width between .075' and 1' in the cross-machine direction (width of the tie—measurement perpendicular with the wire); a thickness between .015' and .045' over the wire; and a thickness between .002' and .020' in areas without wire. The scope includes an all-plastic twist tie containing a plastic core as well as a plastic covering (the wing) over the core, just like paper and/or plastic in a metal tie. An all-plastic twist tie (without metal wire) would be of the same measurements as a twist tie containing one or more metal wires. Twist ties are commonly available individually in pre-cut lengths ("singles"), wound in large spools to be cut later by machine or hand, or in perforated sheets of spooled or single twist ties that are later slit by machine or by hand ("gangs").

The covering material of a twist tie may be paper (metallic or plain), or plastic, and can be dyed in a variety of colors with or without printing. A twist tie may have the same covering material on both sides or one side of paper and one side of plastic. When comprised of two sides of paper, the paper material is bound together with an adhesive or plastic. A twist tie may also have a tag or label attached to it or a pre-applied adhesive attached to it.

Excluded from the scope of the investigation are twist ties packaged with bags for sale together where the quantity of twist ties does not exceed twice the number of bags in each package. Also excluded are twists ties that constitute part of the packaging of the imported product, for example, merchandise anchored/secured to a backing with twist ties in the retail package or a bag of bread that is closed with a twist tie.

Tariff Treatment

Based upon the scope set forth by Commerce, information available to the Commission indicates that the merchandise subject to these investigations is classifiable in the *Harmonized Tariff Schedule of the United States* ("HTS" or "HTSUS") in subheadings 5609.00.30 and 8309.90.00. Subject merchandise may also be imported under HTS statistical reporting numbers 3920.51.5000, 3923.90.0080, 3926.90.9990 (modified as of July 1, 2020; subject goods likely in 3926.90.9985),[12] 4811.59.6000, 4821.10.2000, 4821.10.4000, 4821.90.2000, 4821.90.4000, or

[12] HTS statistical reporting number 3926.90.9990 was discontinued and replaced, as of July 1, 2020, by two HTS statistical reporting numbers including HTS 3926.90.9985 for all other articles of plastics and articles of other materials of HTS headings 3901 to 3914, not elsewhere specified or identified ("nesoi"), including the subject products. *HTSUS (2020) Revision 14*, USITC Publication 5088, July 2020, "Change Record (Rev. 14)," p. 2.

4823.90.8600 (subdivided as of July 1, 2020; subject goods likely in 4823.90.8680).[13] Based on additional HTS statistical reporting numbers listed in the petition and in the response to the Commission's preliminary questionnaires, subject merchandise may also be reported under HTS statistical reporting numbers 3906.90.2000 and 7326.90.8688.[14] Based on information reported in responses to the Commission's conference questions, twist ties are being used as components in face masks in response to the COVID-19 pandemic, and subject merchandise produced for use in face masks may be imported under HTS subheadings 3902.10, 3916.90, 3926.90, 5607.50, 5806.20, 6307.90, 7217.10, 7217.20, and 7312.10.[15]

The 2021 general rates of duty for each of the tariff lines above are shown in Appendix D.[16] Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Section 301 and Section 232 tariff treatment

HTS subheadings 5609.00.30 and 8309.90.00 were included in the Office of the United States Trade Representative's ("USTR's") third enumeration ("Tranche 3" or "List 3") of provisions covering goods produced in China that became subject to the additional 10 percent ad valorem duties (Annexes A and C of 83 FR 47974), as of September 24, 2018[17] under Section 301 of the *Trade Act of 1974*, as amended.[18] Escalation of this duty to 25 percent ad valorem was rescheduled from January 1, 2019 (Annex B of 83 FR 47974)[19] to March 2, 2019 (83 FR 65198),[20] but was subsequently postponed until further notice (84 FR 7966),[21] and then was implemented as of May 10, 2019 (84 FR 20459).[22] A subsequent modification was provided for subject goods produced in China prior to May 10, 2019 not to be subject to the escalated 25 percent duty as long as such goods are imported into the United States prior to June 1, 2019

[13] HTS subheading 4823.90.86 was replaced, as of July 1, 2020, by two HTS statistical reporting numbers including 4823.90.8680 for all other paper, paperboard, cellulose wadding and webs of cellulose fibers, cut to size or shape; other articles of paper pulp, paper, paperboard, cellulose wadding or webs of cellulose fibers, nesoi, including the subject products. *HTSUS (2020) Revision 14*, USITC Publication 5088, July 2020, "Change Record (Rev. 14)," p. 2.

[14] Email from *** to USITC staff, July 20, 2020.

[15] Petitioner's postconference brief, p. 28.

[16] *HTSUS (2021), Preliminary Revision 2*, USITC Publication 5156, January 2021.

[17] 83 FR 47974, September 21, 2018.

[18] 19 U.S.C. § 2411.

[19] 83 FR 47974, September 21, 2018.

[20] 83 FR 65918, December 19, 2018.

[21] 84 FR 7966, March 5, 2019.

[22] 84 FR 20459, May 9, 2019.

(84 FR 21892).[23] [24] See also U.S. notes 20(e) and 20(f) to subchapter III of HTS chapter 99.[25] On February 5, 2020, USTR announced its determination to grant certain exclusion requests.[26] Effective January 12, 2021, no exclusions were granted for any products under HTS subheading 8309.90.00, and one exclusion was granted for HTS subheading 5609.00.30 for an out-of-scope product originating in China.[27] For a summary and all other relevant HTS subheadings and statistical reporting numbers, see Appendix D.

HTS subheadings 8309.90.00 and 5609.00.30 were not included in the enumeration of steel or iron products that are subject to the additional 25 percent ad valorem Section 232 national-security import duties (83 FR 11625), as of March 23, 2018[28] under the *Trade Expansion Act of 1962* ("*Trade Expansion Act*"), as amended.[29] See also U.S. notes 16(a) and 16(b) in subchapter III of HTS chapter 99.[30] HTS subheadings 8309.90.00 and 5609.00.30 were also not included in the enumeration of aluminum products that are subject to the additional 10 percent ad valorem Section 232 national-security import duties (83 FR 11619), as of March 23, 2018,[31] under the *Trade Expansion Act*. See also U.S. notes 19(a) and 19(b) in subchapter III of HTS chapter 99.[32]

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[23] 84 FR 21892, May 15, 2019.

[24] USTR proposed raising this additional duty from 25 percent to 30 percent on such products imported from China, on or after October 1, 2019 (Annex C – (List 3 - $200 Billion Action), Part 1), 84 FR 46212, September 3, 2019.

[25] *HTSUS (2021) Preliminary Revision 2*, USITC Publication 5156, January 2021, pp. 99-III-23 – 99-III-24, 99-III-40, 99-III-44, 99-III-209.

[26] 85 FR 6674, February 5, 2020. The one out-of-scope product under subheading 5609.00.30 that was granted an exclusion in HTS Chapter 99, U.S. note 20(oo)(19), expired August 7, 2020. 84 FR 69012, December 17, 2019. It was not granted an extension. See USTR, "How to Navigate the Section 301 Tariff Process," https://ustr.gov/issue-areas/enforcement/section-301-investigations/search, retrieved March 9, 2021.

[27] *HTSUS (2021) Preliminary Revision 2*, USITC Publication 5156, January 2021, pp. 99-III-132, 99-III-134. USITC, "About Harmonized Tariff Schedule," no date, https://www.usitc.gov/harmonized_tariff_information, retrieved January 25, 2021.

[28] However, if the product is imported as metal wire, see Appendix D for a list of 232 duties applicable to this investigation. *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9705, March 8, 2018, 83 FR 11625, March 15, 2018.

[29] 19 U.S.C. § 1862.

[30] *HTSUS (2021) Preliminary Revision 2*, USITC Publication 5156, January 2021, pp. 99-III-5 – 99-III-7, 99-III-199, 99-III-203, 99-III-205.

[31] *Adjusting Imports of Aluminum Into the United States*, Presidential Proclamation 9704, March 8, 2018, 83 FR 11619, March 15, 2018.

[32] *HTSUS (2021) Preliminary Revision 2*, Chapter 99, p. 99-III-14, January 2021, pp. 99-III-13 – 99-III-14, 99-III-207 – 208.

The product

Description and applications

Twist ties are thin, bendable fasteners used in a variety of applications and industries, including for closing containers, such as plastic food bags, bread bags, dry cleaning bags, and garbage bags. Twist ties are also used for coiling, bundling, or labeling products such as vegetables or other produce, garden supplies, and electrical cables. Different sizes and strengths are used for different applications, from a small closure for a bag of bread to a large, heavy tie to hold garden hoses in place.[33] [34] [35] Product examples are depicted in figures I-1, I-2, I-3, I-4, and I-5.

A twist tie is generally composed of one or more metal wires encased in a covering material, usually plastic or paper, which allows the twist tie to retain its shape and bind against itself. The metal wire used in a twist tie is generally stainless or galvanized steel and typically measures between the gauges of 19 (.0410" diameter) and 31 (.0132") (American Standard Wire Gauge). The covering material of a twist tie may be paper (metallic or plain) or plastic, and can be dyed in a variety of colors, with or without printing. A twist tie may have the same covering material on both sides, or one side of paper and one side of plastic. When comprised of two sides of paper, the paper material is bound together with an adhesive or plastic. Twist ties can also be made solely with plastic with a plastic core and with no metal wires.[36] Relevant plastic polymers include polypropylene, polystyrene, polyethylene, polyethylene terephthalate, polyvinyl chloride.[37] A twist tie may also have a tag, label, or preapplied adhesive attached to it.

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[33] Petitioner's postconference brief, pp. 6-8.

[34] Transparency Market Research, "Pre-cut Twist Ties Market-Global Industry Analysis, Size, Share, Growth, Trends, and Forecast, 2019-2027," September 2020. https://www.transparencymarketresearch.com/precut-twist-ties-market.html.

[35] Cole Market Research, "Global Pre-cut Twist Ties Market 2020, Industry Analysis, Key Players, Type and Application, Regions, Forecast to 2025," June 16, 2020. https://coleofduty.com/technology/2020/06/16/global-pre-cut-twist-ties-market-2020-industry-analysis-key-players-type-and-application-regions-forecast-to-2025/.

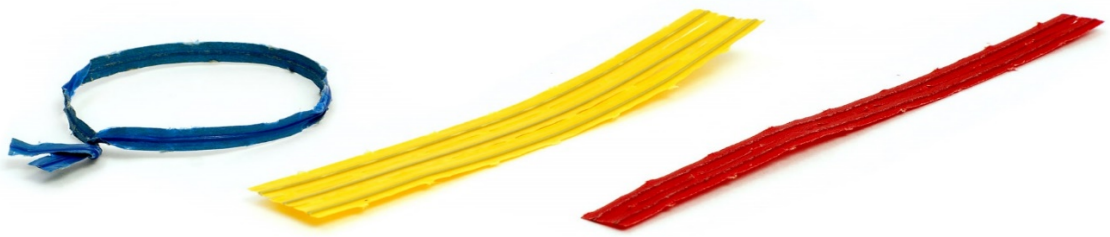
[36] The petitioner's metal-free all-plastic brand is called Polytwist®. Metal-free ties are used in certain applications such as microwaving and when a product needs to go through metal detectors, such as bread with ties entering U.S. prisons. Petitioner's postconference brief, pp. 6-8, 10.

[37] Transparency Market Research, "Pre-cut Twist Ties Market-Global Industry Analysis, Size, Share, Growth, Trends, and Forecast, 2019-2027," September 2020. https://www.transparencymarketresearch.com/precut-twist-ties-market.html; PRNewswire, "Bag Closures Market: Global Industry Analysis 2014-2018 and Opportunity Assessment 2019-2029," June 10, 2019. https://www.prnewswire.com/news-releases/bag-closures-market-global-industry-analysis-2014-
(continued...)

Consumer twist tie preferences can be derived from various factors. For instance, paper allows for printing which is essential for produce twists ties. For cut ties, paper is a way to reduce the amount of plastic and thus reduce cost.[38] Plastic or metallic paper twist ties withstand water better than uncoated paper versions.[39]

A twist tie usually has a width between .075" and 1" in the cross-machine direction (width of the tie – measurement perpendicular with the wire); a thickness between .015" and .045" over the wire; and a thickness between .002" and .020" in areas without wire. An all-plastic twist tie (without metal wire) would be of the same measurements as a twist tie containing one or more metal wires. Twist ties are commonly available individually in pre-cut lengths ("singles"), wound in large spools to be cut later by machine or hand, or in perforated sheets of spooled or single twist ties that are later slit by machine or by hand ("gangs").[40]

Figure I-1
Twist Ties: Cut Ties



Source: Wikimedia Commons, https://commons.wikimedia.org/wiki/File:Twist-ties.jpg, retrieved March 9, 2021.

2018-and-opportunity-assessment-2019-2029-300864533.html. The petitioner reports using *** for its plastic twist ties. Petitioner's postconference brief, pp. 7, 17.

[38] Petitioner's postconference brief, p. 7.

[39] Ibid.

[40] Petitioner's postconference brief, pp. 6-8.

Figure I-2
Twist Ties: Twist Tie Spool

Source: ShippingSupply.com website, http://www.shippingsupply.com/p-12160-532-x-7000-green-plastic-twist-tie-spool.aspx, retrieved March 9, 2021.

Figure I-3
Twist Ties: Produce Twist Tie

Source: Petition, p. 5.

Figure I-4
Twist Ties: Bedford's Flag Tie/Bib Tie

Source: Bedford website: https://www.bedford.com/produce/, retrieved March 9, 2021.

Figure I-5
Twist Ties: Hongda's Label Twist Tie

Source: Hongda, "Label twist tie," https://www.twisttiehd.com/vegetable-twist-tie/label-twist-ties/label-twist-tie.html, retrieved March 9, 2021.

Manufacturing processes

Twist ties are generally manufactured in two steps. First, an extrusion process makes a "web" of tie. Second, a finishing step creates the final form. The first step, generally called extrusion or lamination, is a process that brings together wire, melted plastic, and optionally a printed or non-printed paper (or foil or other substrate). The equipment required for this first step is ***.[41] Once the materials are combined, they are in a form with multiple wires and paper/plastic. The web of material might be as narrow as one wire or as wide as dozens or hundreds of wires. The web can be ***.[42]

The second step is a finishing step where the web is converted into its final form, such as a cut tie or spooled tie. In this step, the master roll is taken to a separate machine. To make cut ties, the machine slits and cuts the tie to length (generally a few inches) and a human or machine "catches" the tie and places it into boxes at predetermined amounts. To make gang ties, the producer follows the cut tie process but exchanges the slitting roller for a perforating roller, which then makes small attached sheets of twist tie. To make spooled tie, the machine slits the master roll into individual strands and spools up those strands onto small spools at predetermined lengths.[43]

Once the wire with paper or plastic is completed, it can be sold to downstream customers. A flag tie/bib tie requires additional processing, as it is a twist tie that is combined with a paper and potentially plastic lamination (see figure I-4). The flag ties/bib ties are typically printed with a customer's specific labeling which are printed on paper before being attached to the strip that will encircle the product. For flag ties/bib ties and Polytwist® tie composition and methods of manufacture, the petitioner holds nine patents.[44]

In the fourth quarter of 2018, Walmart notified produce growers of the new labeling requirement to change from the standard produce twist tie to the bib tie. The bib tie was required over the standard produce twist tie as accuracy in scanning was improved when an in-

[41] Petitioner's postconference brief, p. 4.

[42] Ibid, p. 7.

[43] Petitioner's postconference brief, pp. 6-8.

[44] Flag Ties/Bib Ties (Three US Patents: 9,947,247 for "Perforated Bib Tie Articles and Methods of Manufacture and Use," 9,403,610 and likely 10,118,430 for "In-line Tie Articles and Methods of Manufacture and Use." One Australian patent: 2014215622 for "In-line Tie Articles and Methods of Manufacture and Use"); Polytwist (Five US Patents: 5,989,683 and 6,663,809 for "Wireless Polymeric Twist Tie"; 6,372,068, 6,673,413, and 7,011,879 for "Composite Polymeric Tie"). Petitioner's postconference brief, p. 6; Google Patent Search, https://patents.google.com/ retrieved January 20, 2021.

store shopper completed the self-checkout process.[45] In November 2020, Chinese producer Hongda announced it was offering a new tie, the vegetable twist tie.[46] The current version is named the label twist tie, and it can hold a company's logo as well as a farm specific barcode for scanning, as shown in figure I-5.

The twist ties manufactured in the United States and in China are manufactured using similar types of machines, processes, and employee involvement in the process.[47]

Domestic like product issues

No issues with respect to domestic like product have been raised in these investigations. The petitioner proposes a single domestic like product, coextensive with the scope of these investigations.[48] In the preliminary phase, the Commission defined a single domestic like product coextensive with the scope, consisting of all domestically produced twist tie products.[49]

[45] Petitioner's posthearing brief, p. 2; Exhibit I, pp. 8-9; Exhibit II, pp. 1-2.
[46] Ibid.
[47] Petitioner's postconference brief, p. 11.
[48] Ibid, p. 9.
[49] Twist Ties from China, Inv. Nos. 701-TA-649 and 731-TA-1523 (Preliminary), USITC Publication 5104, August 2020, ("Preliminary publication"), p. 12.

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

U.S. market characteristics

Twist ties are used for fastening or bundling items in business, agricultural, and industrial applications such as packaging for produce and bakery goods, garden supplies, and computer cords or television cables.[1] Twist ties may be made with some combination of metal wire, paper, or plastic.[2] Twist tie products include cut ties, produce ties, bib ties, and industrial ties.[3] [4] Almost all twist ties in the U.S. market are supplied by U.S. producers Bedford and T and T or Chinese producers, including Hongda.[5]

Twist ties are also used for nose wires in facemasks, a market segment that became more important during the COVID-19 pandemic.[6] In April 2020, Petitioner Bedford was able to use its twist tie technology to provide twist ties for use in facemasks, and shipped these twist ties to manufacturers that had shifted production away from their usual products to the production of facemasks, such as automakers and ***.[7] [8] Petitioner stated that this increased demand for twist ties for face masks was temporary and estimated that demand would decrease in the second half of 2021. It added that China is now "actively playing" in the face mask market.[9]

Apparent U.S. consumption of twist ties decreased during 2017-19. Overall, apparent U.S. consumption by quantity in 2019 was *** percent lower than in 2017. Apparent U.S. consumption was *** percent higher in January-September 2020 than in the same period in 2019, some of which can be attributed to the rise in facemask production due to COVID-19.[10]

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[1] Petition, p. 19; Petitioner's postconference brief, pp. 1, 7, 9.

[2] Petitioner's postconference brief, p. 9.

[3] Hearing transcript, p. 11 (Milbrandt).

[4] Petitioner's share of shipments by quantity from 2017-September 2020 consisted of *** cut tie and spooled tie products, *** produce tie products, and *** flag/bib tie products. Petitoner's posthearing brief, exh. 1 pp. 13-14.

[5] Petitioner estimates that it accounts for more than 75 percent of domestic twist ties. Hearing transcript, p. 14 (Milbrandt).

[6] Petitioner's postconference brief, pp. 27-30 and exh. 1, p. 9.

[7] Hearing transcript, pp. 20-21 (Milbrandt), and petitioner's postconference brief, pp. 27-28.

[8] Petitioner added that domestic car manufacturers were "some of the biggest face mask manufacturers" in the United States at the beginning of the COVID-19 pandemic, but that domestic auto companies have either shut down or in the process of shutting down their face mask production. Hearing transcript, p. 55 (Milbrandt).

[9] Hearing transcript, p. 20 (Milbrandt) and pp. 54-55 (Milbrandt).

[10] *See* "Demand trends" below for a discussion on changes in demand.

Impact of section 301 tariffs

As discussed in part I, various tariff classifications under which twist ties could be listed have been subject to section 301 tariffs of 10 percent beginning in September 2018 at 10 percent, and later rising to 25 percent in January 2019.[11] U.S. producers, importers, and purchasers were asked if the imposition of tariffs on Chinese-origin products under section 301 had an impact on the twist ties market in the United States (see table II-1).[12] Most responding firms (*** eight importers and twelve purchasers) reported that they did not know whether the section 301 tariffs had an impact. Importers and purchasers with knowledge of the section 301 tariffs' impact reported that there was no change in the twist ties market regarding most factors. Responding importers had mixed responses regarding twist tie prices, with half reporting prices had increased, half reporting prices had not changed, and one reporting prices fluctuated.

[11] Petition, p. 13. *See* also, *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 47974, September 21, 2018, and *Conforming Amendment and Modification to Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 49153, September 28, 2018.

[12] U.S. producer ***. Throughout this section, U.S. producer ***, unless otherwise indicated.

Table II-1
Twist ties: Impact of section 301 tariffs

Item	Number of firms responding			
	Increased	No change	Decreased	Fluctuated
U.S. importers				
U.S. supply	1	4	---	1
China supply	1	4	1	1
Other country supply	1	4	---	1
Prices	3	3	---	1
U.S. demand	---	5	1	1
Raw material costs	1	5	---	1
U.S. purchasers				
U.S. supply	1	3	---	1
China supply	---	4	---	2
Other country supply	---	2	---	3
Prices	2	3	---	1
U.S. demand	---	4	---	1
Raw material costs	1	3	---	1

Source: Compiled from data submitted in response to Commission questionnaires

U.S. purchasers

The Commission received 16 usable questionnaire responses from firms that had purchased twist ties during 2017-19.[13] [14] Six responding purchasers are distributors, 6 are end users, 1 is a retailer, and 3 are other types of end users.[15] In general, responding U.S. purchasers were located throughout the contiguous United States. The responding purchasers represented firms in a variety of domestic industries including agriculture, bakeries, and retail.

[13] The following firms provided purchaser questionnaire responses: ***. Purchasers *** are both importers and purchasers. Their importer and purchaser responses are reported separately throughout this section, unless otherwise indicated.

[14] Of the 16 responding purchasers, 14 purchased domestic twist ties, 9 purchased subject imports from China, and 3 purchased twist ties from other sources. Purchasers *** purchased both U.S.- and Chinese-produced twist ties.

[15] Purchaser *** is an importer and a ***, *** is a ***, and *** did not describe the nature of its operations beyond reporting that it classifies as an "other" end user.

Large purchasers of twist ties include ***,[16] [17] and ***.[18]

Channels of distribution

U.S. producers sold mainly to end users. Importers' shipments shifted from a majority of sales to distributors to a plurality of sales to end users, with substantial sales to distributors and retailers, as shown in table II-2. The share of Chinese twist ties shipped to retailers increased from 2017-19.[19]

Table II-2
Twist ties: U.S. producers' and importers' U.S. shipments, by sources and channels of distribution, January 2017-September 2019

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Share of U.S. shipments based on 1,000 twist ties (percent)				
U.S. producers: to Distributors	***	***	***	***	***
to Retailers	***	***	***	***	***
to End users	***	***	***	***	***
U.S. importers: China to Distributors	***	***	***	***	***
to Retailers	***	***	***	***	***
to End users	***	***	***	***	***
U.S. importers: Nonsubject to Distributors	***	***	***	***	***
to Retailers	***	***	***	***	***
to End users	***	***	***	***	***
U.S. importers: All sources: to Distributors	***	***	***	***	***
to Retailers	***	***	***	***	***
to End users	***	***	***	***	***

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

[16] ***.
[17] ***.
[18] ***.
[19] Petitioner reported that domestic producers' shipments have decreased to retailers and end users, while imports have gained in those two segments. Hearing transcript, pp. 7-8 (Goldberg).

Petitioner argued the product mix is similar in all three channels, and that distributors act like a purchasing agent for end-users, as large farms or large bakeries will "outsource" their purchases of twist ties and other items through distributors. Smaller purchasers will purchase through retailers as they do not have the same level of buying power.[20]

Geographic distribution

*** importers reported selling twist ties to all regions in the contiguous United States (table II-3). For the responding U.S. producer, *** percent of sales were within 100 miles of its production facility, *** percent were between 101 and 1,000 miles, and *** percent were over 1,000 miles. Importers sold 13.1 percent within 100 miles of their U.S. point of shipment, 71.7 percent between 101 and 1,000 miles, and 15.2 percent over 1,000 miles.

Table II-3
Twist ties: Geographic market areas in the United States served by U.S. producers and importers

Region	U.S. producers	Importers
Northeast	***	9
Midwest	***	9
Southeast	***	9
Central Southwest	***	10
Mountain	***	9
Pacific Coast	***	11
Other	***	7
All regions (except Other)	***	9
Reporting firms	***	11

Note: All other U.S. markets, including AK, HI, PR, and VI.

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

[20] Petitioner added that there is more loyalty in the distributor channel compared to the retailers and end users which are more price-sensitive. Hearing transcript, pp. 41-44 (Milbrandt) and pp. 50-51 (Milbrandt). *See also* petitioner's posthearing brief, exh. 1 p. 9.

Supply and demand considerations

U.S. supply

Table II-4 provides a summary of the supply factors regarding twist ties from U.S. producers[21] and from China.[22]

Table II-4
Twist ties: Supply factors that affect the ability to increase shipments to the U.S. market

	Capacity (millions of ties)		Capacity utilization (percent)		Ratio of inventories to total shipments (percent)		Shipments by market, 2019 (percent)		Able to shift to alternate products
Country	2017	2019	2017	2019	2017	2019	Home market shipments	Exports to non-U.S. markets	No. of firms reporting "yes"
United States	***	***	***	***	***	***	***	***	***
China	***	***	***	***	***	***	***	***	***

Note: Responding U.S. producers accounted for the vast majority all of U.S. production of twist ties in 2019. The responding foreign producer/exporter firm estimated that it accounted for *** percent of exports of twist ties from China during 2019. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from each subject country, please refer to Part I, "Summary Data and Data Sources."

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

Domestic production

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

Since 2017, capacity has decreased by *** percent, while production decreased by *** percent, resulting in an increase in capacity utilization. *** reported that its

[21] U.S. producer *** provided capacity, inventories, shipments data and other trade and related information.

[22] Hongda was the only Chinese producer to respond to the Commission's questionnaire in the final phase of these investigations. Hongda estimated that it represented *** percent of China's total production of twist ties and *** percent of China's exports of twist ties to the United States.

principal export markets are ***.[23] Other products that *** can produce on the same equipment as twist ties are ***; it noted that this requires a ***. U.S. producer *** reported that its ***. Reported production constraints include ***.

Petitioner stated that it has limited exports to Europe and other overseas markets due to the weight of the wire in the twist tie relative to the size of the shipping container.[24]

Subject imports from China

Based on available information, Hongda has the ability to respond to changes in demand with large changes in the quantity of shipments of twist ties to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity, the ability to shift shipments from alternate markets, and the ability to shift production to or from alternate products. Factors mitigating responsiveness of supply include a limited ability to shift shipments from inventories.

Hongda's capacity was *** from 2017 to 2019, with production increasing by *** percent, resulting in an increase in capacity utilization.[25] Its other major export markets are ***, and it reported *** to exporting twist ties. Other products that Hongda reportedly can produce on the same equipment as twist ties are ***. Hongda reported that ***.

[23] U.S. producer *** did not ***.

[24] According to petitioner, the weight of the wire limits the amount of twist ties it can pack in a shipping container, and that it ends up "shipping a lot of air." Hearing transcript, pp. 44-45 (Milbrandt).

[25] Petitioner stated that Hongda shut down its factory in China in late 2019 and early 2020 due to the COVID-19 pandemic, but reopened in mid-2020. Hearing transcript, p. 34 (Milbrandt).

Imports from nonsubject sources

The only reported sources of nonsubject imports during 2017-19 were ***, which accounted for *** percent of reported total U.S. imports in 2019.[26] [27] For more information, please refer to Part VII.

Supply constraints

Regarding supply constraints of U.S.-produced twist ties, U.S. producer Bedford reported that ***. Petitioner added that prior to the pandemic, it declined business when purchasers had credit or payment issues, and when a distributor requested a quote for a customer to which Bedford was already selling directly.[28] Purchaser *** reported that it could not buy *** from its U.S. supplier.[29] [30] Purchaser ***, which only purchased U.S.-produced twist ties, noted that its supplier had placed it on allocation due to limited availability caused by COVID-19.[31]

Importer *** also noted that supply chain issues due to COVID-19 caused delays and "new shipping constraints both internationally and domestically." Purchaser *** also reported issues with shipment delays.

New suppliers

Almost all purchasers indicated that no new suppliers entered the U.S. market since January 1, 2017.[32]

U.S. demand

Based on available information, the overall demand for twist ties is likely to experience small-to-moderate changes in response to changes in price. The main contributing factors are

[26] *** was the only importer to report commercial shipments of twist ties from a nonsubject country.

[27] Petitioner Bedford estimated that the Netherlands and Japan are the largest nonsubject sources of twist ties, but that they each likely account for less than one percent of the U.S. market. Petitioner's postconference brief, exh. 1, p. 20.

[28] Petitioner's posthearing brief, exh. 1 pp.19-20.

[29] *** purchased almost all its twist ties in 2019 from ***.

[30] Purchaser *** noted that it could not get a response from *** and later ***.

[31] *** did not explicitly list its supplier; it purchased almost exclusively from *** in 2019.

[32] Purchaser *** reported that Kwik Lok introduced a twist tie "in the recent past."

the small cost share of twist ties in most of its end-use products and as well as limited substitutes for twist ties.

End uses and cost share

U.S. demand for twist ties depends on the demand for U.S.-produced downstream products such as face masks, or ties for baked goods and agricultural products. All-plastic twist ties are used in products that require metal detection, products that will be microwaved, or products in food services. Petitioner's Bib Ties® are used in applications which require product identification with barcodes and origin information.[33]

Twist ties account for a small share of the cost of the end-use products in which they are used. Reported cost shares for some end uses were as follow: facemasks (1 percent), agricultural products (less than 1 percent to 50 percent), bakery products (2 percent), and generally ties with printed labels (6 percent).

*** one importer reported that there had been changes to their product mix due to changes in produce packaging. *** reported that its cut tie and produce tie sales had decreased while its *** sales have increased due to purchasers' preference for produce identification. U.S. importer *** reported that twist ties for produce packaging are slowly being replaced with other packaging solutions due to changing demand from retailers and consumers.

Petitioner reported that Kroger and Walmart, two of the largest produce retailers, added new labeling requirements for better "scanability" of produce at the register.[34] These new requirements led to an increase in demand for twist ties with tags, and Chinese producers were able to replicate these ties within 6 to 9 months.[35] [36]

Business cycles

*** 5 of 11 importers, and 6 of 16 purchasers indicated that the market was subject to business cycles or distinct conditions of competition. Petitioner Bedford

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[33] Petitioner's postconference brief, exh. 1, pp. 10-11.

[34] Walmart requested the move to Bib Ties (twist tie with a label) in a meeting in October 2018, and Walmart notified growers of the change in the fourth quarter of 2018. Petitioner believes that Chinese producer Hongda may not have been able to ship these new required twist ties until 2020. Petitioner's posthearing brief, exh. 1 pp.1-2.

[35] Hearing transcript, pp. 57-58 (Milbrandt), *see also* petitioner's posthearing brief, p. 2.

[36] Petitioner estimated that it took Chinese producers 6 to 12 months to develop the new Bib Ties, coupled with a 3 to 6 month delay for "order processing, fulfill{ment} and trans-Pacific shipping." Petitioner's posthearing brief, exh. 1 pp. 1-2. *See also* petitioner's posthearing brief, exh. 1, pp.14-19.

noted that ties used for produce are subject to seasonality (specifically October to March), while twist ties used for bakery and industrial uses are not.[37] Importer *** also reported that produce ties are subject to seasonality. Importers and purchasers added that twist ties are used seasonally for gardening and holiday confections. Purchaser *** reported that demand for some bakery products, such as buns, are higher in summer months; thus, demand for twist ties for those products are also higher. Importer *** added that COVID-19 has caused high demand for twist ties for face mask production.

Demand trends

Most importers reported no change in U.S. demand for twist ties, while a plurality of purchasers reported demand had increased since January 1, 2017 (table II-5).[38] Petitioner stated that demand in 2019 was "tumultuous" due to harvest conditions and a romaine lettuce E.coli outbreak.[39]

Table II-5
Twist ties: Firms' responses regarding U.S. demand and demand outside the United States

Item	Increase	No change	Decrease	Fluctuate
Demand in the United States				
Importers	3	5	1	---
Purchasers	5	3	2	3
Demand outside the United States				
Importers	1	5	1	---
Purchasers	1	3	---	1
Demand for end use product(s):				
Purchasers	1	2	---	3

Note: No U.S. producer responded to the question on demand changes.

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

Substitute products

Substitutes for twist ties are somewhat limited. *** four of nine responding importers and about half of responding purchasers reported that there were substitutes. Reported substitutes include other closures such as "Kwik Loks" or "Qwik-Locs",[40]

[37] Petitioner added that purchasers will partake in "produce tie arbitrage" in which firms will purchase twist ties from China for their expected harvest and will purchase domestic twist ties to supplement as needed. Hearing transcript, pp. 18-19 (Milbrandt).

[38] No U.S. producer responded to whether there had been demand changes in the U.S. twist ties market.

[39] Petitioner's posthearing brief, exh. 1 p. 14-19.

[40] Kwik Loks are used on packages for retail goods such as tortillas and cookies.

draw strings, rubber bands, bag sealing tape, “decker tape,” rope or twine. Most firms reported that these substitutes had no effect on the price of twist ties.[41]

Substitutability issues

The degree of substitution between domestic and imported twist ties depends upon such factors as relative prices, quality (e.g., grade standards, defect rates, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, reliability of supply, product services, etc.). Based on available data, staff believes that there is a moderate-to-high degree of substitutability between domestically produced twist ties and twist ties imported from China. This degree of substitutability is largely driven by most firms describing U.S. and Chinese twist ties as always interchangeable, moderated by firms’ responses regarding the significance of differences other than price, such as availability and lead times.

Lead times

U.S. producer Bedford reported its twist ties are ***, with lead times averaging *** days for produced-to-order twist ties and *** days for twist ties from inventories. Importers reported that all their commercial shipments came from inventories, with lead times averaging 3.5 days.

Knowledge of country sources

Twelve purchasers indicated they had marketing/pricing knowledge of domestic product, 7 of Chinese product, and 2 of nonsubject countries.

As shown in table II-6, a plurality of purchasers and a majority of their customers never make purchasing decisions based on the producer or country of origin. Of the five purchasers that reported that they always make decisions based the manufacturer, firms cited using a “risk assessment” based on the producer and one firm reported it had limited options. *** reported that it only works with “quality manufacturers” ***. *** reported that it historically has not purchased foreign-produced twist ties to mitigate supply-chain risk.

[41] Responding purchasers *** reported that bag sealing tape and rubber band tags had an effect on the price of twist ties.

Table II-6
Twist ties: Purchasing decisions based on producer and country of origin

Purchaser/customer decision	Always	Usually	Sometimes	Never
Purchaser makes decision based on producer	5	4	---	7
Purchaser's customers make decision based on producer	---	1	1	12
Purchaser makes decision based on country	2	2	5	7
Purchaser's customers make decision based on country	---	1	4	9

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

Factors affecting purchasing decisions

The most often cited top three factors firms consider in their purchasing decisions for twist ties were price (13 firms), quality (12 firms), and availability (7 firms) as shown in table II-7. Price and quality were the most frequently cited first-most important factor (cited by 6 firms each); price was the most frequently reported second-most important factor (6 firms); and other factors were the most frequently reported third-most important factor (5 firms).

Table II-7
Twist ties: Ranking of factors used in purchasing decisions as reported by U.S. purchasers, by factor

Item	1st	2nd	3rd	Total
Price / Cost	6	6	1	13
Quality	6	4	2	12
Availability / Supply	2	2	3	7
All other factors	1	1	5	NA

Note: Other factors include service, a reliable and robust supply chain, lead times, supplier's business practices, and proper winding on the spool.

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

A slight plurality of purchasers (6 of 15) reported that they only usually purchase the lowest-priced product; purchasers also reported they never (4 firms), sometimes (4 firms), or always (1 firm) purchase the lowest priced product.

Importance of specified purchase factors

Purchasers were asked to rate the importance of 15 factors in their purchasing decisions (table II-8). The factors rated as very important by more than half of responding purchasers were product consistency, quality meets industry standards, reliability of supply (14 firms each), availability, price (13 firms each), and delivery time (11 firms).

Table II-8
Twist ties: Importance of purchase factors, as reported by U.S. purchasers, by factor

Factor	Very important	Somewhat important	Not important
Availability	13	2	1
Delivery terms	6	8	2
Delivery time	11	3	2
Discounts offered	3	10	3
Minimum quantity requirements	4	5	7
Packaging	3	8	5
Payment terms	4	6	6
Price	13	1	2
Product consistency	14	---	2
Product range	3	9	4
Quality meets industry standards	14	---	2
Quality exceeds industry standards	5	8	3
Reliability of supply	14	---	2
Technical support/service	3	10	3
U.S. transportation costs	6	5	5

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

Supplier certification

Eleven of 16 responding purchasers do not require their suppliers to become certified or qualified to sell twist ties to them. Purchaser *** reported that its time to qualify was 60 days, and it considers "order, transit, and test time," and looks for "quality, service/supply, and cost." *** reported that the time to qualify a new supplier was 14 days.[42] One purchaser reported that importer *** had failed in its attempt to qualify twist ties, or had lost its approved status since 2017.

Changes in purchasing patterns

Purchasers were asked about changes in their purchasing patterns from different sources since 2017 (table II-9). Twelve of 15 responding purchasers reported that they had not changed suppliers since January 1, 2017. Purchaser *** reported adding importer Saveway for price reasons. ***[43] dropped or reduced purchases from the United States and China because of reduced demand and "economic feasibility," respectively. It also added that it changed ***. Firms added or increased purchases from the United States because of a less expensive supplier (***) and increased sales for face masks due to COVID-19 (***). *** also reported it increased purchases from China because of a new supplier with lower prices.

[42] Other responses included "varies" and "not applicable."
[43] *** was the only firm to report decreased purchases from any source.

Table II-9
Twist ties: Changes in purchase patterns from U.S., subject, and nonsubject countries

Source of purchases	Did not purchase	Decreased	Increased	Constant	Fluctuated
United States	---	1	2	9	2
China	3	1	1	4	2
All other sources	3	---	---	1	1
Sources unknown	5	---	---	1	---

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

Importance of purchasing domestic product

Twelve of 16 purchasers reported that most or all of their purchases did not require purchasing U.S.-produced product. One reported that domestic product was required by law (for 1.0 percent of its purchases), one reported it was required by their customers (for 25 percent of its purchases), and one reported other preferences for domestic product. The reason cited for preferring domestic product was the lead times for Chinese product.

Comparisons of domestic products, subject imports, and nonsubject imports

Purchasers were asked a number of questions comparing twist ties produced in the United States, China, and nonsubject countries. First, purchasers were asked for a country-by-country comparison on the same 15 factors (table II-10) for which they were asked to rate the importance.

Most purchasers reported that U.S. and Chinese twist ties were comparable on most factors. Regarding the factors purchasers rated as “very important” (table II-8), U.S. and Chinese twist ties ranked comparable on product consistency, quality meets industry standards, and reliability of supply. U.S.-produced twist ties were ranked superior regarding delivery time and inferior regarding prices. Purchasers were split on whether availability of domestic ties was superior or comparable compared to Chinese product.

Table II-10
Twist ties: Purchasers' comparisons between U.S.-produced and imported product

Factor	U.S. vs. China			U.S. vs. Nonsubject			China vs. Nonsubject		
	S	C	I	S	C	I	S	C	I
Availability	4	4	---	3	1	---	---	5	---
Delivery terms	4	3	1	3	1	---	---	5	---
Delivery time	5	2	1	3	1	---	---	3	2
Discounts offered	---	5	3	---	4	---	---	5	---
Minimum quantity requirements	1	5	2	1	3	---	---	5	---
Packaging	1	7	---	1	3	---	---	5	---
Payment terms	2	6	---	1	3	---	---	5	---
Price	---	2	6	---	1	3	2	3	---
Product consistency	2	5	1	1	2	1	---	5	---
Product range	1	7	---	---	4	---	---	5	---
Quality meets industry standards	1	7	---	---	4	---	1	4	---
Quality exceeds industry standards	3	5	---	---	4	---	1	4	---
Reliability of supply	3	5	---	1	3	---	---	4	1
Technical support/service	1	7	---	---	4	---	---	5	---
U.S. transportation costs	1	6	1	1	2	1	---	5	---

Note: A rating of superior means that price/U.S. transportation cost is generally lower. For example, if a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.
Note: S=first listed country's product is superior; C=both countries' products are comparable; I=first list country's product is inferior.

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

Comparison of U.S.-produced and imported twist ties

In order to determine whether U.S.-produced twist ties can generally be used in the same applications as imports from China, U.S. producers, importers, and purchasers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in table II-11, half of responding purchasers (5 of 10) reported that U.S.-produced and Chinese twist ties are always interchangeable. U.S. producer *** reported that domestic and Chinese twist ties are *** interchangeable. Importers had mixed responses; importer *** explained that some domestic twist ties are made using a "different method" and that if a customer specifies the U.S.-made version, the Chinese version cannot be used interchangeably.

Table II-11
Twist ties: Interchangeability between twist ties produced in the United States and in other countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. subject countries: U.S. vs. China	***	***	***	***	2	1	3	---	5	4	1	---
U.S. vs. Other	***	***	***	***	2	---	1	---	1	4	1	---
Subject countries comparisons: China vs. Other	***	***	***	***	2	---	1	---	---	3	1	---

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

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

As can be seen from table II-12, seven responding purchasers reported that domestically produced product always met minimum quality specifications. Four responding purchasers reported that the Chinese twist ties always met minimum quality specifications.[44] When determining quality characteristics of twist ties, purchasers reported food safety compliance, conforming to specifications, proper functioning on equipment, consistent thickness and wire location, water resistance, strength, and an acceptable print quality.

Table II-12
Twist ties: Ability to meet minimum quality specifications, by source

Source	Always	Usually	Sometimes	Rarely or never
United States	7	4	1	---
China	4	4	1	---
Nonsubject sources	2	---	---	---

Note: Purchasers were asked how often domestically produced or imported twist ties meets minimum quality specifications for their own or their customers' uses.

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

In addition, U.S. producers, importers, and purchasers were asked to assess how often differences other than price were significant in sales of twist ties from the United States, subject, or nonsubject countries. As seen in table II-13, most reporting firms reported that non-price factors are always or frequently significant.

[44] Three purchasers reported they did not know if domestic twist ties met minimum quality specifications, and five reported they did not know if Chinese twist ties met minimum quality specifications.

Table II-13
Twist ties: Significance of differences other than price between twist ties produced in the United States and in other countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. subject countries:												
U.S. vs. China	***	***	***	***	4	2	1	---	5	4	1	---
Nonsubject countries comparisons:												
U.S. vs. nonsubject	***	***	***	***	3	---	---	---	4	2	---	---
China vs. nonsubject	***	***	***	***	3	---	---	---	3	1	---	1

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

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

Firms had mixed responses regarding which non-price factors are significant. *** noted that quality, lead times and customer service are important non-price factors. Importer *** also listed product availability, lead times, and customer service,[45] and *** reported a preference for American-made twist ties. Importer *** reported that quality, tolerances, and specifications are significant non-price factors.

Elasticity estimates

This section discusses elasticity estimates; parties were encouraged to comment on these estimates, and no party provided any comments.

U.S. supply elasticity

The domestic supply elasticity for twist ties measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of twist ties. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced twist ties. Analysis of these factors above indicates that the U.S. industry has the ability to greatly

[45] *** added that it stocks a "wide range" of products with short lead times, but when faced with a shortage lead times can extend up to *** weeks. It also added that it is not the lowest-priced option, and that a ***.

increase or decrease shipments to the U.S. market; an estimate in the range of 5 to 7 is suggested.

U.S. demand elasticity

The U.S. demand elasticity for twist ties measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of twist ties. This estimate depends on factors discussed above such as the existence, availability, and commercial viability of substitute products, as well as the component share of the twist ties in the production of any downstream products. Based on the available information, the aggregate demand for twist ties is likely to be slightly inelastic; a range of -0.5 to -1.0 is suggested.

Substitution elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.[46] Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, appearance, etc.) and conditions of sale (e.g., availability, sales terms/discounts/promotions, etc.). Based on available information, the elasticity of substitution between U.S.-produced twist ties and imported twist ties is likely to be in the range of 3 to 5, based on the importance of non-price factors such as availability and lead times.

[46] The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

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

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the subsidies and dumping margins was presented in *Part I* of this report and information on the volume and pricing of imports of the subject merchandise is presented in *Part IV* and *Part V*. Information on the other factors specified is presented in this section and/or *Part VI* and (except as noted) is based on the questionnaire responses of two firms that accounted for the vast majority of U.S. production of twist ties during 2019.[1]

U.S. producers

The Commission issued a U.S. producer questionnaire to three firms based on information contained in the petition.[2] Two firms provided usable data on their operations. Staff believes that these responses represent the vast majority of U.S. production of twist ties.

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

Table III-1
Twist ties: U.S. producers of twist ties, their positions on the petition, production locations, and shares of reported production, 2019

Firm	Position on petition	Production locations	Share of production (percent)
Bedford	Petitioner	Worthington, MN	***
T and T	***	Bullhead City, AZ	***
Total			***

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

[1] Based on estimates provided in the petition. Petition, exh. GEN-1, Declaration of Jay Milbrandt.
[2] Petition, exh. GEN-1, Declaration of Jay Milbrandt, pp. 5, 7.

Table III-2 presents U.S. producers' reported changes in operations since January 1, 2017.[3]

Table III-2
Twist ties: U.S. producers' reported changes in operations, since January 1, 2017

Item / Firm	Reported changed in operations
Expansions:	
***	***
Prolonged shutdowns or curtailments:	
***	***

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

U.S. production, capacity, and capacity utilization

Table III-3 and figure III-1 present U.S. producers' production, capacity, and capacity utilization.[4] U.S. producers' capacity decreased by *** percent between 2017 and 2018, and then further decreased by *** percent between 2018 and 2019, for a decline of *** percent between 2017 and 2019. U.S. producers' combined capacity was *** percent higher during

[3] Bedford stated it ***. Petitioner's posthearing brief, exh. 1, p. 20.
[4] Bedford's reported quantities are ***. For comparison, two U.S. importers, ***.

January-September 2020 compared to January-September 2019. U.S. producer *** accounted for all reported changes in domestic producers' capacity between January 2017 and September 2020.[5] [6]

U.S. producers' combined production decreased by *** percent between 2017 and 2018, and then further decreased by *** percent between 2018 and 2019, for a decline of *** percent between 2017 and 2019. U.S. producers' combined production was *** percent higher during January-September 2020 compared to January-September 2019.[7]

As a result of decreasing capacity from 2017 to 2019, U.S. producers' combined capacity utilization steadily increased from *** percent in 2017 to *** percent in 2019. Both capacity and production were higher in January-September 2020 than in January-September 2019. As a result, capacity utilization was *** percent in January-September 2019 compared with *** percent in January-September 2020.

Table III-3
Twist ties: U.S. producers' capacity, production, and capacity utilization, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Capacity (1,000 twist ties)				
Bedford	***	***	***	***	***
T and T	***	***	***	***	***
All firms	***	***	***	***	***
	Production (1,000 twist ties)				
Bedford	***	***	***	***	***
T and T	***	***	***	***	***
All firms	***	***	***	***	***
	Capacity utilization (percent)				
Bedford	***	***	***	***	***
T and T	***	***	***	***	***
All firms	***	***	***	***	***
	Share of production (percent)				
Bedford	***	***	***	***	***
T and T	***	***	***	***	***
All firms	***	***	***	***	***

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

[5] Bedford stated that it ***. Petitioner's posthearing brief, exh. 1, p. 5.

[6] ***. See Petitioner's posthearing brief, p. 8, exh. 1, p. 19, exh. 1, p. 22.

[7] *** production was *** percent higher in January-September 2020 than in January-September 2019 while *** production was *** percent lower.

Figure III-1
Twist ties: U.S. producers' capacity, production, and capacity utilization, 2017-19, January to September 2019, and January to September 2020

* * * * * * *

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

Alternative products

As shown in table III-4, more than *** percent of the product produced from 2017 to September 2020 by U.S. producers was twist ties. Only *** reported producing out-of-scope merchandise on the same equipment and machinery as used to produce twist ties.[8]

[8] Such out-of-scope merchandise included ***. *** U.S. producer questionnaire response, question II-3a.

Table III-4
Twist ties: U.S. producers' overall capacity and production on the same equipment as subject production, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Quantity (pounds)				
Overall capacity	***	***	***	***	***
Production: Twist ties	***	***	***	***	***
Out-of-scope production	***	***	***	***	***
Total production on same machinery	***	***	***	***	***
	Ratios and shares (percent)				
Overall capacity utilization	***	***	***	***	***
Share of production: Twist ties	***	***	***	***	***
Out-of-scope production	***	***	***	***	***
Total production on same machinery	***	***	***	***	***

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

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

Table III-5 presents U.S. producers' U.S. shipments, export shipments, and total shipments. U.S. shipments by quantity decreased by *** percent between 2017 and 2018 and then increased by *** percent between 2018 and 2019, for an overall decline of *** percent between 2017 and 2019. U.S. shipments by quantity were *** percent higher during January-September 2020 compared to January-September 2019.[9] Greater than *** percent of U.S. producers' shipments by quantity were U.S. shipments, as opposed to export shipments, between January 2017 and September 2020.

U.S. producers' export shipments increased by *** percent between 2017 and 2018 and then decreased by *** percent between 2018 and 2019, resulting in a decrease of *** percent from 2017 to 2019, by quantity.[10] U.S. producers' export shipments were *** percent higher in January-September 2020 than in January-September 2019, by quantity.

Between 2017 and 2019, average unit values for U.S. shipments increased by *** percent and were *** percent higher during January-September 2020 compared to January-September 2019. Between 2017 and 2019, average unit values for U.S. producers' export

[9] *** U.S. shipments were *** percent higher in January-September 2020 than in January-September 2019, while *** U.S. shipments were *** percent lower.

[10] Only *** reported export shipments. *** reported its principal exports markets as ***.

shipments increased by *** percent but were *** percent lower during January-September 2020 compared to January-September 2019.

Table III-5
Twist ties: U.S. producers' U.S. shipments, export shipments, and total shipments, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Quantity (1,000 twist ties)				
U.S. shipments	***	***	***	***	***
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***
	Value (1,000 dollars)				
U.S. shipments	***	***	***	***	***
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***
	Unit value (dollars per 1,000 twist ties)				
U.S. shipments	***	***	***	***	***
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***
	Share of quantity of 1,000 twist ties (percent)				
U.S. shipments	***	***	***	***	***
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***
	Share of value (percent)				
U.S. shipments	***	***	***	***	***
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***

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

Table III-6 presents U.S. producers' U.S. shipments by customer type. The share of U.S. shipments to end users,[11] increased from 2017 to 2019 by *** percentage points, while the share to distributors and retailers decreased by *** and *** percentage points, respectively, by quantity. The share of shipments to end users was also *** percentage points higher in January-September 2020 than in January-September 2019.

The average unit values of U.S. shipments to distributors were consistently higher than the average unit values of shipments to retailers and end users.[12] From 2017 to 2019, average unit values of U.S. shipments increased across all customer types, with shipments to distributors increasing the most (*** percent). Comparing January-September 2020 to January-September 2019, average unit values to distributors and retailers were lower (*** and *** percent, respectively) while the average unit value to end users was higher (*** percent).

[11] End users tend to include bakeries, produce growers, and medical users. Petitioner's postconference brief, exh. 1, p. 9.

[12] End users are typically larger entities, enabling them to take advantage of quantity discount. Petitioner's postconference brief, exh. 1, p. 9.

Table III-6
Twist ties: U.S. producers' U.S. shipments by customer type, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Quantity (1,000 twist ties)				
U.S. shipments.-- to Distributors	***	***	***	***	***
to Retailers	***	***	***	***	***
to End users	***	***	***	***	***
to all customer types	***	***	***	***	***
	Value (1,000 dollars)				
U.S. shipments.-- to Distributors	***	***	***	***	***
to Retailers	***	***	***	***	***
to End users	***	***	***	***	***
to all customer types	***	***	***	***	***
	Unit value (dollars per 1,000 twist ties)				
U.S. shipments.-- to Distributors	***	***	***	***	***
to Retailers	***	***	***	***	***
to End users	***	***	***	***	***
to all customer types	***	***	***	***	***
	Share of quantity in 1,000 of twist ties (percent)				
U.S. shipments.-- to Distributors	***	***	***	***	***
to Retailers	***	***	***	***	***
to End users	***	***	***	***	***
to all customer types	***	***	***	***	***
	Share of value (percent)				
U.S. shipments.-- to Distributors	***	***	***	***	***
to Retailers	***	***	***	***	***
to End users	***	***	***	***	***
to all customer types	***	***	***	***	***

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

U.S. producers' inventories

Table III-7 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments**.** U.S. producers' end-of-period inventories increased by *** percent between 2017 and 2018 and then decreased by *** percent between 2018 and 2019, resulting in a decrease of *** percent from 2017 to 2019. U.S. producers' end-of-period inventories were *** percent higher during January-September 2020 compared to January-September 2019. The ratios of inventories to

U.S. production fluctuated between *** and *** percent from January 2017 to September 2020.

Table III-7
Twist ties: U.S. producers' inventories, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Quantity (1,000 twist ties)				
U.S. producers' end-of-period inventories	***	***	***	***	***
	Ratio (percent)				
Ratio of inventories to.-- U.S. production	***	***	***	***	***
U.S. shipments	***	***	***	***	***
Total shipments	***	***	***	***	***

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

U.S. producers' imports and purchases

U.S. producers' imports of twist ties are presented in table III-8. One U.S. producer, ***, imported twist ties from *** between January 2017 and September 2020.[13] ***'s U.S. imports from *** decreased by *** percent between 2017 and 2018, and then further decreased by *** percent between 2018 and 2019. ***'s ratio to U.S. production of imports from *** decreased by *** percentage points between 2017 and 2019, from *** percent to ***.

[13] ***. *** U.S. producer questionnaire response, question II-15.

Table III-8
Twist ties: U.S. producers' imports, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Quantity (1,000 twist ties)				
T and T's U.S. production	***	***	***	***	***
T and T's U.S. imports from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All imports sources	***	***	***	***	***
	Ratio (percent)				
T and T's ratio to U.S. production of imports from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All imports sources	***	***	***	***	***
	Narrative				
T and T's reason for importing	***				

Note: ***. See Part IV for more information.

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

U.S. employment, wages, and productivity

Table III-9 shows U.S. producers' employment-related data. The number of production and related workers ("PRWs"), and total hours worked, both increased irregularly from 2017 to 2019. Wages paid, hourly wages, and unit labor costs all steadily increased from 2017 to 2019. Productivity decreased from 2017 to a level that remained constant from 2018 to 2019. Total hours worked, hours worked per PRW, wages paid, hourly wages, and productivity were all higher in January-September 2020 than in January-September 2019.

Table III-9
Twist ties: U.S. producers' employment related data, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
Production and related workers (PRWs) (number)	***	***	***	***	***
Total hours worked (1,000 hours)	***	***	***	***	***
Hours worked per PRW (hours)	***	***	***	***	***
Wages paid ($1,000)	***	***	***	***	***
Hourly wages (dollars per hour)	***	***	***	***	***
Productivity (1,000 twist ties per hour)	***	***	***	***	***
Unit labor costs (dollars per 1,000 twist ties)	***	***	***	***	***

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

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

U.S. importers

The Commission issued importer questionnaires to 26 firms believed to be possible importers of twist ties, as well as to all known U.S. producers of twist ties.[1] Usable questionnaire responses were received from thirteen companies, representing an estimated *** percent of U.S. imports from China in 2019.[2] [3] [4] [5] [6] Table IV-1 lists all responding U.S.

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[1] The Commission issued questionnaires to those firms identified in the petition, along with firms that, based on a review of data provided by U.S. Customs and Border Protection ("Customs"), may have accounted for more than one percent of total imports under HTS subheading 8309.90.00 and 5609.00.30 in 2019.

[2] Based on the value of responding importers' 2019 imports from China ($***) and petitioner's estimated value of imports from China in 2019 ($***).

[3] Petitioner reported that twist ties entered under numerous HTS numbers, Petition, p. 10 and Petitioner's postconference brief, p. 28, but Petitioner indicated that 8309.90.0000 and 5609.00.3000 were the "primary" HTS numbers, and all responding importers except *** reported importing twist ties under only 8309.90.0000. Petition at 11 and exhs. GEN-2, GEN-3, and GEN-4; responses to Commission questionnaires. However, both these HTS numbers cover broad categories, including out-of-scope merchandise. Import volume as reported by importer questionnaire responses (based on pounds, see app. E) was equivalent to approximately *** percent of imports under 8309.90.0000 in 2019 as found in official Commerce import statistics. Thus, this report does not rely on official import statistics to measure imports of twist ties.

[4] Part IV of this report relies on data compiled in response to Commission U.S. importer questionnaires. Petitioner estimated the total U.S. twist tie market as $*** in 2017, $*** in 2018, and $*** in 2019, with the value of imports estimated at $*** in 2017, $*** in 2018, and $*** in 2019. Petitioner's postconference brief, exh. Bedford-3, p. 2, exh. GEN-S5. The record also includes petitioner's estimates for China's market share in 2019 (***). Petition, exh. GEN-1, ⁋5; Petitioner's postconference brief, exh. Bedford-3, pp. 9-10. Based on data compiled from Commission U.S. importer and producer questionnaires, U.S. shipments of imports from China accounted for market shares of *** percent in 2017, *** percent in 2018, and *** percent in 2019, by quantity. In the preliminary phase of these investigations, import data was based on foreign producer Hongda's exports to the United States. Preliminary publication, p. IV-2, fn. 4. The import data from questionnaire responses generally follows the trends in Hongda's exports in that they both show a decline in volume in 2017 and 2019. Hongda's exports' trends diverge from imports data in 2018 and in the interim periods. Further information on Hongda's export data may be found in Part VII of this report, as well as in Tables E-6 and F-1.

[5] Nonsubject import data are based on the questionnaire data of one importer, ***, which reported imports of twist ties from Korea and Japan. Staff believes that these reported imports accounted for a substantial share of imports from nonsubject sources in 2019. Bedford indicated that ***. Petitioner's postconference brief, exh. Bedford-1, pp. 20, 22.

importers of twist ties from China and other sources, their locations, and their shares of U.S. imports, in 2019.[7]

Table IV-1
Twist ties: U.S. importers, their headquarters, and share of total imports by source, 2019

Firm	Headquarters	Share of imports by source (percent)		
		China	Nonsubject sources	All import sources
Aether Health	Miramar, FL	***	***	***
Amazon	Seattle, WA	***	***	***
Ben Clements	South Hackensack, NJ	***	***	***
Cleaners Supply	Port Crane, NY	***	***	***
Clear Image	El Dorado Hills, CA	***	***	***
Dollar Tree	Chesapeake, VA	***	***	***
Grainger	Lake Forest, IL	***	***	***
Precision Equipment	San Diego, CA	***	***	***
Saveway	Riverside, CA	***	***	***
Schermerhorn	Houston, TX	***	***	***
T and T	Fullerton, CA	***	***	***
Tytan International	Lenexa, KS	***	***	***
Weststone International	Mukilteo, WA	***	***	***
Total		***	***	***

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

U.S. imports

Table IV-2 and figure IV-1 present data for U.S. imports of twist ties from China and all other sources. The vast majority of reported imports between January 2017 and September 2020 were from China. Imports from nonsubject sources were reported from Korea and Japan and accounted for less than *** percent of reported imports of twist ties in all periods from January 2017 to September 2020.

U.S. imports from China increased by 5.8 percent from 2017 to 2018 and then decreased by 37.5 percent from 2018 to 2019, resulting in a decline of 33.9 percent from 2017

(…*continued*)

[6] ***.

[7] Data for January-September 2019 and January-September 2020 may be understated because the record does not contain information from *** or *** for those periods. Neither *** nor *** submitted an importer questionnaire in the final phase of these investigations. Information for these firms is based on data submitted in the preliminary phase.

to 2019, by quantity.[8] [9] Imports from China were 17.0 percent lower in January-September 2020 than in January-September 2019, by quantity. By value, the trends were the same: U.S. imports from China increased by 15.0 percent from 2017 to 2018 and then decreased by 42.5 percent from 2018 to 2019, resulting in a decline of 33.9 percent from 2017 to 2019; the value of imports from China were 17.1 percent lower in January-September 2020 than in January-September 2019.

U.S. imports from nonsubject sources increased from 2017 to 2019 by *** percent and were *** percent lower in January-September 2020 than in January-September 2019, by quantity. By value, imports from nonsubject sources increased from 2017 to 2019 by *** percent and were *** percent lower in January-September 2020 than in January-September 2019.

Average unit values of U.S. imports from China increased from 2017 to 2018 by 8.7 percent, then decreased from 2018 to 2019 by 8.0 percent, returning to the average unit value of 2017. Average unit values of imports from China were 0.2 percent lower in January-September 2020 than in January-September 2019. For U.S. imports from nonsubject sources, average unit values increased irregularly from 2017 to 2019 by *** percent, and were *** percent higher in January-September 2020 than in January-September 2019. Average unit values of imports from nonsubject sources were consistently higher than average unit values of imports from China.

[8] The largest 2017-2019 decreases in import volume, by quantity, were: ***.

[9] *** Email from ***, January 22, 2021. ***. Email from ***, January 21, 2021. ***. Email from ***, January 22, 2021; ***'s U.S. importer questionnaire, III-21.

Table IV-2
Twist ties: U.S. imports, by source, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Quantity (1,000 twist ties)				
U.S. imports from.--					
China	1,833,002	1,939,379	1,211,159	623,033	517,064
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Value (1,000 dollars)				
U.S. imports from.--					
China	2,842	3,269	1,878	1,022	847
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Unit value (dollars per 1,000 twist ties)				
U.S. imports from.--					
China	1.55	1.69	1.55	1.64	1.64
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Share of quantity (percent)				
U.S. imports from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Share of value (percent)				
U.S. imports from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Ratio to U.S. production				
U.S. imports from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

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

Figure IV-1
Twist ties: U.S. import quantities and average unit values, 2017-19, January to September 2019, and January to September 2020

* * * * * * *

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

U.S. importers' U.S. shipments

Table IV-3 presents data on U.S. importers' U.S. shipments of imports from China by customer type. U.S. importers' U.S. shipments to all customer types increased from 2017 to 2018 by *** percent and then decreased from 2018 to 2019 by *** percent, for an overall decrease of *** percent from 2017 to 2019, by quantity. Importers' U.S. shipments to all customer types were *** percent lower in January-September 2020 than in January-September 2019, by quantity. By value, importers' U.S. shipments to all customer types increased from 2017 to 2018 by *** percent, then decreased from 2018 to 2019 by *** percent, for an overall decrease from 2017 to 2019 of *** percent. U.S. importers' shipments to all customer types were *** percent lower in January-September 2020 than in January-September 2019.

The share of U.S. importers' U.S. shipments to end users and retailers increased from 2017 to 2019 by *** and *** percentage points, respectively, while their share to distributors decreased by *** percentage points, by quantity. The average unit values of U.S.

shipments to retailers were consistently lower than the average unit values of shipments to distributors and end users.

Table IV-3
Twist ties: U.S. importers' U.S. shipments by customer type, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Quantity (1,000 twist ties)				
U.S. shipments of imports from China--					
to Distributors	***	***	***	***	***
to Retailers	***	***	***	***	***
to End users	***	***	***	***	***
to all customer types	1,792,741	1,964,481	1,106,564	677,067	497,957
	Value (1,000 dollars)				
U.S. shipments of imports from China--					
to Distributors	***	***	***	***	***
to Retailers	***	***	***	***	***
to End users	***	***	***	***	***
to all customer types	3,532	4,247	2,244	1,355	1,182
	Unit value (dollars per 1,000 twist ties)				
U.S. shipments of imports from China--					
to Distributors	***	***	***	***	***
to Retailers	***	***	***	***	***
to End users	***	***	***	***	***
to all customer types	1.97	2.16	2.03	2.00	2.37
	Share of quantity in 1,000 of twist ties (percent)				
U.S. shipments of imports from China--					
to Distributors	***	***	***	***	***
to Retailers	***	***	***	***	***
to End users	***	***	***	***	***
to all customer types	100.0	100.0	100.0	100.0	100.0
	Share of value (percent)				
U.S. shipments of imports from China--					
to Distributors	***	***	***	***	***
to Retailers	***	***	***	***	***
to End users	***	***	***	***	***
to all customer types	100.0	100.0	100.0	100.0	100.0

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

Negligibility

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.[10] Negligible imports are generally defined in the Act, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.[11] Imports from China accounted for *** percent of total imports of twist ties, by quantity, from June 2019 through May 2020.

Table IV-4 presents U.S. imports of twist ties in the twelve-month period preceding the filing of the petition.

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

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

Table IV-4
Twist ties: U.S. imports in the twelve-month period preceding the filing of the petition, June 2019 through May 2020

Item	June 2019 through May 2020	
	Quantity (1,000 twist ties)	Share quantity (percent)
U.S. imports from.--		
China	683,741	***
Nonsubject sources	***	***
All import sources	***	***

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

Product Mix

Table IV-5 presents data on the mix of twist tie products manufactured and sold by U.S. producers and imported by U.S. importers based on core type, wire gauge size, covering, cutting, and end user. ***. At least one U.S. importer reported selling each enumerated type of twist tie imported from China.

Table IV-5
Twist ties: Product mix for U.S. producers and U.S. importers

Item	Number of firms (count)		
	U.S. producers	U.S. importers of twist ties from China	U.S. importers of twist ties from nonsubject sources
Core type.--			
Single stainless steel wire	***	5	***
Single galvanized steel wire	***	8	***
More than one stainless steel wire	***	1	***
More than one galvanized steel wire	***	3	***
Plastic	***	1	***
Wire gauge sizes.--			
Gauge <= 19	***	3	***
Gauge 20 & 21	***	1	***
Gauge 22 & 23	***	2	***
Gauge 24 & 25	***	5	***
Gauge 26 & 27	***	4	***
Gauge 28 & 29	***	7	***
Gauge >= 30	***	1	***
Coverings.--			
Dry paper	***	7	***
Wet paper	***	2	***
Polyethylene	***	7	***
Other plastic	***	5	***
Paper and plastic combo	***	4	***
Cutting.--			
Pre-cut <=4" lengths	***	3	***
Pre-cut > 4" and <=6" legnths	***	7	***
Pre-cut > 6" and <=8" lengths	***	8	***
Pre-cut > 8" and <=10" lengths	***	5	***
Pre-cut > 10" lengths	***	4	***
Spool	***	6	***
Gangs	***	1	***
End user.--			
Bib ties / flag ties	***	1	***
Other grocery ties	***	5	***
Dry cleaner ties	***	1	***
Nose wires for face masks	***	4	***
Industrial ties	***	4	***

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

Apparent U.S. consumption

Table IV-6 and figure IV-2 present data on apparent U.S. consumption and U.S. market shares for twist ties. Apparent consumption, by quantity, decreased by *** percent between 2017 and 2018, and then further decreased by *** percent between 2018 and 2019, for an overall decline of *** percent between 2017 and 2019. Apparent consumption, by quantity, was *** percent higher during January-September 2020 compared to January-September 2019. By value, apparent consumption decreased by *** percent between 2017 and 2018, and then increased by *** percent between 2018 and 2019, for an overall decline of *** percent. Apparent consumption, by value, was *** percent higher during January-September 2020 than in January-September 2019.

Table IV-6
Twist ties: Apparent U.S. consumption, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Quantity (1,000 twist ties)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.--					
China	1,792,741	1,964,481	1,106,564	677,067	497,957
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
Apparent U.S. consumption	***	***	***	***	***
	Value (1,000 dollars)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.--					
China	3,532	4,247	2,244	1,355	1,182
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
Apparent U.S. consumption	***	***	***	***	***

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

Figure IV-2
Twist ties: Apparent U.S. consumption, 2017-19, January to September 2019, and January to September 2020

* * * * * * *

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

U.S. market shares

U.S. market share data are presented in table IV-7.[12] The share of U.S. producers' U.S. shipments, by quantity, decreased by *** percentage points between 2017 and 2018, and then increased by *** percentage points between 2018 and 2019, for an overall increase of *** percentage points. The share of U.S. producers' U.S. shipments, by quantity, was *** percentage points higher during January-September 2020 than in January-September 2019. By value, the share of U.S. producers' U.S. shipments decreased by *** percentage points between 2017 and 2018, and then increased by *** percentage points between 2018 and 2019, for an overall increase of *** percentage points. By value, the share of U.S. producers' U.S. shipments was *** percentage points higher in January-September 2020 than in January-September 2019.

[12] Market shares for U.S. importers' U.S. shipments from China for January-September 2019 and January-September 2020 may be understated because the record does not contain information for *** or *** for those periods.

The share of U.S importers' U.S. shipments of twist ties from China, by quantity, increased by *** percentage points from 2017 to 2018, then decreased from 2018 to 2019 by *** percentage points, for an overall decline of *** percentage points, by quantity. The share of shipments of imports from China was *** percentage points lower in January-September 2020 than in January-September 2019, by quantity. By value, the market share of importers' shipments of twist ties from China increased from 2017 to 2018 by *** percentage points, then decreased from 2018 to 2019 by *** percentage points, for an overall decline from 2017 to 2019 of *** percentage points. By value, the share of imports from China was *** percentage points lower in January-September 2020 than in January-September 2019.

U.S. importers' U.S. shipments of nonsubject imports of twist ties accounted for a market share of *** percent or less from January 2017 to September 2020.

Table IV-7
Twist ties: Market shares, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Quantity (1,000 twist ties)				
Apparent U.S. consumption	***	***	***	***	***
	Share of quantity (percent)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Value (1,000 dollars)				
Apparent U.S. consumption	***	***	***	***	***
	Share of value (percent)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

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

Apparent consumption and market shares by customer type

Tables IV-8 to IV-10 present data on U.S. producers' and U.S. importers' U.S. shipments by customer type.

U.S producers' and U.S. importers' combined U.S. shipments to distributors decreased by *** percent from 2017 to 2019 and were *** percent lower in January-September 2020 than in January-September 2019, by quantity (table IV-8). U.S. importers' U.S. shipments of imports from China to distributors decreased by *** percent from 2017 to 2019 and were *** percent lower in January-September 2020 than in January-September 2019, by quantity. U.S. producers' market share of U.S. shipments to distributors increased by *** percentage points from 2017 to 2019, and was *** percentage points higher in January-September 2020 than in January-September 2019, by quantity. By value, U.S. producers' market share of shipments to distributors increased by *** percentage points from 2017 to 2019, and was *** percentage points higher in January-September 2020 than in January-September 2019, by quantity.

U.S producers' and U.S. importers' combined U.S. shipments to retailers decreased by *** percent from 2017 to 2019 and were *** percent lower in January-September 2020 than in January-September 2019, by quantity (table IV-9). U.S. importers' U.S. shipments of imports from China to retailers increased by *** percent from 2017 to 2019 and were *** percent lower in January-September 2020 than in January-September 2019, by quantity. U.S. producers' market share of U.S. shipments to retailers decreased by *** percentage points from 2017 to 2019, but was *** percentage points higher in January-September 2020 than in January-September 2019, by quantity. By value, U.S. producers' market share of shipments to retailers decreased by *** percentage points from 2017 to 2019, but was *** percentage points higher in January-September 2020 than in January-September 2019.

U.S producers' and U.S. importers' combined U.S. shipments to end users increased by *** percent from 2017 to 2019 and were *** percent higher in January-September 2020 than in January-September 2019, by quantity (table IV-10). U.S. importers' U.S. shipments of imports from China to end users decreased by *** percent from 2017 to 2019 and were *** percent higher in January-September 2020 than in January-September 2019, by quantity. U.S. producers' market share of U.S. shipments to end users increased by *** percentage points from 2017 to 2019, and was *** percentage points higher in January-September 2020 than in January-September 2019, by quantity. By value, U.S. producers' market share of shipments to end users increased by *** percentage points from 2017 to 2019, and was *** percentage points higher in January-September 2020 than in January-September 2019.

The average unit value of U.S. producers' U.S. shipments were consistently higher than the average unit values of U.S. importers' U.S. shipments of imports from China across all three customer types.

Table IV-8
Twist ties: U.S. producers' and U.S. importers' U.S. shipments of twist ties to distributors, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Quantity (1,000 twist ties)				
To distributors.-- U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.-- China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
U.S. producers' and U.S. importers' U.S. shipments	***	***	***	***	***
	Value (1,000 dollars)				
To distributors.-- U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.-- China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
U.S. producers' and U.S. importers' U.S. shipments	***	***	***	***	***
	Unit value (dollars per 1,000 twist ties)				
To distributors.-- U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.-- China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
U.S. producers' and U.S. importers' U.S. shipments	***	***	***	***	***
	Share of quantity (percent)				
To distributors.-- U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.-- China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
U.S. producers' and U.S. importers' U.S. shipments	***	***	***	***	***

Table continued on next page.

Table IV-8--Continued
Twist ties: U.S. producers' and U.S. importers' U.S. shipments of twist ties to distributors, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Share of value (percent)				
To distributors.-- U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.-- China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
U.S. producers' and U.S. importers' U.S. shipments	***	***	***	***	***
	Ratio to overall apparent consumption quantity (percent)				
To distributors.-- U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.-- China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
U.S. producers' and U.S. importers' U.S. shipments	***	***	***	***	***
	Ratio to overall apparent consumption value (percent)				
To distributors.-- U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.-- China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
U.S. producers' and U.S. importers' U.S. shipments	***	***	***	***	***

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

Table IV-9
Twist ties: U.S. producers' and U.S. importers' U.S. shipments of twist ties to retailers, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Quantity (1,000 twist ties)				
To retailers.-- U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.-- China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
U.S. producers' and U.S. importers' U.S. shipments	***	***	***	***	***
	Value (1,000 dollars)				
To retailers.-- U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.-- China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
U.S. producers' and U.S. importers' U.S. shipments	***	***	***	***	***
	Unit value (dollars per 1,000 twist ties)				
To retailers.-- U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.-- China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
U.S. producers' and U.S. importers' U.S. shipments	***	***	***	***	***
	Share of quantity (percent)				
To retailers.-- U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.-- China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
U.S. producers' and U.S. importers' U.S. shipments	***	***	***	***	***

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Table IV-9--Continued
Twist ties: U.S. producers' and U.S. importers' U.S. shipments of twist ties to retailers, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Share of value (percent)				
To retailers.-- U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.-- China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
U.S. producers' and U.S. importers' U.S. shipments	***	***	***	***	***
	Ratio to overall apparent consumption quantity (percent)				
To retailers.-- U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.-- China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
U.S. producers' and U.S. importers' U.S. shipments	***	***	***	***	***
	Ratio to overall apparent consumption value (percent)				
To retailers.-- U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.-- China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
U.S. producers' and U.S. importers' U.S. shipments	***	***	***	***	***

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

Table IV-10
Twist ties: U.S. producers' and U.S. importers' U.S. shipments of twist ties to end users, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Quantity (1,000 twist ties)				
To end users.-- U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.-- China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
U.S. producers' and U.S. importers' U.S. shipments	***	***	***	***	***
	Value (1,000 dollars)				
To end users.-- U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.-- China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
U.S. producers' and U.S. importers' U.S. shipments	***	***	***	***	***
	Unit value (dollars per 1,000 twist ties)				
To end users.-- U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.-- China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
U.S. producers' and U.S. importers' U.S. shipments	***	***	***	***	***
	Share of quantity (percent)				
To end users.-- U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.-- China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
U.S. producers' and U.S. importers' U.S. shipments	***	***	***	***	***

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Table IV-10--Continued
Twist ties: U.S. producers' and U.S. importers' U.S. shipments of twist ties to end users, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Share of value (percent)				
To end users.-- U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.-- China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
U.S. producers' and U.S. importers' U.S. shipments	***	***	***	***	***
	Ratio to overall apparent consumption quantity (percent)				
To end users.-- U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.-- China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
U.S. producers' and U.S. importers' U.S. shipments	***	***	***	***	***
	Ratio to overall apparent consumption value (percent)				
To end users.-- U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.-- China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
U.S. producers' and U.S. importers' U.S. shipments	***	***	***	***	***

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

Part V: Pricing data

Factors affecting prices

Raw material costs

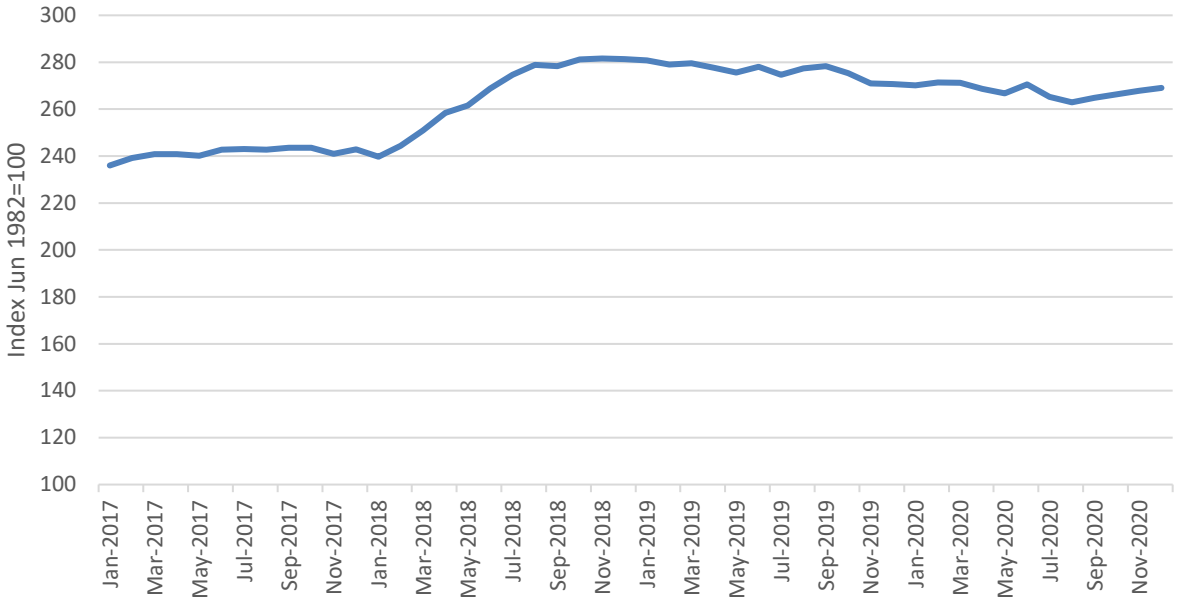
Twist ties are generally produced from stainless or galvanized steel wire, paper, and/or plastic. Prices for twist ties vary based on how much metal is used, how much plastic is used, the size of the twist tie, and if there is printing or labeling on the twist tie.[1]

Wire accounted for *** percent of U.S. producers' total raw materials in 2019, plastic accounted for *** percent, and paper accounted for *** percent.[2] U.S. producers' total raw materials as a share of cost of goods sold ("COGS") decreased *** from *** percent to *** percent from 2017-19. The price of steel wire increased by 12.2 percent (figure V-1) from January 2017 to September 2020. From September 2020 to the end of the year, prices for steel wire increased by 4.2 percent. Prices for steel wire increased in the first quarter of 2018, coinciding with the imposition of section 232 tariffs on steel, and were relatively stable through 2019 and 2020.

[1] Hearing transcript, p. 13 (Milbrandt).
[2] The remaining *** percent of the share of raw materials was categorized as "other."

Figure V-1

Producer Price Index: Steel Wire, not seasonally adjusted, monthly, January 2017 to December 2020, June 1982=100



Source: U.S. Bureau of Labor Statistics, Producer Price Index by Commodity: Metals and Metal Products: Steel Wire (WPU101705), retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/WPU101705, retrieved January 27, 2021

Petitioner Bedford stated that low-carbon steel and plastic resin are the primary drivers of raw material costs. In August 2018, it cited steel and plastic raw material costs as justification for increased prices.[3] Bedford stated that while it rarely produces twist ties using alternate metals, such as aluminum, such production is possible, especially if there is a need for a lightweight or especially malleable product.[4]

Impact of section 232 tariffs

U.S. producers[5] and importers were asked about the impact of section 232 tariffs (table V-1). Most importers reported that section 232 tariffs had no impact on raw material costs or prices, however, *** reported that raw material costs had increased.

[3] Petitioner's postconference brief, exh. 1, p. 17.

[4] Petitioner's postconference brief, exh. 1, p. 5.

[5] U.S. producer ***. Throughout the rest of this section, U.S. producer ***, unless otherwise indicated.

Petitioner stated that it had increased prices for some twist ties prior to the section 232 tariff implementation, but could not increase prices after the 232 tariffs were implemented.[6] [7]

Table V-1
Twist ties: Firm's perceptions regarding the impact of section 232 tariffs

Item	Number of firms reporting			
	Increase	No change	Decrease	Fluctuate
232: Impact on raw material costs.-- U.S. producers	***	***	***	***
U.S. importers	2	6	---	2
232: Impact on prices.-- U.S. producers	***	***	***	***
U.S. importers	1	6	---	2

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

Transportation costs to the U.S. market

Transportation costs for twist ties shipped from China to the United States averaged 5.0 percent for China during 2019. These estimates were derived from official import data and represent the transportation and other charges on imports.[8]

U.S. inland transportation costs

*** all responding importers reported that they typically arrange transportation to their customers. Bedford reported that its U.S. inland transportation cost averaged *** percent while most importers reported costs of 2.0 to 7.0 percent.

Pricing practices

Pricing methods

U.S. producer Bedford reported setting prices using *** and a plurality of responding importers reported setting prices on a transaction-by-transaction basis (table V-2).

[6] Petitioner added that "certain areas, such as produce, would not allow for a price increase at all." Hearing transcript, p. 19 (Milbrandt).

[7] Petitioner also argued that the section 232 tariffs "hurt" U.S. producers and "inadvertently helped" Chinese producers, as domestic producers paid for the tariff on steel wire and Chinese producers did not. Hearing transcript, p. 20 (Milbrandt).

[8] The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2019 and then dividing by the customs value based on the HTS subheading 8309.90.0000 and 5609.00.3000.

Table V-2
Twist ties: U.S. producers' and importers' reported price setting methods, by number of responding firms

Method	U.S. producers	Importers
Transaction-by-transaction	***	4
Contract	***	1
Set price list	***	3
Other	***	3
Responding firms	***	9

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

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

*** importers reported selling a large majority of their twist ties in the spot market (table V-3).

Table V-3
Twist ties: U.S. producers' and importers' shares of U.S. commercial shipments by type of sale, 2019

Type of sale	U.S. producers	Importers
Long-term contracts	***	***
Annual contracts	***	***
Short-term contracts	***	***
Spot sales	***	***
Total	100.0	100.0

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

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

U.S. producer Bedford's ***. These contracts did not allow for *** and had ***. Importer *** sold product under short-term contracts averaging *** days. Its short-term and year-long contracts did not allow for price renegotiation and had fixed prices that were not indexed to raw material prices.

Six purchasers reported that they purchase product monthly, four purchase weekly, three purchase annually, one purchases quarterly, and one purchases daily.[9] Thirteen of 16 responding purchasers reported that their purchasing frequency had not changed since 2017. Most (13 of 14) purchasers contact 1 to 3 suppliers before making a purchase.

Petitioner stated that because twist ties are a durable good, some produce customers will buy a large amount of twist ties once every two years, using some for their current needs and storing the rest to be used throughout the year(s).[10]

[9] Purchaser *** reported that it purchases monthly and "weekly within the season."
[10] Hearing transcript, pp. 48-49 (Milbrandt).

Sales terms and discounts

U.S. producer Bedford quotes prices on a *** basis and importers typically quote prices on an f.o.b. basis. Bedford offers *** and importers offer quantity discounts (5 of 9), no discount policies (4), total volume discounts (1), and discounts by invoice totals (1).[11]

Price leadership

Purchasers reported that Bedford (5 of 8 responding purchasers), Saveway (2), Package Containers (1), and Schermerhorn (1) were price leaders.[12] Purchaser *** noted that Bedford increased prices every two years, while *** reported that Bedford has kept pricing stable due to ***. Purchaser *** added that Bedford commands a "large market share" and has higher prices.[13] *** reported that Saveway drops prices to keep customers while U.S. producers increase prices.

Price data

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following twist ties products shipped to unrelated U.S. customers during January 2017-September 2020.

Product 1.-- Paper/paper 29 gauge cut tie, ranging from 4" x 5/32" to 4" x 3/16"

Product 2.-- Paper/paper 29 gauge cut tie, ranging from 7" x 5/32" to 7" x 3/16"

Product 3.-- Produce tie, wet strength paper/paper 27 gauge, galvanized wire, 8" x 7/16"

Product 4.-- Produce tie, wet strength paper/paper 27 gauge, galvanized wire, 10" x 7/16"

U.S. producer *** and importers *** provided usable pricing data for sales of the requested products, although not all firms reported pricing for

[11] Some importers reported more than one type of discount policy.
[12] Purchaser *** listed both Package Containers and Saveway as price leaders.
[13] *** reported that Bedford is its ***.

all products for all quarters.[14] [15] Pricing data reported by these firms accounted for approximately *** percent of U.S. producers' shipments of twist ties and *** percent of U.S. shipments of subject imports from China in 2019.[16]

Price data for products 1-4 are presented in tables V-4 to V-7 and figures V-2 to V-5.

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

[15] Importer *** reported price data for product 1 only. *** reported price data for products 1-4 and ***.

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

Table V-4
Twist ties: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by quarter, January 2017-September 2020

Period	United States		China		
	Price (dollars per 1,000 twist ties)	Quantity (1,000 twist ties)	Price (dollars per 1,000 twist ties)	Quantity (1,000 twist ties)	Margin (percent)
2017:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2018:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2019:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2020:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***

Note: Product 1: Paper/paper 29 gauge cut tie, ranging from 4” x 5/32” to 4” x 3/16”

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

Table V-5
Twist ties: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by quarter, January 2017-September 2020

Period	United States		China		
	Price (dollars per 1,000 twist ties)	Quantity (1,000 twist ties)	Price (dollars per 1,000 twist ties)	Quantity (1,000 twist ties)	Margin (percent)
2017:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2018:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2019:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2020:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***

Note: Product 2: Paper/paper 29 gauge cut tie, ranging from 7” x 5/32” to 7” x 3/16”

Note: Importer *** reported that the ***. *** email message to USITC staff, January 22, 2021.

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

Table V-6
Twist ties: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by quarter, January 2017-September 2020

Period	United States		China		
	Price (dollars per 1,000 twist ties)	Quantity (1,000 twist ties)	Price (dollars per 1,000 twist ties)	Quantity (1,000 twist ties)	Margin (percent)
2017:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2018:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2019:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2020:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***

Note: Product 3: Produce tie, wet strength paper/paper 27-gauge, galvanized wire, 8” x 7/16”

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

Table V-7
Twist ties: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by quarter, January 2017-September 2020

Period	United States		China		
	Price (dollars per 1,000 twist ties)	Quantity (1,000 twist ties)	Price (dollars per 1,000 twist ties)	Quantity (1,000 twist ties)	Margin (percent)
2017:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2018:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2019:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***
Oct.-Dec.	***	***	***	***	***
2020:					
Jan.-Mar.	***	***	***	***	***
Apr.-Jun.	***	***	***	***	***
Jul.-Sep.	***	***	***	***	***

Note: Product 4: Produce tie, wet strength paper/paper 27-gauge, galvanized wire, 10” x 7/16”

Note: Importer *** reported that the ***. *** email message to USITC staff, January 22, 2021. *See* also *** email message to USITC staff, July 16, 2020.

Note: U.S. producer *** reported that ***. *** email message to USITC staff, January 19, 2021.

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

Figure V-2
Twist ties: Weighted-average prices and quantities of domestic and imported product 1, by quarter, January 2017-September 2020

* * * * * * *

* * * * * * *

Product 1: Paper/paper 29 gauge cut tie, ranging from 4” x 5/32” to 4” x 3/16”

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

Figure V-3
Twist ties: Weighted-average prices and quantities of domestic and imported product 2, by quarter, January 2017-September 2020

* * * * * * *

* * * * * * *

Product 2: Paper/paper 29 gauge cut tie, ranging from 7” x 5/32” to 7” x 3/16”

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

Figure V-4
Twist ties: Weighted-average prices and quantities of domestic and imported product 3, by quarter, January 2017-September 2020

* * * * * * *

* * * * * * *

Product 3: Produce tie, wet strength paper/paper 27-gauge, galvanized wire, 8” x 7/16”

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

Figure V-5
Twist ties: Weighted-average prices and quantities of domestic and imported product 4, by quarter, January 2017-September 2020

* * * * * * *

* * * * * * *

Product 4: Produce tie, wet strength paper/paper 27-gauge, galvanized wire, 10” x 7/16”

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

Price trends

Prices for U.S.-produced twist ties increased for products 1 and 4, and decreased for products 2 and 3 during January 2017-September 2020. Table V-8 summarizes the price trends, by country and by product. As shown in the table, domestic price increases ranged from *** to *** percent during January 2017-September 2020 while import price increases were *** percent for product 1.[17] [18] Domestic price decreases ranged from *** to *** percent.

Table V-8
Twist ties: Summary of weighted-average f.o.b. prices for products 1-4 from the United States and China

Item	Number of quarters	Low price (dollars per 1,000 twist ties)	High price (dollars per 1,000 twist ties)	Change in price over period[1] (percent)
Product 1:				
United States	***	***	***	***
China	***	***	***	***
Product 2:				
United States	***	***	***	***
China	***	***	***	***
Product 3:				
United States	***	***	***	***
China	***	***	***	***
Product 4:				
United States	***	***	***	***
China	***	***	***	***

Note: Percentage change from the first quarter in which data were available to the last quarter in which price data were available. Percent changes for products 3 and 4 from China were calculated from January 2017 to March 2020. Price data for product 2 was limited and did not lend itself to a meaningful price trend analysis.

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

Price comparisons

As shown in table V-9, prices for product imported from China were below those for U.S.-produced product in 43 of 46 instances (*** twist ties); margins of underselling ranged from *** to *** percent.[19] In the remaining 3 instances (*** twist ties), prices

[17] As noted above, importer ***.

[18] Reported prices of products 3 and 4 from China increased from January 2017 to March 2020. Importer *** reported price data for only *** quarters out of a possible 15 of product 2 from China.

[19] The instance of underselling at *** percent was of a low volume of *** twist ties.

for product from China were between *** and *** percent above prices for the domestic product.

Table V-9
Twist ties: Instances of underselling/overselling and the range and average of margins, by country, January 2017-September 2020

Source	Underselling				
	Number of quarters	Quantity (1,000 twist ties)	Average margin (percent)	Margin range (percent)	
				Min	Max
Product 1	***	***	***	***	***
Product 2	***	***	***	***	***
Product 3	***	***	***	***	***
Product 4	***	***	***	***	***
Total, underselling	43	***	***	***	***
Source	**(Overselling)**				
	Number of quarters	**Quantity (1,000 twist ties)**	**Average margin (percent)**	**Margin range (percent)**	
				Min	**Max**
Product 1	***	***	***	***	***
Product 2	***	***	***	***	***
Product 3	***	***	***	***	***
Product 4	***	***	***	(***	***
Total, overselling	3	***	***	***	***

Note: These data include only quarters in which there is a comparison between the U.S. and subject product. As noted above, there were ***.

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

Lost sales and lost revenue

In the preliminary phase of these investigations, the Commission requested that U.S. producers of twist ties report purchasers with which they experienced instances of lost sales or revenue due to competition from imports of twist ties from China during January 2017-March 2020. One U.S. producer identified 21 firms with which they lost sales or revenue (8 consisting of lost sales allegations, 2 consisting of lost revenue allegations, and 11 consisting of both types of allegations). Of the 21 allegations, *** instances occurred during the first two quarters of 2018.[20]

In the final phase of these investigations, U.S. producer Bedford reported that ***.

[20] *See* petition exh. 8.

Staff contacted 60 purchasers and received responses from 16 purchasers. Responding purchasers reported purchasing and importing 17.4 billion twist ties during 2017-19 (table V-10).

Of the 15 responding purchasers, 9 reported that, since 2017, they had purchased imported twist ties from China instead of U.S.-produced product. Eight of these purchasers reported that subject import prices were lower than U.S.-produced product, and seven of these purchasers reported that price was a primary reason for the decision to purchase imported product rather than U.S.-produced product. Seven purchasers estimated the quantity of twist ties from China purchased instead of domestic product; quantities ranged from *** twist ties to *** twist ties (table V-11). Purchaser *** identified specifications, tolerances and consistency, and *** identified availability and lead times as non-price reasons for purchasing imported rather than U.S.-produced product.

Of the 15 responding purchasers, 2 reported that U.S. producers had reduced prices in order to compete with lower-priced imports from China; 5 reported that U.S. producers did not lower prices and 8 reported that they did not know (table V-12). The reported estimated price reduction was *** percent.

Table V-10
Twist ties: Purchasers' reported purchases and imports, 2017-19

Purchaser	Purchases and imports in 2017-19 (1,000 twist ties)			Change in domestic share (pp, 2017-19)	Change in subject country share (pp, 2017-19)
	Domestic	Subject	All other		
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total	***	***	***	***	***

Note: All other includes all other sources and unknown sources.
Note: Percentage points (pp) change: Change in the share of the firm's total purchases of domestic and/or subject country imports between first and last years.

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

Table V-11
Twist ties: Purchasers' responses to purchasing subject imports instead of domestic product

Purchaser	Subject imports purchased instead of domestic (Y/N)	Imports priced lower (Y/N)	If purchased subject imports instead of domestic, was price a primary reason		
			Y/N	If Yes, quantity (1,000 twist ties)	If No, non-price reason
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	
***	***	***	***	***	
***	***	***	***	***	***
***	***	***	***	***	
***	***	***	***	***	
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	
***	***	***	***	***	***
Total	Yes--9; No--6	Yes--8; No--1	Yes--7; No--2	591,924	

Note: ***.

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

Table V-12
Twist ties: Purchasers' responses to U.S. producer price reductions

		If U.S. producers reduced prices	
Purchaser	U.S. producers reduced prices to compete with subject imports (Y/N)	Estimated U.S. price reduction (percent)	Additional information, if available
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Total / average	**Yes--2; No--5**	**20.0**	

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

In responding to the purchasers' questionnaire, some purchasers provided additional information on purchases and market dynamics. *** reported that it ***.

Petitioner stated that it has had to decrease prices to keep business, and it has been unable to increase prices since 2015, despite increasing raw material costs.[21]

[21] Hearing transcript, p. 26 (Milbrandt) and petitioner's posthearing brief, exh. 1 p.19.

Part VI: Financial experience of U.S. producers

Background

Two U.S. producers (Bedford and T and T) provided usable financial data on their twist tie operations.[1] [2] Both U.S. producers have a calendar year end of December 31 and provided financial data on the basis of generally accepted accounting principles (GAAP). These two questionnaire responses are believed to account for virtually all sales of twist ties by U.S. producers.[3]

Twist ties include a wide variety of product mix, with large variations in sales prices and production costs.[4] Figure VI-1 presents each producer's share of the total reported net sales quantity in 2019. Revenue reflects commercial sales only (no internal consumption or transfers to related firms were reported during the period for which data were requested).

[1] Bedford is a privately-held, family-owned business that started manufacturing twist ties in 1966. Hearing transcript, pp.9-10.

[2] T and T is a privately-held company manufacturing and selling twist ties and packaging products for over 60 years. *T and T Webpage*, http://www.twistems.com/pages/profile.html, retrieved July 23, 2020. ***. ***, and emails from ***, January 25, 2021 and February 26, 2021.

[3] The petition listed two additional U.S. producers of twist ties, Hanscom, Inc. (Warren, Rhode Island) and Package Containers, Inc. (Canby, Oregon) ("PCI"). Petitioner believes that Hanscom and PCI are ***. The petitioner estimates that ***. Petition, p. 8, exh. 1, and exh. 5 and petitioner's postconference brief, exh. 3 (p. 8).

[4] Twist ties all have steel wire but can vary in length, width, thickness, color, and other materials. ***. Twist ties are sold in various units of measurement, including MS (thousand singles for cut ties, Bib Ties®, product ties, and gang ties) and EA (eaches for spools). During the time period from January 1, 2017 to September 30, 2020, Bedford sold approximately *** unique part numbers (SKUs) of in-scope twist ties. Email from ***, July 20, 2020 and Petitioner's posthearing brief, exh. 1, p. 22.

Figure VI-1
Twist Ties: Share of net sales quantity, by firm, 2019

* * * * * * *

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

Operations on twist ties

Table VI-1 presents aggregated data on U.S. producers' operations in relation to twist ties over the period examined, while table VI-2 presents corresponding changes in average unit values ("AUVs"). Table VI-3 presents selected company-specific financial data.

Table VI-1
Twist ties: Results of operations of U.S. producers, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Quantity (1,000 twist ties)				
Total net sales	***	***	***	***	***
	Value (1,000 dollars)				
Total net sales	***	***	***	***	***
Cost of goods sold.-- Raw materials	***	***	***	***	***
Direct labor	***	***	***	***	***
Other factory costs	***	***	***	***	***
Total COGS	***	***	***	***	***
Gross profit	***	***	***	***	***
SG&A expense	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***
Other expense / (income), net	***	***	***	***	***
Net income or (loss)	***	***	***	***	***
Depreciation/amortization	***	***	***	***	***
Cash flow	***	***	***	***	***
	Ratio to net sales (percent)				
Cost of goods sold.-- Raw materials	***	***	***	***	***
Direct labor	***	***	***	***	***
Other factory costs	***	***	***	***	***
Average COGS	***	***	***	***	***
Gross profit	***	***	***	***	***
SG&A expense	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***
Net income or (loss)	***	***	***	***	***

Table continued on next page.

Table VI-1—Continued
Twist ties: Results of operations of U.S. producers, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Ratio to total COGS (percent)				
Cost of goods sold.-- Raw materials	***	***	***	***	***
Direct labor	***	***	***	***	***
Other factory costs	***	***	***	***	***
Average COGS	***	***	***	***	***
	Unit value (dollars per 1,000 twist ties)				
Total net sales	***	***	***	***	***
Cost of goods sold.-- Raw materials	***	***	***	***	***
Direct labor	***	***	***	***	***
Other factory costs	***	***	***	***	***
Average COGS	***	***	***	***	***
Gross profit	***	***	***	***	***
SG&A expense	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***
Net income or (loss)	***	***	***	***	***
	Number of firms reporting				
Operating losses	***	***	***	***	***
Net losses	***	***	***	***	***
Data	***	***	***	***	***

Note: ***.

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

Table VI-2
Twist ties: Changes in AUVs, between calendar years and between partial year periods

Item	Between calendar years			Between partial year period
	2017-19	2017-18	2018-19	2019-20
	Change in AUVs (percent)			
Total net sales	▲***	▲***	▲***	▲***
Cost of goods sold.-- Raw materials	▲***	▲***	▲***	▲***
Direct labor	▲***	▲***	▲***	▲***
Other factory costs	▲***	▲***	▲***	▼***
Average COGS	▲***	▲***	▲***	▲***
	Change in AUVs (dollars per 1,000 twist ties)			
Total net sales	▲***	▲***	▲***	▲***
Cost of goods sold.-- Raw materials	▲***	▲***	▲***	▲***
Direct labor	▲***	▲***	▲***	▲***
Other factory costs	▲***	▲***	▲***	▼***
Average COGS	▲***	▲***	▲***	▲***
Gross profit	▼***	▼***	▲***	▲***
SG&A expense	▲***	▲***	▲***	▼***
Operating income or (loss)	▼***	▼***	▼***	▲***
Net income or (loss)	▼***	▼***	▼***	▲***

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

Table VI-3
Twist ties: Select results of operations of U.S. producers, by company, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Total net sales (1,000 twist ties)				
Bedford	***	***	***	***	***
T and T	***	***	***	***	***
All firms	***	***	***	***	***
	Total net sales (1,000 dollars)				
Bedford	***	***	***	***	***
T and T	***	***	***	***	***
All firms	***	***	***	***	***
	Cost of goods sold (1,000 dollars)				
Bedford	***	***	***	***	***
T and T	***	***	***	***	***
All firms	***	***	***	***	***
	Gross profit or (loss) (1,000 dollars)				
Bedford	***	***	***	***	***
T and T	***	***	***	***	***
All firms	***	***	***	***	***
	SG&A expenses (1,000 dollars)				
Bedford	***	***	***	***	***
T and T	***	***	***	***	***
All firms	***	***	***	***	***
	Operating income or (loss) (1,000 dollars)				
Bedford	***	***	***	***	***
T and T	***	***	***	***	***
All firms	***	***	***	***	***
	Net income or (loss) (1,000 dollars)				
Bedford	***	***	***	***	***
T and T	***	***	***	***	***
All firms	***	***	***	***	***
	COGS to net sales ratio (percent)				
Bedford	***	***	***	***	***
T and T	***	***	***	***	***
All firms	***	***	***	***	***
	Gross profit or (loss) to net sales ratio (percent)				
Bedford	***	***	***	***	***
T and T	***	***	***	***	***
All firms	***	***	***	***	***
	SG&A expense to net sales ratio (percent)				
Bedford	***	***	***	***	***
T and T	***	***	***	***	***
All firms	***	***	***	***	***

Table continued on next page.

Table VI-3--Continued
Twist ties: Select results of operations of U.S. producers, by company, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Operating income or (loss) to net sales ratio (percent)				
Bedford	***	***	***	***	***
T and T	***	***	***	***	***
All firms	***	***	***	***	***
	Net income or (loss) to net sales ratio (percent)				
Bedford	***	***	***	***	***
T and T	***	***	***	***	***
All firms	***	***	***	***	***
	Unit net sales value (dollars per 1,000 twist ties)				
Bedford	***	***	***	***	***
T and T	***	***	***	***	***
All firms	***	***	***	***	***
	Unit COGS (dollars per 1,000 twist ties)				
Bedford	***	***	***	***	***
T and T	***	***	***	***	***
All firms	***	***	***	***	***
	Unit gross profit or (loss) (dollars per 1,000 twist ties)				
Bedford	***	***	***	***	***
T and T	***	***	***	***	***
All firms	***	***	***	***	***
	Unit SG&A expenses (dollars per 1,000 twist ties)				
Bedford	***	***	***	***	***
T and T	***	***	***	***	***
All firms	***	***	***	***	***
	Unit operating income or (loss) (dollars per 1,000 twist ties)				
Bedford	***	***	***	***	***
T and T	***	***	***	***	***
All firms	***	***	***	***	***
	Unit net income or (loss) (dollars per 1,000 twist ties)				
Bedford	***	***	***	***	***
T and T	***	***	***	***	***
All firms	***	***	***	***	***

Note: ***.

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

Net sales

As presented in table VI-1, total net sales reflect only commercial sales, declining *** percent by quantity and increasing *** percent by value from 2017 to 2019. Net sales quantity, value, and AUVs were higher in interim 2020 than in interim 2019.[5] *** in the basic twist ties types (produce and cut ties), both types that are sold in large volumes. Average unit values ("AUVs") of net sales increased from $*** in 2017 to $*** in 2019, reflecting the decline in total net sales quantity compared to the small increase in total net sales value during this period. The increase in AUVs from 2017 to 2019 for *** is the ***.[6] As shown in table VI-3, *** to $*** in all five periods for which data were collected.[7]

Cost of goods sold and gross profit or loss[8]

As shown in table VI-1, total cost of goods sold ("COGS") *** increased in absolute value from 2017 to 2019, but *** increased on a per-unit basis and as a ratio to net sales. Average value of COGS per unit increased from $*** to $***, while as a ratio to net sales total COGS increased from *** to *** percent from 2017 to 2019. Total COGS

[5] The COVID-19 pandemic increased sales of twist ties sold by *** in interim 2020. *** produces twist ties ***. Within the twist ties used for face masks, the product mix varies, ***. For example, ***. Email from ***, July 20, 2020 and U.S. producer questionnaires, III-9f.

*** reported *** Email from ***, February 26, 2021.

[6] In 2019, Bedford reported ***. Bedford moved to the ***. Email from ***, July 20, 2020; *** U.S. producer questionnaire, III-9g; and Petitioner's posthearing brief, exh. 1, p. 23.

[7] T and T ***. However, T and T provided the Commission with ***. Email from ***, February 26, 2021.

[8] See footnote 14 in this section of the report.

and unit COGS were higher while COGS as a ratio were lower in interim 2020 than in interim 2019. The trend in per-unit values was impacted mostly by the declines in net sales quantity in each reporting period, while the trend in ratio to sales data reflect the larger increase in total COGS relative to total net sales value.

Raw material costs represent the *** share of total COGS, and ranged from *** to *** percent of total COGS during the period examined. Raw materials costs *** increased by *** percent in absolute values from 2017 to 2019 and were higher in interim 2020 than in interim 2019. The increases in raw material costs during 2018 and 2019 primarily reflect the price increases as a result of Section 232 tariffs on steel wire.[9] On a per unit basis, raw materials costs increased each year from $*** to $*** from 2017 to 2019; average per unit raw material costs were higher in interim 2020 than in interim 2019. As a ratio to net sales, raw material costs stayed relative steady, at *** percent in 2017 and 2018 and *** percent in 2019; raw material costs as a ratio to net sales were higher in interim 2020 than in interim 2019.[10]

Table VI-4 presents details on specific raw material inputs as a share of total raw material costs in 2019. Steel wire accounted for the largest share of raw material costs, followed by plastic components and then paper. Other raw materials included ink and colorants and accounted for the smallest share of total raw material costs. Both U.S. producers sell twist ties ***.[11]

Table VI-4
Twist Ties: Raw material costs by type, 2019

Raw materials	Calendar year 2019		
	Value (1,000 dollars)	Unit value (dollars per 1,000 twist ties)	Share of value (percent)
Steel wire	***	***	***
Paper	***	***	***
Plastic components	***	***	***
Other material inputs	***	***	***
Total, raw materials	***	***	***

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

[9] See table V-1 for additional information on the impact of Section 232. ***. Email from ***, July 20, 2020 and *** U.S. producer questionnaire, III-9g.

[10] T and T explained that ***. Email from ***, February 26, 2021.

[11] Email from ***, July 20, 2020 and email from ***, July 22, 2020.

Direct labor costs represent the *** share of total COGS and were *** steady, ranging from *** percent to *** percent during the period examined. Direct labor costs increased each year from 2017 to 2019, as well as between the comparable interim periods, in absolute values and as a ratio to net sales. Average per unit direct labor costs also increased each year, from $*** per unit in 2017 to $*** in 2019; per unit direct labor costs was higher in interim 2020 than in interim 2019. ***.[12]

Other factory costs represent the *** share of total COGS ranged from *** percent to *** percent during the period examined. Other factory costs increased in absolute values, as a ratio to net sales, and on a per unit basis from 2017 to 2019. Other factory costs were lower in absolute values, as a ratio to net sales, and on a per unit basis in interim 2020 than in interim 2019.[13] [14]

As presented in table VI-1, gross profit *** by *** percent from 2017 to 2019 (***); gross profit was higher in interim 2020 than in interim 2019. Gross margins *** declined, from *** percent in 2017 to *** percent in 2018 and *** to *** percent in 2019; gross margin was higher in interim

[12] Email from ***, July 20, 2020. Additionally, Bedford ***. Petitioner's posthearing brief, exh. 1, p. 22.

[13] Bedford reported lower AUVs for other factory costs in interim 2020 *** compared with interim 2019 ***, explaining that ***. Petitioner's posthearing brief, exh. 1, p. 24.

[14] ***. Staff telephone interview with ***, July 23, 2020 and emails from ***, January 25, 2021 and February 26, 2021. ***.

2020 than in interim 2019. Gross profit declined because COGS increased more than revenue during the calendar year periods.

SG&A expenses and operating income or loss

U.S. producers' selling, general, and administrative ("SG&A") expense ratios (i.e., total SG&A expenses divided by net sales) *** increased from 2017 to 2019, ranging from *** percent to *** percent. General and administrative expense made up approximately two-thirds of total SG&A expenses and selling expenses made up the remaining one-third. Absolute and per unit SG&A costs increased each year from 2017 to 2019; absolute value of SG&A expenses were higher while per unit SG&A expenses were lower in interim 2020 than in interim 2019. *** explained that the SG&A expense increases from 2017 to 2019 were ***. Interim 2020 SG&A expenses increased as a result of ***.[15]

As presented in table VI-1, U.S. producers' operating income *** its gross profit trends, declining by *** percent from 2017 to 2019 (***). Operating margins (i.e. operating income divided by net sales) followed the same directional pattern as ***, declining from *** percent in 2017 to *** percent in 2018 and declining further to *** percent in 2019. Operating income in both absolute and per unit measures as well as operating margins were higher in interim 2020 than in interim 2019.

All other expenses and net income or loss

Classified below the operating income level are interest expenses, other expenses, and other income. In table VI-1, these items are aggregated with the net amount shown. The net "all other expenses" fluctuated but declined overall from 2017 to 2019 and was higher in interim 2020 than in interim 2019.[16]

[15] These interim 2020 SG&A expenses were ***. *** recognized all the ***. Petitioner's posthearing brief, exh. 1, p. 24.

[16] *** U.S. producers reported interest expenses, with *** accounting for *** interest expenses from 2017 to 2019 and in interim 2020.

***.[17] ***, the U.S. industry reported declining net income from 2017 to 2019 and higher net income in interim 2020 than in interim 2019. ***.[18]

Capital expenditures, research and development expenses, assets, and return on assets

Table VI-5 presents capital expenditures, research and development ("R&D") expenses, assets, and return on assets ("ROA") of U.S. producers. Table VI-6 provides U.S. producers' narrative responses regarding the nature and focus of their capital expenditures and R&D expenses as well as substantial changes in assets.

Table VI-5
Twist ties: Capital expenditures, R&D expenses, total assets, and ROA of U.S. producers, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Value (1,000 dollars)				
Capital expenditures	***	***	***	***	***
R&D expenses	***	***	***	***	***
Total net assets	***	***	***		
	Percent				
Operating ROA	***	***	***		

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

[17] ***. Other expenses/income were allocated based on sales by product and Bedford's all other income ***. Bedford stated ***. Email from ***, July 20, 2020 and Petitioner's posthearing brief, p. 24.

[18] A variance analysis is not shown due to the large variety of product mixes and *** reporting methods for specific COGS items as well as *** use of estimates. See footnotes 2, 7, and 14 in this section of the report.

Table VI-6
Twist Ties: U.S. producers' narrative responses relating to capital expenditures, R&D expenses, and assets since January 1, 2014

Firm	Nature and focus of capital expenditures
***	***
***	***
	Nature and focus of R&D expenses
***	***
***	***
	Substantial changes in net assets
***	***

Source: Compiled from data submitted in response to Commission questionnaires and Petitioner's posthearing brief, exh. 1, p. 22.

Capital and investment

The Commission requested U.S. producers of twist ties to describe any actual or potential negative effects of imports of twist ties from China on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Table VI-7 presents the number of firms reporting an impact in each category and table VI-8 provides the U.S. producers' narrative responses.

Table VI-7
Twist Ties: Actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2017

Item	No	Yes
Negative effects on investment	0	2
Cancellation, postponement, or rejection of expansion projects		0
Denial or rejection of investment proposal		0
Reduction in the size of capital investments		0
Return on specific investments negatively impacted		2
Other		1
Negative effects on growth and development	0	2
Rejection of bank loans		0
Lowering of credit rating		0
Problem related to the issue of stocks or bonds		0
Ability to service debt		0
Other		2
Anticipated negative effects of imports	0	2

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

Table VI-8
Twist Ties: Narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2017

Item / Firm	Narrative
Return on specific investments negatively impacted:	
***	***
***	***
Other negative effects on investments:	
***	***
Other effects on growth and development:	
***	***
***	***
Anticipated effects of imports:	
***	***
***	***

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

Part VII: Threat considerations and information on nonsubject countries

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

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

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

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

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

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

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

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

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

The industry in China

The Commission issued foreign producers' or exporters' questionnaires to five firms believed to produce and/or export twist ties from China.[3] Usable responses to the Commission's questionnaire were received from one firm, Hongda. According to estimates requested of the responding Chinese producer, Hongda's exports to the United States accounted for approximately *** percent of overall twist ties exports to the U.S. from China. Hongda also estimated the production of twist ties reported in its questionnaire accounted for approximately *** percent of overall production of twist ties in China in 2019. Table VII-1 presents information on the twist ties operations of Hongda.

Table VII-1
Twist ties: Summary data on firms in China, 2019

Firm	Production (1,000 twist ties)	Share of reported production (percent)	Exports to the United States (1,000 twist ties)	Share of reported exports to the United States (percent)	Total shipments (1,000 twist ties)	Share of firm's total shipments exported to the United States (percent)
Hongda	***	***	***	***	***	***
All firms	***	***	***	***	***	***

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

[3] These firms were identified through a review of information submitted in the petition and other sources.

Changes in operations

As presented in table VII-2, Hongda reported one change in operations since January 1, 2017.

Table VII-2
Twist ties: Reported changes in operations by producers in China, since January 1, 2017

Item / Firm	Reported changed in operations
Relocations:	
***	***

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

Operations on twist ties

Table VII-3 presents information on the twist ties operations of Hongda. Hongda's capacity *** between January 2017 and September 2020. Between 2017 and 2019, Hongda's production increased by *** percent, and was *** percent higher during January-September 2020 compared to January-September 2019. Hongda projected production to decrease by *** percent between 2020 and 2021. Hongda's capacity utilization increased by *** percentage points between 2017 and 2019 and was *** percentage points higher during January-September 2020 compared to January-September 2019.[4] Hongda's inventories decreased by *** percent between 2017 and 2019 and were unchanged in January-September 2020 compared to January-September 2019. Hongda projects inventories to decline by *** percent between 2020 and 2021.

Hongda's export shipments to the United States decreased by *** percent between 2017 and 2018, and then further decreased by *** percent between 2018 and 2019, for an overall decrease from 2017 to 2019 of *** percent.[5] Hongda projected exports to the United States would decrease by *** percent in from 2020 to 2021.[6]

[4] Staff revised Hongda's reported capacity for January-September 2019 and January-September 2020 downward to 75 percent of its reported calendar-year capacity. Hongda initially reported ***.

[5] Hongda stated *** as the reasons for the change in *** from 2018 to 2019. Email from Hongda, July 26, 2020.

[6] Hongda ***.

Table VII-3

Twist ties: Data on industry in China, 2017-19, January to September 2019, and January to September 2020 and projection calendar years 2020 and 2021

Item	Actual experience					Projections	
	Calendar year			January to September		Calendar year	
	2017	2018	2019	2019	2020	2020	2021
	Quantity (1,000 twist ties)						
Capacity	***	***	***	***	***	***	***
Production	***	***	***	***	***	***	***
End-of-period inventories	***	***	***	***	***	***	***
Shipments:							
Home market shipments:							
Internal consumption/ transfers	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Total home market shipments	***	***	***	***	***	***	***
Export shipments to:							
United States	***	***	***	***	***	***	***
All other markets	***	***	***	***	***	***	***
Total exports	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***
	Ratios and shares (percent)						
Capacity utilization	***	***	***	***	***	***	***
Inventories/production	***	***	***	***	***	***	***
Inventories/total shipments	***	***	***	***	***	***	***
Share of shipments:							
Home market shipments:							
Internal consumption/ transfers	***	***	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***	***	***
Total home market shipments	***	***	***	***	***	***	***
Export shipments to:							
United States	***	***	***	***	***	***	***
All other markets	***	***	***	***	***	***	***
Total exports	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***

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

Alternative products

As shown in table VII-4, Hongda produced other products on the same equipment and machinery used to produce twist ties.[7] The share of in-scope production decreased from *** percent of total production to *** percent of total production between 2017 and 2019 and was *** percentage points lower during January-September 2020 compared to January-September 2019.

Table VII-4
Twist ties: Overall capacity and production on the same equipment as in-scope production by producers in China, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Quantity (pounds)				
Overall capacity	***	***	***	***	***
Production:					
Twist ties	***	***	***	***	***
Out-of-scope production	***	***	***	***	***
Total production on same machinery	***	***	***	***	***
	Ratios and shares (percent)				
Overall capacity utilization	***	***	***	***	***
Share of production:					
Twist ties	***	***	***	***	***
Out-of-scope production	***	***	***	***	***
Total production on same machinery	***	***	***	***	***

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

[7] ***.

U.S. inventories of imported merchandise

Table VII-5 presents data on U.S. importers' reported inventories of twist ties. Inventories of imports from China increased 0.1 percent between 2017 and 2018, and then increased by 29.9 percent between 2018 and 2019, for an overall increase of 30.0 percent from 2017 to 2019. Inventories of imports from China were 60.3 percent higher during January-September 2020 compared to January-September 2019. The ratio of inventories of imports from China to imports from China decreased by 1.4 percentage points between 2017 and 2018, and then increased by 26.5 percentage points between 2018 and 2019, for an overall increase of 25.0 percentage points from 2017 to 2019. The ratio of inventories to imports from China was 39.2 percentage points higher in January-September 2020 than in January-September 2019.

Table VII-5
Twist ties: U.S. importers' end-of-period inventories of imports by source, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Inventories (1,000 twist ties); Ratios (percent)				
Imports from China:					
Inventories	474,545	474,792	616,903	349,948	560,892
Ratio to U.S. imports	25.9	24.5	50.9	42.1	81.4
Ratio to U.S. shipments of imports	26.5	24.2	55.7	38.8	84.5
Ratio to total shipments of imports	26.4	24.1	55.5	38.7	84.3
Imports from nonsubject sources:					
Inventories	***	***	***	***	***
Ratio to U.S. imports	***	***	***	***	***
Ratio to U.S. shipments of imports	***	***	***	***	***
Ratio to total shipments of imports	***	***	***	***	***
Imports from all import sources:					
Inventories	***	***	***	***	***
Ratio to U.S. imports	***	***	***	***	***
Ratio to U.S. shipments of imports	***	***	***	***	***
Ratio to total shipments of imports	***	***	***	***	***

Source: Compiled from data submitted in response to Commission U.S. importers' questionnaires

U.S. importers' outstanding orders

The Commission requested U.S. importers to indicate whether they imported or arranged for the importation of twist ties after September 2020. Six importers reporting arranging imports.[8] U.S importers' arranged imports are presented in table VII-6.

Table VII-6
Twist ties: Arranged imports, October 2020 through September 2021

Item	Period				
	Oct-Dec 2020	Jan-Mar 2021	Apr-Jun 2021	Jul-Sept 2021	Total
	Quantity (1,000 twist ties)				
Arranged U.S. imports from.--					
China	250,792	205,342	---	---	456,134
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires

[8] Importers reporting the largest quantities of arranged imports from China were ***.

Antidumping or countervailing duty orders in third-country markets

There were no antidumping or countervailing orders on twist ties from China in third-country markets listed in the relevant WTO database.[9] In addition, counsel for petitioner stated they are not aware of any antidumping or countervailing duty orders in place in any third-country market on twist ties imported from China.[10]

Information on nonsubject countries

Global Trade Atlas (GTA) publishes data on global exports, including those for the subheadings relevant to this investigation. However, all the subheadings described in the tariff treatment section of this report also include global trade of products outside the scope of these investigations. Due to this data limitation, GTA data is not presented here. The petitioner contends there is no other country that exports twist ties to the United States with a volume approaching that of China.[11] The petitioner also contends that the Netherlands, Japan, and Mexico may have exported a small quantity of twist ties to the United States during the POI, but each country is estimated to have accounted for 1 percent or less of the U.S. market.[12]

Reportedly, the Netherlands is focused on selling in Europe and is the main supplier for the European continent. The Netherlands product mix includes cut ties, spooled tie, and a double-wire tie product that is a common bag closure in Europe, which they refer to as a "clip band." The Netherlands is not reported to manufacture a custom-printed twist tie. The petitioner estimates the Netherlands holds about 10-20 percent of global production capacity. Japan is reported to be solely focused on selling small spools (approximately 1500 feet) of all-plastic metal-free tie. Japan's share of global capacity is unknown. The petitioner roughly estimates that China holds about 30 percent of global tie capacity.[13]

[9] Based on publicly available information from the WTO's dispute web portal.
[10] Petitioner's postconference brief, p. 20.
[11] Ibid, p. 14.
[12] Ibid, p. 20.
[13] Ibid, p. 20.

Various sources report a positive growth outlook for bag closures, which include twist ties and plastic clip closures, with some predictions of a short-term drop in sales due to COVID-19.[14] One source forecasts a global compound annual growth rate of 5.6 percent for bag closures from 2019-2029.[15] The Asia Pacific region is forecasted to have a high compound annual growth rate for packaged food as well as the wires and cables market from 2019-27.[16] Europe and Oceania are expected to have high average growth for bag closures in the same period.[17] China and India have been forecasted to drive growth in Asia for twist ties, due to the countries' rapid growth in industrialization and high growth in the food, electrical, and electronics industries.[18]

[14] Transparency Market Research, "Pre-cut Twist Ties Market-Global Industry Analysis, Size, Share, Growth, Trends, and Forecast, 2019-2027," September 2020. https://www.transparencymarketresearch.com/precut-twist-ties-market.html; Cole Market Research, "Twist Tie Recorded Strong Growth in 2019; COVID-19 Set to Drop Sales," July 13, 2020. https://coleofduty.com/military-news/2020/07/13/twist-tie-market-recorded-strong-growth-in-2019-covid-19-pandemic-set-to-drop-sales/.

[15] Future Market Insights, "Bag Closures Market to Expand at a CAGR of 5.6% During 2019 to 2029 - Future Market Insights," August 29, 2019. https://www.globenewswire.com/news-release/2019/04/29/1811353/0/en/Bag-Closures-Market-to-Expand-at-a-CAGR-of-5-6-During-2019-to-2029-Future-Market-Insights.html.

[16] Twist ties are used to bundle the cables and used in the food packaging market for closing bags. Ibid.

[17] Ibid.

[18] Future Market Insights, "Twist Tie Market: Global Industry Analysis 2014-2018 and Opportunity Assessment 2019 –2029," September 2020. https://www.futuremarketinsights.com/reports/twist-tie-market

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
85 FR 39933, July 2, 2020	*Twist Ties From China; Institution of Anti-Dumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations*	https://www.govinfo.gov/content/pkg/FR-2020-07-02/pdf/2020-14297.pdf
85 FR 45161, July 27, 2020	*Twist Ties From the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation*	https://www.govinfo.gov/content/pkg/FR-2020-07-27/pdf/2020-16233.pdf
85 FR 45188, July 27, 2020	*Twist Ties From the People's Republic of China: Initiation of Countervailing Duty Investigation*	https://www.govinfo.gov/content/pkg/FR-2020-07-27/pdf/2020-16232.pdf
85 FR 49681. August 14, 2020	*Twist Ties From China*	https://www.govinfo.gov/content/pkg/FR-2020-08-14/pdf/2020-17749.pdf
85 FR 54352, September 1, 2020	*Twist Ties From the People's Republic of China: Postponement of Preliminary Determination in the Countervailing Duty Investigation*	https://www.govinfo.gov/content/pkg/FR-2020-09-01/pdf/2020-19178.pdf
85 FR 77167, December 1, 2020	*Twist Ties From the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Duty Determination*	https://www.govinfo.gov/content/pkg/FR-2020-12-01/pdf/2020-26452.pdf
85 FR 83611, December 3, 2020	*Twist Ties From China; Scheduling of the Final Phase of Countervailing Duty and Antidumping Duty Investigations*	https://www.govinfo.gov/content/pkg/FR-2020-12-22/pdf/2020-28140.pdf
85 FR 79648, December 10, 2020	*Twist Ties From the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value*	https://www.govinfo.gov/content/pkg/FR-2020-12-10/pdf/2020-27134.pdf
86 FR 10542 February 22, 2021	*Twist Ties From the People's Republic of China: Final Affirmative Countervailing Duty Determination*	https://www.govinfo.gov/content/pkg/FR-2021-02-22/pdf/2021-03514.pdf

86 FR 10536 February 22, 2021	*Twist Ties From the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value*	https://www.govinfo.gov/content/pkg/FR-2021-02-22/pdf/2021-03513.pdf

APPENDIX B

LIST OF HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

Those listed below appeared in the United States International Trade Commission's hearing via videoconference:

Subject: Twist Ties from China

Inv. Nos.: 701-TA-649 and 731-TA-1523 (Final)

Date and Time: February 16, 2021 - 9:30 a.m.

OPENING REMARKS:

Petitioner (**Roy Goldberg**, Stinson LLP)

In Support of the Imposition of Antidumping and Countervailing Duty Orders:

Stinson LLP
Washington, DC
on behalf of

Bedford Industries, Inc.

Jay Milbrandt, President, Bedford Industries, Inc.

Andrea Johnson, Assistant Manager of Accounting, Bedford Industries, Inc.

Roy Goldberg)
) – OF COUNSEL
M. Denyse Zosa)

CLOSING REMARKS:

Petitioner (**Roy Goldberg**, Stinson LLP)

-END-

APPENDIX C

SUMMARY DATA

Primary measurement of consumption

Table C-1
Twist ties: Summary data concerning the U.S. market, 2017-19, January to September 2019, and January to September 2020

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

	Reported data					Period changes			
	Calendar year			January to September		Comparison years			Jan-Sep
	2017	2018	2019	2019	2020	2017-19	2017-18	2018-19	2019-20
U.S. consumption quantity:									
Amount	***	***	***	***	***	▼***	▼***	▼***	▲***
Producers' share (fn1)	***	***	***	***	***	▲***	▼***	▲***	▲***
Importers' share (fn1):									
China	***	***	***	***	***	▼***	▲***	▼***	▼***
Nonsubject sources	***	***	***	***	***	▲***	▼***	▲***	▼***
All import sources	***	***	***	***	***	▼***	▲***	▼***	▼***
U.S. consumption value:									
Amount	***	***	***	***	***	▼***	▼***	▲***	▲***
Producers' share (fn1)	***	***	***	***	***	▲***	▼***	▲***	▲***
Importers' share (fn1):									
China	***	***	***	***	***	▼***	▲***	▼***	▼***
Nonsubject sources	***	***	***	***	***	▲***	▼***	▲***	▼***
All import sources	***	***	***	***	***	▼***	▲***	▼***	▼***
U.S. importers' U.S. shipments of imports from:									
China:									
Quantity	1,792,741	1,964,481	1,106,564	677,067	497,957	▼(38.3)	▲9.6	▼(43.7)	▼(26.5)
Value	3,532	4,247	2,244	1,355	1,182	▼(36.5)	▲20.3	▼(47.2)	▼(12.8)
Unit value	$1.97	$2.16	$2.03	$2.00	$2.37	▲2.9	▲9.7	▼(6.2)	▲18.6
Ending inventory quantity	474,545	474,792	616,903	349,948	560,892	▲30.0	▲0.1	▲29.9	▲60.3
Nonsubject sources:									
Quantity	***	***	***	***	***	▼***	▼***	▲***	▼***
Value	***	***	***	***	***	▲***	▼***	▲***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	***	***	▲***	▼***	▲***	▲***
All import sources:									
Quantity	***	***	***	***	***	▼***	▲***	▼***	▼***
Value	***	***	***	***	***	▼***	▲***	▼***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▼***	▲***
Ending inventory quantity	***	***	***	***	***	▲***	▼***	▲***	▲***
U.S. producers':									
Average capacity quantity	***	***	***	***	***	▼***	▼***	▼***	▲***
Production quantity	***	***	***	***	***	▼***	▼***	▼***	▲***
Capacity utilization (fn1)	***	***	***	***	***	▲***	▲***	▲***	▲***
U.S. shipments:									
Quantity	***	***	***	***	***	▼***	▼***	▲***	▲***
Value	***	***	***	***	***	▲***	▼***	▲***	▲***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▲***
Export shipments:									
Quantity	***	***	***	***	***	▼***	▲***	▼***	▲***
Value	***	***	***	***	***	▲***	▲***	▼***	▲***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▼***
Ending inventory quantity	***	***	***	***	***	▼***	▲***	▼***	▲***
Inventories/total shipments (fn1)	***	***	***	***	***	▼***	▲***	▼***	▼***
Production workers	***	***	***	***	***	▲***	▲***	▼***	▼***
Hours worked (1,000s)	***	***	***	***	***	▲***	▲***	▼***	▲***
Wages paid ($1,000)	***	***	***	***	***	▲***	▲***	▲***	▲***
Hourly wages (dollars per hour)	***	***	***	***	***	▲***	▲***	▲***	▲***
Productivity (1,000 twist ties per hour)	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit labor costs	***	***	***	***	***	▲***	▲***	▲***	▼***

Table continued on next page.

Table C-1--Continued
Twist ties: Summary data concerning the U.S. market, 2017-19, January to September 2019, and January to September 2020

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

	Reported data					Period changes			
	Calendar year			January to September		Comparison years			Jan-Sep
	2017	2018	2019	2019	2020	2017-19	2017-18	2018-19	2019-20
Net sales:									
Quantity	***	***	***	***	***	▼***	▼***	▼***	▲***
Value	***	***	***	***	***	▲***	▼***	▲***	▲***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▲***
Cost of goods sold (COGS)	***	***	***	***	***	▲***	▼***	▲***	▲***
Gross profit or (loss) (fn2)	***	***	***	***	***	▼***	▼***	▼***	▲***
SG&A expenses	***	***	***	***	***	▲***	▲***	▲***	▲***
Operating income or (loss) (fn2)	***	***	***	***	***	▼***	▼***	▼***	▲***
Net income or (loss) (fn2)	***	***	***	***	***	▼***	▼***	▼***	▲***
Capital expenditures	***	***	***	***	***	▼***	▼***	▼***	▲***
Research and development expenses	***	***	***	***	***	▲***	▲***	▲***	▲***
Net assets	***	***	***	***	***	▲***	▲***	▲***	***
Unit COGS	***	***	***	***	***	▲***	▲***	▲***	▲***
Unit SG&A expenses	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit operating income or (loss) (fn2)	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit net income or (loss) (fn2)	***	***	***	***	***	▼***	▼***	▼***	▲***
COGS/sales (fn1)	***	***	***	***	***	▲***	▲***	▲***	▼***
Operating income or (loss)/sales (fn1)	***	***	***	***	***	▼***	▼***	▼***	▲***
Net income or (loss)/sales (fn1)	***	***	***	***	***	▼***	▼***	▼***	▲***

Note.--Shares and ratios shown as “0.0” percent represent non-zero values less than “0.05” percent (if positive) and greater than “(0.05)” percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as “---“. Period changes preceded by a “▲” represent an increase, while period changes preceded by a “▼” represent a decrease.

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

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

Alternative measurement of consumption

Table C-2
Twist ties: Summary data concerning the U.S. market using an alternative measure of imported twist ties, 2017-19, January to September 2019, and January to September 2020

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

	Reported data					Period changes			
	Calendar year			January to September		Comparison years			Jan-Sep
	2017	2018	2019	2019	2020	2017-19	2017-18	2018-19	2019-20
U.S. consumption quantity:									
Amount	***	***	***	***	***	▼***	▼***	▼***	▲***
Producers' share (fn1)	***	***	***	***	***	▲***	▼***	▲***	▼***
Importers' share (fn1):									
China	***	***	***	***	***	▼***	▲***	▼***	▲***
Nonsubject sources	***	***	***	***	***	▲***	▼***	▲***	▼***
All import sources	***	***	***	***	***	▼***	▲***	▼***	▲***
U.S. consumption value:									
Amount	***	***	***	***	***	▼***	▼***	▼***	▲***
Producers' share (fn1)	***	***	***	***	***	▲***	▼***	▲***	▼***
Importers' share (fn1):									
China	***	***	***	***	***	▼***	▲***	▼***	▲***
Nonsubject sources	***	***	***	***	***	▲***	▼***	▲***	▼***
All import sources	***	***	***	***	***	▼***	▲***	▼***	▲***
U.S. importers' U.S. imports from (fn2):									
China:									
Quantity	***	***	***	***	***	▼***	▼***	▼***	▲***
Value	***	***	***	***	***	▼***	▲***	▼***	▲***
Unit value	***	***	***	***	***	▲***	▲***	▼***	▲***
Ending inventory quantity	***	***	***	***	***	▲***	▲***	▲***	▲***
Nonsubject sources:									
Quantity	***	***	***	***	***	▼***	▼***	▲***	▼***
Value	***	***	***	***	***	▲***	▼***	▲***	▼***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	***	***	▲***	▼***	▲***	▲***
All import sources:									
Quantity	***	***	***	***	***	▼***	▼***	▼***	▲***
Value	***	***	***	***	***	▼***	▲***	▼***	▲***
Unit value	***	***	***	***	***	▲***	▲***	▼***	▲***
Ending inventory quantity	***	***	***	***	***	▲***	▼***	▲***	▲***
U.S. producers':									
Average capacity quantity	***	***	***	***	***	▼***	▼***	▼***	▲***
Production quantity	***	***	***	***	***	▼***	▼***	▼***	▲***
Capacity utilization (fn1)	***	***	***	***	***	▲***	▲***	▲***	▲***
U.S. shipments:									
Quantity	***	***	***	***	***	▼***	▼***	▲***	▲***
Value	***	***	***	***	***	▲***	▼***	▲***	▲***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▲***
Export shipments:									
Quantity	***	***	***	***	***	▼***	▲***	▼***	▲***
Value	***	***	***	***	***	▲***	▲***	▼***	▲***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▼***
Ending inventory quantity	***	***	***	***	***	▼***	▲***	▼***	▲***
Inventories/total shipments (fn1)	***	***	***	***	***	▼***	▲***	▼***	▼***
Production workers	***	***	***	***	***	▲***	▲***	▼***	▼***
Hours worked (1,000s)	***	***	***	***	***	▲***	▲***	▼***	▲***
Wages paid ($1,000)	***	***	***	***	***	▲***	▲***	▲***	▲***
Hourly wages (dollars per hour)	***	***	***	***	***	▲***	▲***	▲***	▲***
Productivity (1,000 twist ties per hour)	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit labor costs	***	***	***	***	***	▲***	▲***	▲***	▼***

Table continued on next page.

Table C-2--Continued
Twist ties: Summary data concerning the U.S. market using an alternative measure of imported twist ties, 2017-19, January to September 2019, and January to September 2020

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

	Reported data					Period changes			
	Calendar year			January to September		Comparison years			Jan-Sep
	2017	2018	2019	2019	2020	2017-19	2017-18	2018-19	2019-20
Net sales:									
Quantity	***	***	***	***	***	▼***	▼***	▼***	▲***
Value	***	***	***	***	***	▲***	▼***	▲***	▲***
Unit value	***	***	***	***	***	▲***	▲***	▲***	▲***
Cost of goods sold (COGS)	***	***	***	***	***	▲***	▼***	▲***	▲***
Gross profit or (loss) (fn3)	***	***	***	***	***	▼***	▼***	▼***	▲***
SG&A expenses	***	***	***	***	***	▲***	▲***	▲***	▲***
Operating income or (loss) (fn3)	***	***	***	***	***	▼***	▼***	▼***	▲***
Net income or (loss) (fn3)	***	***	***	***	***	▼***	▼***	▼***	▲***
Capital expenditures	***	***	***	***	***	▼***	▼***	▼***	▲***
Research and development expenses	***	***	***	***	***	▲***	▲***	▲***	▲***
Net assets	***	***	***	***	***	▲***	▲***	▲***	***
Unit COGS	***	***	***	***	***	▲***	▲***	▲***	▲***
Unit SG&A expenses	***	***	***	***	***	▲***	▲***	▲***	▼***
Unit operating income or (loss) (fn3)	***	***	***	***	***	▼***	▼***	▼***	▲***
Unit net income or (loss) (fn3)	***	***	***	***	***	▼***	▼***	▼***	▲***
COGS/sales (fn1)	***	***	***	***	***	▲***	▲***	▲***	▼***
Operating income or (loss)/sales (fn1)	***	***	***	***	***	▼***	▼***	▼***	▲***
Net income or (loss)/sales (fn1)	***	***	***	***	***	▼***	▼***	▼***	▲***

Note.--Shares and ratios shown as “0.0” percent represent non-zero values less than “0.05” percent (if positive) and greater than “(0.05)” percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as “---“. Period changes preceded by a “▲” represent an increase, while period changes preceded by a “▼” represent a decrease.

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--China imports quantities are derived from reported exports to the U.S. from one foreign producer ***. China imports values are then calculated using the derived quantity and U.S. importers' subject U.S. shipments unit values as reported in questionnaire responses. Nonsubject sources are U.S. importer's U.S. shipments of imports from nonsubject sources as reported in questionnaire responses.
fn3.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

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

APPENDIX D

TARIFF TREATMENT

Table D-1
Twist ties: Tariff treatment for twist ties produced other than for face masks as of January 12, 2021

HTS statistical reporting number	HTS Column 1-General rate of Duty (ad valorem)	Section 301 rate of duty (ad valorem)	Section 301 exclusions[(a)]	Section 232 duties	Miscellaneous Tariff Bills ("MTBs")[(b)]
8309.90.0000	2.6%	25%	No	No	No
5609.00.3000	4.5%	25%	Yes[1]	No	No
3906.90.2000	6.3%	25%	Yes[2]	No	No
3920.51.5000	6.5%	25%	No	No	No[3]
3923.90.0080	3.0%	25%	Yes[4]	No	No
3926.90.9985	5.3%	7.5%	Yes[5]	No	No[6]

[1] There is an exclusion for one product provided for in this HTS subheading. USTR granted an exclusion for "ropes of man-made fibers, each measuring 1.7 m or more but not over 6.1 m in length with breaking strength of 22 kg or more but not over 230 kg, with hooks of base metal and locking mechanisms to maintain tension on the rope (described in statistical reporting number 5609.00.3000)." *HTSUS (2021), Preliminary Revision 2*, USITC Publication 5156, January 2021, U.S. note 20(oo)(19), p. 99-III-129. This exclusion expired August 7, 2020. 84 FR 69012, December 17, 2019. It was not granted an extension. See USTR, "How to Navigate the Section 301 Tariff Process," https://ustr.gov/issue-areas/enforcement/section-301-investigations/search, retrieved March 9, 2021.
[2] There is an exclusion for one product provided for in this HTS subheading. USTR granted an exclusion for "expandable plastics beads, 0.30 to 0.50 mm in diameter, consisting of copolymers of methylmethacrylate (62 to 64 percent by weight) and styrene (26 to 28 percent by weight) (described in statistical reporting number 3906.90.2000)." *HTSUS (2021), Preliminary Revision 2*, USITC Publication 5156, January 2021, U.S. note 20(o)(3), p. 99-III-64.
[3] Under HTS provision 9902.11.84, certain products provided for in HTS 3920.51.50 have a reduced duty rate of 3.5 percent. They are "sheets of plastics of poly(methylmethacrylate), noncellular and not reinforced, laminated, supported or similarly combined with other materials, not flexible, the foregoing of a kind used to produce countertops or edging, cabinet tops, faces or edges for home or office furnishings (provided for in subheading 3920.51.50)." This temporary legislation expired on December 31, 2020. *HTSUS (2021), Preliminary Revision 2*, USITC Publication 5156, January 2021, p. 99-II-93.
[4] There is an exclusion for one product provided for in this HTS subheading. USTR granted an exclusion for "cups of polypropylene, with a fluted wood paper filter fitted and affixed to the inside, measuring 44.1 mm in height, of a kind used to produce capsules for single-cup coffee brewing systems (described in statistical reporting number 3923.90.0080)." *HTSUS (2021), Preliminary Revision 2*, USITC Publication 5156, 2021, U.S. note 20(w)(2), p. 99-III-106.
[5] Under HTS subheading 3926.90.99, USTR granted exclusions to the entirety of HTS statistical reporting numbers 3926.90.9910 and 3926.90.9925. In addition, USTR granted an additional 33 exclusions for products provided for in HTS subheading 3926.90.99. *HTSUS (2021), Preliminary Revision 2*, USITC Publication 5156, January 2021, U.S. notes 20(uu)(1-5), pp. 99-lll-144-145; 20(ww)(6)-20(ww)(9), p. 99-lll-156; 20(zz)(5), p. 99-lll-170; 20(bbb)(6), p. 99-lll-175, 20(ddd)(6)-20(ddd)(9), p. 99-lll-178; 20(fff)(15)-20(fff)(17), pp. 99-III-182-183; 20(hhh)(2)-20(hhh)(4), p. 99-III-186; 20(jjj)(19)-20(jjj)(24), pp. 99-III-201 – 99-III-202; 20(rrr)(14)-20(rrr)(19), p. 99-III-215.
[6] MTB provisions HTS 9902.12.05, 9902.12.06, 9902.12.07, 9902.12.09, 9902.12.11, 9902.12.12, 9902.12.13, 9902.12.14, 9902.12.15, 9902.12.16, 9902.12.17, 9902.12.18, 9902.12.19, 9902.12.20, 9902.12.21, 9902.12.22, 9902.12.23, 9902.12.24, 9902.12.25, 9902.12.26, 9902.12.27; HTS 9902.12.28

(*continued*...)

Table D-1– Continued
Twist ties: Tariff treatment for twist ties produced other than for face masks as of January 12, 2021

HTS statistical reporting number	HTS Column 1-General rate of duty (ad valorem)	Section 301 rate of duty (ad valorem)	Section 301 exclusions[(a)]	Section 232 duties	Miscellaneous Tariff Bills ("MTBs")[(b)]
4811.59.6000	Free	25%	No	No	No
4821.10.2000	Free	25%	No	No	No
4821.10.4000	Free	25%	Yes[7]	No	No
4821.90.2000	Free	25%	No	No	No
4821.90.4000	Free	25%	No	No	No
4823.90.8680	Free	25%	Yes[8]	No	No
7326.90.8688	2.9%	25%	Yes[9]	No	No[10]

Table continued on next page.

have a rate of duty of "Free;" HTS 9902.12.08 has a rate of duty of 0.2 percent, and HTS 9902.12.10 has a rate of duty of 1 percent (the products covered by each of these provisions are provided for in HTS subheading 3926.90.99). This temporary legislation expired on December 31, 2020. *HTSUS (2021), Preliminary Revision 2*, USITC Publication 5156, January 2021, pp. 99-II-94-97.

[7] There is an exclusion for one product provided for in this HTS subheading. USTR granted an exclusion "for paper and paperboard printed labels, personalized, not lithographic, on matte self-adhesive stock, with foil embellishments, each measuring 2 cm or more but not more than 6 cm in diameter, on sheets measuring not more than 21 cm in width and not more than 29 cm in length, packaged in a sealed direct mail package (described in statistical reporting number 4821.10.4000)." *HTSUS (2021), Preliminary Revision 2*, USITC Publication 5156, January 2021, Foot U.S. note 20(qq)(34), p. 99-III-136.

[8] There is an exclusion for one product provided for in this HTS subheading. USTR granted an exclusion for "drinking straws of paper, each measuring 12.5 cm or more but not more than 26.5 cm in length and 5 mm or more but not more than 10 mm in diameter (described in statistical reporting number 4823.90.8600)." *HTSUS (2021), Preliminary Revision 2*, USITC Publication 5156, January2021, U.S. note 20(qq)(35), p. 99-III-136.

[9] USTR granted 18 exclusions for products provided for in subheading 7326.90.86. One is described in HTS statistical reporting number 7326.90.8660 (U.S. note 20(nn)(21), p. 99-III-129) and the other 17 are described in HTS statistical reporting number 7326.90.8688. *HTSUS (2021), Preliminary Revision 2*, USITC Publication 5156, January 2021, U.S. notes 20(ll)(29)-20(ll)(30), p. 99-lll-121; 20(pp)(20)-20(pp)(22), pp. 99-lll-132; 20(qq)(46)-20(qq)(48), p. 99-lll-137, 20(vv)(85)-20(vv))(87), p. 99-lll-150; 20(xx)(35)-20(xx)(36), p. 99-lll-158; 20(yy)(57), p. 99-lll-165; 20(aaa)(59), p. 99-lll-174; 20(iii)(119)-20(iii)(120), p. 99-III-192.

[10] MTB provisions HTS 9902.15.02, 9902.15.03, 9902.15.04, 9902.15.05, and 9902.15.06 are products provided for in HTS subheading 7326.90.86 and have a rate of duty of "Free." This temporary legislation expired on December 31, 2020. *HTSUS (2021), Preliminary Revision 2*, USITC Publication 5156, January 2021, pp. 99-II-133 – 99-II-134.

Table D-2
Twist ties: Tariff treatment for twist ties produced for face masks as of January 12, 2021

HTS statistical reporting number	HTS Column 1-General rate of duty (ad valorem)	Section 301 rate of duty (ad valorem)	Section 301 exclusions[(a)]	Section 232 duties	Miscellaneous Tariff Bills ("MTBs")[(b)]
3902.10.00	6.5%	25%	No	No	No[11]
3916.90.10	6.5%	25%	No	No	No
3916.90.20	3.1%	25%	No	No	No
3916.90.30	6.5%	25%	No	No	No
3916.90.50	5.8%	25%	No	No	No[12]
3926.90.99[13]	5.3%	7.5%	Yes[14]	No	No[15]
5607.50.25	7%	25%	No	No	No
5607.50.35	19.9 cents per kg + 10.8%	25%	No	No	No
5607.50.40	3.6%	25%	No	No	No
5806.20.00	7%	25%	No	No	No

Table continued on next page.

[11] MTB provision HTS 9902.10.65 has a product provided for in HTS subheading 3902.10.00. This temporary legislation expired on December 31, 2020. *HTSUS (2021), Preliminary Revision 2*, USITC Publication 5156, January 2021, p. 99-II-82.
[12] MTB provision HTS 9902.11.79 has a rate of duty of "Free" (the product is provided for in HTS subheading 3916.90.50). This temporary legislation is scheduled to expire on December 31, 2020. *HTSUS (2021), Preliminary Revision 2*, USITC Publication 5156, January 2021, pp. 99-II-92.
[13] USITC staff provided the HTS 8-digit level categorization.
[14] Under HTS subheading 3926.90.99, USTR granted exclusions to the entirety of HTS statistical reporting numbers 3926.90.9910 and 3926.90.9925. In addition, USTR granted an additional 33 exclusions for products provided for in HTS subheading 3926.90.99. *HTSUS (2021), Preliminary Revision 2*, USITC Publication 5156, January 2021, U.S. notes 20(uu)(1)-20(uu)(5), pp. 99-III-144-145; 20(ww)(6)-20(ww)(9), p. 99-III-156; 20(zz)(5), p. 99-III-170; 20(bbb)(6), p. 99-III-175, 20(ddd)(6)-20(ddd)(9), p. 99-III-178; 20(fff)(15)-20(fff)(17), pp. 99-III-182-183; 20(hhh)(2)-20(hhh)(4), p. 99-III-186; 20(jjj)(19)-20(jjj)(24), pp. 99-III-201-202; 20(rrr)(14)-20(rrr)(19), p. 99-III-215.
[15] MTB provisions HTS 9902.12.05, 9902.12.06, 9902.12.07, 9902.12.09, 9902.12.11, 9902.12.12, 9902.12.13, 9902.12.14, 9902.12.15, 9902.12.16, 9902.12.17, 9902.12.18, 9902.12.19, 9902.12.20, 9902.12.21, 9902.12.22, 9902.12.23, 9902.12.24, 9902.12.25, 9902.12.26, 9902.12.27, and 9902.12.28 have a rate of duty of "Free;" HTS 9902.12.08 has a rate of duty of 0.2 percent; and HTS 9902.12.10 has a rate of duty of 1 percent (the products covered by each of these provisions are provided for in HTS subheading 3926.90.99). This temporary legislation expired on December 31, 2020. *HTSUS (2021), Preliminary Revision 2*, USITC Publication 5156, January 2021, pp. 99-II-94 – 99-II-97.

Table D-2– Continued
Twist ties: Tariff treatment for twist ties produced for face masks as of January 12, 2021

HTS statistical reporting number	HTS Column 1-General rate of duty (ad valorem)	Section 301 rate of duty (ad valorem)	Section 301 exclusions[(a)]	Section 232 duties	Miscellaneous Tariff Bills ("MTBs")[(b)]
6307.90.30	7.9%	7.5%	No	No	No
6307.90.40	Free	7.5%	No	No	No
6307.90.50	Free	7.5%	No	No	No
6307.90.60	Free	7.5%	Yes[16]	No	No
6307.90.68	Free	7.5%	Yes[17]	No	No
6307.90.72	4.5%	7.5%	No	No	No
6307.90.75	4.3%	none	No	No	No
6307.90.85	5.8%	7.5%	No	No	No
6307.90.89	7%	none	No	No	No
6307.90.98	7%	7.5%	Yes[18]	No	No[19]

Table continued on next page.

[16] Under HTS subheading 6307.90.60, USTR granted exclusions to the entirety of HTS statistical reporting number 6307.90.6090. *HTSUS (2021), Preliminary Revision 2*, USITC Publication 5156, January 2021, U.S. note 20(rr)(7), p. 99-III-141.
[17] Under HTS subheading 6307.90.68, USTR granted exclusions to the entirety of HTS statistical reporting number 6307.90.6800. *HTSUS (2021), Preliminary Revision 2*, USITC Publication 5156, January 2021, U.S. note 20(rr)(8), p. 99-III-141.
[18] USTR granted 21 exclusions for products provided for under HTS subheading 6307.90.98. *HTSUS (2021), Preliminary Revision 2*, USITC Publication 5156, January 2021, U.S. notes 20(uu)(6)-20(uu)(17), p. 99-lll-145; 20(ww)(10)-20(ww)(11), p. 99-lll-156; 20(bbb)(13), p. 99-lll-176; 20(ddd)(15)-20(ddd)(19), p. 99-lll-179.
[19] MTB provisions HTS 9902.13.80, 9902.13.82, 9902.13.83, 9902.13.84, 9902.13.85, 9902.13.86, 9902.13.87, 9902.13.88, 9902.13.89, 9902.13.90, and 9902.13.91 have a rate of duty of "Free" (the products covered by each of these provisions are provided for in HTS subheading 6307.90.98). This temporary legislation expired on December 31, 2020. *HTSUS (2021), Preliminary Revision 2*, USITC Publication 5156, January 2021, pp. 99-II-115 – 99-III-116.

Table D-2– Continued
Twist ties: Tariff treatment for twist ties produced for face masks as of January 12, 2021

HTS statistical reporting number	HTS Column 1-General rate of duty (ad valorem)	Section 301 rate of duty (ad valorem)	Section 301 exclusions[(a)]	Section 232 duties	Miscellaneous Tariff Bills ("MTBs")[(b)]
7217.10.10	Free	7.5%	No	Yes[20]	No
7217.10.20	Free	7.5%	No	Yes	No
7217.10.30	Free	7.5%	No	Yes	No
7217.10.40	Free	7.5%	No	Yes	No
7217.10.50	Free	7.5%	No	Yes	No
7217.10.60	Free	7.5%	No	Yes	No
7217.10.70	Free	7.5%	No	Yes	No
7217.10.80	Free	7.5%	No	Yes	No
7217.10.90	Free	7.5%	No	Yes	No
7217.20.15	Free	7.5%	No	Yes	No
7217.20.30	Free	7.5%	No	Yes	No

Table continued on next page.

[20] *HTSUS (2021), Preliminary Revision 2*, USITC Publication 5156, January 2021, U.S. note 16(b)(ii), p. 99-III-6. Imports of steel wire (other than stainless steel) from Argentina (2,076 kg), Brazil (5,683,988 kg), and Korea (40,508,288 kg) are exempt from duties but instead are subject to absolute annual quota limits. The annual quota limit is shared by products contained in multiple subheadings, as listed in HTS provision 9903.80.47: Wire (other than of stainless steel), provided for in HTS subheadings 7217.10.10, 7217.10.20, 7217.10.30, 7217.10.40, 7217.10.50, 7217.10.60, 7217.10.70, 7217.10.80, 7217.10.90, 7217.20.15, 7217.20.30, 7217.20.45, 7217.20.60, 7217.20.75, 7217.30.15, 7217.30.30, 7217.30.45, 7217.30.60, 7217.30.75, 7217.90.10, 7217.90.50, 7229.20.00, 7229.90.10, 7229.90.50 or 7229.90.90. See U.S. note 16(e), subchapter III of chapter 99 of the HTSUS. Also, see U.S. Customs and Border Protection, "QB 21-601 Absolute Quota for Steel Mill Articles: Argentina, Brazil and South Korea," December 28, 2020, https://www.cbp.gov/trade/quota/bulletins/qb-21-601-absolute-quota-steel-mill-articles-argentina-brazil-and-south-korea.

Table D-2– Continued
Twist ties: Tariff treatment for twist ties produced for face masks as of January 12, 2021

HTS statistical reporting number	HTS Column 1-General rate of duty (ad valorem)	Section 301 rate of duty (ad valorem)	Section 301 exclusions[(a)]	Section 232 duties	Miscellaneous Tariff Bills ("MTBs")[(b)]
7217.20.45	Free	7.5%	Yes[21]	Yes	No
7217.20.60	Free	7.5%	No	Yes	No
7217.20.75	Free	7.5%	No	Yes	No
7312.10.05	Free	25%	No	No	No
7312.10.10	Free	25%	No	No	No
7312.10.20	Free	25%	No	No	No
7312.10.30	Free	25%	No	No	No
7312.10.50	Free	25%	No	No	No
7312.10.60	Free	25%	No	No	No
7312.10.70	Free	25%	No	No	No
7312.10.80	Free	25%	No	No	No
7312.10.90	Free	25%	No	No	No

(a) USTR, in its original granting of exclusions, issued dates for the expiration of those exclusions. However, for certain products, the exclusions were extended past their original expiration dates. USTR publishes the most current exclusions and extensions on its website. See USTR, "How to Navigate the Section 301 Tariff Process" https://ustr.gov/issue-areas/enforcement/section-301-investigations/search, retrieved March 9, 2021.

(b) The temporary duty suspensions and reductions enacted by the Miscellaneous Tariff Bill Act of 2018 expired on December 31, 2020. On August 10, 2020, in accordance with the American Manufacturing Competitiveness Act, the Commission delivered its final report on miscellaneous tariff bill petitions that sought to extend existing provisions and requested new duty suspensions and reductions (see USITC Publication 5097). However, Congress has not introduced legislation pursuant to that report. Therefore, there are no current miscellaneous tariff bill provisions in effect in the HTS.

[21] There is an exclusion for one product provided for in this HTS subheading. USTR granted an exclusion for "Bright C1060 round wire, plated or coated with zinc, containing by weight 0.6 percent or more of carbon, with a diameter measuring 0.034 mm or more but less than 1 mm (described in statistical reporting number 7217.20.4530)." *HTSUS (2021), Preliminary Revision 2*, USITC Publication 5156, January 2021, U.S. note 20(ddd)(21), p. 99-lll-179.

APPENDIX E

SELECT DATA BY POUNDS AND VALUE

Page

Tables E-1 through E-5 and figures E-1 and E-2 present data on U.S. producers' U.S. shipments and U.S. importers' U.S. imports and U.S. shipments by pounds, as well as value. The Commission requested U.S. producers and importers to report data by value, 1,000s of twist ties, and also in pounds. Carefully drawn estimates were requested where records were not maintained by a specific measure. Of responding U.S. producers, ***. Of responding U.S. importers, *** reported maintaining records by value, *** reported maintaining records by unit, *** reported maintaining records by weight, and *** reported maintaining records by other metrics, namely ***.[1]

[1] U.S. importers *** did not provide data in pounds. For these firms, pounds data are imputed using the ratio of U.S. imports of pounds per 1,000 units for all the other responding importers (2017-***; 2018-***; 2019-***; PY2019-***; PY2020-***).

Table E-1

Twist ties: U.S. producers' U.S. shipments by channel of distribution, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Quantity (pounds)				
U.S. producers' U.S. shipments-- to Distributors	***	***	***	***	***
to Retailers	***	***	***	***	***
to End users	***	***	***	***	***
to all customer types	***	***	***	***	***
	Value (1,000 dollars)				
U.S. producers' U.S. shipments-- to Distributors	***	***	***	***	***
to Retailers	***	***	***	***	***
to End users	***	***	***	***	***
to all customer types	***	***	***	***	***
	Unit value (dollars per pound)				
U.S. producers' U.S. shipments-- to Distributors	***	***	***	***	***
to Retailers	***	***	***	***	***
to End users	***	***	***	***	***
to all customer types	***	***	***	***	***
	Share of quantity in pounds (percent)				
U.S. producers' U.S. shipments-- to Distributors	***	***	***	***	***
to Retailers	***	***	***	***	***
to End users	***	***	***	***	***
to all customer types	***	***	***	***	***
	Ratio (pounds per 1,000 twist ties)				
U.S. producers' U.S. shipments-- to Distributors	***	***	***	***	***
to Retailers	***	***	***	***	***
to End users	***	***	***	***	***
to all customer types	***	***	***	***	***

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

Table E-2

Twist ties: U.S. importers' U.S. shipments by channel of distribution, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Quantity (pounds)				
U.S. shipments of imports from China-- to Distributors	***	***	***	***	***
to Retailers	***	***	***	***	***
to End users	***	***	***	***	***
to all customer types	***	***	***	***	***
	Value (1,000 dollars)				
U.S. shipments of imports from China-- to Distributors	***	***	***	***	***
to Retailers	***	***	***	***	***
to End users	***	***	***	***	***
to all customer types	***	***	***	***	***
	Unit value (dollars per pound)				
U.S. shipments of imports from China-- to Distributors	***	***	***	***	***
to Retailers	***	***	***	***	***
to End users	***	***	***	***	***
to all customer types	***	***	***	***	***
	Share of quantity in pounds (percent)				
U.S. shipments of imports from China-- to Distributors	***	***	***	***	***
to Retailers	***	***	***	***	***
to End users	***	***	***	***	***
to all customer types	***	***	***	***	***
	Ratio (pounds per 1,000 twist ties)				
U.S. shipments of imports from China-- to Distributors	***	***	***	***	***
to Retailers	***	***	***	***	***
to End users	***	***	***	***	***
to all customer types	***	***	***	***	***

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

Table E-3

Twist ties: U.S. imports, by source, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Quantity (pounds)				
U.S. imports from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Value (1,000 dollars)				
U.S. imports from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Unit value (dollars per pound)				
U.S. imports from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Share of quantity (percent)				
U.S. imports from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Share of value (percent)				
U.S. imports from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Ratio to U.S. production				
U.S. imports from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

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

Figure E-1

Twist ties: U.S. import quantities and average unit values, 2017-19, January to September 2019, and January to September 2020

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

Table E-4

Twist ties: Apparent U.S. consumption, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Quantity (pounds)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
Apparent U.S. consumption	***	***	***	***	***
	Value (1,000 dollars)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
Apparent U.S. consumption	***	***	***	***	***

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

Table E-5

Twist ties: Market shares, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Quantity (pounds)				
Apparent U.S. consumption	***	***	***	***	***
	Share of quantity (percent)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Value (1,000 dollars)				
Apparent U.S. consumption	***	***	***	***	***
	Share of value (percent)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. shipments from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

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

Figure E-2

Twist ties: Apparent U.S. consumption, 2017-19, January to September 2019, and January to September 2020

* * * * * * *

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

Table E-6

Twist ties: Subject foreign producer's exports to the United States, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
Exports to the United States: Quantity (1,000 twist ties)	***	***	***	***	***
Quantity (pounds)	***	***	***	***	***
Value (1,000 dollars)	***	***	***	***	***
Unit value (dollars per 1,000 twist ties)	***	***	***	***	***
Unit value in dollars per pound	***	***	***	***	***
Ratio (pounds per 1,000 twist ties)	***	***	***	***	***

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

APPENDIX F

ALTERNATE DATA USING FOREIGN PRODUCER EXPORTS AS PROXY FOR IMPORTS

Table F-1

Twist ties: Alternate apparent U.S. consumption using foreign producer exports as a proxy for imports, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Quantity (1,000 twist ties)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. imports from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
Apparent U.S. consumption	***	***	***	***	***
	Value (1,000 dollars)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. imports from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
Apparent U.S. consumption	***	***	***	***	***

Note: China imports quantities are derived from reported exports to the U.S. from one foreign producer ***. China imports values are then calculated using the derived quantity and U.S. importers' subject U.S. shipments unit values as reported in questionnaire responses. Nonsubject sources are U.S. importer's U.S. shipments of imports from nonsubject sources as reported in questionnaire responses.

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

Table F-2

Twist ties: Alternate apparent consumption market shares, 2017-19, January to September 2019, and January to September 2020

Item	Calendar year			January to September	
	2017	2018	2019	2019	2020
	Quantity (1,000 twist ties)				
Apparent U.S. consumption	***	***	***	***	***
	Share of quantity (percent)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. imports from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
	Value (1,000 dollars)				
Apparent U.S. consumption	***	***	***	***	***
	Share of value (percent)				
U.S. producers' U.S. shipments	***	***	***	***	***
U.S. importers' U.S. imports from.--					
China	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

Note: China imports quantities are derived from reported exports to the U.S. from one foreign producer ***. China imports values are then calculated using the derived quantity and U.S. importers' subject U.S. shipments unit values as reported in questionnaire responses. Nonsubject sources are U.S. importer's U.S. shipments of imports from nonsubject sources as reported in questionnaire responses.

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

Figure F-1

Twist ties: Alternate apparent U.S. consumption using foreign producer exports as a proxy for imports, 2017-19, January to September 2019, and January to September 2020

* * * * * * *

Note.--China imports quantities are derived from reported exports to the U.S. from one foreign producer ***. China imports values are then calculated using the derived quantity and U.S. importers' subject imports unit values as reported in questionnaire responses. Nonsubject sources are U.S. importer's U.S. shipments of imports from nonsubject sources as reported in questionnaire responses.

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