

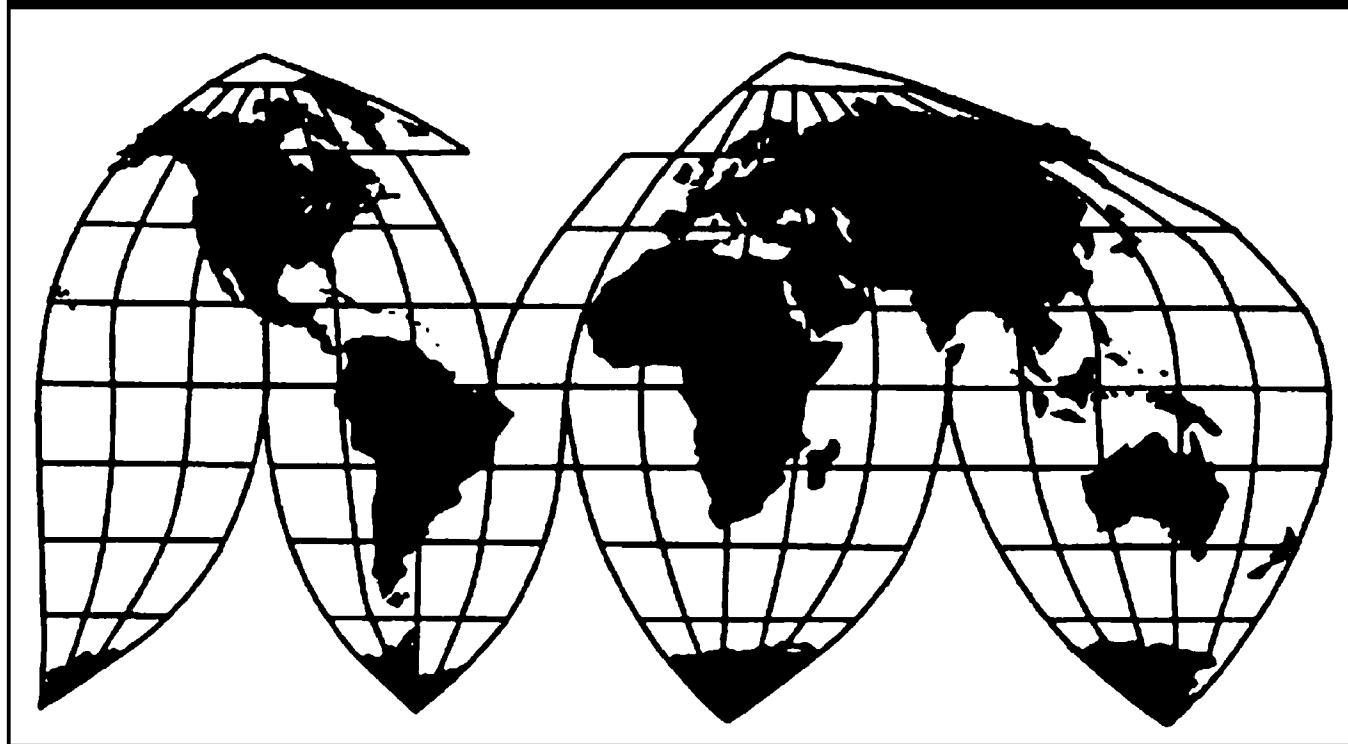
Metal Lockers from China

Investigation Nos. 701-TA-656 and 731-TA-1533 (Final)

Publication 5218

August 2021

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-656 and 731-TA-1533 (Final)

Metal Lockers from China

DETERMINATIONS

On the basis of the record¹ 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 metal lockers from China, provided for in subheadings 9403.20.00 and 9403.90.80 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 July 9, 2020, following receipt of petitions filed with the Commission and Commerce by List Industries, Inc., Deerfield Beach, Florida; Lyon LLC, Montgomery, Illinois; Penco Products, Inc., Greenville, North Carolina; and Tensco Corp., Dickson, Tennessee.³ The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by Commerce that imports of metal lockers 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

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.

³ Lyon LLC withdrew as a petitioner in these investigations on October 15, 2020.

publishing the notice in the *Federal Register* on March 15, 2021 (86 FR 14338). 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 June 24, 2021. All persons who requested the opportunity were permitted to participate.

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 certain metal lockers and parts thereof (“metal lockers”) 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

List Industries, Inc. (“List”), Penco Products, Inc. (“Penco”), and Tensco Corp. (collectively, “petitioners”), domestic producers of metal lockers, filed the petitions in these investigations on July 9, 2020.² Petitioners appeared at the hearing represented by counsel and jointly filed prehearing and posthearing briefs, and final comments.³

ASI Storage Solutions (“ASI Storag”), Salsbury Industries (“Salsbury”), and WEC Manufacturing, LLC (collectively, “respondents”), importers of subject merchandise, also appeared at the hearing represented by counsel and jointly filed prehearing and posthearing briefs, and final comments.⁴

¹ Chair Jason E. Kearns and Commissioner David S. Johanson determine that an industry in the United States is not materially injured or threatened with material injury by reason of subject imports from China. See Separate and Dissenting Views of Chair Jason E. Kearns and Commissioner David S. Johanson. They join sections I–IV.B. of the Views of the Commission.

² Subsequent to the Commission’s determinations in the preliminary phase of these investigations, domestic producer Lyon LLC withdrew as a petitioner and ***. Confidential Report, Memorandum INV-TT-086 (July 16, 2021) as revised by Memorandum INV-TT-090 (July 22, 2021) (“CR”) at Table III-1 note; Public Report, *Metal Lockers from China*, Inv. Nos. 701-TA-656 and 731-TA-1533 (Final), USITC Pub. 5218 (Aug. 2021) (“PR”) at Table III-1 note. It submitted a producers’ questionnaire response and an importers’ questionnaire response in the final phase of these investigations. CR/PR at Tables III-1, IV-1.

³ Hearing transcript (“Hearing Tr.”) at 6, 10; Petitioners’ Prehearing Brief, June 17, 2021 (“Petitioners’ Prehear. Br.”); Petitioners’ Posthearing Brief, July 1, 2021 (“Petitioners’ Posthear. Br.”); Petitioners’ Final Comments, July 23, 2021. In light of the restrictions on access to the Commission building due to the COVID-19 pandemic, the Commission conducted its hearing in these investigations by videoconference held on June 24, 2021, as set forth in procedures provided to the parties. *Metal Lockers from China; Scheduling of the Final Phase of Countervailing Duty and Antidumping Duty Investigations*, 86 Fed. Reg. 14338 (March 15, 2021).

⁴ Hearing Tr. at 6, 10; Respondents’ Prehearing Brief, June 17, 2021 (“Respondents’ Prehear. Br.”); Respondents’ Posthearing Brief, July 1, 2021 (“Respondents’ Posthear. Br.”); Respondents’ Final Comments, July 23, 2021 (“Respondents’ Final Cmts.”).

Except where noted, U.S. industry data are based on questionnaire responses of six firms that accounted for *** of U.S. production of metal lockers during 2020.⁵ U.S. imports are based on questionnaire responses from 26 U.S. importers that accounted for *** of U.S. imports from China in 2020.⁶ The Commission received responses to its questionnaires from six foreign producers of subject merchandise, accounting for *** of U.S. imports of metal lockers from China in 2020.⁷

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 first defines the “domestic like product” and the “industry.”⁸ 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.”⁹ 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.”¹⁰

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.¹¹ Therefore, Commerce’s determination as to the scope of the imported merchandise that is subsidized and/or sold at LTFV is “necessarily the starting point of the Commission’s like product analysis.”¹² The Commission then defines the domestic like product in light of the

⁵ CR/PR at I-5.

⁶ CR/PR at I-5.

⁷ CR/PR at VII-3 to VII-4.

⁸ 19 U.S.C. § 1677(4)(A).

⁹ 19 U.S.C. § 1677(4)(A).

¹⁰ 19 U.S.C. § 1677(10).

¹¹ 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 LTFV. *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).

¹² *Cleo Inc. v. United States*, 501 F.3d 1291, 1298 (Fed. Cir. 2007); *see also Hitachi Metals, Ltd. v. United States*, 949 F.3d 710, 717 (Fed. Cir. 2020) (the statute requires the Commission to start with Commerce’s subject merchandise in reaching its own like product determination).

imported articles Commerce has identified.¹³ The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of “like” or “most similar in characteristics and uses” on a case-by-case basis.^{14 15} No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.¹⁶ The Commission looks for clear dividing lines among possible like products and disregards minor variations.¹⁷

B. Product Description

Commerce defined the scope of the imported merchandise under investigation as follows:

¹³ *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).

¹⁴ *See, e.g., Cleo*, 501 F.3d at 1299; *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Torrington*, 747 F. Supp. at 749 n.3 (“every like product determination ‘must be made on the particular record at issue’ and the ‘unique facts of each case’”). The Commission generally considers a number of factors, including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. *See Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996).

¹⁵ In a semifinished products analysis, the Commission examines the following: (1) the significance and extent of the processes used to transform the upstream into the downstream articles; (2) whether the upstream article is dedicated to the production of the downstream article or has independent uses; (3) differences in the physical characteristics and functions of the upstream and downstream articles; (4) whether there are perceived to be separate markets for the upstream and downstream articles; and (5) differences in the costs or value of the vertically differentiated articles. *See, e.g., Glycine from India, Japan, and Korea*, Inv. Nos. 731-TA-1111–1113 (Preliminary), USITC Pub. 3921 at 7 (May 2007); *Artists’ Canvas from China*, Inv. No. 731-TA-1091 (Final), USITC Pub. 3853 at 6 (May 2006); *Live Swine from Canada*, Inv. No. 731-TA-1076 (Final), USITC Pub. 3766 at 8 n.40 (Apr. 2005); *Certain Frozen Fish Fillets from Vietnam*, Inv. No. 731-TA-1012 (Preliminary), USITC Pub. 3533 at 7 (Aug. 2002).

¹⁶ *See, e.g., S. Rep. No. 96-249* at 90–91 (1979).

¹⁷ *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.”).

certain metal lockers, with or without doors, and parts thereof (metal lockers). The subject metal lockers are secure metal storage devices less than 27 inches wide and less than 27 inches deep, whether floor standing, installed onto a base or wall-mounted. In a multiple locker assembly (whether a welded locker unit, otherwise assembled locker unit or knocked down unit or kit), the width measurement shall be based on the width of an individual locker not the overall unit dimensions. All measurements in this scope are based on actual measurements taken on the outside dimensions of the single-locker unit. The height is the vertical measurement from the bottom to the top of the unit. The width is the horizontal (side to side) measurement of the front of the unit, and the front of the unit is the face with the door or doors or the opening for internal access of the unit if configured without a door. The depth is the measurement from the front to the back of the unit. The subject certain metal lockers typically include the bodies (back, side, shelf, top and bottom panels), door frames with or without doors which can be integrated into the sides or made separately, and doors.

The subject metal lockers typically are made of flat-rolled metal, metal mesh and/or expanded metal, which includes but is not limited to alloy or non-alloy steel (whether or not galvanized or otherwise metallicity coated for corrosion resistance), stainless steel, or aluminum, but the doors may also include transparent polycarbonate, Plexiglas or similar transparent material or any combination thereof. Metal mesh refers to both wire mesh and expanded metal mesh. Wire mesh is a wire product in which the horizontal and transverse wires are welded at the cross-section in a grid pattern. Expanded metal mesh is made by slitting and stretching metal sheets to make a screen of diamond or other shaped openings.

Where the product has doors, the doors are typically configured with or for a handle or other device or other means that permit the use of a mechanical or electronic lock or locking mechanism, including, but not limited to: A combination lock, a padlock, a key lock (including cylinder locks) lever or knob lock, electronic key pad, or other electronic or wireless lock. The handle and locking mechanism, if included, need not be integrated into one another. The subject locker may or may not also enter with the lock or locking device included or installed. The doors or body panels may also include vents (including wire mesh or expanded metal mesh vents) or perforations. The bodies, body components and doors are typically powder coated, otherwise painted or epoxy coated or may be unpainted. The subject merchandise includes metal lockers imported either as welded or otherwise assembled units (ready for installation or use) or as knocked down units or kits (requiring assembly prior to installation or use).

The subject lockers may be shipped as individual or multiple locker units preassembled, welded, or combined into banks or tiers for ease of installation or as sets of component parts, bulk packed (i.e., all backs in one package, crate, rack, carton or container and sides in another package, crate, rack, carton or

container) or any combination thereof. The knocked down lockers are shipped unassembled requiring a supplier, contractor or end-user to assemble the individual lockers and locker banks prior to installation.

The scope also includes all parts and components of lockers made from flat-rolled metal or expanded metal (e.g., doors, frames, shelves, tops, bottoms, backs, side panels, etc.) as well as accessories that are attached to the lockers when installed (including, but not limited to, slope tops, bases, expansion filler panels, dividers, recess trim, decorative end panels, and end caps) that may be imported together with lockers or other locker components or on their own. The particular accessories listed for illustrative purposes are defined as follows:

a. *Slope tops*: Slope tops are slanted metal panels or units that fit on the tops of the lockers and that slope from back to front to prevent the accumulation of dust and debris on top of the locker and to discourage the use of the tops of lockers as storage areas. Slope tops come in various configurations including, but not limited to, unit slope tops (in place of flat tops), slope hoods made of a back, top and end pieces which fit over multiple units and convert flat tops to a sloping tops, and slope top kits that convert flat tops to sloping tops and include tops, backs and ends.

b. *Bases*: Locker bases are panels made from flat-rolled metal that either conceal the legs of the locker unit, or for lockers without legs, provide a toe space in the front of the locker and conceal the flanges for floor anchoring.

c. *Expansion filler panel*: Expansion filler panels or fillers are metal panels that attach to locker units to cover columns, pipes or other obstacles in a row of lockers or fill in gaps between the locker and the wall. Fillers may also include metal panels that are used on the sides or the top of the lockers to fill gaps.

d. *Dividers*: Dividers are metal panels that divide the space within a locker unit into different storage areas.

e. *Recess trim*: Recess trim is a narrow metal trim that bridges the gap between lockers and walls or soffits when lockers are recessed into a wall.

f. *Decorative end panels*: End panels fit onto the exposed ends of locker units to cover holes, bolts, nuts, screws and other fasteners. They typically are painted to match the lockers.

g. *End caps*: End caps fit onto the exposed ends of locker units to cover holes, bolts, nuts, screws and other fasteners.

The scope also includes all hardware for assembly and installation of the lockers and locker banks that are imported with or shipped, invoiced, or sold with the imported locker or locker system except the lock.

Excluded from the scope are wire mesh lockers. Wire mesh lockers are those with each of the following characteristics:

- (1) At least three sides, including the door, made from wire mesh;
- (2) the width and depth each exceed 25 inches; and
- (3) the height exceeds 90 inches.

Also excluded are lockers with bodies made entirely of plastic, wood, or any nonmetallic material.

Also excluded are exchange lockers with multiple individual locking doors mounted on one master locking door to access multiple units. Excluded exchange lockers have multiple individual storage spaces, typically arranged in tiers, with access doors for each of the multiple individual storage space mounted on a single frame that can be swung open to allow access to all of the individual storage spaces at once. For example, uniform or garment exchange lockers are designed for the distinct function of securely and hygienically exchanging clean and soiled uniforms. Thus, excluded exchange lockers are a multi-access point locker whereas covered lockers are a single access point locker for personal storage. The excluded exchange lockers include assembled exchange lockers and those that enter in 'knock down' form in which all of the parts and components to assemble a completed exchange locker unit are packaged together. Parts for exchange lockers that are imported separately from the exchange lockers in 'knock down' form are not excluded.

Also excluded are metal lockers that are imported with an installed electronic, internet-enabled locking device that permits communication or connection between the locker's locking device and other internet connected devices.

Also excluded are locks and hardware and accessories for assembly and installation of the lockers, locker banks and storage systems that are separately imported in bulk and are not incorporated into a locker, locker system or knocked down kit at the time of importation. Such excluded hardware and accessories include but are not limited to locks and bulk imported rivets, nuts, bolts, hinges, door handles, door/frame latching components, and coat hooks. Accessories of sheet metal, including but not limited to end panels, bases, dividers and sloping tops, are not excluded accessories.

Mobile tool chest attachments that meet the physical description above are covered by the scope of the investigation, unless such attachments are covered by the scope of the orders on certain tool chests and cabinets from China. If the orders on certain tool chests and cabinets from China are revoked, the mobile tool chest attachments from China will be covered by the scope of the investigation.

The scope also excludes metal safes with each of the following characteristics: (1) Pry resistant, concealed hinges; (2) body walls and doors of steel that are at least 17 gauge (0.05625 inch or 1.42874 mm thick); and (3) an integrated locking mechanism that includes at least two round steel bolts 0.75 inch (19 mm) or larger in diameter; or three bolts 0.70 inch (17.78 mm) or more in diameter; or four or more bolts at least 0.60 inch (15.24 mm) or more in diameter, that project from the door into the body or frame of the safe when in the locked position.

The scope also excludes gun safes meeting each of the following requirements:

(1) Shall be able to fully contain firearms and provide for their secure storage.

(2) Shall have a locking system consisting of at minimum a mechanical or electronic combination lock. The mechanical or electronic combination lock utilized by the safe shall have at least 10,000 possible combinations consisting of a minimum three numbers, letters, or symbols. The lock shall be protected by a casehardened (Rc 60+) drill-resistant steel plate, or drill-resistant material of equivalent strength.

(3) Boltwork shall consist of a minimum of three steel locking bolts of at least 1/2 inch thickness that intrude from the door of the safe into the body of the safe or from the body of the safe into the door of the safe, which are operated by a separate handle and secured by the lock.

(4) The exterior walls shall be constructed of a minimum 12-gauge thick steel for a single-walled safe, or the sum of the steel walls shall add up to at least 0.100 inches for safes with walls made from two pieces of flat-rolled steel.

(5) Doors shall be constructed of a minimum one layer of 7-gauge steel plate reinforced construction or at least two layers of a minimum 12-gauge steel compound construction.

(6) Door hinges shall be protected to prevent the removal of the door. Protective features include, but are not limited to: Hinges not exposed to the outside, interlocking door designs, dead bars, jeweler's lugs and active or inactive locking bolts.

The scope also excludes metal storage devices that (1) have two or more exterior exposed drawers regardless of the height of the unit, or (2) are no more than 30 inches tall and have at least one exterior exposed drawer.

Also excluded from the scope are free standing metal cabinets less than 30 inches tall with a single opening, single door and an installed tabletop.

The scope also excludes metal storage devices less than 27 inches wide and deep that: (1) Have two doors hinged on the right and left side of the door frame respectively covering a single opening and that open from the middle toward the outer frame; or (2) are free standing or wall-mounted, single-opening units 20 inches or less high with a single door.

The subject certain metal lockers are classified under Harmonized Tariff Schedule of the United States (HTSUS) subheading 9403.20.0078. Parts of subject certain metal lockers are classified under HTS subheading 9403.90.8041. In addition, subject certain metal lockers may also enter under HTS subheading 9403.20.0050. While HTSUS subheadings are provided for convenience and

Customs purposes, the written description of the scope of the investigation is dispositive.¹⁸

Metal lockers are storage devices found in public or private areas for the secure storage of personal property.¹⁹ They are typically used in schools, fitness centers, apartment buildings, offices, condominiums, single-family homes, athletic facilities, warehouses, factories, transportation hubs, health care facilities, amusement parks, military installations, retail businesses, and other commercial and industrial establishments.²⁰ Metal lockers are available in a wide variety of sizes, configurations, and storage possibilities.²¹ There are no standard measurements, and although these products can range up to 25 inches in width and depth, they typically come in widths of 9 to 18 inches.²² They also come in units that are either single unit high or in tiers of two, four and six high.²³ They can be floor standing, installed onto a base, or wall mounted and can be configured as individual lockers or as banks (and/or tiers) of multiple lockers.²⁴

Metal lockers are typically made from non-corrosion-resistant flat-rolled steel (hot-rolled or cold-rolled non-alloy), but can be made of galvanized steel (or otherwise metallically coated for corrosion resistance), stainless steel, or aluminum.²⁵ Metal lockers include the bodies (back, side, shelf, and top and bottom panels), door frames (with or without doors, which can be integrated into the sides or provided separately), and doors.²⁶ They can also include accessories, such as slope tops, bases, expansion filler panels, dividers, recess trim,

¹⁸ *Certain Metal Lockers and Parts Thereof From the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value*, 86 Fed. Reg. 35737, 35740–35741 (July 7, 2021); *Certain Metal Lockers and Parts Thereof From the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 86 Fed. Reg. 35741, 35743–35745 (July 7, 2021). The scope contains a number of clarifications and exclusions that pertain to mobile tool chest attachments, certain metal safes and gun safes, certain free-standing metal cabinets, and certain metal storage devices with specific characteristics. While these clarifications and exclusions were not included in the scope during the preliminary phase of these investigations, they do not present new issues for our domestic like product analysis finding in the final phase.

¹⁹ CR/PR at I-17.

²⁰ CR/PR at I-17.

²¹ CR/PR at I-17.

²² CR/PR at I-17.

²³ CR/PR at I-17.

²⁴ CR/PR at I-17.

²⁵ CR/PR at I-18.

²⁶ CR/PR at I-18.

decorative end panels, and end caps, which may be packaged together with other locker components or offered separately.²⁷

Metal lockers may come fully assembled (either as welded units or otherwise assembled and ready for installation or use) or as “knocked down” kits (requiring assembly prior to installation or use) that contain the parts necessary to assemble the locker or locker units.²⁸ The assembled lockers are provided as individual or multiple locker units that are preassembled through the use of screws, nuts and bolts, rivets, and other fasteners, then welded or combined into banks or tiers for installation or as sets of component parts.²⁹ The knocked-down lockers are provided unassembled, which requires a supplier, contractor, or end user to assemble the individual lockers and locker banks or tiers prior to installation by means of screws, nuts and bolts, rivets, or other means.³⁰

C. Arguments of the Parties

Petitioners argue that the Commission should define a single domestic like product, coextensive with the scope of the investigations, as it did in the preliminary phase of the investigations.³¹ They contend that all metal lockers have similar physical characteristics and uses, channels of distribution, and common manufacturing facilities and employees; are perceived by customers and producers as a distinct product category; and are sold within a reasonable range of similar prices.³² Respondents do not contest the Commission’s definition of a single domestic like product in the preliminary phase of the investigations.

D. Domestic Like Product Analysis

In its preliminary determinations, the Commission defined a single domestic like product consisting of all lockers and parts thereof, coextensive with the scope.³³ The Commission rejected respondents’ arguments that certain custom lockers be excluded from the domestic like product because they were not produced domestically, explaining that scope exclusion

²⁷ CR/PR at I-18.

²⁸ CR/PR at I-22.

²⁹ CR/PR at I-22.

³⁰ CR/PR at I-22.

³¹ Petitioners’ Prehear. Br. at 3; Petitioners’ Posthear. Br. at Exh. 4, p. 2.

³² Petitioners’ Prehear. Br. at 5–7.

³³ *Metal Lockers from China*, Inv. Nos. 701-TA-656 and 731-TA-1533 (Preliminary), USITC Pub. 5113 (Aug. 2020) (“Preliminary Determinations”) at 16.

requests are properly directed to Commerce and that the Commission may not define a separate like product that is not produced domestically.³⁴

In applying the semifinished like products analysis, the Commission concluded that parts of metal lockers manufactured by the domestic industry are dedicated for use in the production of finished metal lockers; that most responding market participants do not perceive there to be separate markets for parts of metal lockers and finished metal lockers; that each part is made for use in a particular metal locker and has no function separate from that of a finished metal locker; and that the process of assembling parts of lockers into finished metal lockers is minor.³⁵ It also concluded that the record regarding the cost or value of parts of lockers relative to the total cost of finished metal lockers was mixed.³⁶

In applying the traditional like product analysis, the Commission concluded that all metal lockers are produced using the same basic raw materials and common manufacturing facilities, employees, and production processes; have the same basic components and end uses; and are sold in the same channels of distribution.³⁷ It found that although metal lockers can vary in size and other features, and therefore price, there do not appear to be any clear dividing lines among different types of metal lockers, and they are perceived to be a single product category by customers and producers.³⁸ Based on the foregoing analysis, the Commission defined a single domestic like product consisting of metal lockers and parts thereof, coextensive with the scope.

The record in the final phase of these investigations does not contain any new information concerning the characteristics and uses of domestically produced metal lockers that would call into question the findings the Commission made in the preliminary phase of these investigations.³⁹ In light of this, and in the absence of any argument to the contrary, we again define a single domestic like product consisting of all metal lockers and parts thereof, coextensive with the scope of the investigations.

³⁴ Preliminary Determinations at 13–14.

³⁵ Preliminary Determinations at 12–13.

³⁶ Preliminary Determinations at 12–13.

³⁷ Preliminary Determinations at 14–16.

³⁸ Preliminary Determinations at 15–16. In the preliminary phase, the Commission also considered whether to expand the domestic like product definition to include nonmetal lockers, such as plastic and wooden lockers, but found that there were clear dividing lines between metal lockers and nonmetal lockers in terms of physical characteristics, production processes, customer and producer perceptions, and price. *Id.* at 14–16.

³⁹ CR/PR at I-15 to I-22.

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.”⁴⁰ In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.⁴¹ Exclusion of such a producer is within the Commission’s discretion based upon the facts presented in each investigation.⁴²

Several domestic producers are subject to possible exclusion from the domestic industry under the related parties provision in the final phase of these investigations. *** that imported subject merchandise, *** imported subject merchandise and is related to a subject foreign producer, and *** imported subject merchandise.⁴³ Petitioners argue that appropriate circumstances do not exist to exclude any domestic producer from the domestic industry.⁴⁴ We analyze whether appropriate circumstances exist to exclude each of these producers below.

⁴⁰ 19 U.S.C. § 1677(4)(A).

⁴¹ See *Torrington Co. v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int’l Trade 1992), *aff’d without opinion*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331–32 (Ct. Int’l Trade 1989), *aff’d mem.*, 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int’l Trade 1987).

⁴² The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

- (1) the percentage of domestic production attributable to the importing producer;
- (2) the reason the U.S. producer has decided to import the product subject to investigation (whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market);
- (3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry;
- (4) the ratio of import shipments to U.S. production for the imported product; and
- (5) whether the primary interest of the importing producer lies in domestic production or importation. *Changzhou Trina Solar Energy Co. v. USITC*, 100 F. Supp.3d 1314, 1326–31 (Ct. Int’l Trade 2015); see also *Torrington*, 790 F. Supp. at 1168.

⁴³ CR/PR at III-11, Table III-2.

⁴⁴ Petitioners’ Prehear. Br. at 7–9.

***. *** is subject to possible exclusion under the related parties provision because it ***.⁴⁵ *** was the *** domestic producer in 2020, accounting for *** percent of domestic production of metal lockers.⁴⁶ The ratio of its *** subject imports to *** domestic production was *** percent in 2018, *** percent in 2019, and *** percent in 2020.⁴⁷ *** explained that it ***.⁴⁸ *** is a petitioner.⁴⁹

That imports of subject merchandise by *** were small in relation to *** domestic production indicates that *** principal interest is in domestic production. Further, the record provides no indication that *** is importing in a manner that would shield *** from the effects of subject imports. We therefore find that appropriate circumstances do not exist to exclude *** from the domestic industry under the related parties provision.

***. *** is subject to possible exclusion pursuant to the related parties provision because it imported subject metal lockers during the period of investigation (January 2018 through December 2020) (“POI”) ***.⁵⁰ *** was the *** domestic producer in 2020, accounting for *** percent of domestic production of metal lockers.⁵¹ During the POI, *** imported *** pounds of metal lockers from *** in 2018, *** pounds in 2019, and *** pounds in 2020.⁵² The ratio of these subject imports to *** domestic production was *** percent in 2018, *** percent in 2019, and *** percent in 2020.⁵³ *** explained that it imported subject merchandise because of ***.⁵⁴ *** the petitions.⁵⁵ Its operating income to net sales ratios were *** than the domestic industry average during the POI.⁵⁶

The record in these investigations indicates that *** primary interest is in domestic production rather than importation. It is a large U.S. producer, and although its volume of subject imports and ratio of subject imports to domestic production increased from 2018 to

⁴⁵ CR/PR at Table III-10.

⁴⁶ CR/PR at Table III-1.

⁴⁷ CR/PR at Table III-10.

⁴⁸ CR/PR at Table III-13.

⁴⁹ CR/PR at Table III-1.

⁵⁰ ***. CR/PR at Table III-2 note.

⁵¹ CR/PR at Table III-1.

⁵² CR/PR at Table III-11.

⁵³ CR/PR at Table III-11.

⁵⁴ CR/PR at Table III-13 (questionnaire response in the final phase of these investigations).

During the preliminary phase, in its questionnaire response, ***. Memorandum INV-SS-100 (Aug. 17, 2020) (“Preliminary CR”) at Table III-9; Preliminary Determinations at Table III-9.

⁵⁵ CR/PR at Table III-1.

⁵⁶ CR/PR at Table VI-3. *** ratio of operating income to net sales was *** percent in 2018, *** percent in 2019, and *** percent in 2020. *Id.*

2020, both remained relatively low during the POI. Moreover, ***, which it states ***.⁵⁷ Further, the record provides no indication that *** relationship with its affiliated foreign producer has shielded it from the effects of subject imports. For these reasons, we find that appropriate circumstances do not exist to exclude *** from the domestic industry under the related parties provision.

***. *** is subject to possible exclusion pursuant to the related parties provision because it imported subject metal lockers during the POI.⁵⁸ *** was the *** domestic producer in 2020, accounting for *** percent of domestic production of metal lockers.⁵⁹ The ratio of *** subject imports to its domestic production was *** percent in 2018, *** percent in 2019, and *** percent in 2020.⁶⁰ *** explained that it imported subject merchandise ***.⁶¹ *** is a petitioner.⁶²

*** small volume of subject imports in relation to its domestic production indicates its principal interest is in domestic production. We find that appropriate circumstances do not exist to exclude *** from the domestic industry under the related parties provision.

In sum, we find that appropriate circumstances do not exist to exclude *** from the domestic industry under the related parties provision. Accordingly, based on our definition of the domestic like product, we define the domestic industry to include all domestic producers of metal lockers and parts thereof.

IV. Material Injury by Reason of Subject Imports

Based on the record in the final phase of these investigations, we find that an industry in the United States is materially injured by reason of imports of metal lockers from China that Commerce has found to be sold in the United States at LTFV and to be 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

⁵⁷ CR/PR at VI-19 n.19. Specifically, *** capital expenditures increased from \$*** in 2018 to \$*** in 2019 and \$*** in 2020. *Id.* at Table VI-8.

⁵⁸ CR/PR at Table III-12.

⁵⁹ CR/PR at Table III-1.

⁶⁰ CR/PR at Table III-12.

⁶¹ CR/PR at Table III-13.

⁶² CR/PR at Table III-1.

threatened with material injury by reason of the imports under investigation.⁶³ 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.⁶⁴ The statute defines “material injury” as “harm which is not inconsequential, immaterial, or unimportant.”⁶⁵ 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.⁶⁶ 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.”⁶⁷

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,⁶⁸ 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.⁶⁹ In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the “by reason of” standard must ensure that subject imports

⁶³ 19 U.S.C. §§ 1671d(b), 1673d(b).

⁶⁴ 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.” *Id.*

⁶⁵ 19 U.S.C. § 1677(7)(A).

⁶⁶ 19 U.S.C. § 1677(7)(C)(iii).

⁶⁷ 19 U.S.C. § 1677(7)(C)(iii).

⁶⁸ 19 U.S.C. §§ 1671d(b), 1673d(b).

⁶⁹ *Angus Chemical Co. v. United States*, 140 F.3d 1478, 1484–85 (Fed. Cir. 1998) (“{T}he statute does not ‘compel the commissioners’ to employ {a particular methodology}.”), *aff’g*, 944 F. Supp. 943, 951 (Ct. Int’l Trade 1996).

are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.⁷⁰

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.⁷¹ In performing its examination, however, the Commission need not isolate

⁷⁰ 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. USITC*, 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. USITC*, 266 F.3d 1339, 1345 (Fed. Cir. 2001).

⁷¹ 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.

the injury caused by other factors from injury caused by unfairly traded imports.⁷² Nor does the “by reason of” standard require that unfairly traded imports be the “principal” cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.⁷³ It is clear that the existence of injury caused by other factors does not compel a negative determination.⁷⁴

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.”⁷⁵ 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

⁷² SAA at 851–52 (“{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports.”); *Taiwan Semiconductor Industry Ass’n*, 266 F.3d at 1345 (“{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports.” (emphasis in original)); *Asociacion de Productores de Salmon y Trucha de Chile AG v. United States*, 180 F. Supp. 2d 1360, 1375 (Ct. Int’l Trade 2002) (“{t}he Commission is not required to isolate the effects of subject imports from other factors contributing to injury” or make “bright-line distinctions” between the effects of subject imports and other causes.); see also *Softwood Lumber from Canada*, Inv. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 100–01 (Dec. 2003) (Commission recognized that “{i}f an alleged other factor is found not to have or threaten to have injurious effects to the domestic industry, *i.e.*, it is not an ‘other causal factor,’ then there is nothing to further examine regarding attribution to injury”), citing *Gerald Metals*, 132 F.3d at 722 (the statute “does not suggest that an importer of LTFV goods can escape countervailing duties by finding some tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.”).

⁷³ S. Rep. 96-249 at 74–75; H.R. Rep. 96-317 at 47.

⁷⁴ See *Nippon Steel*, 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.”).

⁷⁵ *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 *U.S. 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*.

sources to the subject imports.”⁷⁶ The Federal Circuit has examined and affirmed various Commission methodologies and has disavowed “rigid adherence to a specific formula.”⁷⁷

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.⁷⁸ Congress has delegated this factual finding to the Commission because of the agency’s institutional expertise in resolving injury issues.⁷⁹

B. Conditions of Competition and the Business Cycle⁸⁰

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

1. Demand Considerations

Metal lockers are found in various establishments, such as schools, fitness centers, retail businesses, and factories, and used to secure storage of personal property.⁸¹ They are available

⁷⁶ *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.

⁷⁷ *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.”).

⁷⁸ We provide in our discussion below a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

⁷⁹ *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.”).

⁸⁰ Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than 3 percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible. 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B).

Based on questionnaire data, during the most recent 12-month period preceding the filing of the petitions (July 2019 through June 2020), imports of metal lockers from China subject to the countervailing duty investigation accounted for *** percent of total imports of metal lockers by quantity, and imports of metal lockers from China subject to the antidumping duty investigation accounted for *** percent of total imports of metal lockers by quantity. CR/PR at Table IV-5. Because subject imports from China were above the statutory negligibility threshold, we find that such imports are not negligible for both the antidumping duty and countervailing duty investigations.

⁸¹ CR/PR at I-17.

in a wide variety of sizes, configurations, and storage possibilities.⁸² Most domestic producers and U.S. importers and purchasers reported that demand for metal lockers increases in summer when schools are out of session.⁸³ Most domestic producers reported an increase in demand for metal lockers since 2018, while a plurality of purchasers reported no change.⁸⁴ Importers' responses were mixed between an increase, a decrease, a fluctuation, and no change in demand.⁸⁵

Petitioners and respondents agreed that demand declined in the second quarter and at least a portion of the third quarter of 2020 due to the effects of the COVID-19 pandemic, before improving the rest of the year.⁸⁶ According to petitioners, this decline was limited to the industrial segment of the market with demand in the school market undiminished.⁸⁷ Respondents, pointing to school closures and project cancellations/postponements and the domestic producers' monthly shipment data, stated that while the overall industry was hurt by the COVID-19 pandemic, demand declined "especially" in the school market.⁸⁸

Apparent U.S. consumption of metal lockers decreased steadily from *** pounds in 2018 to *** pounds in 2019 and to *** pounds in 2020.⁸⁹

2. Supply Considerations

The domestic industry, subject imports, and imports from nonsubject sources all supplied the U.S. market over the POI.⁹⁰ The domestic industry was the largest source of supply over the POI.⁹¹ Its market share increased from *** percent in 2018 to *** percent in 2019,

⁸² CR/PR at I-17. List, the largest domestic producer, testified that it alone stocks more than 3,500 locker stock-keeping units ("SKUs"). Hearing Tr. at 94, 113.

⁸³ CR/PR at II-11 to II-12.

⁸⁴ CR/PR at Table II-5.

⁸⁵ CR/PR at Table II-5.

⁸⁶ Hearing Tr. at 20, 39, 71–72 (petitioners); 13, 143, 155, 161, 166, 184 (respondents); Respondents' Posthear. Br at Exh. 1, p. A-11.

⁸⁷ Hearing Tr. at 20 ("While the pandemic did cause some contraction in demand in the second and early third quarters of 2020, demand was relatively healthy for the rest of the year. In fact, the school market remained pretty consistent throughout the pandemic."); 71–72, 96 ("I think we all saw a decline, mostly in that industrial business in that second, early third quarter of 2020 due to COVID, but the school market remained fairly strong simply because those construction projects were already in the works.").

⁸⁸ Hearing Tr. at 155; Respondents' Posthear. Br at Exh. 1, pp. A-11, A-40.

⁸⁹ CR/PR at Table IV-8. By value, apparent U.S. consumption decreased irregularly from \$*** in 2018 to \$*** in 2020. *Id.*

⁹⁰ CR/PR at Table IV-8.

⁹¹ CR/PR at Table IV-8.

then decreased to *** percent in 2020, a level *** percentage points lower than in 2018.⁹² The domestic industry's capacity increased from *** pounds in 2018 to *** pounds in 2019 and 2020.⁹³ The domestic industry's capacity utilization rate declined steadily from *** percent in 2018 to *** percent in 2019 and to *** percent in 2020.⁹⁴ During the POI, domestic producers reported ***, among other changes in operations.⁹⁵

Subject imports were the second-largest source of supply during the POI.⁹⁶ Subject imports' market share decreased from *** percent in 2018 to *** percent in 2019, then increased to *** percent in 2020, a level *** percentage points higher than in 2018.⁹⁷

Nonsubject imports were the smallest source of supply over the POI.⁹⁸ Their market share declined steadily from *** percent in 2018 to *** percent in 2019 and to *** percent in 2020.⁹⁹

*** responding domestic producers, *** of *** responding importers, and *** of *** responding purchasers reported no supply constraints during the POI.¹⁰⁰

3. Substitutability and Other Conditions

We find that there is a moderate-to-high degree of substitutability between the domestic like product and subject imports.^{101 102} Nine of 14 responding U.S. purchasers and *** of 23 responding U.S. importers reported that the domestic like product and subject imports are always or frequently interchangeable.¹⁰³ All six responding U.S. producers indicated that the domestic like product and subject imports are always interchangeable.¹⁰⁴ While the majority of importers and purchasers reported that differences other than price were

⁹² CR/PR at Table IV-9.

⁹³ CR/PR at Table III-4.

⁹⁴ CR/PR at Table III-4.

⁹⁵ CR/PR at Table III-3.

⁹⁶ CR/PR at Table IV-8.

⁹⁷ CR/PR at Table IV-9.

⁹⁸ CR/PR at Table IV-8.

⁹⁹ CR/PR at Table IV-9. *** were the largest nonsubject sources of supply to the U.S. market. *Id.* at IV-3 n.3.

¹⁰⁰ CR/PR at II-11.

¹⁰¹ CR/PR at II-13.

¹⁰² Chair Kearns and Commissioner Johanson find a moderate-to-high degree of substitutability between the domestic like product and subject imports that are of the same specifications. As further explained in their Separate and Dissenting Views, they note that certain limitations exist with respect to substitutability between the domestic like product and subject imports.

¹⁰³ CR/PR at Table II-11. Noted differences are that customers look for lockers that match the bank of lockers they already have and customization. *Id.* at II-13.

¹⁰⁴ CR/PR at Table II-11.

always or frequently significant when comparing U.S. and Chinese lockers,¹⁰⁵ the vast majority of U.S. purchasers reported that the domestic like product is superior or comparable to subject imports with respect to 14 of 16 purchasing factors and inferior to subject imports only with respect to discounts offered and price, *i.e.*, the domestic like product was priced higher.¹⁰⁶ Of 13 purchaser responses on the factor of price, eight reported that the domestic like product was inferior to subject imports with respect to price, and five reported that the domestic like product was comparable to subject imports.¹⁰⁷ No purchaser reported that prices for the domestic like product were lower than subject imports.¹⁰⁸ Moreover, no purchaser rated the domestic like product as inferior to subject imports on many purchasing factors, including availability, delivery time, reliability of supply, product range, product consistency, quality meeting industry standards, and quality exceeding industry standards.¹⁰⁹

The record indicates that price is an important factor in purchasing decisions, along with quality and availability. Purchasers most frequently cited price as one of the three top factors in purchasing decisions (17 firms), along with quality (13 firms) and availability/supply/lead times (11 firms).¹¹⁰ Of 22 responding purchasers, 17 rated price as a very important purchasing factor.¹¹¹ Other purchasing factors rated as very important were availability, delivery time, and product consistency (20 firms each) and quality meets industry standards and reliability of supply (19 firms each).¹¹² Twelve purchasers reported that they always or usually purchased the lowest-priced product.¹¹³

¹⁰⁵ CR/PR at Table II-13. Five of six U.S. producers reported that differences other than price were never significant between domestically produced metal lockers and subject imports. *Id.*

¹⁰⁶ CR/PR at Table II-10.

¹⁰⁷ CR/PR at Table II-10.

¹⁰⁸ CR/PR at Table II-10.

¹⁰⁹ CR/PR at Table II-10. Purchasers were generally split between the domestic like product being superior or comparable to subject imports on each of these factors. *Id.*

¹¹⁰ CR/PR at Table II-7.

¹¹¹ CR/PR at Table II-8.

¹¹² CR/PR at Table II-8.

¹¹³ CR/PR at II-15. One purchaser reported that it always purchases the lowest-priced product. *Id.* Eleven purchasers, representing *** percent of reported purchases during the POI, reported that they usually purchase the lowest-priced product. *Id.*; Work Sheet, EDIS Doc. 747401 (July 21, 2021) (“Work Sheet”). Eight purchasers, representing *** percent of reported purchases during the POI, reported that they sometimes purchase the lowest-priced product. CR/PR at II-15; Work Sheet. Two purchasers reported that they never purchase the lowest-priced product. CR/PR at II-15.

Domestic producers reported selling the majority of metal lockers to distributors throughout the POI, with most of the remainder sold to end users.¹¹⁴ Importers of metal lockers from China reported selling most of their product to distributors and end users.¹¹⁵

The greatest share of U.S. sales of metal lockers by domestic producers and U.S. importers in 2020 were spot sales, accounting for *** percent of domestic producers' U.S. shipments and *** percent of subject importers' U.S. shipments, with the remainder of subject importers' U.S. shipments pursuant to long-term or annual contracts and the remainder of domestic producers' U.S. shipments split among annual, short-, or long-term contracts.¹¹⁶ One domestic producer reported that its short-term contracts provided for price renegotiation during the contract term, and another domestic producer reported that its long-term contracts provided for price negotiation during the contract term.¹¹⁷

Domestic producers primarily produce metal lockers to order, while U.S. importers primarily sell metal lockers from U.S. inventories.¹¹⁸ Reported lead times on average were shorter for domestic producers' shipments than for U.S. importers' shipments.¹¹⁹ Domestic producers reported that lead times for their produced-to-order commercial shipments

¹¹⁴ CR/PR at Table II-2. Domestic producers reported selling *** percent of metal lockers to distributors in 2018, *** percent to distributors in 2019, and *** percent to distributors in 2020. *Id.* They sold *** percent of metal lockers to end users in 2018, *** percent to end users in 2019, and *** percent to end users in 2020. *Id.* Domestic producers reported selling *** percent of metal lockers to retailers in 2018, 2019, and 2020. *Id.*

¹¹⁵ CR/PR at Table II-2. U.S. importers reported selling *** percent of metal lockers to distributors in 2018, *** percent to distributors in 2019, and *** percent to distributors in 2020. *Id.* They sold *** percent of metal lockers to end users in 2018, *** percent to end users in 2019, and *** percent to end users in 2020. *Id.* They sold *** percent of metal lockers to retailers in 2018, *** percent to retailers in 2019, and *** percent to retailers in 2020. *Id.*

¹¹⁶ CR/PR at Table V-2. Domestic producers' U.S. shipments made pursuant to short-term contracts accounted for *** percent of domestic producers' U.S. shipments, whereas U.S. importers *** pursuant to short-term contracts. *Id.* Domestic producers' U.S. shipments made pursuant to long-term contracts accounted for *** percent of domestic producers' U.S. shipments, whereas U.S. importers' U.S. shipments made pursuant to long-term contracts accounted for *** percent of U.S. importers' U.S. shipments. *Id.* Domestic producers' U.S. shipments made pursuant to annual contracts accounted for *** percent of domestic producers' U.S. shipments, and U.S. importers' U.S. shipments made pursuant to annual contracts accounted for *** percent of U.S. importers' U.S. shipments. *Id.*

¹¹⁷ CR/PR at V-5. An additional domestic producer reported that it fixed prices in short- and long-term contracts, and another reported that it fixed prices in annual contracts. *Id.*

¹¹⁸ CR/PR at II-13. Domestic producers reported that *** percent of their commercial shipments were produced to order with the remaining *** percent of their commercial shipments coming from ***. *Id.* U.S. importers reported that *** percent of commercial shipments came from U.S. inventories with the remaining commercial shipments produced to order. *Id.*

¹¹⁹ CR/PR at II-13.

averaged ***.¹²⁰ Their lead times for commercial shipments that came from *** averaged ***.¹²¹ U.S. importers reported that lead times for their produced-to-order shipments averaged ***.¹²² Their lead times for commercial shipments that came from U.S. inventories averaged *** while lead times for commercial shipments from foreign inventories averaged ***.¹²³

The main raw material used to manufacture metal lockers is flat-rolled steel, which accounted for *** percent of domestic producers' raw material costs in 2020.¹²⁴ Raw material costs were the largest component of the domestic industry's cost of goods sold ("COGS") and decreased on an actual basis and as a ratio to net sales during the POI.¹²⁵ Nevertheless, three domestic producers reported that raw material costs had fluctuated since 2018, and three reported that they had increased.¹²⁶

When asked if the COVID-19 pandemic affected their supply chain arrangements, production, employment, and shipments, four domestic producers stated it had no effect, *** stated that ***, and *** stated ***.¹²⁷

Metal lockers became subject to section 301 of the Tariff Act of 1974¹²⁸ tariffs ("section 301 tariffs") of 10 percent *ad valorem* in September 2018, which subsequently increased to 25 percent *ad valorem* effective May 10, 2019.¹²⁹ Any previously granted exclusions have expired.¹³⁰

Pursuant to section 232 of the Trade Expansion Act of 1962,¹³¹ the President proclaimed an additional 25 percent *ad valorem* duty on flat-rolled steel mill products used in the

¹²⁰ CR/PR at II-13.

¹²¹ CR/PR at II-13.

¹²² CR/PR at II-13.

¹²³ CR/PR at II-13.

¹²⁴ CR/PR at V-1, Table VI-4.

¹²⁵ CR/PR at Table VI-1. Raw material costs as a share of COGS decreased steadily from *** percent in 2018 to *** percent in 2020. *Id.* As a ratio to net sales, raw material costs decreased from *** percent in 2018 to *** percent in 2020. *Id.*

¹²⁶ CR/PR at V-2.

¹²⁷ U.S. producers' questionnaire responses at Q. II-2b.

¹²⁸ 19 U.S.C. § 2411.

¹²⁹ *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 Fed. Reg. 47974 (Sept. 21, 2018); *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 Fed. Reg. 20459 (May 9, 2019).

¹³⁰ CR/PR at I-15. The raw materials for manufacturing metal lockers—certain flat-rolled steel mill products, such as cut-to-length plate—originating in China are currently subject to an additional 7.5 percent section 301 *ad valorem* duty, reduced from 15 percent, as of February 14, 2020. *Id.* at I-16.

¹³¹ 19 U.S.C. § 1862.

production of metal lockers, effective March 23, 2018.¹³² Imports of these products from different sources may be subject to quota limits or an additional 25 percent duty.¹³³

C. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the “Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant.”¹³⁴

Subject imports maintained a substantial and increasing presence in the U.S. market during the POI in absolute terms and relative to consumption in the United States. Subject import volume increased irregularly over the POI, declining from *** pounds in 2018 to *** pounds in 2019 before increasing to *** pounds in 2020, a level *** percent higher than in 2018.¹³⁵ U.S. shipments of subject imports as a share of apparent U.S. consumption declined from *** percent in 2018 to *** percent in 2019 before increasing to *** percent in 2020, a level *** percentage points higher than in 2018.¹³⁶

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

D. Price Effects of the Subject Imports

Section 771(7)(C)(ii) of the Tariff Act provides that, in evaluating the price effects of 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

¹³² *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9705, March 8, 2018, 83 Fed. Reg. 11625 (March 15, 2018). Metal lockers have not been subject to additional duties under section 232. CR/PR at I-16.

¹³³ CR/PR at I-16 to I-17 & nn.22 and 23. Imports of these products from Australia, Canada, and Mexico are exempt from these measures; imports from Argentina, Brazil, and Korea are subject to quota limits; and imports from all other sources are subject to an additional 25 percent duty. *Id.*

¹³⁴ 19 U.S.C. § 1677(7)(C)(i).

¹³⁵ CR/PR at Table IV-2. U.S. shipments of subject imports declined from *** pounds in 2018 to *** pounds in 2019 before increasing to *** pounds in 2020, a level *** percent lower than in 2018. *Id.* at Table C-1.

¹³⁶ CR/PR at Table IV-9.

(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.¹³⁷

As explained above in section IV.B.3, the record indicates that there is a moderate-to-high degree of substitutability between the domestic like product and subject imports and that price is an important consideration in purchasing decisions.

The Commission collected quarterly pricing data on four pricing products.¹³⁸ Four U.S. producers and *** importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.¹³⁹ Pricing data reported by these firms accounted for approximately *** percent of U.S. producers' U.S. commercial shipments of metal lockers and *** percent of reported U.S. commercial shipments of subject imports in 2020.¹⁴⁰

¹³⁷ 19 U.S.C. § 1677(7)(C)(ii).

¹³⁸ The four pricing products are as follows:

Product 1.—12" wide x 18" deep x 72" high 1-Tier (one full height door within a single frame, one opening) locker, knock-down (KD), 24 gauge solid body, 16 gauge frame, 16 gauge louvered door, recessed or projecting die-cast handle, 3-point (multi-point) gravity lift-type latching, lock not included, with 6" legs (legs increase frame height to 78"), nut/bolt or rivet assembly required.

Product 2.—12" wide x 12" deep x 36"/72" high 2-Tier (two half-height doors stacked within a single frame, two openings) locker, knock-down (KD), 24 gauge solid body, 16 gauge frame, 16 gauge louvered door, recessed or projecting die-cast handle, 2-point (multi-point) gravity lift type latching, lock not included, with 6" legs (legs increase frame height to 78"), nut/bolt or rivet assembly required.

Product 3.— 12" wide x 18" deep x 36"/72" high 2-Tier (two half-height doors stacked within a single frame, two openings) locker, knock-down (KD), 24 gauge solid body, 16 gauge frame, 16 gauge louvered door, recessed or projecting die-cast handle, 2-point (multi-point) gravity lift-type latching, lock not included, with 6" legs (legs increase frame height to 78"), nut/bolt or rivet assembly required.

Product 4.— 12" wide x 12" deep x 12"/72" high 6-Tier (six 12" high doors stacked within a single frame, 6 openings) locker, knock-down (KD), 24 gauge solid body, 16 gauge frame, 18 gauge louvered door, single-point latching with thru-the-door finger pull handle, lock not included, with 6" legs (legs increase frame height to 78"), nut/bolt or rivet assembly required.

CR/PR at V-7.

¹³⁹ CR/PR at V-7 to V-8; Work Sheet.

¹⁴⁰ CR/PR at V-8.

These available pricing data show subject imports overselling the domestic product in each of the 48 quarterly price comparisons.¹⁴¹ The margins of overselling within these data ranged from *** percent to *** percent, with an average overselling margin of *** percent.¹⁴² The Commission also requested purchase cost data for imports for internal consumption or retail sales, but received no usable purchase cost data from importers of metal lockers.¹⁴³

For purposes of our underselling analysis, we have examined several sources of information, including pricing data, lost sales and lost revenue data, average unit value (“AUV”) data by configuration, hearing testimony, and other evidence on the record. We determine that the quarterly price comparisons based on the pricing product data collected in the final phase of these investigations are not a reliable measure of the relative prices of subject imports and domestic product. Apparent anomalies in the pricing product data identified by the parties in the preliminary phase of the investigations appear undiminished in the final phase, undermining the reliability of the pricing product data, as explained below. The pricing product data are also inconsistent with broader record evidence on pricing in the U.S. market, as explained below, which further undercuts the reliability of the pricing product data as an indicator of relative pricing in the U.S. market.

¹⁴¹ CR/PR at Table V-8. There were *** metal lockers involved in the overselling comparisons.
Id.

¹⁴² CR/PR at Table V-8.

¹⁴³ CR/PR at V-7 n.8, V-8 & n.12. The Commission did not request data regarding bids for metal lockers in the final phase of these investigations as defined pricing products were available for data collection, and only *** responding producers and *** responding importers reported using public bids to set prices in the preliminary phase. *See* preliminary phase U.S. producers’ questionnaire responses at Q. IV-3; preliminary phase U.S. importers’ questionnaire responses at Q. III-3; *see also Fabricated Structural Steel from Canada, China, and Mexico*, Inv. Nos. 701-TA-616–617 and 731-TA-1432–1434 (Final), USITC Pub. 5031 (March 2020) at V-4 to V-5 (more than 90 percent of commercial shipments during the POI made through a competitive bidding process); *Large Power Transformers from Korea*, Inv. No. 731-TA-1189 (Final), USITC Pub. 4346 (Aug. 2012) at V-1 (“Transaction prices for {large power transformers} are determined through bid competition”).

In the preliminary phase of these investigations, parties argued that various issues with the pricing data undermined the reliability and probative value of the pricing comparisons.¹⁴⁴ As an initial matter, we observe in the final phase of these investigations that these anomalies in the pricing product data persist despite the Commission’s request “that the parties ... provide suggestions on the appropriate methodology for the Commission to collect pricing data ... that may provide meaningful price comparisons and also improve pricing coverage” in the final phase.¹⁴⁵ Only petitioners provided such suggestions.¹⁴⁶ Consistent with petitioners’ input, the pricing products were more specifically defined in the final phase in an effort to reduce the wide variance in the prices reported for sales of the same pricing products in the preliminary phase.¹⁴⁷

¹⁴⁴ Preliminary Determinations at 31. In the preliminary phase of these investigations, for Pricing Product 1, domestic producers’ U.S. shipments ranged in price from \$*** to \$*** per locker, and U.S. importers’ U.S. shipments ranged in price from \$*** to \$*** per locker. U.S. producers’ questionnaire responses at Q. IV-2; U.S. importers’ questionnaire responses at Q. III-2; Work Sheet, EDIS Doc. 749115 (Aug. 9, 2020) (“Preliminary Phase Work Sheet”). For Pricing Product 2, domestic producers’ U.S. shipments ranged in price from \$*** to \$*** per locker, and U.S. importers’ U.S. shipments ranged in price from \$*** to \$*** per locker. U.S. producers’ questionnaire responses at Q. IV-2; U.S. importers’ questionnaire responses at Q. III-2; Preliminary Phase Work Sheet. For Pricing Product 3, domestic producers’ U.S. shipments ranged in price from \$*** to \$*** per locker, and U.S. importers’ U.S. shipments ranged in price from \$*** to \$*** per locker. U.S. producers’ questionnaire responses at Q. IV-2; U.S. importers’ questionnaire responses at Q. III-2; Preliminary Phase Work Sheet. For Pricing Product 4, pricing data for domestic producers’ U.S. shipments ranged in price from \$*** to \$*** per locker, and U.S. importers’ U.S. shipments ranged in price from \$*** to \$*** per locker. U.S. producers’ questionnaire responses at Q. IV-2; U.S. importers’ questionnaire responses at Q. III-2; Preliminary Phase Work Sheet.

¹⁴⁵ Preliminary Determinations at 31.

¹⁴⁶ See Petitioners’ comments on draft questionnaires, EDIS Doc. 722433 (Oct. 19, 2020).

¹⁴⁷ In the final phase of these investigations, the pricing product definitions included a requirement for metal lockers with 6-inch legs, unlike in the preliminary phase, and the instructions in the questionnaires in the final phase explicitly directed producers and importers to exclude accessories. U.S. producers’ questionnaire at 39; U.S. importers’ questionnaire at 26.

Relative to pricing product coverage of U.S. commercial shipments in the preliminary phase, coverage of domestic producers’ U.S. commercial shipments in the final phase increased, but coverage of importers’ U.S. commercial shipments declined. Preliminary Determinations at 30-31 (data accounting for 1.3 percent of domestic producers’ shipments of metal lockers and 9.0 percent of U.S. shipments of subject imports in 2019). Respondents acknowledge that the metal lockers market encompasses a wide variety of products with different characteristics. Hearing Tr. at 242 (referencing low pricing-product coverage). As explained above, List testified that it alone stocks more than 3,500 locker SKUs. *Id.* at 113 (“{List has} over 3,500 SKUs that {it} stock{s} in quick ship and then it’s infinite in the production. When you start configuring and mixing and matching the different types of features that you can add or not add it literally becomes almost infinite.”). As an alternative method, greater coverage in the pricing product data by means of less specific pricing-product definitions may have resulted in even greater per-product data variance.

The narrower pricing product definitions adopted in the final phase did not reduce the considerable variation in quarterly sales prices reported on sales of the same pricing products. As respondents as well as petitioners observed, both domestic producers and importers reported an unusually wide range of quarterly sales prices for the same pricing products, with sales prices varying greatly between different domestic producers for sales of the same products.¹⁴⁸ This unusually wide range of quarterly sales prices for the same pricing products suggests that the pricing product definitions captured too broad a range of products to allow for accurate apples-to-apples comparisons or were not well understood, leading domestic producers and importers to report pricing data on sales of products that do not satisfy the

¹⁴⁸ In the final phase of these investigations, for Pricing Product 1, domestic producers' U.S. shipments ranged in price from \$*** to \$*** per locker, and U.S. importers' U.S. shipments ranged in price from \$*** to \$*** per locker. U.S. producers' questionnaire responses at Q. IV-2; U.S. importers' questionnaire responses at Q. III-2; Work Sheet. For Pricing Product 2, domestic producers' U.S. shipments ranged in price from \$*** to \$*** per locker, and U.S. importers' U.S. shipments ranged in price from \$*** to \$*** per locker. U.S. producers' questionnaire responses at Q. IV-2; U.S. importers' questionnaire responses at Q. III-2; Work Sheet. For Pricing Product 3, domestic producers' U.S. shipments ranged in price from \$*** to \$*** per locker, and U.S. importers' U.S. shipments ranged in price from \$*** to \$*** per locker. U.S. producers' questionnaire responses at Q. IV-2; U.S. importers' questionnaire responses at Q. III-2; Work Sheet. For Pricing Product 4, pricing data for domestic producers' U.S. shipments ranged in price from \$*** to \$*** per locker, and U.S. importers' U.S. shipments ranged in price from \$*** to \$*** per locker. U.S. producers' questionnaire responses at Q. IV-2; U.S. importers' questionnaire responses at Q. III-2; Work Sheet.

In their prehearing brief, respondents charted the pricing product data for responding producers and importers and concluded that "there is a wide range of {average unit values} AUVs for both importers and domestic firms" and that ***. Respondents' Prehear. Br. at 44–46. *See also id.* at Exh. 15; Respondents' Posthear. Br. at Exh. 1, p. A-23. We observe that, according to respondents' figure, the ranges of AUVs for importer pricing data are greater than those for domestic producers. Respondents' Prehear. Br. at p. 45, fig. 3. Petitioners also chart the wide range of reported prices in the pricing data. Petitioners' Posthear. Br. at Exh. 4, slide 18.

In their posthearing brief, respondents argue that the wide variation in sales prices for the same pricing products shows that metal lockers do not compete primarily on the basis of price. *See* Respondents' Posthear. Br. at Exh. 1, pp. A-22 to A-24. As discussed in section IV.B.3 above, responding purchasers reported that price is an important factor influencing their purchasing decisions, among other factors. Contradicting the respondents' suggestion that the pricing data reflect "apples to apples" price comparisons, respondents attributed the variability of sales prices reported for the same pricing products to the wide range of considerations that influence the price of a given locker, including the intended use, the size of an order, the degree of customization, and timelines for delivery—aspects that are not captured by the pricing product definitions in these investigations. *Id.* at pp. A-22, A-49; *see also* Respondents' Prehear. Br. at 16–17.

Despite these issues, respondents conclude that the Commission should rely on the pricing data and find overselling by subject imports in all comparisons by significant margins. Respondents' Prehear. Br. at 42–44; Respondents' Posthear. Br. at Exh. 2, p. 8. We find, however, that these issues support the conclusion that the pricing product data are unreliable.

pricing product definitions. It is unclear what further detail could have been included in the pricing product definitions to generate more reliable comparisons, though additional specificity would have likely further reduced the already low pricing-product coverage.¹⁴⁹ Regardless, it appears that domestic producers and U.S. importers had difficulty accurately reporting product that met those definitions.¹⁵⁰ Indeed, numerous responding importers reported pricing data on sales of products that did not satisfy the pricing product definition, and their pricing product data were unusable as a result.¹⁵¹ The wide range of reported prices for the same pricing product suggest that even though the Commission was able to identify and exclude some misreported data, other problems persisted due to misinterpretation and misreporting, resulting in a failure to capture an apples-to-apples comparison and rendering the pricing product data unreliable. Additionally, a comparison of subject import and domestic prices for any pricing product likely suffers from uncertainty stemming from whether an importer acted as a distributor, sold to distributors, and/or sold to retailers and end users.¹⁵²

Consistent with the concerns these anomalies raise with respect to the reliability of the pricing data, a range of other evidence, discussed below, contradicts the overselling observed in these price data, including the absence of any responding purchaser reporting that subject import prices were higher than the prices of domestically produced metal lockers. Based on the foregoing, we find the pricing product data to be an unreliable basis for price comparisons, and attach little weight to these data.

In the absence of reliable pricing data, we have considered other record evidence concerning the relative prices of subject imports and the domestic like product. Purchaser questionnaire responses indicate that subject imports are sold at lower prices than the

¹⁴⁹ The pricing product definitions for the final phase of these investigations provided detailed descriptions of the products on which to report, including with respect to dimension, configuration, gauge, door, handle and latch type, leg length, and accessories (the latter two of which were included as noted above in response to petitioners' comments). CR/PR at V-7.

¹⁵⁰ Hearing Tr. at 133; Petitioners' Prehear. Br. at Exh. 15.

¹⁵¹ See CR/PR at V-9 n.13; see also Petitioners' Prehear. Br. at Exh. 15, pp. 1–4. In particular, *** responding importers reported pricing data for lockers that were not sold in knock-down form, *** reported pricing data for out-of-scope lockers, and one reported pricing data for products that did not satisfy the pricing product definitions. CR/PR at V-9 n.13.

¹⁵² For example, ***, an importer of subject merchandise and a ***, reported that it acted as a distributor but also that it primarily sells to end users, such as ***. *** importers' questionnaire response at Q. II-5b; *** purchasers' questionnaire response at Q. II-1, II-4, III-1, and III-3; CR/PR at II-6 n.8, V-9 to V-10 n.14. As a result, the pricing data reported by *** in its importer questionnaire response likely include prices of lockers *** sold to end users. Therefore, because the pricing product definitions do not request separate data submission by channels of distribution, our pricing product comparisons are comparing domestic producers' sales of domestically produced metal lockers to distributor *** with distributor *** sales of subject imports to end users.

domestic like product. Specifically, as discussed in section IV.B.3, a majority of responding purchasers (eight of 13) reported that domestically produced metal lockers are inferior to subject imports with respect to price, meaning that the domestic product is generally higher priced than subject imports, and the balance reported that domestically produced lockers are comparable to subject imports with respect to price.¹⁵³ No purchaser reported that domestically produced lockers are superior to subject imports with respect to price.¹⁵⁴

Purchaser questionnaire responses and confirmed lost sales of metal lockers also indicate that subject imports were being sold at lower prices than the domestic like product during the POI. Of 21 responding purchasers, six purchasers reported that they had purchased subject imports instead of the domestic like product. Four of those six purchasers reported that subject imports were priced lower than the domestic like product, and three of those purchasers reported that price was a primary reason for shifting purchases of *** pounds of metal lockers from domestic producers to subject imports.¹⁵⁵ An additional six purchasers, out of 22 purchasers surveyed, reported that domestic producers had reduced prices in order to compete with lower-priced imports from China.¹⁵⁶

We have also examined AUVs of subject imports and domestic shipments by product type. In every year of the POI across every configuration, the AUVs of subject imports were lower than the AUVs of the domestic industry's U.S. shipments, by *** to *** percent with respect to preconstructed lockers, *** to *** percent with respect to kits/ready-to-assemble

¹⁵³ CR/PR at Table II-10. A plurality of responding purchasers (six of 12) also reported that domestically produced lockers are inferior to subject imports with respect to "discounts offered," with most of the balance (five of 12) reporting that domestically produced lockers are comparable to subject imports in terms of this factor. *Id.* Only one purchaser reported that discounts on domestically produced lockers are superior. *Id.* Purchases by responding purchasers accounted for 22.6 percent of apparent U.S. consumption during the POI. Derived from *id.* at V-22, Table IV-8.

¹⁵⁴ CR/PR at Table II-10.

¹⁵⁵ CR/PR at V-24, Table V-11. Responding purchasers reduced the domestic industry's share of their purchases by *** percentage points between 2018 and 2020 while increasing the subject import share of their purchases by *** percentage points over the POI. *Id.* at Table V-10.

¹⁵⁶ CR/PR at Table V-12.

("RTA") packages, and by *** to *** percent with respect to components.¹⁵⁷ While we recognize that subject import AUVs were reported at a different level of trade than domestic producers' U.S. shipments, record evidence does not indicate that differences in level of trade or product mix could explain AUV differentials of this magnitude.¹⁵⁸

Consistent with the preceding evidence, petitioners supplemented the record with certified declarations from several company officials for domestic producers and distributors, accompanied by contemporaneous intercompany communications and other supporting documentation, stating that subject import prices were lower than prices on comparable domestically produced metal lockers, and that substantial sales and revenues were lost to low-priced subject import competition during the POI.¹⁵⁹ For example, a List official provided documentation of instances where his company lost sales to, or reduced prices to compete with, subject imports that were priced up to *** percent lower than the prices offered by List on domestic metal lockers.¹⁶⁰ A Lyon official provided documentation and declared that the subject imports offered by various importers were priced *** percent lower than Lyon's domestically produced metal lockers.¹⁶¹ A Tensco official provided documentation and declared that the distributors to which it sells metal lockers offer domestically produced metal lockers at prices 35 percent higher than the prices on comparable metal lockers from China.¹⁶² A Penco official declared that his company had lost sales of \$*** to *** customers due to low-

¹⁵⁷ CR/PR at Tables III-7, IV-3. For preconstructed lockers, which was the largest product category for domestic shipments, the AUV of subject imports was \$*** during the POI, and the AUV for domestic producers' U.S. shipments was \$*** during the POI. *Id.* For kits/RTA packages, which was the largest product category for subject imports, the AUV of subject imports was \$*** during the POI, and the AUV for domestic producers' U.S. shipments was \$*** during the POI. *Id.* For components, the AUV of subject imports was \$*** during the POI, and the AUV for domestic producers' U.S. shipments was \$*** during the POI. *Id.* We do not rely on AUV data concerning U.S. shipments and subject imports of all types of metal lockers as these data would be more subject to distortion by differences in product mix and changes in product mix over time.

¹⁵⁸ See CR/PR at V-4 (most importers reported inland transportation costs of 1 to 16 percent); see also Respondents' Posthear. Br. at Exh. 1, p. A-28 to A-29 (level of assembly).

¹⁵⁹ Petitioners' Posthear. Br. at Exh. 1, pp. 30–31, 34–36; Exh. 5 (declaration of David Schuessler); Exh. 6 (declaration of JR List); Exh. 7 (declaration of Patrick Berg); see also Petitioners' Prehear. Br. at Exhibits 5–8.

¹⁶⁰ Petitioners' Prehear. Br. at Exh. 8 (declaration of JR List); Petitioners' Posthear. Br. at Exh. 1, pp. 30, 34–36; Exh. 6.

¹⁶¹ Petitioners' Prehear. Br. at Exh. 7 (declaration of John Altstadt); Petitioners' Posthear. Br. at Exh. 1, pp. 31, 34–36.

¹⁶² Petitioners' Prehear. Br. at Exh. 5 (declaration of Stuart Speyer); Petitioners' Posthear. Br. at Exh. 1, pp. 31, 34–36.

priced subject import competition ***.¹⁶³ In addition, officials from four purchasers testified at the hearing or submitted affidavits that, in their experience, subject import prices are lower than prices of the domestic like product.¹⁶⁴

Given the moderate-to-high degree of substitutability between subject imports and the domestic like product, the importance of price in purchasing decisions, and the foregoing record evidence indicating that subject imports are generally priced lower than the domestic like product, we find that there has been significant price underselling by subject imports during the POI. Underselling enabled subject imports to gain *** percentage points of market share from the domestic industry over the POI,¹⁶⁵ and as discussed below, prevented price increases for the domestic like product that would otherwise have occurred.

We have considered price trends during the POI. Between the first quarter of 2018 and the last quarter of 2020, domestic producer sales prices increased slightly as measured by all four pricing products and AUVs of domestic shipments by configuration.¹⁶⁶ Given the increase in prices over the POI, we do not find significant price depression.

We have also considered whether subject imports prevented price increases for the domestic like product that would otherwise have occurred. The domestic industry's ratio of COGS to net sales increased in each successive year from *** percent in 2018 to *** percent in

¹⁶³ Petitioners' Prehear. Br. at Exh. 6 (declaration of Thomas Kulikowski); Petitioners' Posthear. Br. at Exh. 1, pp. 30–31, 34–36.

¹⁶⁴ Hearing Tr. at 31–34 (“The difference is price, and because of this bid process I know that the Chinese import prices are lower, even if my company is not buying them.”); 36–38 (“{A}lthough H2I doesn't purchase imported lockers from China, we know from our relationships with general contractors that the Chinese imports are consistently priced lower than domestic product.”); Petitioners' Prehear. Br. at Exhs. 9–10.

¹⁶⁵ CR/PR at Table IV-9.

¹⁶⁶ CR/PR at V-19, Tables III-7, V-7.

2019 and to *** percent in 2020, a level *** percentage points higher than in 2018.¹⁶⁷ Although the domestic industry's unit COGS and net sales AUVs each increased by \$*** between 2018 and 2020, the percentage increase in the industry's unit COGS (**% percent) exceeded the increase in the domestic industry's net sales AUVs (**% percent).¹⁶⁸ As domestic producers' total net sales volumes declined, in part due to declining demand and in part due to the market share shift to subject imports, domestic producers' unit COGS rose at a higher rate than net sales AUVs, pushing domestic producers' COGS to net sales ratio up and the domestic industry's gross profit margins down.¹⁶⁹

Four of six domestic producers reported that they were forced to roll back announced price increases during the POI because of competition from subject imports.¹⁷⁰ Six of 22 responding purchasers reported that domestic producers had reduced prices in order to compete with low-priced subject imports during the POI, with estimated price reductions

¹⁶⁷ CR/PR at Table VI-1. Respondents assert that the Commission should not use COGS to net sales ratios to examine price suppression because COGS includes fixed costs such as direct labor and other factory costs, which rise on a per-unit basis when shipment volumes decline. Respondents' Prehear. Br. at 51; Respondents' Posthear. Br. at Exh. 1, pp. A-33 to A-34. As the Commission has recognized, however, "{a}ll elements of COGS are relevant to a consideration of whether an industry is experiencing a cost-price squeeze that is indicative of price suppression." *Coated Free Sheet Paper from China, Indonesia, and Korea*, Inv. Nos. 701-TA-444-446 and 731-TA-1107-1109 (Final), USITC Pub. 3965 (Dec. 2007) at 16 n.105. Respondents provide no reason why raw material costs should be a more relevant, or the most important, component for examination in our price suppression analysis than the other contributors to COGS, or why it should be examined independently. On a per-unit basis, costs would be expected to increase when sales volume declines, but as detailed above, the domestic industry's increasing net sales AUVs did not keep pace with increasing per-unit COGS on a percentage basis. Similarly, in response to party arguments regarding the role of SG&A expenses in our analysis of price effects, we decline to analyze SG&A expenses separately from our analysis of the domestic industry's financial condition, below, as trends in the industry's SG&A expenses are reflected in the industry's operating and net income. See Petitioners' Posthear. Br. at Exh. 1, pp. 42-48; Respondents' Posthear. Br. at Exh. 1, p. A-33; Exh. 2, p. 16.

¹⁶⁸ CR/PR at Table C-1.

¹⁶⁹ CR/PR at Table VI-1. Unit COGS was \$*** in 2018, \$*** in 2019, and \$*** in 2020. *Id.* The increase in unit COGS was driven primarily by increases in direct labor costs and other factory costs. *Id.* Net sales AUVs were \$*** in 2018, \$*** in 2019, and \$*** in 2020. *Id.*

¹⁷⁰ CR/PR at V-21 to V-22.

ranging from *** percent and a simple average estimated price reduction of *** percent.¹⁷¹ These six purchasers accounted for a majority (*** percent) of total reported purchases of the domestic product during the POI and include ***, the *** purchaser of domestically produced metal lockers and the *** purchaser of subject imports.¹⁷²

The record reflects that prices for the domestic like product were suppressed in 2018, when the imposition of tariffs on imports of steel pursuant to section 232 increased the industry's costs. Specifically, a List official declared that his firm needed to increase its prices by 24 percent in 2018 to maintain its profit margin in the face of increasing costs due to the section 232 tariffs and other factors, but determined that only a 9 percent increase was viable given pressure from low-priced subject imports.¹⁷³ Similarly, a Penco official stated that when its steel costs increased in 2018 after the imposition of section 232 tariffs, it was prevented from sufficiently raising prices by competition from low-priced subject imports, highlighting

¹⁷¹ CR/PR at V-26, Table V-12. Ten purchasers reported that U.S. producers had not lowered their prices, and five reported that they did not know. *Id.* Respondents argue that the Commission should discount lost revenue responses reported by purchasers that did not purchase both domestically produced metal lockers and subject imports, claiming that such purchasers would lack the market knowledge necessary to credibly report lost revenues. Respondents' Prehear. Br. at 52–55; Respondents' Posthear. Br. at Exh. 1, pp. A-46 to A-47. Distributors confirmed that they are aware that subject imports are offered at lower prices for the projects they bid on, even if they do not purchase subject imports themselves, as they face price competition from subject imports in bids for sales to general contractors. See Hearing Tr. at 30–34, 35–38 (“On projects where we’ve received feedback from the general contractor, we’ve found the winning bid is significantly below ours, often at prices too low to even cover our costs. In some instances where the general contractor has come back to us and given us the opportunity to lower our bid, even our decreased pricing isn’t low enough to win the contract. Although H2I doesn’t purchase imported lockers from China, we know from our relationships with general contractors that Chinese imports are consistently priced lower than domestic product.”); Petitioners’ Prehear. Br. at Exh. 10; Petitioners’ Posthear. Br. at Exh. 5 (declaration of David Schuessler (***). It is unlikely that market participants in this industry, *inter alia*, where price is an important purchasing factor would be unaware of the relative prices of the products against which they compete for sales. We decline in these investigations to give less weight to responses from purchasers who did not purchase both subject imports and the domestic product. Further, the record shows that pricing pressure from low-priced subject imports for sales from distributors to general contractors affects domestic producers of metal lockers. See Hearing Tr. at 31–32 (“The contractors are competing against each other for the construction project where budget matters, so low prices on sub-bids are key.... Contractors see the import offer as an opportunity for savings that can be a huge help in reducing the contractor’s overall bid. For this reason, our first bid has to be our best possible price. To compete with the Chinese import bids, we have to take a margin hit, and often ask our supplier List Industries to do the same. We’ll ask List to lower its factory cost to us so that we can win a bid.”).

¹⁷² Derived from CR/PR at Table V-10; see also Petitioners’ Prehear. Br. at Exh. 5.

¹⁷³ Petitioners’ Posthear. Br. at 9–10, Exh. 1 at pp. 14–16; Exh. 6. See also Petitioners’ Prehear. Br. at 51–52; Exh. 8.

sales by importers WEC Manufacturing and Salsbury.¹⁷⁴ A Lyon official likewise stated that his company attempted to raise prices to cover increased steel costs in 2018 and into 2019 “but had to roll back announced price increases due to the aggressively low prices offered by the Chinese imports.”¹⁷⁵ Collectively, these three firms accounted for *** percent of domestic locker production in 2020.¹⁷⁶ The increase in the domestic industry’s COGS in 2018, which increased at a faster rate than the industry’s net sales values, is not reflected in a comparison of changes in the domestic industry’s costs or net sales over the POI and thus not reflected in the *** percentage-point increase in the domestic industry’s ratio of COGS to net sales or in changes in unit COGS and net sales observed over this period.¹⁷⁷

The industry was never able to recover from the price-suppressing effects of subject imports in 2018, and indeed, the industry’s COGS to net sales ratio worsened over the POI as its net sales AUVs failed to rise any higher than its unit COGS over the POI. Had the domestic industry been able to raise prices beyond the level of increasing unit COGS in 2019 and 2020, the domestic industry’s financial performance would not have deteriorated further from an already diminished position in 2018 as a result of the price suppression observed that year. Given the domestic industry’s financial performance during the POI, discussed further below, the domestic industry needed to increase prices more than it did in order to improve its weak

¹⁷⁴ Petitioners’ Prehear. Br. at Exh. 6. *See also* Petitioners’ Prehear. Br. at 51–52; Petitioners’ Posthear. Br. at 9–10, Exh. 1 at pp. 14–16.

¹⁷⁵ Petitioners’ Prehear. Br. at Exh. 7. *See also* Petitioners’ Prehear. Br. at 51–52; Petitioners’ Posthear. Br. at 9–10, Exh. 1 at pp. 14–16.

¹⁷⁶ *See* CR/PR at Table III-1.

¹⁷⁷ In the preliminary phase of these investigations, the Commission found that the domestic industry’s ratio of COGS to net sales increased from 77.2 percent in 2017 to 78.4 percent in 2018. Preliminary Determinations at 32. The domestic industry’s unit net sales value was \$1.77 per pound in 2017 and \$1.88 in 2018, an increase of 6.4 percent. Derived from *id.* n.140; Preliminary Phase Work Sheet. The industry’s unit COGS was \$1.37 per pound in 2017 and \$1.48 in 2018, an increase of 7.9 percent. Derived from Preliminary Determinations at 32 n.140; Preliminary Phase Work Sheet. The domestic industry’s unit raw material costs were \$0.76 per pound in 2017 and \$0.82 in 2018, an increase of 8.0 percent. Derived from Preliminary Determinations at 32 n.140; Preliminary Phase Work Sheet. Thus, similar to the circumstances affecting the domestic industry from 2018 to 2020, as explained above, the percentage increase in the industry’s unit COGS from 2017 to 2018 exceeded the percentage increase in the domestic industry’s unit sales AUVs.

financial performance, but was prevented from doing so by low-priced subject imports.¹⁷⁸ Based on the foregoing, we find that subject imports prevented domestic producer price increases that otherwise would have occurred to a significant degree.

For the foregoing reasons, we find that subject imports significantly undersold the domestic like product during the POI, taking market share from domestic producers and suppressing prices for the domestic like product to a significant degree. Accordingly, we conclude that subject imports had significant price effects.

E. Impact of the Subject Imports¹⁷⁹

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.”¹⁸⁰ 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

¹⁷⁸ We acknowledge that apparent U.S. consumption declined *** percent over the POI. CR/PR at Table C-1. We also observe, however, that over the POI a plurality of purchasers reported no change in demand and the majority of domestic producers reported that demand increased, while noting a decline in demand specifically limited to the second quarter and into the third quarter of 2020, after which demand rebounded. *Id.* at Table II-5. See Hearing Tr. at 20, 39, 47, 72. It is thus not clear the extent to which market participants perceived the *** percent decrease in apparent U.S. consumption over the POI, and the record contains examples of domestic producers being unable to sufficiently raise prices due to the availability of lower-priced subject imports.

¹⁷⁹ 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 antidumping duty margins of 0.00 to 21.25 percent for imports from China for the companies listed with separate rates and 322.25 percent for the China-wide entity rate. 86 Fed. Reg. at 35738–35739. We take into account in our analysis the fact that Commerce found a dumping margin of 0.00 for metal lockers exported by Hangzhou Xline and produced by Hangzhou Jusheng. *Id.* While imports from these firms are not subject to the antidumping duty investigation, they remain subject to the countervailing duty investigation. In addition to this consideration, our impact analysis has considered other factors affecting domestic prices. Our analysis of the significant underselling 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.

¹⁸⁰ 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.”).

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.”¹⁸¹

Most measures of the domestic industry’s output and financial performance declined over the POI as the industry lost market share and was unable to adequately raise prices during the POI.

As discussed above, the domestic industry’s market share declined irregularly from *** percent in 2018 to *** percent in 2020.¹⁸² The domestic industry’s production capacity increased slightly over the POI.¹⁸³ By contrast, production,¹⁸⁴ capacity utilization,¹⁸⁵ and U.S. shipments¹⁸⁶ all declined steadily from 2018 to 2020. The domestic industry’s ratio of end-of-period inventories to total shipments increased from 2018 to 2020.¹⁸⁷

A number of employment-related indicators for the domestic industry declined from 2018 to 2020, including production-related workers (“PRWs”), total hours worked, and productivity.¹⁸⁸

The domestic industry’s financial indicators deteriorated throughout the POI. Revenues and gross profit declined from 2018 to 2020.¹⁸⁹ The domestic industry’s operating income decreased steadily from \$*** in 2018 (equivalent to *** percent of net sales) to \$*** in 2019 (equivalent to *** percent of net sales) and to \$*** in 2020 (equivalent to *** percent of net

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

¹⁸² CR/PR at Table IV-9.

¹⁸³ The domestic industry’s production capacity was *** pounds in 2018 and *** pounds in 2019 and 2020. CR/PR at Table III-4.

¹⁸⁴ The domestic industry’s production decreased from *** pounds in 2018 to *** pounds in 2019 and to *** pounds in 2020. CR/PR at Table III-4.

¹⁸⁵ The domestic industry’s capacity utilization decreased from *** percent in 2018 to *** percent in 2019 and to *** percent in 2020. CR/PR at Table III-4.

¹⁸⁶ The domestic industry’s U.S. shipments decreased from *** pounds in 2018 to *** pounds in 2019 and to *** pounds in 2020. CR/PR at Table III-6.

¹⁸⁷ The ratio of end-of-period inventories to total shipments was *** percent in 2018 and 2019 and *** percent in 2020. CR/PR at Table III-9.

¹⁸⁸ The domestic industry’s number of PRWs decreased irregularly from *** in 2018 to *** in 2020. CR/PR at Table III-14. Total hours worked decreased irregularly from *** in 2018 to *** in 2020. *Id.* Wages paid increased irregularly from \$*** in 2018 to \$*** in 2020. *Id.* Productivity in pounds per hour decreased steadily from *** in 2018 to *** in 2020. *Id.* Unit labor costs per pound increased steadily from \$*** in 2018 to \$*** in 2020. *Id.* Hourly wages increased steadily from \$*** in 2018 to \$*** in 2020. *Id.*

¹⁸⁹ The domestic industry’s net sales revenues increased from \$*** in 2018 to \$*** in 2019, then decreased to \$*** in 2020. CR/PR at Table VI-1. The domestic industry’s gross profit decreased steadily from \$*** in 2018 to \$*** in 2019 and to \$*** in 2020. *Id.*

sales), a decrease of *** percent over the POI.¹⁹⁰ The domestic industry's net income declined from \$*** in 2018 to *** in 2019 and *** in 2020.¹⁹¹ As a share of net sales, net income declined from *** percent in 2018 to *** percent in 2019 and to *** percent in 2020.¹⁹² Domestic producers' capital expenditures and research and development expenses increased during the period.^{193 194}

The record of the final phase of these investigations indicates that there is a causal nexus between subject imports and the domestic industry's performance in 2018 and declining performance between 2018 and 2020, and that the domestic industry's performance would have been stronger throughout the POI but for subject imports.¹⁹⁵ The record shows that the

¹⁹⁰ CR/PR at Tables VI-1, C-1.

¹⁹¹ CR/PR at Table VI-1.

¹⁹² CR/PR at Table VI-1.

¹⁹³ Capital expenditures for the domestic industry increased steadily from \$*** in 2018 to \$*** in 2019 and to \$*** in 2020. CR/PR at Table VI-4. Research and development expenses during the POI were reported ***. *Id.* at Table VI-9. *** reported negative effects on investment attributed to subject imports, and *** reported negative effects on growth and development attributed to subject imports. *Id.* at Table VI-12.

¹⁹⁴ Respondents argue that List experienced legal problems that affected its finances during the POI unrelated to subject imports. Respondent's Posthear. Br. at 6–7. ***. CR/PR at VI-18 n.17. Thus, the legal problems cited by respondents had no effect on the domestic industry's reported financial performance.

¹⁹⁵ We are unpersuaded by respondents' argument, raised for the first time at the hearing, that because imports of gun cabinets from China allegedly do not compete with the domestic like product, the increase in subject imports of gun cabinets could not be significant or injurious. Hearing Tr. at 147–149; Respondents' Posthear. Br. at 1 n.3; 8; Exh. 1, pp. A-42 to A-44. They assert that gun cabinets are neither manufactured in the United States nor interchangeable with other types of domestically produced metal lockers. Respondents' Posthear. Br. at Exh. 1, pp. A-42, A-44 n.159. We note that respondents testified that they contacted only one of six domestic producers of metal lockers regarding the manufacture of gun cabinets and did not contact any of the firms named below. *Id.* at A-42 to A-43; Exh. 10 (affidavit of ***).

The record indicates that gun cabinets are produced domestically. In the preliminary phase of these investigations, domestic producer Precision Locker Co. *** assembles pistol/rifle lockers. Preliminary CR at VI-11 n.4, Table III-5 note; Preliminary Determinations at VI-11 n.4, Table III-5 note. Precision Locker states it sells its lockers mostly to law enforcement agencies, ***. Preliminary CR at VI-11 n.4, Table III-5 note; Preliminary Determinations at VI-11 n.4, Table III-5 note. In the final phase, *** submitted a purchasers' questionnaire response ***. CR/PR at I-4 n.7. Also in the final phase, domestic producer American Locker described *** and domestic producer List indicated that it would have evaluated a production proposal for gun lockers had it been contacted. *Id.* at Table D-1; Petitioners' Posthear. Br. at Exh. 6 (declaration of JR List) ("Bass Pro never contacted List Industries, which had substantial excess capacity throughout the period of investigation. List would have been happy to evaluate a production proposal for light duty gun lockers had Bass Pro approached us."). In light of the record evidence that gun cabinets are produced domestically, we reject respondents' argument that subject imports of gun cabinets do not compete with the domestic like product.

domestic like product and subject imports compete for sales to the same customers and in the same channels of distribution, whether those customers are importers themselves (*e.g.*, ***), distributors, end users, and/or retailers, in a market where price is an important purchasing factor.¹⁹⁶ Purchasers rated the domestic like product as superior or comparable to subject imports on all important purchasing factors other than price and discounts offered.¹⁹⁷ Purchasers confirmed that the domestic industry lost sales to, and lowered their prices in order to compete with, lower-priced subject imports.¹⁹⁸ As discussed above, the domestic industry lost *** percentage points of market share to subject imports during the POI, reducing the industry's market share, production, shipments, and revenues and exacerbating its already low capacity utilization rate (below *** percent by the end of the POI).

Furthermore, as discussed above, due to subject import competition the domestic industry began the POI in 2018 in a weakened financial position with low ratios of operating income to net sales and of net income to net sales (*** percent and *** percent, respectively).¹⁹⁹ This financial performance only grew weaker over the POI, with operating margins declining to *** percent in 2019 and then to *** percent in 2020 and net income to net sales margins *** , at *** percent in 2019 and *** percent in 2020.²⁰⁰ This occurred as the low-priced subject imports undersold and suppressed U.S. producers' prices to a significant degree. At a time when domestic producers needed to be raising prices to improve their profitability, they were unable to do so sufficiently due to the significant volume of lower-priced subject imports. This resulted in lower revenues and greater declines in financial performance in terms of gross profit, operating income, and net income than otherwise would have occurred.

We have considered whether there are other factors that may have had an adverse impact on the domestic industry during the POI to ensure that we are not attributing injury from such other factors to subject imports. As nonsubject imports accounted for a small and

¹⁹⁶ See CR/PR at Tables II-2, II-7, II-8. The record also shows that pricing pressure from subject imports for sales from U.S. distributors to general contractors affects domestic producers of metal lockers who supply the distributors competing for sales with subject imports. See Hearing Tr. at 31–32.

¹⁹⁷ CR/PR at Tables II-8, II-10. We are unpersuaded by respondents' arguments that the domestic industry lost sales to subject imports for nonprice reasons, such as limited production capacity and an inability to supply small, custom orders. See Respondents' Prehear. Br. at 4–15. In addition to purchaser comparisons, witnesses testified and provided documentary evidence that the domestic industry supplies small, custom orders. See Petitioners' Posthear. Br. at 12; Exh. 1 at 38; Exh. 5; Exh. 6; Hearing Tr. at 95 (“{W}e quote small custom orders every single day to our customers and in large percentages of our overall quotes”); see also CR/PR at Table II-10.

¹⁹⁸ CR/PR at Tables V-11, V-12.

¹⁹⁹ CR/PR at Table VI-1.

²⁰⁰ CR/PR at Table VI-1.

declining share of apparent U.S. consumption during the POI,²⁰¹ they cannot explain the domestic industry's declining performance during the period.

We have also considered the effect of the COVID-19 pandemic in 2020, which petitioners and respondents agree depressed demand somewhat in the second quarter and into the third quarter of that year before improving the rest of the year,²⁰² and the overall decline in apparent U.S. consumption during the POI.²⁰³ The domestic industry's U.S. shipments declined by a greater percentage (***) percent) than apparent U.S. consumption (***) percent) between 2018 and 2020, as subject imports captured market share from the domestic industry.²⁰⁴ From 2019 to 2020, shipments of subject imports increased by *** percent while the domestic industry's U.S. shipments decreased by *** percent, an anomalous result if the COVID-19 pandemic was the cause of a general decline in the market.²⁰⁵ Indeed, the entire increase in subject import volume and market share during the POI occurred between 2019 and 2020, in spite of any temporary decline in demand due to the COVID-19 pandemic and even as the domestic industry suffered low and declining rates of capacity utilization.²⁰⁶ Moreover,

²⁰¹ Nonsubject imports' share of apparent U.S. consumption declined steadily from *** percent in 2018 to *** percent in 2019 and to *** percent in 2020. CR/PR at Table IV-9.

²⁰² Hearing Tr. at 20, 39, 48, 72 (petitioners); 13, 143, 155, 161, 166, 184 (respondents); Respondents' Posthear. Br at Exh. 1, p. A-11.

²⁰³ CR/PR at Table IV-8.

²⁰⁴ CR/PR at Table IV-9.

²⁰⁵ CR/PR at Table C-1.

²⁰⁶ We are unpersuaded by respondents' argument that the domestic industry experienced supply constraints during the POI, as evidenced by ***, resulting in a decline in domestic producers' U.S. shipments unrelated to subject imports. Respondents' Prehear. Br. at 58; Respondents' Posthear. Br. at 10; Exh. 1, pp. A-4, A-55. In addition to referencing domestic sales contract cancellations and lead-time extensions, respondents specifically cite ***. Respondents' Prehear. Br. at 58; Hearing Tr. at 147; Respondents' Posthear. Br. at 2; 5-6; Exh. 1, pp. A-4, A-9. See CR/PR at Table III-13.

The record indicates that the domestic industry did not experience significant supply constraints during the POI. *** responding domestic producers, ***, reported no supply constraints. *Id.* at II-11. All responding purchasers rated the domestic like product to be superior or comparable to subject imports with respect to availability, delivery time, and reliability of supply. *Id.* at Table II-10. See also Petitioners' Prehear. Br. at Exh. 7 (declaration of John Altstadt). As detailed above, domestic producers reported shorter lead times than importers, on average, with respect to both made-to-order sales and sales from inventory. CR/PR at II-13.

We are also unpersuaded by respondents' argument that subject import volume would have declined but for increased imports of subject lockers from China by domestic producers, ***, which ***. Respondents' Prehear. Br. at 39-40; Respondents' Posthear. Br. at 7-8; Exh. 1, pp. A-49 to A-50; Respondents' Final Cmts. at 3-4. The record indicates that domestic producers, ***, imported subject merchandise ***. In the final phase, *** stated that they imported subject merchandise ***. CR/PR at Table III-13. ***. *Id.*; *** importers' questionnaire response at Q. II-4. During the preliminary phase,

declining demand cannot explain the domestic industry's loss of market share and confirmed lost sales and revenues due to subject import competition.²⁰⁷ For these reasons, we find that declining apparent U.S. consumption and the temporary demand decline resulting from the COVID-19 pandemic in mid-2020 cannot fully explain the domestic industry's declining performance over the POI.

In sum, based on the record of the final phase of these investigations, we conclude that subject imports had a significant impact on the domestic industry.

V. Conclusion

For the reasons stated above, we determine that an industry in the United States is materially injured by reason of imports of metal lockers from China found by Commerce to be sold in the United States at LTFV and subsidized by the government of China.

however, ***. Preliminary CR at Table III-9, Preliminary Determinations at Table III-9. In a declaration dated August 2020, a Lyon official stated that Lyon was capable of supplying large orders of lockers with short lead times, that Lyon was being injured by low-priced subject imports, and that the only reason purchasers chose subject imports instead of domestic lockers was the lower price of subject imports. See Petitioners' Prehear. Br. at Exh. 7 (declaration of ***). Thus, ***, Lyon submitted a questionnaire response indicating that *** and a sworn affidavit indicating, ***, that it was being injured by low-priced subject imports and was not subject to any constraints on its production. Given this evidence that *** and the conflict between this evidence and ***, we attach reduced weight to Lyon's statement in its final-phase questionnaire response that ***.

In addition, that domestic producers were forced to import subject lockers from China to compete with low-priced subject imports is further evidence of material injury by reason of subject imports.

²⁰⁷ See CR/PR at Tables V-11, V-12.

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

Based on the record in the final phase of these investigations, we determine that an industry in the United States is not materially injured or threatened with material injury by reason of imports of metal lockers from China found by the U.S. Department of Commerce (“Commerce”) to be sold at less than fair value and subsidized by the government of China.

We concur and adopt as our own sections I—IV.B. (except where otherwise indicated) of the affirmative majority views. Our negative determinations are based on findings that (1) despite some evidence of underselling by subject imports in the U.S. market and lost sales due to price, the record does not support a finding of significant underselling nor significant price effects; (2) the declining financial performance of the domestic industry was not by reason of subject imports; and (3) subject imports do not pose a threat of material injury to the domestic industry in the imminent future absent the imposition of antidumping and countervailing duty orders.

I. No Material Injury by Reason of Subject Imports

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

Subject imports declined between 2018 and 2019, from *** pounds in 2018 to *** pounds in 2019, before increasing to *** pounds in 2020 for an overall increase of *** pounds over the POI.² Subject imports’ share of apparent U.S. consumption also declined between 2018 and 2019, from *** percent in 2018 to *** percent in 2019, before increasing to *** percent in 2020 for an overall *** percentage point increase.³

Consequently, subject imports increased in volume and market share only between 2019 and 2020. Respondents assert that the increase in subject import market share during

¹ 19 U.S.C. § 1677(7)(C)(i).

² CR/PR at Table IV-2.

³ For purposes of assessing volume and increase in volume relative to consumption, we focus on changes in U.S. importers’ U.S. shipments of subject imports, including importers’ internal consumption, as consumption derives from shipments.

this time is *** attributable to two factors: (1) the increase in the domestic industry's shipments of subject imports; and (2) the increase in shipments of imported gun cabinets that do not compete with the domestic like product.⁴

We observe that U.S. producer ***'s imports of subject metal lockers and its U.S. shipments of subject imports rose from *** pounds in 2019 to *** pounds in 2020.⁵ This increase of *** pounds represented *** percent of the total increase in subject import shipments from 2019 to 2020.⁶ Notably, *** reported that the reason for ***.⁷ ⁸ In its final phase U.S. producer questionnaire response ***.⁹ Illustrating ***.¹⁰

We further note that the COVID-19 pandemic significantly impacted schools and other institutions, many of which experienced shutdowns in 2020. This adversely impacted the domestic industry's shipments, and in turn its market share, as the industry had a greater focus on the institutional segment compared to subject imports. The parties explain that sales to the institutional segment are generally made through a bidding process through distributors/dealers,¹¹ and the record shows that the vast majority of U.S. producers' shipments went to distributors (*** percent in 2018, *** percent in 2019, and *** percent in 2020), whereas *** of subject import shipments were sold to distributors (*** percent in 2018, *** percent in 2019, and *** percent in 2020).¹² When demand in the institutional segment declined during COVID-19, the U.S. industry's sales also declined, as indicated by lower monthly shipment volumes in the summer of 2020 relative to summer shipments in 2018 and 2019.¹³

⁴ Respondents Posthearing Br. at Exhibit 1 pp.1-3; Respondents Final Comments at 1-6.

⁵ *** U.S. Importer Revised Questionnaire Response at II-4 & II-5a.

⁶ Calculated from *** U.S. Importer Revised Questionnaire Response at II-5a & CR/PR Table C-1.

⁷ *** U.S. Importer Revised Questionnaire Response at II-4.

⁸ We note that *** reported in its preliminary phase questionnaire response that ***. *** reasons for importing in the preliminary phase, therefore, applied to the time period *before* COVID-19 impacted the U.S. market. Thus, there is no conflict with *** differing preliminary phase and final phase explanations for importing. *** U.S. producer and U.S. importer final phase questionnaire responses consistently reported on ***, which resulted in it importing more product in 2020. We find no reason not to accept *** certified final phase questionnaire responses on this issue.

⁹ *** U.S. Producer Questionnaire Response at II-2b, III-9g.

¹⁰ *** U.S. Producer Questionnaire Responses (preliminary and final) at IV-8; CR/PR at II-13; *Metal Lockers from China*, Inv. Nos. 701-TA-656 and 731-TA-1533 (Preliminary), USITC Pub. at 5113 at II-6 (Aug. 2020); Preliminary Confidential Staff Report, Memorandum INV-SS-103 (August 2020) at II-6. One of *** largest customers, ***, reported long lead times as a supply constraint. CR/PR at II-11; *** U.S. Producer Questionnaire Response at IV-20.

¹¹ Respondents Posthearing Br. at 15; Petitioners Posthearing Br. at Exhibit 6.

¹² CR/PR at Table II-2.

¹³ CR/PR at Table III-8; *Cf.* to monthly subject import shipments in CR/PR Table IV-6 & Figure IV-5. U.S. producers, importers, and purchasers reported that demand for metal lockers increases in the

Thus, the domestic industry's relatively greater presence in this weakening segment of the overall market also explains, at least in part, the modest *** percentage point decline in the domestic industry's market share over the POI.

The record further reflects that *** and ***, U.S. importers of gun cabinets,¹⁴ collectively increased their imports from *** pounds in 2019 to *** pounds in 2020 and their U.S. shipments of subject imports from *** pounds in 2019 to *** pounds in 2020.¹⁵ Like ***, *** and *** reported that the reason they imported subject merchandise from China was for non-price reasons; rather, they simply were unaware of any U.S. production of gun cabinets.¹⁶ ¹⁷ While the record contains some evidence that there may have been some U.S. production of gun cabinets by ***,¹⁸ it is unclear whether this firm could even produce them to the specifications required by *** and ***.¹⁹ ²⁰ In any event, the record demonstrates that U.S. production of gun cabinets was, at best, not widespread, and we have no reason to discredit

summer when schools, which are a driver of demand for metal lockers, are out of session and students are on holiday. Schools use the summer months to replace metal lockers. CR/PR at II-11-12.

¹⁴ Gun cabinets are metal lockers used to store firearms. Hearing Tr. at 147-48 (Lock). They resemble gun safes, which are excluded from the scope of the investigations, but gun cabinets have lighter construction including higher-gauge steel. CR/PR at I-12-13; Hearing Tr. at 148 (Lock); Respondents Posthearing Br. at Exhibits 9 & 10. Gun cabinets have special features and requirements ***. These include ***. Respondents Posthearing Br. at Exhibit 10; *** U.S. Purchaser Questionnaire Response at III-20.

¹⁵ *** U.S. Importer Questionnaire Response at II-5a; *** U.S. Importer Questionnaire Response at II-5a; Hearing Tr. at 148-49 (Lock).

¹⁶ *** U.S. Importer Questionnaire Response at II-5a; Respondents Posthearing Br. at Exhibit 10 (discussing ***).

¹⁷ Bass Pro maintains that it was unaware of any USA-made gun cabinets. Hearing Tr. at 148 (Lock); Respondents Posthearing Br. at Exhibit 9. *** reports that it tried to purchase gun cabinets from at least one of its suppliers of U.S.-made gun safes, ***, but *** responded that it lacked capacity to build them in the United States ***. Respondents Posthearing Br. at Exhibit 9. Bass Pro also asserts that in March 2021, upon learning about these investigations, it sent a *** to petitioner ***, but *** did not respond. Hearing Tr. at 149 & 224-25 (Lock); Respondents Posthearing Br. Exhibit 9. Consistent with this, *** reported that the reason for importing subject lockers instead of purchasing domestic products was ***. *** U.S. Purchaser Questionnaire Response at III-28(c).

¹⁸ CR/PR at Table III-1.

¹⁹ In the preliminary phase of the investigation, another firm, ***, was also identified as producing "specialty lockers such as pistol/rifle lockers, cell phone lockers, tablet lockers, and laptop lockers for law enforcement, military bases, workplaces, and fitness centers." *Metal Lockers from China*, Inv. Nos. 701-TA-656 and 731-TA-1533 (Preliminary), USITC Pub. at 5113 at VI-11 n.4 (Aug. 2020); Preliminary Confidential Staff Report, Memorandum INV-SS-103 (August 2020) at VI-11 n.4. However, in the final phase of the investigation, ***. CR/PR at III-1 n.2 & III-2; E-mail from ***, EDIS Doc. 1639798.

²⁰ Moreover, the record does not appear to contain any lost sales or lost revenue allegations with respect to gun cabinet sales, as no producer identified any lost sales involving ***.

the explanations provided by *** and *** that they imported gun cabinets because they did not believe that domestic production existed despite their efforts to locate it.

In sum, while we conclude that the volume of subject imports is significant both in absolute terms and relative to apparent U.S. consumption in the United States, we do not find the increase in the volume of subject imports to be significant. We also do not find that the volume of subject imports warrants affirmative determinations in light of the conditions of competition in this market and our findings, to be detailed below, concerning a lack of significant price effects and impact.

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.²¹

We find a moderate-to-high degree of substitutability between domestically produced metal lockers and subject imports that are of the same specifications and that price is an important factor in purchasing decisions, along with other factors.²²

²¹ 19 U.S.C. § 1677(7)(C)(ii).

²² As discussed in footnote 102 of the majority views, we indicated that there are limitations on substitutability between the domestic like product and subject imports. Many U.S. importers (9 of 23) and purchasers (5 of 14) reported that metal lockers imported from China are sometimes or never interchangeable with domestically produced metal lockers. CR/PR at Table II-11. In addition, the majority of importers (15 of 23) and most purchasers (10 of 15) reported that factors other than price are always or frequently significant when comparing the product from domestic and subject sources. CR/PR at Table II-13. Noted differences include the desire of purchasers to match their existing bank of lockers and customization. For instance, leading U.S. importer and major purchaser *** explained that “{d}ifferent lockers from different manufacturers have different latch types, hole spacing, accommodate different locks, or have different internal accessory configurations,” and that customers “often have an existing bank of lockers and are looking for additional lockers to match.” *** U.S. Purchaser Questionnaire Response at IV-1. Moreover, the questionnaire responses of the largest purchasers that purchased product from both domestic and subject sources (***, ***, ***, and ***) do not show significant year to year shifts in quantities purchased between sources, indicating that such purchasers

In the final phase of these investigations, the Commission collected monthly pricing data from U.S. producers and importers for the total quantity and f.o.b. value of four metal locker products shipped to unrelated U.S. customers.²³ Four U.S. producers and *** importers provided usable pricing data, although not all firms reported pricing data for all products for all quarters of the POI.²⁴ Pricing data reported by these firms accounted for approximately *** percent of the value of U.S. producers' U.S. commercial shipments and *** percent of the value of U.S. commercial shipments of subject imports from China.²⁵ The Commission also requested

do not frequently vary their sourcing decisions due to price. ***, ***, ***, & *** U.S. Purchaser Questionnaire Responses at II-1. These same purchasers indicated that they only sometimes purchase the lowest-priced product. *See id.* at III-26. In addition, purchasers that purchased from only one source (either the domestic like product or subject imports) continued to do so throughout the period of investigation. *See, e.g.,* ***, ***, ***, ***, ***, ***, ***, ***, and *** U.S. Purchaser Questionnaire Response at II-1.

In addition, as previously discussed, sales to the institutional segment such as schools are generally made through a bidding process through distributors/dealers. The evidence shows that during the POI, U.S. producers were more focused than U.S. importers on these large bid projects. Indeed, the domestic industry shipped most of its product to distributors during the POI and experienced a notable increase in U.S. shipments during the summer months (June-August), which correspond to the time when school is out of session and schools use that time to replace metal lockers. CR/PR at II-11 to II-12, Table III-8. In contrast, less than half of U.S. importers' U.S. shipments were to distributors and their U.S. shipments did not follow the seasonal cycle, but were generally at the same levels month to month (except for May 2020 when *** increased its shipments of U.S. imports from *** pounds in May 2019 to *** pounds in May 2020 due to ***). CR/PR at Table IV-6, Figure IV-5.

²³ CR/PR at V-7. The four pricing products were: **Product 1** – 12" wide x 18" deep x 72" high 1-Tier (one full height door within a single frame, one opening) locker, knock-down (KD), 24 gauge solid body, 16 gauge frame, 16 gauge louvered door, recessed or projecting die-cast handle, 3-point (multi-point) gravity lift-type latching, lock not included, with 6" legs (legs increase frame height to 78"), nut/bolt or rivet assembly required; **Product 2** – 12" wide x 12" deep x 36"/72" high 2-Tier (two half-height doors stacked within a single frame, two openings) locker, knock-down (KD), 24 gauge solid body, 16 gauge frame, 16 gauge louvered door, recessed or projecting die-cast handle, 2-point (multi-point) gravity lift type latching, lock not included, with 6" legs (legs increase frame height to 78"), nut/bolt or rivet assembly required; **Product 3** – 12" wide x 18" deep x 36"/72" high 2-Tier (two half-height doors stacked within a single frame, two openings) locker, knock-down (KD), 24 gauge solid body, 16 gauge frame, 16 gauge louvered door, recessed or projecting die-cast handle, 2-point (multi-point) gravity lift-type latching, lock not included, with 6" legs (legs increase frame height to 78"), nut/bolt or rivet assembly required; **Product 4** – 12" wide x 12" deep x 12"/72" high 6-Tier (six 12" high doors stacked within a single frame, 6 openings) locker, knock-down (KD), 24 gauge solid body, 16 gauge frame, 18 gauge louvered door, single-point latching with thru-the-door finger pull handle, lock not included, with 6" legs (legs increase frame height to 78"), nut/bolt or rivet assembly required.

²⁴ CR/PR at V-7-8.

²⁵ CR/PR at V-8. Petitioners explain that the pricing products represent the "best sellers," and that in light of the fact that the range of products is "tremendous," the four products "do represent a respectable percentage when you think of all the infinite types of products there are." Hearing Tr. at 113 (Champa).

firms to report any purchase cost data for imports of metal lockers from China meeting any of the pricing product definitions for sales in their (or a related firms') retail locations, but *** U.S. importers reported useable import purchase cost data.²⁶

The pricing data show that subject imports oversold the domestic like product in all 48 quarters or 100 percent of the quarterly price comparisons (involving 93,160 lockers) at overselling margins between *** percent and *** percent.²⁷ Consequently, the pricing data do not show significant underselling by subject imports.

Petitioners argue that the Commission should disregard the pricing data. Observing the wide variations in price reported by both U.S. producers and importers, petitioners claim that the pricing data suffer from reporting problems including sales of lockers made at different levels of trade and to different customer types, and containing different features and accessories – although they profess not to understand the exact reasons for the deficiencies.²⁸ Petitioners point to U.S. purchaser questionnaire responses and their submissions of U.S. producer declarations and accompanying contemporaneous documentation to assert that subject imports significantly undersold the domestic like product.²⁹ We note that to the extent that prices did, in fact, vary based upon customer type or level of trade, petitioners did not request in their comments on the draft questionnaires that the pricing products specify a particular channel of distribution.³⁰ Regarding petitioners' other concerns, such as potential differences in features and accessories, Commission Staff adopted the pricing product

²⁶ CR/PR at V-8.

²⁷ CR/PR at Table V-8.

²⁸ Petitioners Prehearing Br. 43 (“For reasons that are not entirely clear, the importers and domestic producers alike have had trouble reporting consistent and reliable pricing data that reflect equivalent comparisons. It may well be that metal lockers are products that do not lend themselves to the typical pricing product comparison”).

²⁹ Petitioners Prehearing Br. at 42-49; Petitioners Posthearing Br. at 5-7.

³⁰ Petitioners Comments on Draft Questionnaires (Oct. 2020) (EDIS Doc. 722433). The pricing data from the preliminary phase of the investigations also showed that subject imports were priced higher than the domestic like product in all quarterly comparisons with margins of overselling ranging from 3.4 percent to 60.3 percent. *Metal Lockers from China*, Inv. Nos. 701-TA-656 and 731-TA-1533 (Preliminary), USITC Pub. at 5113 at 30-31 (Aug. 2020). Notwithstanding this, petitioners, in their comments on the draft questionnaires for the final phase of the investigations, asserted that they believed that the four pricing products were comprehensive. They requested that the products be modified to ensure that the reported prices did not include accessories, but did not request that sales be limited to a specific distribution channel. As a result, and in light of the lack of any respondent party input on the pricing products, Commission Staff retained the pricing products from the preliminary investigations with only slight modifications and explicit instructions to exclude “any other accessory, special feature, specialized material or component from the data reported. . . .” CR/PR at V-6 n.8.

definitions proposed by petitioners and contacted U.S. importers to confirm the accuracy of the reported pricing data.³¹ Staff also verified *** from U.S. importers.³²

Notwithstanding Commission Staff's careful efforts to ensure the accuracy of the reported pricing data, we take into account that other evidence on the record shows that in some instances, subject imports were lower priced than the domestic like product. Specifically, some purchaser questionnaire responses and some documents submitted by petitioners of contemporaneous pricing information suggest that subject imports undersold domestic like products on occasion.³³

We, however, cannot conclude based upon such other evidence that subject imports undersold the domestic like product to a significant degree. As an initial matter, purchasers responding to the questionnaires represented only a limited portion of purchasers of metal lockers in the U.S. market. Indeed, only 22 purchasers responded to the questionnaires out of *** contacted by Commission Staff.³⁴ These purchasers reported purchasing *** pounds of product between 2018 and 2020, which accounted for only *** percent of the collective total of domestic and subject metal lockers shipped over the POI.³⁵

In any event, only 13 of 22 purchasers expressed an opinion as to whether prices of the U.S. product or subject imports were superior.³⁶ Five of those 13 purchasers reported that product from both sources were comparable while eight purchasers considered U.S. prices inferior.³⁷ Of the eight purchasers that reported U.S. prices to be inferior, however, only two purchasers purchased both subject imports and domestic products, and these firms reported

³¹ CR/PR at V-10 n.10, V-9 n.13. In doing so, the Commission excluded pricing data from U.S. importers *** because those firms did not import or sell metal lockers meeting the pricing product definitions. It also excluded pricing data from U.S. importer *** because ***. *See id.* The Commission did not exclude price data reported by ***. CR/PR at V-9 n.14.

³² *** confirmed that *** and that the ***. Moreover, *** did not report any *** and *** indicated that their top ten customers ***. CR/PR at V-10 n.14.

³³ *See* CR/PR at II-10; Petitioners Prehearing Br. at Exhibits 5-8; Petitioners Posthearing Br. at Exhibit 6.

³⁴ CR/PR at V-21-22. The *** purchasers were those that were identified by the petitioners in their petition and by U.S. producers and U.S. importers in their preliminary phase questionnaires. In addition, it included those firms that submitted U.S. purchaser questionnaire responses in the preliminary phase of the investigation.

³⁵ Derived from CR/PR at Tables V-10, C-1.

³⁶ CR/PR at Table II-10.

³⁷ These eight purchasers reported purchasing *** pounds of product between 2018 and 2020, which accounted for only *** percent of the collective total of domestic and subject metal lockers shipped over the POI. Derived from CR/PR at Tables V-10, C-1.

only sometimes purchasing the lowest priced product.³⁸ Four other purchasers purchased only from domestic sources despite reporting that domestic prices were inferior and that they always or frequently purchased the lowest priced product, indicating that prices for the subject imports may not have been lower priced in a significant number of instances.³⁹

In addition, the lost sales information show that of the 22 responding purchasers that petitioners alleged had purchased subject imports instead of their product, six reported purchasing subject imports instead of the domestic like product. Four of these purchasers reported that prices of subject imports were lower than those of the domestic like product, and three purchasers reported that price was a primary reason for purchasing subject imports.⁴⁰ The quantity of product involved in those lost sales, however, totaled *** pounds of metal lockers, which is equivalent to only *** percent of U.S. shipments of subject imports and *** percent of the domestic industry's shipments.

Nor do we find that petitioners' contemporaneous pricing documents show that subject imports significantly undersold the domestic like product during the POI.⁴¹ These selective documents are composed of dealer bid information for projects to institutional clients. These show that for a small number of projects, dealers/contractors using subject lockers were awarded contracts over dealers/contractors using U.S. produced lockers. Several of these documents, however, are unclear as to the actual prices of metal lockers being offered by U.S. producers and U.S. importers because the overall bid quotations do not subdivide freight, installation, and dealer markup costs from the actual price of metal lockers.⁴² Moreover, despite that the other selected documents submitted by petitioners show that subject imports

³⁸ *** & *** U.S. Purchaser Questionnaire Responses at II-1, IV-3. The other purchasers appear to base their opinion on their impressions of price on bid comparisons. Yet, bids also may include other services such as installation and other products such as metal partitions and accessories. Hearing Tr. at 144-45 (Jorgenson); *see also* Petitioners Prehearing Br. at Exhibit 8.

³⁹ ***, ***, ***, & *** U.S. Purchaser Questionnaire Responses at II-1, III-26.

⁴⁰ CR/PR at Table V-11.

⁴¹ Petitioners also submitted declarations from U.S. producer company officials containing assertions regarding the lower price being offered by subject imports. Petitioners Prehearing Br. at Exhibits 5-8; Petitioners Posthearing Br. at Exhibit 6. We place more weight on the accompanying contemporaneous documentation attached to these declarations as they provide support for the statements contained therein. As explained, we find that these documents, although showing that subject imports were lower priced in some instances, do not support a finding of significant underselling when considered in light of the totality of the evidence on the record.

⁴² Petitioners Prehearing Br. at Exhibit 8.

were in some instances being offered to certain U.S. customers at lower prices, the quantities involved are uncertain.^{43 44}

Consequently, while we recognize the existence of some evidence of underselling by subject imports in the U.S. market and lost sales due to price, we do not find that the record supports a finding of significant underselling. Nor did the underselling result in a significant market share shift from the domestic product to subject imports or other significant price effects. As discussed above, subject import market share declined from *** percent in 2017 to *** percent in 2018, and then increased to *** percent in 2020 as U.S. producer *** and U.S. importers of gun cabinets, *** and ***, imported and shipped subject metal lockers for non-price reasons,⁴⁵ and as U.S. shipments of the domestic like product to the institutional segment were impacted by the COVID-19 pandemic.⁴⁶

In examining price trends for the domestic like product and subject imports over the POI, we observe that prices of the domestic like product and subject imports increased from January 2018 to December 2020 for all four domestically produced pricing products.⁴⁷ Domestic price increases for the four pricing products ranged from *** percent to *** percent and subject imports price increases ranged from *** percent to *** percent.⁴⁸ Given that prices increased, notably, during a time of declining demand, we do not find that subject imports depressed prices to a significant degree.⁴⁹

We have further considered whether subject imports have prevented price increases that otherwise would have occurred to a significant degree. During the POI, the domestic industry's COGS to net sales ratio increased by *** percentage points, from *** percent in 2018

⁴³ Petitioners Prehearing Br. at Exhibits 5-8; Petitioners Posthearing Br. at Exhibit 6.

⁴⁴ In addition, we do not find a comparison of import AUVs and the domestic industry's U.S. shipment AUVs to be a useful measure of underselling because they do not yield apples-to-apples comparisons. Given that metal lockers are sold in a wide variety of sizes, configurations, and storage possibilities, AUVs will be affected by differences in product mix. CR/PR at I-17. Import AUVs also do not account for costs such as transportation from port to the U.S. importers' facilities, SG&A, and importers' markup.

⁴⁵ ***, ***, and *** collective increase in U.S. shipments of imports between 2019 and 2020 of *** pounds, in fact, exceeded the *** pound increase in subject import shipments between 2019 and 2020. Calculated from ***, ***, and *** U.S. Importer Questionnaire Responses; CR/PR at Table C-1.

⁴⁶ CR/PR at Table III-8, Figure IV-5.

⁴⁷ CR/PR at Tables V-3-6.

⁴⁸ CR/PR at Table V-7.

⁴⁹ For the same reasons, we also do not find that U.S. importers' increase in inventories from 2019 to 2020 had the effect of depressing prices.

to *** percent in 2019 and *** percent in 2020.⁵⁰ Petitioners argue that the domestic industry experienced a cost price squeeze when its steel costs increased in 2018 with the imposition of section 232 tariffs, and that the industry was unable to pass through its rising steel costs. They claim that the POI therefore began with suppressed prices, which continued through the remainder of the POI as the industry had to roll back price increases and was unable to increase prices to the extent necessary to cover costs.⁵¹

The record, however, does not support petitioners' assertions. Data from the preliminary investigations show that from 2017 to 2018, the industry's average unit net sales value increased by \$***, which was more than the \$*** increase in average unit raw material costs and the same as the \$*** increase in average unit COGS.⁵² Thus, the industry was able to recover increases in raw material costs that occurred in 2018, and was able to do so throughout the POI. Between 2018 and 2020, the industry increased even further its average unit net sales value as it increased prices, passing along the entire increase in its raw material costs.⁵³

Given the complete recovery of rising raw material costs, the increase in the ratio of COGS to net sales was driven entirely by declines in the industry's quantity of net sales, as production and shipments declined and the industry's high fixed costs⁵⁴ were spread over a smaller volume of sales.⁵⁵ As explained above, the declines in the industry's shipments were predominantly due to falling demand, particularly in 2020 during the COVID-19 pandemic as business activity was limited and institutions such as schools were closed. While a small fraction of the decline in the industry's shipments was due to a market share shift to subject imports, we have discussed that this was due to an increase in shipments of subject imports attributable to ***, ***, and ***, which increased their subject imports and shipments of subject imports due to non-price reasons. In any event, the industry was able to increase prices even under contracting market conditions, and we find it unlikely that the industry could have

⁵⁰ CR/PR at Table VI-1. The domestic industry's average unit net sales value also increased from \$*** per pound in 2018 to \$*** per pound in 2019 and \$*** per pound in 2020. CR/PR at Table C-1. The industry's average unit net sales value by product type (*i.e.*, preconstructed lockers, kits/ready-to-assemble packages, and components) also increased in each year of the POI. CR/PR at Table III-7.

⁵¹ Petitioners Prehearing Br. at 23-25, Exhibits 6-8; Petitioners Posthearing Br. at 7.

⁵² *Metal Lockers from China*, Inv. Nos. 701-TA-656 and 731-TA-1533 (Preliminary), USITC Pub. at 5113 at 30-31 (Aug. 2020) at VI-2; Preliminary Confidential Staff Report, Memorandum INV-SS-103 (August 2020) at Table VI-2.

⁵³ From 2018 to 2020, AUVs for net sales increased by \$***, which exceeded the \$*** increase average unit raw material costs, and was the same as the \$*** increase in average unit COGS. CR/PR at Table VI-2.

⁵⁴ The industry's other factory costs accounted for between *** percent and *** percent of its total COGS. CR/PR at Table VI-1.

⁵⁵ CR/PR at Table VI-2.

increased prices to even a greater extent and pass along entirely their increasing unit fixed costs.⁵⁶ In light of the foregoing, we do not find that subject imports prevented price increases which otherwise would have occurred to a significant degree.

Relying upon their own declarations and some accompanying contemporaneous documentation, as well as the U.S. purchaser lost sales/lost revenue surveys, petitioners claim that subject import competition prevented the industry from pricing at levels needed to sustain operations.⁵⁷ These pieces of evidence, however, do not support a finding of significant price suppression in light of the industry's recovery of its raw material costs over the POI and declining demand as discussed above. We observe that the cited contemporaneous documentary support was mostly limited to ***.⁵⁸ However, we observe that *** did not cite to lower-priced subject imports in its discussions with *** as the reason for agreeing to a ***. Moreover, as *** acknowledged, ***.⁵⁹ With respect to ***, ***, ***.⁶⁰ And ***, ***.⁶¹ We note that ***, however, acknowledged that ***, and consequently ***.⁶²

The lost sales/lost revenue surveys also do not support a finding of significant price suppression on this record. Of the 16 responding U.S. purchasers with knowledge as to whether U.S. producers had reduced prices in order to compete with lower-priced subject imports, most (10 purchasers) reported that U.S. producers had not done so.⁶³ While six purchasers answered in the affirmative, four of those purchasers – *** – were distributors that purchased exclusively from U.S. producers during the POI. Based on their narrative responses, these firms appear to discuss their *** as opposed to ***.⁶⁴ The record, when considered as a whole, does not demonstrate significant price suppression caused by subject imports.

In sum, we find that the record does not support a finding that subject imports significantly undersold the domestic like product. We also do not find that the effect of subject imports was to depress prices to a significant degree or prevent price increases, which otherwise would have occurred to a significant degree. Accordingly, we do not find that subject imports had significant adverse price effects on the domestic industry.

⁵⁶ Apparent U.S. consumption steadily declined by *** percent between 2018 and 2020. CR/PR at Table C-1.

⁵⁷ Petitioners Posthearing Br. at 7, Exhibit 6; Petitioners Prehearing Br. at Exhibits 5-8.

⁵⁸ Petitioners Posthearing Br. at Exhibit 6.

⁵⁹ Petitioners Posthearing Br. at Exhibit 6.

⁶⁰ Petitioners Posthearing Br. at Exhibit 6.

⁶¹ Petitioners Posthearing Br. at Exhibit 6.

⁶² Petitioners Prehearing Br. at Exhibits 6 & 8 ***, ***. *See id.*

⁶³ CR/PR at Table V-12.

⁶⁴ CR/PR at Table V-12.

C. Impact of the Subject Imports

Section 771(7)(C)(iii) of the Tariff Act provides that in examining the impact of subject imports, the Commission “shall evaluate all relevant economic factors which have a bearing on the state of the industry.”⁶⁵ 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.”⁶⁶

From 2018 to 2020, although a few of the industry’s performance indicators improved, the industry’s financial condition worsened. This coincided with a decline in apparent U.S. consumption, *** percent.⁶⁷

Specifically, the industry’s capacity increased by *** percent, but its production fell by *** percent; as a result, its capacity utilization declined by *** percent.⁶⁸ U.S. shipments fell by *** percent.⁶⁹ The domestic industry’s market share declined by *** percentage points, from *** percent in 2018 to *** percent in 2020, but as discussed in the Volume section above, the domestic industry, in fact, gained market share between 2018 and 2019; the domestic industry’s loss (and subject imports’ gain) in market share occurred only in 2020 and was attributable to the impact that the COVID-19 pandemic had on *** as well as *** and *** belief that they were unable to source gun cabinets domestically. End-of-period inventories were ***

⁶⁵ 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.”).

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

⁶⁷ CR/PR at Table C-1. Apparent U.S. consumption declined from *** pounds in 2018 to *** pounds in 2019 and *** pounds in 2020. *See id.*

⁶⁸ CR/PR at Table C-1. The domestic industry’s capacity increased from *** pounds in 2018 to *** pounds in 2019 and 2020. The industry’s production declined from *** pounds in 2018 to *** pounds in 2019 and *** pounds in 2020. The industry’s capacity utilization increased from *** percent in 2018 to *** percent in 2019 and *** percent in 2020. *See id.*

⁶⁹ CR/PR at Table C-1. U.S. shipments decreased from *** pounds in 2018 to *** pounds in 2019 and to *** pounds in 2020. *See id.*

percent higher in 2020 than in 2018, and the ratio of end-of-period inventories to total shipments increased by *** percentage points.⁷⁰

Most of the domestic industry’s employment measures – *e.g.*, production workers (“PRWs”), hours worked, and wages paid – improved between 2018 and 2019, but then declined in 2020.⁷¹ Hourly wages steadily increased over the POI while productivity experienced declines.⁷²

The industry’s net sales quantity fell by *** percent by quantity and by *** percent by value, while the average unit value (“AUV”) of its net sales rose by *** percent.⁷³ Its financial performance declined, with its operating income falling by *** percent and its net income ***; 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.⁷⁴ Capital expenditures increased by *** percent while research and development expenses rose by *** percent.⁷⁵

The record in the final phase of the investigations does not evince a causal nexus between the steady decline in the industry’s performance and the presence of subject imports. Indeed, while the volume of subject imports *declined* in volume and market share between 2018 and 2019 and ***, the industry still experienced a deterioration of its profits and

⁷⁰ CR/PR at Table C-1. End-of-period inventories were *** pounds in 2018, *** pounds in 2019, and *** pounds in 2020. Their ratios to total shipments were *** percent in 2018 and 2019 and *** percent in 2020. *See id.*

⁷¹ CR/PR at Table C-1. PRWs increased from *** in 2018 to *** in 2019, before declining to *** in 2020. Hours worked increased from *** in 2018 to *** in 2019, before decreasing to *** in 2020. Total wages paid increased from \$*** in 2018 to \$*** in 2019, before declining to \$*** in 2020. CR/PR at Table C-1.

⁷² CR/PR at Table C-1. Hourly wages increased from \$*** in 2018 to \$*** in 2019 and to \$*** in 2020. Productivity declined from *** pounds per hour in 2018 to *** pounds per hour in 2019 and to *** pounds per hour in 2020. *See id.*

⁷³ CR/PR at Table C-1. Net sales quantity declined from *** pounds in 2018 to *** pounds in 2019 and *** pounds in 2020; net sales value increased from \$*** in 2018 to \$*** in 2019, before declining to \$*** in 2020. Average unit values increased from \$*** in 2018 to \$*** in 2019 and \$*** in 2020. *See id.*

⁷⁴ CR/PR at Table C-1. Operating income declined from \$*** in 2018 to \$*** in 2019 and \$*** in 2020. Net income declined from \$*** in 2018 to *** in 2019 and *** in 2020. The industry’s operating margin declined from *** percent in 2018 to *** percent in 2019 and *** percent in 2020. Its net income margin declined from *** percent in 2018 to *** percent in 2019 and *** percent in 2020. *See id.*

⁷⁵ CR/PR at Table C-1. Capital expenditures increased from \$*** in 2018 to \$*** in 2019, and \$*** in 2020. *See id.* The increase in capital expenditures were attributable to increases reported by ***, ***, and ***. CR/PR at VI-19 n.19.

Research and development expenses increased from \$*** in 2018 to \$*** in 2019 and \$*** in 2020. *See id.*

operating and net income margins, which continued into 2020. This occurred because, as previously discussed, despite the industry being able to increase prices as its raw material costs increased, the increase in the industry's unit net sales value did not fully cover the increase in its unit COGS as its fixed unit costs were spread over a declining volume of U.S. shipments. The industry's declining volume of shipments occurred as demand declined and the COVID-19 pandemic caused U.S. shipments to the institutional segment to drop and *** to experience ***. Thus, on this record, we find that the declines in the industry's financial condition were tied to declining U.S. shipments caused by declining demand and COVID-19 and the consequent increase in the industry's ratio of COGS to net sales rather than to subject imports.

Petitioners, pointing to the industry's "unhealthy" net income and operating income ratios and low capacity utilization rate in 2018, assert that the domestic industry entered the POI in an injured state due to subject imports. According to petitioners, certain former purchasers became importers of subject merchandise over the course of the past several years; petitioners also cite to their submitted contemporaneous documentation reflecting price negotiations with ***.⁷⁶ We observe, however, that most firms referenced by petitioners as having become importers did so almost ten years or more before the POI. In addition, the contemporaneous pricing documentation are relatively dated. Such historical information regards events that occurred under different economic conditions and are unable to be analyzed on this record. It simply is not clear on this record that the domestic industry was already suffering from material injury by reason of subject imports when the three-year POI began. We consequently give more probative weight to the extensive data collected on all factors for the current period of investigation here as providing the relevant basis for us to discern whether the industry was materially injured.⁷⁷

In view of the foregoing, we find that subject imports did not have a significant impact on the domestic industry. We accordingly determine that the domestic industry is not materially injured by reason of subject imports from China.

⁷⁶ Petitioners Posthearing Br. at Exhibit 1 pp.22-29.

⁷⁷ See *U.S. Steel Group v. United States*, 96 F.3d 1352, (Fed Cir. 1996) (noting that during an investigation period, the Commission collects extensive economic data from which it develops a thorough understanding of extremely intricate economic interactions, and that the Commission is well within its discretion to discount fragmentary evidence from outside the period of investigation, which may be difficult to interpret and is susceptible of "myriad explanations").

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.”⁷⁸ 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.⁷⁹ In making our determination, we consider all statutory threat factors that are relevant to these investigations.⁸⁰

⁷⁸ 19 U.S.C. § 1677(7)(F)(ii).

⁷⁹ 19 U.S.C. § 1677(7)(F)(ii).

⁸⁰ 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,

(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.

B. Analysis

1. Likely Volume

As discussed above, subject imports declined between 2018 and 2019, from *** pounds in 2018 to *** pounds in 2019, before increasing to *** pounds in 2020 for an overall increase of *** pounds over the POI.⁸¹ Subject imports' share of apparent U.S. consumption also declined between 2018 and 2019, from *** percent in 2018 to *** percent in 2019, before increasing to *** percent in 2020 for an overall *** percentage point increase.

These subject import volume trends do not show an increasing tendency likely to imminently threaten the domestic industry with material injury. As discussed above, subject import volume and market share declined between 2018 and 2019, increasing only in 2020. The increase in subject import market share is linked to increasing U.S. shipments of subject imports by *** and *** and ***, as they shipped subject metal lockers that they attempted to source domestically but were unable to do so.⁸²

The remaining subject imports were placed into inventory, causing U.S. importers' absolute end-of-period inventories to increase from *** pounds in 2019 to *** pounds in 2020.⁸³ We note, however, that end-of-period inventories initially declined by *** pounds from 2018 to 2019. Moreover, given that most of importers' commercial shipments came from inventories, neither the increase from 2019 to 2020 nor the substantial volume retained in importer inventories throughout the POI are surprising.⁸⁴ In any event, the high inventory levels during the POI did not lead to significant increases in shipments of subject imports; rather such shipments fell from 2018 and 2019 and increased only due to shipments made by ***, and ***.⁸⁵

Statutory threat factors (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.

⁸¹ CR/PR at Table IV-2.

⁸² *** U.S. Importer Questionnaire Response at II-5a; *** U.S. Purchaser Questionnaire Response at III-28(c); Respondents Posthearing Br. at Exhibits 9 & 10; Hearing Tr. at 148-49, 224-25 (Lock).

⁸³ CR/PR at Table VII-6.

⁸⁴ CR/PR at II-13.

⁸⁵ Relying on metal lockers imported under HTS 9403.20.0078, petitioners assert that subject imports were 193.5 percent higher in the first quarter of 2021 than in the first quarter of 2020.

We further consider that, based upon the responding subject producers' questionnaire responses,⁸⁶ it appears that the subject industry in China has substantial production capacity and excess capacity,⁸⁷ and is export-oriented.⁸⁸ Moreover, subject producers reported having product-shifting capabilities as responding firms produced other products on the same equipment and machinery used to produce metal lockers.⁸⁹ Notwithstanding this, responding subject foreign producers did not increase their exports to the United States to levels sufficient to have significant adverse effects on the domestic industry.⁹⁰

These collected data reflect that, as the pandemic ends and U.S. demand improves, there is not a likelihood of a significant increase in subject imports in the imminent future.⁹¹ To the contrary, as the market recovers post-COVID, U.S. producers will likely increase their sales as schools and other institutions reopen. ***, will likely produce and sell more product domestically as **. Moreover, *** and *** – with their newfound knowledge regarding List's

Petitioners Prehearing Br. at Exhibit 12. However, imports under that statistical reporting number are not a good indicator of subject import volumes as it contains imports of out-of-scope merchandise.

Based upon questionnaire responses, reported arranged imports of subject merchandise for 2021 (***) pounds totaled only *** percent of total subject imports in 2020 (***) pounds. CR/PR at Tables IV-2, VII-7.

⁸⁶ The Commission received usable responses from six foreign producers believed to account for *** imports of metal lockers from China in 2020. CR/PR at VII-3 to VII-4.

⁸⁷ The subject industry's capacity increased *** percent over the POI, from *** pounds in 2018 to *** pounds in 2020, and is projected to decrease slightly in 2021 and 2022; their production increased by *** percent from *** pounds in 2018 to *** pounds in 2020, and is projected to decrease in 2021 and 2020. The subject industry's reported capacity utilization rate increased from *** percent in 2018 to *** percent in 2020, and is projected to decline in 2020 and 2021 along with production. CR/PR at Table VII-3.

⁸⁸ CR/PR at Table VII-3. During the POI, the subject industry's share of shipments that was exported to the United States increased from *** percent in 2018 to *** percent in 2020; this share is projected to decrease to approximately 2018 levels in 2021 and 2022, as exports to other markets are expected to increase slightly, but remain a small minority of shipments. *See id.*

⁸⁹ CR/PR at Table VII-3.

⁹⁰ In our analysis, we have also considered the nature of subsidies Commerce has found to be countervailable. In its final countervailing duty determination concerning metal lockers from China, Commerce found 19 subsidy programs to be countervailing, including income tax and direct tax programs, indirect tax programs, preferential lending, export buyer's credits program, governmental provision of goods and services for less than adequate remuneration, and grant programs. Department of Commerce Issues and Decision Memorandum for the Final Affirmative Determination in the Countervailing Duty Investigation of Certain Metal Lockers and Parts Thereof from the People's Republic of China, C-570-134 (June 28, 2020) (EDIS Doc. 747408-1662542).

⁹¹ Petitioners and Respondents agree that the pandemic has suppressed U.S. demand. Respondents Posthearing Br. at 2; Petitioners Prehearing Br. at 26.

willingness to “evaluate a production proposal for light-duty gun lockers”⁹² and in light of their prior efforts to source product domestically⁹³ – will seek to source product from U.S. producers for their needs if U.S. producers have the capability to do so.

In sum, for all these reasons, we do not find a likelihood of any significant increase in subject import volume in the imminent future.

2. Likely Price Effects

We found above that the record does not support a finding that subject imports significantly undersold the domestic like product. We also found that subject imports did not depress prices to a significant degree, or prevent price increases that would otherwise have occurred to a significant degree during the POI. The record provides no indication that the pricing of subject imports is likely to be different in the imminent future than during the POI. Our finding that there is not a likelihood of significantly increased subject imports in the imminent future further supports a conclusion that pricing patterns for subject imports are unlikely to change appreciably in the imminent future and are unlikely to cause significant price effects. We consequently find that imports of subject merchandise from China are unlikely to enter the U.S. market at prices that are likely to have significant depressing or suppressing effect on domestic prices and that are likely to increase demand for further subject imports.

3. Likely Impact

As we discussed above, the domestic industry experienced declines in its financial performance over the POI, but we found no causal nexus between subject imports and the domestic industry’s performance. Nothing in the record of these investigations gives us reason to believe that any further deterioration of the condition of the domestic industry will occur by reason of the subject imports in the imminent future. Therefore, we find that material injury by reason of subject imports will not occur absent issuance of antidumping and countervailing duty orders.

Accordingly, we find that the domestic industry is not threatened with material injury by reason of subject imports.

⁹² Petitioners Posthearing Br. at Exhibit 6. Indeed, the record does not appear to support that U.S. producers have evaluated whether they can even produce the type of gun cabinets required by *** and ***.

⁹³ Respondents Posthearing Br. at Exhibits 9 & 10.

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 imports of metal lockers found by Commerce to be sold at less than fair value and subsidized by the government of China.

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 List Industries, Inc., Deerfield Beach, Florida (“List Industries”); Lyon, LLC, Montgomery, Illinois (“Lyon”); Penco Products, Inc., Greenville, North Carolina (“Penco”); and Tenssco Corp., Dickson, Tennessee (“Tenssco”), on July 9, 2020, alleging that an industry in the United States is materially injured or threatened with material injury by reason of subsidized and less-than-fair-value (“LTFV”) imports of certain metal lockers and parts thereof (“metal lockers”)^{1 2} from China. The following tabulation provides information relating to the background of these investigations.^{3 4}

| Effective date | Action |
|--------------------|---|
| July 9, 2020 | Petitions filed with Commerce and the Commission; institution of the Commission's investigations (85 FR 42917, July 15, 2020) |
| July 29, 2020 | Commerce's notice of initiation (85 FR 47343, August 5, 2020 (antidumping), and 85 FR 47353, August 5, 2020 (countervailing)) |
| August 24, 2020 | Commission's preliminary determinations (85 FR 53399, August 28, 2020) |
| September 21, 2020 | Commerce's postponement of preliminary countervailing duty determination (85 FR 59287) |
| December 1, 2020 | Commerce's postponement of preliminary antidumping duty determination (85 FR 77157) |
| December 14, 2020 | Commerce's preliminary countervailing duty determination and alignment of final determination with final antidumping duty determination (85 FR 80771) |
| February 11, 2021 | Commerce's preliminary antidumping duty determination, postponement of final determination (86 FR 9051) |

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 On October 15, 2020, Lyon LLC withdrew as a petitioner in these investigations.

³ Pertinent *Federal Register* notices are referenced in appendix A, and may be found at the Commission's website (www.usitc.gov).

⁴ Appendix B of this report presents a list of witnesses appearing at the Commission's hearing.

| Effective date | Action |
|-------------------|--|
| February 11, 2021 | Scheduling of final phase of Commission investigations (86 FR 14338, March 15, 2021) |
| June 24, 2021 | Commission's hearing |
| July 7, 2021 | Commerce's final affirmative countervailing duty determination (86 FR 35741, July 7, 2021) |
| July 7, 2021 | Commerce's final affirmative antidumping duty determination (86 FR 35737, July 7, 2021) |
| July 27, 2021 | Commission's vote |
| August 13, 2021 | Commission's views |

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--⁵

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

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

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.

In addition, Section 771(7)(J) of the Act (19 U.S.C. § 1677(7)(J)) provides that—⁶

(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.

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

Market summary

Metal lockers are generally used for storage in schools; fitness centers; apartment buildings; offices; condominiums; single-family homes; athletic facilities; public private, and government buildings; warehouses; factories; transportation hubs; healthcare facilities; amusement parks; military installations; retail businesses; and other commercial and industrial establishments. The leading U.S. producers of metal lockers are ***, while leading producers of metal lockers outside the United States include ***, ***, and *** of China. The leading U.S. importers of metal lockers from China are ***, ***, and ***. Leading importers of metal lockers from nonsubject countries (primarily ***) include *** and ***. U.S. purchasers of metal lockers are firms that are involved with retail, storage, or logistics; leading purchasers include *** and ***.

Apparent U.S. consumption of metal lockers totaled approximately *** pounds (\$***) in 2020. Currently, nine firms⁷ are known to produce metal lockers in the United States. U.S. producers' U.S. shipments of metal lockers totaled *** pounds (\$***) in 2020, and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. importers' U.S. shipments from China totaled *** pounds (\$***) in 2020 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. importers' U.S. shipments from nonsubject sources totaled *** pounds (\$***) in 2020 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value.

⁷ The petition identified nine U.S. domestic producers of metal lockers, and six firms provided complete U.S. producers' questionnaire responses. ***. Petitioners noted that *** stopped producing metal lockers in the second quarter of 2020. Petitions, Vol. 1, pp. 3 and 19.

***, originally identified in the petitions as a U.S. producer, provided a U.S. purchaser questionnaire in the final phase, stating it's more in line with the firm's operations. See email from ***, July 23, 2020. In the final phase, the Commission sent a U.S. producers' questionnaire to *** U.S. supplier, ***, but the firm did not provide a questionnaire response.

Summary data and data sources

A summary of data collected in these investigations is presented in appendix C, table C-1. Except as noted, U.S. industry data are based on questionnaire responses of six firms that accounted for *** of U.S. production of metal lockers during 2020.⁸ U.S. imports are based on questionnaire responses from 26 companies that accounted for *** of U.S. imports from China in 2020.

Previous and related investigations

Metal lockers have not been the subject of prior countervailing and antidumping duty investigations in the United States.

Nature and extent of subsidies and sales at LTFV

Subsidies

On July 7, 2021, Commerce published a notice in the *Federal Register* of its final determination of countervailable subsidies for producers and exporters of metal lockers from China.⁹ Table I-1 presents Commerce's findings of subsidization of metal lockers in China.

⁸ ***. Petitions, Vol. 1, p. 5 and Exh. GEN-2. Staff believes that, since it received a response in addition to the estimated *** percent, domestic producers responses account for *** of the domestic production of metal lockers in 2020.

⁹ 86 FR 35741, July 7, 2021.

Table I-1
Metal lockers: Commerce’s final subsidy determination with respect to imports from China

Final countervailable subsidy rate in percent

| Entity | Final countervailable subsidy rate |
|--|------------------------------------|
| Zhejiang Xingyi Metal Products Co., Ltd. | 24.66 |
| Changshu Taron Machinery Equipment Manufacturing Co., Ltd. | 131.51 |
| Guangdong Yuhua Building Materials Co., Ltd. | 131.51 |
| Jiangsu Tongrun Tool Cabinet Co., Ltd. | 131.51 |
| Luoyang Mas Younger Office Furniture Co. / Luoyang Mas Younger Export and Import Co. | 131.51 |
| Luoyang Shidiu Import and Export Co., Ltd. | 131.51 |
| Suzhou Yuanda Commercial Products Co. Ltd. | 131.51 |
| Winnsen Industry Co., Ltd. | 131.51 |
| Xiamen Headleader Technology | 131.51 |
| All others | 24.66 |

Source: 86 FR 35741, July 7, 2021.

Sales at LTFV

On July 7, 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 product from China.

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

Final estimated weighted average dumping margin in percent

| Exporter | Producer | Estimated weighted average dumping margin | Cash Deposit Rate (Adjusted for Subsidy Offsets) |
|---|--|---|--|
| Hangzhou Xline Machinery & Equipment Co., Ltd. (Hangzhou Xline) | Hangzhou Jusheng Metal Products Co., Ltd | 0.00 | 0.00 |
| Zhejiang Xingyi Metal Products Co., Ltd. / Xingyi Metalworking Technology (Zhejiang) Co., Ltd. | Zhejiang Xingyi Metal Products Co., Ltd. / Xingyi Metalworking Technology (Zhejiang) Co., Ltd. | 21.25 | 10.71 |
| Geelong Sales (Macao Commercial Offshore) Limited (a.k.a. Geelong Sales (MCO) Limited, Geelong Sales (Macao Commercial) Limited, and Geelong Sales (MC) Limited | Zhongshan Geelong Manufacturing Co. Ltd | 21.25 | 10.71 |
| Hangzhou Evernew Machinery & Equipment Company Limited | Zhejiang Yinghong Metalworks Co., Ltd. | 21.25 | 10.71 |
| Hangzhou Zhuoxu Trading Co., Ltd. | Shanghai Asi Building Materials Co., Ltd. | 21.25 | 10.71 |
| Hangzhou Zhuoxu Trading Co., Ltd. | Luoyang Mingxiu Office Furniture Co., Ltd. | 21.25 | 10.71 |
| Hangzhou Zhuoxu Trading Co., Ltd. | Luoyang Wandefu Import and Export Trading Co. Ltd | 21.25 | 10.71 |
| Hangzhou Zhuoxu Trading Co., Ltd. | Zhejiang Xingyi Metal Products Co., Ltd | 21.25 | 10.71 |

¹⁰ 86 FR 35737, July 7, 2021.

| Exporter | Producer | Estimated weighted average dumping margin | Cash Deposit Rate (Adjusted for Subsidy Offsets) |
|---|--|--|---|
| Jiaxing Haihong Mechanical and Electrical Technology Co. Ltd. | Zhejiang Steelrix Office Furniture Co., Ltd. | 21.25 | 10.71 |
| Kunshan Dongchu Precision Machinery Co., Ltd. | Kunshan Dongchu Precision Machinery Co., Ltd. | 21.25 | 10.71 |
| Luoyang Hynow Import and Export Co., Ltd. | Luoyang Jiudu Golden Cabinet Co., Ltd. | 21.25 | 10.71 |
| Luoyang Shidiu Import and Export Co., Ltd. | Luoyang Yuabo Office Machinery Co., Ltd. | 21.25 | 10.71 |
| Luoyang Steelart Office Furniture Co., Ltd. | Luoyang Yongwei Office Furniture Co., Ltd. | 21.25 | 10.71 |
| Luoyang Steelart Office Furniture Co., Ltd. | Luoyang Zhuofan Steel Product Factory | 21.25 | 10.71 |
| Luoyang Steelart Office Furniture Co., Ltd. | Luoyang Flyer Office Furniture Co., Ltd. | 21.25 | 10.71 |
| Pinghu Chenda Storage Office Co., Ltd. | Pinghu Chenda Storage Office Co., Ltd. (Pinghu Chenda) | 21.25 | 10.71 |
| Tianjin Jia Mei Metal Furniture Ltd. | Tianjin Jia Mei Metal Furniture Ltd. (Tianjin Jia Mei) | 21.25 | 10.71 |
| China-wide entity | | 322.25 | 311.71 |

Source: 86 FR 35737, July 7, 2021.

The subject merchandise

Commerce's scope

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

The scope of this investigation covers certain metal lockers, with or without doors, and parts thereof (metal lockers). The subject metal lockers are secure metal storage devices less than 27 inches wide and less than 27 inches deep, whether floor standing, installed onto a base or wall-mounted. In a multiple locker assembly (whether a welded locker unit, otherwise assembled locker unit or knocked down unit or kit), the width measurement shall be based on the width of an individual locker not the overall unit dimensions. All measurements in this scope are based on actual measurements taken on the outside dimensions of the single-locker unit. The height is the vertical measurement from the bottom to the top of the unit. The width is the horizontal (side to side) measurement of the front of the unit, and the front of the unit is the face with the door or doors or the opening for internal access of the unit if configured without a door. The depth is the measurement from the front to the back of the unit. The subject certain metal lockers typically include the bodies (back, side, shelf, top and bottom panels), door frames with or without doors which can be integrated into the sides or made separately, and doors.

The subject metal lockers typically are made of flat-rolled metal, metal mesh and/or expanded metal, which includes but is not limited to alloy or non-alloy steel (whether or not galvanized or otherwise metallurgically coated for corrosion resistance), stainless steel, or aluminum, but the doors may also include transparent polycarbonate, Plexiglas or similar transparent material or any combination thereof. Metal mesh refers to both wire mesh and expanded metal mesh. Wire mesh is a wire product in which the horizontal and transverse wires are welded at the cross-section in a grid pattern. Expanded metal mesh is made by slitting and stretching metal sheets to make a screen of diamond or other shaped openings.

Where the product has doors, the doors are typically configured with or for a handle or other device or other means that permit the use of a mechanical or electronic lock or locking mechanism, including, but not limited to: a combination lock, a padlock, a key lock (including cylinder locks) lever or knob lock, electronic key pad, or other electronic or wireless lock. The handle and locking mechanism, if included, need not be integrated into one another. The subject locker may or may not also enter

¹¹ 86 FR 35741, July 7, 2021.

with the lock or locking device included or installed. The doors or body panels may also include vents (including wire mesh or expanded metal mesh vents) or perforations. The bodies, body components and doors are typically powder coated, otherwise painted or epoxy coated or may be unpainted. The subject merchandise includes metal lockers imported either as welded or otherwise assembled units (ready for installation or use) or as knocked down units or kits (requiring assembly prior to installation or use).

The subject lockers may be shipped as individual or multiple locker units preassembled, welded, or combined into banks or tiers for ease of installation or as sets of component parts, bulk packed (i.e., all backs in one package, crate, rack, carton or container and sides in another package, crate, rack, carton or container) or any combination thereof. The knocked down lockers are shipped unassembled requiring a supplier, contractor or end-user to assemble the individual lockers and locker banks prior to installation.

The scope also includes all parts and components of lockers made from flat-rolled metal or expanded metal (e.g., doors, frames, shelves, tops, bottoms, backs, side panels, etc.) as well as accessories that are attached to the lockers when installed (including, but not limited to, slope tops, bases, expansion filler panels, dividers, recess trim, decorative end panels, and end caps) that may be imported together with lockers or other locker components or on their own. The particular accessories listed for illustrative purposes are defined as follows:

a. Slope tops: Slope tops are slanted metal panels or units that fit on the tops of the lockers and that slope from back to front to prevent the accumulation of dust and debris on top of the locker and to discourage the use of the tops of lockers as storage areas. Slope tops come in various configurations including, but not limited to, unit slope tops (in place of flat tops), slope hoods made of a back, top and end pieces which fit over multiple units and convert flat tops to a sloping tops, and slope top kits that convert flat tops to sloping tops and include tops, backs and ends.

b. Bases: Locker bases are panels made from flat-rolled metal that either conceal the legs of the locker unit, or for lockers without legs, provide a toe space in the front of the locker and conceal the flanges for floor anchoring.

c. Expansion filler panel: Expansion filler panels or fillers are metal panels that attach to locker units to cover columns, pipes or other obstacles in a row of lockers or fill in gaps between the locker and the wall. Fillers may

also include metal panels that are used on the sides or the top of the lockers to fill gaps.

d. Dividers: Dividers are metal panels that divide the space within a locker unit into different storage areas.

e. Recess trim: Recess trim is a narrow metal trim that bridges the gap between lockers and walls or soffits when lockers are recessed into a wall.

f. Decorative end panels: End panels fit onto the exposed ends of locker units to cover holes, bolts, nuts, screws and other fasteners. They typically are painted to match the lockers.

g. End caps: End caps fit onto the exposed ends of locker units to cover holes, bolts, nuts, screws and other fasteners.

The scope also includes all hardware for assembly and installation of the lockers and locker banks that are imported with or shipped, invoiced, or sold with the imported locker or locker system except the lock.

Excluded from the scope are wire mesh lockers. Wire mesh lockers are those with each of the following characteristics:

- (1) at least three sides, including the door, made from wire mesh;*
- (2) the width and depth each exceed 25 inches; and*
- (3) the height exceeds 90 inches.*

Also excluded are lockers with bodies made entirely of plastic, wood, or any nonmetallic material.

Also excluded are exchange lockers with multiple individual locking doors mounted on one master locking door to access multiple units. Excluded exchange lockers have multiple individual storage spaces, typically arranged in tiers, with access doors for each of the multiple individual storage space mounted on a single frame that can be swung open to allow access to all of the individual storage spaces at once. For example, uniform or garment exchange lockers are designed for the distinct function of securely and hygienically exchanging clean and soiled uniforms. Thus, excluded exchange lockers are a multi-access point locker whereas covered lockers are a single access point locker for personal storage. The excluded exchange lockers include assembled exchange lockers and those that enter in 'knock down' form in which all of the parts and components to assemble a completed exchange locker unit are packaged together. Parts for exchange lockers that are imported

separately from the exchange lockers in 'knock down' form are not excluded.

Also excluded are metal lockers that are imported with an installed electronic, internet-enabled locking device that permits communication or connection between the locker's locking device and other internet connected devices.

Also excluded are locks and hardware and accessories for assembly and installation of the lockers, locker banks and storage systems that are separately imported in bulk and are not incorporated into a locker, locker system or knocked down kit at the time of importation. Such excluded hardware and accessories include but are not limited to locks and bulk imported rivets, nuts, bolts, hinges, door handles, door/frame latching components, and coat hooks. Accessories of sheet metal, including but not limited to end panels, bases, dividers and sloping tops, are not excluded accessories.

Mobile tool chest attachments that meet the physical description above are covered by the scope of this investigation, unless such attachments are covered by the scope of the orders on certain tool chests and cabinets from China. If the orders on certain tool chests and cabinets from China are revoked, the mobile tool chest attachments from China will be covered by the scope of this investigation.

The scope also excludes metal safes with each of the following characteristics: (1) pry resistant, concealed hinges; (2) body walls and doors of steel that are at least 17 gauge (0.05625 inch or 1.42874 mm thick); and (3) an integrated locking mechanism that includes at least two round steel bolts 0.75 inch (19 mm) or larger in diameter; or three bolts 0.70 inch (17.78 mm) or more in diameter; or four or more bolts at least 0.60 inch (15.24 mm) or more in diameter, that project from the door into the body or frame of the safe when in the locked position.

The scope also excludes gun safes meeting each of the following requirements:

(1) Shall be able to fully contain firearms and provide for their secure storage.

(2) Shall have a locking system consisting of at minimum a mechanical or electronic combination lock. The mechanical or electronic combination lock utilized by the safe shall have at least 10,000 possible combinations consisting of a minimum three numbers, letters, or symbols. The lock shall

be protected by a casehardened (Rc 60+) drill-resistant steel plate, or drill-resistant material of equivalent strength.

(3) Boltwork shall consist of a minimum of three steel locking bolts of at least 1/2 inch thickness that intrude from the door of the safe into the body of the safe or from the body of the safe into the door of the safe, which are operated by a separate handle and secured by the lock.

(4) The exterior walls shall be constructed of a minimum 12-gauge thick steel for a single-walled safe, or the sum of the steel walls shall add up to at least 0.100 inches for safes with walls made from two pieces of flat-rolled steel.

(5) Doors shall be constructed of a minimum one layer of 7-gauge steel plate reinforced construction or at least two layers of a minimum 12-gauge steel compound construction.

(6) Door hinges shall be protected to prevent the removal of the door. Protective features include, but are not limited to: hinges not exposed to the outside, interlocking door designs, dead bars, jeweler's lugs and active or inactive locking bolts.

The scope also excludes metal storage devices that (1) have two or more exterior exposed drawers regardless of the height of the unit, or (2) are no more than 30 inches tall and have at least one exterior exposed drawer. Also excluded from the scope are free standing metal cabinets less than 30 inches tall with a single opening, single door and an installed tabletop.

The scope also excludes metal storage devices less than 27 inches wide and deep that (1) have two doors hinged on the right and left side of the door frame respectively covering a single opening and that open from the middle toward the outer frame; or (2) are free standing or wall-mounted, single-opening units 20 inches or less high with a single door.

Tariff treatment

Based upon the scope set forth by Commerce, information available to the Commission indicates that the merchandise subject to these investigations is provided for in statistical reporting numbers 9403.20.0078¹² and 9403.90.8041 of the Harmonized Tariff Schedule of the United States (“HTSUS” or “HTS”). In addition, subject certain metal lockers may also be reported under HTS 9403.20.0050 (a provision for miscellaneous metal household furniture). The 2021 general rate of duty is “Free” for HTS subheadings 9403.20.00 and 9403.90.80.¹³ Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

¹² HTSUS 9403.20.0080 was discontinued and 9403.20.0078 was established on July 1, 2019, *HTSUS (2019) Revision 8, Change Record, USITC Publication No. 4918, July 2019*. It covers the subject goods by name, while 9403.90.8041 covers a variety of metal parts of furniture.

¹³ *HTSUS (2021) Basic Revision 3, USITC publication 5193, April 2021, pp. 94-8, 94-11.*

Section 301 tariff treatment

Merchandise classifiable in these HTS subheadings was included among the group of products originating in China that are currently subject to an additional 25 percent ad valorem Section 301 duties,¹⁴ as of May 10, 2019.^{15 16 17} Any previously granted exclusions have expired.

¹⁴ Section 301 of the *Trade Act of 1974, as amended* (19 U.S.C. § 2411) authorizes the Office of the United States Trade Representative's ("USTR"), at the direction of the President, to take appropriate action to respond to a foreign country's unfair trade practices. On August 18, 2017, USTR initiated an investigation into certain acts, policies, and practices of the Government of China related to technology transfer, intellectual property, and innovation (82 FR 40213, August 24, 2017). On April 6, 2018, USTR published its determination that the acts, policies, and practices of China under investigation are unreasonable or discriminatory and burden or restrict U.S. commerce, and are thus actionable under section 301(b) of the *Trade Act* (83 FR 14906, April 6, 2018).

¹⁵ HTS subheadings 9403.20.00 and 9403.90.80 were included in the USTR's third enumeration ("Tranche 3") of products originating in China that became subject to an additional 10 percent ad valorem Section 301 duties (Annexes A and C of 83 FR 47974), on or after September 24, 2018. Tranche 3 covered 6,031 tariff subheadings, with an approximate annual trade value of \$200 billion (83 FR 47974, September 21, 2018).

Escalation of this duty to 25 percent ad valorem was rescheduled from January 1, 2019 (Annex B of 83 FR 14906, April 6, 2018) to March 2, 2019 (83 FR 65198, December 19, 2018), but was subsequently postponed until further notice (84 FR 7966, March 5, 2019), and then was implemented as of May 10, 2019 (84 FR 20459, May 9, 2019).

A subsequent modification was provided for subject goods exported from China prior to May 10, 2019 not to be subject to the escalated 25 percent duty, if such goods entered the United States prior to June 1, 2019 (84 FR 21892, May 15, 2019).

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, of 84 FR 46212, September 3, 2019).

¹⁶ See also U.S. notes 20(e) and 20(f) to subchapter III of HTS chapter 99.

¹⁷ *HTSUS (2021) Basic Revision 3, USITC publication 5193*, April 2021, pp. 99-III-23 to 99-III-24, 99-III-46, 99-III-209.

In addition, the raw materials for manufacturing metal lockers—certain flat-rolled steel mill products, such as cut-to-length plate, classifiable under the HTS subheadings of chapter 72—originating in China are currently subject to an additional 7.5 percent Section 301 ad valorem duty, as of February 14, 2020.^{18 19} These duties are in addition to the existing Section 232 duties on steel imports. Any previously granted exclusions have expired.

Section 232 tariff treatment

Metal lockers within the scope definition are not and have not been subject to additional duties under Section 232.²⁰ Rather, the flat-rolled steel mill products, classifiable under the HTS headings of chapter 72, for manufacturing metal lockers were included in the enumeration of iron and steel articles (imported on or after March 23, 2018) that became subject to the additional 25 percent ad valorem Section 232 duties.²¹ At this time, imports of flat-rolled steel originating in Australia, Canada, and Mexico are exempt from duties or quota limits; imports of flat-rolled steel originating in Argentina (12,357 short tons), Brazil (375,192 short tons), and Korea (747,247 short tons) are exempt from duties but instead are subject to quota limits;²² and imports of flat-rolled steel originating in all other countries are subject to the 25 percent additional duties.²³

¹⁸ The HTS subheadings for flat-rolled steel were included in USTR’s first list to the fourth enumeration (“List 1 to Tranche 4”) of products originating in China that became subject to the additional 10 percent ad valorem Section 301 duties (Annexes A and B to 84 FR 43304), on or after September 1, 2019 (84 FR 43304, August 20, 2019), which was subsequently increased to 15 percent while retaining the same date (84 FR 45821, August 30, 2019). As of February 14, 2020, the 15 percent duty was reduced to 7.5 percent for the products enumerated on List 1 to Tranche 4 (85 FR 3741, January 22, 2020).

¹⁹ See also U.S. notes 20(r), and 20(s) to subchapter III of HTS chapter 99.

²⁰ Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862) authorizes the President, on advice of the Secretary of Commerce, to adjust the imports of an article and its derivatives that are being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security.

²¹ Imports of steel mill products originating in Canada and Mexico were initially exempted from these duties, as of March 23, 2018. *Adjusting Imports of Steel Into the United States*, Presidential Proclamation 9705, March 8, 2018, 83 FR 11625, March 15, 2018.

²² See the CBP quota bulletin at <https://www.cbp.gov/trade/quota/bulletins/qb-19-008-2019-absolute-quota-steel-mill-articles-first-quarter-limits> for a full list of product groups as well as their specified quotas and HTS definitions.

Annual quota categories for hot-rolled sheet and strip, cold-rolled sheet and strip, hot-dipped and electrolytic galvanized flat-rolled products of non-alloy and alloy (other than stainless) steel.

²³ The President also issued subsequent Proclamations to exempt or adjust these duties for selected U.S. trade partners:

(continued...)

The product²⁴

Description and applications

Metal lockers are storage devices found in public or private areas for the secure storage of personal property. They are typically used in schools, fitness centers, apartment buildings, offices, condominiums, single-family homes, athletic facilities, warehouses, factories, transportation hubs, healthcare facilities, amusement parks, military installations, retail businesses, and other commercial and industrial establishments.

These products are available in a wide variety of sizes, configurations, and storage possibilities. Metal lockers come in various heights, widths and depths and there are no standard measurements. Nevertheless, while these products can range up to 25 inches in width and depth, they typically come in widths of 9 to 18 inches. They also come in units that are either single high or in tiers of two, four and six high.²⁵ They can be floor standing, installed onto a base, or wall mounted. They can also be configured as individual lockers or as a unit with multiple lockers (figure I-1).

-
- Presidential Proclamation 9711, March 22, 2018, 83 FR 13361, March 28, 2018, exempted iron and steel mill products originating in Argentina, Australia, Brazil, Canada, the European Union (“EU”) member countries, Korea, and Mexico, as of March 23, 2018.
 - Presidential Proclamation 9740, April 30, 2018, 83 FR 20683, May 7, 2018, continued the duty exemptions for Argentina, Australia, Brazil, but with annual import quota limits on iron and steel mill products originating in Korea, as of May 1, 2018; and did not continue the duty exemptions on iron and steel mill products originating in Canada, Mexico, and the EU member countries, as of June 1, 2018.
 - Presidential Proclamation 9759, May 31, 2018, 83 FR 25857, June 5, 2018, continued the duty exemptions but with annual import quota limits on iron and steel mill products originating in Argentina, Brazil, and Korea, as of June 1, 2018.
 - Presidential Proclamation 9772, August 10, 2018, 83 FR 40429, August 15, 2018, continued the duty exemptions on iron and steel mill products originating in Australia, and continued the duty exemptions with annual import quota limits on iron and steel mill products originating in Argentina, Brazil, and Korea, as of June 1, 2018; but doubled the duty rate to 50 percent on such imported products originating in Turkey, as of August 13, 2018.
 - Presidential Proclamation 9886, May 16, 2019, 84 FR 23421, May 21, 2019, restored the original additional duty rate of 25 percent on steel mill products originating from Turkey, as of May 21, 2019.
 - Presidential Proclamation 9894, May 19, 2019, 84 FR 23987, May 23, 2019, restored the duty exemptions on steel mill products originating in Canada and Mexico, as of May 20, 2019.

²⁴ Unless otherwise noted, the information in this section is based on Petitions, Vol. I, pp. 7-12 and Exhibit GEN-3.

²⁵ Petitioners’ postconference brief, p.7.

Metal lockers are typically made from noncorrosion-resistant flat-rolled steel, (hot-rolled or cold-rolled non-alloy), but can be made of galvanized steel (or otherwise metallicity coated for corrosion resistance), stainless steel, or aluminum.^{26 27} Metal lockers include the bodies (back, side, shelf, top and bottom panels), door frames (with or without doors which can be integrated into the sides or provided separately), and doors.²⁸ They can also include accessories that are attached to the lockers when installed, including slope tops,²⁹ bases, expansion filler panels, dividers, recess trim, decorative end panels and end caps. Such accessories may be packaged together with other locker components or offered separately.³⁰

²⁶ Petitioners state that the most-used metal to manufacture metal lockers is cold-rolled non-alloy steel sheet. Petitioners' postconference brief, Exhibit I, p. 12. Respondents state that the most-used metals to manufacture metal lockers are alloy steel or cold-rolled non-alloy steel. Respondents (Salsbury and WEC) postconference brief, Exhibit 1, p. 1. Respondents (ASI, Jorgensen, Top Tier), postconference brief, Exhibit 1, p. 3.

²⁷ The doors may also include transparent polycarbonate, Plexiglas or similar transparent material, or any combination thereof. Petitioners' postconference brief, p.7.

²⁸ The doors, trim or accessories may also incorporate non-metallic materials such as rubber, plastic, carbon fibers, or wood.

²⁹ Sloped tops can be used, rather than tops that are flat, to discourage using the locker tops for storage and to avoid debris buildup.

³⁰ Typically, the lockers include all hardware for assembly and installation of the lockers and locker banks and tiers.

Figure I-1
Metal lockers: Configurations and features



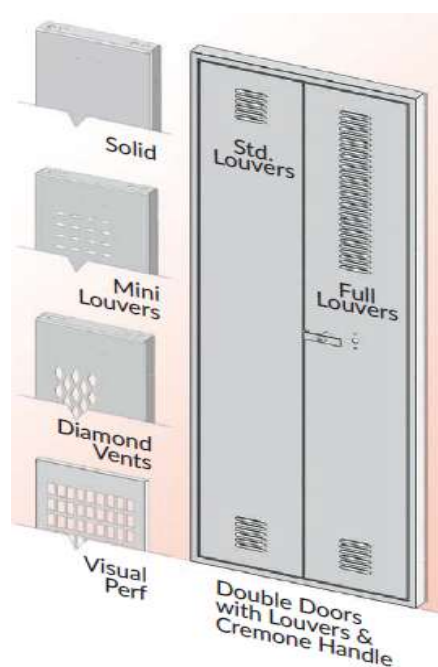
Source: PENCO Products Inc., *Lockers, Penco's Full Range of 2017 Lockers*, ©2017, p. 2, https://www.pencoproducts.com/media/1094/lockercatalog_web.pdf, retrieved July 12, 2020.

Metal lockers usually provide a place to secure the personal property of the user with a door that has, or is configured for, a lock, but they may also come without a door. Locker doors can be configured with a handle or other device that permits the use of a locking mechanism.³¹

The doors or body panels (figure I-2) may also include vents (including wire mesh or expanded metal mesh vents) or perforations for ventilation of the locker (to avoid odors) or clear polycarbonate panels so that the contents of the locker are visible (figure I-3).

Polycarbonate doors typically come in two different forms, depending on the size of the unit. For larger doors, such as those in single-, double- and triple-tier lockers, the doors are fabricated from heavy gauge (usually 16 gauge) steel with a hole in the door for the polycarbonate plate. An injection-molded polycarbonate window insert, typically purchased from vendors for this purpose, is placed into the frame.³²

Figure I-2:
Metal lockers: Locker ventilation



Source: PENCO Products Inc., *Lockers, Penco's Full Range of 2017 Lockers*, ©2017, p. 3, https://www.pencoproducts.com/media/1094/lockercatalog_web.pdf, retrieved July 12, 2020.

³¹ These locking mechanisms can be mechanical or electronic and include, but are not limited to, a combination lock, a padlock, a key lock, lever or knob lock, and/or a wireless lock.

³² Often, smaller doors on six-tiered box style lockers have all polycarbonate molded doors (figure I-3). Petitioners' postconference brief, Exhibit 1, p. 3-4.

Figure I-3
Metal lockers: Clear front lockers



Source: Lyon LLC, "Five Tier 3 Wide ClearSight Clear Front Locker 12"w x 21"d x 66"h," <https://www.lyonworkspace.com/product/53163pc-clearsight-locker-five-tier-3-wide-36-in-w-21-in-d-66-in-h/>, retrieved July 12, 2020.

The bodies, body components, and doors are either unpainted, powder-coated, or otherwise painted. Unpainted lockers are typically made of uncoated metal (e.g., stainless steel or galvanized steel). Coated metal lockers are typically painted or epoxy- or powder-coated, but they may also be otherwise coated. Coatings serve as protection against corrosion and are applied for aesthetic appearance.

While they vary in size and design, metal lockers are available as individual lockers or banks (and/or tiers) of lockers and may come fully assembled (either as welded units or otherwise assembled and ready for installation or use) or as “knocked down” kits (requiring assembly prior to installation or use) that contain the parts necessary to assemble the locker or locker units.³³ The assembled lockers are provided as individual or multiple locker units that are preassembled through the use of rivets, screw, bolts, nuts and other fasteners, welded, or combined into banks or tiers for installation or as sets of component parts. The knocked down lockers are provided unassembled, which requires a supplier, contractor, or end-user to assemble the individual lockers and locker banks or tiers prior to installation by means of screws, nuts and bolts, rivets, or other means.

Manufacturing processes³⁴

The manufacturing process for metal locker components begins with coils of cold-rolled steel that are slit into different widths. The slip cold-rolled steel is then cut to length on a shear³⁵ to create a blank to form each locker component.³⁶ The thickness (gauge) of the coiled steel used depends on the desired design and level of durability required for the final product; 14 to 24 gauge cold-rolled sheet is used.³⁷

The steel blanks are loaded onto various punch presses, or brake presses or roll formers where they are folded, notched and punched into each component. Some locker components may go through more than one press or other forming machines to complete the piece’s design.³⁸ The processes and machinery used are similar, but producers may use a different combination of machines in a different order, based on the parts being produced, engineering and locker design. Often, machines and tools used to manufacture metal lockers are controlled by computer numerical control (“CNC”). CNC machining uses computerized controls to remove

³³ Petitioners’ postconference brief, p. 7. and Exhibit I, p. 1.

³⁴ As noted earlier, metal lockers are often made from cold-rolled steel sheet. As such, this section describes the production process when using cold-rolled steel sheet as the starting material. Using other types of metal as the starting material likely results in a very similar production process.

³⁵ A shear is used to cut sheet metal without burring. Petitioners’ postconference brief, Exhibit I, p. 8.

³⁶ Petitioners’ postconference brief, Exhibit I, p. 1.

³⁷ Petitioners’ postconference brief, Exhibit I, p. 12. Some respondents state that the average thickness is 16 gauge. Respondent (Salsbury and WEC), postconference brief, Exhibit 1, p. 1. While other respondents state that the most common thickness is 24 gauge. Respondents (ASI, Jorgensen, and Top Tier) postconference brief, Exhibit 1, p. 2.

³⁸ Petitioners’ postconference brief, Exhibit I, p. 11.

layers of material from blanks. The machines include punch presses, press brakes, plasma cutters, lathes, turret presses, roll forming machines, and others.³⁹

The basic cutting and forming processes to make the metal locker components and parts from sheet metal are the same for knock down, assembled, and welded locker units. Any differences in production process usually happen after the components are formed.⁴⁰

The next step is paint or powder coatings for the components that make up the knock-down kits or lockers that are assembled with rivets, and/or bolts and nuts. Each component is cleaned (either mechanically or chemically) to remove dirt, oil and other contaminants to ensure proper adherence of the coating to the metal.⁴¹ They are then baked and cured for durability and aesthetics before assembly.

If the body parts are to be welded into completed units, they move to the welding area where the unpainted body components (backs, sides, tops, shelves and bottoms) are spot welded (electric resistance welded) together into the locker body. Welded bodies are spray painted by hand or coated and the doors and hardware⁴² and other accessories are assembled for packaging.

Completed welded bodies (as were the parts for knock-down metal locker components), doors, and sheet metal accessories such as kick plates, bases, slope tops, expansion filler panels, end caps and end panels, are then coated. The welded metal lockers and sheet metal locker parts may also be painted, powder or epoxy coated and then baked and cured for durability and aesthetics.⁴³

³⁹ Other machines, tools, coating, processing and material-handling equipment that can be used include air compressors, cranes, drill presses, fork trucks/lifts, grinding machines, saws, scales, shears, straighteners, strappers, uncoilers, vertical mills, and welders (spot welders and metal inert gas (“MIG”) welders). Petitioners’ postconference brief, Exhibit I, p. 11.

⁴⁰ Petitioners’ postconference brief, Exhibit I, p. 11.

⁴¹ Locker manufacturers use either liquid paint or powder coating to coat metal lockers. Powder coating is applied as a free-flowing, dry powder that may be a thermoplastic or thermoset polymer. Typically, it is applied electrostatically and then cured under heat or ultraviolet light.

⁴² Doors may have vents punched or cut into them, reinforcements welded in or they may have expanded metal or wire mesh vents added. Hinges are welded to either the door or frame as applicable to the locker design.

⁴³ Petitioners’ postconference brief, Exhibit I, p.1. Respondents (Salsbury and WEC), postconference brief, p. 2. Respondents (ASI, Jorgenson, and Top Tier), postconference brief, p. 3.

The painted locker bodies and parts are then moved to the assembly area for further assembly. For completed lockers that are fully assembled, the top, bottom, back and side panels and shelves are assembled into finished units using screws, rivets, nuts and bolts and other fasteners.⁴⁴ Doors have hinges applied if the design requires post-paint application, and the doors are hung on the welded or otherwise assembled locker bodies. Hardware, such as door handles, locks, door/frame latching components, and coat hooks and any other accessories are added to the assembled metal lockers.

The assembled lockers, or in the case of knocked down lockers or kits, all body parts, shelves, doors and hardware and accessories necessary to assemble a completed locker or locker bank or unit, are then packaged for complete installation.

Domestic like product issues

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

The petitioners propose that the domestic like product in these investigations be defined as certain metal lockers and parts thereof ("metal lockers"), co-extensive with the scope definition.⁴⁵ The petitioners also argue that application of the six-factor test demonstrates the domestic like product mirrors the scope of the investigations and should not be expanded to add out-of-scope merchandise.⁴⁶ In the final phase of these investigations, respondents did not propose definitions of separate domestic like products and do not contest the Commission's definition of a single domestic like product as defined in the preliminary phase of these investigations.

U.S. producers and U.S. importers of subject merchandise were asked to respond to questions on product mix and comparability of unfinished (parts/components) and finished metal lockers or kits. The product mix questions were in Part II-11 of the U.S. producers' questionnaire and Parts II-5e and II-6e of the U.S. importers' questionnaire. The questions on the range of per-unit values for the different metal lockers were in Part II-15 of the U.S. producers' questionnaire and Part II-7 of the U.S. importers' questionnaire. The responses to these questions are presented in Appendix D of the staff report.

⁴⁴ The fasteners most often used to assemble the non-welded bodies are rivets.

⁴⁵ Petitioners' prehearing brief, pp. 3-4; petitioners' posthearing brief at Exh. 4, p. 2.

⁴⁶ Petitioners' prehearing brief, pp. 3-4.

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

U.S. market characteristics

Metal lockers are storage devices found in public or private areas for the secure storage of personal property. Metal lockers are configured with doors or handles that permit the use of a locking mechanism, such as a combination or key lock, to secure the doors in a closed position until removed to protect any personal property inside of the locker. The doors or body of the locker may include vents or wire mesh to allow for ventilation of the locker. Metal lockers may also have polycarbonate panels that make the contents of the locker visible.¹

Apparent U.S. consumption of lockers decreased from January 2018 to December 2020. Overall, apparent U.S. consumption in 2020 was *** percent lower than in 2018.

Impact of section 301 tariffs on metal lockers

In June 2018, USTR announced a section 301 investigation in response to Chinese trade practices, and effective September 2018, various steel products were subject to an additional duty (see part I).

U.S. producers, importers, and purchasers were asked about the impact of the section 301 tariffs on supply, demand, price, and raw material costs. As shown in table II-1, the majority of responding U.S. producers (4 of 5) reported that the section 301 tariffs either had no impact on the metal locker market (3 firms) or that they did not know if the section 301 tariffs had an impact on the market for metal lockers (1 firm). Producer *** reported that metal lockers were “purchased in advance of the section 301 in large quantities” and that there was a short-term increase in supply of metal lockers “followed by cost/price adjustment from China to negate tariff{s}.” It also reported ***. Producer *** reported that it expected an increase in the domestic price of metal lockers made in China and that it expected a reduction in units sold, but “we have not seen a clear indication this has happened.” It instead posited, “It could be that U.S. distributors are absorbing some” of the tariff costs.

The majority of responding U.S. importers (13 of 21) reported that the section 301 tariffs had an impact on the metal locker market. A plurality of responding U.S. importers (7 of 14) reported that section 301 tariffs had no impact on the supply of domestic metal lockers

¹ Petitions, Volume I, pp. 9-10.

while the remaining four U.S. importers reported that section 301 tariffs resulted in a decrease in the supply of domestic metal lockers. More than half of responding importers (9 of 16) reported that section 301 tariffs had no impact on the supply of metal lockers imported from China, while five responding importers reported that section 301 tariffs resulted in a decrease in the supply of metal lockers imported from China.² More than half of responding importers (8 of 14) reported that section 301 tariffs had no impact on the supply of metal lockers imported from nonsubject countries, while four reported that section 301 tariffs caused the supply of metal lockers imported from other countries to fluctuate. Importer ***, which reported ***, reported ***. Importer ***, which reported ***, reported that “{b}usiness continued as usual,” since it ***. Importer ***, which ***, reported ***. Importer *** reported that metal lockers were “purchased in advance of the 301 in large quantities” and that there was a short-term increase in supply of metal lockers “followed by cost/price adjustment from China to negate tariff{s}.” A plurality of responding importers reported that section 301 had no impact on overall U.S. demand for metal lockers. A majority of responding importers (12 of 15) reported that section 301 tariffs caused prices of metal lockers to increase, and a plurality of responding importers (6 of 14) reported that raw material costs had increased as a result of the section 301 tariffs. Importers *** reported that demand is reduced because of budget constraints, with *** reporting

² Importer *** reported ***, while importer ***, which ***, reported ***.

that increased prices from domestic manufacturers are affecting “schools and other end users {that} won’t have budgets to support the much higher cost.” Importer *** reported that future projects are “on hold or canceled due to increased prices” and marketplace uncertainty. Importer *** reported ***, while importer *** reported ***. Importer *** reported that fluctuating raw material costs and domestic availability have resulted in price increases. Importer *** reported that increases in raw material costs are “due to the imposition of the 232 and 301 tariffs,” while importer *** reported that “the costs of products, accessories {and} shipping from China rapidly increased but it had a negligible effect on the limited supply of the American steel market, where demand for American steel caused shortages in domestic steel supply.” It continued, “The result is even higher prices, long-term contracts, and no more short-term supply.” Importer *** reported that it gets price increases on raw materials “almost weekly.”

A majority of purchasers (9 of 17) reported that the section 301 tariffs had an impact on the metal locker market, two reported that section 301 tariffs had no impact and six did not know. *** purchasers (4 of 9) reported that section 301 tariffs had no impact on the supply of domestic metal lockers, while two firms each reported that section 301 tariffs caused the supply of domestic metal lockers to decrease or caused supply to increase. A plurality of responding purchasers (4 of 9) reported that section 301 tariffs had no impact on the supply of metal lockers imported from China. A majority of responding purchasers (** of **) reported that section 301 tariffs had no impact on the supply of metal lockers imported from nonsubject countries. A plurality of responding purchasers reported that section 301 tariffs had no impact on overall U.S. demand for metal lockers (** of **), while two firms each reported **. A majority of responding purchasers (9 of 10) reported that section 301 tariffs caused prices of metal lockers to increase, and a majority of responding purchasers (5 of 9) reported that raw material costs

had increased as a result of the section 301 tariffs.³ Purchasers *** reported that prices had increased by more than 30 percent over the past four months (***); by 45 percent for domestic metal lockers (***); and by 6 percent for “all {i}mported and {d}omestic {m}etal {l}ockers{,} with prices increasing 15 {percent,} specifically on {i}mported products” (***). Purchaser *** reported that prices have “fluctuated over the past couple years with no clear or consistent trend.”

³ Purchaser ***, which reported that section 301 tariffs had no impact on raw material costs, expanded on its response: “As a purchaser of metal lockers we do not have visibility into how the imposition of the tariffs under section 301 affected this factor; however, based on information provided by our domestic vendor partners, we do not believe there has been an impact on raw material costs for metal lockers due to the section 301 tariffs.”

Table II-1
Metal lockers: U.S. producers', importers', and purchasers' responses regarding the impact of section 301 tariffs on the U.S. market

Number of firms reporting

| Item | Firm type | Increase | No change | Decrease | Fluctuate |
|---|----------------|----------|-----------|----------|-----------|
| Domestic supply in market | U.S. producers | --- | 2 | --- | --- |
| China supply in market | U.S. producers | --- | 2 | --- | --- |
| Other than China supply in market | U.S. producers | --- | 2 | --- | --- |
| Prices of scope merchandise | U.S. producers | --- | 2 | --- | --- |
| Overall demand in market | U.S. producers | --- | 2 | --- | --- |
| Raw material costs of scope merchandise | U.S. producers | --- | 2 | --- | --- |
| Domestic supply in market | Importers | 1 | 7 | 4 | 2 |
| China supply in market | Importers | 1 | 9 | 5 | 1 |
| Other than China supply in market | Importers | 2 | 8 | --- | 4 |
| Prices of scope merchandise | Importers | 12 | 2 | 1 | --- |
| Overall demand in market | Importers | 2 | 5 | 4 | 4 |
| Raw material costs of scope merchandise | Importers | 6 | 6 | --- | 2 |
| Domestic supply in market | Purchasers | 2 | 4 | 2 | 1 |
| China supply in market | Purchasers | 1 | 4 | 3 | 1 |
| Other than China supply in market | Purchasers | 1 | 5 | --- | 2 |
| Prices of scope merchandise | Purchasers | 9 | --- | --- | 1 |
| Overall demand in market | Purchasers | 2 | 5 | --- | 2 |
| Raw material costs of scope merchandise | Purchasers | 5 | 3 | --- | 1 |

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

U.S. purchasers

The Commission received 22 usable questionnaire responses from firms that had purchased metal lockers during January 2018 to December 2020.^{4 5} Fourteen responding purchasers are distributors; two are end users; four are retailers; and three identified themselves as “other.”^{6 7} Six purchasers also imported metal lockers.^{8 9} In general, responding U.S. purchasers were located in the Midwest, the Northeast, the Southeast, the Central Southwest, and the Pacific Coast. The responding purchasers are in a variety of industries, including retail, manufacturing, general contracting, and being distributors of industrial

⁴ The following firms provided purchaser questionnaire responses: ***.

⁵ Of the 22 responding purchasers, 17 purchased domestic metal lockers, 7 purchased imports of the subject merchandise from China, and 1 purchased imports of metal lockers from other sources. Purchasers *** did not report purchasing domestic metal lockers. ***. See email correspondence with ***, April 7, April 13, April 20, April 22, and April 29, 2021.

⁶ Purchasers *** reported ***. Purchaser *** reported ***.

⁷ Purchaser *** reported ***.

⁸ The following firms submitted a purchasers’ questionnaire and an importers’ questionnaire: ***. These firms ***. Purchaser ***. See footnote nine, below.

⁹ Neither ***.

equipment and office furniture. Large purchasers of metal lockers include ***.

Channels of distribution

U.S. producers sold mainly to distributors while importers sold the majority of metal lockers to distributors and end users, as shown in table II-2.

Table II-2
Metal lockers: Share of U.S. producers' and importers' U.S. shipments by channel of distribution within source, 2018-20

Shares in percent

| Source | Channel | 2018 | 2019 | 2020 |
|---------------|--------------|------|------|------|
| United States | Distributors | *** | *** | *** |
| United States | End users | *** | *** | *** |
| United States | Retailers | *** | *** | *** |
| China | Distributors | *** | *** | *** |
| China | End users | *** | *** | *** |
| China | Retailers | *** | *** | *** |
| Nonsubject | Distributors | *** | *** | *** |
| Nonsubject | End users | *** | *** | *** |
| Nonsubject | Retailers | *** | *** | *** |
| All imports | Distributors | *** | *** | *** |
| All imports | End users | *** | *** | *** |
| All imports | Retailers | *** | *** | *** |

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

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

Geographic distribution

U.S. producers and importers reported selling metal lockers to all regions of the United States (table II-3). For U.S. producers, *** percent of sales were within 100 miles of their production facility, *** percent were between 101 and 1,000 miles, and *** percent were over 1,000 miles. Importers sold *** percent within 100 miles of their U.S. point of shipment, *** percent between 101 and 1,000 miles, and *** percent over 1,000 miles.

Table II-3
Metal lockers: Count of U.S. producers' and U.S. importers' geographic markets

Number of firms reporting

| Region | U.S. producers | Subject U.S. importers |
|----------------------------|----------------|------------------------|
| Northeast | 6 | *** |
| Midwest | 6 | *** |
| Southeast | 6 | *** |
| Central Southwest | 6 | *** |
| Mountains | 6 | *** |
| Pacific Coast | 6 | *** |
| Other | 6 | *** |
| All regions (except Other) | 6 | *** |
| Reporting firms | 6 | *** |

Note: Other U.S. markets includes AK, HI, PR, and VI.

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

Supply and demand considerations

U.S. supply

Table II-4 provides a summary of the supply factors regarding metal lockers from U.S. producers and from China. The Commission received responses from six foreign producers, ***.¹⁰ The reported Chinese capacity to produce metal lockers is *** percent of reported U.S. production capacity. Total reported Chinese production capacity was approximately *** of U.S. production capacity in 2020.

¹⁰ These firms' exports to the United States accounted for *** U.S. imports of metal lockers from China in 2020. *** from China, *** provided an estimate of *** percent of its share of overall production of metal lockers in China. *** responding producers from China provided estimates requested of the firms' share of overall production of metal lockers from China. *** estimated that the firms represent *** of China's exports of metal lockers. (See part VII.)

Table II-4
Metal lockers: Supply factors that affect the ability to increase shipments to the U.S. market, by country

(Quantity in 1,000 pounds; Shares and ratios in percent)

| Factor | Measure | United States | China |
|--|----------|---------------|-------|
| Capacity 2018 | Quantity | *** | *** |
| Capacity 2020 | Quantity | *** | *** |
| Capacity utilization 2018 | Ratio | *** | *** |
| Capacity utilization 2020 | Ratio | *** | *** |
| Ending inventories to total shipments 2018 | Ratio | *** | *** |
| Ending inventories to total shipments 2020 | Ratio | *** | *** |
| Home market shipments 2020 | Share | *** | *** |
| Non-US export market shipments 2020 | Share | *** | *** |
| Ability to shift production | Count | *** | *** |

Note: Responding U.S. producers accounted for *** U.S. production of metal lockers in 2020. Responding foreign producer/exporter firms accounted for *** of U.S. imports of metal lockers from China during 2020. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports, please refer to Part I, "Summary Data and Data Sources."

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

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

Domestic production

Based on available information, U.S. producers of metal lockers have the ability to respond to changes in demand with large changes in the quantity of shipments of U.S.-produced metal lockers to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity, low-to-moderate inventory levels, and the ability to shift production to or from alternative products. The main factor mitigating responsiveness of supply is that U.S. producers have no substantial ability to divert shipments from other markets.

Domestic capacity to produce metal lockers *** between 2018 and 2020, while capacity utilization rates *** between 2018 and 2020 and inventories *** between 2018 and 2020. *** of *** responding U.S. producers stated that they could switch production from other products to metal lockers. Other products that U.S. producers reportedly can produce on the same equipment as metal lockers are automated teller machines, kiosks, slot machines, and other products made primarily of rolled metal. Factors that impact firms' ability to switch to or from other products are labor costs, such as training welders, and lost production costs of reconfiguring equipment.

Subject imports from China

Based on available information, the responding Chinese producers, ***, have the ability to respond to changes in demand with moderate changes in the quantity of shipments of metal lockers to the U.S. market. The main contributing factors to this degree of responsiveness of supply are availability of unused capacity, the ability to divert shipments from inventories to the United States, and the ability to shift production from other products to metal lockers. Factors mitigating Chinese producers' ability to respond to changes in demand are the limited ability to shift shipments from Chinese markets or from alternate markets. The responding Chinese producers ship *** shipments to the United States and have some unused capacity and their total reported production capacity more than *** of U.S. producers' total production capacity in 2020. The relative size of the responding Chinese producers' production capacity facilitates their ability to respond to changes in demand with large quantities of metal lockers.

Chinese producers' capacity and production ***, leading to *** capacity utilization rates from 2018 to 2020. Chinese producers reported ***. The Chinese producers reported shipping *** percent of shipments of metal lockers to markets other than the United States and a majority of responding Chinese producers reported *** the ability to shift production from other products to metal lockers. Other products that the responding foreign producers reportedly can produce on the same equipment as metal lockers are metal cabinets, metal racks, metal desks, metal tables, cashier desks, work platforms, carts, and metal beds. Factors that impact the firms' ability to switch to or from other products are labor costs, such as training laborers, and lost production costs of reconfiguring equipment to different structures.

Imports from nonsubject sources

Nonsubject imports accounted for *** percent of total U.S. imports in 2020.¹¹

¹¹ Purchaser *** reported ***. Nonsubject countries reported by importers include ***.

Supply constraints

*** responding U.S. producers and the majority of importers (** of **) and purchasers (** of **) reported no supply constraints. Importer ** reported that it had experienced supply constraints because it alleged that U.S. producers refuse to sell to competing importers. Importer ** reported that it had declined multiple orders each year due to lengthy lead times and a lack of available product in the market. Importer ** reported that it had been unable to meet its customers' deadlines when supplying products with special features or requirements. Importer ** reported that it had underestimated demand during the period examined and that it had "a consistent share" of cancelled orders. Importer ** reported industry tariffs as a supply constraint.¹² Purchasers ** reported long lead times, while purchaser ** reported **.

New suppliers

Four of 22 responding purchasers indicated that new suppliers entered the U.S. market since January 1, 2018. Purchasers cited Lockers MFG (United States), Top Tier (United States), and Lightning Lockers (United States).

U.S. demand

Based on available information, the overall demand for metal lockers is likely to experience small-to-moderate changes in response to changes in price. The main contributing factor is the somewhat limited range of substitute products as the locker itself is a final good.

Business cycles

Four of six U.S. producers, ** importers, and 12 of 22 purchasers indicated that the market was subject to business cycles or specific conditions of competition. Specifically, U.S. producers, importers, and purchasers reported that demand for metal lockers increases in

¹² Importers ** and purchaser ** explicitly cited COVID-related issues, *e.g.*, supply chain issues related to shutdowns, production delays, and container import congestion, as supply constraints.

summer when schools are out of session and students are on holiday.¹³ Schools are a driver of demand for metal lockers^{14 15} and use the summer to replace metal lockers.

Demand trends

Most U.S. producers reported an increase in U.S. demand for metal lockers since January 1, 2018, while importers’ responses were mixed, and a plurality of purchasers reported no change (table II-5).

Table II-5
Metal lockers: Count of firms’ responses regarding overall domestic and foreign demand

Number of firms reporting

| Market | Firm type | Increase | No change | Decrease | Fluctuate |
|-----------------------------|----------------|----------|-----------|----------|-----------|
| Domestic demand | U.S. producers | 3 | 1 | 0 | 1 |
| Domestic demand | Importers | 8 | 3 | 7 | 6 |
| Domestic demand | Purchasers | 4 | 7 | 3 | 4 |
| Foreign demand | U.S. producers | 0 | 0 | 0 | 0 |
| Foreign demand | Importers | 2 | 4 | 1 | 6 |
| Foreign demand | Purchasers | 1 | 2 | 1 | 3 |
| Demand for end use products | Purchasers | 1 | 1 | 1 | 0 |

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

Substitute products

All responding U.S. producers, and the majority of responding importers and purchasers, reported that there were no substitutes for metal lockers. Those importers and purchasers that reported that wooden or plastic lockers were substitutes for metal lockers reported that wooden or plastic lockers were more expensive than metal lockers.¹⁶

¹³ Importers *** reported ***, with *** reporting that the increase is due to the lockers being installed in schools during the summer. In addition to increased summer demand, importer *** reported that there is also increased demand during holiday closures in December.

¹⁴ Purchaser *** reported that demand for metal lockers is “{t}ied to public spending on schools, hospitals, {and} libraries”.

¹⁵ Purchaser *** reported that its demand is based on scheduling new stores and distributions centers, as well as remodeling schedules for stores and distribution centers. Purchasers *** reported that metal lockers were not subject to business cycles or other distinct conditions of competition.

¹⁶ Purchaser *** reported that wooden and plastic lockers are less durable and fire resistant than metal lockers. Importer *** reported that section 301 and 232 tariffs have increased the cost of plastic lockers, steel racking, and wood lockers; additionally, *** reported that antidumping actions also increased the cost of steel racks and plywood and wood used to produce wood lockers.

Substitutability issues

The degree of substitution between domestic and imported metal lockers 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 metal lockers and metal lockers imported from China. While price is an important factor, purchasers' responses were mixed when comparing U.S.-produced metal lockers to metal lockers imported from China across several purchase factors and rated them as comparable in 9 of 16 factors. Many importers and purchasers reported that metal lockers imported from China are sometimes or never interchangeable with domestically produced metal lockers and a majority reported that there are always or frequently factors other than price. Noted differences are that customers look for lockers that match the bank of lockers they already have and customization.

Lead times

U.S. producers primarily produce metal lockers to order while importers primarily sell metal lockers from U.S. inventories. U.S. producers reported that *** percent of their commercial shipments were produced-to-order, with lead times averaging ***. The remaining *** percent of their commercial shipments came from ***, with lead times averaging ***. Importers reported that *** percent of commercial shipments came from U.S. inventories with lead times averaging ***. Importers reported that *** percent of importers' commercial shipments were produced-to-order with lead times averaging *** and the remaining *** percent of commercial shipments came from foreign inventories, with lead times averaging ***.

Knowledge of country sources

Nineteen purchasers reported that they had marketing/pricing knowledge of domestic product; 11 had marketing/pricing knowledge of Chinese product; and 2 had marketing/pricing knowledge of the product from Canada, Mexico, the United Kingdom, and Vietnam.

As shown in table II-6, a plurality of purchasers always makes purchasing decisions based on the producer and a plurality of purchasers never make purchasing decisions based on the country of origin. A plurality of purchasers reported that their customers never make purchasing decisions based on the producer and a plurality of purchasers reported that their customers sometimes make purchasing decisions based on the country of origin.

Of the nine purchasers that reported that they always make decisions based the manufacturer, two firms cited preexisting business relationships and one firm cited the ability of vendors to deliver lockers on an on-time basis that is within expected cost. Other reasons cited include product quality, whether the producer is a domestic entity, and supply history.¹⁷

Table II-6
Metal lockers: Purchasing decisions based on producer and country of origin

Number of firms reporting

| Firm making decision | Decision based on | Always | Usually | Sometimes | Never |
|-----------------------------|--------------------------|---------------|----------------|------------------|--------------|
| Purchaser | Producer | 9 | 2 | 5 | 6 |
| Customer | Producer | 0 | 6 | 5 | 8 |
| Purchaser | Country | 7 | 0 | 5 | 10 |
| Customer | Country | 0 | 2 | 10 | 7 |

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 metal lockers were price/cost (17 firms), quality (13 firms), and availability/supply/lead times (11 firms), as shown in table II-7. Price/cost was the most frequently cited first-most important factor (cited by seven firms), followed by availability/supply/lead times (five firms); quality was the most frequently reported second-most important factor (nine firms); and price/cost was the most frequently reported third-most important factor (seven firms).

¹⁷ Two purchasers that reported their customers sometimes purchase based on the producer reported that the purchasing decision is based on trying to match specifications of preexisting metal lockers and newly purchased metal lockers.

Table II-7
Metal lockers: Count of ranking of factors used in purchasing decisions as reported by U.S. purchasers, by factor

Number of firms reporting

| Factor | First | Second | Third | Total |
|------------------------------------|--------------|---------------|--------------|--------------|
| Price / Cost | 7 | 3 | 7 | 17 |
| Quality | 3 | 9 | 1 | 13 |
| Availability / Supply / Lead times | 5 | 2 | 4 | 11 |
| Range of products / Product line | 0 | 3 | 2 | 5 |
| All other factors | 7 | 6 | 8 | NA |

Note: Other factors cited include preexisting vendor/supplier relationships (three firms, first-most important factor); the ability to meet specifications (one firm, “other important factors”); the product’s country of origin (two firms, “other important factors” and first-most important factor, respectively); the vendor’s proximity to the purchaser (one firm, “other important factors”); and name-brand recognition (one firm, first-most important factor).

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

The majority of purchasers (19 of 22) reported that they usually (11 purchasers) or sometimes (8 purchasers) purchase the lowest-priced product. One purchaser reported that it always purchases the lowest-priced product and two purchasers reported that they never purchase the lowest-priced product.

Importance of specified purchase factors

Purchasers were asked to rate the importance of 16 factors in their purchasing decisions (table II-8). The factors rated as very important by more than half of responding purchasers were availability, delivery time, and product consistency (20 each); quality meets industry standards and reliability of supply (19 firms each); price (17 firms); discounts offered and delivery terms (12 firms each); and quality exceeds industry standards (11 firms). More purchasers reported that minimum quantity requirements were not important than those reported it being very important (8 reported not important versus 4 reported very important).

Table II-8
Metal lockers: Count of importance of purchase factors, as reported by U.S. purchasers, by factor

Number of firms reporting

| Factor | Very important | Somewhat important | Not important |
|------------------------------------|-----------------------|---------------------------|----------------------|
| Availability | 20 | 1 | 1 |
| Delivery terms | 12 | 9 | 1 |
| Delivery time | 20 | 1 | 1 |
| Discounts offered | 12 | 3 | 7 |
| Minimum quantity requirements | 4 | 10 | 8 |
| Packaging | 7 | 10 | 5 |
| Payment terms | 6 | 12 | 3 |
| Price | 17 | 4 | 1 |
| Product consistency | 20 | 1 | 1 |
| Product customization | 8 | 9 | 5 |
| Product range | 10 | 8 | 4 |
| Quality meets industry standards | 19 | 1 | 1 |
| Quality exceeds industry standards | 11 | 9 | 2 |
| Reliability of supply | 19 | 2 | 1 |
| Technical support/service | 6 | 12 | 4 |
| U.S. transportation costs | 8 | 9 | 5 |

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

Supplier certification

Six of 21 responding purchasers require their suppliers to become certified or qualified to sell metal lockers to their firm. Purchasers reported that the time to qualify a new supplier ranged from 3 to 180 days.^{18 19} No purchasers reported that foreign or domestic suppliers failed in their attempts to qualify metal lockers or lost their approved status since 2018.

Changes in purchasing patterns

Purchasers were asked about changes in their purchasing patterns from different sources since January 1, 2018 (table II-9). Reasons reported for decreasing purchases of U.S. product was market activity in the United States, decreased construction activity, and COVID-19.²⁰ Reasons reported for increasing purchases of U.S. product included a growing customer base that is purchasing metal lockers, market penetration by U.S. firms, and increased activity in constructing and remodeling retail stores.²¹

One of 22 responding purchasers reported that they had changed suppliers since January 1, 2018. Specifically, *** dropped or reduced suppliers due to poor performance and poor sales and added new suppliers due to requests from its customers. Firms also reported fluctuating purchases from China due to section 232 tariffs.

¹⁸ One purchaser reported certification time of 3 days, 1 purchaser reported certification time of 60 days, 1 purchaser reported certification time of about 90 days, 1 purchaser reported certification time of 120 days, 1 purchaser reported certification time of 180 days, and 1 purchaser reported a certification time of 7 to 124 days.

¹⁹ Purchaser ***. Purchaser ***. Purchaser ***. Purchaser ***. Purchaser ***. Purchaser ***.

²⁰ ***.

²¹ ***.

Table II-9
Metal lockers: Count of changes in purchase patterns from U.S., subject, and nonsubject countries

Number of firms reporting

| Source of purchases | Decreased | Increased | Constant | Fluctuated | Did not purchase |
|---------------------|-----------|-----------|----------|------------|------------------|
| United States | 5 | 5 | 5 | 3 | 3 |
| China | 3 | 4 | 0 | 2 | 9 |
| All other sources | 0 | 1 | 0 | 1 | 14 |
| Sources unknown | 0 | 0 | 1 | 1 | 14 |

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

Importance of purchasing domestic product

Eighteen of 20 responding purchasers reported that most or all of their purchases did not require purchasing U.S.-produced product. Nine firms reported that domestic product was required by law; six reported it was required by their customers (for 5 to 100 percent of their purchases); and four firms reported other preferences for domestic product, including custom configurations, colors, sizes, and features.

Comparisons of domestic products, subject imports, and nonsubject imports

Purchasers were asked a number of questions comparing metal lockers produced in the United States, China, and nonsubject countries. First, purchasers were asked for a country-by-country comparison on the same 16 factors (table II-10) for which they were asked to rate the importance.

Majorities or pluralities of purchasers reported that U.S. and Chinese metal lockers were comparable on 9 of the 16 factors: availability, minimum quantity requirements, packaging, payment terms, product range, product consistency, quality exceeds industry standards, reliability of supply, and U.S. transportation costs. A majority of responding purchasers rated the domestic product as superior for delivery time, product customization, and technical support/service. A plurality of responding purchasers rated the domestic product as inferior for discounts offered. An equal number of responding purchasers rated the domestic product as superior and comparable for delivery terms and quality meets industry standards. With regard to price, a majority of responding purchasers indicated that the Chinese product was lower priced. One purchaser, ***, compared U.S. and nonsubject metal lockers and reported that U.S. and nonsubject metal lockers were comparable on *** factors. It also reported that Chinese and nonsubject metal lockers were comparable on 12 of the 16 factors. The exceptions were ***, for which *** rated the Chinese product as superior.

There are several factors in table II-10 that were rated to be very important in table II-8. With respect to those ten factors, the majority of responding firms reported that the U.S. product was superior to the Chinese product with respect to delivery time; most responding firms reported that the U.S. product and the Chinese product were comparable for availability, product consistency, product range, quality exceeds industry standards, and reliability of supply; an equal number of responding firms reported that the U.S. product and the Chinese product were superior and comparable with respect to delivery terms and quality meets industry standards; most responding firms reported that the U.S. product has higher prices than the Chinese product; and half of responding firms reported that the U.S. product is inferior to the Chinese product with respect to discounts offered.

Table II-10
Metal lockers: Count of purchasers' responses comparing domestic and imported product

Number of firms reporting

| Factor | Country pair | Superior | Comparable | Inferior |
|------------------------------------|-------------------------|-----------------|-------------------|-----------------|
| Availability | United States vs. China | 6 | 8 | 0 |
| Delivery terms | United States vs. China | 7 | 7 | 0 |
| Delivery time | United States vs. China | 10 | 4 | 0 |
| Discounts offered | United States vs. China | 1 | 5 | 6 |
| Minimum quantity requirements | United States vs. China | 4 | 7 | 2 |
| Packaging | United States vs. China | 3 | 11 | 0 |
| Payment terms | United States vs. China | 3 | 9 | 1 |
| Price | United States vs. China | 0 | 5 | 8 |
| Product consistency | United States vs. China | 6 | 8 | 0 |
| Product customization | United States vs. China | 7 | 6 | 1 |
| Product range | United States vs. China | 6 | 8 | 0 |
| Quality meets industry standards | United States vs. China | 7 | 7 | 0 |
| Quality exceeds industry standards | United States vs. China | 6 | 8 | 0 |
| Reliability of supply | United States vs. China | 6 | 7 | 0 |
| Technical support/service | United States vs. China | 7 | 6 | 0 |
| U.S. transportation costs | United States vs. China | 5 | 6 | 0 |

Table continued.

Table II-10--Continued
Metal lockers: Count of purchasers' responses comparing domestic and imported product

Number of firms reporting

| Factor | Country pair | Superior | Comparable | Inferior |
|------------------------------------|-------------------------|-----------------|-------------------|-----------------|
| Availability | United States vs. Other | 0 | 1 | 0 |
| Delivery terms | United States vs. Other | 0 | 1 | 0 |
| Delivery time | United States vs. Other | 0 | 1 | 0 |
| Discounts offered | United States vs. Other | 0 | 1 | 0 |
| Minimum quantity requirements | United States vs. Other | 0 | 1 | 0 |
| Packaging | United States vs. Other | 0 | 1 | 0 |
| Payment terms | United States vs. Other | 0 | 1 | 0 |
| Price | United States vs. Other | 0 | 1 | 0 |
| Product consistency | United States vs. Other | 0 | 1 | 0 |
| Product customization | United States vs. Other | 0 | 1 | 0 |
| Product range | United States vs. Other | 0 | 1 | 0 |
| Quality meets industry standards | United States vs. Other | 0 | 1 | 0 |
| Quality exceeds industry standards | United States vs. Other | 0 | 1 | 0 |
| Reliability of supply | United States vs. Other | 0 | 1 | 0 |
| Technical support/service | United States vs. Other | 0 | 1 | 0 |
| U.S. transportation costs | United States vs. Other | 0 | 1 | 0 |

Table continued.

Table II-10--Continued
Metal lockers: Count of purchasers' responses comparing domestic and imported product

Number of firms reporting

| Factor | Country pair | Superior | Comparable | Inferior |
|------------------------------------|---------------------|-----------------|-------------------|-----------------|
| Availability | China vs Other | 0 | 1 | 0 |
| Delivery terms | China vs Other | 0 | 1 | 0 |
| Delivery time | China vs Other | 1 | 0 | 0 |
| Discounts offered | China vs Other | 0 | 1 | 0 |
| Minimum quantity requirements | China vs Other | 1 | 0 | 0 |
| Packaging | China vs Other | 1 | 0 | 0 |
| Payment terms | China vs Other | 1 | 0 | 0 |
| Price | China vs Other | 0 | 1 | 0 |
| Product consistency | China vs Other | 0 | 1 | 0 |
| Product customization | China vs Other | 0 | 1 | 0 |
| Product range | China vs Other | 0 | 1 | 0 |
| Quality meets industry standards | China vs Other | 0 | 1 | 0 |
| Quality exceeds industry standards | China vs Other | 0 | 1 | 0 |
| Reliability of supply | China vs Other | 0 | 1 | 0 |
| Technical support/service | China vs Other | 0 | 1 | 0 |
| U.S. transportation costs | China vs Other | 0 | 1 | 0 |

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.

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

Comparison of U.S.-produced and imported metal lockers

In order to determine whether U.S.-produced metal lockers 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, all responding U.S. producers reported that metal lockers from the United States, China, and nonsubject countries were always interchangeable. A plurality of responding importers reported that metal lockers from the United States are always or sometimes interchangeable versus metal lockers from China (eight importers each). A little more than a quarter of responding importers (6 of 23) reported that metal lockers from the United States are frequently interchangeable versus metal lockers from China, while one responding importer, ***, reported that metal lockers from the United States are never interchangeable with metal lockers from China.²² A plurality of responding purchasers reported that metal lockers from United States are frequently interchangeable versus metal lockers from China, while a majority of responding purchasers reported that metal lockers from the United States and metal lockers from China were frequently interchangeable with metal lockers from nonsubject countries. Almost one-third of responding purchasers (4 of 14) reported that metal lockers from the United States are sometimes interchangeable versus metal lockers from China, while one responding purchaser, ***, reported that metal lockers from the United States are never interchangeable with metal lockers from China.²³

²² Importers ***, all of which reported that metal lockers from the United States are sometimes interchangeable versus metal lockers from China, cited customization as a rationale for selecting sometimes interchangeable. *** reported that “{o}nly {U.S. producer} De{B}ourgh {...} is able to” meet customer specifications; meanwhile, importers *** said producers of metal lockers from China offer greater customization flexibility. ***, which also reported that metal lockers from the United States are sometimes interchangeable versus metal lockers from China, reported that “{d}ifferent lockers from different manufacturers have different latch types, hole spacing, accommodate different locks, or have different internal accessory configurations.” *** also reported that customers “often have an existing bank of lockers and are looking for additional lockers to match.” Importer ***, which reported that metal lockers from the United States are never interchangeable versus metal lockers from China, reported that it designs lockers on a “job-by-job basis” and reported that comparing metal lockers from the United States versus metal lockers from China is “like comparing a Ford and a Chevrolet.”

²³ Purchasers ***, both of which reported that metal lockers from the United States are sometimes interchangeable versus metal lockers from China, provided different rationales for their selection of sometimes interchangeable. *** repeated what it reported on its importers’ questionnaire with regard to different latch types, hole spacing, and other characteristics, see footnote

(continued...)

Table II-11

Metal lockers: Count of U.S. producers' reporting the interchangeability between lockers produced in the United States and in other countries, by country pair and firm type

Number of firms reporting

| Country pair | Always | Frequently | Sometimes | Never |
|-------------------------|--------|------------|-----------|-------|
| United States vs. China | 6 | 0 | 0 | 0 |
| United States vs. Other | 6 | 0 | 0 | 0 |
| China vs. Other | 6 | 0 | 0 | 0 |

Table continued.

Table II-11--Continued

Metal lockers: Count of importers' reporting the interchangeability between lockers produced in the United States and in other countries, by country pair and firm type

Number of firms reporting

| Country pair | Always | Frequently | Sometimes | Never |
|-------------------------|--------|------------|-----------|-------|
| United States vs. China | *** | *** | *** | *** |
| United States vs. Other | *** | *** | *** | *** |
| China vs. Other | *** | *** | *** | *** |

Table continued.

Table II-11--Continued

Metal lockers: Count of purchasers' reporting the interchangeability between lockers produced in the United States and in other countries, by country pair and firm type

Number of firms reporting

| Country pair | Always | Frequently | Sometimes | Never |
|-------------------------|--------|------------|-----------|-------|
| United States vs. China | 3 | 6 | 4 | 1 |
| United States vs. Other | 1 | 3 | 0 | 0 |
| China vs. Other | 0 | 2 | 0 | 0 |

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

As can be seen from table II-12, a majority of responding purchasers reported that domestically produced metal lockers always meet minimum quality specifications, while a plurality of responding purchasers reported that Chinese-imported metal lockers always met minimum quality specifications.

(...continued)

22, above, while *** reported that differences “{d}epend{ed} on which domestic{ } manufacturer the Chinese {producer} reverse engineered”. Purchaser ***, which reported that metal lockers from the United States are never interchangeable versus metal lockers from China, did not provide a rationale for its selection of never interchangeable.

Table II-12
Metal lockers: Count of firms' responses regarding suppliers' ability to meet minimum quality specifications, by source

Number of firms reporting

| Source of purchases | Always | Usually | Sometimes | Rarely or never |
|---------------------|--------|---------|-----------|-----------------|
| United States | 11 | 5 | 0 | 0 |
| China | 5 | 4 | 2 | 1 |
| All other sources | 0 | 0 | 0 | 0 |

Note: Purchasers were asked how often domestically produced or imported metal lockers meet 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 metal lockers from the United States, subject, or nonsubject countries. As seen in table II-13, the majority of U.S. producers reported that factors other than price were never significant when comparing metal lockers produced in the United States, China, and nonsubject countries. The plurality of importers reported that factors other than price were frequently significant when comparing metal lockers produced in the United States and China, while an equal number of importers reported that factors other than price were frequently, sometimes, or never significant when comparing metal lockers produced in the United States versus nonsubject countries. *** reported factors other than price were always significant when comparing metal lockers produced in the United States and China.²⁴ Finally, a plurality of importers reported that factors other than price were never significant when comparing metal lockers produced in China versus nonsubject countries. An equal number of purchasers reported that factors other than price were always or frequently significant when comparing metal lockers

²⁴ Importers ***. Importers ***.

produced in the United States and China, while an equal number of purchasers reported that factors other than price were always or frequently significant when comparing metal lockers produced in the United States versus nonsubject countries. One third of responding purchasers (5 of 15) reported factors other than price were always significant when comparing metal lockers produced in the United States and China.²⁵ Finally, an equal number of purchasers reported that factors other than price were frequently or never significant when comparing metal lockers produced in China versus nonsubject countries.

²⁵ Purchasers ***. Purchasers ***. Purchaser ***.

Table II-13**Metal lockers: U.S. producers' perceived importance of factors other than price between product produced in the United States and in other countries, by country pair**

Number of firms reporting

| Country pair | Always | Frequently | Sometimes | Never |
|-------------------------|--------|------------|-----------|-------|
| United States vs. China | 1 | 0 | 0 | 5 |
| United States vs. Other | 1 | 0 | 0 | 5 |
| China vs. Other | 1 | 0 | 0 | 5 |

Table continued.

Table II-13--Continued**Metal lockers: Importers' perceived importance of factors other than price between product produced in the United States and in other countries, by country pair**

Number of firms reporting

| Country pair | Always | Frequently | Sometimes | Never |
|-------------------------|--------|------------|-----------|-------|
| United States vs. China | 7 | 8 | 5 | 3 |
| United States vs. Other | 2 | 3 | 3 | 3 |
| China vs. Other | 2 | 2 | 2 | 3 |

Table continued

Table II-13--Continued**Metal lockers: Purchasers' perceived importance of factors other than price between product produced in the United States and in other countries, by country pair**

Number of firms reporting

| Country pair | Always | Frequently | Sometimes | Never |
|-------------------------|--------|------------|-----------|-------|
| United States vs. China | 5 | 5 | 4 | 1 |
| United States vs. Other | 2 | 2 | 0 | 0 |
| China vs. Other | 0 | 1 | 0 | 1 |

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

Elasticity estimates

This section discusses elasticity estimates; parties were encouraged to comment on these estimates as an attachment to their prehearing or posthearing brief.

U.S. supply elasticity

The domestic supply elasticity for metal lockers measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of metal lockers. 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 metal lockers. Analysis of these factors above indicates that the U.S. industry has the ability to greatly increase or decrease shipments to the U.S. market; an estimate in the range of 6 to 10 is suggested.

U.S. demand elasticity

The U.S. demand elasticity for metal lockers measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of metal lockers. 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 metal lockers in the production of any downstream products. Based on the available information, the aggregate demand for metal lockers is likely to be moderately 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.²⁶ 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 metal lockers and imported metal lockers is likely to be moderate-to-high and in the range of 3 to 6.

²⁶ 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 six firms that accounted for *** of U.S. production of metal lockers during 2020.¹

U.S. producers

The Commission issued a U.S. producer questionnaire to nine firms based on information contained in the petitions, and six firms provided usable data on their operations.² Staff believes that these responses represent *** of U.S. production of metal lockers.

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

¹ The petitions estimated that responses from the four original petitioning firms (List Industries, Lyon, Penco, and Tennsco) and an additional U.S. producer, *** account for *** percent of total domestic metal lockers production in 2019. Staff believes the coverage in the final phase of these investigations to be *** of U.S. production of metal lockers in 2020 because it received six U.S. producer responses (the five companies previously mentioned, as well as ***). Petitions, Vol. 1, p. 5. and Exh. GEN-2.

² The petitions identified a total of nine U.S. producers of metal lockers and the Commission received six U.S. producer questionnaire responses. Petitions, Vol. 1, pp. 3-4. One of the firms identified by the petitioners, ***, stated that the firm is not a U.S. producer but rather a U.S. purchaser of metal lockers and parts. *** submitted a U.S. purchaser questionnaire in the final phase of these investigations. During the final phase, the Commission identified and sent a U.S. producer questionnaire to ***. *** did not provide a U.S. producer questionnaire response, but reported shipping a total of *** for metal lockers in 2020. Email from ***, May 31, 2021. The other two outstanding U.S. producers which did not provide the Commission with U.S. producer questionnaire responses were ***. Email from ***, June 22, 2021. See also Petitions, Vol. 1, p.3 and Exh. GEN-2.

Table III-1

Metal lockers: U.S. producers of metal lockers, their positions on the petitions, production locations, and shares of reported production, 2020

| Firm | Position on petitions | Production location(s) | Share of production (percent) |
|-----------------|------------------------------|----------------------------------|--------------------------------------|
| American Locker | *** | North Las Vegas, NV | *** |
| DeBourgh | *** | La Junta, CO | *** |
| List Industries | Petitioner | Deerfield Beach, FL Apopka FL | *** |
| Lyon | *** | Watsoka, IL Paris, IL | *** |
| Penco | Petitioner | Hamilton, NC | *** |
| Tennsco | Petitioner | Dickson, TN | *** |

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

Note: ***.

Table III-2 presents information on U.S. producers' ownership, related and/or affiliated firms.

Table III-2

Metal lockers: U.S. producers' ownership, related and/or affiliated firms, 2018-20

| Reporting firm | Relationship type and related firm | Details of relationship |
|-----------------------|---|--------------------------------|
| *** | *** | *** |
| *** | *** | *** |
| *** | *** | *** |
| *** | *** | *** |

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

Note: ***. See *** U.S. importer questionnaire response at I-5 and email from ***, on May 10, 2021.

As indicated in table III-2, one U.S. producer (***) *** a U.S. importer (***) of the subject merchandise. In addition, as discussed in greater detail below, two other U.S. producers import the subject merchandise. *** reported purchases of the subject merchandise from U.S. importers.

Table III-3 presents U.S. producers' reported changes in operations since January 1, 2018.

Table III-3

Metal lockers: U.S. producers' reported changes in operations, since January 1, 2018

| Item | Firm name and accompanying narrative response |
|-------------------------------------|---|
| Plant openings | *** |
| Plant closings | *** |
| Prolonged shutdowns or curtailments | *** |
| Other | *** |
| Other | *** |
| Other | *** |

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

U.S. production, capacity, and capacity utilization

Table III-4 and figure III-1 present U.S. producers' production, capacity, and capacity utilization. Production capacity increased by *** percent, (***) pounds), during 2018-20. This increase was due to *** addition of *** pounds of capacity in 2019, and *** addition of *** pounds in the same year; all other reported capacity remained stable throughout the period of data collection. U.S. producers' aggregate capacity utilization ranged from *** percent to *** percent.³

Table III-4

Metal lockers: U.S. producers' capacity by firm, 2018-20

Capacity in 1,000 pounds

| Firm | 2018 | 2019 | 2020 |
|-----------------|------|------|------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

Table continued.

³ ***. Emails from ***, on August 10, 2020 and May 19, 2021.

Table III-4--Continued
Metal lockers: U.S. producers' production by firm, 2018-20

Production in 1,000 pounds

| Firm | 2018 | 2019 | 2020 |
|-----------------|------|------|------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

Table continued.

Table III-4--Continued
Metal lockers: U.S. producers' capacity utilization ratio by firm, 2018-20

Capacity utilization ratio is production to production capacity in percent

| Firm | 2018 | 2019 | 2020 |
|-----------------|------|------|------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

Table continued.

Table III-4--Continued
Metal lockers: U.S. producers' share of production by firm, 2018-20

Share of production in percent

| Firm | 2018 | 2019 | 2020 |
|-----------------|------|------|------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

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

Figure III-1

Metal lockers: U.S. producers' production, capacity, and capacity utilization, 2018-20

This figure shows capacity, production, and capacity utilization for all U.S. producers over the period. Source data from the previous table.

* * * * *

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

Alternative products

As shown in table III-5, *** percent of the product produced during 2020 by U.S. producers was metal lockers. *** reported producing steel cabinets and shelving, *** reported producing shelving and pallets racks, while ***, the largest producer of other products, accounting for approximately *** percent of other products in 2020, reported producing storage cabinets, shelving, work benches, and bookcases. *** reported producing slot machines, ATMs, and kiosks.

Table III-5**Metal lockers: U.S. producers' overall plant capacity and production on the same equipment as subject production, 2018-20**

Quantities in 1,000 pounds; ratio is production to production capacity in percent; share is share of total production in percent

| Item | Measure | 2018 | 2019 | 2020 |
|------------------------------|----------|------|------|------|
| Overall capacity | Quantity | *** | *** | *** |
| Metal lockers production | Quantity | *** | *** | *** |
| Other production | Quantity | *** | *** | *** |
| Total production | Quantity | *** | *** | *** |
| Overall capacity utilization | Ratio | *** | *** | *** |
| Metal lockers production | Share | *** | *** | *** |
| Other production | Share | *** | *** | *** |
| Total production | Share | *** | *** | *** |

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

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

Table III-6 presents U.S. producers' U.S. shipments, export shipments, and total shipments. The quantity of U.S. shipments declined during 2018-20 by *** percent and the value of U.S. shipments also decreased during the same period by *** percent. By quantity, U.S. producers' U.S. shipments accounted for the *** of total shipments (** percent in 2020). *** accounted for more than *** percent of the volume of U.S. shipments of metal lockers in 2020. Unit values for U.S. shipments increased from \$*** to \$*** per pound between 2018 and 2020. Unit values for export shipments increased from \$*** to \$*** per pound during the same period. Three firms (***) reported exporting metal lockers, while *** reported the highest export volumes.

Table III-6
Metal lockers: U.S. producers' U.S. shipments, exports shipments, and total shipments, 2018-20

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per pound; share of quantity is the share of total shipments by quantity in percent; share of value is the share of total shipments by value in percent

| Item | Measure | 2018 | 2019 | 2020 |
|------------------|-------------------|------|------|------|
| U.S. shipments | Quantity | *** | *** | *** |
| Export shipments | Quantity | *** | *** | *** |
| Total shipments | Quantity | *** | *** | *** |
| U.S. shipments | Value | *** | *** | *** |
| Export shipments | Value | *** | *** | *** |
| Total shipments | Value | *** | *** | *** |
| U.S. shipments | Unit value | *** | *** | *** |
| Export shipments | Unit value | *** | *** | *** |
| Total shipments | Unit value | *** | *** | *** |
| U.S. shipments | Share of quantity | *** | *** | *** |
| Export shipments | Share of quantity | *** | *** | *** |
| Total shipments | Share of quantity | *** | *** | *** |
| U.S. shipments | Share of value | *** | *** | *** |
| Export shipments | Share of value | *** | *** | *** |
| Total shipments | Share of value | *** | *** | *** |

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

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

Table III-7 presents U.S. producers' U.S. shipments by product type. Preconstructed lockers and kits/ready-to-assemble ("RTA") packages together accounted for *** percent of all U.S. shipments by quantity, while components accounted for the remainder in 2020. Kits/RTA packages had the lowest unit values at \$*** per pound, while preconstructed lockers' and components' unit values were \$*** per pound in 2020. U.S. shipment volumes for all product types declined by *** percent during 2018-20 and by *** percent by value.

Table III-7
Metal lockers: U.S. producers' U.S. shipments by product type, 2018-20

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per pound; share of quantity is the share of U.S. shipments by quantity in percent; share of value is the share of U.S. shipments by value in percent

| Item | Measure | 2018 | 2019 | 2020 |
|------------------------|-------------------|------|------|------|
| Preconstructed lockers | Quantity | *** | *** | *** |
| Kits / RTA packages | Quantity | *** | *** | *** |
| Components | Quantity | *** | *** | *** |
| All product types | Quantity | *** | *** | *** |
| Preconstructed lockers | Value | *** | *** | *** |
| Kits / RTA packages | Value | *** | *** | *** |
| Components | Value | *** | *** | *** |
| All product types | Value | *** | *** | *** |
| Preconstructed lockers | Unit value | *** | *** | *** |
| Kits / RTA packages | Unit value | *** | *** | *** |
| Components | Unit value | *** | *** | *** |
| All product types | Unit value | *** | *** | *** |
| Preconstructed lockers | Share of quantity | *** | *** | *** |
| Kits / RTA packages | Share of quantity | *** | *** | *** |
| Components | Share of quantity | *** | *** | *** |
| All product types | Share of quantity | *** | *** | *** |
| Preconstructed lockers | Share of value | *** | *** | *** |
| Kits / RTA packages | Share of value | *** | *** | *** |
| Components | Share of value | *** | *** | *** |
| All product types | Share of value | *** | *** | *** |

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

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

Figure III-2
Metal lockers: U.S. producers' share of U.S. shipments, by product type, 2020

This figure shows U.S. producers' share of U.S. shipments by product type for 2020. Source data from previous table.

* * * * *

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

Table III-8 presents U.S. producers' U.S. shipments by month during 2018-20. The heaviest volumes of U.S. producers' U.S. shipments of metal lockers concentrated during the period of June through August during 2018-20, while the lowest shipment volumes occurred during November through February.

Table III-8
Metal lockers: U.S. producers' U.S. shipments by month, 2018-20

Quantity in 1,000 pounds; Shares in percent

| Month | Measure | 2018 | 2019 | 2020 |
|------------|-------------------|------|------|------|
| January | Quantity | *** | *** | *** |
| February | Quantity | *** | *** | *** |
| March | Quantity | *** | *** | *** |
| April | Quantity | *** | *** | *** |
| May | Quantity | *** | *** | *** |
| June | Quantity | *** | *** | *** |
| July | Quantity | *** | *** | *** |
| August | Quantity | *** | *** | *** |
| September | Quantity | *** | *** | *** |
| October | Quantity | *** | *** | *** |
| November | Quantity | *** | *** | *** |
| December | Quantity | *** | *** | *** |
| All months | Quantity | *** | *** | *** |
| January | Share of quantity | *** | *** | *** |
| February | Share of quantity | *** | *** | *** |
| March | Share of quantity | *** | *** | *** |
| April | Share of quantity | *** | *** | *** |
| May | Share of quantity | *** | *** | *** |
| June | Share of quantity | *** | *** | *** |
| July | Share of quantity | *** | *** | *** |
| August | Share of quantity | *** | *** | *** |
| September | Share of quantity | *** | *** | *** |
| October | Share of quantity | *** | *** | *** |
| November | Share of quantity | *** | *** | *** |
| December | Share of quantity | *** | *** | *** |
| All months | Share of quantity | *** | *** | *** |

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

U.S. producers' inventories

Table III-9 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 decreased by *** percent in 2019 and then increased by *** percent in 2020, with an overall inventory increase of *** percent between 2018 and 2020. *** did not report year-end inventories, while *** end-of-period inventories together accounted for the vast majority of ending inventories in 2020. The ratio of U.S. producers' inventories to total shipments increased by *** percentage points between 2018 and 2020. The ratio of inventories to U.S. production increased from *** percent in 2018 to *** percent in 2020.

Table III-9
Metal lockers: U.S. producers' inventories, 2018-20

Quantity in 1,000 pounds; ratio are inventories to production and shipments

| Firm | 2018 | 2019 | 2020 |
|------------------------------------|------|------|------|
| End-of-period inventory quantity | *** | *** | *** |
| Inventory ratio to U.S. production | *** | *** | *** |
| Inventory ratio to U.S. shipments | *** | *** | *** |
| Inventory ratio to total shipments | *** | *** | *** |

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

U.S. producers' imports and purchases

U.S. producers' imports and purchases of metal lockers during 2018-20 are presented in tables III-10 through III-12. Of the six responding U.S. producers of metal lockers, three firms (***) reported importing metal lockers from China during the period for which data were collected.

***, reported decreasing import volumes of metal lockers from ***, equivalent to *** percent of its U.S. production in 2018, *** percent in 2019, and *** percent in 2020.

The *** U.S. producer ***, reported increasing import volumes of metal lockers from *** between 2018 and 2020, equivalent to *** percent of its U.S. production in 2018, *** percent in 2019, and *** percent in 2020.

***, *** U.S. producer, reported increasing U.S. imports of metal lockers from ***, equivalent to *** percent of its U.S. production in 2018, *** percent in 2019, and *** percent in 2020.

Table III-10**Metal lockers: *** U.S. production, U.S. imports, and ratio of imports to production, 2018-20**

Quantity in 1,000 pounds; ratios are ratios of imports to U.S. production in percent

| Item | Measure | 2018 | 2019 | 2020 |
|-------------------------------------|----------|------|------|------|
| U.S. production | Quantity | *** | *** | *** |
| Imports from *** | Quantity | *** | *** | *** |
| Imports from *** to U.S. production | Ratio | *** | *** | *** |

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

Note: ***.

Table III-11**Metal lockers: *** U.S. production, U.S. imports, and ratio of imports to production, 2018-20**

Quantity in 1,000 pounds; ratios are ratios of imports to U.S. production in percent

| Item | Measure | 2018 | 2019 | 2020 |
|-------------------------------------|----------|------|------|------|
| U.S. production | Quantity | *** | *** | *** |
| Imports from *** | Quantity | *** | *** | *** |
| Imports from *** to U.S. production | Ratio | *** | *** | *** |

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

Table III-12**Metal lockers: *** U.S. production, U.S. imports, and ratio of imports to production, 2018-20**

Quantity in 1,000 pounds; ratios are ratios of imports to U.S. production in percent

| Item | Measure | 2018 | 2019 | 2020 |
|-------------------------------------|----------|------|------|------|
| U.S. production | Quantity | *** | *** | *** |
| Imports from *** | Quantity | *** | *** | *** |
| Imports from *** to U.S. production | Ratio | *** | *** | *** |

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

Table III-13 presents U.S. producers' reasons for importing. *** reported that they import to ***, while *** cited ***.

Table III-13
Metal lockers: U.S. producers' reasons for importing

| Item | Narrative responses |
|--------------------------|---------------------|
| *** reason for importing | *** |
| *** reason for importing | *** |
| *** reason for importing | *** |

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

U.S. employment, wages, and productivity

Table III-14 shows U.S. producers' employment-related data. The number of production and related workers hours, total hours worked, hours worked per PRW, and wages paid all fluctuated during 2018-20, peaking in 2019 and decreasing in 2020. Hourly wages and unit labor costs generally increased between 2018 and 2020, while productivity (pounds per hour) steadily declined during the same period.

Table III-14
Metal lockers: U.S. producers' employment related data, 2018-20

| Item | 2018 | 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 (pounds per hour) | *** | *** | *** |
| Unit labor costs (dollars per pound) | *** | *** | *** |

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 79 firms believed to be importers of subject metal lockers, as well as to all U.S. producers of metal lockers.¹ Usable questionnaire responses were received from 26 companies, representing ***² of U.S. imports from China in 2020 under statistical reporting numbers 9403.20.0078 and 9403.90.8041 of the Harmonized Tariff Schedule of the United States (“HTSUS”). These statistical reporting numbers include broad categories and may include multiple products. Table IV-1 lists all responding U.S.

¹ The Commission issued questionnaires to those firms identified in the petitions, along with firms that, based on a review of data from third-party sources, may have accounted for more than one percent of total imports under statistical reporting numbers 9403.20.0078 and 9403.90.8041 in 2020.

The following firms submitted U.S. importer questionnaires certifying that they are not importers of metal lockers: ***. *** also indicated that they are not the importer of record for imports of metal lockers. Email from ***, on March 25, 2021. In spite of several attempts to obtain a response, *** did not provide a U.S. importers’ questionnaire to the Commission, but reported imports of ***. See emails from *** on July 16, 2020 and March 19, 2021.

² The petitions identified 17 companies the petitioners believe are importing metal lockers from China, including ***. Petitions, Exhibit GEN-1, pp. 2-3. ***.

Based on official U.S. import statistics, the U.S. importers’ questionnaire responses represent *** percent of total U.S. imports of metal lockers from China in 2020, by quantity. As stated above, official statistics include broad categories and products other than metal lockers. Therefore, staff believes the coverage of U.S. imports from China is close to *** of U.S. imports from China, since the Commission received responses from *** the companies the petitions identified as importers of metal lockers from China, plus additional firms. Petitions, Exhibit GEN-1, and declaration from ***.

importers of metal lockers from China and other sources, their locations, and their shares of U.S. imports in 2020.

Table IV-1
Metal lockers: U.S. importers, their headquarters, and share of total imports by source, 2020

Shares in percent

| Firm | Headquarters | China | Nonsubject sources | All import sources |
|-----------------------|----------------------|-------|--------------------|--------------------|
| Amazon | Seattle, WA | *** | *** | *** |
| ASI Storage | Eastanollee, GA | *** | *** | *** |
| Bass Pro | Springfield, MO | *** | *** | *** |
| Edsal Manufacturing | Chicago, IL | *** | *** | *** |
| Global Equipment | Port Washington, NY | *** | *** | *** |
| Grainger | Lake Forest, IL | *** | *** | *** |
| Hornady | Grand Island, NE | *** | *** | *** |
| International Trading | Wanchai, Hong Kong, | *** | *** | *** |
| Jorgenson | Salt Lake City, UT | *** | *** | *** |
| Keystone Locker | Cleveland, OH | *** | *** | *** |
| Liberty | New Hope, MN | *** | *** | *** |
| Lightning Lockers | Toledo, OH | *** | *** | *** |
| Lyon | Aurora, IL | *** | *** | *** |
| National Cart | Saint Charles, MO | *** | *** | *** |
| NewAge Products | Vaughan, ON | *** | *** | *** |
| Olympus Lockers | Eden Prairie, MN | *** | *** | *** |
| Penco | Greenville, NC | *** | *** | *** |
| Salsbury | Carson, CA | *** | *** | *** |
| Superior | Deerfield Beach, FL | *** | *** | *** |
| The Container Store | Coppell, TX | *** | *** | *** |
| Tiburon | Rockleigh, NJ | *** | *** | *** |
| Top Tier | Centerville, OH | *** | *** | *** |
| Uline | Pleasant Prairie, WI | *** | *** | *** |
| Varidesk | Coppell, TX | *** | *** | *** |
| WEC Manufacturing | Dallas, TX | *** | *** | *** |
| Winholt Equipment | Woodbury, NY | *** | *** | *** |
| All firms | NA | *** | *** | *** |

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

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

Note: ***.

U.S. imports

Table IV-2 and figure IV-1 present data for U.S. imports of metal lockers from China and all other sources. The quantity of U.S. imports of metal lockers from China increased by *** percent, (***) pounds), from 2018 to 2020. U.S. imports from China accounted for the *** U.S. imports, specifically, *** percent in 2018, *** percent in 2019, and *** percent 2020, by quantity. In contrast, the share of quantity of reported U.S. imports from nonsubject sources steadily decreased during 2018-20, accounting for *** percent in 2018, *** percent in 2019, and *** percent in 2020.³

The value of U.S. imports of metal lockers from China fluctuated, but overall increased by *** percent during 2018-20. By value, the share of imports from China ranged from *** percent to *** percent during 2018-20 with highest level in 2020, while the share of imports from nonsubject sources by value ranged from *** percent to *** percent in the same period, with its highest level in 2018.

The average unit values of imports from China ranged from \$*** to \$*** per pound during 2018-20, while unit values of imports from nonsubject sources were generally lower, ranging from \$*** to \$*** per pound during the same period. In 2020, U.S. imports of metal lockers from China were equivalent to *** percent of U.S. production, while U.S. imports from nonsubject sources accounted for *** percent of U.S. production of metal lockers during the same year.

³ Of the 22 firms that reported U.S. imports from China, *** reported more imports in 2020 than in 2018. Two firms *** reported importing from nonsubject countries, ***.

Table IV-2
Metal lockers: U.S. imports by source, 2018-20

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

| Source of imports | Measure | 2018 | 2019 | 2020 |
|--------------------|------------|------|------|------|
| China | Quantity | *** | *** | *** |
| Nonsubject sources | Quantity | *** | *** | *** |
| All import sources | Quantity | *** | *** | *** |
| China | Value | *** | *** | *** |
| Nonsubject sources | Value | *** | *** | *** |
| All import sources | Value | *** | *** | *** |
| China | Unit value | *** | *** | *** |
| Nonsubject sources | Unit value | *** | *** | *** |
| All import sources | Unit value | *** | *** | *** |

Table continued.

Table IV-2--Continued
Metal lockers: Share of U.S. imports by source, 2018-20

Share of quantity is the share of U.S. imports by quantity in percent; share of value is the share of U.S. imports by value in percent; ratio are U.S. imports to production in percent

| Source of imports | Measure | 2018 | 2019 | 2020 |
|--------------------|-------------------|------|------|------|
| China | Share of quantity | *** | *** | *** |
| Nonsubject sources | Share of quantity | *** | *** | *** |
| All import sources | Share of quantity | *** | *** | *** |
| China | Share of value | *** | *** | *** |
| Nonsubject sources | Share of value | *** | *** | *** |
| All import sources | Share of value | *** | *** | *** |
| China | Ratio | *** | *** | *** |
| Nonsubject sources | Ratio | *** | *** | *** |
| All import sources | Ratio | *** | *** | *** |

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

Figure IV-1
Metal lockers: U.S. import quantities and average unit values, 2018-20

This figure shows the quantity and unit values of U.S. imports from subject and nonsubject sources over the period. Source data from the previous table.

* * * * *

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

Table IV-3 and figure IV-2 present data for U.S. importers' U.S. imports from China by product type. By quantity and value, kits/RTA packages accounted for the largest share of imports during 2018-20, ranging from *** percent to *** percent by quantity. Components accounted for about a quarter of U.S. importers' U.S. imports from China by type, while the share of preconstructed lockers ranged from *** percent to *** percent by quantity, during 2018-20. Preconstructed lockers had the *** unit value, ranging from \$*** to \$*** per pound during 2018-20. During the same period, components had the *** unit value, ranging from \$*** to \$*** per pound. U.S. importers' U.S. imports from China of all product types fluctuated during 2018-20, increasing in 2020 compared to 2018 by quantity and value.

Table IV-3
Metal lockers: U.S. importers' U.S. imports from China by product type, 2018-20

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit values in dollars per pound; Shares of quantity in percent; Share of value in percent

| Item | Measure | 2018 | 2019 | 2020 |
|------------------------|-------------------|------|------|------|
| Preconstructed lockers | Quantity | *** | *** | *** |
| Kits/RTA packages | Quantity | *** | *** | *** |
| Components | Quantity | *** | *** | *** |
| All product types | Quantity | *** | *** | *** |
| Preconstructed lockers | Value | *** | *** | *** |
| Kits/RTA packages | Value | *** | *** | *** |
| Components | Value | *** | *** | *** |
| All product types | Value | *** | *** | *** |
| Preconstructed lockers | Unit value | *** | *** | *** |
| Kits/RTA packages | Unit value | *** | *** | *** |
| Components | Unit value | *** | *** | *** |
| All product types | Unit value | *** | *** | *** |
| Preconstructed lockers | Share of quantity | *** | *** | *** |
| Kits/RTA packages | Share of quantity | *** | *** | *** |
| Components | Share of quantity | *** | *** | *** |
| All product types | Share of quantity | *** | *** | *** |
| Preconstructed lockers | Share of value | *** | *** | *** |
| Kits/RTA packages | Share of value | *** | *** | *** |
| Components | Share of value | *** | *** | *** |
| All product types | Share of value | *** | *** | *** |

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

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

Figure IV-2

Metal lockers: Share of U.S. importers' U.S. imports from China, by product type, 2020

This figure shows U.S. importers' share of U.S. imports from China by product type for 2020. Source data from previous table.

* * * * *

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

Table IV-4 and figure IV-3 present data for U.S. importers' U.S. imports from nonsubject sources by product type. By quantity and value, kits/RTA packages accounted for the largest share of imports during 2018-20, ranging from *** percent to *** percent by quantity and *** percent to *** percent by value. Components had the *** unit value, ranging from \$*** to \$*** per pound, while kits/RTA packages had the lowest unit value, ranging from \$*** to \$*** per pound. U.S. importers' U.S. imports from nonsubject sources of all product types steadily declined during 2018-20.

Table IV-4
Metal lockers: U.S. importers' U.S. imports from nonsubject sources, by product type, 2018-20

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit values in dollars per pound; Shares of quantity in percent; Share of value in percent

| Item | Measure | 2018 | 2019 | 2020 |
|------------------------|-------------------|------|------|------|
| Preconstructed lockers | Quantity | *** | *** | *** |
| Kits/RTA packages | Quantity | *** | *** | *** |
| Components | Quantity | *** | *** | *** |
| All product types | Quantity | *** | *** | *** |
| Preconstructed lockers | Value | *** | *** | *** |
| Kits/RTA packages | Value | *** | *** | *** |
| Components | Value | *** | *** | *** |
| All product types | Value | *** | *** | *** |
| Preconstructed lockers | Unit value | *** | *** | *** |
| Kits/RTA packages | Unit value | *** | *** | *** |
| Components | Unit value | *** | *** | *** |
| All product types | Unit value | *** | *** | *** |
| Preconstructed lockers | Share of quantity | *** | *** | *** |
| Kits/RTA packages | Share of quantity | *** | *** | *** |
| Components | Share of quantity | *** | *** | *** |
| All product types | Share of quantity | *** | *** | *** |
| Preconstructed lockers | Share of value | *** | *** | *** |
| Kits/RTA packages | Share of value | *** | *** | *** |
| Components | Share of value | *** | *** | *** |
| All product types | Share of value | *** | *** | *** |

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

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

Figure IV-3

Metal lockers: Share of U.S. importers' U.S. imports from nonsubject sources, by product type, 2020

This figure shows U.S. importers' share of U.S. imports from nonsubject sources by product type for 2020. Source data from previous table.

* * * * *

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.⁴ 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. Imports from China accounted for *** percent of total imports of metal lockers by quantity during July 2019 through June 2020.

Table IV-5
Metal lockers: U.S. imports in the twelve-month period preceding the filing of the petitions, July 2019 through June 2020

Quantity in 1,000 pounds; share of quantity is the share of total imports by quantity in percent

| Source of imports | Quantity | Share of quantity |
|--------------------|----------|-------------------|
| China CVD | *** | *** |
| China AD | *** | *** |
| Nonsubject sources | *** | *** |
| All import sources | *** | *** |

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

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

Table IV-6 presents data on U.S. importers' U.S. shipments from China by month. By quantity, the largest share of U.S. shipments occurred in September in 2018, July in 2019, and in May in 2020. U.S. importers' U.S. shipments from China for all months fluctuated and ended lower in 2020, compared to 2018.

Table IV-6
Metal lockers: U.S. importers' U.S. shipments from China, by month, 2018-20

Quantity in 1,000 pounds; Shares in percent

| Month | Measure | 2018 | 2019 | 2020 |
|------------|-------------------|------|------|------|
| January | Quantity | *** | *** | *** |
| February | Quantity | *** | *** | *** |
| March | Quantity | *** | *** | *** |
| April | Quantity | *** | *** | *** |
| May | Quantity | *** | *** | *** |
| June | Quantity | *** | *** | *** |
| July | Quantity | *** | *** | *** |
| August | Quantity | *** | *** | *** |
| September | Quantity | *** | *** | *** |
| October | Quantity | *** | *** | *** |
| November | Quantity | *** | *** | *** |
| December | Quantity | *** | *** | *** |
| All months | Quantity | *** | *** | *** |
| January | Share of quantity | *** | *** | *** |
| February | Share of quantity | *** | *** | *** |
| March | Share of quantity | *** | *** | *** |
| April | Share of quantity | *** | *** | *** |
| May | Share of quantity | *** | *** | *** |
| June | Share of quantity | *** | *** | *** |
| July | Share of quantity | *** | *** | *** |
| August | Share of quantity | *** | *** | *** |
| September | Share of quantity | *** | *** | *** |
| October | Share of quantity | *** | *** | *** |
| November | Share of quantity | *** | *** | *** |
| December | Share of quantity | *** | *** | *** |
| All months | Share of quantity | *** | *** | *** |

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

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

Note: ***.

Table IV-7 presents data on U.S. importers' U.S. shipments from nonsubject sources by month. By quantity, the largest share of U.S. shipments occurred in March in 2018, August in 2019, and October in 2020. U.S. importers' U.S. shipments from nonsubject sources for all months declined over 2018-20.

Table IV-7
Metal lockers: U.S. importers' U.S. shipments from nonsubject sources, by month, 2018-20

Quantity in 1,000 pounds; Shares in percent

| Month | Measure | 2018 | 2019 | 2020 |
|------------|-------------------|------|------|------|
| January | Quantity | *** | *** | *** |
| February | Quantity | *** | *** | *** |
| March | Quantity | *** | *** | *** |
| April | Quantity | *** | *** | *** |
| May | Quantity | *** | *** | *** |
| June | Quantity | *** | *** | *** |
| July | Quantity | *** | *** | *** |
| August | Quantity | *** | *** | *** |
| September | Quantity | *** | *** | *** |
| October | Quantity | *** | *** | *** |
| November | Quantity | *** | *** | *** |
| December | Quantity | *** | *** | *** |
| All months | Quantity | *** | *** | *** |
| January | Share of quantity | *** | *** | *** |
| February | Share of quantity | *** | *** | *** |
| March | Share of quantity | *** | *** | *** |
| April | Share of quantity | *** | *** | *** |
| May | Share of quantity | *** | *** | *** |
| June | Share of quantity | *** | *** | *** |
| July | Share of quantity | *** | *** | *** |
| August | Share of quantity | *** | *** | *** |
| September | Share of quantity | *** | *** | *** |
| October | Share of quantity | *** | *** | *** |
| November | Share of quantity | *** | *** | *** |
| December | Share of quantity | *** | *** | *** |
| All months | Share of quantity | *** | *** | *** |

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

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

Apparent U.S. consumption

Table IV-8 and figure IV-4 present data on apparent U.S. consumption for metal lockers. Apparent U.S. consumption by quantity and from all sources decreased during 2018-20 from *** pounds in 2018 to *** pounds in 2020. In contrast, apparent consumption measured by value fluctuated, increasing from \$*** in 2018 to \$*** in 2019, before decreasing to \$*** in 2020.

Table IV-8
Metal lockers: Apparent U.S. consumption, 2018-20

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

| Source | Measure | 2018 | 2019 | 2020 |
|--------------------|----------|------|------|------|
| U.S. producers | Quantity | *** | *** | *** |
| China | Quantity | *** | *** | *** |
| Nonsubject sources | Quantity | *** | *** | *** |
| All import sources | Quantity | *** | *** | *** |
| All sources | Quantity | *** | *** | *** |
| U.S. producers | Value | *** | *** | *** |
| China | Value | *** | *** | *** |
| Nonsubject sources | Value | *** | *** | *** |
| All import sources | Value | *** | *** | *** |
| All sources | Value | *** | *** | *** |

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

Figure IV-4

Metal lockers: Apparent U.S. consumption, by source 2018-20

This figure shows the quantity of apparent U.S. consumption over the period by major source of supply. Source data from the previous table.

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires

U.S. market shares

U.S. market share data are presented in table IV-9. By quantity, U.S. producers' U.S. market shares increased from 2018 to 2019 from *** percent to *** percent and then declined in 2020 to *** percent. U.S. market shares of subject sources decreased from *** percent in 2018 to *** percent in 2019 and then increased to *** percent in 2020 by quantity. U.S. market shares for nonsubject sources by quantity steadily declined from *** percent in 2018, to *** percent in 2019, ending in *** percent in 2020.

Table IV-9
Metal lockers: Market shares, 2018-20

Quantity in 1,000 pounds; value in 1,000 dollars; share of quantity is the share of apparent U.S. consumption by quantity in percent; share of value is the share of apparent U.S. consumption by value in percent

| Source of apparent U.S. consumption | Measure | 2018 | 2019 | 2020 |
|-------------------------------------|-------------------|------|------|------|
| U.S. producers | Share of quantity | *** | *** | *** |
| China | Share of quantity | *** | *** | *** |
| Nonsubject sources | Share of quantity | *** | *** | *** |
| All import sources | Share of quantity | *** | *** | *** |
| All sources | Share of quantity | *** | *** | *** |
| U.S. producers | Share of value | *** | *** | *** |
| China | Share of value | *** | *** | *** |
| Nonsubject sources | Share of value | *** | *** | *** |
| All import sources | Share of value | *** | *** | *** |
| All sources | Share of value | *** | *** | *** |

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

Figure IV-5

Metal lockers: U.S. producers' and U.S. importers' U.S. shipments, by month, 2018-20

This figure shows the quantity of U.S. shipments from U.S. producers and U.S. importers by month. Source data is from Tables III-8, IV-6, and IV-7.

* * * * *

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

Figure IV-6

Metal lockers: U.S. producers' and U.S. importers' share of consumption, by month, 2018-20

This figure shows the monthly share of consumption of U.S. shipments from U.S. producers and U.S. importers over the period. Source data is from Tables III-8, IV-6, and IV-7.

* * * * *

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

Table IV-10 presents U.S. producers' U.S. shipments and U.S. importers' imports of preconstructed lockers during 2018-20. U.S. producers' U.S. shipments accounted for the largest share of quantity of preconstructed lockers in 2020 with *** percent, while U.S. imports from China accounted for *** percent, and nonsubject sources accounted for *** percent in 2020.

Table IV-10
Metal lockers: U.S. producers' U.S. shipments and U.S. importers' imports of preconstructed lockers, 2018-20

Quantity in 1,000 pounds; Shares and ratios in percent; ratios represent the ratio to overall apparent consumption quantity

| Source | Measure | 2018 | 2019 | 2020 |
|--------------------|-------------------|------|------|------|
| U.S. producers | Quantity | *** | *** | *** |
| China | Quantity | *** | *** | *** |
| Nonsubject sources | Quantity | *** | *** | *** |
| All import sources | Quantity | *** | *** | *** |
| All sources | Quantity | *** | *** | *** |
| U.S. producers | Share of quantity | *** | *** | *** |
| China | Share of quantity | *** | *** | *** |
| Nonsubject sources | Share of quantity | *** | *** | *** |
| All import sources | Share of quantity | *** | *** | *** |
| All sources | Share of quantity | *** | *** | *** |
| U.S. producers | Ratio | *** | *** | *** |
| China | Ratio | *** | *** | *** |
| Nonsubject sources | Ratio | *** | *** | *** |
| All import sources | Ratio | *** | *** | *** |
| All sources | Ratio | *** | *** | *** |

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

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

Table IV-11 presents U.S. producers' U.S. shipments and U.S. importers' imports of kits/RTA packages during 2018-20. Imports from China accounted for the largest share of kits/RTA packages by quantity, with *** percent, while U.S. producers' U.S. shipments accounted for *** percent of kits/RTA packages in 2020. U.S. imports from nonsubject sources accounted for *** percent of kits/RTA packages by quantity in 2020.

Table IV-11
Metal lockers: U.S. producers' U.S. shipments and U.S. importers' imports of kits/RTA packages, 2018-20

Quantity in 1,000 pounds; Shares and ratios in percent; ratios represent the ratio to overall apparent consumption quantity

| Source | Measure | 2018 | 2019 | 2020 |
|--------------------|-------------------|------|------|------|
| U.S. producers | Quantity | *** | *** | *** |
| China | Quantity | *** | *** | *** |
| Nonsubject sources | Quantity | *** | *** | *** |
| All import sources | Quantity | *** | *** | *** |
| All sources | Quantity | *** | *** | *** |
| U.S. producers | Share of quantity | *** | *** | *** |
| China | Share of quantity | *** | *** | *** |
| Nonsubject sources | Share of quantity | *** | *** | *** |
| All import sources | Share of quantity | *** | *** | *** |
| All sources | Share of quantity | *** | *** | *** |
| U.S. producers | Ratio | *** | *** | *** |
| China | Ratio | *** | *** | *** |
| Nonsubject sources | Ratio | *** | *** | *** |
| All import sources | Ratio | *** | *** | *** |
| All sources | Ratio | *** | *** | *** |

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

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

Table IV-12 presents U.S. producers' U.S. shipments and U.S. importers' imports of components during 2018-20. U.S. producers' U.S. shipments accounted for the largest share of quantity of locker components in 2020, with *** percent. By quantity, U.S. imports from China accounted for *** percent of components in 2020, while nonsubject sources accounted for *** percent.

Table IV-12**Metal lockers: U.S. producers' U.S. shipments and U.S. importers' imports of components, 2018-20**

Quantity in 1,000 pounds; Shares and ratios in percent; Ratios represent the ratio to overall apparent consumption quantity

| Source | Measure | 2018 | 2019 | 2020 |
|--------------------|-------------------|------|------|------|
| U.S. producers | Quantity | *** | *** | *** |
| China | Quantity | *** | *** | *** |
| Nonsubject sources | Quantity | *** | *** | *** |
| All import sources | Quantity | *** | *** | *** |
| All sources | Quantity | *** | *** | *** |
| U.S. producers | Share of quantity | *** | *** | *** |
| China | Share of quantity | *** | *** | *** |
| Nonsubject sources | Share of quantity | *** | *** | *** |
| All import sources | Share of quantity | *** | *** | *** |
| All sources | Share of quantity | *** | *** | *** |
| U.S. producers | Ratio | *** | *** | *** |
| China | Ratio | *** | *** | *** |
| Nonsubject sources | Ratio | *** | *** | *** |
| All import sources | Ratio | *** | *** | *** |
| All sources | Ratio | *** | *** | *** |

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

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

U.S. producers were asked whether they produce and ship various types of metal lockers,⁵ and U.S. importers were asked whether they import various types of metal lockers from China and from nonsubject sources.⁶ The U.S. producers' and U.S. importers' responses included lockers by width, standing type, latch type, and by finishing. Tables IV-13 through IV-16 present the number of firms reporting each of these types of metal lockers during 2018-20.

⁵ U.S. producers' questionnaire, II-11.

⁶ U.S. importers' questionnaire, II-5e and II-6e.

Table IV-13
Metal lockers: U.S. producers' and U.S. importers' lockers, by size, 2018-20

Number of firms reporting

| Item | Source | Less than 12 inches deep | >=12 and <16 deep | >=16 and <20 deep | >=20 and <24 deep | >=24 and <27 deep | Any depth |
|--------------------------|----------------|--------------------------|-------------------|-------------------|-------------------|-------------------|-----------|
| Less than 12 inches wide | U.S. producers | 2 | 5 | 5 | 4 | 3 | 5 |
| >=12 and <16 wide | U.S. producers | 1 | 6 | 6 | 6 | 4 | 6 |
| >=16 and <20 wide | U.S. producers | 1 | 6 | 5 | 6 | 4 | 6 |
| >=20 and <24 wide | U.S. producers | 1 | 4 | 4 | 4 | 3 | 4 |
| >=24 and <27 wide | U.S. producers | 1 | 4 | 5 | 5 | 5 | 6 |
| Any width | U.S. producers | 2 | 6 | 6 | 6 | 5 | 6 |
| Less than 12 inches wide | China | 4 | 5 | 5 | 3 | 2 | 9 |
| >=12 and <16 wide | China | 4 | 14 | 16 | 6 | 5 | 19 |
| >=16 and <20 wide | China | 4 | 9 | 10 | 8 | 4 | 12 |
| >=20 and <24 wide | China | 2 | 5 | 8 | 7 | 4 | 11 |
| >=24 and <27 wide | China | 1 | 4 | 6 | 5 | 5 | 7 |
| Any width | China | 6 | 17 | 20 | 10 | 6 | 23 |
| Less than 12 inches wide | Nonsubject | 0 | 0 | 0 | 0 | 0 | 0 |
| >=12 and <16 wide | Nonsubject | 0 | 1 | 2 | 0 | 1 | 3 |
| >=16 and <20 wide | Nonsubject | 0 | 1 | 0 | 0 | 0 | 1 |
| >=20 and <24 wide | Nonsubject | 0 | 0 | 0 | 0 | 0 | 0 |
| >=24 and <27 wide | Nonsubject | 0 | 0 | 0 | 0 | 0 | 0 |
| Any width | Nonsubject | 0 | 2 | 2 | 0 | 1 | 4 |

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

Table IV-14**Metal lockers: U.S. producers' and U.S. importers' lockers, by standing type, 2018-20**

Number of firms reporting

| Item | U.S. producers | China | Nonsubject sources |
|-----------------------|----------------|-------|--------------------|
| Floor standing | 6 | 22 | 4 |
| Mounted, for mounting | 5 | 14 | 2 |
| Other standing type | 2 | 2 | 1 |

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

Table IV-15**Metal lockers: U.S. producers' and U.S. importers' lockers, by latch type, 2018-20**

Number of firms reporting

| Item | U.S. producers | China | Nonsubject sources |
|---------------------------|----------------|-------|--------------------|
| Gravity lift type | 6 | 15 | 0 |
| Single point, finger pull | 6 | 14 | 3 |
| Other | 4 | 7 | 1 |

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

Table IV-16**Metal lockers: U.S. producers' and U.S. importers' lockers, by finishing, 2018-20**

Number of firms reporting

| Item | U.S. producers | China | Nonsubject sources |
|---|----------------|-------|--------------------|
| Painted | 5 | 21 | 4 |
| Galvanized | 4 | 8 | 1 |
| Stainless steel | 2 | 4 | 0 |
| Non-galvanized, non-stainless pickled oiled | 1 | 0 | 0 |
| Other | 3 | 3 | 0 |

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

Part V: Pricing data

Factors affecting prices

Raw material costs

Metal lockers are typically made of flat-rolled, expanded or mesh non-alloy steel, stainless steel, or aluminum.¹ Raw materials are the largest component of the total cost of goods sold (“COGS”) for metal lockers (see chapter VI). Raw materials made up more than half of the COGS throughout January 2018 through December 2020.

As illustrated in Figure V-1, between January 2018 and December 2020, cold-rolled coil steel prices *** in December 2020, where prices were *** percent *** than prices in January 2018. Cold-rolled coil steel prices *** percent from ***. Cold-rolled coil steel prices *** by *** percent between ***. Cold-rolled coil steel prices **, with **.

¹ Petitions, Volume I, pp. 10-11.

Figure V-1

Metal lockers: Raw material prices for steel cold-rolled coil, January 2018-December 2020

* * * * *

Source: ***, retrieved May 27, 2020.

Three U.S. producers reported that raw material costs had fluctuated since 2018 and three reported that they had increased. U.S. producer *** reported that steel prices have been a “roller coaster,” with large increases since the imposition of steel tariffs followed by a subsequent decline due to low-priced foreign imports. U.S. producer *** reported that it is “unable to compete with imported locker prices,” due to steel tariffs increasing COGS in Spring 2018, followed by a downward trend in steel prices one year later, in Spring 2019. *** importers reported that raw material costs have increased since 2018, while *** reported that raw material costs have fluctuated, and *** reported that they had remained constant. Importers *** reported that the cost of raw materials increased due to tariffs, while importer *** reported that the cost of raw materials increased due to manufacturing closures caused by COVID-19.

Impact of section 232 tariffs on metal lockers

In April 2017, the U.S. Department of Commerce announced a section 232 investigation on imports of steel, and in March 2018, the President announced additional import duties for

steel mill articles. Steel is used in the production of metal lockers. The Commission asked U.S. producers and importers about the effects of 232 duties on the raw material costs and prices of metal lockers.

The majority of responding U.S. producers (3 of 4) and a plurality of responding importers (10 of 21) reported that section 232 tariffs had increased the raw material costs of metal lockers.² U.S. producer *** reported that U.S. steel producers “increased steel prices by 25 percent almost immediately upon the imposition of 232 tariffs.” Importers *** reported that the price of metal lockers *** as a result of the section 232 tariffs.

A majority of responding U.S. producers (3 of 5) reported that section 232 tariffs had caused the price of metal lockers to fluctuate while the majority of responding importers (12 of 21) reported that section 232 tariffs had caused no change in the price of metal lockers.³ U.S. producer *** reported that it “raised prices 5 percent, but metal has risen over 30 percent.” *** also reported that it has “not been able to pass along the price increase in most cases.” U.S. producer *** reported that, when the cost of steel increased, it “tried to raise prices but was not able to increase prices by the full amount, due to competitive pricing pressure from lower-priced imports.” Importer *** reported that “{r}aw materials are the determining factors for cost increases, not section 232.” Importer *** reported that the prices for imported metal lockers increased by 15 percent. Importer *** reported that it “often” negotiates its purchase price based on the current index of the commodity cost of the metal; thus, “{W}ith raw materials pricing increasing{,} our {...} selling prices also have increased.” Importer *** reported that it raised prices, thus losing sales to the domestic market “to which we were already losing market share due to the increased prices on section 232 imports.” *** continued, “The result is higher locker costs for low-level products, which shifts the increased costs to schools and hospitals{,} unfortunately.”

² Nine importers reported no change in raw material costs.

³ Two producers and nine importers reported an increase in the price of metal lockers.

Transportation costs to the U.S. market

Transportation costs for metal lockers shipped from China to the United States averaged 11.8 percent during 2020. These estimates were derived from official import data and represent the transportation and other charges on imports.⁴

U.S. inland transportation costs

Three of six responding U.S. producers and *** responding importers reported that they typically arrange transportation to their customers. Most U.S. producers reported that their U.S. inland transportation costs ranged from 1.0 to 8.5 percent while most importers reported costs of 1.0 to 16.0 percent.

Pricing practices

Pricing methods

U.S. producers and importers reported setting prices using transaction-by-transaction negotiations, contracts, set price lists, and other methods (table V-1).⁵

Table V-1
Metal lockers: U.S. producers and importers reported price setting methods

Number of firms reporting

| Method | U.S. producers | U.S. importers |
|----------------------------|----------------|----------------|
| Transaction-by-transaction | 5 | 14 |
| Contract | 5 | 7 |
| Set price list | 5 | 13 |
| Other | 2 | 5 |
| Responding firms | 6 | 25 |

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.

⁴ The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2020 and then dividing by the customs value based on the HTS subheadings 9403.90.8041.

⁵ Other reported methods include ***.

U.S. producers mainly sold their metal lockers through spot sales and short-term contracts while importers reported selling the majority of their metal lockers in the spot market (table V-2).

Table V-2
Metal lockers: U.S. producers' and importers' shares of U.S. commercial shipments by type of sale, 2020

Share in percent

| Item | U.S. producers | Subject U.S. importers |
|----------------------|----------------|------------------------|
| Long-term contracts | *** | *** |
| Annual contract | *** | *** |
| Short-term contracts | *** | *** |
| Spot sales | *** | *** |

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

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

U.S. producers reported that short-term contracts generally lasted between 90 to 180 days and that long-term contracts generally lasted between 18 months to 2 years. ***, **, reported ***, **, **, reported ***. **, **, reported **, and **, **, reported **. Importers reported that long-term contracts last up to two years. One importer, **, reported renegotiating prices for annual contracts and two importers reported renegotiating prices for long-term contracts. ***, **, reported fixing quantities for short-term contracts, annual contracts, or long-term contracts. ***, **, reported fixing prices for short-term contracts, **, reported fixing prices for annual contracts, and **, reported fixing prices for long-term contracts. ***, **, reported **, and **, **, reported **. ***, **, reported that annual and long-term contracts are indexed to raw material costs. The other ***, **, reported that long-term contracts, annual contracts, and short-term contracts are not indexed to raw material costs.

Four purchasers reported that they purchase product daily, eight purchase weekly, five purchase monthly, one purchases quarterly, one purchases annually, and three do not purchase

based on a specific schedule.⁶ Fourteen of 22 responding purchasers reported that their purchasing frequency had not changed since 2018. A plurality of responding purchasers (13 of 22) contact at least one to two suppliers before making a purchase.

Sales terms and discounts

The majority of U.S. producers and importers typically quote prices on an f.o.b. basis. Producers and importers reported offering quantity, total volume, and other discounts. U.S. producers and importers reported that other discounts included negotiated discounts and dealer discounts. Several U.S. producers and importers reported that customer promotional strategies and the size or volume of the order of metal lockers were key to determining discounts.

Price leadership

Six purchasers reported that List Industries was a price leader, four purchasers reported that Lyon was a price leader, three purchasers reported that Penco was a price leader, two purchasers reported that Tennsco was a price leader, and two purchasers reported that Hallowell was a price leader.⁷ Two of these purchasers reported that List Industries' "efficient manufacturing" and "outstanding" quality control help List Industries keep lower prices than its competitors. Three purchasers commented on List Industries' pricing, and reported that List Industries' pricing is "aggressive," "steadily {...} increases," and is able to adjust based on changes to material costs. Two of the three purchasers that cited Lyon as a price leader reported that Lyon adjusts to material price changes. Three purchasers reported that they were unable to name a price leader, while one purchaser reported that it did not see a consistent price leader when examining lists of vendors.

⁶ Purchaser *** reported ***. Purchaser *** reported ***. Purchaser *** reported ***.

⁷ The following price leaders were listed once by purchasers: Edsal/Sandusky, Brennan Equipment, Strong Hold Products, Elite Storage Equipment, Republic, Stack On Fortress, and Sports Afield. ***. See Conference transcript, p. *** (***). See also purchasers' questionnaire, III-10 and V-1.

Price and purchase cost 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 metal locker products shipped to unrelated U.S. customers during January 2018 through December 2020. Firms that imported these products from China for their own use and/or retail sale were requested to provide import purchase cost data.⁸

Product 1.-- 12" wide x 18" deep x 72" high 1-Tier (one full height door within a single frame, one opening) locker, knock-down (KD), 24 gauge solid body, 16 gauge frame, 16 gauge louvered door, recessed or projecting die-cast handle, 3-point (multi-point) gravity lift-type latching, lock not included, with 6" legs (legs increase frame height to 78"), nut/bolt or rivet assembly required.

Product 2.-- 12" wide x 12" deep x 36"/72" high 2-Tier (two half-height doors stacked within a single frame, two openings) locker, knock-down (KD), 24 gauge solid body, 16 gauge frame, 16 gauge louvered door, recessed or projecting die-cast handle, 2-point (multi-point) gravity lift type latching, lock not included, with 6" legs (legs increase frame height to 78"), nut/bolt or rivet assembly required.

Product 3.-- 12" wide x 18" deep x 36"/72" high 2-Tier (two half-height doors stacked within a single frame, two openings) locker, knock-down (KD), 24 gauge solid body, 16 gauge frame, 16 gauge louvered door, recessed or projecting die-cast handle, 2-point (multi-point) gravity lift-type latching, lock not included, with 6" legs (legs increase frame height to 78"), nut/bolt or rivet assembly required.

Product 4.-- 12" wide x 12" deep x 12"/72" high 6-Tier (six 12" high doors stacked within a single frame, 6 openings) locker, knock-down (KD), 24 gauge solid body, 16 gauge frame, 18 gauge louvered door, single-point latching with thru-the-door finger pull handle, lock not included, with 6" legs (legs increase frame height to 78"), nut/bolt or rivet assembly required.

Price data

Four U.S. producers and *** importers provided usable pricing data for sales of the

⁸ Commission staff contacted all importers that reported internal consumption and/or retail sales in their trade data in order to verify purchase cost data, or lack thereof.

requested products, although not all firms reported pricing for all products for all quarters.⁹ Pricing data reported by these firms accounted for approximately *** percent of the value of U.S. producers' commercial shipments of metal lockers and *** percent of the value of U.S. commercial shipments of subject imports from China.^{10 11} *** importers reported useable import purchase cost data.¹²

⁹ 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.

¹⁰ Importer ***. ***. These data are excluded from the data set.

¹¹ U.S. producers and importers were instructed to exclude any other accessory, special feature, specialized material or component from the data reported below: Locks, Slope Tops, Metal Base, Recess Trim, Fillers, End Panels, Locker Assembly, Heavier Gauges, Perforated Body Components, Special Door Punchings, Door Stiffeners, Special Latching, Galvanneal Sheet Steel in lieu of standard cold rolled sheet steel, Special Finishes, Shipping Charges, Assembly Charges and any other accessory or add-on feature not specifically identified within this descriptor.

¹² Staff confirmed that importer *** reported non-knocked-down lockers in its purchase cost data and has excluded this data. See staff email with ***, June 28, 2021, EDIS no. 745599.

Price data for products 1-4 are presented in tables V-3 to V-6 and figures V-2 to V-5.^{13 14}

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¹³ Commission staff excluded the price data reported by the following importers: ***.

Staff has excluded the price data reported by the following importers because they included non-knocked-down lockers in their pricing data: ***. With regard to ***. See email correspondence with ***, June 25, 2021; email correspondence with ***, June 30, 2021. The pricing product data reported by ***. See importers' questionnaire at II-5c and III-2. See also email correspondence with ***, June 30, 2021.

With regard to *** pricing product data, ***. See email correspondence with ***, April 12, 2021.

The pricing product data reported by ***. See importers' questionnaire at II-5e, III-4, III-5, and III-22. See also email correspondence with ***, April 22, 2021.

¹⁴ Commission staff did not exclude the price data reported by the following importers: ***.

The pricing product data reported by ***. ***. See email correspondence with ***, May 13, 2021. ***. See email correspondence with ***, March 10, 2021.

(continued...)

(...continued)

***. ***, see importers' questionnaire at III-2b, ***. Compare importers' questionnaire III-2 prompt with III-3 prompt. ***. See email correspondence with ***, April 13, 2021 (discussing ***). ***. *** did ***. See purchasers' questionnaire at IV-1 and IV-2. See also importers' questionnaire at III-19 and III-20. ***. See purchasers' questionnaire at V-1 and email correspondence with ***, April 13, 2021.

***, see importers' questionnaire at II-5, ***. See importers' questionnaire at III-21. ***, see importers' questionnaire at II-5, ***. See importers' questionnaire at III-21. ***, see importers' questionnaire at II-5, ***. See importers' questionnaire at III-21. ***.

¹⁵ LDP import value does not include any potential additional costs that a purchaser may incur by importing rather than purchasing from another importer or U.S. producer. Price-cost differences are based on LDP import values whereas margins of underselling/overselling are based on importer sales prices.

Table V-3**Metal lockers: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by quarter, January 2018 through December 2020**

Quantity in lockers; Prices and unit LDP values in dollars per locker; Margins and differentials in percent

| Period | U.S. price | U.S. quantity | China price | China quantity | China margin |
|---------|------------|---------------|-------------|----------------|--------------|
| 2018 Q1 | *** | *** | *** | *** | *** |
| 2018 Q2 | *** | *** | *** | *** | *** |
| 2018 Q3 | *** | *** | *** | *** | *** |
| 2018 Q4 | *** | *** | *** | *** | *** |
| 2019 Q1 | *** | *** | *** | *** | *** |
| 2019 Q2 | *** | *** | *** | *** | *** |
| 2019 Q3 | *** | *** | *** | *** | *** |
| 2019 Q4 | *** | *** | *** | *** | *** |
| 2020 Q1 | *** | *** | *** | *** | *** |
| 2020 Q2 | *** | *** | *** | *** | *** |
| 2020 Q3 | *** | *** | *** | *** | *** |
| 2020 Q4 | *** | *** | *** | *** | *** |

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

Note: Product 1: 12" wide x 18" deep x 72" high 1-Tier (one full height door within a single frame, one opening) locker, knockdown (KD), 24 gauge solid body, 16 gauge frame, 16 gauge louvered door, recessed or projecting die-cast handle, 3-point (multi-point) gravity lift-type latching, lock not included, with 6" legs (legs increase frame height to 78"), nut/bolt or rivet assembly required.

Table V-4**Metal lockers: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by quarter, January 2018 through December 2020**

Quantity in lockers; Prices in dollars per locker; Margins and differentials in percent

| Period | U.S. price | U.S. quantity | China price | China quantity | China margin |
|---------|------------|---------------|-------------|----------------|--------------|
| 2018 Q1 | *** | *** | *** | *** | *** |
| 2018 Q2 | *** | *** | *** | *** | *** |
| 2018 Q3 | *** | *** | *** | *** | *** |
| 2018 Q4 | *** | *** | *** | *** | *** |
| 2019 Q1 | *** | *** | *** | *** | *** |
| 2019 Q2 | *** | *** | *** | *** | *** |
| 2019 Q3 | *** | *** | *** | *** | *** |
| 2019 Q4 | *** | *** | *** | *** | *** |
| 2020 Q1 | *** | *** | *** | *** | *** |
| 2020 Q2 | *** | *** | *** | *** | *** |
| 2020 Q3 | *** | *** | *** | *** | *** |
| 2020 Q4 | *** | *** | *** | *** | *** |

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

Note: Product 2: 12" wide x 12" deep x 36"/72" high 2-Tier (two half-height doors stacked within a single frame, two openings) locker, knock-down (KD), 24 gauge solid body, 16 gauge frame, 16 gauge louvered door, recessed or projecting die-cast handle, 2-point (multi-point) gravity lift type latching, lock not included, with 6" legs (legs increase frame height to 78"), nut/bolt or rivet assembly required.

Table V-5**Metal lockers: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling) by quarter, January 2018 through December 2020**

Quantity in lockers; Prices in dollars per locker; Margins and differentials in percent

| Period | U.S. price | U.S. quantity | China price | China quantity | China margin |
|---------|------------|---------------|-------------|----------------|--------------|
| 2018 Q1 | *** | *** | *** | *** | *** |
| 2018 Q2 | *** | *** | *** | *** | *** |
| 2018 Q3 | *** | *** | *** | *** | *** |
| 2018 Q4 | *** | *** | *** | *** | *** |
| 2019 Q1 | *** | *** | *** | *** | *** |
| 2019 Q2 | *** | *** | *** | *** | *** |
| 2019 Q3 | *** | *** | *** | *** | *** |
| 2019 Q4 | *** | *** | *** | *** | *** |
| 2020 Q1 | *** | *** | *** | *** | *** |
| 2020 Q2 | *** | *** | *** | *** | *** |
| 2020 Q3 | *** | *** | *** | *** | *** |
| 2020 Q4 | *** | *** | *** | *** | *** |

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

Note: Product 3: 12" wide x 18" deep x 36"/72" high 2-Tier (two half-height doors stacked within a single frame, two openings) locker, knock-down (KD), 24 gauge solid body, 16 gauge frame, 16 gauge louvered door, recessed or projecting die-cast handle, 2-point (multi-point) gravity lift-type latching, lock not included, with 6" legs (legs increase frame height to 78"), nut/bolt or rivet assembly required.

Table V-6**Metal lockers: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling) by quarter, January 2018 through December 2020**

Quantity in lockers; Prices in dollars per locker; Margins and differentials in percent

| Period | U.S. price | U.S. quantity | China price | China quantity | China margin |
|---------|------------|---------------|-------------|----------------|--------------|
| 2018 Q1 | *** | *** | *** | *** | *** |
| 2018 Q2 | *** | *** | *** | *** | *** |
| 2018 Q3 | *** | *** | *** | *** | *** |
| 2018 Q4 | *** | *** | *** | *** | *** |
| 2019 Q1 | *** | *** | *** | *** | *** |
| 2019 Q2 | *** | *** | *** | *** | *** |
| 2019 Q3 | *** | *** | *** | *** | *** |
| 2019 Q4 | *** | *** | *** | *** | *** |
| 2020 Q1 | *** | *** | *** | *** | *** |
| 2020 Q2 | *** | *** | *** | *** | *** |
| 2020 Q3 | *** | *** | *** | *** | *** |
| 2020 Q4 | *** | *** | *** | *** | *** |

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

Note: Product 4: 12" wide x 12" deep x 12"/72" high 6-Tier (six 12" high doors stacked within a single frame, 6 openings) locker, knock-down (KD), 24 gauge solid body, 16 gauge frame, 18 gauge louvered door, single-point latching with thru-the-door finger pull handle, lock not included, with 6" legs (legs increase frame height to 78"), nut/bolt or rivet assembly required.

Figure V-2
Metal lockers: Weighted-average f.o.b. prices, and quantities of domestic and imported product 1, by quarter, January 2018 through December 2020

Price of product 1

* * * * *

Volume of product 1

* * * * *

Product 1: 12" wide x 18" deep x 72" high 1-Tier (one full height door within a single frame, one opening) locker, knockdown (KD), 24 gauge solid body, 16 gauge frame, 16 gauge louvered door, recessed or projecting die-cast handle, 3-point (multi-point) gravity lift-type latching, lock not included, with 6" legs (legs increase frame height to 78"), nut/bolt or rivet assembly required.

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

Figure V-3
Metal lockers: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, by quarter, January 2018 through December 2020

Price of product 2

* * * * *

Volume of product 2

* * * * *

Product 2: 12" wide x 12" deep x 36"/72" high 2-Tier (two half-height doors stacked within a single frame, two openings) locker, knock-down (KD), 24 gauge solid body, 16 gauge frame, 16 gauge louvered door, recessed or projecting die-cast handle, 2-point (multi-point) gravity lift type latching, lock not included, with 6" legs (legs increase frame height to 78"), nut/bolt or rivet assembly required.

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

Figure V-4
Metal lockers: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, by quarter, January 2018 through December 2020

Price of product 3

* * * * *

Volume of product 3

* * * * *

Product 3: 12" wide x 18" deep x 36"/72" high 2-Tier (two half-height doors stacked within a single frame, two openings) locker, knock-down (KD), 24 gauge solid body, 16 gauge frame, 16 gauge louvered door, recessed or projecting die-cast handle, 2-point (multi-point) gravity lift-type latching, lock not included, with 6" legs (legs increase frame height to 78"), nut/bolt or rivet assembly required.

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

Figure V-5
Metal lockers: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, by quarter, January 2018 through December 2020

Price of product 4

* * * * *

Volume of product 4

* * * * *

Product 4: 12" wide x 12" deep x 12"/72" high 6-Tier (six 12" high doors stacked within a single frame, 6 openings) locker, knock-down (KD), 24 gauge solid body, 16 gauge frame, 18 gauge louvered door, single-point latching with thru-the-door finger pull handle, lock not included, with 6" legs (legs increase frame height to 78"), nut/bolt or rivet assembly required.

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

Price trends

In general, prices of domestically produced metal lockers increased slightly during January 2018 to December 2020. Prices for metal lockers imported from China increased during the same period. Table V-7 summarizes the price trends, by country and by product. As shown in the table, domestic price increases ranged from *** to *** percent for products 1, 2, and 4 during January 2018 to December 2020 while domestic prices increased by *** percent for product 3. Import price increases ranged from *** to *** percent.¹⁶

Indexed pricing data in figures V-6 and V-7 compares the pricing of products 1-4 sold by U.S. producers and subject importers, respectively. As shown in the figures, prices for U.S. product *** and ***, while prices for imported products generally increased throughout the period.

Table V-7

Metal lockers: Number of quarters containing observations low price, high price, and change in price over period, by product and source, January 2018 through December 2020

Prices in dollars per locker; Change in percent

| Product | Source | Number of quarters | Low price | High price | Change over period |
|-----------|---------------|--------------------|-----------|------------|--------------------|
| Product 1 | United States | *** | *** | *** | *** |
| Product 1 | China price | *** | *** | *** | *** |
| Product 2 | United States | *** | *** | *** | *** |
| Product 2 | China price | *** | *** | *** | *** |
| Product 3 | United States | *** | *** | *** | *** |
| Product 3 | China price | *** | *** | *** | *** |
| Product 4 | United States | *** | *** | *** | *** |
| Product 4 | China price | *** | *** | *** | *** |

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

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

Note: Percentage change from the first quarter in which data were available to the last quarter in which price data were available.

¹⁶ The pricing data reported for the four pricing products indicate a wide range of prices despite somewhat detailed specifications. Petitioners noted that "there is likely some degree of subjective interpretation of products meeting the price descriptors, notwithstanding that petitioners and Commission staff put forth best efforts to be as specific as possible." Petitioners' prehearing brief, p. 43, see also exh. 15, p. 3.

Figure V-6
Metal lockers: Indexed U.S. producer prices, January 2018 through December 2020

* * * * *

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

Figure V-7
Metal lockers: Indexed subject U.S. importer prices, January 2018 through December 2020

* * * * *

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

Price comparisons

As shown in table V-8, prices for metal lockers imported from China were above those for U.S.-produced metal lockers and there were no reported instances of underselling throughout January 2018 through December 2020. Pricing for metal lockers from China were between *** and *** percent above prices for domestic prices in all 48 instances (*** lockers).

Table V-8
Metal lockers: Instances of underselling and the range and average of margins, by product, January 2018 through December 2020

Quantity in lockers; Margins in percent

| Item | Number of quarters | Quantity | Average margin | Minimum margin | Maximum margin |
|---------------------|--------------------|----------|----------------|----------------|----------------|
| Product 1 | *** | *** | *** | *** | *** |
| Product 2 | *** | *** | *** | *** | *** |
| Product 3 | *** | *** | *** | *** | *** |
| Product 4 | *** | *** | *** | *** | *** |
| Total, underselling | *** | *** | *** | *** | *** |

Table continued.

Table V-8--Continued
Metal lockers: Instances of overselling and the range and average of margins, by product, January 2018 through December 2020

Quantity in lockers; Margins in percent

| Item | Number of quarters | Quantity | Average margin | Minimum margin | Maximum margin |
|--------------------|--------------------|----------|----------------|----------------|----------------|
| Product 1 | *** | *** | *** | *** | *** |
| Product 2 | *** | *** | *** | *** | *** |
| Product 3 | *** | *** | *** | *** | *** |
| Product 4 | *** | *** | *** | *** | *** |
| Total, overselling | 48 | *** | *** | *** | *** |

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

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 metal lockers report purchasers with which they experienced instances of lost sales or revenue due to competition from imports of metal lockers from China during January 2018 to December 2020. One U.S. producer submitted lost sales and lost revenue allegations. The responding U.S. producer identified *** firms with which they lost sales (*** consisting of lost sales allegations, *** consisting of lost revenue allegations, and *** consisting of both types of allegations).

In the final phase of these investigations, of the six responding U.S. producers, six reported that they had to reduce prices, four reported that they had to roll back announced price increases, and six reported that they had lost sales.

Staff contacted 83 purchasers and received responses from 22 purchasers.¹⁷ Responding purchasers reported purchasing *** pounds of metal lockers during January 2018 to December 2020 (table V-10).

¹⁷ *** submitted a lost sales lost revenue survey in the preliminary phase of these investigations, but did not submit a purchasers' questionnaire in the final phase of these investigations. *** instead submitted an importers' questionnaire in the final phase. ***. See email conversation with ***, June 3, 2021.

Of the 22 responding purchasers, six reported that, since 2018, they had purchased imported metal lockers from China instead of U.S.-produced product. Four of these purchasers reported that subject import prices were lower than U.S.-produced product, and three of these purchasers reported that price was a primary reason for the decision to purchase imported product rather than U.S.-produced product. Three purchasers estimated the quantity of metal lockers from China purchased instead of domestic product; quantities ranged from *** pounds to *** pounds (Table V-11). Purchasers who did not purchase subject imports primarily because of the lower price of subject imports identified pre-established vendor agreements and business relationships in which they did not have a say in sourcing and supplier management as non-price reasons for purchasing imported rather than U.S.-produced product.

**Table V-11
Metal lockers: Purchasers' responses to purchasing subject instead of domestic, by firm**

Quantity in 1,000 pounds

| Firm | Purchased subject imports instead of domestic | Imports priced lower | Choice based on price | Quantity | Explanation |
|-------------|--|-----------------------------|------------------------------|-----------------|--------------------|
| *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** |
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| *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** |
| *** | *** | *** | *** | *** | *** |
| All firms | Yes--6; No--15 | Yes--4; No--2 | Yes--3; No--3 | *** | NA |

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

Of the 22 responding purchasers, six reported that U.S. producers had reduced prices in order to compete with lower-priced imports from China, ten reported that U.S. producers had not reduced prices, and five reported that they did not know (table V-12). The reported estimated price reduction ranged from *** percent. One purchaser, ***, reported that *** 30 percent price reduction “is not enough to get the bid,” while purchaser *** reported that *** established a “price decrease to put U.S. lockers more in line with competitors.”

In responding to the lost sales lost revenue survey, some purchasers provided additional information on purchases and market dynamics. *** reported that it “can NEVER compete with China,” noting that they “lose by 30-40 percent every time.” *** reported that its margins on domestic lockers are less than 15 percent, “Resulting in not enough profit to cover overhead.” *** and *** reported that metal lockers from China are “inferior” and tend not to meet specifications of “steel gauges, galvanized requirements, etc.” *** reported that it has been contacted by customers to repair metal lockers from China. *** reported that the products are not necessarily comparable, noting that the U.S. product “has additional features, which result in a higher price.” Purchasers *** reported that they have exclusive supply agreements with *** and that metal lockers that are used by their employees in their respective retail stores. In the final phase of these investigations, purchaser *** reported ***.

Part VI: Financial experience of U.S. producers

Background

Six U.S. producers provided usable financial results on their metal locker operations. Five of the U.S. producers reported financial data on a calendar-year basis.¹ All of the responding U.S. producers provided their financial data on the basis of generally accepted accounting principles (“GAAP”).

Staff verified the results of *** with its company records.² ***.³

Figure VI-1 presents each responding firm’s share of the total reported net sales quantity in 2020. The three largest producers, ***, accounted for a combined *** percent of the net sales volume of metal lockers in 2020.

¹ ***.

² Staff verification report, ***, July 6, 2021.

³ ***.

Figure VI-1
Metal lockers: Share of net sales quantity in 2020, by firm

* * * * *

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

Operations on metal lockers

Table VI-1 presents aggregated data on U.S. producers' operations in relation to metal lockers, while table VI-2 presents corresponding changes in average unit values ("AUVs"). Table VI-3 presents selected company-specific financial data.

Table VI-1
Metal lockers: Results of operations of U.S. producers, by item and period

Quantity in 1,000 pounds; value in 1,000 dollars; ratios in percent and represent ratios to net sales value

| Item | Measure | 2018 | 2019 | 2020 |
|----------------------------|----------|------|------|------|
| Total net sales | Quantity | *** | *** | *** |
| Total net sales | Value | *** | *** | *** |
| Raw material costs | Value | *** | *** | *** |
| Direct labor costs | Value | *** | *** | *** |
| Other factory costs | Value | *** | *** | *** |
| Cost of goods sold | Value | *** | *** | *** |
| Gross profit or (loss) | Value | *** | *** | *** |
| SG&A expenses | Value | *** | *** | *** |
| Operating income or (loss) | Value | *** | *** | *** |
| All other expenses, net | Value | *** | *** | *** |
| Net income or (loss) | Value | *** | *** | *** |
| Depreciation/amortization | Value | *** | *** | *** |
| Cash flow | Value | *** | *** | *** |
| Raw material costs | Ratio | *** | *** | *** |
| Direct labor costs | Ratio | *** | *** | *** |
| Other factory costs | Ratio | *** | *** | *** |
| Cost of goods sold | Ratio | *** | *** | *** |
| Gross profit | Ratio | *** | *** | *** |
| SG&A expense | Ratio | *** | *** | *** |
| Operating income or (loss) | Ratio | *** | *** | *** |
| Net income or (loss) | Ratio | *** | *** | *** |

Table continued on next page.

Table VI-1 Continued
Metal lockers: Results of operations of U.S. producers, by item and period

Shares in percent and represent share of cost of goods sold; Unit values in dollars per pound; Count in number of firms reporting

| Item | Measure | 2018 | 2019 | 2020 |
|----------------------------|------------|------|------|------|
| Raw material costs | Share | *** | *** | *** |
| Direct labor costs | Share | *** | *** | *** |
| Other factory costs | Share | *** | *** | *** |
| Cost of goods sold | Share | *** | *** | *** |
| Total net sales | Unit value | *** | *** | *** |
| Raw material costs | Unit value | *** | *** | *** |
| Direct labor costs | Unit value | *** | *** | *** |
| Other factory costs | Unit value | *** | *** | *** |
| Cost of goods sold | Unit value | *** | *** | *** |
| Gross profit or (loss) | Unit value | *** | *** | *** |
| SG&A expenses | Unit value | *** | *** | *** |
| Operating income or (loss) | Unit value | *** | *** | *** |
| Net income or (loss) | Unit value | *** | *** | *** |
| Operating losses | Count | *** | *** | *** |
| Net losses | Count | *** | *** | *** |
| Data | Count | *** | *** | *** |

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

Note: Unit values of (0.00) indicate AUVs that are less than \$0.00, but more than \$(0.005).

Table VI-2
Metal lockers: Changes in AUVs between comparison periods

Changes in percent

| Item | 2018-20 | 2018-19 | 2019-20 |
|---------------------|---------|---------|---------|
| Total net sales | *** | *** | *** |
| Raw material costs | *** | *** | *** |
| Direct labor costs | *** | *** | *** |
| Other factory costs | *** | *** | *** |
| Cost of goods sold | *** | *** | *** |

Table continued.

Table VI-2 Continued
Metal lockers: Changes in AUVs between comparison periods

Changes in dollars per pound

| Item | 2018-20 | 2018-19 | 2019-20 |
|----------------------------|---------|---------|---------|
| Total net sales | *** | *** | *** |
| Raw material costs | *** | *** | *** |
| Direct labor costs | *** | *** | *** |
| Other factory costs | *** | *** | *** |
| Cost of goods sold | *** | *** | *** |
| Gross profit or (loss) | *** | *** | *** |
| SG&A expense | *** | *** | *** |
| Operating income or (loss) | *** | *** | *** |
| Net income or (loss) | *** | *** | *** |

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

Note: Changes of \$0.00 or \$(0.00) indicate non-zero values that are less than \$0.005 or more than \$(0.005), respectively.

Table VI-3
Metal lockers: Firm-by-firm total net sales quantity, by period

Net sales quantity

Quantity in 1,000 pounds

| Firm | 2018 | 2019 | 2020 |
|-----------------|-------------|-------------|-------------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

Table continued.

Table VI-3 Continued
Metal lockers: Firm-by-firm total net sales value, by period

Net sales value

Value in 1,000 dollars

| Firm | 2018 | 2019 | 2020 |
|-----------------|-------------|-------------|-------------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

Table continued.

Table VI-3 Continued
Metal lockers: : Firm-by-firm cost of goods sold (“COGS”), by period

COGS

Value in 1,000 dollars

| Firm | 2018 | 2019 | 2020 |
|-----------------|-------------|-------------|-------------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

Table continued.

Table VI-3 Continued
Metal lockers: Firm-by-firm gross profit or (loss), by period

Gross profit or (loss)

Value in 1,000 dollars

| Firm | 2018 | 2019 | 2020 |
|-----------------|-------------|-------------|-------------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

Table continued.

Table VI-3 Continued
Metal lockers: Firm-by-firm selling, general, and administrative (“SG&A”) expenses, by period

SG&A expenses

Value in 1,000 dollars

| Firm | 2018 | 2019 | 2020 |
|-----------------|-------------|-------------|-------------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

Table continued.

Table VI-3 Continued
Metal lockers: Firm-by-firm operating income or (loss), by period

Operating income or (loss)

Value in 1,000 dollars

| Firm | 2018 | 2019 | 2020 |
|-----------------|-------------|-------------|-------------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

Table continued.

Table VI-3 Continued
Metal lockers: Firm-by-firm net income or (loss), by period

Net income or (loss)

Value in 1,000 dollars

| Firm | 2018 | 2019 | 2020 |
|-----------------|-------------|-------------|-------------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

Table continued.

Table VI-3 Continued
Metal lockers: Firm-by-firm ratio of COGS to net sales value, by period

COGS to net sales ratio

Ratios in percent

| Firm | 2018 | 2019 | 2020 |
|-----------------|-------------|-------------|-------------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

Table continued.

Table VI-3 Continued
Metal lockers: Firm-by-firm ratio of gross profit or (loss) to net sales value, by period

Gross profit or (loss) to net sales ratio

Ratios in percent

| Firm | 2018 | 2019 | 2020 |
|-----------------|-------------|-------------|-------------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

Table continued.

Table VI-3 Continued
Metal lockers: Firm-by-firm ratio of SG&A expenses to net sales value, by period

SG&A expenses to net sales ratio

Ratios in percent

| Firm | 2018 | 2019 | 2020 |
|-----------------|-------------|-------------|-------------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

Table continued.

Table VI-3 Continued
Metal lockers: Firm-by-firm ratio of operating income or (loss) to net sales value, by period

Operating income or (loss) to net sales ratio

Ratios in percent

| Firm | 2018 | 2019 | 2020 |
|-----------------|-------------|-------------|-------------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

Table continued.

Table VI-3 Continued
Metal lockers: Firm-by-firm ratio of net income or (loss) to net sales value, by period

Net income or (loss) to net sales ratio

Ratios in percent

| Firm | 2018 | 2019 | 2020 |
|-----------------|-------------|-------------|-------------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

Table continued.

Table VI-3 Continued
Metal lockers: Firm-by-firm unit net sales value, by period

Unit net sales value

Unit values in dollars per pound

| Firm | 2018 | 2019 | 2020 |
|-----------------|-------------|-------------|-------------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

Table continued.

Table VI-3 Continued
Metal lockers: Firm-by-firm unit raw material cost, by period

Unit raw material costs

Unit values in dollars per pound

| Firm | 2018 | 2019 | 2020 |
|-----------------|-------------|-------------|-------------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

Table continued.

Table VI-3 Continued
Metal lockers: Firm-by-firm unit direct labor cost, by period

Unit direct labor costs

Unit values in dollars per pound

| Firm | 2018 | 2019 | 2020 |
|-----------------|-------------|-------------|-------------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

Table continued.

Table VI-3 Continued
Metal lockers: Firm-by-firm unit other factory costs, by period

Unit other factory costs

Unit values in dollars per pound

| Firm | 2018 | 2019 | 2020 |
|-----------------|-------------|-------------|-------------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

Table continued.

Table VI-3 Continued
Metal lockers: Firm-by-firm unit COGS, by period

Unit COGS

Unit values in dollars per pound

| Firm | 2018 | 2019 | 2020 |
|-----------------|-------------|-------------|-------------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

Table continued.

Table VI-3 Continued
Metal lockers: Firm-by-firm unit gross profit or (loss), by period

Unit gross profit or (loss)

Unit values in dollars per pound

| Firm | 2018 | 2019 | 2020 |
|-----------------|-------------|-------------|-------------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

Table continued.

Table VI-3 Continued
Metal lockers: Firm-by-firm unit SG&A expenses, by period

Unit SG&A expenses

Unit values in dollars per pound

| Firm | 2018 | 2019 | 2020 |
|-----------------|-------------|-------------|-------------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

Table continued.

Table VI-3 Continued
Metal lockers: Firm-by-firm unit operating income or (loss), by period

Unit operating income or (loss)

Unit values in dollars per pound

| Firm | 2018 | 2019 | 2020 |
|-----------------|-------------|-------------|-------------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

Table continued.

Table VI-3 Continued
Metal lockers: Firm-by-firm unit net income or (loss), by period

Unit net income or (loss)

Unit values in dollars per pound

| Firm | 2018 | 2019 | 2020 |
|-----------------|-------------|-------------|-------------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

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

Net sales

As seen in table VI-1, the industry's net sales quantity decreased from *** pounds in 2018 to *** pounds in 2020. On a value basis, net sales also decreased, albeit irregularly, from \$*** in 2018 to \$*** in 2020. The industry's net sales AUV increased from \$*** per pound in 2018 to \$*** per unit in 2020.⁴ Five of the six U.S. producers reported an increase in their net sales AUVs between 2018 to 2020.⁵ While *** experienced the largest company-specific increase in net sales AUVs from 2018 to 2020 (an increase of \$***), due to the firms' relative sizes, *** increase of \$*** had the largest impact on the industry's net sales AUV. *** reported that while ***. The company reported that it had a "***." The company further explained that "***." ^{6 7}

Cost of goods sold and gross profit or loss

As seen in table VI-1, raw material costs were the largest component of COGS and accounted for *** percent of total COGS in 2020. On an actual basis, raw material costs decreased irregularly from 2018 to 2020. As a ratio to net sales, raw material costs decreased from 2018 to 2020, whereas they increased on a per-pound basis. As seen in table VI-3, four of the six responding U.S. producers had higher per-pound raw material costs in 2020 than in 2018.

⁴ No companies reported any internal consumption or transfers to related firms.

⁵ ***. Email from ***.

⁶ Email from ***.

⁷ ***. American Locker sells a wide-range of lockers, from what it describes as "basic lockers" to more advanced lockers such as laptop and mobile charging lockers. It also has a custom line that will produce lockers to exact specifications. *American Locker's webpage*, <https://americanlocker.com/locker-lines/>, retrieved August 11, 2020.

Table VI-4 presents raw materials, by type.⁸ Flat-rolled steel accounted for approximately two-thirds of the raw material costs in 2020, with cold-rolled steel accounting for the majority of the flat-rolled steel costs. Other raw materials that were reported by companies include ***.⁹

Table VI-4
Metal lockers: Raw material costs in 2020

Value in 1,000 dollars; unit values in dollars per pound; share of value in percent

| Item | Value | Unit value | Share of value |
|------------------------------|-------|------------|----------------|
| Cold-rolled steel | *** | *** | *** |
| Hot-rolled steel | *** | *** | *** |
| Zinc coated galvanized steel | *** | *** | *** |
| Stainless steel | *** | *** | *** |
| All flat-rolled steel | *** | *** | *** |
| Other material inputs | *** | *** | *** |
| All raw materials | *** | *** | *** |

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

⁸ ***. *** U.S. producers' questionnaire, section III-7.

⁹ U.S. producers' questionnaires, section III-9c.

Direct labor, the smallest component of COGS, accounted for *** percent of total COGS in 2020. On a per-pound basis, direct labor increased from \$*** in 2018 to \$*** in 2020. *** of the responding companies reported an overall increase in their direct labor AUVs between 2018 and 2020.^{10 11}

Tables VI-5, VI-6, and VI-7 show the number of direct labor hours associated with the reported direct labor cost, the pounds of net sales per direct labor hour, and the direct labor cost per hour, respectively. While the industry's direct labor cost increased by *** percent on an actual basis between 2018 and 2020 (see table VI-1), the number of hours associated with this cost decreased by *** percent (see table VI-5). This difference resulted in the direct labor cost per hour increasing from \$*** in 2018 to \$*** in 2020. As seen in table VI-6, each hour of direct labor corresponded to between *** and *** pounds of net sales in 2018-20.

¹⁰ ***. Email from ***. While *** had the largest company-specific increase in direct labor AUVs, this did not have a ***.

¹¹ Respondents used statistics published by the Bureau of Economic Analysis ("BEA") and the Bureau of Labor Statistics ("BLS") to calculate a labor-to-sales ratio for the fabricated steel industry. Respondents' prehearing brief, p. 61. It appears that the labor included in these statistics would be for wages paid to all employees of a company within a given sector, which is a much broader category than direct labor, and therefore may not provide a meaningful comparison. *BLS webpage, Labor Productivity and Costs*, <https://www.bls.gov/lpc/faqs.htm#P03>, retrieved July 13, 2021. Direct labor includes wages paid to employees directly engaged in production. Wages paid to employees that work within manufacturing but are not directly engaged in the production of the product, such as a quality inspector or factory janitor, would be included in other factory costs. Wages paid to employees that are engaged in the administration of the business, such as human resources, accounting, or IT employees, would typically be reported in SG&A expenses.

Table VI-5
Metal lockers: Estimated direct labor hours associated with direct labor costs, by firm and period

Number of hours

| Firm | 2018 | 2019 | 2020 |
|-----------------|------|------|------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

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

Table VI-6
Metal lockers: Estimated pounds of net sales per direct labor hour, by firm and period

Net sales pounds per hour

| Firm | 2018 | 2019 | 2020 |
|-----------------|------|------|------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

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

Table VI-7
Metal lockers: Estimated direct labor cost per hour, by firm and period

Dollars per hour

| Firm | 2018 | 2019 | 2020 |
|-----------------|------|------|------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

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

The final component of COGS, other factory costs, accounted for *** percent of total COGS in 2020. On an actual basis, other factory costs were slightly higher in 2020 than they were in 2018 and on a per-pound basis they increased from \$*** in 2018 to \$*** in 2020. The company-specific directional trends for other factory cost AUVs were similar, with *** of the responding producers reporting an overall increase between 2018 and 2020.¹²

Total COGS decreased overall between 2018 and 2020 by *** percent. However, this decrease in COGS was smaller than the decrease in the industry's net sales value, which decreased by *** percent. This resulted in the COGS to sales ratio increasing from *** percent in 2018 to *** percent in 2020. On a per-unit basis, total COGS for the industry increased from \$*** in 2018 to \$*** in 2020. The industry's gross profit decreased from \$*** in 2018 to \$*** in 2020.

SG&A expenses and operating income or loss

As seen in table VI-1, the industry's SG&A expenses remained within a relatively narrow range on an actual basis. However, the SG&A expense ratio (the ratio of SG&A expenses to net sales value) increased from *** percent in 2018 to *** percent in 2020. The industry's operating income decreased from \$*** in 2018 to \$*** in 2020.¹³

¹² ***. Email from ***.

¹³ Companies were asked to explain how the COVID-19 pandemic has affected the financial performance of their firm's operations on metal lockers. Three of the companies reported experiencing effects from the pandemic. ***. U.S. producers' questionnaire responses, section III-9g.

All other expenses and net income or loss

Classified below the operating income level are interest expense, other expenses, and other income. In table VI-1, these items are aggregated and only the net amount is shown. All other expenses, net of all other income, decreased irregularly from \$*** in 2018 to \$*** in 2020. Of the *** companies that reported post-operating income expenses, *** reported the largest changes to their reported all other expenses from 2018 to 2020. *** reported an increase in its reported interest expense between 2018 and 2020. The company indicated that its interest expense ***.¹⁴ ***'s all other expenses decreased from \$*** in 2018 to *** in 2020, which indicates the company's other income was higher than its other expenses that year.^{15 16}
17

The industry's net income followed trends similar to those of gross profit and operating income. It decreased from \$*** in 2018 to *** in 2020. The net income ratio to net sales decreased from *** percent in 2018 to *** percent in 2020.¹⁸

¹⁴ Email from ***.

¹⁵ ***. *** U.S. producers' questionnaire response, section III-10.

¹⁶ ***.

¹⁷ ***. Staff verification report, ***, p. 7, July 6, 2021.

¹⁸ A variance analysis is not shown because of the effect the reported changes to *** could have on the reliability of the analysis.

Capital expenditures and research and development expenses

Table VI-8 presents capital expenditures, by firm, and table VI-9 presents research and development (“R&D”) expenses, by firm. Capital expenditures increased from \$*** in 2018 to \$*** in 2020. As seen in table VI-8, this increase was attributable to increases reported by ***.¹⁹ R&D expenses, which were reported by *** of the responding firms, increased from \$*** in 2018 to \$*** in 2020.

Table VI-8
Metal lockers: U.S. producers’ capital expenditures, by firm and period

Value in 1,000 dollars

| Firm | 2018 | 2019 | 2020 |
|-----------------|------|------|------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

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

Table VI-9
Metal lockers: U.S. producers’ research and development expenses, by firm and period

Value in 1,000 dollars

| Firm | 2018 | 2019 | 2020 |
|-----------------|------|------|------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

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

¹⁹ ***. U.S. producers’ questionnaire, section III-13b.

Assets and return on assets

Table VI-10 presents data on the U.S. producers' total assets while table VI-11 presents their return on assets ("ROA").²⁰ The reported total net assets increased from \$*** in 2018 to \$*** in 2020. ***.²¹ ***.²²

Table VI-10
Metal lockers: U.S. producers' total net assets, by firm and period

Value in 1,000 dollars

| Firm | 2018 | 2019 | 2020 |
|-----------------|------|------|------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

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

Table VI-11
Metal lockers: U.S. producers' operating return on assets, by firm and period

Ratio in percent

| Firm | 2018 | 2019 | 2020 |
|-----------------|------|------|------|
| American Locker | *** | *** | *** |
| DeBourgh | *** | *** | *** |
| List Industries | *** | *** | *** |
| Lyon | *** | *** | *** |
| Penco | *** | *** | *** |
| Tennsco | *** | *** | *** |
| All firms | *** | *** | *** |

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

²⁰ Operating ROA is calculated as operating income divided by total assets. With respect to a firm's overall operations, the total asset value reflects an aggregation of a number of assets which are generally not product specific. Thus, high-level allocations are generally required in order to report a total asset value for metal lockers.

²¹ Email from ***.

²² *** U.S. producers' questionnaire, section III-12b.

Capital and investment

The Commission requested U.S. producers of metal lockers to describe any actual or potential negative effects of imports of metal lockers from China on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Table VI-12 presents the number of firms reporting an impact in each category and table VI-13 provides the U.S. producers' narrative responses.

Table VI-12

Metal lockers: Count of firms indicating actual and anticipated negative effects of imports from subject sources on investment, growth, and development since January 1, 2018, by effect

Number of firms reporting

| Effect | Category | Count |
|--|------------|-------|
| Any negative effects on investment | Investment | 6 |
| Cancellation, postponement, or rejection of expansion projects | Investment | 2 |
| Denial or rejection of investment proposal | Investment | 0 |
| Reduction in the size of capital investments | Investment | 3 |
| Return on specific investments negatively impacted | Investment | 2 |
| Other growth and development effects | Investment | 2 |
| Any negative effects on growth and development | Growth | 5 |
| Rejection of bank loans | Growth | 1 |
| Lowering of credit rating | Growth | 1 |
| Problem related to the issue of stocks or bonds | Growth | 0 |
| Ability to service debt | Growth | 2 |
| Other investment effects | Growth | 4 |
| Anticipated negative effects of imports | Future | 5 |

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

Note: ***. *** U.S. producers' questionnaire, sections III-16 and III-17.

Table VI-13**Metal lockers: Narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2018**

| Item | Firm name and accompanying narrative response |
|--|--|
| Cancellation, postponement, or rejection of expansion projects | *** |
| Cancellation, postponement, or rejection of expansion projects | *** |
| Reduction in the size of capital investments | *** |
| Reduction in the size of capital investments | *** |
| Reduction in the size of capital investments | *** |
| Return on specific investments negatively impacted | *** |
| Return on specific investments negatively impacted | *** |
| Other negative effects on investments | *** |
| Other negative effects on investments | *** |
| Rejection of bank loans | *** |
| Lowering of credit rating | *** |
| Ability to service debt | *** |
| Ability to service debt | *** |
| Other effects on growth and development | *** |

Table continued on next page.

| Item | Firm name and accompanying narrative response |
|---|---|
| Other effects on growth and development | *** |
| Other effects on growth and development | *** |
| Other effects on growth and development | *** |
| Anticipated effects of imports | *** |
| Anticipated effects of imports | *** |
| Anticipated effects of imports | *** |
| Anticipated effects of imports | *** |
| 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 factors¹--

- (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 China³

The Commission issued foreign producers' or exporters' questionnaires to 68 firms believed to produce and/or export metal lockers from China.⁴ Usable responses to the Commission's questionnaire were received from six firms: Hangzhou Evernew Machinery & Equipment Co., Ltd. ("Hangzhou Evernew"), Hangzhou Xline Machinery & Equipment Co., Ltd. ("Hangzhou Xline Machinery"), Luoyang Jin Feng Office Furniture Co., Ltd., ("Luoyang Jin"), Zhejiang Focus-On Imp. & Exp. Co., Ltd. ("Zhejiang Focus"), Zhejiang Jiaying Imp. & Exp Co., Ltd. ("Zhejiang Jiaying"), and Zhejiang Xingyi Metal Products Co., Ltd. ("Zhejiang Xingyi"). These firms' exports to the United States accounted for *** of U.S. imports of metal lockers from

³ According to the petitions, China is the leading office furniture manufacturer and exporter in the world and holds almost one third of total world output of office furniture. Substantial production of the subject merchandise in China occurs in at least six provinces – Guangdong, Shandong, Liaoning, Tianjin, Zhejiang and Jiangsu. Petitions, Exh. GEN-11 and Vol 3, p. 11. Below are some additional highlights of major metal locker producers in China provided in the petitions' Exh. GEN-11:

Henan Huacheng Office Furniture Co., Ltd. employs 600 employees in a 72,000m² factory and produces 300,000 sets of various steel office furniture (including lockers). Id.

Luoyang Orpheus Industrial Limited Company has the ability to produce 200,000 pieces of furniture per year, including steel lockers, and exports half of its production. Id.

Luoyang Sanjian Cabinet Co., Ltd. can produce 100,000 units per year of its three production lines. Id.

Luoyang Eastern Sunrise Imp. & Exp. Trading Co. produces 100,000 pieces of steel lockers per year and exports the vast majority of its production. Id.

Luoyang Huadu Furniture Group Co. Ltd. is one of China's largest producers of steel office furniture, employing more than 200 workers. Its annual production capacity is 50,000 tons. Id.

Luoyang Hua Zhi Jie Office Furniture Co., Ltd./Luoyang Mas Younger Office Furniture Co., Ltd./Luoyang Mas Younger Export Import Company has more than 10 production lines and is able to produce 600,000 pieces per year of steel furniture. The firm exports more than 90 percent of its production. Id.

Luoyang Baorui Commercial Trading Co., Ltd. is one of the leading producers of steel furniture in China, with 500 production workers at its 50,000m² factory, which includes two production lines. The firm exports more than half of its production. Id.

Guangzhou Office Furniture Co., Ltd. has the ability to produce 35,000 lockers per year and exports more than half of its production. Id. The petitions also states that one of the key industries targeted for government support has been the steel production. Further, in order to fully utilize expanded steel capacity, the government of China also encourages production in downstream steel industries to increase exports of value-added steel products, which in turn, benefits metal lockers manufacturing. Petitions, Vol 3, p. 4.

⁴ These firms were identified through a review of information submitted in the petitions and presented in third-party sources. Despite several attempts to obtain responses from additional possible foreign producers in China, the Commission did not receive further responses in the final phase of investigations. The Commission received one reply from Changzhou Yueyang Machinery Co., Ltd stating that the firm is ***.

China in 2020. Most of the responding producers from China did not provide estimates requested of the firms' share of overall production of metal lockers in China.⁵ Table VII-1 presents information on the metal lockers operations of the responding producers and exporters in China.

Table VII-1
Metal lockers: Summary data for producers in China, 2020

| Firm | Production (1,000 pounds) | Share of reported production (percent) | Exports to the United States (1,000 pounds) | Share of reported exports to the United States (percent) | Total shipments (1,000 pounds) | Share of firm's total shipments exported to the United States (percent) |
|--------------------------|---------------------------------|---|--|--|---|---|
| Luoyang Jin | *** | *** | *** | *** | *** | *** |
| Hangzhou Evernew | *** | *** | *** | *** | *** | *** |
| Hangzhou Xline Machinery | *** | *** | *** | *** | *** | *** |
| Zhejiang Focus | *** | *** | *** | *** | *** | *** |
| Zhejiang Jiaying | *** | *** | *** | *** | *** | *** |
| Zhejiang Xingyi | *** | *** | *** | *** | *** | *** |
| All firms | *** | *** | *** | *** | *** | *** |

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

Note: ***.

Changes in operations

As presented in table VII-2 producers in China reported several operational and organizational changes since January 1, 2018.

⁵ Two out of the six responding foreign producers *** estimated that they account for less than *** percent of China's production. *** estimated that combined their firms represent *** percent of China's exports of metal lockers to the United States.

Table VII-2

Metal lockers: Reported changes in operations by producers in China, since January 1, 2018

| Item | Firm name and accompanying narrative response |
|-------------------------------------|--|
| Expansions | *** |
| Prolonged shutdowns or curtailments | *** |
| Prolonged shutdowns or curtailments | *** |
| Other | *** |

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

Operations on metal lockers

Table VII-3 presents information on the metal locker operations of the responding producers and exporters in China.

The responding foreign producers average production capacity increased between 2018 and 2020 by *** percent (** pounds), and is projected to slightly decline in 2021 by *** pounds and remain at the same level through 2022.⁶ Production increased *** percent between 2018 and 2020, by *** pounds, and is projected to decrease by *** percent in 2021 and further by *** percent in 2022. Capacity utilization ranged from *** percent in 2018 to *** percent in 2020 and is projected to decline to *** percent in 2021 and *** percent in 2022.

Total home market shipments declined by *** percent during 2018-20 and are expected to increase by *** percent in 2021 and further by *** percent in 2022. Exports to the United States steadily increased from 2018 to 2020, but are projected to decline in 2021 and 2022.

These firms reported exports of *** pounds of metal lockers in 2020 and projected exports of *** pounds to the United States in 2021 and *** pounds in 2022. These firms' export shipments to the United States accounted for *** percent of the firms' total shipments in 2020, and are project to be *** percent in 2021 and *** percent in 2022. Export shipments to all other markets accounted for *** percent of total shipments in 2020.

⁶ ***. See email from ***, May 5, 2021.

Table VII-3
Metal lockers: Data on industry in China, 2018-20 and projection calendar years 2021 and 2022

Quantity in 1,000 pounds; ratio in percent

| Item | 2018 | 2019 | 2020 | Projection 2021 | Projection 2022 |
|----------------------------------|------|------|------|-----------------|-----------------|
| Capacity | *** | *** | *** | *** | *** |
| Production | *** | *** | *** | *** | *** |
| End-of-period inventories | *** | *** | *** | *** | *** |
| Internal consumption | *** | *** | *** | *** | *** |
| Commercial home market shipments | *** | *** | *** | *** | *** |
| Home market shipments | *** | *** | *** | *** | *** |
| Exports to the United States | *** | *** | *** | *** | *** |
| Exports to all other markets | *** | *** | *** | *** | *** |
| Export shipments | *** | *** | *** | *** | *** |
| Total shipments | *** | *** | *** | *** | *** |

Table continued.

Table VII-3--Continued
Metal lockers: Data on industry in China, 2018-20 and projection calendar years 2021 and 2022

Shares and ratios in percent

| Item | 2018 | 2019 | 2020 | Projection 2021 | Projection 2022 |
|--|------|------|------|-----------------|-----------------|
| Capacity utilization ratio | *** | *** | *** | *** | *** |
| Inventory ratio to production | *** | *** | *** | *** | *** |
| Inventory ratio to total shipments | *** | *** | *** | *** | *** |
| Internal consumption share | *** | *** | *** | *** | *** |
| Commercial home market shipments share | *** | *** | *** | *** | *** |
| Home market shipments share | *** | *** | *** | *** | *** |
| Exports to the United States share | *** | *** | *** | *** | *** |
| Exports to all other markets share | *** | *** | *** | *** | *** |
| Export shipments share | *** | *** | *** | *** | *** |
| Total shipments share | *** | *** | *** | *** | *** |

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

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

Note: Overall capacity reported for *** is likely understated and scope average capacity is possibly overstated.

Table VII-4
Metal lockers: Overall capacity and production on the same equipment as in-scope production by producers in China, 2018-20

Quantities in 1,000 pounds; shares and ratios in percent

| Item | Measure | 2018 | 2019 | 2020 |
|------------------------------|----------|------|------|------|
| Overall capacity | Quantity | *** | *** | *** |
| Metal lockers production | Quantity | *** | *** | *** |
| Other production | Quantity | *** | *** | *** |
| Total production | Quantity | *** | *** | *** |
| Overall capacity utilization | Ratio | *** | *** | *** |
| Metal lockers production | Share | *** | *** | *** |
| Other production | Share | *** | *** | *** |
| Total production | Share | *** | *** | *** |

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

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

Alternative products

As shown in table VII-4, responding firms in China produced other products on the same equipment and machinery used to produce metal lockers. Production of metal lockers accounted for a declining share of total production, at *** percent in 2018, *** percent in 2019, and *** percent in 2020. Production of out-of-scope merchandize accounted for *** percent of all production in 2020.⁷

Exports

According to GTA, the leading export markets for metal furniture and parts thereof from China are the United States, Singapore, and Australia (table VII-5). During 2020, the United States was the top export market for metal furniture from China, accounting for 26.0 percent by value, followed by Singapore, accounting for 4.5 percent by value.

⁷ Other products produced in the same equipment include ***. Foreign producer/exporter questionnaire responses at II-3a.

Table VII-5
Metal furniture and parts thereof: Exports from China, 2018-20

Value in 1,000 dollars; share of value is the share of total exports by value in percent

| Destination market | Measure | 2018 | 2019 | 2020 |
|-------------------------------|----------------|-------------|-------------|-------------|
| United States | Value | 4,437,266 | 3,780,540 | 3,886,916 |
| Singapore | Value | 260,607 | 487,824 | 667,288 |
| Australia | Value | 458,796 | 496,141 | 647,441 |
| Japan | Value | 457,450 | 484,254 | 630,739 |
| Malaysia | Value | 244,228 | 472,247 | 629,496 |
| United Kingdom | Value | 440,345 | 535,984 | 563,947 |
| Korea | Value | 212,768 | 290,698 | 522,607 |
| Germany | Value | 395,107 | 477,303 | 509,512 |
| Saudi Arabia | Value | 171,647 | 268,465 | 495,587 |
| All other destination markets | Value | 4,500,098 | 5,448,907 | 6,422,460 |
| All destination markets | Value | 11,578,313 | 12,742,363 | 14,975,993 |
| United States | Share of value | 38.3 | 29.7 | 26.0 |
| Singapore | Share of value | 2.3 | 3.8 | 4.5 |
| Australia | Share of value | 4.0 | 3.9 | 4.3 |
| Japan | Share of value | 4.0 | 3.8 | 4.2 |
| Malaysia | Share of value | 2.1 | 3.7 | 4.2 |
| United Kingdom | Share of value | 3.8 | 4.2 | 3.8 |
| Korea | Share of value | 1.8 | 2.3 | 3.5 |
| Germany | Share of value | 3.4 | 3.7 | 3.4 |
| Saudi Arabia | Share of value | 1.5 | 2.1 | 3.3 |
| All other destination markets | Share of value | 38.9 | 42.8 | 42.9 |
| All destination markets | Share of value | 100.0 | 100.0 | 100.0 |

Source: Official exports statistics under HS subheading 9403.20 and 9403.90 as reported by China Customs in the Global Trade Atlas database, accessed April 9, 2021.

Note: United States is shown at the top. All remaining top export destinations are shown in descending order of 2020 data.

U.S. inventories of imported merchandise

Table VII-6 presents data on U.S. importers' reported inventories of metal lockers. U.S. importers' end-of-period inventories of imports from China increased by *** percent from 2018 to 2020. Among the 15 firms⁸ that reported inventories at the end of 2020, eight reported more inventories of imports from China at the end of 2020 than year-end 2018. *** accounted for the majority of the increase in end-of-period inventories of imports from China from 2018 to 2020. The ratio of importers' inventories from China and from nonsubject sources to total shipments of imports were *** percent and *** percent, respectively in 2020.

Table VII-6
Metal lockers: U.S. importers' end-of-period inventories of imports by source, 2018-20

Quantity in 1,000 pounds; ratio is inventories to U.S. imports, U.S. shipments, or total shipments

| Measure | Source | 2018 | 2019 | 2020 |
|-------------------------------------|------------|------|------|------|
| Inventories quantity | China | *** | *** | *** |
| Ratio to imports | China | *** | *** | *** |
| Ratio to U.S. shipments of imports | China | *** | *** | *** |
| Ratio to total shipments of imports | China | *** | *** | *** |
| Inventories quantity | Nonsubject | *** | *** | *** |
| Ratio to imports | Nonsubject | *** | *** | *** |
| Ratio to U.S. shipments of imports | Nonsubject | *** | *** | *** |
| Ratio to total shipments of imports | Nonsubject | *** | *** | *** |
| Inventories quantity | All | *** | *** | *** |
| Ratio to imports | All | *** | *** | *** |
| Ratio to U.S. shipments of imports | All | *** | *** | *** |
| Ratio to total shipments of imports | All | *** | *** | *** |

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

U.S. importers' outstanding orders

The Commission requested importers to indicate whether they imported or arranged for the importation of metal lockers from China after December 2020. Their reported data is presented in table VII-7. Responding importers reported *** pounds of arranged imports from China. Arranged imports of subject merchandise account for *** percent of arranged imports from all sources during January 2021 through December 2021.

⁸ ***.

Table VII-7
Metal lockers: Quantity of U.S. importers' arranged imports, January 2021 through December 2021

Quantity in 1,000 pounds

| Source | Jan-Mar 2021 | Apr-Jun 2021 | Jul-Sept 2021 | Oct-Dec 2021 | Total |
|--------------------|--------------|--------------|---------------|--------------|-------|
| China | *** | *** | *** | *** | *** |
| Nonsubject sources | *** | *** | *** | *** | *** |
| All import sources | *** | *** | *** | *** | *** |

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

Antidumping or countervailing duty orders in third-country markets

Petitioner and respondents both affirmed that they have no knowledge of any ongoing antidumping or countervailing duty orders or investigations in third-country markets.⁹ Review of quarterly notifications to the World Trade Organization's Committee on Anti-Dumping Practices found no additional import-injury orders on the subject product in third-country markets.¹⁰

Information on nonsubject countries

Data on global exports of metal furniture and parts thereof, including subject products, during 2018-20 are presented in table VII-8. China (45.3 percent of total global exports by value) was the leading global exporter in 2020. Germany (8.6 percent) and Italy (7.6 percent) were second and third, respectively. Together, they accounted for more than three-fifths (61.5 percent) of all global exports in 2020.

⁹ Petitioners, Post Conference Brief, August 4, 2020, Exhibit I, p. 54; Respondent (Salsbury and WEC), Post Conference Brief, August 4, 2020, Exhibit I p.7; and Respondent (ASI, Jorgensen, and Top Tier), Post Conference Brief, August 4, 2020, Exhibit 1, p. 9.

¹⁰ World Trade Organization, "Anti-dumping," https://www.wto.org/english/tratop_e/adp_e/adp_e.htm, retrieved July 27, 2020.

Table VII-8
Metal furniture and parts thereof: Global exports by exporter, 2018-20

Value in 1,000 dollars; share of value is the share of total exports by value in percent

| Exporting country | Measure | 2018 | 2019 | 2020 |
|-------------------------|----------------|------------|------------|------------|
| United States | Value | 1,401,108 | 1,325,916 | 1,099,286 |
| China | Value | 11,578,313 | 12,742,363 | 14,975,993 |
| Germany | Value | 2,993,175 | 3,047,981 | 2,829,262 |
| Italy | Value | 3,061,299 | 2,991,573 | 2,499,717 |
| Poland | Value | 1,246,456 | 1,287,733 | 1,307,114 |
| Taiwan | Value | 770,798 | 876,915 | 955,307 |
| Canada | Value | 959,196 | 839,826 | 728,869 |
| Netherlands | Value | 621,650 | 657,388 | 709,418 |
| Sweden | Value | 617,359 | 656,362 | 661,255 |
| Czech Republic | Value | 473,502 | 467,227 | 608,943 |
| Mexico | Value | 572,869 | 634,884 | 581,560 |
| Lithuania | Value | 459,126 | 481,155 | 495,908 |
| All other exporters | Value | 6,989,122 | 6,034,282 | 5,577,172 |
| All reporting exporters | Value | 31,743,973 | 32,043,605 | 33,029,803 |
| United States | Share of value | 4.4 | 4.1 | 3.3 |
| China | Share of value | 36.5 | 39.8 | 45.3 |
| Germany | Share of value | 9.4 | 9.5 | 8.6 |
| Italy | Share of value | 9.6 | 9.3 | 7.6 |
| Poland | Share of value | 3.9 | 4.0 | 4.0 |
| Taiwan | Share of value | 2.4 | 2.7 | 2.9 |
| Canada | Share of value | 3.0 | 2.6 | 2.2 |
| Netherlands | Share of value | 2.0 | 2.1 | 2.1 |
| Sweden | Share of value | 1.9 | 2.0 | 2.0 |
| Czech Republic | Share of value | 1.5 | 1.5 | 1.8 |
| Mexico | Share of value | 1.8 | 2.0 | 1.8 |
| Lithuania | Share of value | 1.4 | 1.5 | 1.5 |
| All other exporters | Share of value | 22.0 | 18.8 | 16.9 |
| All reporting exporters | Share of value | 100.0 | 100.0 | 100.0 |

Source: Official exports statistics under HS subheading 9403.20 and 9403.90 reported by various national statistical authorities in the Global Trade Atlas database, accessed June 4, 2021.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. United States is shown at the top followed by the countries under investigation, all remaining top exporting countries in descending order of 2020 data.

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 42917 July 15, 2020 | <i>Metal Lockers From China; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations</i> | https://www.govinfo.gov/content/pkg/FR-2020-07-15/pdf/2020-15277.pdf |
| 85 FR 47353 August 5, 2020 | <i>Certain Metal Lockers and Parts Thereof From the People's Republic of China: Initiation of Countervailing Duty Investigation</i> | https://www.govinfo.gov/content/pkg/FR-2020-08-05/pdf/2020-17031.pdf |
| 85 FR 47343 August 5, 2020 | <i>Certain Metal Lockers and Parts Thereof From the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation</i> | https://www.govinfo.gov/content/pkg/FR-2020-08-05/pdf/2020-17064.pdf |
| 85 FR 53399 August 28, 2020 | <i>Certain Metal Lockers and Parts Thereof From China; Determinations</i> | https://www.govinfo.gov/content/pkg/FR-2020-08-28/pdf/2020-18938.pdf |
| 85 FR 59287 September 21, 2020 | <i>Certain Metal Lockers and Parts Thereof from the People's Republic of China: Postponement of Preliminary Determination in the Countervailing Duty Investigation</i> | https://www.govinfo.gov/content/pkg/FR-2020-09-21/pdf/2020-20756.pdf |

| Citation | Title | Link |
|----------------------------------|---|---|
| 85 FR 77157 December 1, 2020 | <i>Certain Metal Lockers and Parts Thereof From the People's Republic of China: Postponement of Preliminary Determination in the Less-Than-Fair-Value Investigation</i> | https://www.govinfo.gov/content/pkg/FR-2020-12-01/pdf/2020-26488.pdf |
| 85 FR 80771 December 14, 2020 | <i>Certain Metal Lockers and Parts Thereof From the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Duty Determination</i> | https://www.govinfo.gov/content/pkg/FR-2020-12-14/pdf/2020-27423.pdf |
| 86 FR 9051 February 11, 2021 | <i>Certain Metal Lockers and Parts Thereof From the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination and Extension of Provisional Measures</i> | https://www.govinfo.gov/content/pkg/FR-2021-02-11/pdf/2021-02824.pdf |

| Citation | Title | Link |
|----------------------------------|--|---|
| 86 FR 14338 February 11, 2021 | <i>Metal Lockers From China; Scheduling of the Final Phase of Countervailing Duty and Antidumping Duty Investigations</i> | https://www.govinfo.gov/content/pkg/FR-2021-03-15/pdf/2021-05242.pdf |
| 86 FR 35737 July 7, 2021 | <i>Certain Metal Lockers and Parts Thereof From the People’s Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value</i> | https://www.govinfo.gov/content/pkg/FR-2021-07-07/pdf/2021-14315.pdf |
| 86 FR 35741 July 7, 2021 | <i>Certain Metal Lockers and Parts Thereof From the People’s Republic of China: Final Affirmative Countervailing Duty Determination</i> | https://www.govinfo.gov/content/pkg/FR-2021-07-07/pdf/2021-14316.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: Metal Lockers from China
Inv. Nos.: 701-TA-656 and 731-TA-1533 (Final)
Date and Time: June 24, 2021 - 9:30 a.m.

OPENING REMARKS:

Petitioner (**Kathleen W. Cannon**, Kelley Drye & Warren LLP)
Respondents (**Kristen Smith**, Sandler, Travis & Rosenberg, P.A.)

**In Support of the Imposition of
Antidumping and Countervailing Duty Orders:**

Kelley Drye & Warren LLP
Washington, DC
on behalf of

List Industries, Inc.

JR List, President, List Industries, Inc.

Thom Champa, Senior Vice President, Sales and Marketing,
List Industries, Inc.

David Schuessler, Owner, Locker Pro, LLC

Todd Ellison, Sales Manager, H2I Group, Inc.

Kurt Steiert, Sales Representative, H2I Group, Inc.

Michael T. Kerwin, Economist, Georgetown Economic Services LLC

Gina E. Beck, Economist, Georgetown Economic Services LLC

Kathleen W. Cannon)
R. Alan Luberda)
Brooke M. Ringel) – OF COUNSEL
Elizabeth C. Johnson)
Matthew G. Pereira)

**In Opposition to the Imposition of
Antidumping and Countervailing Duty Orders:**

Doyle, Barlow & Mazard PLLC
Washington, DC
on behalf of

Salsbury Industries (“Salsbury”)
WEC Manufacturing, LLC (“WEC”)

Michael LoBasso, Chief Financial Officer, Salsbury

Steve Gov, Director of Administration, Salsbury

Keith Dunham, Chief Executive Officer and Owner, WEC

Camelia C. Mazard) – OF COUNSEL

Sandler, Travis & Rosenberg, P.A.
Washington, DC
on behalf of

ASI Storage Solutions (“ASI”)
S.S.P. d/b/a Jorgenson Industrial Companies (“Jorgenson”)

Douglas B. Koenig, Vice President and General Manager, ASI

Doug Hitchon, Executive Vice President and Chief Operations Officer, ASI

Dustin Jorgenson, Chief Executive Officer and Owner, Jorgenson

Dan Lock, Merchandise Manager, Bass Pro, LLC

Laura Delgado, Research Analyst, Capital Trade Inc.

Travis Pope, Project Manager, Capital Trade Inc.

Kristen Smith)
) – OF COUNSEL
Sarah E. Yuskaitis)

REBUTTAL/CLOSING REMARKS:

Petitioner (**Kathleen W. Cannon**, Kelley Drye & Warren LLP)
Respondents (**Camelia C. Mazard**, Doyle, Barlow & Mazard PLLC)

-END-

APPENDIX C
SUMMARY DATA

Table C-1

Metal lockers: Summary data concerning the U.S. market, 2018-20

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

| | Reported data | | | Period changes | | |
|---|---------------|------|------|------------------|---------|---------|
| | Calendar year | | | Comparison years | | |
| | 2018 | 2019 | 2020 | 2018-20 | 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..... | *** | *** | *** | ▼*** | ▼*** | ▲*** |
| 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)..... | *** | *** | *** | ▲*** | ▼*** | ▲*** |

Table continued on next page.

Table C-1--Continued

Metal lockers: Summary data concerning the U.S. market, 2018-20

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

| | Reported data | | | Period changes | | |
|--|---------------|------|------|------------------|---------|---------|
| | Calendar year | | | Comparison years | | |
| | 2018 | 2019 | 2020 | 2018-20 | 2018-19 | 2019-20 |
| U.S. producers ¹ --Continued: | | | | | | |
| Production workers..... | *** | *** | *** | ▼*** | ▲*** | ▼*** |
| Hours worked (1,000s)..... | *** | *** | *** | ▼*** | ▲*** | ▼*** |
| Wages paid (\$1,000)..... | *** | *** | *** | ▲*** | ▲*** | ▼*** |
| Hourly wages (dollars per hour)..... | *** | *** | *** | ▲*** | ▲*** | ▲*** |
| Productivity (pounds per hour)..... | *** | *** | *** | ▼*** | ▼*** | ▼*** |
| Unit labor costs..... | *** | *** | *** | ▲*** | ▲*** | ▲*** |
| Net sales: | | | | | | |
| Quantity..... | *** | *** | *** | ▼*** | ▼*** | ▼*** |
| 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)..... | *** | *** | *** | ▼*** | ▼*** | ▼*** |
| 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)..... | *** | *** | *** | ▼*** | ▼*** | ▼*** |
| Capital expenditures..... | *** | *** | *** | ▲*** | ▲*** | ▲*** |
| Research and development expenses.... | *** | *** | *** | ▲*** | ▲*** | ▲*** |
| Net assets..... | *** | *** | *** | ▲*** | ▲*** | ▲*** |

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.

APPENDIX D

U.S. PRODUCERS' AND U.S. IMPORTERS' RANGE OF AUVS

Table D-1
Metal lockers: U.S. producers' range of AUVs

Unit value in dollars per unit

| Firm | Measure | Lowest AUV product | Highest volume product | Highest AUV product |
|-----------------|----------------|---------------------------|-------------------------------|----------------------------|
| American Locker | Unit value | *** | *** | *** |
| American Locker | Description | *** | *** | *** |
| DeBourgh | Unit value | *** | *** | *** |
| DeBourgh | Description | *** | *** | *** |
| List Industries | Unit value | *** | *** | *** |
| List Industries | Description | *** | *** | *** |

Table continued.

Table D-1--Continued
Metal lockers: U.S. producers' range of AUVs

Unit value in dollars per unit

| Firm | Measure | Lowest AUV product | Highest volume product | Highest AUV product |
|-------------|----------------|---------------------------|-------------------------------|----------------------------|
| Lyon | Unit value | *** | *** | *** |
| Lyon | Description | *** | *** | *** |
| Penco | Unit value | *** | *** | *** |
| Penco | Description | *** | *** | *** |
| Tennsco | Unit value | *** | *** | *** |
| Tennsco | Description | *** | *** | *** |

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

Table D-2
Metal lockers: U.S. importers' range of AUVs

Unit value in dollars per unit

| Firm | Measure | Lowest AUV product | Highest volume product | Highest AUV product |
|---------------------|----------------|---------------------------|-------------------------------|----------------------------|
| Amazon | Unit value | *** | *** | *** |
| Amazon | Description | *** | *** | *** |
| ASI Storage | Unit value | *** | *** | *** |
| ASI Storage | Description | *** | *** | *** |
| Bass Pro | Unit value | *** | *** | *** |
| Bass Pro | Description | *** | *** | *** |
| Edsal Manufacturing | Unit value | *** | *** | *** |
| Edsal Manufacturing | Description | *** | *** | *** |
| Global Equipment | Unit value | *** | *** | *** |
| Global Equipment | Description | *** | *** | *** |
| Grainger | Unit value | *** | *** | *** |
| Grainger | Description | *** | *** | *** |
| Hornady | Unit value | *** | *** | *** |
| Hornady | Description | *** | *** | *** |

Table continued.

Table D-2--Continued
Metal lockers: U.S. importers' range of AUVs

Unit value in dollars per unit

| Firm | Measure | Lowest AUV product | Highest volume product | Highest AUV product |
|-----------------------|----------------|---------------------------|-------------------------------|----------------------------|
| International Trading | Unit value | *** | *** | *** |
| International Trading | Description | *** | *** | *** |
| Jorgenson | Unit value | *** | *** | *** |
| Jorgenson | Description | *** | *** | *** |
| Keystone Locker | Unit value | *** | *** | *** |
| Keystone Locker | Description | *** | *** | *** |
| Liberty | Unit value | *** | *** | *** |
| Liberty | Description | *** | *** | *** |
| Lightning Lockers | Unit value | *** | *** | *** |
| Lightning Lockers | Description | *** | *** | *** |
| Lyon | Unit value | *** | *** | *** |
| Lyon | Description | *** | *** | *** |
| National Cart | Unit value | *** | *** | *** |
| National Cart | Description | *** | *** | *** |
| NewAge Products | Unit value | *** | *** | *** |
| NewAge Products | Description | *** | *** | *** |

Table continued.

Table D-2--Continued
Metal lockers: U.S. importers' range of AUVs

Unit value in dollars per unit

| Firm | Measure | Lowest AUV product | Highest volume product | Highest AUV product |
|---------------------|----------------|---------------------------|-------------------------------|----------------------------|
| Olympus Lockers | Unit value | *** | *** | *** |
| Olympus Lockers | Description | *** | *** | *** |
| Penco | Unit value | *** | *** | *** |
| Penco | Description | *** | *** | *** |
| Salsbury | Unit value | *** | *** | *** |
| Salsbury | Description | *** | *** | *** |
| Superior | Unit value | *** | *** | *** |
| Superior | Description | *** | *** | *** |
| The Container Store | Unit value | *** | *** | *** |
| The Container Store | Description | *** | *** | *** |
| Tiburon | Unit value | *** | *** | *** |
| Tiburon | Description | *** | *** | *** |
| Top Tier | Unit value | *** | *** | *** |
| Top Tier | Description | *** | *** | *** |

Table continued.

Table D-2--Continued
Metal lockers: U.S. importers' range of AUVs

Unit value in dollars per unit

| Firm | Measure | Lowest AUV product | Highest volume product | Highest AUV product |
|-------------------|----------------|---------------------------|-------------------------------|----------------------------|
| Uline | Unit value | *** | *** | *** |
| Uline | Description | *** | *** | *** |
| Varidesk | Unit value | *** | *** | *** |
| Varidesk | Description | *** | *** | *** |
| WEC Manufacturing | Unit value | *** | *** | *** |
| WEC Manufacturing | Description | *** | *** | *** |
| Winholt Equipment | Unit value | *** | *** | *** |
| Winholt Equipment | Description | *** | *** | *** |

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

Note: ***.

APPENDIX E

U.S. PRODUCERS' AND U.S. IMPORTERS' U.S. SHIPMENTS

Table E
Metal lockers: U.S. producers' and U.S. importers' U.S. shipments, by month, 2018-2020

Quantity in 1,000 pounds

| Year | Month | U.S. producers | China | Nonsubject sources | All import sources | All sources |
|------|-----------|----------------|-------|--------------------|--------------------|-------------|
| 2018 | January | *** | *** | *** | *** | *** |
| 2018 | February | *** | *** | *** | *** | *** |
| 2018 | March | *** | *** | *** | *** | *** |
| 2018 | April | *** | *** | *** | *** | *** |
| 2018 | May | *** | *** | *** | *** | *** |
| 2018 | June | *** | *** | *** | *** | *** |
| 2018 | July | *** | *** | *** | *** | *** |
| 2018 | August | *** | *** | *** | *** | *** |
| 2018 | September | *** | *** | *** | *** | *** |
| 2018 | October | *** | *** | *** | *** | *** |
| 2018 | November | *** | *** | *** | *** | *** |
| 2018 | December | *** | *** | *** | *** | *** |
| 2019 | January | *** | *** | *** | *** | *** |
| 2019 | February | *** | *** | *** | *** | *** |
| 2019 | March | *** | *** | *** | *** | *** |
| 2019 | April | *** | *** | *** | *** | *** |
| 2019 | May | *** | *** | *** | *** | *** |
| 2019 | June | *** | *** | *** | *** | *** |
| 2019 | July | *** | *** | *** | *** | *** |
| 2019 | August | *** | *** | *** | *** | *** |
| 2019 | September | *** | *** | *** | *** | *** |
| 2019 | October | *** | *** | *** | *** | *** |
| 2019 | November | *** | *** | *** | *** | *** |
| 2019 | December | *** | *** | *** | *** | *** |
| 2020 | January | *** | *** | *** | *** | *** |
| 2020 | February | *** | *** | *** | *** | *** |
| 2020 | March | *** | *** | *** | *** | *** |
| 2020 | April | *** | *** | *** | *** | *** |
| 2020 | May | *** | *** | *** | *** | *** |
| 2020 | June | *** | *** | *** | *** | *** |
| 2020 | July | *** | *** | *** | *** | *** |
| 2020 | August | *** | *** | *** | *** | *** |
| 2020 | September | *** | *** | *** | *** | *** |
| 2020 | October | *** | *** | *** | *** | *** |
| 2020 | November | *** | *** | *** | *** | *** |
| 2020 | December | *** | *** | *** | *** | *** |

Table continued.

Table E--Continued

Metal lockers: U.S. producers' and U.S. importers' U.S. shipments, by month, 2018-2020

Share across in percent

| Year | Month | U.S. producers | China | Nonsubject sources | All import sources | All sources |
|------|-----------|----------------|-------|--------------------|--------------------|-------------|
| 2018 | January | *** | *** | *** | *** | *** |
| 2018 | February | *** | *** | *** | *** | *** |
| 2018 | March | *** | *** | *** | *** | *** |
| 2018 | April | *** | *** | *** | *** | *** |
| 2018 | May | *** | *** | *** | *** | *** |
| 2018 | June | *** | *** | *** | *** | *** |
| 2018 | July | *** | *** | *** | *** | *** |
| 2018 | August | *** | *** | *** | *** | *** |
| 2018 | September | *** | *** | *** | *** | *** |
| 2018 | October | *** | *** | *** | *** | *** |
| 2018 | November | *** | *** | *** | *** | *** |
| 2018 | December | *** | *** | *** | *** | *** |
| 2019 | January | *** | *** | *** | *** | *** |
| 2019 | February | *** | *** | *** | *** | *** |
| 2019 | March | *** | *** | *** | *** | *** |
| 2019 | April | *** | *** | *** | *** | *** |
| 2019 | May | *** | *** | *** | *** | *** |
| 2019 | June | *** | *** | *** | *** | *** |
| 2019 | July | *** | *** | *** | *** | *** |
| 2019 | August | *** | *** | *** | *** | *** |
| 2019 | September | *** | *** | *** | *** | *** |
| 2019 | October | *** | *** | *** | *** | *** |
| 2019 | November | *** | *** | *** | *** | *** |
| 2019 | December | *** | *** | *** | *** | *** |
| 2020 | January | *** | *** | *** | *** | *** |
| 2020 | February | *** | *** | *** | *** | *** |
| 2020 | March | *** | *** | *** | *** | *** |
| 2020 | April | *** | *** | *** | *** | *** |
| 2020 | May | *** | *** | *** | *** | *** |
| 2020 | June | *** | *** | *** | *** | *** |
| 2020 | July | *** | *** | *** | *** | *** |
| 2020 | August | *** | *** | *** | *** | *** |
| 2020 | September | *** | *** | *** | *** | *** |
| 2020 | October | *** | *** | *** | *** | *** |
| 2020 | November | *** | *** | *** | *** | *** |
| 2020 | December | *** | *** | *** | *** | *** |

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

APPENDIX F

UNDERLYING DATA FOR FIGURE V-1

Table F-1
Metal lockers: Raw material prices for steel cold-rolled coil, January 2018 through December 2020

Unit values in dollars per pound

| Year | Month | Fob mill U.S. |
|------|-----------|---------------|
| 2018 | January | *** |
| 2018 | February | *** |
| 2018 | March | *** |
| 2018 | April | *** |
| 2018 | May | *** |
| 2018 | June | *** |
| 2018 | July | *** |
| 2018 | August | *** |
| 2018 | September | *** |
| 2018 | October | *** |
| 2018 | November | *** |
| 2018 | December | *** |
| 2019 | January | *** |
| 2019 | February | *** |
| 2019 | March | *** |
| 2019 | April | *** |
| 2019 | May | *** |
| 2019 | June | *** |
| 2019 | July | *** |
| 2019 | August | *** |
| 2019 | September | *** |
| 2019 | October | *** |
| 2019 | November | *** |
| 2019 | December | *** |
| 2020 | January | *** |
| 2020 | February | *** |
| 2020 | March | *** |
| 2020 | April | *** |
| 2020 | May | *** |
| 2020 | June | *** |
| 2020 | July | *** |
| 2020 | August | *** |
| 2020 | September | *** |
| 2020 | October | *** |
| 2020 | November | *** |
| 2020 | December | *** |

Source: ***, retrieved May 27, 2021.

