Brass Rod from Brazil, India, Israel, Mexico, South Africa, South Korea

Investigation Nos. 701-TA-686-688 and 731-TA-1612-1617 (Preliminary)

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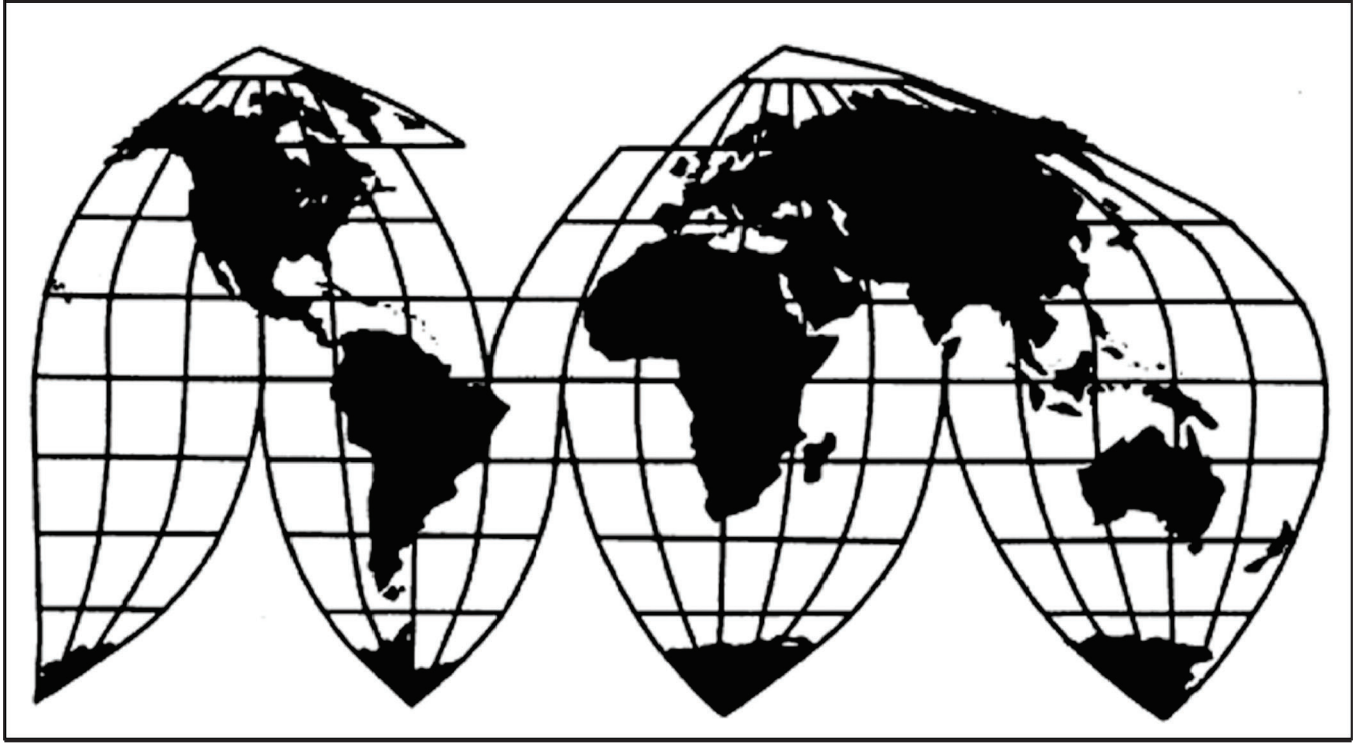
U.S. International Trade Commission



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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Note.—Information that would reveal confidential operations of individual concerns may not be published.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-686-688 and 731-TA-1612-1617 (Preliminary)

Brass Rod from Brazil, India, Israel, Mexico, South Africa, and South Korea

DETERMINATIONS

On the basis of the record[1] developed in the subject investigations, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of brass rod from Brazil, India, Israel, Mexico, South Africa, and South Korea, provided for in subheadings 7407.21.15, 7407.21.30, 7407.21.70, and 7407.21.90 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value ("LTFV") and to be subsidized by the governments of India, Israel, and South Korea.[2]

COMMENCEMENT OF FINAL PHASE INVESTIGATIONS

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

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

[2] 88 FR 33566 and 88 FR 33575 (May 24, 2023).

BACKGROUND

On April 27, 2023, the American Brass Rod Fair Trade Coalition, Washington, District of Columbia; Mueller Brass Co., Port Huron, Michigan; and Wieland Chase LLC, Montpelier, Ohio filed petitions with the Commission and Commerce, alleging that an industry in the United States is materially injured or threatened with material injury by reason of subsidized imports of brass rod from India, Israel, and South Korea and LTFV imports of brass rod from Brazil, India, Israel, Mexico, South Africa, and South Korea. Accordingly, effective April 27, 2023, the Commission instituted countervailing duty investigation Nos. 701-TA-686-688 and antidumping duty investigation Nos. 731-TA-1612-1617 (Preliminary).

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of May 3, 2023 (88 FR 27921). The Commission conducted its conference on May 18, 2023. All persons who requested the opportunity were permitted to participate.

Views of the Commission

Based on the record in the preliminary phase of these investigations, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of brass rod from Brazil, India, Israel, Mexico, South Africa, and South Korea that are allegedly sold in the United States at less than fair value and imports of the subject merchandise from India, Israel, and South Korea that are allegedly subsidized by the governments of India, Israel, and South Korea.[1]

I. The Legal Standard for Preliminary Determinations

The legal standard for preliminary antidumping and countervailing duty determinations requires the Commission to determine, based upon the information available at the time of the preliminary determinations, whether there is a reasonable indication that a domestic industry is materially injured or threatened with material injury, or that the establishment of an industry is materially retarded, by reason of the allegedly unfairly traded imports.[2] In applying this standard, the Commission weighs the evidence before it and determines whether "(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation."[3]

II. Background

The American Brass Rod Fair Trade Coalition and its members, Mueller Brass Co. ("Mueller") and Wieland Chase LLC ("Wieland") (collectively, "Petitioners"), U.S. producers of

[1] Chairman David S. Johanson determines that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of brass rod from Brazil, India, Israel, Mexico, South Africa, and South Korea. He writes separately because he finds that there is reasonable indication that an industry in the United States is threatened with material injury by reason of subject imports from Israel, and accordingly, the U.S. – Israel Free Trade Agreement exception to cumulation (19 U.S.C. § 1677(7)(G)(ii)(IV)) does not apply for purposes of these preliminary determinations. He joins Sections I through V, VI.B and C, VII.A, B, and D, and VIII of the Commission's Views.

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

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

brass rod, filed the petitions in these investigations on April 27, 2023. Representatives for Mueller and Wieland appeared at the staff conference accompanied by counsel and submitted a postconference brief.

Several respondent entities participated in these investigations. Representatives for Finkelstein Metals Ltd. and Finkelstein Metals USA Inc. (collectively, "Finkelstein"), a foreign producer/exporter and U.S. importer of brass rod from Israel, respectively, appeared at the staff conference accompanied by counsel and submitted a postconference brief.[4] Representatives for Aviva Metals ("Aviva"), a U.S. importer of subject merchandise, Non-Ferrous Metal Works (SA) (PTY) Ltd. ("Non-Ferrous"), a foreign producer/exporter of brass rod from South Africa, Industrias Unidas, S.A. de C.V. ("Industrias Unidas"), a foreign producer/exporter of brass rod from Mexico, and Cambridge-Lee Industries LLC ("Cambridge-Lee"), a U.S. importer of subject merchandise (collectively, "Joint Respondents") appeared at the staff conference accompanied by counsel and submitted a joint postconference brief.

Data Coverage. U.S. industry data are based on the questionnaire responses of two U.S. producers, Mueller and Wieland, accounting for the vast majority of U.S. production of brass rod in 2022.[5] U.S. import data are based on questionnaire responses from 16 importers, accounting for a majority of subject imports from Brazil, India, Mexico, South Africa, and South Korea in 2022 under HTS subheadings 7407.21.15. 7407.21.30, 7407.21.70, and 7407.21.90 and virtually all subject imports from Israel in 2022 under HTS subheading 7403.21.00.[6] The Commission received responses to its questionnaires from eight foreign producers/exporters of subject merchandise: one producer/exporter in Brazil, which is believed to account for an estimated *** percent of production of brass rod in Brazil in 2022;[7] one producer/exporter in India, which is believed to account for an estimated *** percent of production of brass rod in

[4] A representative from the Embassy of Israel appeared at the staff conference and submitted testimony.

[5] Confidential Report Memorandum INV-VV-049 (June 5, 2023) ("CR"); *Brass Rod from Brazil, India, Israel, Mexico, South Africa, and South Korea*, Inv. Nos. 701-TA-686-688 and 731-TA-1612-1617 (Preliminary), USITC Pub. 5436 (June 2023) ("PR") at III-1, Table III-1. A third U.S. producer, Chicago Extruded Metals ("CXM"), indicated production of brass rod, ***. CXM reported a practical overall capacity of *** in 2022, representing *** percent of Mueller and Wieland's combined practical overall capacity. *See id.* at III-1 n.1, Table III-5.

[6] CR/PR at IV-1. HTS subheadings 7407.21.15, 7407.21.30, 7407.21.70, and 7407.21.90 are "basket" categories that include both in-scope brass rod and out-of-scope merchandise. *Id.* Subject imports from Israel are believed to have been misclassified under HTS subheading 7403.21.00. *Id.* at IV-1 n. 4. Official import statistics are provided in Appendix D to the Confidential Report.

[7] CR/PR at VII-3.

India in 2022;[8] one producer/exporter in Israel, which is believed to account for *** production of brass rod in Israel in 2022;[9] two producers/exporters in Mexico, which are believed to account for *** of production of brass rod in Mexico in 2022;[10] one producer/exporter in South Africa, which is believed to account for *** percent of production of brass rod in South Africa in 2022;[11] and two producers/exporters in South Korea, which are believed to account for *** percent of production of brass rod in South Korea in 2022.[12]

III. Domestic Like Product

In determining whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the "domestic like product" and the "industry."[13] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Tariff Act"), defines the relevant domestic industry as the "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[14] In turn, the Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation."[15]

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.[16] Therefore, Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value is "necessarily the starting point of the Commission's like product analysis."[17] The Commission then defines the domestic like product

[8] CR/PR at VII-10.
[9] CR/PR at VII-18.
[10] CR/PR at VII-26.
[11] CR/PR at VII-33.
[12] CR/PR at VII-41.
[13] 19 U.S.C. § 1677(4)(A).
[14] 19 U.S.C. § 1677(4)(A).
[15] 19 U.S.C. § 1677(10).
[16] 19 U.S.C. § 1677(10). The Commission must accept Commerce's determination as to the scope of the imported merchandise that is subsidized and/or sold at less than fair value. *See*, *e.g.*, *USEC, Inc. v. United States*, 34 Fed. App'x 725, 730 (Fed. Cir. 2002) ("The ITC may not modify the class or kind of imported merchandise examined by Commerce."); *Algoma Steel Corp. v. United States,* 688 F. Supp. 639, 644 (Ct. Int'l Trade 1988), *aff'd*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).
[17] *Cleo Inc. v. United States,* 501 F.3d 1291, 1298 (Fed. Cir. 2007); *see also Hitachi Metals, Ltd. v.* (Continued…)

in light of the imported articles Commerce has identified.[18] 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.[19] No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[20] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[21] The Commission may, where appropriate, include domestic articles in the domestic like product in addition to those described in the scope.[22]

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

> … brass rod and bar (brass rod), which is defined as leaded, low-lead, and no-lead solid brass made from alloys such as, but not limited to the following alloys

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(…Continued)
United States, Case No. 19-1289, slip op. at 8-9 (Fed. Cir. Feb. 7, 2020) (the statute requires the Commission to start with Commerce's subject merchandise in reaching its own like product determination).

[18] *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).

[19] *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).

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

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

[22] *See*, *e.g.*, *Pure Magnesium from China and Israel*, Inv. Nos. 701-TA-403 and 731-TA-895-96 (Final), USITC Pub. 3467 at 8 n.34 (Nov. 2001); *Torrington,* 747 F. Supp. at 748-49 (holding that the Commission is not legally required to limit the domestic like product to the product advocated by the petitioner, co-extensive with the scope).

classified under the Unified Numbering System (UNS) as C27450, C27451, C27460, C34500, C35000, C35300, C35330, C36000, C36300, C37000, C37700, C48500, C67300, C67600, and C69300, and their international equivalents.

The brass rod subject to these investigations has an actual cross-section or outside diameter greater than 0.25 inches but less than or equal to 12 inches. Brass rod cross-sections may be round, hexagonal, square, or octagonal shapes as well as special profiles (e.g., angles, shapes).

Standard leaded brass rod covered by the scope contains, by weight, 57.0–65.0 percent copper; 0.5–3.0 percent lead; no more than 1.3 percent iron; and at least 15 percent zinc. No-lead or low-lead brass rod covered by the scope contains by weight 59.0–76.0 percent copper; 0–1.5 percent lead; no more than 0.35 percent iron; and at least 15 percent zinc. Brass rod may also include other chemical elements (e.g., nickel, phosphorous, silicon, tin, etc.).

Brass rod may be in straight lengths or coils. Brass rod covered by these investigations may be finished or unfinished, and may or may not be heated, extruded, pickled, or cold-drawn. Brass rod may be produced in accordance with ASTM B16, ASTM B124, ASTM B981, ASTM B371, ASTM B453, ASTM B21, ASTM B138, and ASTM B927, but such conformity to an ASTM standard is not required for the merchandise to be included within the scope.

Excluded from the scope of these investigations is brass ingot, which is a casting of unwrought metal unsuitable for conversion into brass rod without remelting, that contains, by weight, at least 57.0 percent copper and 15.0 percent zinc.

The merchandise covered by these investigations is currently classifiable under subheadings 7407.21.9000, 7407.21.7000, and 7407.21.1500 of the Harmonized Tariff Schedule of the United States (HTSUS). Products subject to the scope may also enter under HTSUS subheadings 7403.21.0000, 7407.21.3000, and 7407.21.5000. The HTSUS subheadings and UNS alloy designations are provided for convenience and customs purposes. The written description of the scope of the investigations is dispositive.[23]

[23] *Brass Rod from India, Israel, and the Republic of Korea: Initiation of Countervailing Duty Investigations*, 88 Fed. Reg. 33,566, 33,569-70 (May 24, 2023); *Brass Rod from Brazil, India, Israel, Mexico, the Republic of Korea, and South Africa: Initiation of Less-Than-Fair-Value Investigations*, 88 Fed. Reg. 33,575, 33,579-80 (May 24, 2023). The scope is the same for the countervailing and antidumping duty investigations.

Brass rod, as defined by the scope of these investigations, includes brass rods, bars, or profiles made of brass alloys. Brass alloys are combinations of copper, zinc, and smaller amounts of other elements. Up to 98 percent of the raw material used to produce brass rod in the United States comes from scrap, supplemented with pure copper, zinc, or lead, depending on the desired chemical composition of the finished brass. Brass rod may be produced in accordance with ASTM standards, but conformity to an ASTM standard is not required for brass rod to be included within the scope of these investigations. Brass rod can be leaded, low-lead, and no-lead, but most sales in the U.S. market are of leaded brass rod, because the addition of small amounts of lead optimizes the machinability of the product. Brass rod is commonly used to produce (1) building and household products; (2) industrial machinery and equipment components; (3) electrical and electronic products and components; and (4) automotive and truck/trailer products and components which can include heavy off-road equipment, construction equipment and military applications. For most brass rod producers, the largest volume of shipments goes to customers that produce building and household products.[24]

A. Arguments of the Parties

Petitioners' Argument. Petitioners argue that the Commission should define a single domestic like product, coextensive with the scope of these investigations.[25]

Respondents' Argument. No respondent entity disputes the single domestic like product definition proposed by the Petitioners for the preliminary phase of these investigations.[26]

B. Analysis

Based on the following analysis, and in the absence of contrary party argument, we define a single domestic like product consisting of all brass rod, coextensive with the scope of these investigations.

Physical Characteristics and Uses. According to Petitioners, all brass rod covered by the scope of these investigations share the same basic physical characteristics and end uses, as the

[24] CR/PR at I-9.

[25] *See* Petitioners' Postconference Br. at I-5-8. Petitioners claim that domestic producers manufacture a minimal volume of brass rod products that are outside the scope of these investigations, *i.e.*, brass rod with a diameter of 0.25 inches or less. They claim that inclusion of such products in the domestic like product would have no material impact on the Commission's analysis. *Id.* at I-8 n.23.

[26] *See* Finkelstein's Postconference Br. at 3. The Joint Respondents made no arguments with respect to the definition of the domestic like product.

vast majority of brass rod sold in the United States is leaded product produced to ASTM standards.[27] Brass rod is produced and sold in a variety of brass alloys, which combine copper and zinc along with smaller amounts of other elements.[28] While lead-free and low-lead products can be required by local law or regulation, according to Petitioners, the presence of lead does not fundamentally change the physical characteristics of the product. Elements other than lead, such as silicon or phosphorous can be added to achieve the specification and performance of the material.[29] Once produced to specification, brass rod is fabricated by end users into various products such as valves, fittings, and connections, which are used primarily in building and household products.[30]

Interchangeability. According to Petitioners, all brass rod produced to a given specification is interchangeable and is an intermediate input destined for further processing into various downstream products. Customers can interchangeably utilize brass rod products in a variety of shapes and sizes by further processing them to suit their specific needs.[31]

Channels of Distribution. According to Petitioners, all brass rod – regardless of shape or lead content – is sold through common channels of distribution, *i.e.*, distributors and end users (consisting of original equipment manufacturers ("OEMs"), machine shops, and forgers).[32] During the January 1, 2020, to December 31, 2022, period of investigation ("POI"), the vast majority of brass rod shipments by U.S. producers were shipped to end users.[33]

Producer and Customer Perceptions. Petitioners claim that customers and producers generally perceive brass rod to be a single product category, consisting of a broad range of alloys, shapes, and sizes.[34]

Manufacturing Facilities, Production Processes and Employees. The production of all brass rod products involves approximately nine steps: raw material receipt and analysis, melt and chemistry control, casting, billet heating, extrusion, pickling, finishing, strapping, and

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[27] *See* Petitioners' Postconference Br. at I-6. U.S. producers' shipments in 2022 consisted primarily of other (leaded) product (*** percent), with *** percent of shipments consisting of lead-free product, and *** percent consisting of low lead product. CR/PR at Table IV-5.

[28] CR/PR at I-9, I-11.

[29] *See* Petitioners' Postconference Br. at I-6; *see also* Conf. Tr. at 43-44 (Mr. Christie) & 46 (Mr. Denner) ("regulations are really driving most of the potable water, you know, drinking water towards those {lead-free or low-lead} alloys").

[30] *See* Petitioners' Postconference Br. at I-6; *see also* CR/PR at I-9-10.

[31] *See* Petitioners' Postconference Br. at I-6-7.

[32] *See* Petitioners' Postconference Br. at I-7.

[33] *See* CR/PR at Table II-1 (at least *** percent of U.S. producers' U.S. shipments of brass rod during the POI were to end users).

[34] *See* Petitioners' Postconference Br. at I-7.

shipping. Brass rod is produced primarily from recycled materials, but the constituent elements of brass come from a melt of copper, zinc, and lead. After the raw material has been melted in a furnace, chemistry samples are taken. The samples are used to ascertain whether any of the chemical elements need to be adjusted to meet specifications. Once the chemistry meets the applicable standards, the metal is cast to create brass billets that are then extruded into rod. The extruded rod is lengthened, and a die may be used to produce rods in shapes, including rounds, hexagons, rectangles, squares, and other profiles. Pickling and finishing finalize the product so that the customer can use their machining or forging equipment to efficiently produce a brass part. After the brass rod is finished, it goes to strapping where the brass rod is bundled for shipment.[35] Leaded, lead-free, and low-lead brass rod can all be produced on the same equipment, with the yield rate of the cast product declining as the lead content is reduced.[36] According to Petitioners, all domestically produced brass rod is produced on similar equipment using similar employees and production processes.[37]

Price. According to Petitioners, the price of metals – particularly, copper, which makes up about 60 percent (by weight) of the most common type of brass rod but 70 to 80 percent of raw material costs – is the most significant driver of the price of brass rod. However, the prices of individual alloys and shapes can vary based on their chemistry and complexity. Typically, lead-free or low-lead brass rod involve more complex chemistries, as well as higher copper content, and therefore are priced at a premium.[38] Reported pricing data indicate that leaded brass rod is priced lower than low-lead or lead-free brass rod.[39]

Conclusion. The record for the preliminary phase of these investigations indicates that all brass rod covered by the scope of these investigations comprise a continuum of products that share the same basic physical characteristics and uses. The constituent elements of brass rod come from a melt of copper, zinc, and lead, and brass rod is typically produced to ASTM standards for use in building and household products. Furthermore, all brass rod produced to a given specification can be used interchangeably; the vast majority of brass rod shipments by U.S. producers were to end users; and customers and producers generally perceive brass rod to be a single product category, consisting of a broad range of alloys, shapes, and sizes. All brass

[35] CR/PR at I-11-12.

[36] *See* Petitioners' Postconference Br. at I-7; *see also* Conf. Tr. at 45-46 (Mr. Christie).

[37] *See* Petitioners' Postconference Br. at I-7.

[38] *See* Petitioners' Postconference Br. at I-7-8; *see also* CR/PR at V-1; Conf. Tr. at 45 (Mr. Mitchell).

[39] *See* CR/PR at Table V-8 (showing U.S. low and high prices for Products 1 and 2, leaded products, below those of Products 3 and 4, low-lead and lead-free products, respectively).

rod is produced in the same manufacturing facilities using the same employees and production processes.

While lead-free and low-lead brass rod products can be required by local law or regulation and are typically priced at a premium, the record does not indicate, nor did any party suggest, that a clear dividing line exists between lead-free or low-lead brass rod and leaded brass rod. Lead-free or low-lead brass rod are made using the same equipment as leaded product, with only adjustments being made to the chemical composition of the product. Moreover, once produced to a customer's specification, lead-free or low-lead brass rod can achieve the same physical performance as leaded product.

In light of the above, and the lack of any contrary argument, we define a single domestic like product consisting of all domestically produced brass rod, coextensive with the scope.

IV. Domestic Industry

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

Petitioners argue that the Commission should define the domestic industry as including all U.S. producers of the domestic like product – namely, Mueller, Wieland, and CXM.[41] No respondent entity disputes this position.[42] There are no related party issues, as no domestic producer imported subject merchandise during the POI, or is related to an importer or exporter of subject merchandise.[43] Therefore, consistent with our definition of a single domestic like

[40] 19 U.S.C. § 1677(4)(A).

[41] *See* Petitioners' Postconference Br. at I-8-9.

[42] *See* Finkelstein's Postconference Br. at 3. The Joint Respondents made no arguments with respect to the definition of the domestic industry.

[43] CR/PR at III-2, III-14. U.S. producer *** reported no purchases from importers of brass rod during the POI. *See* *** U.S. Producer Questionnaire Response at II-13. U.S. importer ***, however, reported the *** as one of its ten largest customers for brass rod during the POI, accounting for *** percent of its 2022 U.S. shipments of brass rod. *See* *** U.S. Importer Questionnaire Response at III-22. A domestic producer that does not itself import subject merchandise or does not share a corporate affiliation with an importer may nonetheless be deemed a related party if it indirectly controls an exporter or importer of subject merchandise. 19 U.S.C. § 1677(4)(B). The Commission has found such control to exist, for example, when the domestic producer's purchases were responsible for a (Continued…)

product, we define the domestic industry as consisting of all domestic producers of brass rod, namely Mueller, Wieland, and CXM.

V. Negligible Imports

Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than 3 percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible.[44] The statute further provides that subject imports from a single country which comprise less than 3 percent of total such imports of the product may not be considered negligible if there are several countries subject to investigation with negligible imports and the sum of such imports from all those countries collectively accounts for more than 7 percent of the volume of all such merchandise imported into the United States.[45] In the case of countervailing duty investigations involving developing countries (as designated by the United States Trade Representative ("USTR")), the statute indicates that the negligibility limits are 4 percent and 9 percent, rather than 3 percent and 7 percent.[46]

During the most recent 12-month period preceding the filing of the petitions (April 2022 – March 2023), based on questionnaire response data, subject imports from Brazil, Mexico, and South Africa accounted for ***, ***, and *** percent, respectively, of total reported U.S. imports of brass rod by quantity, and subject imports from India, Israel, and South Korea (for

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(…Continued)
predominant proportion of an importer's subject imports and the importer's subject imports were substantial. *See, e.g.*, *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Argentina, Brazil, Germany, and Italy*, Inv. Nos. 701-TA-362 and 731-TA-707-710 (Review), USITC Pub. 3429 at 8-9 (June 2001). A witness for Aviva testified at the conference that Petitioner Mueller buys small quantities of certain products from the firm on a regular basis that fall within the scope of the petition and which are imported from {South African producer Non-Ferrous. *See* Conf. Tr. at 108, 131-32 (Greathead). Aviva's imports of subject merchandise from South Africa accounted for *** percent of total reported subject imports from South Africa. CR/PR at Table IV-1. In any final phase of these investigations, we intend to further investigate whether Mueller may be deemed a related party based on any purchases it may have made of subject imports.

[44] 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B); *see also* 15 C.F.R. § 2013.1 (developing countries for purposes of 19 U.S.C. § 1677(36)).

[45] 19 U.S.C. § 1677(24)(A)(ii).

[46] 19 U.S.C. § 1677(24)(B). The USTR has deemed none of the subject countries in these investigations a developing country. *See Designations of Developing and Least Developed Countries Under the Countervailing Duty Law*, 85 Fed. Reg. 7613 (Feb. 10, 2020).

both the antidumping and countervailing duty investigations) accounted for ***, ***, and *** percent, respectively, of total U.S. imports of brass rod by quantity.[47] As imports from each subject country are clearly above negligible levels, we find that imports from Brazil, Mexico, and South Africa subject to the antidumping duty investigations, and imports from India, Israel, and South Korea subject to the antidumping and countervailing duty investigations, are not negligible.

VI. Cumulation

For purposes of evaluating the volume and effects for a determination of reasonable indication of material injury by reason of subject imports, section 771(7)(G)(i) of the Tariff Act requires the Commission to cumulate subject imports from all countries as to which petitions were filed and/or investigations self-initiated by Commerce on the same day, if such imports compete with each other and with the domestic like product in the U.S. market.[48] In assessing whether subject imports compete with each other and with the domestic like product, the Commission generally has considered four factors:

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

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

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

[47] CR/PR at Table IV-4. Imports from India, Israel and South Korea are subject to both antidumping and countervailing duty investigations. Although the volume of subject imports from each country is the same with respect to both investigations, the Commission is required by statute to make separate negligibility findings for antidumping and countervailing duty investigations involving imports from the same subject country. *Cold-Rolled Steel Flat Products from Brazil, India, Korea, Russia, and the United Kingdom*, Inv. Nos. 701-TA-540, 542-544 and 731-TA-1283, 1285, 1287, and 1289-1290 (Final), USITC Pub. 4637 at 10-11 (Sept. 2016); *Nucor Corp. v. United States*, Slip Op. 18-13 at 20 (Ct. Int'l Trade Feb. 28, 2018), *aff'g Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom*, Inv. Nos. 701-TA-545-547 and 731-TA-1291-1297 (Final), USITC Pub. 4638 at 13 (Sept. 2016).

[48] 19 U.S.C. § 1677(7)(G)(i).

(4) whether the subject imports are simultaneously present in the market.[49]

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.[50] Only a "reasonable overlap" of competition is required.[51]

A. The U.S. – Israel Free Trade Agreement Exception

Section 771(G)(ii)(IV) of the Tariff Act provides an exception to cumulation with respect to subject imports from Israel.[52] That provision states that the Commission shall not cumulatively assess the volume and effects of imports:

> from any country that is a party to an agreement with the United States establishing a free trade area, which entered into force and effect before January 1, 1987 {i.e., Israel}, unless the Commission determines that a domestic industry is materially injured or threatened with material injury by reason of imports from that country.[53]

Thus, where, as here, antidumping or countervailing duty investigations involve both Israel and other countries, the Commission must first determine whether there is a reasonable indication of material injury to a domestic industry, or the threat thereof, by reason of imports from Israel. If this inquiry is answered in the affirmative, the Israeli imports are then eligible for

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

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

[51] The Statement of Administrative Action ("SAA") to the Uruguay Round Agreements Act ("URAA"), expressly states that "the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition." H.R. Rep. No. 103-316, Vol. I at 848 (1994) (*citing Fundicao Tupy*, 678 F. Supp. at 902); *see Goss Graphic Sys., Inc. v. United States*, 33 F. Supp. 2d 1082, 1087 (Ct. Int'l Trade 1998) ("cumulation does not require two products to be highly fungible"); *Wieland Werke, AG*, 718 F. Supp. at 52 ("Completely overlapping markets are not required.").

[52] None of the other three statutory exceptions to the general rule on cumulation apply in these investigations. *See* 19 U.S.C. § 1677(7)(G)(ii).

[53] 19 U.S.C. § 1677(7)(G)(ii)(IV).

cumulation with imports from the other subject counties. If this inquiry is answered in the negative, the Commission cannot cumulate the imports from Israel.[54]

As set forth below in Section VII.C, we determine that there is a reasonable indication that a domestic industry is materially injured by reason of subject imports from Israel, and accordingly, this exception to cumulation does not apply for purposes of these preliminary determinations.[55]

B. Arguments of the Parties

Petitioners' Argument. Petitioners argue that the Commission should cumulatively assess brass rod imports from all subject countries for purposes of its present material injury analysis, as such imports compete with each other and with the domestic like product in the U.S. market. They argue that the statutory exception to cumulation pertaining to a country that is party to a free trade agreement with the United States that entered into force and effect before January 1, 1987 does not apply to subject imports from Israel because, notwithstanding the U.S. – Israel Free Trade Agreement, subject imports from Israel materially injured the domestic industry.[56]

Respondents' Argument. Finkelstein argues that subject imports from Israel neither materially injured nor threatened material injury to the domestic brass rod industry, and that the Commission therefore cannot cumulate subject imports from Israel with brass rod imports from the other subject countries under the statute's exception to cumulation.[57] The Joint Respondents do not make any arguments with respect to cumulation.

C. Analysis

We consider subject imports from Brazil, India, Israel, Mexico, South Africa, and South Korea on a cumulated basis, because the statutory criteria for cumulation are satisfied.[58] As an

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[54] *See Pure Magnesium from China, Israel, and Russia*, Inv. Nos. 701-TA-403 and 731-TA-895-897 (Preliminary), USITC Pub. 3376 (Dec. 2000) at 12-13.

[55] Chairman Johanson determines that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of subject imports from Israel, and accordingly, the U.S. – Israel Free Trade Agreement exception to cumulation does not apply. *See* Separate and Concurring Views of Chairman David S. Johanson.

[56] *See* Petitioners' Postconference Br. at I-16-27.

[57] *See* Finkelstein's Postconference Br. at 15-38.

[58] As discussed below in Section VII.C, we determine that there is a reasonable indication that a domestic industry is materially injured by reason of subject imports from Israel, and accordingly, the U.S. (Continued…)

initial matter, Petitioners filed the antidumping/countervailing duty petitions with respect to all six countries on the same day, April 27, 2023.

Fungibility. The record indicates that domestically produced brass rod and imports of brass rod from each subject country are generally fungible. *** U.S. producers reported that brass rod from all sources could *** be used interchangeably,[59] while at least half of responding importers reported that brass rod from all sources could always or frequently be used interchangeably, with one exception.[60] Furthermore, in 2022, the majority of U.S. producers and importers' U.S. shipments of brass rod from all sources were of a similar shape (*i.e.*, non-hollow round)[61] and composition (*i.e.*, leaded brass rod).[62] Moreover, U.S. producers and importers from all sources reported pricing data for overlapping pricing products, specifically for products 1 and 2, which accounted for virtually all the sales volume of pricing product data received.[63] U.S. producers and importers reported pricing data for these two pricing products for every quarter of the POI, with few exceptions.[64] Furthermore, purchaser

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– Israel Free Trade Agreement exception to cumulation does not apply. Chairman Johanson determines that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of subject imports from Israel, and accordingly, the U.S. – Israel Free Trade Agreement exception to cumulation does not apply. *See* Separate and Concurring Views of Chairman David S. Johanson.

[59] *See* CR/PR at Table II-6.

[60] *See* CR/PR at Table II-7. The one exception being that three of five responding importers reported that brass rod from India could sometimes or never be used interchangeably with brass rod from Mexico. *Id.*

[61] *See* CR/PR at Table IV-6. In 2022, U.S. producers' U.S. shipments of brass rod were *** percent non-hollow round brass rod and *** percent all other shapes. U.S. producers had no U.S. shipments of hollow round brass rod. Importers' U.S. shipments of non-hollow round brass rod ranged from *** percent, and their shipments of all other shapes ranged from *** percent. Importers' U.S. shipments of hollow round brass rod from subject sources ranged from *** percent. *Id.*

[62] *See* CR/PR at Table IV-5. In 2022, U.S. producers' U.S. shipments of brass rod were *** percent lead-free, *** percent low-lead, and *** percent other (leaded) brass rod. *Id.* Importers' U.S. shipments of low-lead brass rod from subject sources ranged from *** percent, while their shipments of other (leaded) brass rod ranged from *** percent. *Id.* Importers had no shipments of lead-free brass rod from subject sources. *Id.* We note, however, that certain importers of subject imports from *** provided *** pricing data for pricing product 4, a lead-free product. *Id.* at Table V-7.

[63] Product 1 is defined as brass rod of alloy C36000, in diameter of greater than 0.25 inches and less than 0.50 inches, in round/circular cross section, sold in 12-foot lengths. Product 2 is defined as brass rod of alloy C36000, in diameter of 0.50 inches to less than 0.75 inches, in round/circular cross section, sold in 12-foot lengths. Both products are leaded brass rod. CR/PR at V-8.

[64] *See* CR/PR at Tables V-4 & V-5. The exceptions being that no sales of product 1 from India were reported in the second and fourth quarters of 2020 and the first quarter of 2021 and no sales of (Continued…)

responses to the Commission's lost sales/lost revenue survey indicate that responding purchasers often purchased brass rod from multiple sources.[65]

Channels of Distribution. Domestic producers and importers sold brass rod to both distributors and end users. During the POI, domestically produced brass rod was shipped primarily to end users, with a much smaller share shipped to distributors.[66] Subject imports from Brazil, Israel, and South Korea were shipped mostly to distributors,[67] while most subject imports from India, Mexico, and South Africa went to end users.[68]

Geographic Overlap. Domestically produced brass rod and imports from each subject country were sold in all geographic market areas of the contiguous United States.[69] In addition, with few exceptions, imports from each subject country entered the United States through overlapping borders of entry in 2022.[70]

Simultaneous Presence in Market. Domestically produced brass rod and imports from each subject country were present in the U.S. market in every month of the POI, with only one exception.[71]

Conclusion. The record in the preliminary phase of these investigations indicates that brass rod from all sources is fungible, as it is generally interchangeable and sold in the same

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product 2 from India were reported in the fourth quarter of 2020 and the first and second quarters of 2021. *Id*.

[65] All 12 responding purchasers reported purchasing U.S.-produced brass rod and ten reported that they purchased subject imports from one or more subject countries. CR/PR at Table V-12.

[66] *See* CR/PR at Table II-1. Throughout the POI, at least *** percent of U.S. producers' U.S. shipments were made to end users, while no more than *** percent of their shipments were made to distributors. *Id.*

[67] *See* CR/PR at Table II-1. Throughout the POI, at least *** percent of imports from Brazil were shipped to distributors, while no more than *** percent were shipped to end users; at least *** percent of imports from Israel were shipped to distributors and no more than *** percent were shipped to end users; at least *** percent of imports from South Korea were shipped to distributors, while no more than *** percent were shipped to end users. *Id.*

[68] *See* CR/PR at Table II-1. Throughout the POI, at least *** percent of imports from India were shipped to end users, while no more than *** percent were shipped to distributors; at least *** percent of imports from Mexico were shipped to end users, while no more than *** percent were shipped to distributors; at least *** percent of imports from South Africa were shipped to end users, while no more than *** percent were shipped to distributors. *Id.*

[69] *See* CR/PR at Table II-2.

[70] *See* CR/PR at Table IV-7. Imports from Israel entered the United States only through ports in the East and North, while imports from Mexico entered only through ports in the East, South, and West, and imports from South Africa entered only through ports in the North and South. *See id.*

[71] *See* CR/PR at Table IV-8. The one exception being that imports from South Africa entered the United States in every month of the POI except June 2020. *Id.*

non-hollow round shape and leaded composition. Moreover, the pricing data indicate that U.S. producers and importers of subject imports sold overlapping products and that responding purchasers purchased brass rod from multiple sources. Additionally, brass rod from all sources was sold through overlapping channels of distribution, to distributors and end users. Although U.S. producers and subject imports from India, Mexico, and South Africa were sold mostly to end users, while subject imports from Brazil, Israel, and South Korea were sold mostly to distributors, U.S. producers and importers of subject imports from India, Mexico, and South Africa also shipped roughly *** percent of their U.S. shipments to distributors, and importers of subject imports from Brazil, Israel and South Korea also shipped roughly *** percent of their U.S. shipments to end users. Moreover, domestically produced brass rod and imports from each subject country were sold in all geographic market areas of the United States and were simultaneously present in the U.S. market throughout the POI.

Because the record for the preliminary phase of these investigations indicates that there is a reasonable overlap of competition between and among imports from each subject country and the domestic like product, we cumulate subject imports from Brazil, India, Israel, Mexico, South Africa, and South Korea for our analysis of material injury by reason of subject imports.

VII. Reasonable Indication of Material Injury by Reason of Subject Imports from Israel and Cumulated Subject Imports

A. Legal Standard

In the preliminary phase of antidumping and countervailing duty investigations, the Commission determines whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.[72] 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.[73] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[74] In assessing whether there is a reasonable indication that the

[72] 19 U.S.C. §§ 1671b(a), 1673b(a).

[73] 19 U.S.C. § 1677(7)(B). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each {such} factor ... and explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B).

[74] 19 U.S.C. § 1677(7)(A).

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.[75] 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."[76]

Although the statute requires the Commission to determine whether there is a reasonable indication that the domestic industry is "materially injured or threatened with material injury by reason of" unfairly traded imports,[77] 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.[78] In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the "by reason of" standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.[79]

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

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[75] 19 U.S.C. § 1677(7)(C)(iii).

[76] 19 U.S.C. § 1677(7)(C)(iii).

[77] 19 U.S.C. §§ 1671b(a), 1673b(a).

[78] *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).

[79] 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).

injury threshold.[80] In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.[81] 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.[82] It is clear that the existence of injury caused by other factors does not compel a negative determination.[83]

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

[80] 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.

[81] 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.").

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

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

imports."[84] The Commission ensures that it has "evidence in the record" to "show that the harm occurred 'by reason of' the LTFV imports," and that it is "not attributing injury from other sources to the subject imports." [85] The Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[86]

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.[87] Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[88]

B. Conditions of Competition and the Business Cycle

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

1. Demand Conditions

Brass rod is used in construction (in plumbing, HVAC systems, and building hardware), industrial machinery, and transportation (in automobiles and heavy trucks). U.S. demand for brass rod is driven by demand for U.S.-produced downstream products that use brass rod, such

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

[85] *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.

[86] *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.").

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

[88] *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.").

as valves, fittings, machine parts, components, faucets, and doorknobs.[89] Demand for brass rod also generally tracks overall economic activity.[90]

Most firms reported that U.S. demand for brass rod has fluctuated since January 1, 2020, but responses were mixed as to whether the overall trend was up or down. U.S. producers reported that demand *** than in 2020, while importers' responses were split, with eight importers reporting deceased demand and seven reporting increased demand since January 1, 2020.[91] *** reported increased demand at the end of 2020 and in 2021 related to the COVID-19 pandemic and lower demand in 2022.[92] At the conference, witnesses from both petitioning and respondent entities testified that demand receded in 2022 after a buildup of consumption in 2021, and petitioners' and respondents' briefs cite testimony that "the future demand outlook remains very challenging."[93]

Apparent U.S. consumption of brass rod, by quantity, increased irregularly by *** percent overall from 2020 and 2022. It increased from *** pounds in 2020 to *** pounds in 2021, or by *** percent, before decreasing to *** pounds in 2022, or by *** percent.[94]

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[89] CR/PR at II-7. Substitution of other products for brass rod is limited in the short term. Although *** U.S. producers and four of 12 importers reported that there were substitutes for brass rod, no firms reported that changes in the prices of substitute products have affected brass rod prices. According to Petitioners, substituting other products for brass rod requires engineering design changes and is not generally done on a short-term basis. *Id.* at II-9.

[90] CR/PR at II-7. U.S. real GDP contracted in 2020 by 2.8 percent, increased in 2021 by 5.9 percent, and increased more slowly in 2022, by 2.1 percent. *Id.* One of the largest end-use sectors for brass rod is construction. Total construction spending in the United States increased from $1.5 billion in 2020 to $1.8 billion in 2022, or by 19.7 percent. It increased by 8.4 percent from 2020 to 2021 and by 10.4 percent from 2021 to 2022. *Id.* Residential housing starts in the United States increased from 2020 to 2022 by 11.0 percent, increasing by 14.9 percent from 2020 to 2021, before decreasing by 3.4 percent from 2021 to 2022. *Id.*

[91] *See* CR/PR at II-8, Table II-4. Imports of finished downstream products using brass rod have reduced U.S. demand for brass rod over the long term, with a witness for Wieland testifying that U.S. brass rod consumption decreased about 60 percent over the past two decades. Conf. Tr. at 26 (Christie).

[92] CR/PR at II-8; *see also id.* at Table III-7. Finkelstein claims that the COVID-19 pandemic affected demand trends during the POI, both negatively and positively – negatively because domestic producers experienced *** and positively because they also experienced "panic buying" of brass rod during and after the pandemic. *See* Finkelstein's Postconference Br. at 6.

[93] *See* Conf. Tr. 27, 83 (Christie), 101 (Kendler), & 111 (Greathead); Petitioners' Postconference Br. I-41; Joint Respondents' Postconference. Br. at 7.

[94] CR/PR at IV-26, Tables IV-9 & C-1. Apparent U.S. consumption data are based on responding U.S. producers' and importers' U.S. shipments. *Id*. at Table IV-9, Source.

2. Supply Conditions

The domestic industry was the largest source of brass rod supply in the U.S. market. The industry's share of apparent U.S. consumption, by quantity, decreased irregularly by *** percentage points overall from 2020 and 2022. The domestic industry's market share decreased from *** percent in 2020 to *** percent in 2021, or by *** percentage points, before increasing to *** percent in 2022, or by *** percentage points.[95]

Petitioning U.S. producers, Mueller and Wieland, were the largest U.S. producers of brass rod, accounting for *** percent and *** percent of domestic production, respectively, in 2022.[96] The domestic industry's practical brass rod capacity was *** pounds throughout the POI.[97] Its capacity utilization increased irregularly by *** percentage points overall from 2020 to 2022, increasing from *** percent in 2020 to *** percent in 2021, or by *** percentage points, before decreasing to *** percent in 2022, or by *** percentage points.[98]

Subject imports from Israel as a share of apparent U.S. consumption, by quantity, increased irregularly by *** percentage points overall from 2020 to 2022. The market share of subject imports from Israel increased from *** percent in 2020 to *** percent in 2021, or by *** percentage points, before decreasing to *** percent in 2022, or by *** percentage points.[99]

Imports from sources other than Israel (including imports of brass rod from other countries subject to these investigations and from nonsubject countries) as a share of apparent

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[95] CR/PR at Tables IV-9 & C-1.

[96] CR/PR at Table III-1. As noted previously, a third U.S. producer, CXM, indicated production of brass rod, ***. *See id.* at III-1 n.1.

[97] CR/PR at Table III-5. The domestic industry's practical overall capacity was *** pounds in 2020 and 2021, before decreasing to *** pounds in 2022. *Id.* This change was driven by ***. *Id.* at III-4, Table III-5. Practical overall capacity is the level of production that could reasonably have been expected to be attained on the same equipment and machinery that is used to produce brass rod, taking into account the producer's actual product mix over the POI and constraints on production unrelated to capital investments, such as availability of material inputs and the firms' existing labor force. Practical brass rod capacity is only the portion of practical overall capacity allocated to the production of brass rod based on the producer's actual product mix experience over the POI. *See* U.S. Producer Questionnaire at II-3a.

Mueller reported that it idled its brass rod production facility in Belding, Michigan in December 2019. Representatives for Mueller testified that this facility produced specialty brass rod products in a more efficient manner than its current production facility in Port Huron, Michigan and that, if demand were in place, the facility could be operational in three to four months. *Id.* at III-3 n.4, Table III-4. Wieland reported a ***. *Id.* at Table III-4.

[98] CR/PR at Tables III-5 & C-1.

[99] CR/PR at Tables IV-9 & C-1.

U.S. consumption, by quantity, increased by *** percentage points overall from 2020 to 2022. The market share of imports from sources other than Israel increased from *** percent in 2020 to *** percent in 2021, or by *** percentage points, and remained at *** percent in 2022.[100]

Cumulated subject imports (including subject imports from Israel) as a share of apparent U.S. consumption, by quantity, increased irregularly by *** percentage points overall from 2020 to 2022. The market share of cumulated subject imports increased from *** percent in 2020 to *** percent in 2021, or by *** percentage points, before decreasing to *** percent in 2022, or by *** percentage points.[101]

Nonsubject imports were the smallest source of brass rod in the U.S. market. Nonsubject imports as a share of apparent U.S. consumption, by quantity, increased by *** percentage points overall from 2020 to 2022. The market share of nonsubject imports increased from *** percent in 2020 to *** percent in 2021, or by *** percentage points, and increased to *** percent in 2022, or by *** percentage points.[102] The largest sources of nonsubject brass rod were France and Germany.[103]

U.S. producers, as well as importers, reported shipment delays and extended lead times resulting from the COVID-19 pandemic.[104] The record also indicates that purchasers were placed on allocation, experienced long lead times, or faced limited supply from domestic suppliers.[105] We intend to further investigate the effects of these supply constraints on the U.S. market in any final phase of these investigations.

3. Substitutability and Other Conditions

Based on the record in the preliminary phase of these investigations, we find that there is a moderate-to-high degree of substitutability between domestically produced brass rod and

[100] *Derived from* CR/PR at Tables IV-9 & C-1. Imports of brass rod from subject sources other than Israel as a share of apparent U.S. consumption, by quantity, increased irregularly by *** percentage points overall from 2020 to 2022. Their share increased from *** percent in 2020 to *** percent in 2021, or by *** percentage points, before decreasing to *** percent in 2022, or by *** percentage points. *Id.*

[101] CR/PR at Tables IV-9 & C-1.

[102] CR/PR at Tables IV-9 & C-1.

[103] CR/PR at II-6.

[104] CR/PR at II-6; *see also id.* at Table III-7. ***. Certain importers also reported production lead time and shipment delays in 2020 and 2021 and having to turn down customers. *Id.* at II-6.

[105] *See* CR/PR at V-24-25, Table V-14.

brass rod imported from Israel.[106] *** U.S. producers reported that brass rod from Israel could always be used interchangeably with the domestic like product and half of responding importers reported that brass rod from Israel could always be used interchangeably with the domestic like product.[107] Moreover, *** U.S. producers reported that differences other than price were *** significant in sales of domestically produced brass rod as compared to sales of brass rod imported from Israel, while a majority of responding importers reported that such differences were sometimes or never significant.[108]

We also find that there is a moderate-to-high degree of substitutability between domestically produced brass rod and brass rod imported from subject sources.[109] *** U.S. producers reported that brass rod from all subject sources could *** be used interchangeably with the domestic like product and at least half of responding importers reported that brass rod from all subject sources could always or frequently be used interchangeably with the domestic like product.[110] Responses concerning how often differences other than price were significant in sales of brass rod from domestic and subject sources were more mixed. *** U.S. producers reported that differences other than price were *** significant in sales of domestically produced brass rod as compared to sales of brass rod from all subject sources, while at least half of responding importers reported that such differences were always or frequently significant, with one exception.[111] [112]

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[106] *See* CR/PR at II-10. Factors contributing to this level of substitutability include general interchangeability of brass rod from different sources since the products are generally produced to ASTM standards and similar product range in the most common types of brass rod. Factors that may reduce substitutability include longer lead times from foreign sources, possible purchaser preferences for buying from producers offering brass scrap buyback program, and differences in availability between sources at times during the POI. *Id.*

[107] *See* CR/PR at Tables II-6 & II-7.

[108] *See* CR/PR at Table II-9.

[109] *See* CR/PR at II-10. *See also* fn. 106, *supra*, for factors contributing to and reducing substitutability.

[110] CR/PR at Tables II-6 & II-7.

[111] CR/PR at II-13, Tables II-8 & II-9. The one exception being, as previously discussed, a majority of responding importers reported that differences other than price were never or sometimes significant in sales of domestically produced brass rod as compared to sales of subject imports from Israel. *Id.* at Table II-9.

[112] Non-price differences reported by importers included the ability to source customized products from foreign producers, availability, domestic brass scrap buyback programs, customer requests for U.S.-produced product, freight costs, longer lead times from foreign sources, suppliers with specialty certifications, minimum order quantity requirements, quality differences, relationships with suppliers, technical support, and U.S. warehouses with extensive inventories. CR/PR at II-16. Finkelstein argues that non-price factors, such as availability, lead time, and on-time delivery are important in the (Continued…)

We also find that price is an important factor in purchasing decisions for brass rod, along with delivery/lead time, and quality. Responding purchasers ranked price/cost more often than other factors as a top three factor influencing their purchasing decisions.[113] Price/cost and quality were ranked most often as the first-most important factor; delivery/lead time was ranked most often as the second-most important factor; and price/cost was ranked most often as the third-most important factor influencing purchasing decisions.[114]

Brass rod is both produced-to-order and sold from inventory. U.S. producers reported that *** percent of their commercial shipments of U.S.-produced brass rod were produced-to-order, with lead times averaging 16 days. The remaining *** percent of their commercial shipments came from inventories, with lead times averaging *** days.[115] Finkelstein reported that *** percent of its commercial shipments of subject imports from Israel were from U.S. inventories, with lead times averaging *** days, and the remaining *** percent were produced-to-order, with lead times averaging *** days.[116] Responding importers (including Finkelstein) reported that, on average, 63.2 percent of their commercial shipments of subject imports were produced-to-order, with lead times averaging 68 days, and 36.8 percent were from U.S. inventories, with lead times averaging 11 days.[117]

During the POI, domestically produced brass rod was shipped primarily to end users, with a much smaller share shipped to distributors.[118] Subject imports from Israel were shipped *** to distributors in 2020, but the share shipped to distributors decreased each year of the POI, dropping to *** percent in 2021, and a period low of *** percent in 2022, while the share shipped to end users increased each year to *** percent in 2021 and a period high of *** percent in 2022.[119] A majority of cumulated subject imports (including subject imports from

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(…Continued)
U.S. market for brass rod. *See* Finkelstein's Postconference Br. at 13-15. In any final phase of these investigations, we intend to further examine the extent to which factors other than price affect purchasing decisions, including by issuing purchaser questionnaires asking about the relative importance of price and various non-price factors in purchasing decisions and about the comparability of the imported and domestic products with respect to these various factors.

[113] CR/PR at II-10, Table II-5.

[114] CR/PR at II-10, Table II-5.

[115] CR/PR at II-11.

[116] Finkelstein's U.S. Importer Questionnaire Response at III-8.

[117] CR/PR at II-11.

[118] CR/PR at Table II-1. Throughout the POI, at least *** percent of U.S. producers' U.S. shipments were made to end users, while no more than *** percent of their shipments were made to distributors. *Id.*

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

Israel) were shipped to distributors, but a substantial share, a third or more, of shipments in each year went to end users.[120]

*** U.S. producers reported setting prices using ***. *** also reported setting prices ***.[121] *** reported setting prices for subject imports from Israel by ***.[122] Almost all responding importers (including Finkelstein) reported setting prices ***, although they also reported setting prices ***.[123]

U.S. producers reported selling the vast majority of their brass rod on ***.[124] Finkelstein reported selling subject imports from Israel ***, with the remainder sold via ***.[125] Responding importers (including Finkelstein) reported selling the majority of subject imports of brass rod on the spot market, with most of the remainder sold via short-term contracts indexed to raw materials.[126]

U.S. producers Mueller and Wieland have scrap buy-back programs with large OEM customers, where they purchase back the unused brass rod scrap of their customers at a price higher than the price that can be achieved on the open market for brass rod scrap. Distributors and importers, on the other hand, do not typically offer scrap buy-back programs in the U.S. market. A representative for Mueller testified that Mueller "typically gets 65 to 80 percent of the metal back from customers with scrap buy-back programs." ***. Based on the information provided, ***.[127]

Up to 98 percent of the raw material used to produce brass rod comes from scrap, supplemented with pure copper, zinc, or lead, depending on the desired chemical composition of the finished brass rod. The most common type of brass rod is made up of about 60 percent copper (by weight). Prices of brass rod scrap and copper display similar trends.[128] Zinc makes up a small share of the cost of brass rod. During the POI, brass scrap prices increased by 44.7

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[120] CR/PR at Table II-1. Throughout the POI, at least *** percent of cumulated subject imports were shipped to distributors, while no more than *** percent were shipped to end users. *Id.*

[121] CR/PR at V-6, Table V-2.

[122] Finkelstein's U.S. Importer Questionnaire Response at III-3.

[123] *See* CR/PR at Table V-2. Petitioners claim that, given the use of price lists in the U.S. market for brass rod and the importance of price as a purchasing factor, even low volume sales can have a significant impact on market prices. *See* Petitioners' Postconference Br. at I-15.

[124] *See* CR/PR at V-7, Table V-3. *** reported that its sales of brass rod were ***, while *** reported selling ***, most of which were *** and some of which ***. *Id.*

[125] Finkelstein's U.S. Importer Questionnaire Response at III-6.

[126] *See* CR/PR at V-7, Table V-3.

[127] CR/PR at V-4-6; *see also* ***, EDIS Doc. No. 797484. In any final phase of these investigations, we intend to examine further the difference in U.S. prices for brass rod sold under a buyback program as compared to the prices for brass rod sold without scrap return.

[128] CR/PR at V-1; *see also* Fig V-1, Table VI-1.

percent, copper prices increased by 38.8 percent, and zinc prices increased by 32.4 percent.[129] The share of the domestic industry's non-toll cost-of-goods-sold ("COGS") comprised of raw material costs increased irregularly over the POI from *** percent in 2020 to *** percent in 2021, before decreasing to *** percent in 2022.[130]

C. Reasonable Indication of Material Injury by Reason of Subject Imports from Israel

1. Volume of Subject Imports from Israel

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."[131]

The volume of subject imports from Israel increased overall by *** percent from 2020 to 2022.[132] The volume of subject imports from Israel increased from *** pounds in 2020 to *** pounds in 2021, before declining to *** pounds in 2022.[133]

As a share of apparent U.S. consumption, subject imports from Israel increased overall by *** percentage points.[134] The share of apparent U.S. consumption consisting of subject imports from Israel increased from *** percent in 2020 to *** percent in 2021, before declining to *** percent in 2022.[135] [136]

[129] CR/PR at V-1; *see also* Fig. V-1, Tables V-1 & VI-5.

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

[131] 19 U.S.C. § 1677(7)(C)(i).

[132] CR/PR at Tables IV-2 & IV-3. Based on official Commerce import statistics, the volume of subject imports from Israel increased from 4.0 million pounds in 2020 to 8.8 million pounds in 2021, before declining to 6.5 million pounds in 2022, a level 65.1 percent higher than in 2020. *See id.* at Appendix D-1.

[133] CR/PR at Tables IV-2 & IV-3.

[134] CR/PR at Table C-1. The volume of U.S. shipments of subject imports from Israel increased from *** pounds in 2020 to *** pounds in 2021, before declining to *** pounds in 2022, a level *** percent higher than in 2020. *Id.*

[135] CR/PR at Tables IV-9 & C-1.

[136] The ratio of subject imports from Israel to domestic production increased from *** percent in 2020 to *** percent in 2021, before declining to *** percent in 2022, a level *** percentage points higher than in 2020. *See* CR/PR at Table IV-2.

We find, for purposes of these preliminary determinations, that the volume of subject imports from Israel and the increase in that volume are significant, both in absolute terms and relative to consumption in the United States.[137]

2. Price of Effects of the Subject Imports from Israel

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

> (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and
>
> (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[138]

As discussed above, we have found a moderate-to-high degree of substitutability between domestically produced brass rod and brass rod imported from Israel, and that price is an important factor in purchasing decisions.[139]

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of four pricing products that were sold to unrelated U.S. customers during the first quarter of 2020 through the fourth quarter of 2022.[140] Both

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[137] Commissioners Karpel and Kearns find, for purposes of these preliminary determinations, that the volume of subject imports from Israel is significant in absolute terms and relative to consumption in the United States and that the increase in the volume of subject imports from Israel is significant in absolute terms. They also cannot conclude that the increase in volume of subject imports relative to consumption is not significant.

[138] 19 U.S.C. § 1677(7)(C)(ii).

[139] *See* Section VII.B.3.

[140] CR/PR at V-8. The four pricing products were as follows:

Product 1.— Brass rod of Alloy C36000, in diameter of greater than 0.25 inches and less than 0.50 inches, in round/circular cross section, sold in 12-foot lengths;

Product 2.— Brass rod of Alloy C36000, in diameter of 0.50 inches to less than 0.75 inches, in round/circular cross section, sold in 12-foot lengths;

Product 3.— Brass rod of Alloy C27450, in diameter of 0.50 inches to less than 0.75 inches, in round/circular cross section, sold in 12-foot lengths; and

Product 4.— Brass rod of Alloy C69300, in diameter of greater than 0.25 inches and less than 0.50 inches, in round/circular cross section, sold in 12-foot lengths. *Id*.

Products 1 and 2 are leaded brass rod products, product 3 is low-lead, and product 4 is lead-free. *Id.*

responding U.S. producers and one importer of subject brass rod from Israel provided usable pricing data for sales of the requested products, although not all firms reported pricing data for all products for all quarters.[141] Pricing data reported by these firms accounted for approximately *** percent of U.S. producers' U.S. shipments of brass rod during 2022 and *** percent of U.S. shipments of subject imports from Israel in 2022.[142]

Prices for subject imports from Israel were below those for U.S.-produced brass rod in all 24 quarterly comparisons, corresponding to reported subject imports sales of *** pounds, with margins of underselling ranging from *** to *** percent.[143]

We have also considered purchasers' responses to the lost sales/lost revenue survey.[144] Of the 11 purchasers responding to the Commission's lost sales/lost revenue survey with respect to subject imports from Israel, seven reported that, since 2020, they had purchased brass rod imported from Israel instead of U.S.-produced brass rod, six of these purchasers reported that the price of brass rod imported from Israel was lower than the price of domestically produced brass rod, and five of these purchasers reported that price was a primary reason for the decision to purchase imported product rather than U.S. produced product. These five purchasers reported that price was a primary reason that they purchased an estimated *** pounds of subject imports from Israel instead of the domestic like product.[145] [146] This volume of lost sales to subject imports from Israel equates to *** percent of

[141] *See* CR/PR at V-9; Finkelstein's U.S. Importer Questionnaire at III-2c.

[142] CR/PR at V-9. Products 1 and 2 accounted for 99.3 percent of U.S. producers' pricing data and *** pricing data for subject imports from Israel. *Id.* at V-18; *see also id.* at Tables V-4-7.

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

[144] The Commission requested U.S. producers to report purchasers with which they experienced instances of lost sales or revenue during the POI. U.S. producers identified 15 purchasers with which they alleged lost sales or revenue. U.S. producers listed Israel as a source of the lost sales or revenues for thirteen of these purchasers, with Israel being the only source of lost sales or revenues for nine purchasers. The Commission provided lost sales/lost revenue surveys to the 15 purchasers and received responses from 12 of them. CR/PR at V-23. One additional purchaser provided a response to the Commission's lost sales/lost revenue survey that was not received in time to be incorporated into the Commission's Confidential Report. *See* *** Lost Sales and Lost Revenue Survey Response, EDIS Doc. No. 798426.

[145] CR/PR at V-25 & V-27, Tables V-14 & V-15. One of the five purchasers, ***, that reported purchasing *** pounds of lower-priced brass rod from Israel instead of the domestic product also reported that ***. *Id.* at Table V-14. We intend, in any final phase of these investigations, to examine further any non-price reasons for purchasing subject imports instead of the domestic like product.

[146] We further observe that one of 12 responding purchasers reported that U.S. producers had reduced prices in order to compete with lower-priced subject imports (***), with a reported estimated price reduction for domestic brass rod of ***. CR/PR at V-28, Table V-17.

responding purchasers' total purchases of subject brass rod from Israel during the POI, and *** percent of total reported U.S. shipments of subject imports from Israel during the POI.[147]

Based on the foregoing, including the moderate-to-high degree of substitutability between domestically produced brass rod and subject imports from Israel, the importance of price in purchasing decisions, and the universal underselling by subject imports from Israel, we find, for purposes of these preliminary determinations, that underselling by subject imports from Israel was significant. Given that all reported subject import sales were undersold, we conclude that such underselling contributed to subject imports from Israel gaining *** pounds of confirmed lost sales and *** percentage points of market share over the POI at the expense of the domestic industry.[148]

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[147] *Derived from* CR/PR at Tables V-15 & C-1, *** Lost Sales and Lost Revenue Survey Responses at 1. The volume of lost sales to subject imports from Israel equates to *** percent of apparent U.S. consumption over the POI. We also note that the estimated *** pounds of lost sales to subject imports from Israel exceeds the *** pound increase in U.S. shipments of subject imports from Israel from 2020 to 2021, as well as the *** pound increase in U.S. shipments of subject imports from Israel from 2020 to 2022. *See* CR at IV-9.

[148] CR/PR at Tables IV-9 & C-1. Finkelstein claims that the vast majority of U.S. producers' U.S. shipments were shipped to end users while the majority of U.S. shipments of subject imports from Israel were shipped to distributors, and that sales to end users and distributors cannot be compared on an apples-to-apples basis. *See* Finkelstein's Postconference Br. at 21-22. Finkelstein also claims that the existence of Mueller and Wieland's scrap buyback programs eliminate or mitigate any underselling suggested by the questionnaire data. *See* Finkelstein's Postconference Br. at 23-27. Petitioners claim that scrap purchases are independent of sales of brass rod such that brass rod prices are determined independently. Furthermore, they claim that U.S. producers' sales to distributors do not involve scrap buyback. *See* Petitioners' Postconference Br. at I-30-31.

We note that, as discussed previously, while subject imports from Israel were shipped *** to distributors in 2020, the share shipped to distributors decreased each year of the POI, dropping to *** percent in 2021 and to a period low of *** percent in 2022, while the share shipped to end users increased each year to *** percent in 2021 and to a period high of *** percent in 2022. Furthermore, U.S. producers shipped approximately *** percent of their brass rod to distributors throughout the POI, with the highest percentage of shipments to distributors in 2021. *See* CR/PR at Table II-1. Hence, subject imports from Israel and the domestic like product overlapped in terms of channels of distribution, particularly in 2021 and 2022.

As previously discussed, six of the 11 purchasers responding to the Commission's lost sales/lost revenue survey with respect to subject imports from Israel reported that the price of brass rod imported from Israel was lower than the price of domestically produced brass rod, and five of these six purchasers reported that price was a primary reason for their decision to purchase imported product instead of the U.S.-produced product. *See* CR/PR at V-25 & V-27, Tables V-14 & V-15. This sampling indicates that any benefit provided by participating in domestic producers' scrap buyback programs did not prevent these five purchasers from purchasing subject imports from Israel instead of the domestic like product due to their lower prices.

(Continued…)

We have also considered price trends during the POI. Products 1 and 2 (both leaded brass rod products) accounted for *** the pricing product volume reported by U.S. producers and U.S. importers of brass rod from Israel.[149] Domestic prices of these two products generally increased in 2020 and 2021 and the first and second quarters of 2022 before decreasing slightly in the second half of 2022, increasing by *** percent, respectively, from the first quarter of 2020 through the fourth quarter of 2022.[150] Likewise, prices of subject imports from Israel generally increased during the POI, with prices for products 1 and 2 from Israel increasing by *** percent, respectively, over the period.[151]

We have also considered whether subject imports from Israel prevented price increases for the domestic like product that otherwise would have occurred. The domestic industry's total cost of sales (COGS for non-toll sales and cost of tolling services ("COTS") for toll sales) as a ratio to total net sales (non-toll and toll sales) increased irregularly, from *** percent in 2020 to *** percent in 2021, before decreasing to *** percent in 2022, for an overall increase of *** percentage points.[152] Nevertheless, the industry was able to increase its average unit value ("AUV") for total net sales (unit non-toll and toll sales) by more than the increase in its unit cost of sales (unit COGS and COTS) throughout the POI.[153] In any final phase of these investigations, we intend to investigate further any price suppressing effects of subject imports from Israel.

(…Continued)

In any final phase of these investigations, we intend to further examine pricing product definitions. We invite the parties in their comments on draft questionnaires to address how pricing product definitions can be defined to improve comparability, such as by separating pricing product reporting by channels of distribution. We also intend to examine further the difference in U.S. prices for brass rod sold under a buyback program as compared to the prices for brass rod sold without scrap return.

[149] CR/PR at V-18; Finkelstein's U.S. Importer Questionnaire at III-2c.

[150] *See* CR/PR at Tables V-4 & V-5, Figs. V-2 & V-3. Domestic prices for pricing products 3 and 4 followed similar trends. *See* CR/PR at Tables V-6 & V-7, Figs. V-4 & V-5.

[151] CR/PR at Tables V-4, V-5 & V-8.

[152] CR/PR at VI-10, Tables VI-1 & C-1. Similarly, the domestic industries COGS-to-non-toll sales ratio increased from *** percent in 2020 to *** percent in 2021, before decreasing to *** percent in 2022, for an overall increase of *** percentage points. *Id.* at Tables VI-1 & C-1. Toll sales comprised *** percent of the domestic industry's total net sales value during the POI. *Derived from* CR/PR at VI-1.

[153] *See* CR/PR at Table VI-2. The domestic industry's AUV for total net sales increased by $*** per pound from 2020 to 2022, $*** per pound from 2020 to 2021, and $*** per pound from 2021 to 2022, while its unit cost of sales increased by $*** per pound from 2020 to 2022, $*** per pound from 2020 to 2021, and $*** per pound from 2021 to 2022. *Id.* Likewise, the domestic industry's AUV for non-toll sales increased by $*** per pound from 2020 to 2022, $*** per pound from 2020 to 2021, and $*** per pound from 2021 to 2022, while its unit non-toll raw material costs increased by $*** per pound from 2020 to 2022, $*** per pound from 2020 to 2021, and $*** from 2021 to 2022. The (Continued…)

In sum, based on the record of the preliminary phase of these investigations, we conclude that subject imports from Israel had significant price effects.[154]

3. Impact of the Subject Imports from Israel[155]

Section 771(7)(C)(iii) of the Tariff Act provides that the Commission, in examining the impact of the subject imports on the domestic industry, "shall evaluate all relevant economic factors which have a bearing on the state of the industry." These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debt, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions competition that are distinctive to the affected industry."[156]

As apparent U.S. consumption increased irregularly by *** percent from 2020 to 2022, the domestic industry's output indicators generally fluctuated but improved over the POI, although the industry lost market share. The domestic industry's production quantity, capacity utilization, and U.S. shipments all fluctuated but increased overall during the POI. Nonetheless, the increases in the industry's output indicia did not keep pace with the overall increase in apparent U.S. consumption despite the industry having available capacity throughout the POI.[157] Its market share fluctuated but ended the POI at a level *** percentage points lower

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(…Continued)
industry's unit non-toll COGS increased by $*** per pound from 2020 to 2022, $*** per pound from 2020 to 2021, and $*** per pound from 2021 to 2022. *See id.* at VI-9 & n.10, Table VI-2.

[154] Commissioner Karpel, in sum, finds that she cannot conclude that subject imports from Israel did not have significant price effects, based on significant underselling leading to lost sales and a *** percentage point shift in market share from the domestic industry to subject imports from Israel.

[155] In its notice initiating the antidumping duty investigations on brass rod from Brazil, India, Israel, Mexico, South Africa, and South Korea, Commerce reported estimated dumping margins of 40.12 percent for brass rod from Israel. 88 Fed. Reg. 33,575, 33,578 (May 24, 2023).

[156] 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act of 2015, Pub. L. 114-27.

[157] *See* CR/PR at Table III-5. The industry's production quantity increased from *** pounds in 2020 to *** pounds in 2021, before decreasing to *** pounds in 2022, for an overall increase of *** percent. *Id*. at Tables III-5 & C-1. Its practical brass rod capacity was *** pounds throughout the POI. *Id.* Its capacity utilization increased from *** percent in 2020 to *** percent in 2021, before decreasing to *** percent in 2022, for an overall increase of *** percentage points. *Id*. Its U.S. shipments, by quantity, increased from *** pounds in 2020 to *** pounds in 2021, before decreasing to *** pounds in 2022, for an overall increase of *** percent. *Id.* at Tables III-11 & C-1. In contrast, apparent U.S.
(Continued…)

than at the beginning of the POI.[158] The domestic industry's end-of-period inventories decreased each year of the POI.[159]

The domestic industry's employment-related performance indicia generally improved during the POI. The industry's number of production workers fluctuated but ended the POI at a level similar to that at the beginning of the POI.[160] Its total hours worked and wages paid fluctuated but ended the POI at a higher level than at the beginning of the POI.[161] Its productivity decreased each year of the POI.[162]

The domestic industry's financial performance generally fluctuated but improved over the POI, but its ratios of operating and net income to net sales declined.[163] The domestic industry's net sales value, gross profit, operating income, and net income all fluctuated but ended the POI at a higher level than at the beginning of the POI.[164] The industry's operating

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(…Continued)
consumption, by quantity, increased from *** pounds in 2020 to *** pounds in 2021, before decreasing to *** pounds in 2022, for an overall increase of *** percent. *Id.* at Tables IV-9 & C-1.

[158] *See* CR/PR at Tables IV-9 & C-1. The domestic industry's market share decreased from *** percent in 2020 to *** percent in 2021, before increasing to *** percent in 2022. *Id.*

[159] *See* CR/PR at Table III-13. The industry's end-of-period inventories decreased from *** pounds in 2020 to *** pounds in 2021 and *** pounds in 2022, for an overall decrease of *** percent. *Id.* at Tables III-13 & C-1.

[160] *See* CR/PR at Table III-14. The industry's number of production and related workers increased from *** in 2020 to *** in 2021, before decreasing to *** in 2022, for an overall decrease of *** percent. *Id*. at Tables III-14 & C-1.

[161] *See* CR/PR at Table III-14. The industry's total hours worked increased from *** hours in 2020 to *** hours in 2021, before decreasing to *** hours in 2022, for an overall increase of *** percent. *Id.* at III-15, Tables III-14 & C-1. Likewise, its hours worked per production worker increased from *** hours in 2020 to *** hours in 2021, before decreasing to *** hours in 2022, for an overall increase of *** percent. Its wages paid increased from $*** in 2020 to $*** in 2021, before decreasing to $*** in 2022, for an overall increase of *** percent. *Id.* Hourly wages increased each year of the POI from $*** per hour in 2020 to $*** per hour in 2021 and $*** per hour in 2022, for an overall increase of *** percent. *Id.*

[162] *See* CR/PR at Table III-14. Productivity decreased from *** pounds per hour in 2020 to *** pounds per hour in 2021 and *** pounds per hour in 2022, for an overall decrease of *** percent. *Id.* at Tables III-14 & C-1.

[163] Most of the domestic industry's financial performance indicia for combined toll and non-toll operations consisted of non-toll operations, which showed similar trends. *See* CR/PR at Tables VI-1 & C-1.

[164] *See* CR/PR at Table VI-1. The industry's net sales value (combined toll and non-toll operations) increased from $*** in 2020 to $*** in 2021, before decreasing to $*** in 2022, for an overall increase of *** percent. *Id.* at Tables VI-1 & C-1. Its gross profit increased from $*** in 2020 to $*** in 2021, before decreasing to $*** in 2022, for an overall increase of *** percent. *Id.* Its operating income increased from $*** in 2020 to $*** in 2021, before decreasing to $*** in 2022, for an overall
(Continued…)

income as a share of net sales decreased each year of the POI, while its net income as a share of net sales decreased from 2020 to 2021 but remained essentially flat in 2022.[165] The domestic industry's net assets, return on assets, and capital expenditures all fluctuated but ended the POI at a higher level than at the beginning of the POI.[166] Research and development ("R&D") expenditures increased each year of the POI.[167] Lastly, *** responding U.S. producers reported that the subject imports had negative effects on investment and negative effects on growth and development.[168]

Based on the record in the preliminary phase of these investigations, we find that the significant volume of subject imports from Israel undersold the domestic like product to a significant degree, causing lost sales and a *** percentage point shift in market share from the domestic industry to subject imports from Israel. As a result, the domestic industry had fewer sales, lower revenues, and weaker financial performance than it otherwise would have. Consequently, for purposes of these preliminary phase determinations, we find that subject imports from Israel had a significant impact on the domestic industry.[169] [170]

(…Continued)
increase of *** percent. *Id.* Its net income increased from $*** in 2020 to $*** in 2021, before decreasing to $*** in 2022, for an overall increase of *** percent.

[165] *See* CR/PR at Table VI-1. The industry's operating income as a share of net sales decreased from *** percent in 2020 to *** percent in 2021 and *** percent in 2022, for an overall decrease of *** percentage points. *Id.* at Tables VI-1 & C-1. Its net income as a share of net sales decreased from *** percent in 2020 to *** percent in 2021 and 2022, for an overall decrease of *** percentage points. *Id.*

[166] *See* CR/PR at Table VI-10. The industry's net assets increased from $*** in 2020 to $*** in 2021, before decreasing to $*** in 2022. *Id*. Its return on assets increased from *** percent in 2020 to *** percent in 2021, before decreasing to *** percent in 2022. *Id.* at Table VI-11. Its capital expenditures increased from $*** in 2020 to $*** in 2021, before decreasing to $*** in 2022. *Id.* at Table VI-6.

[167] *See* CR/PR at Table VI-8. R&D expenditures increased from $*** in 2020 to $*** in 2021 and $*** in 2022. *Id.*

[168] *See* CR/PR at Table VI-13.

[169] Finkelstein argues that the domestic industry was not injured because its production, capacity utilization, shipments and profitability all improved over the POI. *See* Finkelstein's Postconference Br. at 32-33. As an initial matter, the industry's mere profitability or improvement in performance does not mean that it is not materially injured. *See* 19 U.S.C. § 1677(7)(J). The industry's production, net sales quantity, and U.S. shipments did not keep pace with the overall increase in apparent U.S. consumption, and consequently, the industry lost *** percentage points of market share from 2020 to 2021 and *** percentage points of market share overall during the POI. The industry also experienced worsening operating and net income margins (which decreased to an even greater degree when considering only the domestic industry's non-toll operations). *See* CR/PR at Tables IV-9, VI-1 & C-1.

Finkelstein also argues that Mueller and Weiland's COVID-19 pandemic related supply constraints forced purchasers, and in particular smaller volume purchasers, to turn to subject imports, (Continued…)

We have also considered whether there are other factors that may have had an impact on the domestic industry to ensure that we are not attributing injury from such other factors to subject imports from Israel. Imports from sources other than Israel (including imports of brass rod from other countries subject to these investigations and from nonsubject countries) as a share of apparent U.S. consumption, by quantity, increased from *** percent in 2020 to ***

(…Continued)
including subject imports from Israel. *See* Finkelstein's Postconference Br. at 10-12. Petitioners acknowledge that the spike in U.S. demand in 2021 and COVID-related work disruptions during this time presented challenges to the domestic industry. Nevertheless, they claim that the domestic industry continued to supply customers throughout 2021 and that, because supply disruptions were a global phenomenon, lead times for imported goods were significantly longer than lead times for the domestic product. Furthermore, according to Petitioners, the extended lead times experienced by the domestic industry in 2021 were temporary and resolved by 2022. *See* Petitioners' Postconference Br. at I-11-12, I-37-38.

We recognize that supply constraints experienced by domestic producers may have contributed to the shift in market share from the domestic industry to subject imports, including subject imports from Israel. We observe that U.S. producers were able to increase their production and shipments from 2020 to 2021, during the period when they were purportedly experiencing supply constraints related to the COVID-19 pandemic. *See* CR/PR at Tables III-5 & III-1. The domestic industry had excess capacity in 2021, and *** during this period. *See* CR/PR at III-3 n.4, Table III-4, III-5. We also observe that any supply constraints experienced by the domestic industry during the POI do not explain the substantial volume of lost sales due to lower-priced subject imports from Israel confirmed by responding purchasers. *See* CR/PR at Table V-15. In any final phase of these investigations, we intend to further investigate the extent to which the domestic industry's supply constraints contributed to the shift in market share from the industry to subject imports from Israel.

Finally, Finkelstein argues that the volume and market share of subject imports from Israel were "miniscule" when compared to the overall size of the U.S. market and U.S. producers' shipments and, therefore, were too small to have a significant effect on domestic prices or impact on the domestic industry. *See* Finkelstein's Postconference Br. at 17-21, 28, 34. We observe, however, that while subject imports from Israel maintained a market share of *** percent or less throughout the POI, on an absolute quantity basis, they increased by *** percent from 2020 to 2021, and by *** percent over the entire POI. CR/PR at Table IV-3. Subject imports from Israel gained *** percentage points of market share from 2020 to 2021 and *** percentage points of market share overall. CR/PR at Tables IV-9 & C-1. Additionally, subject imports from Israel gained *** pounds of lost sales on the basis of price at the expense of the domestic industry. In any final phase of these investigations, however, we intend to further examine the significance of the volume and increase in volume of subject imports from Israel and the significance of their impact on domestic prices and the domestic industry's performance.

[170] Commissioner Karpel finds, given her volume and price effects findings, that she cannot conclude based on the record in the preliminary phase of these investigations that the domestic industry would not have had fewer sales, lower revenues, and weaker financial performance than it otherwise would have. Consequently, for purposes of these preliminary phase determinations, she cannot conclude that subject imports from Israel did not have a significant impact on the domestic industry.

percent in 2021 and 2022, for an overall increase of *** percentage points.[171] While we recognize that imports from sources other than Israel gained market share over the course of the POI, this does not negate the independent impact of the gain in sales and market share by low-priced subject imports from Israel at the expense of the domestic industry.[172]

We have also considered demand trends. As discussed above, apparent U.S. consumption increased from 2020 to 2021, decreased from 2021 to 2022, and finished the POI at a level higher than at the beginning of the POI.[173] The trends in apparent U.S. consumption do not explain why the domestic industry was not able to increase its U.S. shipments commensurate with increasing apparent U.S. consumption from 2020 to 2021, and overall during the POI, as the industry lost sales and market share to subject imports from Israel.[174]

In sum, based on the record of the preliminary phase of these investigations, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of subject imports from Israel, and accordingly, the U.S. – Israel Free Trade Agreement exception to cumulation does not apply.

D. Reasonable Indication of Material Injury by Reason of Cumulated Subject Imports

1. Volume of Cumulated 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."[175]

The volume of cumulated subject imports increased overall by 32.7 percent from 2020 to 2022.[176] They increased from 23.5 million pounds in 2020 to 36.4 million pounds in 2021, before declining to 31.2 million pounds in 2022.[177]

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[171] *Derived from* CR/PR at Tables IV-9 & C-1.

[172] *See* CR/PR at Tables IV-9, V-15 & C-1.

[173] We observe that the trends in apparent U.S. consumption generally follow the trends in demand drivers, such as U.S. real GDP and residential housing starts in the United States. *See* CR/PR at II-7.

[174] *See* CR/PR at Tables IV-9, V-15 & C-1.

[175] 19 U.S.C. § 1677(7)(C)(i).

[176] CR/PR at Table IV-3. Based on official Commerce import statistics, the volume of cumulated subject imports increased from 25.5 million pounds in 2020 to 35.5 million pounds in 2021 and to 36.5 million pounds in 2022, a level 43.1 percent higher than in 2020. *See id.* at Appendix D-1.

[177] CR/PR at Tables IV-2 & IV-3.

As a share of apparent U.S. consumption, cumulated subject imports increased overall by *** percentage points.[178] The share of apparent U.S. consumption consisting of cumulated subject imports increased from *** percent in 2020 to *** percent in 2021, before declining to *** percent in 2022.[179] [180]

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

2. Price Effects of the Cumulated Subject Imports

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

> (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and
>
> (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[181]

As discussed above, we have found that there is a moderate-to-high degree of substitutability between subject imports and the domestic like product, and that price is an important factor in purchasing decisions.[182]

As discussed in Section VII.C.2 above, the Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of four pricing products that were sold to unrelated U.S. customers during the first quarter of 2020 through the fourth quarter of 2022.[183] Both responding U.S. producers and 11 importers of subject brass rod provided usable pricing data for sales of the requested products, although not all

[178] CR/PR at Table C-1. The volume of U.S. shipments of cumulated subject imports increased from 24 million pounds in 2020 to 34.4 million pounds in 2021, before declining to 28.1 million pounds in 2022, a level 17.2 percent higher than in 2020. *Id.*

[179] CR/PR at Tables IV-9 & C-1.

[180] The ratio of cumulated subject imports to domestic production increased from *** percent in 2020 to *** percent in 2021 before declining to *** percent in 2022, a level *** percentage points higher than in 2020. *See* CR/PR at Table IV-2.

[181] 19 U.S.C. § 1677(7)(C)(ii).

[182] *See* Section VII.B.3.

[183] CR/PR at V-8. Products 1 and 2 are leaded brass rod products, product 3 is low-lead, and product 4 is lead-free. *Id.*

firms reported pricing data for all products for all quarters.[184] Pricing data reported by responding U.S. producers and importers of subject brass rod accounted for approximately *** percent of U.S. producers' U.S. shipments of brass rod in 2022 and the following shares of U.S. shipments of subject imports in 2022: Brazil (*** percent), India (*** percent), Israel (*** percent), Mexico (*** percent), South Africa (*** percent), and South Korea (*** percent).[185]

On a cumulated basis, subject imports undersold the domestic like product in 126 of 145 of quarterly comparisons (or 86.9 percent of the time), corresponding to *** percent of reported subject import sales (*** pounds), with margins of underselling ranging from *** to *** percent. Cumulated subject imports oversold the domestic like product in 19 of 145 of quarterly comparisons (or 13.1 percent of the time), corresponding to *** percent of reported subject import sales (*** pounds), with margins of overselling ranging from *** to *** percent.[186] Imports from each subject country undersold the domestic product in a majority of quarterly comparisons corresponding to a majority of reported subject import pricing product volume.[187]

We have also considered purchasers' responses to the lost sales/lost revenue survey.[188] Of the 12 responding purchasers responding to the Commission's lost sales/lost revenue survey, nine reported that, since 2020, they had purchased brass rod imported from at least one subject country instead of U.S.-produced brass rod, eight of these purchasers reported that the price of the subject imported brass rod was lower than the price of domestically produced brass rod, and seven of these purchasers reported that price was a primary reason for the decision to purchase imported product rather than U.S. produced product. These seven purchasers reported that price was a primary reason that they purchased an estimated ***

[184] *See* CR/PR at V-9.

[185] CR/PR at V-9. Products 1 and 2 accounted for *** pricing data for subject imports from Brazil, Israel, and Mexico and the *** of pricing data for subject imports from India, South Africa, South Korea, and the vast majority of U.S. producers' pricing data. *See id.* at V-18, Tables V-4-8.

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

[187] CR/PR at V-21.

[188] The Commission requested U.S. producers to report purchasers with which they experienced instances of lost sales or revenue during the POI. U.S. producers identified 15 purchasers with which they alleged lost sales or revenue. U.S. producers listed Israel as a source of the lost sales or revenues for thirteen of these purchasers, with Israel being the only source of lost sales or revenues for nine purchasers. Brazil was listed for four purchasers (in one case it was the only source of lost sales or revenues). South Africa was listed for three purchasers as one of multiple sources of lost sales or revenues. South Korea was listed once as one of multiple sources of lost sales or revenues. Staff provided lost sales/lost revenue surveys to the 15 purchasers and received responses from 12 of them. CR/PR at V-23.

pounds of subject imports instead of the domestic like product.[189] [190] This volume of lost sales to subject imports equates to *** percent of the responding purchasers' total purchases and imports of brass rod from subject sources during the POI, and *** percent of total reported U.S. shipments of subject imports during the POI.[191]

Based on the foregoing, including the moderate-to-high degree of substitutability between domestically produced brass rod and cumulated subject imports, the importance of price in purchasing decisions, and the pervasive underselling by cumulated subject imports, we find, for purposes of these preliminary determinations, that underselling by cumulated subject imports was significant. The underselling contributed to cumulated subject imports gaining *** pounds of confirmed lost sales and *** percentage points of market share at the expense of the domestic industry over the POI.[192]

We have also considered price trends during the POI. Products 1 and 2 (both leaded brass rod products) accounted for virtually all the pricing product volume reported by U.S. producers and importers of brass rod from subject sources.[193] Domestic prices of these two products generally increased in 2020 and 2021 and the first and second quarters of 2022 before declining somewhat in the second half of 2022, increasing by *** percent, respectively, from

[189] CR/PR at V-25 & V-27, Tables V-14 & V-15. One additional purchaser provided a response to the Commission's lost sales/lost revenue survey that was not received in time to be incorporated into the Commission's Confidential Report. This purchaser reported an additional *** pounds of subject imports from Brazil purchased instead of the domestic like product due to price. *See* *** Lost Sales and Lost Revenue Survey Response at 3.c, EDIS Doc. No. 798426.

[190] We further observe that one of 11 responding purchasers reported that U.S. producers had reduced prices in order to compete with lower-priced subject imports (***), with a reported estimated price reduction for domestic brass rod of ***. CR/PR at V-28, Table V-17.

[191] *Derived from* CR/PR at Tables V-12, V-15 & C-1. The volume of lost sales equates to *** percent of apparent U.S. consumption over the POI. We also note that the estimated *** pounds of lost sales to subject imports exceeds the 10.3 million pound increase in U.S. shipments of subject imports from 2020 to 2021, as well as the 4.1 million pound increase in U.S. shipments of subject imports from 2020 to 2022. *See* CR at IV-9.

[192] CR/PR at Tables IV-9 & C-2. The Joint Respondents argue that reported sales prices for the domestic like product are artificially high due to U.S. producers' use of scrap buyback programs. *See* Joint Respondents' Postconference Br. at 23-26. As previously discussed in Section VII.C.2, above, in any final phase of these investigations, we intend to further examine pricing product definitions and invite the parties in their comments on draft questionnaires to address how pricing product definitions can be defined to improve comparability. We also intend to examine further the difference in U.S. prices for brass rod sold under a buyback program as compared to the prices for brass rod sold without scrap return.

[193] CR/PR at V-18; *see also* Tables V-4-8.

the first quarter of 2020 through the fourth quarter of 2022.[194] Likewise, over the POI, the reported sales prices of products 1 and 2 for subject imports from Brazil increased by *** percent, respectively; prices from India increased by *** percent, respectively; prices from Israel increased by *** percent, respectively; prices from Mexico increased by *** percent, respectively; prices from South Africa increased by *** percent, respectively; and prices from South Korea increased by *** percent, respectively.[195]

We have also considered whether cumulated subject imports prevented price increases for the domestic like product that otherwise would have occurred. As previously discussed in Section VII.C.2 above, while the domestic industry's total cost of sales (COGS for non-toll and COTS for toll sales) as a ratio to total net sales (non-toll and toll sales) increased irregularly over the POI,[196] the industry was able to increase its AUV for total net sales (unit non-toll and toll sales) by more than the increase in its unit cost of sales (unit COGS and COTS) throughout the POI.[197] In any final phase of these investigations, we intend to investigate further whether cumulated subject imports had any price suppressing effects.

In sum, based on the record of the preliminary phase of these investigations, we conclude that cumulated subject imports had significant price effects.

3. Impact of the Cumulated Subject Imports[198]

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

[194] *See* CR/PR at Tables V-4 & V-5, Figs. V-2 & V-3. Domestic prices for pricing products 3 and 4 followed similar trends. *See* CR/PR at Tables V-6 & V-7, Figs. V-4 & V-5.

[195] CR/PR at Tables V-4, V-5 & V-8.

[196] CR/PR at VI-10, Tables VI-1 & C-1. Similarly, the domestic industry's COGS-to-non-toll sales ratio increased irregularly over the POI. *Id.* at Tables VI-1 & C-1.

[197] *See* CR/PR at Table VI-2. Likewise, the domestic industry was able to increase its AUV for non-toll sales by more than the increase in its unit non-toll raw material costs and unit non-toll COGS throughout the POI. *See id.* at VI-9 & n.10, Table VI-2.

[198] In its notice initiating the antidumping duty investigations on brass rod from Brazil, India, Israel, Mexico, South Africa, and South Korea, Commerce reported estimated dumping margins of 77.14 percent for brass rod from Brazil, 16.52 percent for brass rod from India, 40.12 percent for brass rod from Israel, 29.43 percent for brass rod from Mexico, 20.99 percent for brass rod from South Africa, and 20.82 percent for brass rod from South Korea. 88 Fed. Reg. 33,575, 33,578 (May 24, 2023).

capital, ability to service debt, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions competition that are distinctive to the affected industry."[199]

As previously discussed in Section VII.C.3 above, the domestic industry's output indicators, including production and U.S. shipments, generally fluctuated but improved over the POI, but did not keep pace with the overall increase in apparent U.S. consumption as the industry lost market share.[200] The domestic industry's employment-related performance indicia also generally improved during the POI,[201] while its financial performance also generally improved with respect to all measures but operating and net income as a share of net sales, which declined.[202]

Based on the record in the preliminary phase of these investigations, we find that the significant volume of cumulated subject imports undersold the domestic like product to a significant degree, causing *** million pounds of lost sales and a *** percentage point shift in market share from the domestic industry to cumulated subject imports from 2020 to 2022. As a result, the domestic industry had fewer sales, lower revenues, and weaker financial performance than it otherwise would have. Consequently, for purposes of these preliminary phase determinations, we find that cumulated subject imports had a significant impact on the domestic industry.[203]

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[199] 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act of 2015, Pub. L. 114-27.

[200] *See* CR/PR at Tables III-5, III-11, III-13, IV-9 & C-1.

[201] *See* CR/PR at Tables III-14 & C-1.

[202] *See* CR/PR at Tables VI-1, VI-6, VI-8, VI-10, IV-11, VI-13 & C-1.

[203] The Joint Respondents argue that the trade and financial indicia indicate that cumulated subject imports have not injured the domestic industry, as the domestic industry's production, capacity utilization, and shipments were all higher in 2022 than in 2020 and the domestic industry was more profitable in 2022 than in 2020. *See* Joint Respondents' Postconference Br. at 1-3. As previously discussed in Section VII.C.3, we observe that the industry lost *** percentage points of market share from 2020 to 2021 and *** percentage points of market share overall during the POI. The domestic industry also experienced worsening operating and net income margins. *See* CR/PR at Tables IV-9, VI-1 & C-1.

The Joint Respondents also argue that the volume of cumulated subject imports increased from 2020 to 2021 in response to the domestic industry's supply constraints related to the COVID-19 pandemic. They further contend that cumulated subject import volume declined from 2021 to 2022 when the issues facing the domestic industry's U.S. production operations were less severe. *See* Joint Respondents' Postconference Br. at 19-22. As discussed above in Section VII.C.3, we recognize that supply constraints experienced by domestic producers may have contributed to the shift in market share from the domestic industry to subject imports. In any final phase of these investigations, we intend to (Continued…)

We have also considered whether there are other factors that may have had an impact on the domestic industry to ensure that we are not attributing injury from such other factors to cumulated subject imports. Nonsubject imports accounted for the smallest share of apparent U.S. consumption, although their market share increased in each year of the POI and was *** percentage points higher in 2022 than in 2020.[204] The AUVs of U.S. shipments of nonsubject imports were higher than those of cumulated subject imports in each year of the POI.[205] While we recognize that nonsubject imports gained market share over the course of the POI, this does not negate the independent impact of the gain in sales and market share by low-priced cumulated subject imports at the expense of the domestic industry.[206]

As previously discussed in Section VII.C.3 above, we also considered demand trends. The trends in apparent U.S. consumption do not explain why the domestic industry was not able to increase its U.S. shipments in tandem with increasing apparent U.S. consumption from 2020 to 2021, and overall during the POI, as the industry lost sales and market share to cumulated subject imports.[207]

In sum, based on the record of the preliminary phase of these investigations, we determine that there is a reasonable indication that an industry in the United States is

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(…Continued)
further investigate the extent to which the domestic industry's supply constraints contributed to the shift in market share from the industry to subject imports.

The Joint Respondents also argue that there is attenuated competition between subject imports and the domestic like product as the domestic industry focuses its production predominately on large orders of standard brass rod products, largely to the exclusion of the small orders for niche or specialty products that are supplied mainly by subject importers. *See* Joint Respondents' Postconference Br. at 11-16. They also argue that competition is attenuated because the channels of distribution vary significantly between the domestic industry and subject imports. *See* Joint Respondents' Postconference Br. at 16-18. Petitioners argue that respondents' claim that subject imports focus on sales to distributors, in contrast to domestic producer's focus on end users, is refuted by record evidence that at least *** percent of cumulated subject import sales were made to end users in each year of the POI. Similarly, Petitioners contend that cumulated subject imports are not distinguished by any focus on brass rod shapes, as respondents claim, given that approximately *** percent of cumulated subject import U.S. shipments in 2022 consisted of non-hollow round brass rod, the most standard shape in the U.S. market. They also contend that domestic producers produce brass rod in a full range of shapes. *See* Petitioners' Postconference Br. at I-34-37, Exhibit 4. In any final phase of these investigations, we intend to further examine any limitations on the availability of the domestic like product.

[204] *See* CR/PR at Tables IV-9 & C-1.

[205] *See* CR/PR at C-1. We recognize that AUV comparisons may be influenced by differences in product mix and changes in product mix over time.

[206] *See* CR/PR at Tables IV-9 & C-1.

[207] *See* CR/PR at Tables IV-9 & C-1.

materially injured by reason of cumulated subject imports from Brazil, India, Israel, Mexico, South Africa, and South Korea.

VIII. Conclusion

For the reasons stated above, we determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of brass rod from Brazil, India, Israel, Mexico, South Africa, and South Korea that are allegedly sold in the United States at less than fair value and imports of the subject merchandise from India, Israel, and South Korea that are allegedly subsidized by the governments of India, Israel, and South Korea.

SEPARATE AND CONCURRING VIEWS OF CHAIRMAN DAVID S. JOHANSON

I write separately because I find that the Commission must cumulate subject imports from Israel with subject imports from Brazil, India, Mexico, South Africa, and South Korea for a different reason than the majority. Specifically, I find a domestic industry is threatened with material injury by reason of imports from Israel for the reasons that follow. I thus do not join Section VII.C. of the majority opinion. In other respects I join the opinion of the majority.

I. Cumulation for Determining Material Injury

A. Legal Standards

For purposes of evaluating the volume and effects for a determination of material injury by reason of subject imports, section 771(7)(G)(i) of the Tariff Act requires the Commission to cumulate subject imports from all countries as to which petitions were filed and/or investigations were self-initiated by Commerce on the same day, if such imports compete with each other and with the domestic like product in the U.S. market.[1] Section 771(7)(G)(ii)(IV) of the Act provides, however, that the Commission shall not cumulate imports from Israel unless the Commission determines that a domestic industry is materially injured or threatened with material injury by reason of imports from Israel.[2]

In assessing whether a domestic industry is threatened with material injury by reason of imports from Israel for purposes of determining whether to cumulate, I apply the same standards provided by Section 771(7)(F)(i) of the Act for determining whether an industry in the United States is threatened with material injury.[3] Moreover, as these are preliminary determinations under Sections 703(a) and 733(a) of the Act,[4] I interpret Section 771(7)(G)(ii)(IV) in conjunction with those sections to require cumulation for purposes of these preliminary determinations if there is a "reasonable indication" of material injury or threat of material

[1] 19 U.S.C. § 1677(7)(G)(i).

[2] 19 U.S.C. § 1677(7)(G)(ii)(IV).

[3] 19 U.S.C. § 1677(7)(F). *Cf. Pure Magnesium from China, Israel, and Russia,* Inv. Nos. 701-TA-403 and 731-TA-895-897 (Prelim.), USITC Pub. 3376, at 13-17 (Dec. 2000) ("*Magnesium from Israel Prelim.*") (applying standards set out in Section 771(7)(C) to assess preliminary indication that imports from Israel had caused material injury to determine applicability of Israel cumulation exception).

[4] 19 U.S.C. §§ 1671b(a) & 1673b(a).

injury by reason of imports from Israel. To determine whether there is a "reasonable indication" of such injury or threat for purposes of Section 771(7)(G)(ii)(IV), I apply the standard the Federal Circuit enunciated in *American Lamb Co. v. United States.*[5]

Section 771(7)(F) of the Tariff Act directs the Commission to determine whether the domestic 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."[6] 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 issues.[7] In considering the existence of threat of material injury for purposes of Section 771(7)(G)(ii)(IV), I consider all factors set forth as relevant in Section 771(7)(F).[8]

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[5] 785 F.2d 994 (Fed. Cir. 1986). *See Magnesium from Israel Prelim.*, USITC Pub. 3376, at 3 (in applying "reasonable indication" standard, the Commission applies *American Lamb*). Under *American Lamb*, the "reasonable indication" standard requires more than the mere possibility of injury or threat of injury; rather, the Commission may weigh the evidence before it to determine whether "(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation." 785 F.2d at 1001, 1004.

[6] 19 USC 1677(7)(F)(ii).

[7] 19 USC 1677(7)(F)(ii).

[8] *See* 19 USC 1677(F)(i). 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

(Continued...)

B. Threat of Material Injury by Reason of Subject Imports from Israel

1. Likely Volume

U.S. importers' U.S. shipments of subject imports from Israel increased irregularly over the POI from *** pounds in 2020 to *** pounds in 2022, an increase of *** percent.[9] Their share of apparent U.S. consumption increased from *** percent in 2020 to *** percent in 2022, an increase of *** percentage points.[10]

Although these figures are small in relation to U.S. consumption, several factors suggest that the volume of subject imports from Israel and their share of the U.S. market are likely to increase in the imminent future.

First, U.S. importers' inventories of subject merchandise from Israel increased from *** pounds at the end of 2020 to *** pounds in 2022, an increase of *** pounds or *** percent, *i.e.*, an increase equivalent to *** percent of U.S. apparent consumption in 2022.[11] To the extent these increased inventories have been or are liquidated in the imminent future, they will tend to increase the U.S. market share of subject imports from Israel, assuming U.S. consumption remains the same.

Moreover, I note in this regard that witnesses from both petitioners and respondents testified that demand receded in 2022 after an increase in 2021 that occurred due to the economic recovery after the COVID-19 pandemic, and that both petitioners and respondents in their briefs quoted testimony that "the future demand outlook remains very challenging."[12] Petitioner testified that demand for brass rod has declined roughly 60 percent over the last two decades as users of brass rod such as faucet manufacturers have closed or moved their

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(…Continued)
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 my analysis, I discuss the applicable statutory threat factors using the same volume/price/impact framework that applies to our material injury analysis. Thus, I discuss factors (I), (II), (III), (V), and (VI) primarily in the analysis of subject import volume; factor (IV) primarily in the analysis of import price effects; and factors (VIII) and (IX) primarily in the analysis of impact. Factor (VII) concerning agricultural products does not apply in this investigation.

[9] CR/PR at Tables IV-9 & C-1. They were *** pounds in 2021. *Id.*

[10] CR/PR at Table IV-9. Their U.S. market share was *** percent in 2021.

[11] *Calculated from* CR/PR at Table C-1.

[12] CR/PR at IV-26 n.9; Petitioner Br. I-41 and Joint Respondent Br. 7 (both quoting Conf. Tr. 27 (Christie)).

operations to other countries.[13] To the extent demand and apparent U.S. consumption decrease in the imminent future, the existing U.S. inventories of subject imports from Israel will equate to a larger proportion of the U.S. market.

Second, Finkelstein – the sole known Israeli producer of brass rod – reported that it expects ***.[14] *** pounds in 2024.[15] Such *** exports will also tend to increase the U.S. market share of subject merchandise from Israel in the imminent future, especially if U.S. apparent consumption decreases.

Third, Finkelstein's reported U.S. exports of subject merchandise of ***.[16] This suggests, at least preliminarily, that at the end of 2022 ***.[17] Such amounts would not be reflected in reported year-end 2022 U.S. inventories or in projected 2023 Israeli exports, but would be likely to augment further the U.S. market share of subject imports from Israel in the imminent future.

Finally, I note that Finkelstein reports ***.[18] ***.[19] There are no reported third-country trade restrictions on Israel's brass rod exports, and Finkelstein projects ***.[20] [21] Global Trade Atlas Data indicate that exports to the United States accounted for more than 90 percent of Israel's exports of brass bars, rods, and profiles in each year of the POI.[22]

In sum, and subject to the impact analysis below, there is a reasonable indication based on import trends during the POI, ***, that imports or U.S. shipments of subject imports from Israel will increase to significant levels in the imminent future both in absolute terms and relative to apparent U.S. consumption.

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[13] Conf. Tr. 26 (Christie).

[14] CR/PR at Tables VII-19, VII-45.

[15] CR/PR at Table VII-19.

[16] Calculated from CR/PR at Tables IV-2, VII-19. The preliminary record indicates that reported imports from Israel represent ***. CR/PR at IV-1.

[17] Calculated from CR/PR at Table C-1.

[18] Finkelstein reports having *** pounds of excess capacity in 2022 and projects having *** pounds of excess capacity in 2023 and *** pounds in 2024. CR/PR at Table VII-19.

[19] CR/PR at Tables VII-16 & VII-18.

[20] CR/PR at Table VII-19 & at VII-54. In 2022, ***. CR/PR at Table VII-20. Finkelstein asserts that product-shifting now would be impractical, inefficient, and highly unlikely. Finkelstein Br. 38 & n.135.

[21] Subsidies allegedly used or available to Finkelstein include grants, accelerated depreciation, and tax reductions under the encouragement of capital investment law; R&D grants; infrastructure grants; accelerated depreciation rates for encouragement of industry; and provision of land in a national priority area. *Brass Rod From India, Israel, and the Republic of Korea: Initiation of Countervailing Duty Investigations,* 88 FR 33566 (Dep't Commerce May 24, 2023); Pet. Br. I-43.

[22] CR/PR at Table VII-21.

C. Likely Price Effects

Subject imports from Israel undersold domestic like products in 24 of 24 instances involving *** pounds of imports.[23] Other evidence confirms that subject imports from Israel were priced lower than domestic like products and also that price played at least an important role in many if not all decisions to purchase subject imports from Israel. Of seven purchasers that reported buying subject imports from Israel instead of the domestic like product, six reported that the subject imports were priced lower, and five purchasers representing *** pounds of purchases of subject imports from Israel reported that price was a primary reason for their shift.[24] The volume bought by these purchasers equaled *** percent of all U.S. importers' U.S. shipments of subject merchandise from Israel over the POI.[25]

Finkelstein argues that purchasers increasingly turned to imports from Israel over the POI due to unreliable U.S. supply.[26] Yet, given the reports by purchasers of subject merchandise from Israel and the importance of price generally in this industry,[27] and the available evidence that subject imports were priced lower than domestic like product with comparable characteristics, I conclude that much, if not all, of the increase in the volume and market share of subject imports from Israel during the POI resulted at least partly from lower prices. This trend is likely to continue and to explain likely increases in subject import volume and market share in the imminent future – especially in light of evidence that COVID-related supply constraints have abated.[28]

I also consider evidence whether "imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices

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[23] CR/PR at V-21. I note Finkelstein's arguments that this underselling margin arose because 1) U.S. producers give their customers scrap buyback programs that offer not only extra convenience but also higher scrap prices, and 2) U.S. producers sell more often to end-users than to distributors and can price-discriminate against the end-users. Finkelstein Br. 7-12. For purposes of these preliminary determinations, however, these assertions do not convince me to discount other evidence that prices of subject imports were generally lower than prices of domestic products during the POI.

[24] CR/PR at Table V-15.

[25] *Calculated from* CR/PR at Table V-15 & Table C-1.

[26] Finkelstein Br. 10-11.

[27] Asked to cite the three most important factors in purchasing decisions, more purchasers cited price/cost than any other factor. CR/PR at II-10 & Table II-5. I recognize that delivery/lead time and availability/continuity of supply were also often cited and could have been more salient during parts of the POI but that subject imports from Israel increased in volume and market share over the entire period. CR/PR at Tables II-5 & C-1.

[28] Conf. Tr. 84 (Christie).

and are likely to increase demand for further imports."[29] During the POI, domestic producers were able to increase prices significantly.[30] The increases sufficed not only to cover major increases in the domestic industry's average unit production costs but also to permit increases in the domestic industry's average unit (and total) gross, operating, and net profits.[31]

As petitioners point out, the domestic industry's cost of sales to net sales ratio increased ***, which petitioners argue represented a "cost/price squeeze."[32] Yet, given that the domestic industry increased its prices considerably in order to pass on large cost increases to purchasers while also increasing its profits, the basis for petitioners' contention is not clear.

Nevertheless, at some level of increased volumes of subject imports that undersell the domestic like product, they would be likely to have a significant influence on prices, particularly in a declining market. Accordingly, I do not find that there is no likelihood that evidence will emerge in any final phase investigation that subject imports from Israel will threaten to depress significantly or suppress significantly the domestic industry's prices.

In sum, and again subject to the impact analysis below, I find that the record provides a reasonable indication that subject imports will have significant price effects in the imminent future.

D. Likely Impact

As an initial matter, I do not find the domestic industry vulnerable. Its net income, which can fund investments, has been positive and increasing.[33] Domestic producers have not reported ***.[34] Although Mueller has an idled production line with a capacity of 150-200 million pounds in Belding, Michigan, the domestic industry's ability to supply the market is not constrained by equipment capacity, which ***.[35] Petitioners assert that any other COVID-

[29] 19 USC 1677(F)(i)(IV).

[30] Domestic producers' prices for pricing products 1 and 2, which accounted for virtually all of the sales volume of pricing product data received, increased by *** percent, respectively. CR/PR at V-18. The unit value of the domestic industry's U.S. shipments increased *** percent from 2020 to 2022. CR/PR at Table C-1.

[31] For example, considering domestic producers' non-toll operations, domestic producers' average unit cost of goods sold increased by *** or *** percent from 2020 to 2022, but their average unit net sales value increased by *** or *** percent so that their average gross profit increased by *** or *** percent. Calculated from CR/PR Table C-1. Unit operating income increased by *** or *** percent and unit net income increased by *** or *** percent. CR/PR Table C-1.

[32] Pet. Br. I-20; *see* CR/PR Table C-1 (combined toll and non-toll operations). Petitioner also points out that one purchaser, ***. CR/PR at V-28. ***. CR/PR at V-28. ***.

[33] CR/PR at C-5.

[34] CR/PR at Table VI-13.

[35] CR/PR at II-5 & Table C-1.

related limitations on domestic supply are now a "non-issue."[36] The industry also does not appear vulnerable from a worker perspective: although the workforce is down somewhat from the 2022 peak when there was an unusual spike in consumption, the number of workers in the industry was *** in 2022 as in 2020, and their total and hourly wages have increased *** percent respectively over the POI.[37]

As discussed above, the record indicates that subject imports from Israel likely will increase in volume and market share in the imminent future. This will have some degree of impact on the U.S. industry if those increases come at the expense of the domestic industry. While Finkelstein projects that its exports to the United States will ***, other subject producers project that their exports to the United States will ***.[38] If these projections are accurate, at least some of the increase in subject imports from Israel will replace other subject imports. Yet, this would still likely result in a further decrease in the domestic industry's market share and shipment volumes, particularly if U.S. consumption falls or nonsubject imports continue to increase.[39]

I also consider whether there is a reasonable indication such an increase in subject imports from Israel is likely to be material.[40] As noted above, the domestic industry is not vulnerable and any increased volumes of subject imports from Israel will remain small given Finkelstein's *** in relation to the U.S. industry's much larger total shipments. Yet, if the U.S. industry were to lose sales, its sales revenues would not only decrease but its capacity utilization would be lower, at least incrementally, resulting in higher unit costs and the loss of some economies of scale. I have also found that the record does not establish that there is no likelihood that evidence of significant price suppression or depression will emerge in any final phase.

The record does not contain clear and convincing evidence that the overall impact of these effects would likely be inconsequential, immaterial or unimportant. As described above, trends at the end of the period of investigation and the parties' expectations suggest that demand will decline in the imminent future, which may increase the impact of reduced production and revenues on the domestic industry. An industry facing decreasing long-term

[36] Pet. Br. I-18.

[37] CR/PR at Tables IV-2 & C-1.

[38] *Calculated from* CR/PR at Tables VII-19 and VII-43.

[39] From 2020 to 2022, nonsubject imports steadily increased by *** pounds and their U.S. market share increased by *** percentage points. CR/PR Tables IV-2 & C-1.

[40] The statute defines "material injury" as "harm which is not inconsequential, immaterial or unimportant." 19 USC § 1677(7)(A).

demand that already has sufficient capacity to supply the entire U.S. market may not need capital to finance further expansion or even to reopen existing plants. Yet, Petitioners point out ***.[41] ***.[42]

In assessing threat of injury, I avoid assuming that existing trends necessarily demonstrate likelihood of injury in the imminent future by reason of subject imports by assessing the role that other factors may have had in those trends and by focusing on the impact of subject imports on the domestic industry rather than on other market participants. In this case, U.S. shipments of both nonsubject imports and other subject imports each increased in volume over the POI, and each of these categories gained approximately as much market share as did subject merchandise from Israel.[43] Furthermore, ***. My analysis, however, focuses on how imports from Israel specifically are likely to increase and gain U.S. market share despite these other trends. I have also considered how declining U.S. consumption would be likely to affect the relative importance of increased subject imports from Israel.

Accordingly, I conclude that there is a reasonable indication that a domestic industry is threatened with material injury by reason of subject imports from Israel alone. Thus, I find that the cumulation exception provided by Section 771(7)(G)(ii)(IV) does not apply for purposes of these preliminary investigations. I join the majority's determination that all other conditions for cumulation under Section 771(G)(i) are met, and thus determine for purposes of these preliminary investigations to consider subject imports from Israel cumulatively with subject imports from all other subject countries for purposes of our present material injury analysis.

[41] CR/PR at Table VI-7.

[42] CR/PR at Tables VI-7 and VI-9.

[43] CR/PR at Table C-1. From 2020 to 2022, the U.S. market share of imports from subject sources other than Israel increased by *** percentage points from *** percent to *** percent, and the U.S. market share of nonsubject imports increased by *** percentage points from *** percent to *** percent. CR/PR at Table C-1.

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 American Brass Rod Fair Trade Coalition , Mueller Brass Co. ("Mueller"), Port Huron, Michigan, and Wieland Chase LLC ("Wieland"), Montpelier, Ohio, on April 27, 2023, alleging that an industry in the United States is materially injured and threatened with material injury by reason of less-than-fair-value ("LTFV") imports of brass rod[1] from Brazil, India, Israel, Mexico, South Africa, and South Korea and subsidized by the governments of India, Israel, and South Korea. Table I-1 presents information relating to the background of these investigations.[2] [3]

Table I-1
Brass rod: Information relating to the background and schedule of this proceeding

Effective date	Action
April 27, 2023	Petitions filed with Commerce and the Commission; institution of the Commission investigations (88 FR 27921, May 3, 2023)
May 17, 2023	Commerce's notice of initiation (88 FR 33575 and 88 FR 33566, May 24, 2023)
May 18, 2023	Commission's conference
June 9, 2023	Commission's vote
June 12, 2023	Commission's determinations
June 20, 2023	Commission's views

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

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

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

Statutory criteria

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

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

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

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

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

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

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

Organization of report

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

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

Market summary

Brass rod is generally used in parts including architectural extrusions, automotive engineering parts, fasteners, and gears. The leading U.S. producers of brass rod are Mueller and Wieland, while leading producers of brass rod outside the United States include *** of Brazil, *** of India, Finkelstein Metals LTD ("Finkelstein") of Israel, Industrias Unidas, S.A. de C.V. ("Industrias Unidas") and Nacional de Cobre S.A. DE C.V. ("Cobre") of Mexico, Non-Ferrous Metal Works (SA) (PTY) Ltd. ("Non-Ferrous") of South Africa, and *** of South Korea. The leading U.S. importer of brass rod from Brazil, India, South Africa, and nonsubject sources is ***, the leading U.S. importer of brass rod from Israel is ***, the leading U.S. importer of brass rod from Mexico is ***, and the leading U.S. importer of brass rod from South Korea is ***. Nonsubject importers primarily import brass rod from France and Germany. U.S. purchasers of brass rod include distributors, machine shops, forgers, and original equipment manufacturers. The largest purchasers that responded to lost sales lost revenues surveys were ***.

Apparent U.S. consumption of brass rod totaled approximately *** pounds ($***) in 2022. Currently, three firms are known to produce brass rod in the United States.[6] U.S. producers' U.S. shipments of brass rod totaled *** pounds ($***) in 2022 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. imports from subject sources totaled *** ($***) in 2022 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. imports from nonsubject sources totaled *** pounds ($***) in 2022 and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value.

[6] U.S. industry data is based on the responses of Mueller and Wieland. A third U.S. producer, Chicago Extruded Metals ("CXM") indicated production of brass rod ***.

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 two firms that accounted for the vast majority of U.S. production of brass rod during 2022. U.S. imports are based on questionnaire data. Official import statistics are presented in appendix D.

Previous and related investigations

Brass rod has not been the subject of prior countervailing or antidumping duty investigations in the United States.

Nature and extent of alleged subsidies and sales at LTFV

Alleged subsidies

On May 24, 2023, Commerce published a notice in the Federal Register of the initiation of its countervailing duty investigations on brass rod from India, Israel, and South Korea.[7]

Alleged sales at LTFV

On May 24, 2023, Commerce published a notice in the Federal Register of the initiation of its antidumping duty investigations on brass rod from Brazil, India, Israel, Mexico, South Africa Korea, and South Korea.[8] Commerce has initiated antidumping duty investigations based on estimated dumping margins of 77.14 percent for brass rod from Brazil and 16.52 percent for brass rod from India, 40.12 percent for brass rod from Israel, 29.43 percent for brass rod from Mexico, 20.99 percent for brass rod from South Africa, and 20.82 percent for brass rod from South Korea.

[7] For further information on the alleged subsidy programs see Commerce's notice of initiation and related CVD Initiation Checklist. 88 FR 33566, May 24, 2023.

[8] 88 FR 33575, May 24, 2023.

The subject merchandise

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:[9]

> *The products covered by these investigations are brass rod and bar (brass rod), which is defined as leaded, low-lead, and no-lead solid brass made from alloys such as, but not limited to the following alloys classified under the Unified Numbering System (UNS) as C27450, C27451, C27460, C34500, C35000, C35300, C35330, C36000, C36300, C37000, C37700, C48500, C67300, C67600, and C69300, and their international equivalents.*
>
> *The brass rod subject to these investigations has an actual cross-section or outside diameter greater than 0.25 inches but less than or equal to 12 inches. Brass rod cross-sections may be round, hexagonal, square, or octagonal shapes as well as special profiles (e.g., angles, shapes).*
>
> *Standard leaded brass rod covered by the scope contains, by weight, 57.0–65.0 percent copper; 0.5–3.0 percent lead; no more than 1.3 percent iron; and at least 15 percent zinc. No-lead or low-lead brass rod covered by the scope contains by weight 59.0–76.0 percent copper; 0–1.5 percent lead; no more than 0.35 percent iron; and at least 15 percent zinc. Brass rod may also include other chemical elements (e.g., nickel, phosphorous, silicon, tin, etc.).*
>
> *Brass rod may be in straight lengths or coils. Brass rod covered by these investigations may be finished or unfinished, and may or may not be heated, extruded, pickled, or cold-drawn. Brass rod may be produced in accordance with ASTM B16, ASTM B124, ASTM B981, ASTM B371, ASTM B453, ASTM B21, ASTM B138, and ASTM B927, but such conformity to an ASTM standard is not required for the merchandise to be included within the scope.*
>
> *Excluded from the scope of these investigations is brass ingot, which is a casting of unwrought metal unsuitable for conversion into brass rod without remelting, that contains, by weight, at least 57.0 percent copper and 15.0 percent zinc.*

[9] 88 FR 33575, May 24, 2023.

Tariff treatment

Based upon the scope set forth by Commerce, information available to the Commission indicates that the merchandise subject to these investigations are provided for in the following provisions of the Harmonized Tariff Schedule of the United States ("HTS"): 7407.21.15, 7407.21.70, and 7407.21.90. The 2023 general rate of duty is 2.2 percent ad valorem for HTS subheadings 7407.21.15 and 7407.21.90, and 1.9 percent ad valorem for HTS subheading 7407.21.70. The special rate of duty for brass rod produced in Israel and South Korea is free for all subject subheadings under the United States-Israel Free Trade Area and the United States-Korea Free Trade Agreement Implementation Act, where this treatment is properly claimed by the importer and the goods meet the relevant rules of origin prescribed in HTS general notes 8 and 33, respectively.[10] Effective September 24, 2018, brass rod originating in China was subject to an additional 10 percent ad valorem duty under section 301 of the Trade Act of 1974. Effective May 10, 2019, the section 301 duty for brass rod was increased to 25 percent.[11] Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

[10] Merchandise subject to these investigations may also be provided for in HTS subheadings 7403.21.00, 7407.21.30, and 7407.21.50. The 2023 general rate of duty is 1.0 percent ad valorem for HTS subheading 7403.21.00 and 2.2 percent ad valorem for HTS subheadings 7407.21.30 and 7407.21.50. USITC, HTS (2023) HTSA Revision 5, USITC Publication 5429, May 2023, pp. 74-3, 74-5.

[11] 83 FR 47974, September 21, 2018; 84 FR 20459, May 9, 2019. See also HTS headings 9903.88.03 and 9903.88.04 and U.S. notes 20(e)–20(g) to subchapter III of chapter 99 and related tariff provisions for this duty treatment. USITC, HTS (2023) HTSA Revision 5, USITC Publication 5429, May 2023, pp. 99-III-27–99-III-52, 99-III-297–99-III-298. Goods exported from China to the United States prior to May 10, 2019, and entering the United States prior to June 1, 2019, were not subject to the escalated 25 percent duty (84 FR 21892, May 15, 2019).

The product

Description and applications[12]

Brass rod, as defined by the scope of this proceeding, includes brass rods, bars, or profiles made of brass alloys. Brass alloys are combinations of copper, zinc, and smaller amounts of other elements.[13] Brass rod is a material produced and sold in a variety of alloy designations that reflect the combination of copper and zinc along with other elements to create different alloys with unique characteristics. Brass rod may be produced in accordance with ASTM standards, but conformity to an ASTM standard is not required for brass rod to be included within the scope of these investigations. Brass rod can be leaded, low-lead, and no-lead, but most sales in the U.S. market are of leaded brass rod, because the addition of small amounts of lead optimizes the machinability of the product.[14] The scope of these petitions includes brass rods, bars, or profiles drawn to a variety of cross-sectional shapes, in diameters greater than 0.25 inches, but less than or equal to 12 inches, and of any length. Once produced to specification, brass rod is suitable for use in numerous industries. Brass rod is commonly used to produce (1) building and household products; (2) industrial machinery and equipment components; (3) electrical and electronic products and components; and (4) automotive and truck/trailer products and components which can include heavy off-road equipment, construction equipment and military applications.

For most brass rod producers, the largest volume of shipments goes to customers that produce building and household products. Brass rod can be used to produce plumbing products (i.e., faucets, plumbing fixtures, shower valves, pipes, pipe fittings, radiator cores and components, faucet bodies and handles, and adapters), building hardware (i.e., door handles, locks and internal lock components, escutcheons, panic bar handles, lock bodies, hardware, floor plates, fasteners, plugs, lamp and lighting fittings, and meter components), HVAC products and components (i.e., zone valves, balancing valves, valve handles, valve bonnets, mixing valves, and heat exchangers), architectural components (i.e., facias, door handles, door hardware, drawer pulls, cabinetry hardware and hinges, clock components, and engraved features such as nameplates and plaques), and products for special applications.

Brass rod is also used to produce industrial machinery and equipment and components such as pneumatic and hydraulic equipment components, welding equipment, firefighting

[12] Unless otherwise noted, the information in this section is based on Petition, Vol. I, pp. 6–9.
[13] Petitioners' postconference brief, p. I-6.
[14] Petitioners' postconference brief, p. I-6.

equipment, industrial valves, and power washing equipment. The conductivity and corrosion resistant nature of brass rod makes it useful in the production of electrical and electronic products such as connections in cell towers, fuse parts, and coaxial cable fittings.[15] It can also be used to manufacture products for applications that call for non-sparking metals.

Because of its strength and corrosion resistance, brass rod is also used to make components for the transportation and trucking industry, as well as for off road equipment including construction vehicles and military vehicles. Brass rod is used in engine systems (i.e., engine components, connector assemblies, valve guides, swash plates, caps, retainer rings, pipe couplings, battery clamps, fluid connectors, and emission system components); cooling systems (i.e., radiator cores, pump parts, radiator drain cocks, bulkhead fittings, tubing and hose fittings, tanks, tubes and tubing, and hose assemblies); driveline and braking systems (i.e., axle components, gear components, transmission, wheel components, bushings and bearings, fluid transfer systems, air brakes, and heavy-load wheel); and sensors and switches (i.e., sensor bodies, temperature switches, temperature gauges, connectors, housings, and assemblies).

In addition to those market segments defined above, brass rod is also used to produce components for a variety of consumer products such as appliances, torches, ammunition, gas grills, fire extinguishers and many other products commonly used in consumer goods.

[15] Conference transcript, p. 20 (Mitchell).

Manufacturing processes[16]

Brass rod production involves approximately nine steps: raw material receipt and analysis, melt and chemistry control, casting, billet heating, extrusion, pickling, finishing, strapping, and shipping. These steps are essentially the same in the United States and in subject countries.[17]

Raw material receipt and analysis

Brass rod is produced primarily from recycled materials, but the constituent elements of brass come from a melt of copper, zinc, and lead. Up to 98 percent of the raw material used to produce brass rod in the United States comes from scrap, supplemented with pure copper, zinc, or lead, depending on the desired chemical composition of the finished brass rod. The preferred form of scrap material is brass turnings that are returned to the mill.[18] Such brass turnings are generally the byproduct of machined brass rod but may also be in other forms of scrapped brass. Brass rod producers will supplement brass turnings with pure raw materials as well as other types of scrap such as 70/30 brass, strip scrap, recycled/post-consumer copper, bare bright, or copper cathode, based on availability.[19]

At the outset of the production process, the scrap must be sorted to ensure only material with the appropriate chemistries and specifications enters the melting operation.

Melt and chemistry control

After the raw material has been melted in a furnace, chemistry samples are taken. The samples are used to ascertain whether any of the chemical elements need to be adjusted to meet specifications. Brass rod chemistry is produced to ASTM standards or tighter internal limits, if applicable. Such adjustments include adding pure copper, zinc, and/or lead, or other trace elements to the melt. Once the chemistry meets the applicable standards, the metal can be poured into molds to create brass billets or strand cast into rod.

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[16] Unless otherwise noted, the information in this section is based on Petition, Vol. I, pp 9–12.

[17] Conference transcript, pp. 74–75 (Christie), 162–163.

[18] See part V for additional details on U.S. producers' scrap buyback programs.

[19] 70/30 brass is so named because it is made of roughly 70 percent copper and 30 percent zinc, though it can contain trace amounts (generally less than 0.1 percent) of lead and iron. While it can be used in a wide variety of applications, 70/30 brass is also known as "cartridge brass" because it is often used in shell casings. Copper strip scrap generally refers to the copper wire or cable that has been stripped of its insulation. Bare bright copper, which is generally considered to be the highest quality copper scrap, is uncoated, unalloyed, unpainted bare wire or cable that is no more 16 gauge in thickness. Bare bright copper is generally, though not always, found inside copper wire and cable once the insulation layer is stripped. Petitioners' postconference brief, p. II-5.

Casting and billet heating

Brass billets are formed by first casting large diameter logs (9 inches to 14 inches wide) that can be vertically continuous cast, or horizontally continuous cast. The logs are then cut into shorter lengths to produce billets. The billets are the raw input material needed for extrusion. Once the billets are cast and cooled, they will then be heated to make them pliable to allow for extrusion to smaller diameters. On average, most billets are heated to temperatures between 1,100 to 1,400 degrees Fahrenheit. Each extrusion size will have unique temperature parameters depending on the alloy and extrusion configuration.

Extrusion

Once heated, the billet will be transferred to the extrusion press where the billet is extruded through a die to make it into the shape and size needed. Once placed in the extrusion press, the heated billet is forced through the die creating an extruded rod. The extruded rod is lengthened, and a die may be used to produce rods in shapes, including rounds, hexagons, rectangles, squares, and other profiles. Depending on the size of the rod requested by the brass rod customer, the rod will be extruded either straight or coiled to prepare it for additional process.

Pickling and finishing

Pickling involves the application of an acid dip that takes the oxides off the surface of the metal so that it is less abrasive to tooling — this applies to both the producers' tooling but also for the machining tooling of the customer to promote longer tool life. After the rod is pickled, the brass rod is cold-drawn to complete the production process. Cold-drawing takes the product down to the size and diameter tolerance that the customer requires. As a part of the finishing process the rod is straightened and cut to length after it passes through the finish die. Finishing also finalizes the mechanical properties and machineability so that the customer can use their machining or forging equipment to efficiently produce a brass part.

Strapping and shipping

After the brass rod is cold-drawn and straightened, it goes to strapping where the brass rod is bundled for shipment. Steel bands are placed around the brass rod as it is bundled in 1,000-to-4,000-pound quantities and tagged with material identification information. The bundles are then dispatched to the customer.

Domestic like product issues

No issues with respect to domestic like product have been raised in these investigations. The petitioner proposes brass rod, as defined by the scope, is a continuum of products with different chemistries and shapes that comprise a single domestic like product.[20] Respondent Finkelstein does not dispute the domestic like product proposed by petitioners and reserves the right to reevaluate in the event of a final phase investigation.[21] Joint respondents did not provide comments in their post conference brief regarding the domestic like product.

[20] Petitioners' post conference brief, p. I-1.
[21] Respondent Finkelstein's post conference brief, p. 3.

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

U.S. market characteristics

Brass rod is used in building and household products, industrial machinery and equipment, electrical and electronic products, and automotive and truck equipment, as described in part I.[1] Use of low-lead and lead-free brass rod has increased in recent years, with these products comprising about *** percent of total domestic and import shipments in 2022 (see part IV). Machining of brass rod by customers generates a large amount of scrap, and domestic producers offer scrap buyback programs for their customers, as discussed in more detail in part V.

Most firms (*** 11 of 16 importers) indicated that the market was not subject to distinctive conditions of competition. However, five importers reported distinct conditions, including domestic manufacturers' scrap buyback programs; the importance of U.S. warehouses with large inventories and wide product range; and differing service levels, quality levels, and delivery times. *** stated that large consumers of brass rod require scrap return programs that are offered by the large domestic producers but that *** cannot offer this service because of freight costs. *** stated that it is typical to have 50 percent of the brass rod left over as scrap after machining parts. It stated the scrap is either sold back to the domestic mills or to scrap dealers at higher prices than foreign producers could offer. In addition, *** stated that some machine shops want the lowest-priced brass rod and "rarely do they care about domestic unless it's required."

*** U.S. producers and 3 of 16 importers reported changes in the product mix or marketing for brass rod since 2020. U.S. producers and importer *** reported the development and increase use of low-lead and lead-free products. Importer *** reported customers moving toward using more common alloys and away from hard-to-find alloys, and increased customer demand for more sizes and shapes and an increasing need for mills that can meet this demand.

Apparent U.S. consumption of brass rod increased overall by *** percent during 2020-22, increasing by *** percent in 2021 but then decreasing by *** percent in 2022.

[1] Petition, pp. 7-8.

Channels of distribution

Brass rod is sold both through distributors and directly to end users, including original equipment manufacturers (OEMs), machine shops, and forgers.[2] Domestic brass rod and nonsubject imports were sold mainly to end users and a much smaller share were shipped to distributors (table II-1). A majority of subject import shipments went to distributors, but a third or more of shipments in each year went to end users. Imports from Brazil, Israel, and South Korea were shipped mainly to distributors while imports from India, Mexico, and South Africa were shipped mainly to end users.[3]

Table II-1
Brass rod: Share of U.S. shipments by source, channel of distribution, and period

Shares in percent

Source	Channel	2020	2021	2022
United States	Distributors	***	***	***
United States	End users	***	***	***
Brazil	Distributors	***	***	***
Brazil	End users	***	***	***
India	Distributors	***	***	***
India	End users	***	***	***
Mexico	Distributors	***	***	***
Mexico	End users	***	***	***
South Africa	Distributors	***	***	***
South Africa	End users	***	***	***
South Korea	Distributors	***	***	***
South Korea	End users	***	***	***
Subject sources except Israel	Distributors	***	***	***
Subject sources except Israel	End users	***	***	***
Israel	Distributors	***	***	***
Israel	End users	***	***	***
Subject sources	Distributors	***	***	***
Subject sources	End users	***	***	***
Nonsubject sources	Distributors	***	***	***
Nonsubject sources	End users	***	***	***
All imports	Distributors	***	***	***
All imports	End users	***	***	***

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

[2] Petition, p. 23.

[3] The South Korean shipments included imports from ***, which imported brass rod ***.

Geographic distribution

U.S. producers and importers from each subject country reported selling brass rod to all regions in the contiguous United States (table II-2).

Table II-2
Brass rod: Count of U.S. producers' and U.S. importers' geographic markets

Region	U.S. producers	Brazil	India	Israel	Mexico	South Africa	South Korea	Subject sources
Northeast	***	5	3	***	***	***	3	10
Midwest	***	5	4	***	***	***	2	10
Southeast	***	3	4	***	***	***	1	8
Central Southwest	***	4	4	***	***	***	1	8
Mountain	***	2	2	***	***	***	1	5
Pacific Coast	***	4	3	***	***	***	2	9
Other	***	1	1	***	***	***	1	2
All regions (except Other)	***	2	2	***	***	***	1	5
Reporting firms	***	5	5	***	***	***	3	11

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

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

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 34.8 percent within 100 miles of their U.S. point of shipment, 35.8 percent between 101 and 1,000 miles, and 29.5 percent over 1,000 miles.

Supply and demand considerations

U.S. supply

Table II-3 provides a summary of the supply factors regarding brass rod from U.S. producers and from subject countries. Foreign producers in each of the subject countries reported much smaller capacity than U.S. producers, but the combined capacity in the six subject countries was about the same as U.S. capacity. South Korea had the largest capacity among subject countries by far whereas Israel had the lowest production capacity (*** percent of U.S. capacity).

Table II-3
Brass rod: Supply factors that affect the ability to increase shipments to the U.S. market, by country

Quantity in million pounds; ratios and shares in percent; count in number of firms reporting

Factor	Measure	United States	Brazil	India	Israel	Mexico	South Africa	South Korea	Subject	Subject except Israel
Capacity 2020	Quantity	***	***	***	***	***	***	***	444	***
Capacity 2022	Quantity	***	***	***	***	***	***	***	459	***
Capacity utilization 2020	Ratio	***	***	***	***	***	***	***	69.0	***
Capacity utilization 2022	Ratio	***	***	***	***	***	***	***	68.0	***
Inventories to total shipments 2020	Ratio	***	***	***	***	***	***	***	5.3	***
Inventories to total shipments 2022	Ratio	***	***	***	***	***	***	***	5.0	***
Home market shipments 2022	Share	***	***	***	***	***	***	***	59.1	***
Non-US export market shipments 2022	Share	***	***	***	***	***	***	***	***	***
Ability to shift production (firms reporting “yes”)	Count	***	***	***	***	***	***	***	6 of 8	***

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

Note: Responding U.S. producers accounted for the vast majority of U.S. production of brass rod in 2022. Responding foreign producer/exporter firms accounted for the majority of U.S. imports of brass rod from subject countries during 2022. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from each subject country, please refer to Part I, “Summary Data and Data Sources.”

Domestic production

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

U.S. producers' capacity was unchanged over the period, but U.S. producers' production increased, resulting in increased capacity utilization. U.S. producers have the potential to increase capacity over the next year. Mueller has an idled production line with a capacity of 150-200 million pounds in Belding, Michigan, that could be brought back online in three to four months and Wieland is opening a new finishing line.[4]

*** of U.S. producers' shipments went to export markets (***) in 2022. *** reported producing *** and *** reported producing *** on the same equipment as brass rod. Production of products other than brass rod accounted for a very small share of total production on shared equipment. ***.

Imports from subject countries

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

Capacity in subject countries increased overall over the period but only South Korea reported increased capacity while the other five subject countries reported unchanged capacity (India) or decreased capacity (Brazil, Israel, Mexico, and South Africa). Overall capacity utilization in subject countries declined slightly with decreases in Brazil, Mexico, and South Korea but increases in India, Israel, and South Africa.

Exports to markets other than the United States accounted for about 30 percent of combined foreign producers' total shipments in 2021. However, only South Korea had a large

[4] Petitioners' postconference brief, p. I-12.

share of exports to markets other than the United States (*** percent). The other five subject countries had shares ranging from *** percent (Mexico) to *** percent (South Africa).

Six of the eight responding foreign producers *** reported an ability to shift production to other products on the same equipment used to produce brass rod. Reported production of out-of-scope products on the same equipment comprised roughly two-fifths of total production on shared equipment during the period. Other products that responding foreign producers reportedly can produce on the same equipment as brass rod are other products made of brass and products made of copper.[5]

Imports from nonsubject sources

Nonsubject imports accounted for 6.7 percent of total U.S. imports of brass rod in 2022. The largest sources of nonsubject imports during 2020-22 were France and Germany.

Supply constraints

*** U.S. producers and 6 of 14 importers reported that they had experienced supply constraints since January 1, 2020. Petitioners stated that U.S. brass rod producers and importers had shipment delays and extended lead times resulting from COVID-19 supply disruptions.[6]

***.

Importer *** reported that in 2021, shipments from mills extended out to 20 weeks, and transportation and port delays further extended shipment times. *** also reported long production lead times and only took orders if the customer agreed to 6-month lead times. It did not accept new customers during this time. *** reported delayed deliveries because of port shutdowns and that “containers were stuck at port for weeks” during the COVID pandemic and that “many customers did not want to buy import material thereafter.” *** also reported shipment delays during early to mid-2020 related to labor and logistics issues but stated that these conditions “normalized” over the period.

[5] ***.

[6] Petition, p. 23 and conference transcript, 50-53 (Christie and Mitchell).

Several purchasers responded in the lost sales and lost revenue survey that they increased purchases of subject imports because domestic producers had tight supply, allocations, or shortages (see part V).

U.S. demand

Based on available information, the overall demand for brass rod is likely to experience small changes in response to changes in price. The main contributing factors are the limited ability to use substitute products in the short term and the small cost share of brass rod in end-use products.

End uses and cost share

U.S. demand for brass rod depends on the demand for U.S.-produced downstream products. Reported end uses include valves, fittings, machine parts, components, faucets, and doorknobs.

Brass rod is used in construction in plumbing, HVAC systems, and building hardware; industrial machinery; and transportation in automobiles and heavy trucks, and demand for brass rod generally tracks overall economic activity.[7] U.S. real GDP contracted in 2020 by 2.8 percent, increased in 2021 by 5.9 percent, and increased more slowly in 2022, by 2.1 percent.[8] In 2020, GDP shrank in the first half of the year and then rebounded strongly in the third quarter, increasing by 35.3 percent. In 2022, the U.S. economy contracted in the first half of the year and then expanded in the second half of the year. GDP grew slowly in the first quarter of 2023, by 1.3 percent.

One of the largest end-use sectors for brass rod is construction.[9] Total construction spending in the United States increased from $1.5 billion in 2020 to $1.8 billion in 2022, or by 19.7 percent.[10] U.S. total construction spending increased by 8.4 percent in 2021 and by 10.4 percent in 2022. U.S. residential housing starts increased from 2020 to 2022 by 11.0 percent, increasing by 14.9 percent in 2021 and decreasing by 3.4 percent in 2022.[11]

[7] Petition, p. 22. Conference transcript, p. 26 (Christie).

[8] U.S. Bureau of Economic Analysis, Table 1.1.1. Percent Change from Preceding Period in Real Gross Domestic Product, retrieved May 25, 2023.

[9] Conference transcript, p. 20 (Mitchell).

[10] U.S. Census Bureau, Annual Rate for Total Construction, seasonally adjusted, retrieved May 25, 2023.

[11] U.S. Census Bureau, Annual Rate for Housing Units Started, seasonally adjusted, retrieved May 25, 2023.

Brass rod accounts for a moderate share of the cost of intermediate products in which it is used but a small share of the cost of end-use products. Reported cost shares for some uses were as follows: bath/shower rough-ins -3 percent; faucets - 2 to 20 percent; fittings and valves - 35 to 50 percent; fluid delivery components for heavy trucks -35 percent, and machined parts - 60-70 percent.

Business cycles

*** U.S. producers and 6 of 16 importers reported that the brass rod market was subject to business cycles. U.S. producers reported seasonality in the market, with stronger demand in the first half of the year and lower demand in the second half of the year. They stated that seasonality often follows the construction cycle but that the pattern has varied over 2020-22 because of the pandemic. Importers reported that demand tends to follow overall industrial activity, including in construction, oil and gas, automotive, medical, and general engineering.

Demand trends

Most firms reported that U.S. demand for brass rod has fluctuated since January 1, 2020, but responses were mixed as to whether the overall trend was up or down (table II-4). U.S. producers reported that demand *** than in 2020. Importers' responses were split, with eight importers reporting decreased demand and seven reporting increased demand since 2020.

*** reported increased demand at the end of 2020 and in 2021 related to the pandemic and lower demand in 2022. Importer *** reported that U.S. demand increased from 2020 until the third quarter of 2022 and that it has since decreased. Importer *** reported an increase in demand at the end of 2020 into 2021 and slowing demand in 2022.

Table II-4
Brass rod: Count of firms' responses regarding overall domestic and foreign demand, by firm type

Market	Firm type	Steadily increase	Fluctuate up	No change	Fluctuate down	Steadily decrease
Domestic demand	U.S. producers	***	***	***	***	***
Domestic demand	Importers	1	6	1	5	3
Foreign demand	U.S. producers	***	***	***	***	***
Foreign demand	Importers	0	3	3	0	1

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

Factors contributing to increasing demand reported by importers include reshoring from China; increased U.S. population which has increased demand for water, gas, and electricity; and pandemic-related buying. Factors decreasing demand reported by importers include high interest rates and inflation, increased freight costs, and slowdown of the construction industry. Importer *** reported that economic conditions and the use of alternate materials has impacted demand for brass rod. Importer *** reported that demand declined in 2020 because of the pandemic but increased in 2021 and 2022 because of strong demand for oil and gas, construction, and general engineering. However, it noted that rising interest rates and concerns over economic growth have reduced demand more recently.

Most responding firms reported that demand outside of the United States either fluctuated up or did not change. Many firms reported that they did not know about markets outside the United States. *** reported that demand in Europe followed similar trends to demand in the United States.

Substitute products

Substitution of other products for brass rod is limited in the short term. Although *** U.S. producers and 4 of 12 importers reported that there were substitutes for brass rod, no firms reported that changes in the prices of substitute products have affected brass rod prices. Substitutes listed by firms included plastic, aluminum, and stainless steel.

According to petitioners, substituting other products for brass rod requires engineering design changes and is not generally done on a short-term basis. Petitioners reported that they did not observe any substitution of alternate products for brass rod during the period of investigation.[12] However, imports of finished products have reduced domestic demand for brass rod over the long term, with U.S. brass rod consumption down about 60 percent over the past two decades.[13] Petitioners stated that since 2020, U.S. OEMs, including five major faucet manufacturing facilities, have closed or moved their production overseas.[14]

Substitutability issues

This section assesses the degree to which U.S.-produced brass rod and imports of brass rod from subject countries can be substituted for one another by examining the importance of certain purchasing factors and the comparability of brass rod from domestic and imported

[12] Conference transcript, p. 21 (Mitchell).

[13] Conference transcript, p. 26 (Mitchell). Importer *** also reported that the U.S. brass rod market has declined over the past 20 years as imports of finished parts have increased.

[14] Conference transcript, p. 26 (Mitchell).

sources based on those factors. Based on available data, staff believes that there is a moderate-to-high degree of substitutability between domestically produced brass rod and brass rod imported from subject sources.[15] Factors contributing to this level of substitutability include general interchangeability of brass rod from different sources since the products are generally produced to ASTM standards and similar product range in the most common types of brass rod. Factors that may reduce substitutability include longer lead times from foreign sources, possible purchaser preferences for buying from producers offering brass scrap buyback programs, and differences in availability between sources at times during the period of investigation.[16]

Factors affecting purchasing decisions

Most important purchase factors

Purchasers responding to the lost sales and lost revenue survey[17] were asked to identify the main purchasing factors their firm considered in their purchasing decisions for brass rod. The most often cited top three factors were price/cost (12 firms), delivery/lead time (9 firms), and quality (3 firms), as shown in table II-5. Price/cost and quality were the most frequently cited first-most important factors (cited by 3 firms each). Delivery/lead time was the most frequently reported second-most important factor (5 firms) and price/cost was the most frequently reported third-most important factor (6 firms).

[15] The degree of substitution between domestic and imported brass rod depends upon the extent of product differentiation between the domestic and imported products and reflects how easily purchasers can switch from domestically produced brass rod to the brass rod imported from subject countries (or vice versa) when prices change. The degree of substitution may include such factors as relative prices (discounts/rebates), quality differences (e.g., grade standards, defect rates, etc.), and differences in sales conditions (e.g., lead times between order and delivery dates, reliability of supply, product services, etc.).

[16] As discussed in part V, some purchasers indicated in responses to lost sales and lost revenue surveys that they increased or decreased purchases from certain countries because of product availability.

[17] This information is compiled from responses by purchasers identified by petitioners to the lost sales and lost revenue allegations. See Part V for additional information.

Table II-5
Brass rod: Count of ranking of factors used in purchasing decisions as reported by purchasers

Factor	First	Second	Third	Total
Price/cost	3	3	6	12
Delivery/lead time	1	5	3	9
Quality	3	2	3	8
Availability/continuity of supply	1	1	1	3
Size/shape	1	1	0	2
Service	0	2	0	2
All other factors	3	0	0	3

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

Note: All other factors include flexibility on quantities ordered, long-term agreements (relationships), and scrap/chip return availability for first factor. In addition to the top-three factors, firms also mentioned dimensional, surface, and straightness capabilities, depth and breadth of product; and metal value structures on pricing as additional factors.

Lead times

Brass rod is both produced-to-order and sold from inventory. U.S. producers reported that *** percent of their commercial shipments were produced-to-order, with lead times averaging *** days. The remaining *** percent of their commercial shipments came from inventories, with lead times averaging *** days.

Importers reported that 63.2 percent their commercial shipments were produced-to-order and 36.8 percent were from U.S. inventories. Lead times averaged 68 days for produced-to-order product and 11 days for product shipped from inventories. ***.

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

In order to determine whether U.S.-produced brass rod can generally be used in the same applications as imports from each subject country, U.S. producers and importers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in table II-6 and II-7, *** reported that brass rod from all sources could *** be used interchangeably while importers' responses were more varied. Half or more of responding importers reported that imported brass rod from subject countries was always or frequently interchangeable with domestic brass rod: Brazil (5 of 8), India (5 of 9), Israel (3 of 6), Mexico (3 of 6), South Africa (3 of 5), and South Korea (4 of 8).

Several importers reported that there is general interchangeability between brass rod produced to the same ASTM standard although one importer (***) reported that within ASTM standards, different mills' brass rod can have different chemical composition and mechanical characteristics. This importer also reported that freight costs can limit

interchangeability depending on the customers' location, that Indian product is viewed as having inferior quality, and that, unlike foreign mills, U.S. producers are able to process brass scrap. *** reported that domestic product is sometimes interchangeable with that from *** because producers in these countries provide customized products for smaller customers. As an example, it stated that ***.

Table II-6
Brass rod: Count of U.S. producers reporting the interchangeability between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
United States vs. Brazil	***	***	***	***
United States vs. India	***	***	***	***
United States vs. Israel	***	***	***	***
United States vs. Mexico	***	***	***	***
United States vs. South Africa	***	***	***	***
United States vs. South Korea	***	***	***	***
Brazil vs. India	***	***	***	***
Brazil vs. Israel	***	***	***	***
Brazil vs. Mexico	***	***	***	***
Brazil vs. South Africa	***	***	***	***
Brazil vs. South Korea	***	***	***	***
India vs. Israel	***	***	***	***
India vs. Mexico	***	***	***	***
India vs. South Africa	***	***	***	***
India vs. South Korea	***	***	***	***
Israel vs. Mexico	***	***	***	***
Israel vs. South Africa	***	***	***	***
Israel vs. South Korea	***	***	***	***
Mexico vs. South Africa	***	***	***	***
Mexico vs. South Korea	***	***	***	***
South Africa vs. South Korea	***	***	***	***
United States vs. Other	***	***	***	***
Brazil vs. Other	***	***	***	***
India vs. Other	***	***	***	***
Israel vs. Other	***	***	***	***
Mexico vs. Other	***	***	***	***
South Africa vs. Other	***	***	***	***
South Korea vs. Other	***	***	***	***

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

Table II-7
Brass rod: Count of importers reporting the interchangeability between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
United States vs. Brazil	4	1	2	1
United States vs. India	3	2	3	1
United States vs. Israel	3	0	2	1
United States vs. Mexico	2	1	2	1
United States vs. South Africa	3	0	1	1
United States vs. South Korea	4	0	3	1
Brazil vs. India	2	2	2	1
Brazil vs. Israel	3	1	1	1
Brazil vs. Mexico	2	1	1	1
Brazil vs. South Africa	2	1	0	1
Brazil vs. South Korea	3	1	0	1
India vs. Israel	2	1	2	1
India vs. Mexico	2	0	2	1
India vs. South Africa	2	0	1	1
India vs. South Korea	2	1	1	1
Israel vs. Mexico	2	1	1	1
Israel vs. South Africa	2	1	1	1
Israel vs. South Korea	3	1	1	1
Mexico vs. South Africa	2	1	0	1
Mexico vs. South Korea	2	1	0	1
South Africa vs. South Korea	2	1	0	1
United States vs. Other	3	0	2	1
Brazil vs. Other	3	1	1	1
India vs. Other	2	1	2	1
Israel vs. Other	3	1	0	1
Mexico vs. Other	2	1	1	1
South Africa vs. Other	2	1	0	1
South Korea vs. Other	2	1	0	1

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

Note: Importer counts include the importer questionnaire response of U.S. producer Wieland.

In addition, U.S. producers and importers were asked to assess how often differences other than price were significant in sales of brass rod from the United States, subject, or nonsubject countries. *** reported that such differences were *** significant in their sales (table II-8). Importer responses varied, with a majority of importers reporting that factors other than price between each subject country and domestic product were at least sometimes significant in their sales (table II-9).

Table II-8
Brass rod: Count of U.S. producers reporting the significance of differences other than price between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
United States vs. Brazil	***	***	***	***
United States vs. India	***	***	***	***
United States vs. Israel	***	***	***	***
United States vs. Mexico	***	***	***	***
United States vs. South Africa	***	***	***	***
United States vs. South Korea	***	***	***	***
Brazil vs. India	***	***	***	***
Brazil vs. Israel	***	***	***	***
Brazil vs. Mexico	***	***	***	***
Brazil vs. South Africa	***	***	***	***
Brazil vs. South Korea	***	***	***	***
India vs. Israel	***	***	***	***
India vs. Mexico	***	***	***	***
India vs. South Africa	***	***	***	***
India vs. South Korea	***	***	***	***
Israel vs. Mexico	***	***	***	***
Israel vs. South Africa	***	***	***	***
Israel vs. South Korea	***	***	***	***
Mexico vs. South Africa	***	***	***	***
Mexico vs. South Korea	***	***	***	***
South Africa vs. South Korea	***	***	***	***
United States vs. Other	***	***	***	***
Brazil vs. Other	***	***	***	***
India vs. Other	***	***	***	***
Israel vs. Other	***	***	***	***
Mexico vs. Other	***	***	***	***
South Africa vs. Other	***	***	***	***
South Korea vs. Other	***	***	***	***

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

Table II-9
Brass rod: Count of importers reporting the significance of differences between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
United States vs. Brazil	2	3	1	2
United States vs. India	2	2	2	2
United States vs. Israel	1	1	1	2
United States vs. Mexico	2	1	1	1
United States vs. South Africa	2	0	1	1
United States vs. South Korea	2	1	1	2
Brazil vs. India	1	2	0	3
Brazil vs. Israel	1	0	1	3
Brazil vs. Mexico	2	0	0	2
Brazil vs. South Africa	1	0	0	2
Brazil vs. South Korea	1	0	0	2
India vs. Israel	1	0	2	2
India vs. Mexico	2	0	0	2
India vs. South Africa	1	0	0	2
India vs. South Korea	1	0	1	2
Israel vs. Mexico	2	0	1	2
Israel vs. South Africa	1	0	1	2
Israel vs. South Korea	1	0	1	3
Mexico vs. South Africa	1	0	0	2
Mexico vs. South Korea	1	0	0	2
South Africa vs. South Korea	1	0	0	2
United States vs. Other	1	0	1	2
Brazil vs. Other	1	0	0	2
India vs. Other	1	0	1	2
Israel vs. Other	1	0	0	3
Mexico vs. Other	1	0	0	2
South Africa vs. Other	1	0	0	2
South Korea vs. Other	1	0	0	3

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

Note: Importer counts include the importer questionnaire response of U.S. producer Wieland.

Differences other than price reported by importers included ability to source customized products from foreign producers, availability, domestic brass scrap buyback programs, customer requests for made in USA product, freight costs, longer lead times from foreign sources, mills with specialty certifications, minimum order quantity requirements, quality differences between mills, relationships with mills, technical support, and U.S. warehouses with extensive inventories.

*** reported that factors other than price were frequently significant in comparing sales of the U.S. and Korean products, citing delivery, quality, and service as factors. *** reported that factors other than price were sometimes significant between U.S. product and all subject sources, stating that the domestic mills have shorter lead times than foreign mills. *** reported that some brass products are not produced domestically and that some customers specifically request product made by its overseas supplier because of quality, availability, or because they prefer not to purchase from the large U.S. producers. *** reported that domestic producers have advantages over imports in shorter delivery time, availability of scrap buyback programs, the ability to provide less than truckload shipments, and a larger product range, particularly for shapes and hollow bars.

*** reported that factors include quality differences between brass rod produced in different mills that affects machining characteristics, availability (since all mills have limited capacity), limited availability of brass scrap in some countries, freight costs, U.S. producers' advantage in technical support since they are in nearby time zones to consumers, and capital financing. ***, reported that mills with scrap buyback programs have a "huge advantage" over other suppliers and that other factors include suppliers with U.S. warehouses with an extended inventory of sizes and shapes, customer requests for "made in USA," and brass rod mills with specific certifications such as ***. ***.

*** reported that *** is the most important factor in its sales, and that the *** and offers more customized brass rod than other mills. ***, and the most important factors for purchasing from these sources are reliability/availability and relationship/technical support. In addition, these suppliers provide customized product and will produce small volumes whereas distributors for U.S. mills will not develop customized products for *** since it is viewed as a competitor.

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

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the subsidies and dumping margins was presented in Part I of this report and information on the volume and pricing of imports of the subject merchandise is presented in Part IV and Part V. Information on the other factors specified is presented in this section and/or Part VI and (except as noted) is based on the questionnaire responses of two firms that accounted for the vast majority of U.S. production of brass rod during 2022.

U.S. producers

The Commission issued a U.S. producer questionnaire to three firms based on information contained in the petition: CXM, Mueller, and Wieland. Mueller and Wieland provided usable data on their operations.[1] Staff believes that these responses represent the vast majority of U.S. production of brass rod.

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

[1] CXM indicated production of brass rod ***. CXM's U.S. producer questionnaire response, section II-3a.

Table III-1
Brass rod: U.S. producers, their positions on the petition, production locations, and shares of reported production, 2022

Share in percent

Firm	Position on petition	Production location(s)	Share of production
Mueller	Petitioner	Port Huron, MI Belding, MI	***
Wieland	Petitioner	Montpelier, OH	***
All firms	Various	Various	100.0

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

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

Table III-2
Brass rod: U.S. producers' ownership, related and/or affiliated firms

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

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

As indicated in table III-2, ***. No U.S. producers are related to U.S. importers of the subject merchandise. In addition, no U.S. producers directly import the subject merchandise or purchases the subject merchandise from U.S. importers, although *** directly imports the brass rod from a ***. U.S. importer *** reported the *** as one of its ten largest customers for brass rod[2] during the period for which data were collected, accounting for *** percent of its U.S. shipments of brass rod in 2022.[3]

[2] A witness for Aviva testified at the staff conference that "Petitioner Mueller Brass Company buys certain products from us on a regular basis that fall within the scope of the petition and which we import from {South African producer Non-Ferrous}," but that the quantities purchased by Mueller were "miniscule" and that, in totality, Mueller was "a small customer in terms of weight that they buy in relation to the totality of the weight that we sell." Conference transcript, pp. 108 and 131-32 (Greathead).

[3] *** importer questionnaire response, section III-12.

Table III-3 presents events in the U.S. industry since January 1, 2020.

Table III-3
Brass rod: Important industry events since 2020

Item	Firm	Event
Acquisition	Wieland	In May 2022, Wieland acquired Total Metal Recycling, based in Granite City, IL. The acquisition allowed Wieland to expand its processing of scrap materials including copper scrap.
Plant construction	Wieland	In June 2022, Wieland broke ground on a new recycling facility in Shelbyville, KY. Wieland stated that the plant will melt and recycle copper and copper alloy scrap for use in manufacturing semi-finished products.

Source: Wieland Chase, "With the acquisition of Totall Metal Recycling, Wieland steps ahead towards red metal recycling leadership in North America," May 2, 2022, https://www.wieland.com/en/Media/press-releases/press-release-wieland-acquires-totall-metal-recycling.pdf. Wieland, "Wieland breaks ground on recycling and refining center in Shelbyville, KY," June 30, 2022, https://www.wieland.com/en/Media/press-releases/press-release-wieland-breaks-ground-on-recycling-center-in-shelbyville.pdf.

Producers in the United States were asked to report any change in the character of their operations or organization relating to the production of brass rod since 2020. Both producers indicated in their questionnaires that they had experienced such changes.[4] Table III-4 presents the changes identified by these producers.

Table III-4
Brass rod: U.S. producers' reported changes in operations, since January 1, 2020

Item	Firm name and narrative response on changes in operations
Prolonged shutdowns	***
Prolonged curtailments	***
Expansions	***
Expansions	***
Other	***
Other	***

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

[4] Mueller testified that it idled its brass rod production facility in Belding, Michigan at the end of 2019. The facility produced specialty brass rod products in a more efficient manner than its current production facility to Port Huron, Michigan. Petitioners testified, if demand were in place, the facility could be operational in three to four months. Conference transcript, pp. 35-37 (Levy and Mitchell).

U.S. production, capacity, and capacity utilization

Table III-5 presents U.S. producers' installed capacity, practical capacity, and production on the same equipment used to produce brass rod. During 2020-22, U.S. producers' installed overall capacity was increased by *** percent while practical overall capacity remained the same during 2020-21 and decreased by *** percent in 2022. This change was driven by ***.[5] U.S producers' practical brass rod capacity *** throughout the period for which data were collected. During 2020-22, *** devoted over *** percent of their practical overall capacity to brass rod. Overall production on the same equipment and machinery and brass rod production were both highest in 2021 but overall increased by *** percent and by *** percent, respectively during 2020-22. Capacity utilization for overall production and brass rod production were also highest in 2021 with an overall increase of *** percentage points and *** percentage points, respectively during 2020-22.

Table III-5
Brass rod: U.S. producers' installed and practical capacity, production, and utilization on the same equipment as subject production, by period

Capacity and production in 1,000 pounds; utilization in percent

Item	Measure	2020	2021	2022
Installed overall	Capacity	***	***	***
Installed overall	Production	***	***	***
Installed overall	Utilization	***	***	***
Practical overall	Capacity	***	***	***
Practical overall	Production	***	***	***
Practical overall	Utilization	***	***	***
Practical brass rod	Capacity	***	***	***
Practical brass rod	Production	***	***	***
Practical brass rod	Utilization	***	***	***

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

[5] Email from ***, May 16, 2023.

Table III-6 presents U.S. producers' reported constraints to overall capacity.

Table III-6
Brass rod: U.S. producers' reported constraints to practical overall capacity, since January 1, 2020

Item	Firm name and narrative response on constraints to practical overall capacity
Production bottlenecks	***
Production bottlenecks	***
Existing labor force	***

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

Table III-7 presents U.S. producers' reported impacts of the COVID-19 pandemic.

Table III-7
Brass rod: Narratives describing the Impact of COVID-19

Firm	Narrative on capital expenditures
Mueller	***
Wieland	***

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

Table III-8 and figure III-1 present U.S. producers' production, capacity, and capacity utilization. During 2020-22, U.S. producers' capacity *** in each period. Both Mueller and Wieland experienced their highest production and capacity utilization in 2021 but ended 2022 with higher production and capacity utilization rates than in 2020. During 2020-22, Mueller's and Wieland's production increased by *** percent and by *** percent, respectively. During 2020-22, Mueller's and Wieland's capacity utilization rates increased by *** percentage points and by *** percentage points, respectively.

Table III-8
Brass rod: Firm-by-firm capacity, by period

Capacity

Capacity in 1,000 pounds

Firm	2020	2021	2022
Mueller	***	***	***
Wieland	***	***	***
All firms	***	***	***

Table continued.

Table III-8 Continued
Brass rod: Firm-by-firm production, by period

Production

Production in 1,000 pounds

Firm	2020	2021	2022
Mueller	***	***	***
Wieland	***	***	***
All firms	***	***	***

Table continued.

Table III-8 Continued
Brass rod: Firm-by-firm capacity utilization, by period

Capacity utilization

Ratio in percent

Firm	2020	2021	2022
Mueller	***	***	***
Wieland	***	***	***
All firms	***	***	***

Note: Capacity utilization ratio represents the ratio of the U.S. producer's production to its production capacity.

Table continued.

Table III-8 Continued
Brass rod: Firm-by-firm share of production, by period

Share of production

Share in percent

Firm	2020	2021	2022
Mueller	***	***	***
Wieland	***	***	***
All firms	100.0	100.0	100.0

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

Figure III-1
Brass rod: U.S. producers' production, capacity, and capacity utilization, by period

* * * * * * *

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

Alternative products

As shown in table III-9, over *** percent of the product produced during 2020-22 by U.S. producers was brass rod. ***.[6]

Table III-9
Brass rod: U.S. producers' overall capacity and production on the same equipment as subject production, by period

Quantity in 1,000 pounds; share in percent

Item	Measure	2020	2021	2022
Brass rod	Quantity	***	***	***
Other products made of brass	Quantity	***	***	***
Bronze products	Quantity	***	***	***
Other products	Quantity	***	***	***
Out-of-scope products	Quantity	***	***	***
All products on the same machinery	Quantity	***	***	***
Brass rod	Share	***	***	***
Other products made of brass	Share	***	***	***
Bronze products	Share	***	***	***
Other products	Share	***	***	***
Out-of-scope products	Share	***	***	***
All products on the same machinery	Share	100.0	100.0	100.0

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. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

[6] *** U.S. producer questionnaire responses, section II-3a.

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

Table III-10 presents U.S. producers' U.S. shipments, export shipments, and total shipments. U.S. shipments accounted for over *** percent of total shipments, both in terms of quantity and in terms of value, during 2020-22.[7] Overall, U.S. shipments' share of total shipments, both in terms of quantity and in terms of value, remained somewhat constant during 2020-22. U.S. producers' U.S. shipments, in terms of quantity and in terms of value, were highest in 2021 and overall increased by *** percent and by *** percent, respectively, during 2020-22. During 2020-22, the unit value of U.S. producers' U.S. shipments increased by *** percent ($*** per pound).

Table III-10
Brass rod: U.S. producers' total shipments, by destination and period

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

Item	Measure	2020	2021	2022
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	100.0	100.0	100.0
U.S. shipments	Share of value	***	***	***
Export shipments	Share of value	***	***	***
Total shipments	Share of value	100.0	100.0	100.0

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

[7] ***. *** U.S. producer questionnaire response, section II-8.

Table III-11 presents U.S. producers' U.S. shipments by type including toll production and table III-12 presents U.S. producers' U.S. shipments excluding toll production. Figure III-2 presents the average unit value of U.S. producers' U.S. shipments by shipment type. During 2020-22, total commercial U.S. shipments accounted for over *** percent of U.S. shipments both in terms of quantity and in terms of value. Tolled commercial shipments accounted for between *** percent and *** percent of U.S. shipments by quantity and between *** percent and *** percent of U.S. shipments by value. Both firms engaged in toll production-producing brass rod from raw materials provided and owned by the customer. The unit value of tolled U.S. shipments was $*** per pound lower in 2020 and $*** per pound lower in 2021 and 2022 than commercial non-tolled U.S. shipments. Transfers accounted for less than *** percent of U.S. shipments, both including tolled commercial shipments and excluding tolled commercial shipments during 2020-22. Neither firm reported *** during the period for which data collected and *** was the only firm to report transfers to related firms.

Table III-11
Brass rod: U.S. producers' U.S. shipments, by type and period

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

Item	Measure	2020	2021	2022
Commercial non-toll U.S. shipments	Quantity	***	***	***
Commercial toll U.S. shipments	Quantity	***	***	***
Commercial U.S. shipments	Quantity	***	***	***
Transfers to related firms	Quantity	***	***	***
U.S. shipments	Quantity	***	***	***
Commercial non-toll U.S. shipments	Value	***	***	***
Commercial toll U.S. shipments	Value	***	***	***
Commercial U.S. shipments	Value	***	***	***
Transfers to related firms	Value	***	***	***
U.S. shipments	Value	***	***	***
Commercial non-toll U.S. shipments	Unit value	***	***	***
Commercial toll U.S. shipments	Unit value	***	***	***
Commercial U.S. shipments	Unit value	***	***	***
Transfers to related firms	Unit value	***	***	***
U.S. shipments	Unit value	***	***	***
Commercial non-toll U.S. shipments	Share of quantity	***	***	***
Commercial toll U.S. shipments	Share of quantity	***	***	***
Commercial U.S. shipments	Share of quantity	***	***	***
Transfers to related firms	Share of quantity	***	***	***
U.S. shipments	Share of quantity	100.0	100.0	100.0
Commercial non-toll U.S. shipments	Share of value	***	***	***
Commercial toll U.S. shipments	Share of value	***	***	***
Commercial U.S. shipments	Share of value	***	***	***
Transfers to related firms	Share of value	***	***	***
U.S. shipments	Share of value	100.0	100.0	100.0

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

Table III-12
Brass rod: U.S. producers' U.S. shipments, by type and period, excluding tolling

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

Item	Measure	2020	2021	2022
Commercial non-toll U.S. shipments	Quantity	***	***	***
Transfers to related firms	Quantity	***	***	***
U.S. shipments excluding toll shipments	Quantity	***	***	***
Commercial non-toll U.S. shipments	Value	***	***	***
Transfers to related firms	Value	***	***	***
U.S. shipments excluding toll shipments	Value	***	***	***
Commercial non-toll U.S. shipments	Unit value	***	***	***
Transfers to related firms	Unit value	***	***	***
U.S. shipments excluding toll shipments	Unit value	***	***	***
Commercial non-toll U.S. shipments	Share of quantity	***	***	***
Transfers to related firms	Share of quantity	***	***	***
U.S. shipments excluding toll shipments	Share of quantity	100.0	100.0	100.0
Commercial non-toll U.S. shipments	Share of value	***	***	***
Transfers to related firms	Share of value	***	***	***
U.S. shipments excluding toll shipments	Share of value	100.0	100.0	100.0

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

Figure III-2
Brass rod: Average unit value of U.S. producers' U.S. shipments, by shipment type and period

* * * * * * *

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

U.S. producers' inventories

Table III-13 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. *** reported end-of-period inventories during the period for which data were collected. U.S. producers' end-of-period inventories decreased by *** percent during 2020-22. During 2020-21, U.S. producers' end-of-period inventories as a ratio to U.S. production, U.S. shipments, and total shipments declined in 2021 then increased slightly in 2022 with all three ratios ending *** percentage points, *** percentage points, and *** percentage points, respectively, lower in 2022 compared to 2020.

Table III-13
Brass rod: U.S. producers' inventories and their ratio to select items, by period

Quantity in 1,000 pounds; ratio in percent

Item	2020	2021	2022
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 from subject sources

No responding U.S. producer reported imports from subject sources of brass rod during 2020-22.

U.S. producers' purchases of imports from subject sources

No responding U.S. producer reported purchases of brass rod during 2020-22.[8]

[8] *** reported the *** as one of its ten largest customers for brass rod during the period for which data were collected. *** importer questionnaire response, section III-12.

U.S. employment, wages, and productivity

Table III-14 shows U.S. producers' employment-related data. During 2020-21, production related workers ("PRWs") increased by *** percent, then decreased to a similar level in 2022 as in 2020. Total hours worked, hours worked per PRW, and total wages all were highest in 2021, but overall increased by *** percent, by *** percent, and by *** percent, respectively, during 2020-22. Hourly wages increased annually and overall, by *** percent during 2020-22. Productivity remained relatively constant during 2020-21 then decreased by *** percent in 2022.[9] Unit labor costs increased annually and by *** percent during 2020-22.

Table III-14
Brass rod: U.S. producers' employment related information, by period

Item	2020	2021	2022
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.

[9] ***. Email from ***, May 16, 2023.

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

U.S. importers

The Commission issued importer questionnaires to 41 firms believed to be importers of subject brass rod, as well as to all U.S. producers of brass rod.[1] Usable questionnaire responses[2] were received from 16 companies, representing *** percent of U.S. imports from Brazil; *** percent of U.S. imports from India; *** percent of U.S. imports from South Korea; and *** U.S. imports from Mexico and South Africa in 2022 under HTS subheadings, 7407.21.15. 7407.21.30, 7407.21.70, and 7407.21.90 "basket" categories and *** U.S.[3] imports from Israel in 2022 under HTS subheading 7403.21.00.[4] Table IV-1 lists all responding U.S. importers of brass rod from Brazil, India, Israel, Mexico, South Africa, South Korea, and other sources, their locations, and their shares of U.S. imports, in 2022.[5]

[1] The Commission issued questionnaires to those firms identified in the petition, 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 HTS subheadings 7407.21.15. 7407.21.30, 7407.21.70, and 7407.21.90 in 2022.

[2] *** indicated that they have not imported brass rod from any source since January 1, 2020. In addition, ***. Email from ***, May 2, 2023.

[3] Petitioners and respondents did not specifically identify any large missing importers of brass rod. Conference transcript, p. 38 (Levy). Respondent Finkelstein's post conference brief, p. 35.

[4] U.S. imports of brass rod from Israel are believed to be misclassified under HTS subheading 7403.21.00. HTS subheading 7403.21.00 covers out-of-scope copper-zinc base alloys however in-scope brass rod from Israel is believed to be misclassified under HTS subheading 7403.21.00. Conference transcript, p. 38 (Levy).

[5] U.S. imports are based on questionnaire data. Official import statistics are presented in appendix D.

Table IV-1
Brass rod: U.S. importers, their headquarters, and share of imports within each source, 2022

Share in percent

Firm	Headquarters	Subject sources	Nonsubject sources	All import sources
Alpax	Houston, TX	***	***	***
Alpine	Tampa, FL	***	***	***
Aviva	Houston, TX	***	***	***
Cambridge-Lee	Reading, PA	***	***	***
Concast	Wakeman, OH	***	***	***
Daechang Lloyds	Irvine, CA	***	***	***
Delta	Indianapolis, IN	***	***	***
Finkelstein USA	Elk Grove Village, IL	***	***	***
Liberty	Livingston, NJ	***	***	***
Nacobre	Houston, TX	***	***	***
Poongsan America	Los Angeles, CA	***	***	***
Sequoia	Hayward, CA	***	***	***
Termomecanica	São Bernardo Do Campo, SP	***	***	***
Vail	New York, NY	***	***	***
Vero	Wayne, NJ	***	***	***
Wieland	Montpelier, OH	***	***	***
All firms	Various	100.0	100.0	100.0

Table continued.

Table IV-1 Continued
Brass rod: U.S. importers, their headquarters, and share of imports within each source, 2022

Share in percent

Firm	Headquarters	Brazil	India	Israel	Mexico	South Africa	South Korea
Alpax	Houston, TX	***	***	***	***	***	***
Alpine	Tampa, FL	***	***	***	***	***	***
Aviva	Houston, TX	***	***	***	***	***	***
Cambridge-Lee	Reading, PA	***	***	***	***	***	***
Concast	Wakeman, OH	***	***	***	***	***	***
Daechang Lloyds	Irvine, CA	***	***	***	***	***	***
Delta	Indianapolis, IN	***	***	***	***	***	***
Finkelstein USA	Elk Grove Village, IL	***	***	***	***	***	***
Liberty	Livingston, NJ	***	***	***	***	***	***
Nacobre	Houston, TX	***	***	***	***	***	***
Poongsan America	Los Angeles, CA	***	***	***	***	***	***
Sequoia	Hayward, CA	***	***	***	***	***	***
Termomecanica	São Bernardo Do Campo, SP	***	***	***	***	***	***
Vail	New York, NY	***	***	***	***	***	***
Vero	Wayne, NJ	***	***	***	***	***	***
Wieland	Montpelier, OH	***	***	***	***	***	***
All firms	Various	100.0	100.0	100.0	100.0	100.0	100.0

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

U.S. imports

Table IV-2, table IV-3, and figure IV-1 present data for U.S. imports of brass rod from Brazil, India, Israel, Mexico, South Africa, South Korea, and all other sources.

U.S. imports of brass rod from combined subject sources during 2020-22 accounted for a decreasing share of total imports of brass rod, decreasing from 95.5 percent in 2020 to 93.3 percent in 2022, in terms of quantity. During 2020-22, U.S. imports of brass rod from subject sources was highest in 2021 (all sources but Brazil and India) but overall, during 2020-22 increased, in terms of quantity, and value by 32.7 percent and by 100.1 percent, respectively. During 2020-22, the unit value of imports from subject sources increased by 51.7 percent from $2.47 per pound of brass rod in 2020 to $3.75 per pound of brass rod in 2022.

As a ratio to U.S. production, U.S. imports of brass rod from subject sources and nonsubject sources increased during 2020-22 and remained below *** percent and *** percent, respectively, of U.S. production throughout the period for which data were collected.

Table IV-2
Brass rod: U.S. imports by source and period

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

Source	Measure	2020	2021	2022
Brazil	Quantity	***	***	***
India	Quantity	***	***	***
Mexico	Quantity	***	***	***
South Africa	Quantity	***	***	***
South Korea	Quantity	***	***	***
Subject sources except Israel	Quantity	***	***	***
Israel	Quantity	***	***	***
Subject sources	Quantity	23,500	36,393	31,180
Nonsubject sources	Quantity	1,100	2,686	2,242
All import sources	Quantity	24,600	39,079	33,422
Brazil	Value	***	***	***
India	Value	***	***	***
Mexico	Value	***	***	***
South Africa	Value	***	***	***
South Korea	Value	***	***	***
Subject sources except Israel	Value	***	***	***
Israel	Value	***	***	***
Subject sources	Value	58,120	125,868	117,004
Nonsubject sources	Value	2,894	9,328	10,283
All import sources	Value	61,014	135,196	127,287
Brazil	Unit value	***	***	***
India	Unit value	***	***	***
Mexico	Unit value	***	***	***
South Africa	Unit value	***	***	***
South Korea	Unit value	***	***	***
Subject sources except Israel	Unit value	***	***	***
Israel	Unit value	***	***	***
Subject sources	Unit value	2.47	3.46	3.75
Nonsubject sources	Unit value	2.63	3.47	4.59
All import sources	Unit value	2.48	3.46	3.81

Table continued.

Table IV-2 Continued
Brass rod: Share of U.S. imports by source and period

Share and ratio in percent

Source	Measure	2020	2021	2022
Brazil	Share of quantity	***	***	***
India	Share of quantity	***	***	***
Mexico	Share of quantity	***	***	***
South Africa	Share of quantity	***	***	***
South Korea	Share of quantity	***	***	***
Subject sources except Israel	Share of quantity	***	***	***
Israel	Share of quantity	***	***	***
Subject sources	Share of quantity	95.5	93.1	93.3
Nonsubject sources	Share of quantity	4.5	6.9	6.7
All import sources	Share of quantity	100.0	100.0	100.0
Brazil	Share of value	***	***	***
India	Share of value	***	***	***
Mexico	Share of value	***	***	***
South Africa	Share of value	***	***	***
South Korea	Share of value	***	***	***
Subject sources except Israel	Share of value	***	***	***
Israel	Share of value	***	***	***
Subject sources	Share of value	95.3	93.1	91.9
Nonsubject sources	Share of value	4.7	6.9	8.1
All import sources	Share of value	100.0	100.0	100.0
Brazil	Ratio	***	***	***
India	Ratio	***	***	***
Mexico	Ratio	***	***	***
South Africa	Ratio	***	***	***
South Korea	Ratio	***	***	***
Subject sources except Israel	Ratio	***	***	***
Israel	Ratio	***	***	***
Subject sources	Ratio	***	***	***
Nonsubject sources	Ratio	***	***	***
All import sources	Ratio	***	***	***

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

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

Figure IV-1
Brass rod: U.S. import quantities and average unit values, by source and period

* * * * * * *

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

During 2020-22, U.S. imports of brass rod from Brazil increased annually and overall, in terms of quantity and in terms of value, by *** percent and by *** percent, respectively. As a result of value increasing at a higher rate than quantity, the unit value of U.S. imports from Brazil increased from $*** per pound in 2020 to $*** per pound in 2022.During 2020-22, U.S. imports of brass rod from Brazil had an increasing share of total imports, in terms of quantity, accounting for *** percent of imports in 2020 and *** percent of imports in 2022.

During 2020-22, U.S. imports of brass rod from India fluctuated but overall, in terms of quantity, increased by *** percent. Meanwhile, during 2020-22, U.S. imports of brass rod from India increased annually and overall, in terms of value, by *** percent. As a result of value increasing at a higher rate than quantity, the unit value of U.S. imports from India increased from $*** per pound in 2020 to $*** per pound in 2022. During 2020-22, U.S. imports of brass rod from India had a fluctuating share of total imports, in terms of quantity, accounting for between *** percent of imports in 2021 and *** percent of imports in 2022.

During 2020-22, U.S. imports of brass rod from Israel fluctuated but overall, in terms of quantity and in terms of value, increased by *** percent and by *** percent, respectively. As a result of value increasing at a higher rate than quantity, the unit value of U.S. imports from Israel increased from $*** per pound in 2020 to $*** per pound in 2022. During 2020-22, U.S. imports of brass rod from Israel had a fluctuating share of total imports, in terms of quantity, accounting for between *** percent of imports in 2020 and *** percent of imports in 2021.

During 2020-22, U.S. imports of brass rod from Mexico fluctuated but overall, in terms of quantity and in terms of value, increased by *** percent and by *** percent, respectively. As a result of value increasing at a higher rate than quantity, the unit value of U.S. imports from Mexico increased from $*** per pound in 2020 to $*** per pound in 2022.During 2020-22U.S. imports of brass rod from Mexico had a decreasing share of total imports, in terms of quantity, accounting for *** percent of imports in 2020 and *** percent of imports in 2022.

During 2020-22, U.S. imports of brass rod from South Africa fluctuated but overall, in terms of quantity and in terms of value, increased by *** percent and by *** percent, respectively. As a result of value increasing at a higher rate than quantity, the unit value of U.S. imports from South Africa increased from $*** per pound in 2020 to $*** per pound in 2022.During 2020-22, U.S. imports of brass rod from South Africa had a fluctuating share of total imports, in terms of quantity, accounting for between *** percent of imports in 2021 and *** percent of imports in 2022.

During 2020-22, U.S. imports of brass rod from South Korea fluctuated but overall, in terms of quantity and in terms of value, increased by *** percent and by *** percent, respectively. As a result of value increasing at a higher rate than quantity, the unit value of U.S. imports from South Korea increased from $*** per pound in 2020 to $*** per pound in 2022. During 2020-22, U.S. imports of brass rod from South Korea had a decreasing share of total imports, in terms of quantity, accounting for *** percent of imports in 2020 and *** percent of imports in 2022.

During 2020-22, U.S. imports of brass rod from nonsubject sources fluctuated but overall, in terms of quantity and in terms of value, increased by 103.8 percent and by 255.3 percent. As a result of value increasing at a higher rate than quantity, the unit value of U.S. imports from nonsubject sources increased from $2.63 per pound in 2020 to $4.59 per pound in 2022.During 2020-22, U.S. imports of brass rod from nonsubject sources had an increasing share of total imports, in terms of quantity, accounting for 4.5 percent of imports in 2020 and 6.9 percent of imports in 2021.

Table IV-3
Brass rod: Changes in import quantity, values, and unit values between comparison periods

Source	Measure	2020-22	2020-22	2021-22
Brazil	%Δ Quantity	▲***	▲***	▲***
India	%Δ Quantity	▲***	▼***	▲***
Mexico	%Δ Quantity	▲***	▲***	▼***
South Africa	%Δ Quantity	▲***	▲***	▼***
South Korea	%Δ Quantity	▲***	▲***	▼***
Subject sources except Israel	%Δ Quantity	▲***	▲***	▼***
Israel	%Δ Quantity	▲***	▲***	▼***
Subject sources	%Δ Quantity	▲32.7	▲54.9	▼(14.3)
Nonsubject sources	%Δ Quantity	▲103.8	▲144.2	▼(16.5)
All import sources	%Δ Quantity	▲35.9	▲58.9	▼(14.5)
Brazil	%Δ Value	▲***	▲***	▲***
India	%Δ Value	▲***	▲***	▲***
Mexico	%Δ Value	▲***	▲***	▼***
South Africa	%Δ Value	▲***	▲***	▼***
South Korea	%Δ Value	▲***	▲***	▼***
Subject sources except Israel	%Δ Value	▲***	▲***	▼***
Israel	%Δ Value	▲***	▲***	▼***
Subject sources	%Δ Value	▲101.3	▲116.6	▼(7.0)
Nonsubject sources	%Δ Value	▲255.3	▲222.3	▲10.2
All import sources	%Δ Value	▲108.6	▲121.6	▼(5.9)
Brazil	%Δ Unit value	▲***	▲***	▲***
India	%Δ Unit value	▲***	▲***	▲***
Mexico	%Δ Unit value	▲***	▲***	▲***
South Africa	%Δ Unit value	▲***	▲***	▲***
South Korea	%Δ Unit value	▲***	▲***	▲***
Subject sources except Israel	%Δ Unit value	▲***	▲***	▲***
Israel	%Δ Unit value	▲***	▲***	▲***
Subject sources	%Δ Unit value	▲51.7	▲39.8	▲8.5
Nonsubject sources	%Δ Unit value	▲74.3	▲32.0	▲32.1
All import sources	%Δ Unit value	▲53.6	▲39.5	▲10.1

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.[6] Negligible imports are generally defined in the Act, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.[7] Imports from Brazil, India, Israel, Mexico, South Africa, and South Korea accounted for 91.1 percent of total imports of brass rod by quantity during April 2022 through March 2023. Imports from combined subject sources excluding Israel accounted for *** percent of total imports of brass rod by quantity during April 2022 through March 2023.

Table IV-4
Brass rod: U.S. imports in the twelve-month period preceding the filing of the petition, April 2022 through March 2023

Quantity in 1,000 pounds; share in percent

Source of imports	Quantity	Share of quantity
Brazil	***	***
India	***	***
Mexico	***	***
South Africa	***	***
South Korea	***	***
Subject sources except Israel	***	***
Israel	***	***
Subject sources	26,811	91.1
Nonsubject sources	2,614	8.9
All import sources	29,425	100.0

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

[6] 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)).

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

Cumulation considerations

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

Fungibility

Table IV-5 and figure IV-2 present U.S. producers' and U.S. importers' U.S. shipments, by type of brass rod (lead-free, low-lead, and other). The majority of U.S. producers' and U.S. importers' U.S. shipments were other types of brass rod. In 2022, U.S. producers and U.S. importers from nonsubject sources reported U.S. shipments in all three categories. In 2022, U.S. importers did not report any U.S. shipments of lead-free brass rod from subject sources. U.S. importers' U.S. shipments of brass rod from all subject sources but Mexico were in low-lead and other types of brass rod, while U.S. importers' U.S. shipments of brass rod from Mexico were only in other types of brass rod.

Table IV-5
Brass rod: U.S. producers' and U.S. importers' U.S. shipments, by source and type, 2022

Quantity in 1,000 pounds

Source	Lead-free	Low-lead	Other	All items
U.S. producers	***	***	***	***
Brazil	***	***	***	***
India	***	***	***	***
Mexico	***	***	***	***
South Africa	***	***	***	***
South Korea	***	***	***	***
Subject sources except Israel	***	***	***	***
Israel	***	***	***	***
Subject sources	***	***	***	28,127
Nonsubject sources	***	***	***	2,301
All import sources	***	***	***	30,428
All sources	***	***	***	***

Table continued.

Table IV-5 Continued
Brass rod: U.S. producers' and U.S. importers' U.S. shipments, by source and type, 2022

Share across in percent

Source	Lead-free	Low-lead	Other	All items
U.S. producers	***	***	***	100.0
Brazil	***	***	***	100.0
India	***	***	***	100.0
Mexico	***	***	***	100.0
South Africa	***	***	***	100.0
South Korea	***	***	***	100.0
Subject sources except Israel	***	***	***	100.0
Israel	***	***	***	100.0
Subject sources	***	***	***	100.0
Nonsubject sources	***	***	***	100.0
All import sources	***	***	***	100.0
All sources	***	***	***	100.0

Table continued.

Table IV-5 Continued
Brass rod: U.S. producers' and U.S. importers' U.S. shipments, by source and type, 2022

Share down in percent

Source	Lead-free	Low-lead	Other	All items
U.S. producers	***	***	***	***
Brazil	***	***	***	***
India	***	***	***	***
Mexico	***	***	***	***
South Africa	***	***	***	***
South Korea	***	***	***	***
Subject sources except Israel	***	***	***	***
Israel	***	***	***	***
Subject sources	***	***	***	***
Nonsubject sources	***	***	***	***
All import sources	***	***	***	***
All sources	100.0	100.0	100.0	100.0

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. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Figure IV-2
Brass rod: U.S. producers' and U.S. importers' U.S. shipments, by source and type, 2022

* * * * * * *

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

Table IV-6 and figure IV-3 present U.S. producers' and U.S. importers' U.S. shipments, by shape of brass rod (hollow round, non-hollow round, and all other shapes). The vast majority of U.S. producers' and U.S. importers' U.S. shipments were in non-hollow round brass rod.[8] In 2022, U.S. producers and U.S. importers from Brazil, India, South Korea, and nonsubject sources reported U.S. shipments in all three shapes. In 2022, U.S. importers did not report any U.S. shipments of hollow round brass rod from Israel, Mexico, and South Africa.

[8] Petitioners testified that in vast majority of cases it is more cost effective for customers to purchase a solid brass rod, drill out center themselves, and sell scrap, than it is to pay the increased cost for processing a hollow rod. Respondents testified that hollowed bars are a specialty item for specific customers and if a customer purchases a non-hollowed bar the user has much less metal to machine out which will not be sold back. Therefore, hollow brass rod generates less scrap. In the case of petitioners, scrap that is machined out will often be sold back to the U.S. producer. Conference transcript p. 42 (Mitchell) and pp. 160-161 (Greathead).

Table IV-6
Brass rod: U.S. producers' and U.S. importers' U.S. shipments, by source and shape, 2022

Quantity in 1,000 pounds

Source	Hollow round brass rod	Non-hollow round brass rod	All other shapes	All product types
U.S. producers	***	***	***	***
Brazil	***	***	***	***
India	***	***	***	***
Mexico	***	***	***	***
South Africa	***	***	***	***
South Korea	***	***	***	***
Subject sources except Israel	***	***	***	***
Israel	***	***	***	***
Subject sources	***	***	***	28,127
Nonsubject sources	***	***	***	2,301
All import sources	***	***	***	30,428
All sources	***	***	***	***

Table continued.

Table IV-6 Continued
Brass rod: U.S. producers' and U.S. importers' U.S. shipments, by source and shape, 2022

Share across in percent

Source	Hollow round brass rod	Non-hollow round brass rod	All other shapes	All product types
U.S. producers	***	***	***	100.0
Brazil	***	***	***	100.0
India	***	***	***	100.0
Mexico	***	***	***	100.0
South Africa	***	***	***	100.0
South Korea	***	***	***	100.0
Subject sources except Israel	***	***	***	100.0
Israel	***	***	***	100.0
Subject sources	***	***	***	100.0
Nonsubject sources	***	***	***	100.0
All import sources	***	***	***	100.0
All sources	***	***	***	100.0

Table continued.

Table IV-6 Continued
Brass rod: U.S. producers' and U.S. importers' U.S. shipments, by source and shape, 2022

Share down in percent

Source	Hollow round brass rod	Non-hollow round brass rod	All other shapes	All product types
U.S. producers	***	***	***	***
Brazil	***	***	***	***
India	***	***	***	***
Mexico	***	***	***	***
South Africa	***	***	***	***
South Korea	***	***	***	***
Subject sources except Israel	***	***	***	***
Israel	***	***	***	***
Subject sources	***	***	***	***
Nonsubject sources	***	***	***	***
All import sources	***	***	***	***
All sources	100.0	100.0	100.0	100.0

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. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Figure IV-3
Brass rod: U.S. producers' and U.S. importers' U.S. shipments, by source and shape, 2022

* * * * * * *

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

Geographical markets

Table IV-7 presents U.S. imports by source and border of entry in 2022. In 2022, U.S. imports of brass rod from Brazil, India, South Korea, and nonsubject sources entered the United States through ports located in all four regions. In 2022, U.S. imports of brass rod from Israel entered the United States through ports located in the East and North; U.S. imports of brass rod from Mexico entered the United States through ports located in the East, South, and West; and U.S. imports of brass rod from South Africa entered the United States through ports located in the North and South. The largest share of brass rod from Brazil (48.4 percent) entered the United States through ports in the East. The largest share of brass rod from Israel (72.9 percent) and nonsubject sources (49.6 percent) entered the United States through ports in the North. The largest share of brass rod from India (54.1 percent), Mexico (99.5 percent) and South Africa (65.9 percent) entered the United States through ports in the South. The largest share of brass rod from South Korea (68.0 percent) entered the United States through ports in the West.

Table IV-7
Brass rod: U.S. imports by source and border of entry, 2022

Quantity in 1,000 pounds

Source	East	North	South	West	All borders
Brazil	4,182	1,161	3,027	270	8,639
India	896	368	1,508	16	2,788
Mexico	0	---	1,929	10	1,939
South Africa	---	1,051	2,033	---	3,084
South Korea	3,467	852	5	9,183	13,507
Subject sources except Israel	8,545	3,432	8,502	9,479	29,957
Israel	1,770	4,766	---	---	6,536
Subject sources	10,314	8,198	8,502	9,479	36,493
Nonsubject sources	4,688	6,096	935	582	12,302
All import sources	15,002	14,294	9,437	10,061	48,795

Table continued.

Table IV-7 Continued
Brass rod: U.S. imports by source and border of entry, 2022

Shares across in percent

Source	East	North	South	West	All borders
Brazil	48.4	13.4	35.0	3.1	100.0
India	32.1	13.2	54.1	0.6	100.0
Mexico	0.0	---	99.5	0.5	100.0
South Africa	---	34.1	65.9	---	100.0
South Korea	25.7	6.3	0.0	68.0	100.0
Subject sources except Israel	28.5	11.5	28.4	31.6	100.0
Israel	27.1	72.9	---	---	100.0
Subject sources	28.3	22.5	23.3	26.0	100.0
Nonsubject sources	38.1	49.6	7.6	4.7	100.0
All import sources	30.7	29.3	19.3	20.6	100.0

Table continued.

Table IV-7 Continued
Brass rod: U.S. imports by source and border of entry, 2022

Shares down in percent

Source	East	North	South	West	All borders
Brazil	27.9	8.1	32.1	2.7	17.7
India	6.0	2.6	16.0	0.2	5.7
Mexico	0.0	---	20.4	0.1	4.0
South Africa	---	7.4	21.5	---	6.3
South Korea	23.1	6.0	0.1	91.3	27.7
Subject sources except Israel	57.0	24.0	90.1	94.2	61.4
Israel	11.8	33.3	---	---	13.4
Subject sources	68.8	57.4	90.1	94.2	74.8
Nonsubject sources	31.2	42.6	9.9	5.8	25.2
All import sources	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting numbers 7407.21.1500. 7407.21.1300, 7407.21.3000, 7407.21.7000, 7407.21.9000, and 7403.21.0000 (Israel only) accessed May 9, 2023. Imports are based on the imports for consumption data series.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Presence in the market

Table IV-8 and figures IV-4 and IV-5 present monthly official U.S. import statistics for subject and nonsubject sources. Imports of brass rod from subject and nonsubject sources were present along with the domestic product in every month during January 2020 through March 2023. U.S. imports of brass rod from Brazil, India, Israel, Mexico, South Korea, and nonsubject sources were present during each of the 39 months. U.S. imports of brass rod from South Africa were present in 38 of the 39 months, entering every month except June 2020.

Table IV-8
Brass rod: U.S. imports, by source and month

Quantity in 1,000 pounds

Year	Month	Brazil	India	Mexico	South Africa	South Korea
2020	January	345	170	100	245	1,460
2020	February	91	130	58	166	790
2020	March	431	129	69	211	1,407
2020	April	571	240	133	253	1,195
2020	May	605	40	312	290	1,039
2020	June	178	153	209	---	1,036
2020	July	225	83	247	406	655
2020	August	220	85	99	205	767
2020	September	236	63	253	319	535
2020	October	231	72	123	16	1,416
2020	November	163	14	190	207	794
2020	December	346	3	68	174	1,318
2021	January	254	73	112	337	881
2021	February	159	43	117	135	955
2021	March	131	19	229	253	1,517
2021	April	146	165	385	392	1,102
2021	May	190	110	202	505	969
2021	June	249	82	212	711	1,565
2021	July	493	176	219	63	997
2021	August	433	165	169	259	1,177
2021	September	583	156	221	306	1,087
2021	October	726	291	213	667	898
2021	November	410	308	251	589	1,224
2021	December	721	280	143	420	937

Table continued.

Table IV-8 Continued
Brass rod: U.S. imports, by source and month

Quantity in 1,000 pounds

Year	Month	Brazil	India	Mexico	South Africa	South Korea
2022	January	961	18	60	994	1,794
2022	February	781	140	268	65	1,872
2022	March	925	178	144	353	1,448
2022	April	1,062	211	109	93	1,828
2022	May	573	201	161	421	1,068
2022	June	928	189	292	44	1,227
2022	July	1,112	261	148	211	1,061
2022	August	624	252	184	125	452
2022	September	849	255	140	120	619
2022	October	322	627	148	333	664
2022	November	210	259	174	15	867
2022	December	291	197	112	309	607
2023	January	164	172	61	600	425
2023	February	268	299	223	38	528
2023	March	321	209	234	181	294

Table continued.

Table IV-8 Continued
Brass rod: U.S. imports, by source and month

Quantity in 1,000 pounds

Year	Month	Subject sources except Israel	Israel	Subject sources	Nonsubject sources	All import sources
2020	January	2,320	522	2,842	943	3,785
2020	February	1,234	411	1,645	746	2,391
2020	March	2,246	299	2,545	1,222	3,767
2020	April	2,392	647	3,038	810	3,849
2020	May	2,286	103	2,388	758	3,146
2020	June	1,576	102	1,678	1,178	2,856
2020	July	1,617	262	1,879	953	2,832
2020	August	1,376	155	1,531	792	2,323
2020	September	1,405	313	1,718	622	2,340
2020	October	1,857	167	2,025	681	2,705
2020	November	1,369	436	1,804	611	2,416
2020	December	1,908	542	2,450	761	3,211
2021	January	1,656	586	2,242	781	3,022
2021	February	1,408	315	1,723	486	2,209
2021	March	2,151	570	2,721	1,354	4,075
2021	April	2,191	697	2,888	1,235	4,123
2021	May	1,975	761	2,736	1,096	3,831
2021	June	2,819	841	3,661	1,374	5,035
2021	July	1,947	1,273	3,221	1,744	4,964
2021	August	2,203	398	2,601	2,523	5,124
2021	September	2,354	938	3,291	1,458	4,749
2021	October	2,796	588	3,384	1,358	4,742
2021	November	2,783	731	3,514	2,032	5,546
2021	December	2,501	1,052	3,553	698	4,251

Table continued.

Table IV-8 Continued
Brass rod: U.S. imports, by source and month

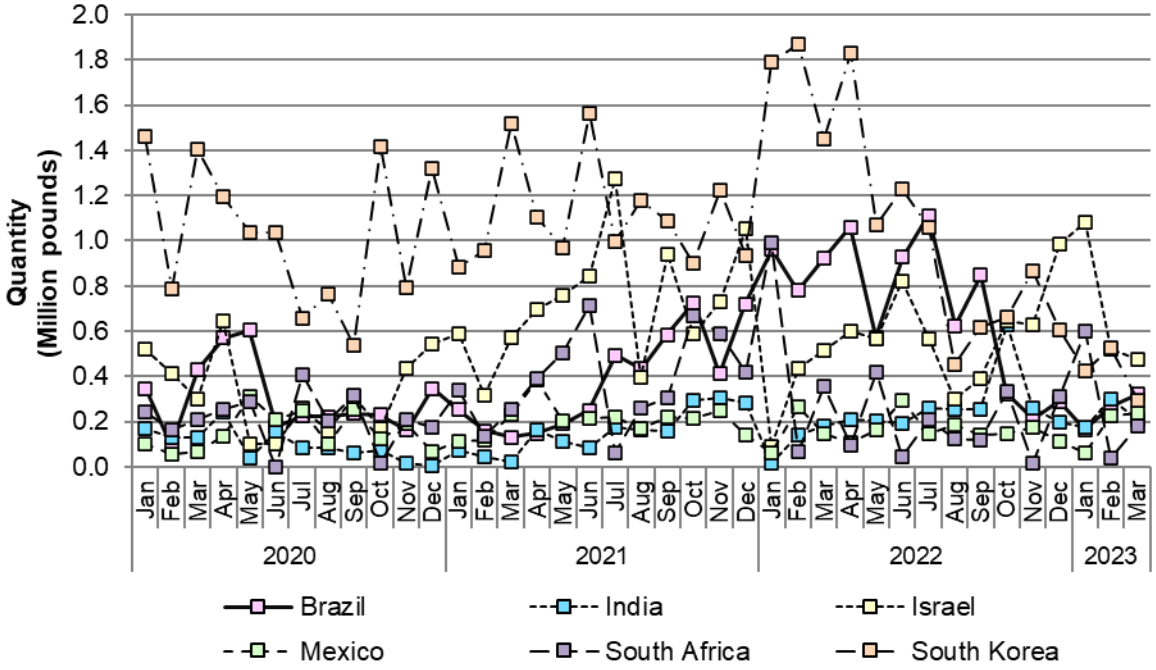
Quantity in 1,000 pounds

Year	Month	Subject sources except Israel	Israel	Subject sources	Nonsubject sources	All import sources
2022	January	3,826	87	3,913	852	4,765
2022	February	3,126	435	3,561	886	4,447
2022	March	3,049	517	3,566	1,127	4,693
2022	April	3,303	602	3,905	1,102	5,007
2022	May	2,424	564	2,987	902	3,890
2022	June	2,680	819	3,499	913	4,412
2022	July	2,793	563	3,356	1,158	4,514
2022	August	1,638	298	1,937	1,384	3,321
2022	September	1,983	388	2,371	986	3,357
2022	October	2,094	647	2,741	737	3,478
2022	November	1,526	627	2,152	1,294	3,447
2022	December	1,516	988	2,504	959	3,463
2023	January	1,422	1,081	2,504	660	3,164
2023	February	1,356	520	1,876	763	2,639
2023	March	1,240	476	1,716	847	2,563

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting numbers 7407.21.1500. 7407.21.1300, 7407.21.3000, 7407.21.7000, 7407.21.9000, and 7403.21.0000 (Israel only) accessed May 9, 2023. Imports are based on the imports for consumption data series.

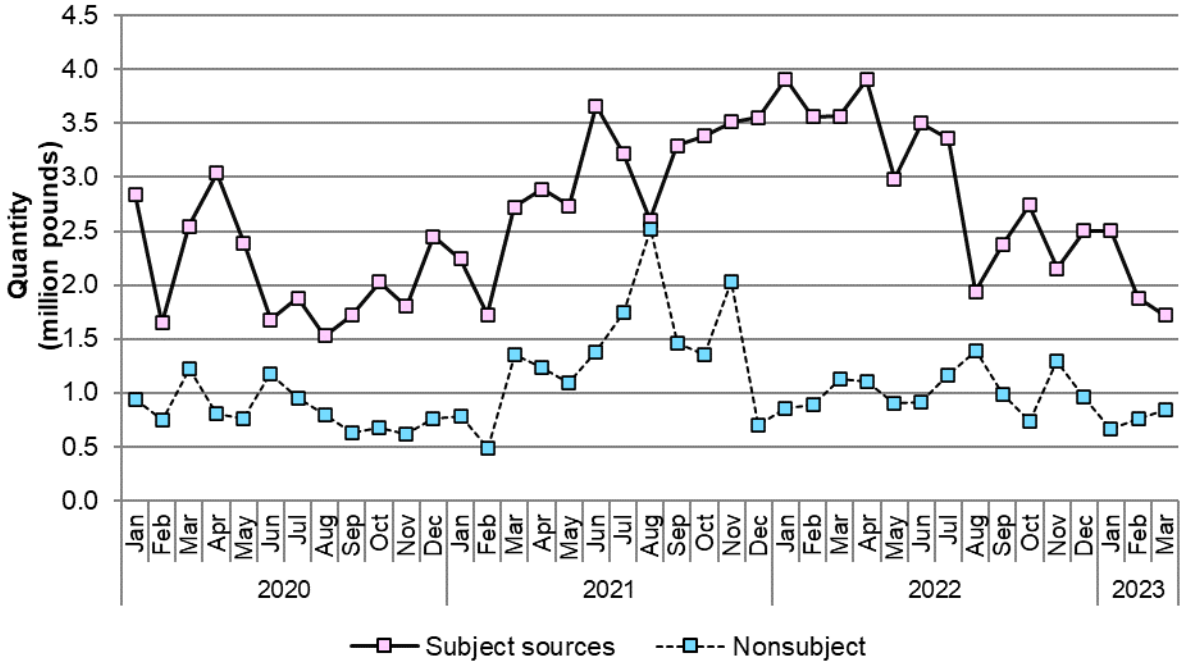
Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Figure IV-4
Brass rod: U.S. imports from individual subject sources, by source and by month



Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting numbers 7407.21.1500. 7407.21.3000, 7407.21.7000, and 7407.21.9000 for imports for all sources including Israel as well as statistical reporting number 7403.21.0000 for Israel, accessed May 9, 2023. Imports are based on the imports for consumption data series.

Figure IV-5
Brass rod: U.S. imports from aggregated subject and nonsubject sources, by month



Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting numbers 7407.21.1500. 7407.21.3000, 7407.21.7000, and 7407.21.9000 for imports for all sources including Israel as well as statistical reporting number 7403.21.0000 for Israel, accessed May 9, 2023. Imports are based on the imports for consumption data series.

Apparent U.S. consumption and market shares

Quantity

Table IV-9 and figure IV-6 present data on apparent U.S. consumption and U.S. market shares by quantity for brass rod. During 2020-21, apparent U.S. consumption, in terms of quantity, increased by *** percent then decreased by *** from 2021 to 2022.[9] Overall, during 2020-22, apparent U.S. consumption, in terms of quantity, increased by *** percent. U.S. producers' market share, in terms of quantity, decreased by *** percentage points during 2020-21 and remained at a similar level in 2022. After increasing by *** percentage points from 2020 to 2021, the market share of subject imports, in terms of quantity, decreased by *** percentage points from 2021 to 2022, ending *** percentage points higher in 2022 than in 2020. Israel, Mexico, South Africa, and South Korea had their respective highest market shares in 2021 whereas U.S. producers and U.S. imports from Brazil experienced their highest market share in 2020 and U.S. imports from India and nonsubject sources experienced their highest market share in 2022. Imports from Israel followed the same trend as combined subject imports, increasing in market share in 2021 and decreasing in 2022. The market share of nonsubject imports, in terms of quantity, increased by *** percentage points during 2020-22.

[9] Petitioners and respondents testified that demand for brass rod increased in 2021 due to the economic recovery after the COVID-19 pandemic and a resulting buildup of consumption and then receded in 2022. Conference transcript, pp. 27 and 83 (Christie) and pp. 101 and 111 (Greathead).

Table IV-9
Brass rod: Apparent U.S. consumption and market shares based on quantity, by source and period

Quantity in 1,000 pounds; shares in percent

Source	Measure	2020	2021	2022
U.S. producers	Quantity	***	***	***
Brazil	Quantity	***	***	***
India	Quantity	***	***	***
Mexico	Quantity	***	***	***
South Africa	Quantity	***	***	***
South Korea	Quantity	***	***	***
Subject sources except Israel	Quantity	***	***	***
Israel	Quantity	***	***	***
Subject sources	Quantity	24,002	34,330	28,126
Nonsubject sources	Quantity	1,010	1,881	2,301
All import sources	Quantity	25,012	36,211	30,427
All sources	Quantity	***	***	***
U.S. producers	Share	***	***	***
Brazil	Share	***	***	***
India	Share	***	***	***
Mexico	Share	***	***	***
South Africa	Share	***	***	***
South Korea	Share	***	***	***
Subject sources except Israel	Share	***	***	***
Israel	Share	***	***	***
Subject sources	Share	***	***	***
Nonsubject sources	Share	***	***	***
All import sources	Share	***	***	***
All sources	Share	100.0	100.0	100.0

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

Figure IV-6
Brass rod: Apparent U.S. consumption based on quantity, by source and period

* * * * * * *

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

Value

Table IV-10 and figure IV-7 present data on apparent U.S. consumption and U.S. market shares by value for brass rod. During 2020-21, apparent U.S. consumption, in terms of value, increased by *** percent then decreased by *** from 2021 to 2022. Overall, during 2020-22, apparent U.S. consumption, in terms of value, increased by *** percent. U.S. producers' market share, in terms of quantity, decreased by *** percentage points during 2020-22. During 2020-22, the market share of subject imports, in terms of value, increased by *** percentage points. The market share of nonsubject imports, in terms of value, increased by *** percent during 2020-22.

Table IV-10
Brass rod: Apparent U.S. consumption and market shares based on value, by source and period

Value in 1,000 dollars; shares in percent

Source	Measure	2020	2021	2022
U.S. producers	Value	***	***	***
Brazil	Value	***	***	***
India	Value	***	***	***
Mexico	Value	***	***	***
South Africa	Value	***	***	***
South Korea	Value	***	***	***
Subject sources except Israel	Value	***	***	***
Israel	Value	***	***	***
Subject sources	Value	66,362	127,321	114,499
Nonsubject sources	Value	3,104	8,502	11,690
All import sources	Value	69,466	135,823	126,189
All sources	Value	***	***	***
U.S. producers	Share	***	***	***
Brazil	Share	***	***	***
India	Share	***	***	***
Mexico	Share	***	***	***
South Africa	Share	***	***	***
South Korea	Share	***	***	***
Subject sources except Israel	Share	***	***	***
Israel	Share	***	***	***
Subject sources	Share	***	***	***
Nonsubject sources	Share	***	***	***
All import sources	Share	***	***	***
All sources	Share	100.0	100.0	100.0

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

Figure IV-7
Brass rod: Apparent U.S. consumption based on value, by source and period

* * * * * * *

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

Part V: Pricing data

Factors affecting prices

Raw material costs

Brass is a copper alloy that typically contains at least 15 percent zinc and may also contain other elements.[1] The most common type of brass rod is made up of about 60 percent copper (by weight), the cost of copper is reflected in the price of brass scrap and, as a result, the cost of copper is 70 to 80 percent of the cost of the raw materials used in brass rod.[2]

Brass rod is produced primarily from recycled materials.[3] Up to 98 percent of the raw material used to produce brass rod comes from scrap,[4] supplemented with pure copper, zinc, or lead, depending on the desired chemical composition of the finished brass rod. The preferred form of scrap material is brass turnings that are returned to the mill, which are supplemented with pure raw materials as well as other types of scrap.[5]

Figure V-1 and table V-1 provide indexes of the monthly average prices of copper, zinc, and yellow brass scrap.[6] Petitioners explain that scrap prices generally follow the prices of the underlying metals.[7] Prices of copper and brass scrap follow similar patterns to each other. Zinc makes up a small share of the cost of brass rod. Between January 2020 and December 2022, yellow brass scrap prices increased by 44.7 percent, copper prices increased by 38.8 percent, and zinc prices increased by 32.4 percent.

[1] Conference transcript, p. 19 (Mitchell).

[2] Conference transcript, pp. 57-58 (Mitchell).

[3] Petition, Volume 1, Narrative, pp. 9-10. Respondents from Israel and South Africa also reported that availability of scrap limited their production of brass rod, conference transcript pp. 94, 149-150 (Apeloig, Greathead, Slazinis)

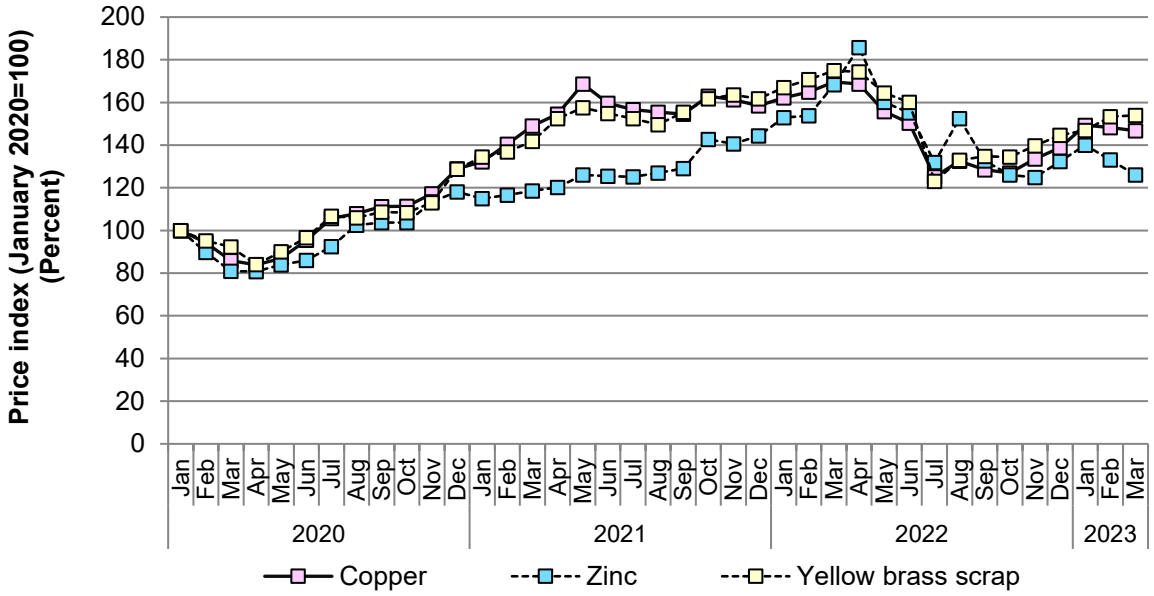
[4] Brass and copper scrap are used in brass rod production, but zinc scrap is not available. Zinc and minor alloys are added in refined forms. Conference transcript, p. 55 (Mitchell).

[5] Petition, Volume 1, Narrative, pp. 9-10.

[6] The brass scrap typically used in brass rod production is yellow brass scrap. Conference transcript, p. 73 (Christie).

[7] Conference transcript p. 78 (Mitchell).

Figure V-1
Raw materials: Indexed prices of copper, zinc, and yellow brass scrap, January 2020 to March 2023



Source: Copper: https://fred.stlouisfed.org/series/PCOPPUSDM, zinc: https://fred.stlouisfed.org/series/PZINCUSDM, yellow brass scrap: https://fred.stlouisfed.org/series/WPU10230103, downloaded May 2, 2023.

Table V-1
Raw materials: Indexed prices of copper, zinc, and yellow brass scrap, by month

Indexed prices in percent (January 2020 = 100 percent)

Date	Copper	Zinc	Yellow brass scrap
January 2020	100.0	100.0	100.0
February 2020	94.3	89.8	95.1
March 2020	85.9	80.9	92.3
April 2020	83.9	80.8	84.0
May 2020	86.9	83.9	90.1
June 2020	95.4	86.0	96.7
July 2020	105.7	92.5	106.7
August 2020	107.9	102.5	105.9
September 2020	111.2	103.7	108.7
October 2020	111.3	103.7	108.3
November 2020	117.2	113.5	113.0
December 2020	128.9	118.1	128.7
January 2021	132.2	114.9	134.5
February 2021	140.5	116.6	136.8
March 2021	149.0	118.6	141.8
April 2021	154.6	120.2	152.5
May 2021	168.6	126.1	157.6
June 2021	159.7	125.4	154.8
July 2021	156.7	125.2	152.5
August 2021	155.4	126.9	149.6
September 2021	154.6	129.0	155.4
October 2021	163.0	142.7	161.8
November 2021	161.3	140.6	163.5
December 2021	158.4	144.4	161.8
January 2022	162.2	152.9	167.0
February 2022	164.9	153.8	170.8
March 2022	169.6	168.3	174.9
April 2022	168.7	185.7	174.3
May 2022	155.8	160.1	164.5
June 2022	150.3	155.2	160.1
July 2022	125.1	131.9	123.1
August 2022	132.5	152.5	132.9
September 2022	128.4	132.7	134.7
October 2022	126.9	126.0	134.4
November 2022	133.5	124.8	139.7
December 2022	138.8	132.4	144.7
January 2023	149.3	140.0	146.9
February 2023	148.2	133.1	153.4
March 2023	146.8	126.0	154.0

Source: Copper https://fred.stlouisfed.org/series/PCOPPUSDM, zinc https://fred.stlouisfed.org/series/PZINCUSDM, yellow brass scrap: https://fred.stlouisfed.org/series/WPU10230103, downloaded May 2, 2023.

Brass scrap buy-back programs

U.S. producers Weiland and Mueller have scrap buy-back programs with large OEM customers.[8] Petitioners testified that they "typically get 65 to 80 percent of the metal back" from customers with scrap buy-back programs.[9]

In describing what it pays for scrap under its buy-back program, a witness for Mueller stated that "we do typically pay a little bit more, but at the end of the day, the economics really come down to the cost savings on that initial purchase."[10] The witness explained that "every day we send our customers a list of what we will buy their scrap back for at that date. So they {the sale of the brass rod and the purchase of the scrap} are totally independent transactions."[11] Petitioners transport the scrap in the same trucks as brass rod is delivered in, trucks that otherwise would have to return empty.[12]

Counsel for Respondents testified that "the prices between the rod and the scrap can be set to assign an artificially high price to the brass rod that is offset by the price of the scrap to be returned."[13] Respondents claim that "scrap buyback programs … have a significant impact on brass rod pricing (effectively discounting the prices they charge for brass rod)."[14] As a result, they state that "the Commission staff must take this buy-back program into account when assessing price differences between imported product and domestically sold product."[15] A witness for Aviva also testified that "the price of both the rod and the buy-back price of the scrap are fixed at the time of purchase, and the prices between the rod and the scrap are often manipulated to suit the purposes of the domestic manufacturers."[16]

A witness for Muller also testified that participation in scrap buy-back programs is voluntary for eligible purchasers. Since the scrap price offered in buybacks is typically higher than the open market purchase price, most eligible purchasers use the buy-back program.[17] End users of brass rod who purchase from distributors and those who purchase from importers,

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[8] Conference transcript, p. 16 (Levinson), p. 54 (Mitchell), p. 88 (Christie).

[9] Conference transcript, p. 54 (Mitchell).

[10] Conference transcript, p. 65 (Mitchell).

[11] Conference transcript, p. 65 (Mitchell).

[12] Conference transcript, p. 88 (Mitchell, Christie).

[13] Conference transcript, p. 16 (Levinson).

[14] Respondent Finkelstein's postconference brief, p. 2. Similarly, joint respondents wrote that "Petitioners' scrap buy-back programs are offered only by domestic producers. Accordingly, U.S. producers command a premium price in the U.S. brass rod market." Joint respondents' postconference brief, p. 28.

[15] Conference transcript, p. 16 (Levinson).

[16] Conference transcript, p. 112 (Greathead).

[17] Conference transcript, pp. 64-66 (Mitchell).

on the other hand, typically do not participate in scrap buy-back programs, since distributors and importers do not typically offer them.[18] Foreign producers and importers testified that scrap buy-back programs are not efficient for them.[19] Purchasers not eligible for a buy-back program may sell their scrap brass to scrap dealers or reuse their scrap in toll-production of brass rod.[20]

***.

Transportation costs to the U.S. market

Transportation costs for brass rod shipped from subject countries to the United States averaged 5.3 percent for Brazil, 5.5 percent for India, 8.4 percent for Israel, 0.2 percent for Mexico, 3.6 percent for South Africa, and 4.3 percent for South Korea during 2022. These estimates were derived from official import data and represent the transportation and other charges on imports.[21]

U.S. inland transportation costs

*** responding U.S. producers and 11 of 14 responding importers reported that they typically arrange transportation to their customers.[22] *** most importers reported that their U.S. inland transportation costs ranged from 1 to 5 percent.

[18] Conference transcript, pp. 139-140 (Greathead, Goad, Sacal, Apeloig).

[19] However, Finkelstein explained that for one customer it "agreed to accept scrap instead of… monies, and we sold it … in the free market." Conference transcript, pp. 139-140 (Greathead, Goad, Sacal, Apeloig).

[20] Conference transcript, pp. 47-48, 66, (Christie, Mitchell).

[21] The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2022 and then dividing by the customs value based on the HTS statistical reporting number 7407.21.1500, 7407.21.3000, 7407.21.7000, 7407.21.9000, and 7403.21.0000 (Israel only), accessed May 15, 2023.

[22] One importer reported that both it and its customers arranged transportation.

Pricing practices

Pricing methods

U.S. producers and importers reported setting prices using transaction-by-transaction negotiations, contracts, price lists, and other methods (table V-2). Almost all importers reported selling on a transaction-by-transaction basis, *** sold brass rod on a transaction-by-transaction basis. ***.[23] Petitioners send customers price lists which they update "whenever market conditions or metal pricing demand a change" and stated that it is "our policy is to ensure that our customers are all being offered the same base price on a given day."[24]

Table V-2
Brass rod: Count of U.S. producers' and importers' reported price setting methods

Method	U.S. producers	Importers
Transaction-by-transaction	***	14
Contract	***	6
Set price list	***	7
Other	***	2
Responding firms	2	15

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

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.

***.[25] ***.[26] ***.[27]

[23] ***. See part VI for further information regarding tolling arrangements.
[24] Conference transcript, pp. 22-23, 27 (Mitchell, Christie).
[25] ***.
[26] Email from ***.
[27] Email from ***.

U.S. producers reported selling reported selling the vast majority of their brass rod on *** (table V-3). ***.

Table V-3
Brass rod: U.S. producers' and importers' shares of commercial U.S. shipments by type of sale, 2022

Share in percent

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

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

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

Importers reported selling the majority of their brass rod on the spot market, with most of the remainder on a short-term contract basis.[28] Importers' short-term contracts ranged from 45 to 185 days, generally did not allow price renegotiations, fixed both price and quantity, and were indexed to raw materials.

[28] ***.

Sales terms and discounts

U.S. producers typically quote prices on an f.o.b. basis. In contrast, most responding importers (9 of 13) reported selling on a delivered basis.[29] Both responding producers reported quantity discounts,[30] ***. Eight of the 15 responding importers reported no discount policy, 5 reported quantity discounts, 1 reported total volume discounts, and 4 offered other discounts including discounts based on the type of customers and payment terms discounts.

Price data

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following brass rod products shipped to unrelated U.S. customers during 2020-22. Products 1 and 2 are leaded brass rod products, product 3 is low-lead, and product 4 is lead-free.[31]

Product 1.-- Brass rod of Alloy C36000, in diameter of greater than 0.25 inches and less than 0.50 inches, in round/circular cross section, sold in 12-foot lengths.

Product 2.-- Brass rod of Alloy C36000, in diameter of 0.50 inches to less than 0.75 inches, in round/circular cross section, sold in 12-foot lengths.

Product 3.-- Brass rod of Alloy C27450, in diameter of 0.50 inches to less than 0.75 inches, in round/circular cross section, sold in 12-foot lengths.

Product 4.-- Brass rod of Alloy C69300, in diameter of greater than 0.25 inches and less than 0.50 inches, in round/circular cross section, sold in 12-foot lengths.

[29] One importer reported sales on both an f.o.b. and a delivered basis.
[30] Conference transcript, p. 22 (Mitchell).
[31] Email from ***.

Two U.S. producers and 11 importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[32] Pricing data reported by these firms accounted for approximately *** percent of U.S. producers' U.S. shipments of brass rod and the following shares of U.S. shipments of subject imports in 2022: Brazil (*** percent), India (*** percent), Israel (*** percent), Mexico (*** percent), South Africa (*** percent), and South Korea (*** percent).[33]

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

Table V-4
Brass rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in pounds, margin in percent.

Period	U.S. price	U.S. quantity	Brazil price	Brazil quantity	Brazil margin	India price	India quantity	India margin
2020 Q1	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***

Table continued.

[32] 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.

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

Table V-4 Continued
Brass rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in 1,000 pounds, margin in percent.

Period	U.S. price	U.S. quantity	Israel price	Israel quantity	Israel margin	Mexico price	Mexico quantity	Mexico margin
2020 Q1	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***

Table continued.

Table V-4 Continued
Brass rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in 1,000 pounds, margin in percent.

Period	U.S. price	U.S. quantity	South Africa price	South Africa quantity	South Africa margin	South Korea price	South Korea quantity	South Korea margin
2020 Q1	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***

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

Note: Product 1: Brass rod of Alloy C36000, in diameter of greater than 0.25 inches and less than 0.50 inches, in round/circular cross section, sold in 12-foot lengths.

Table V-5
Brass rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in 1,000 pounds, margin in percent.

Period	U.S. price	U.S. quantity	Brazil price	Brazil quantity	Brazil margin	India price	India quantity	India margin
2020 Q1	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***

Table continued.

Table V-5 Continued
Brass rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in 1,000 pounds, margin in percent.

Period	U.S. price	U.S. quantity	Israel price	Israel quantity	Israel margin	Mexico price	Mexico quantity	Mexico margin
2020 Q1	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***

Table continued.

Table V-5 Continued
Brass rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in 1,000 pounds, margin in percent.

Period	U.S. price	U.S. quantity	South Africa price	South Africa quantity	South Africa margin	South Korea price	South Korea quantity	South Korea margin
2020 Q1	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***

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

Note: Product 2: Brass rod of Alloy C36000, in diameter of 0.50 inches to less than 0.75 inches, in round/circular cross section, sold in 12-foot lengths.

Table V-6
Brass rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in 1,000 pounds, margin in percent.

Period	U.S. price	U.S. quantity	South Korea price	South Korea quantity	South Korea margin
2020 Q1	***	***	***	***	***
2020 Q2	***	***	***	***	***
2020 Q3	***	***	***	***	***
2020 Q4	***	***	***	***	***
2021 Q1	***	***	***	***	***
2021 Q2	***	***	***	***	***
2021 Q3	***	***	***	***	***
2021 Q4	***	***	***	***	***
2022 Q1	***	***	***	***	***
2022 Q2	***	***	***	***	***
2022 Q3	***	***	***	***	***
2022 Q4	***	***	***	***	***

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

Note: Product 3: Brass rod of Alloy C27450, in diameter of 0.50 inches to less than 0.75 inches, in round/circular cross section, sold in 12-foot lengths.

Table V-7
Brass rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by source and quarter

Price in dollars per pound, quantity in 1,000 pounds, margin in percent.

Period	U.S. price	U.S. quantity	India price	India quantity	India margin	South Africa price	South Africa quantity	South Africa margin
2020 Q1	***	***	***	***	***	***	***	***
2020 Q2	***	***	***	***	***	***	***	***
2020 Q3	***	***	***	***	***	***	***	***
2020 Q4	***	***	***	***	***	***	***	***
2021 Q1	***	***	***	***	***	***	***	***
2021 Q2	***	***	***	***	***	***	***	***
2021 Q3	***	***	***	***	***	***	***	***
2021 Q4	***	***	***	***	***	***	***	***
2022 Q1	***	***	***	***	***	***	***	***
2022 Q2	***	***	***	***	***	***	***	***
2022 Q3	***	***	***	***	***	***	***	***
2022 Q4	***	***	***	***	***	***	***	***

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

Note: Product 4: Brass rod of Alloy C69300, in diameter of greater than 0.25 inches and less than 0.50 inches, in round/circular cross section, sold in 12-foot lengths.

Figure V-2
Brass rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, by source and quarter

Price of product 1

* * * * * * *

Volume of product 1

* * * * * * *

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

Note: Product 1: Brass rod of Alloy C36000, in diameter of greater than 0.25 inches and less than 0.50 inches, in round/circular cross section, sold in 12-foot lengths.

Figure V-3
Brass rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, by source and quarter

Price of product 2

* * * * * * *

Volume of product 2

* * * * * * *

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

Note: Product 2: Brass rod of Alloy C36000, in diameter of 0.50 inches to less than 0.75 inches, in round/circular cross section, sold in 12-foot lengths.

Figure V-4
Brass rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, by source and quarter

Price of product 3

* * * * * * *

Volume of product 3

* * * * * * *

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

Note: Product 3: Brass rod of Alloy C27450, in diameter of 0.50 inches to less than 0.75 inches, in round/circular cross section, sold in 12-foot lengths.

Figure V-5
Brass rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, by source and quarter

Price of product 4

* * * * * * *

Volume of product 4

* * * * * * *

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

Note: Product 4: Brass rod of Alloy C69300, in diameter of greater than 0.25 inches and less than 0.50 inches, in round/circular cross section, sold in 12-foot lengths.

Price trends

In general, prices increased overall during 2020-22 but were below their peak in the final two quarters of 2022. Products 1 and 2 (both leaded brass rod products) accounted for virtually all the sales volume of pricing product data received.[34] Domestic prices of these two products increased in 2020 and 2021 and the first or second quarter of 2022 before moderating somewhat in the second half of the year.

Table V-8 summarizes the price trends, by country and by product. As shown in the table, domestic price increases ranged from *** percent during 2020-22 while import price increases ranged from *** percent. For products 1 and 2, U.S. producers' prices increased by *** percent, respectively. Prices for Brazil increased by *** percent, respectively. Prices from India increased by *** percent, respectively. Prices from Israel increased by *** percent, respectively. Prices from Mexico increased by *** percent, respectively. Prices from South Africa increased by *** percent, respectively. Prices from South Korea increased by *** percent, respectively.

As discussed earlier, the price of brass scrap and copper are a major factor in brass rod pricing. Indices of prices of products 1 and 2 reported by U.S. producers are shown together with indexes of brass scrap and copper prices in figure V-6 and table V-9. The changes in the prices of products 1 and 2, reported by U.S. producers, were less extreme than those for brass scrap and copper but were typically in the same direction.[35]

[34] Products 1 and 2 accounted for 99.3 percent of U.S. producers' pricing data.

[35] Staff estimates that the correlation coefficients were 0.99 between the U.S. price of product 1 and product 2, 0.97 between U.S. product 1 and brass scrap, 0.98 between U.S. product 2 and brass scrap, 0.95 between U.S. product 1 and copper, and 0.97 between U.S. product 2 and copper.

Table V-8
Brass rod: Summary of price data, by product and source, January 2020-December 2022

Quantity in 1,000 pounds, price in dollars per pound

Product	Source	Number of quarters	Quantity of shipments	Low price	High price	First quarter price	Last quarter price	Percent change in price over period
Product 1	United States	12	***	***	***	***	***	***
Product 1	Brazil	12	***	***	***	***	***	***
Product 1	India	9	***	***	***	***	***	***
Product 1	Israel	12	***	***	***	***	***	***
Product 1	Mexico	12	***	***	***	***	***	***
Product 1	South Africa	12	***	***	***	***	***	***
Product 1	South Korea	12	***	***	***	***	***	***
Product 2	United States	12	***	***	***	***	***	***
Product 2	Brazil	12	***	***	***	***	***	***
Product 2	India	9	***	***	***	***	***	***
Product 2	Israel	12	***	***	***	***	***	***
Product 2	Mexico	12	***	***	***	***	***	***
Product 2	South Africa	12	***	***	***	***	***	***
Product 2	South Korea	12	***	***	***	***	***	***
Product 3	United States	12	***	***	***	***	***	***
Product 3	South Korea	2	***	***	***	***	***	***
Product 4	United States	12	***	***	***	***	***	***
Product 4	India	2	***	***	***	***	***	***
Product 4	South Africa	3	***	***	***	***	***	***

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

Note: Percent change column is percentage change from the first quarter 2020 to the last quarter in 2022. Most subject countries did not have data for products 3 and 4 and are therefore not shown in the table.

Figure V-6
Brass rod: Index of U.S. producer prices for products 1 and 2 and for brass scrap and copper by quarter

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires, and copper: https://fred.stlouisfed.org/series/PCOPPUSDM, yellow brass scrap: https://fred.stlouisfed.org/series/WPU10230103, downloaded May 2, 2023.

Table V-9
Brass rod: Index of U.S. producer prices for products 1 and 2 and for brass scrap and copper by quarter

Period	Product 1	Product 2	Brass scrap	Copper scrap
2020 Q1	***	***	100.0	100.0
2020 Q2	***	***	94.2	95.0
2020 Q3	***	***	111.7	115.9
2020 Q4	***	***	121.8	127.5
2021 Q1	***	***	143.7	150.5
2021 Q2	***	***	161.7	172.3
2021 Q3	***	***	159.2	166.5
2021 Q4	***	***	169.5	172.2
2022 Q1	***	***	178.4	177.2
2022 Q2	***	***	173.6	169.4
2022 Q3	***	***	135.9	137.7
2022 Q4	***	***	145.7	142.4

Source: Compiled from data submitted in response to Commission questionnaires, and copper: https://fred.stlouisfed.org/series/PCOPPUSDM, yellow brass scrap: https://fred.stlouisfed.org/series/WPU10230103, downloaded May 2, 2023.

Price comparisons

As shown in tables V-10 and V-11, prices for product imported from subject countries were below those for U.S.-produced product in 126 of 135 instances (*** pounds); margins of underselling ranged from *** percent. In the remaining 19 instances (*** pounds), prices for product from subject countries were between *** percent above prices for the domestic product. Imports from each subject country undersold domestic product in a majority of instances and volume.

Prices for product imported from Brazil were below those for U.S.-produced product in 21 of 24 instances (*** pounds); margins of underselling ranged from *** percent. In the remaining 3 instances (*** pounds), prices for product from Brazil were between *** percent above prices for the domestic product.

Prices for product imported from India were below those for U.S.-produced product in 17 of 20 instances (*** pounds); margins of underselling ranged from *** percent. In the remaining 3 instances (*** pounds), prices for product from India were between *** percent above prices for the domestic product.

Prices for product imported from Israel were below those for U.S.-produced product in all 24 instances (*** pounds); margins of underselling ranged from *** percent.

Prices for product imported from Mexico were below those for U.S.-produced product in 17 of 24 instances (*** pounds); margins of underselling ranged from *** percent. In the remaining 7 instances (*** pounds), prices for product from Mexico were between *** percent above prices for the domestic product.

Prices for product imported from South Africa were below those for U.S.-produced product in 21 of 27 instances (*** pounds); margins of underselling ranged from *** percent. In the remaining 6 instances (*** pounds), prices for product from South Africa were between *** percent above prices for the domestic product.

Prices for product imported from South Korea were below those for U.S.-produced product in all 26 instances (*** pounds); margins of underselling ranged from *** percent.

Table V-10
Brass rod: Instances of underselling and overselling and the range and average of margins, by product

Quantity in 1,000 pounds; margin in percent

Product	Type	Number of quarters	Quantity	Average margin	Min margin	Max margin
Product 1	Underselling	61	***	***	***	***
Product 2	Underselling	59	***	***	***	***
Product 3	Underselling	2	***	***	***	***
Product 4	Underselling	4	***	***	***	***
Total, all products	Underselling	126	***	***	***	***
Product 1	Overselling	8	***	***	***	***
Product 2	Overselling	10	***	***	***	***
Product 3	Overselling	---	***	***	***	***
Product 4	Overselling	1	***	***	***	***
Total, all products	Overselling	19	***	***	***	***

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

Table V-11
Brass rod: Instances of underselling and overselling and the range and average of margins, by source

Quantity in 1,000 pounds; margin in percent

Source	Type	Number of quarters	Quantity	Average margin	Min margin	Max margin
Brazil	Underselling	21	***	***	***	***
India	Underselling	17	***	***	***	***
Israel	Underselling	24	***	***	***	***
Mexico	Underselling	17	***	***	***	***
South Africa	Underselling	21	***	***	***	***
South Korea	Underselling	26	***	***	***	***
Subject sources except Israel	Underselling	102	***	***	***	***
All subject sources	Underselling	126	***	***	***	***
Brazil	Overselling	3	***	***	***	***
India	Overselling	3	***	***	***	***
Israel	Overselling	---	***	***	***	***
Mexico	Overselling	7	***	***	***	***
South Africa	Overselling	6	***	***	***	***
South Korea	Overselling	---	***	***	***	***
Subject sources except Israel	Overselling	19	***	***	***	***
All subject sources	Overselling	19	***	***	***	***

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

Lost sales and lost revenue

Of the two responding U.S. producers, *** reported that they had to either reduce prices or roll back announced price increases, and *** firms reported that they had lost sales. *** U.S. producers submitted lost sales and lost revenue allegations. The *** responding U.S. producers identified 15 firms with which they lost sales or revenue ***. The lost sales and revenues were reported to occur in ***.

Staff contacted 15 purchasers and received responses from 12 purchasers. Responding purchasers reported purchasing and importing *** pounds of brass rod during 2020-22 (table V-12).[36] During 2022, responding firms purchased 68.3 percent from U.S. producers, 4.6 percent from Brazil, 1.2 percent from India, 3.8 percent from Israel, 0.1 percent from Mexico, 5.1 percent from South Africa, and 6.1 percent from South Korea, 0.9 percent from nonsubject countries, and 0.2 percent from "unknown source" countries.[37]

[36] These purchases include imports of *** pounds, ***.

[37] Shares are of purchasers' total purchases and imports.

Table V-12
Brass rod: Purchasers' reported purchases and imports, by firm and source

Quantity in 1,000 pounds, share in percent

Purchaser	Domestic quantity	Subject quantity	All other quantity	Change in domestic share	Change in subject country share
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	***	***	***	***	***

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

Note: All other includes all other sources and unknown sources. Change is the percentage point change in the share of the firm's total purchases of domestic and/or subject country imports between first and last years and are presented in percentage points. Zeroes, null values, and undefined calculations shown as "---".

Purchasers were asked about changes in their purchasing patterns from different sources since 2020 (table V-13). Of the 12 responding purchasers, 5 reported decreasing purchases from domestic producers, 4 reported increasing purchases, 2 reported no change and 1 purchaser reported not purchasing U.S.-produced brass rod.[38] Explanations for increasing purchases of domestic product included increased demand, labor issues, limited production due to COVID, and a one-off purchases in 2022 due to lead time. Explanations for decreasing purchases of domestic product included: fluctuating demand, allocations, and long lead times in 2021 and 2022 drove volume overseas, production issues, and availability.

[38] Eleven of 12 responding purchasers reported purchasing U.S.-produced brass rod, 10 purchased subject imports from one or more countries, and 5 purchased imports from nonsubject countries. Three purchasers reported purchasing small amounts of brass rod for which they did not know the source. ***.

Most of the firms that reported purchasing brass rod from Brazil, Israel, and South Korea reported increasing these purchases. Most firms purchasing brass rod from South Africa reported decreased purchases. One purchaser each reported increased, decreased, and unchanged purchases of brass rod from India. The most common explanation for increasing purchases of subject imports was that domestic sources had tight supply, allocations, or shortages (reported by four purchasers). Other reasons for increasing purchases of subject imports included: a trial purchase, long term global partnership, a need for special sizes, and supply chain issues with a vendor. Explanations for decreasing purchases of subject imports included: availability of imports from U.S. inventories, general market fluctuations, importers selling directly to purchaser's former customers, one-time purchases, and supply chain issues.

Table V-13
Brass rod: Count of changes in purchase patterns from U.S. subject and nonsubject countries

Source of purchases	Fluctuating or steady increase	No change	Fluctuating or steady decrease	Did not purchase
United States	4	2	5	1
Brazil	3	0	1	6
India	1	2	1	6
Israel	4	1	3	3
Mexico	0	1	0	9
South Africa	0	2	4	4
South Korea	2	0	0	8
Nonsubject sources	1	2	1	5
Sources unknown	0	1	1	5

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

Of the 12 responding purchasers, 9 reported that, since 2020, they had purchased imported brass rod from at least one subject country instead of U.S.-produced product (3 of 12 for Brazil, 2 of 12 for India, 7 of 11 for Israel, 1 of 11 for Mexico, 4 of 12 for South Africa, and 2 of 11 for South Korea) (table V-14). Eight of the nine responding firms reported that the price of imported brass rod was lower than the U.S. producer price, and seven of these purchasers reported that price was a primary reason for the decision to purchase imported product rather than U.S.-produced product. The one purchaser that reported imports were priced lower but that it did not purchase imports because of lower prices reported purchasing imports based on "***."

Table V-14
Brass rod: Purchasers' responses to purchasing subject imports instead of domestic product, by firm

Quantity in 1,000 pounds

Purchaser	Purchased subject imports instead of domestic	Imports priced lower	Choice based on price	Quantity	Explanation
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	Yes--9; No--3	Yes--8; No--1	Yes--7; No--1	***	NA

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

Seven purchasers estimated the quantity of brass rod purchased from subject sources instead of domestic product, reporting a total quantity of *** pounds. Three purchasers estimated the quantity of brass rod from Brazil purchased instead of domestic product; quantities ranged from *** pounds to *** pounds. Three purchasers estimated the quantity of brass rod from India purchased instead of domestic product; quantities ranged from *** pounds to *** pounds. Five purchasers estimated the quantity of brass rod from Israel purchased instead of domestic product; quantities ranged from *** pounds to *** pounds. One purchaser estimated the quantity of brass rod from Mexico purchased instead of domestic product (*** pounds). Three purchasers estimated the quantity of brass rod from South Africa purchased instead of domestic product; quantities ranged from *** pounds to *** pounds. One purchaser estimated the quantity of brass rod from South Korea purchased instead of domestic product (*** pounds); (table V-15). Purchasers identified availability, some products not produced in the United States, service, "we can't find domestic at a reasonable price point or ***," and customer preference for imports as non-price reasons for purchasing imported rather than U.S.-produced product.

Table V-15
Brass rod: Purchasers' responses to purchasing subject imports instead of domestic product, by source

Quantity in 1,000 pounds

Source	Count of purchasers reporting subject instead of domestic	Count of purchasers reported that imports were priced lower	Count of purchasers reporting that price was a primary reason for shift	Quantity
Brazil	3	3	3	***
India	2	2	3	***
Israel	7	6	5	***
Mexico	1	1	1	***
South Africa	4	4	3	***
South Korea	2	2	1	***
Subject sources	9	8	7	***

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

One purchaser reported that U.S. producers had reduced prices in order to compete with lower-priced subject imports (specifically from *** whereas four purchasers reported that U.S. producers did not reduce prices to compete with subject imports (tables V-16 and V-17).[39] The reported estimated price reductions for domestic brass rod were ***. In describing the price reductions, the purchaser (***) reported that the "***."

[39] Seven reported that they did not know.

Table V-16
Brass rod: Purchasers' responses to U.S. producer price reductions, by firm

Purchaser	Reported producers lowered prices	Estimated percent of U.S. price reduction	Explanation
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
All firms	Yes--1; No—4; Don't know—7	***	NA

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

Table V-17
Brass rod: Purchasers' responses to U.S. producer price reductions, by source

Source	Count of purchasers reporting U.S. producers reduced prices	Average percent of estimated U.S. price reduction
Brazil	1	***
India	---	***
Israel	1	***
Mexico	---	***
South Africa	---	***
South Korea	1	***
Subject sources	1	***

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

Note: ***.

In responding to the lost sales/lost revenue survey, some purchasers provided additional information on purchases and market dynamics. Purchasers reported that U.S. producers were not able to supply, products that were not available from U.S. producers, U.S. producers typically do not sell the small quantities, imports are more flexible in factors other than price, and quality issues.

Part VI: Financial experience of U.S. producers

Background[1]

Two U.S. producers, Mueller and Wieland, provided usable financial results on their brass rod operations. Both firms reported their financial data on a calendar-year and GAAP basis.[2]

The industry's net sales include commercial sales, transfers to related firms, and sales that are made pursuant to tolling arrangements. Transfers to related firms accounted for between *** percent of the total net sales quantity during the 2020-22 period and are not shown separately in this section of the report.[3] They, along with commercial sales, are included within the non-toll sales category.

The industry's sales made pursuant to a tolling arrangement accounted for between *** percent of total net sales quantity during the 2020-22 period. In these arrangements, the purchaser provides, and maintains title of, the raw material inputs (i.e., scrap) and the U.S. producers convert the scrap into brass rod.[4]

Figure VI-1 presents each responding firm's share of the total reported net sales quantity in 2022.

[1] The following abbreviations are used in the tables and/or text of this section: generally accepted accounting principles ("GAAP"), fiscal year ("FY"), net sales ("NS"), cost of goods sold ("COGS"), cost of tolling services ("COTS"), selling, general, and administrative expenses ("SG&A expenses"), average unit values ("AUVs"), research and development expenses ("R&D expenses"), and return on assets ("ROA").

[2] ***.

[3] ***. Email from ***.

[4] Conference transcript, pp. 47-48 (Christie).

Figure VI-1
Brass rod: U.S. producers' share of net sales quantity in 2022, by firm

* * * * * * *

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

Operations on brass rod

Table VI-1 presents aggregated data on U.S. producers' non-toll and toll operations in relation to brass rod, while table VI-2 presents the corresponding changes in AUVs. Tables VI-3 and VI-4 present selected company-specific financial data for Mueller and Wieland, respectively. [5]

[5] While certain toll and non-toll sales indicators are aggregated in these tables, the difference in sales and cost structure between the two could make trends in combined unit values less meaningful, similar to the effect that a change in product mix can have on trends. For non-toll sales, COGS include raw material costs, whereas the cost of tolling services ("COTS") does not. So, on a unit value basis, any change in the relative amount of non-toll vs. toll sales will affect the net sales unit value and the unit value of the total cost of sales (i.e., COGS and COTS combined). These changes may or may not reflect actual changes in sales values or production costs. For instance, even if the costs a company incurs for raw materials, direct labor, and other factory costs remain the same between years, if the company's toll sales increase relative to its non-toll sales, the total cost of sales per pound will decrease, since a smaller share of sales will include the cost of raw materials. The effect of such distortions on unit values for data aggregating both toll and non-toll operations would be even more pronounced in industries

(*continued*...)

Table VI-1
Brass rod: U.S. producers' results of total operations, by item and period

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

Item	Measure	2020	2021	2022
Non-toll sales	Quantity	***	***	***
Toll sales	Quantity	***	***	***
Total net sales	Quantity	***	***	***
Non-toll sales	Value	***	***	***
Toll sales	Value	***	***	***
Total net sales	Value	***	***	***
Non-toll: COGS: Raw materials	Value	***	***	***
Non-toll: COGS: Direct labor	Value	***	***	***
Non-toll: COGS: Other factory	Value	***	***	***
Non-toll: COGS: Total	Value	***	***	***
Non-toll: Gross profit or loss	Value	***	***	***
Toll: COTS: Total	Value	***	***	***
Toll: Gross profit or loss	Value	***	***	***
Cost of sales (COGS + COTS)	Value	***	***	***
Gross profit or (loss)	Value	***	***	***
SG&A expenses	Value	***	***	***
Operating income or (loss)	Value	***	***	***
Other expenses/income, net	Value	***	***	***
Net income or (loss)	Value	***	***	***
Depreciation/amortization	Value	***	***	***
Cash flow	Value	***	***	***
Non-toll: COGS: Raw materials	Ratio to non-toll sales	***	***	***
Non-toll: COGS: Direct labor	Ratio to non-toll sales	***	***	***
Non-toll: COGS: Other factory	Ratio to non-toll sales	***	***	***
Non-toll: COGS: Total	Ratio to non-toll sales	***	***	***
Non-toll: Gross profit or loss	Ratio to non-toll sales	***	***	***
Toll: COTS: Total	Ratio to toll sales	***	***	***
Toll: Gross profit or loss	Ratio to toll sales	***	***	***
Cost of sales (COGS + COTS)	Ratio to NS	***	***	***
Gross profit	Ratio to NS	***	***	***
SG&A expense	Ratio to NS	***	***	***
Operating income or (loss)	Ratio to NS	***	***	***
Net income or (loss)	Ratio to NS	***	***	***

Table continued.

where raw material costs account for a relatively large share of total COGS for non-toll operations. It is for these reasons that data shown in this part of the report attempt to separate out toll and non-toll operations in various data presentations and calculations.

Table VI-1 Continued
Brass rod: U.S. producers' results of total operations, by item and period

Shares in percent; unit values in dollars per pound; count in number of firms reporting

Item	Measure	2020	2021	2022
Non-toll: COGS: Raw materials	Share of COGS	***	***	***
Non-toll: COGS: Direct labor	Share of COGS	***	***	***
Non-toll: COGS: Other factory	Share of COGS	***	***	***
Non-toll: COGS: Total	Share of COGS	***	***	***
Non-toll sales	Unit value	***	***	***
Toll sales	Unit value	***	***	***
Total net sales	Unit value	***	***	***
Non-toll: COGS: Raw materials	Unit value	***	***	***
Non-toll: COGS: Direct labor	Unit value	***	***	***
Non-toll: COGS: Other factory	Unit value	***	***	***
Non-toll: COGS: Total	Unit value	***	***	***
Non-toll: Gross profit or loss	Unit value	***	***	***
Toll: COTS: Total	Unit value	***	***	***
Toll: Gross profit or loss	Unit value	***	***	***
Cost of sales (COGS + COTS)	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.

Table VI-2
Brass rod: Changes in AUVs between comparison periods

Changes in percent

Item	2020-22	2020-21	2021-22
Non-toll sales	***	***	***
Toll sales	***	***	***
Total net sales	***	***	***
Non-toll: COGS: Raw materials	***	***	***
Non-toll: COGS: Direct labor	***	***	***
Non-toll: COGS: Other factory	***	***	***
Non-toll: COGS: Total	***	***	***
Toll: COTS: Total	***	***	***
Cost of sales (COGS + COTS)	***	***	***

Table continued.

Table VI-2 Continued
Brass rod: Changes in AUVs between comparison periods

Changes in dollars per pound

Item	2020-22	2020-21	2021-22
Non-toll sales	***	***	***
Toll sales	***	***	***
Total net sales	***	***	***
Non-toll: COGS: Raw materials	***	***	***
Non-toll: COGS: Direct labor	***	***	***
Non-toll: COGS: Other factory	***	***	***
Non-toll: COGS: Total	***	***	***
Non-toll: Gross profit or loss	***	***	***
Toll: COTS: Total	***	***	***
Toll: Gross profit or loss	***	***	***
Cost of sales (COGS + COTS)	***	***	***
Gross profit or (loss)	***	***	***
SG&A expenses	***	***	***
Operating income or (loss)	***	***	***
Net income or (loss)	***	***	***

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

Note: Changes in average unit value shown as "0.00" represent values greater than zero, but less than "0.005." 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.

Table VI-3
Brass rod: Mueller's results of operations, by item and period

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

Item	Measure	2020	2021	2022
Non-toll sales	Quantity	***	***	***
Toll sales	Quantity	***	***	***
Total net sales	Quantity	***	***	***
Non-toll sales	Value	***	***	***
Toll sales	Value	***	***	***
Total net sales	Value	***	***	***
Non-toll: COGS: Total	Value	***	***	***
Non-toll: Gross profit or loss	Value	***	***	***
Toll: COTS: Total	Value	***	***	***
Toll: Gross profit or loss	Value	***	***	***
Cost of sales (COGS + COTS)	Value	***	***	***
Gross profit or (loss)	Value	***	***	***
SG&A expenses	Value	***	***	***
Operating income or (loss)	Value	***	***	***
Net income or (loss)	Value	***	***	***
Non-toll: COGS: Total	Ratio to non-toll sales	***	***	***
Non-toll: Gross profit or loss	Ratio to non-toll sales	***	***	***
Toll: COTS: Total	Ratio to toll sales	***	***	***
Toll: Gross profit or loss	Ratio to toll sales	***	***	***
Cost of sales (COGS + COTS)	Ratio to NS	***	***	***
Gross profit	Ratio to NS	***	***	***
SG&A expense	Ratio to NS	***	***	***
Operating income or (loss)	Ratio to NS	***	***	***
Net income or (loss)	Ratio to NS	***	***	***
Non-toll sales	Unit value	***	***	***
Toll sales	Unit value	***	***	***
Total net sales	Unit value	***	***	***
Non-toll: COGS: Raw materials	Unit value	***	***	***
Non-toll: COGS: Direct labor	Unit value	***	***	***
Non-toll: COGS: Other factory	Unit value	***	***	***
Non-toll: COGS: Total	Unit value	***	***	***
Non-toll: Gross profit or loss	Unit value	***	***	***
Toll: COTS: Total	Unit value	***	***	***
Toll: Gross profit or loss	Unit value	***	***	***
Cost of sales (COGS + COTS)	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	***	***	***

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

Table VI-4
Brass rod: Wieland's results of operations, by item and period

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

Item	Measure	2020	2021	2022
Non-toll sales	Quantity	***	***	***
Toll sales	Quantity	***	***	***
Total net sales	Quantity	***	***	***
Non-toll sales	Value	***	***	***
Toll sales	Value	***	***	***
Total net sales	Value	***	***	***
Non-toll: COGS: Total	Value	***	***	***
Non-toll: Gross profit or loss	Value	***	***	***
Toll: COTS: Total	Value	***	***	***
Toll: Gross profit or loss	Value	***	***	***
Cost of sales (COGS + COTS)	Value	***	***	***
Gross profit or (loss)	Value	***	***	***
SG&A expenses	Value	***	***	***
Operating income or (loss)	Value	***	***	***
Net income or (loss)	Value	***	***	***
Non-toll: COGS: Total	Ratio to non-toll sales	***	***	***
Non-toll: Gross profit or loss	Ratio to non-toll sales	***	***	***
Toll: COTS: Total	Ratio to toll sales	***	***	***
Toll: Gross profit or loss	Ratio to toll sales	***	***	***
Cost of sales (COGS + COTS)	Ratio to NS	***	***	***
Gross profit	Ratio to NS	***	***	***
SG&A expense	Ratio to NS	***	***	***
Operating income or (loss)	Ratio to NS	***	***	***
Net income or (loss)	Ratio to NS	***	***	***
Non-toll sales	Unit value	***	***	***
Toll sales	Unit value	***	***	***
Total net sales	Unit value	***	***	***
Non-toll: COGS: Raw materials	Unit value	***	***	***
Non-toll: COGS: Direct labor	Unit value	***	***	***
Non-toll: COGS: Other factory	Unit value	***	***	***
Non-toll: COGS: Total	Unit value	***	***	***
Non-toll: Gross profit or loss	Unit value	***	***	***
Toll: COTS: Total	Unit value	***	***	***
Toll: Gross profit or loss	Unit value	***	***	***
Cost of sales (COGS + COTS)	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	***	***	***

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

Net sales

As mentioned previously, the industry's net sales include revenue from traditional sales of brass rod as well as sales that are made pursuant to tolling arrangements. The sales quantities for both toll and non-toll sales increased from 2020-21 and decreased from 2021-22 but remained above their 2020 level, for an overall increase between 2020 and 2022. The non-toll sales value also increased overall during the period examined after increasing from 2020-21 and decreasing from 2021-22. The toll sales value increased from 2020-21 and 2021-22.[6]

The average unit non-toll sales values are noticeably higher than the average unit toll sales values, which is consistent with the difference in cost structures. Sales on a non-toll basis need to cover the cost of raw materials, whereas toll sales do not. On a per-pound basis, the non-toll sales values increased from $*** in 2020 to $*** in 2022. Toll sales values also increased, from $*** per pound in 2020 to $*** per pound in 2022.

Cost of goods sold, cost of tolling services, and gross profit or loss

Non-toll COGS

Raw material costs were the largest non-toll COGS component, representing between *** percent of non-toll COGS in 2020-22. The average per-pound raw material cost increased noticeably (by *** percent), from $*** in 2020 to $*** in 2022. On a company-specific basis, ***.[7] Table VI-5 presents raw materials, by type.[8] The table shows that scrap accounted for the large majority of raw material costs in 2022.

[6] During 2020-22, ***.

[7] As can be seen in tables VI-3 and VI-4, ***.

[8] ***. U.S. producers' questionnaire responses, sections III-6 and III-7a.

Table VI-5
Brass rod: U.S. producers' raw material costs in 2022

Value in 1,000 dollars; unit values in dollars per pound; share of value in percent

Item	Value	Unit value	Share of value
Scrap	***	***	***
Copper	***	***	***
Zinc	***	***	***
Lead	***	***	***
Other material inputs	***	***	***
All raw materials	***	***	***

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

Direct labor is a cost associated with both toll and non-toll sales.[9] For non-toll sales, it accounted for between *** percent of non-toll COGS in 2020-22. On a per-pound basis, direct labor remained essentially unchanged at $*** in each year examined. ***.

Other factory costs are also associated with both toll and non-toll sales. Non-toll other factory costs accounted for between *** percent of non-toll COGS in 2020-22. On a per-pound basis, these costs were $*** in 2020 and 2021 and then increased to $*** in 2022 (see table VI-1).

Total non-toll COGS as a ratio to non-toll sales revenue increased irregularly from *** percent in 2020 to *** percent in 2022. This also shows that non-toll gross profit as a ratio to non-toll sales value decreased from *** percent in 2020 to *** percent in 2022. Conversely, the non-toll COGS on a per-pound basis increased from $*** in 2020 to $*** in 2022. As shown in table VI-2, this $*** increase in non-toll COGS was less than the $*** per pound increase in the non-toll sales value between 2020 and 2022, leading to an $*** increase in the gross profit realized per pound.[10] The industry's non-toll gross profit increased irregularly from $*** in 2020 to $*** in 2022.

[9] Direct labor and other factory costs associated with toll sales are shown combined as the cost of tolling services ("COTS") in this section.

[10] This divergence between these non-toll gross profit indicators (i.e., the decrease of the gross profit to non-toll sales ratio and the increase of non-toll gross profit per pound) is the result of the increase in average non-toll sales value. While the gross profit realized per pound increased, it did not increase enough to maintain the industry's gross profit margin as the non-toll sales value increased.

Cost of tolling services

As discussed previously, for the industry's sales made pursuant to a tolling agreement, the raw materials are provided for the U.S. producers to convert into brass rod in exchange for a tolling fee. Thus, the manufacturing costs incurred by the U.S. producers for these sales include direct labor and other factory costs. These are shown combined in this section as the cost of tolling services. As shown in table VI-1, the ratio of COTS to toll sales value decreased irregularly from *** percent in 2020 to *** percent in 2022. On a per-pound basis, COTS increased from $*** per pound in 2020 and 2021 to $*** per pound in 2022, which is similar to the combined increase in the per-pound non-toll direct labor and other factory costs. However, the industry's average toll sales value increased by $*** per pound, resulting in the industry's gross profit from toll sales increasing by $*** per pound. On an actual basis, the industry's gross profit from toll sales increased from $*** in 2020 to $*** in 2022.

Total cost of sales and gross profit

As shown in table VI-1, the industry's total cost of sales increased from 2020-21 and decreased from 2021-22, for an overall increase from 2020-22. Total cost of sales as a ratio to net sales increased irregularly from *** percent in 2020 to *** percent in 2022. Total gross profit increased from $*** in 2020 to a period high of $*** in 2021, and then decreased to $*** in 2022.

SG&A expenses and operating income or loss

SG&A expenses increased irregularly from $*** in 2020 to $*** in 2022. However, as a ratio to total net sales, they were *** percent in 2020, *** percent in 2021, and *** percent in 2022. The industry's operating income increased from $*** in 2020 to $*** in 2021, and then decreased to $*** in 2022. As a ratio to net sales value, operating income decreased from *** percent in 2020 to *** percent in 2022.

All other expenses and net income or loss

Classified below the operating income level are interest expense, all other expenses, and all other income, which are often allocated to the product line from high levels in the corporation. These items are aggregated in table VI-1 and shown as "all other expenses/income, net." ***. All other expenses/income decreased during the period examined from $*** in 2020 to $*** in 2022. The industry's net income increased irregularly from $*** in 2020 to $*** in 2022.[11]

Capital expenditures and research and development expenses

Tables VI-6 and VI-8 present the U.S. producers' capital expenditures and R&D expenses, respectively. Tables VI-7 and VI-9 present the firms' narrative explanations of the nature, focus, and significance of their capital expenditures and R&D expenses, respectively.

The industry's capital expenditures increased from 2020 to 2021 and decreased from 2021 to 2022 but remained above the 2020 level. *** accounted for the largest share of the industry's capital expenditures in each year.

*** accounted for the *** of the industry's R&D expenses, which increased from 2020 to 2022. As shown in table VI-9, ***.

Table VI-6
Brass rod: U.S. producers' capital expenditures, by firm and period

Value in 1,000 dollars

Firm	2020	2021	2022
Mueller	***	***	***
Wieland	***	***	***
All firms	***	***	***

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

[11] A combined variance analysis is not shown because of the large variation in cost structures between non-toll and toll sales.

Table VI-7
Brass rod: U.S. producers' narrative descriptions of their capital expenditures, by firm

Firm	Narrative on capital expenditures
Mueller	***
Wieland	***

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

Table VI-8
Brass rod: U.S. producers' R&D expenses, by firm and period

Value in 1,000 dollars

Firm	2020	2021	2022
Mueller	***	***	***
Wieland	***	***	***
All firms	***	***	***

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

Table VI-9
Brass rod: U.S. producers' narrative descriptions of their R&D expenses, by firm

Firm	Narrative on R&D expenses
Mueller	***
Wieland	***

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

Assets and return on assets

Table VI-10 presents data on the U.S. producers' total assets while table VI-11 presents their operating ROA.[12] Table VI-12 presents U.S. producers' narrative responses explaining their major asset categories and any significant changes in asset levels over time.[13]

Table VI-10
Brass rod: U.S. producers' total net assets, by firm and period

Value in 1,000 dollars

Firm	2020	2021	2022
Mueller	***	***	***
Wieland	***	***	***
All firms	***	***	***

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

Table VI-11
Brass rod: U.S. producers' operating ROA, by firm and period

Ratio in percent

Firm	2020	2021	2022
Mueller	***	***	***
Wieland	***	***	***
All firms	***	***	***

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

Table VI-12
Brass rod: U.S. producers' narrative descriptions of their total net assets, by firm

Firm	Narrative on assets
Mueller	***
Wieland	***

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

[12] The 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 on a product-specific basis.

[13] In its narrative response, ***.

Capital and investment

The Commission requested U.S. producers of brass rod to describe any actual or potential negative effects of imports of brass rod from Brazil, India, Israel, Mexico, South Africa, or South Korea on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Table VI-13 presents the number of firms reporting an impact in each category and table VI-14 provides the U.S. producers' narrative responses.

Table VI-13***

Brass rod: Count of firms indicating actual and anticipated negative effects of imports from subject sources on investment, growth, and development since January 1, 2020, by effect

Number of firms reporting

Effect	Category	Count
Cancellation, postponement, or rejection of expansion projects	Investment	***
Denial or rejection of investment proposal	Investment	***
Reduction in the size of capital investments	Investment	***
Return on specific investments negatively impacted	Investment	***
Other investment effects	Investment	***
Any negative effects on investment	Investment	***
Rejection of bank loans	Growth	***
Lowering of credit rating	Growth	***
Problem related to the issue of stocks or bonds	Growth	***
Ability to service debt	Growth	***
Other growth and development effects	Growth	***
Any negative effects on growth and development	Growth	***
Anticipated negative effects of imports	Future	***

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

Table VI-14
Brass rod: U.S. producers' narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2020

Item	Firm name and narrative on impact of imports
***	***
***	***
***	***
***	***
***	***
***	***
***	***

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

Part VII: Threat considerations and information on nonsubject countries

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

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

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

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

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

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

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

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

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

The industry in Brazil

The Commission issued foreign producers' or exporters' questionnaires to one firm believed to produce and/or export brass rod from Brazil.[3] A usable response to the Commission's questionnaire was received from Termomecanica. Termomecanica's exports to the United States accounted for over *** percent of U.S. imports of brass rod from Brazil in 2022. According to estimates requested of the responding producer in Brazil, the production of brass rod in Brazil reported in questionnaire accounts for approximately *** percent of overall production of brass rod in Brazil in 2022.[4] Table VII-1 presents information on the brass rod operations of the responding producer Brazil.

Table VII-1
Brass rod: Summary data for producer in Brazil, 2022

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)
Termomecanica	***	***	***	***	***	***
All firms	***	100.0	***	100.0	***	***

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

[3] This firm was identified through a review of information submitted in the petition and presented in third-party sources.

[4] Termomecanica's foreign producer questionnaire response, section II-7a.

Changes in operations

The producer in Brazil was asked to report any change in the character of its operations or organization relating to the production of brass rod since 2020. Termomecanica indicated in its questionnaire that it had experienced such changes. Table VII-2 presents the changes identified by Termomecanica.

Table VII-2
Brass rod: Reported changes in operations in Brazil since January 1, 2020, by firm

Item	Firm name and accompanying narrative response
Other	***

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

Operations on brass rod

Table VII-3 presents Termomecanica's capacity and production on the same equipment and machinery used to produce brass rod. During 2020-22, Termomecanica's installed overall capacity remained the same. During 2020-22, practical overall capacity and practical brass rod capacity fluctuated but overall decreased by *** percent and by *** percent, respectively. Termomecanica's production of brass rod was highest in 2021 but overall decreased by *** percent during 2020-22. Termomecanica's capacity utilization of brass rod increased by *** percentage points to its highest level in 2021 then decreased by *** percentage points from 2021 to 2022 for an overall decrease of *** percentage points during 2020-22.

Table VII-3
Brass rod: Producer's in Brazil installed and practical capacity and production on the same equipment as subject production, by period

Capacity and production in 1,000 pounds; utilization in percent

Item	Measure	2020	2021	2022
Installed overall	Capacity	***	***	***
Installed overall	Production	***	***	***
Installed overall	Utilization	***	***	***
Practical overall	Capacity	***	***	***
Practical overall	Production	***	***	***
Practical overall	Utilization	***	***	***
Practical brass rod	Capacity	***	***	***
Practical brass rod	Production	***	***	***
Practical brass rod	Utilization	***	***	***

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

Table VII-4 presents data on Termomecanica's reported constraints to practical overall capacity.

Table VII-4
Brass rod: Producer's in Brazil reported constraints to practical overall capacity, since January 1, 2020

Item	Firm name and narrative response on constraints to practical overall capacity
Fuel or energy	***
Logistics/transportation	***

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

Table VII-5 presents information on the brass rod operations of the responding producer in Brazil. During 2020-22, Termomecanica's home market shipments decreased by *** percent, while exports to the United States increased by *** percent. Termomecanica projects home market shipments to increase by *** percent while it projects exports to the United States to decrease by *** percent during 2022-24. During the period for which data were collected, Termomecanica did not report any internal consumption or company transfers. Home market shipments had the largest yet decreasing share of total shipments during 2020-22 ranging from *** percent of total shipments in 2020 to *** percent of total shipments in 2022. Exports to the United States, which had the second largest share of total shipments, increased from *** percent in 2020 to *** percent in 2022. During 2020-22, Termomecanica's end-of-period inventories decreased by *** percent and the firm projects end-of-period inventories to be the same in 2023 and 2024 as in 2022. Termomecanica's inventory ratios to production and to total shipments remained below *** percent during the period for which data were collected.

Table VII-5
Brass rod: Data on industry in Brazil, by period

Quantity in 1,000 pounds

Item	2020	2021	2022	Projection 2023	Projection 2024
Capacity	***	***	***	***	***
Production	***	***	***	***	***
End-of-period inventories	***	***	***	***	***
Internal consumption/transfers	***	***	***	***	***
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-5 Continued
Brass rod: Data on industry in Brazil, by period

Shares and ratios in percent

Item	2020	2021	2022	Projection 2023	Projection 2024
Capacity utilization ratio	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***
Internal consumption/transfers 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	100.0	100.0	100.0	100.0	100.0

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. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Alternative products

As shown in table VII-6, *** percent of the product produced during 2022 by Termomecanica was brass rod. In addition to other products made of brass and bronze products, other out-of-scope products include: ***.[5]

Table VII-6
Brass rod: Producer's in Brazil production on the same equipment as subject production, by product type and period

Quantity in 1,000 pounds; share in percent

Product type	Measure	2020	2021	2022
Brass rod	Quantity	***	***	***
Other products made of brass	Quantity	***	***	***
Bronze products	Quantity	***	***	***
Other products	Quantity	***	***	***
Out-of-scope products	Quantity	***	***	***
All products	Quantity	***	***	***
Brass rod	Share	***	***	***
Other products made of brass	Share	***	***	***
Bronze products	Share	***	***	***
Other products	Share	***	***	***
Out-of-scope products	Share	***	***	***
All products	Share	100.0	100.0	100.0

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

[5] Termomecanica's foreign producer questionnaire, section II-3a.

Exports

According to GTA, the leading export markets for bars, rods, and profiles of copper-zinc base alloys from Brazil are the United States, Argentina, and Chile (table VII-7). During 2022, the United States was the top export market for bars, rods, and profiles of copper-zinc base alloys from Brazil, accounting for 83.9 percent of exports, followed by Argentina, accounting for 7.6 percent.

Table VII-7
Bars, rods, and profiles of copper-zinc base alloys (brass): Exports from Brazil, by destination market and period

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

Destination market	Measure	2020	2021	2022
United States	Quantity	3,771	5,106	8,213
Argentina	Quantity	898	831	743
Chile	Quantity	85	894	671
Egypt	Quantity	74	45	44
Colombia	Quantity	11	7	35
Mexico	Quantity	100	---	30
Paraguay	Quantity	15	3	19
Bolivia	Quantity	---	---	14
Uruguay	Quantity	6	7	11
All other destination markets	Quantity	63	4	5
All destination markets	Quantity	5,023	6,896	9,785
United States	Value	8,801	17,321	28,835
Argentina	Value	2,163	2,790	2,796
Chile	Value	203	3,015	2,277
Egypt	Value	199	140	202
Colombia	Value	71	37	131
Mexico	Value	212	---	99
Paraguay	Value	49	17	69
Bolivia	Value	---	---	53
Uruguay	Value	24	47	39
All other destination markets	Value	123	29	76
All destination markets	Value	11,846	23,395	34,578

Table continued.

Table VII-7 Continued
Bars, rods, and profiles of copper-zinc base alloys (brass): Exports from Brazil, by destination market and period

Unit value in dollars per pound; share in percent

Destination market	Measure	2020	2021	2022
United States	Unit value	2.33	3.39	3.51
Argentina	Unit value	2.41	3.36	3.76
Chile	Unit value	2.41	3.37	3.39
Egypt	Unit value	2.69	3.12	4.64
Colombia	Unit value	6.66	5.37	3.77
Mexico	Unit value	2.13	---	3.29
Paraguay	Unit value	3.23	5.40	3.69
Bolivia	Unit value	---	---	3.69
Uruguay	Unit value	3.75	7.06	3.70
All other destination markets	Unit value	1.95	7.84	14.08
All destination markets	Unit value	2.36	3.39	3.53
United States	Share of quantity	75.1	74.0	83.9
Argentina	Share of quantity	17.9	12.1	7.6
Chile	Share of quantity	1.7	13.0	6.9
Egypt	Share of quantity	1.5	0.7	0.4
Colombia	Share of quantity	0.2	0.1	0.4
Mexico	Share of quantity	2.0	---	0.3
Paraguay	Share of quantity	0.3	0.0	0.2
Bolivia	Share of quantity	---	---	0.1
Uruguay	Share of quantity	0.1	0.1	0.1
All other destination markets	Share of quantity	1.3	0.1	0.1
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 7407.21 as reported by SECEX – Foreign Trade Secretariat in the Global Trade Atlas database, accessed May 15, 2023.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2020 data.

The industry in India

The Commission issued foreign producers' or exporters' questionnaires to one firm believed to produce and/or export brass rod from India.[6] A usable response to the Commission's questionnaire was received from Rajhans. Rajhans' exports to the United States accounted for *** U.S. imports of brass rod from India in 2022. According to estimates requested of the responding producer in India, the production of brass rod in India reported in questionnaire accounts for approximately *** percent of overall production of brass rod in India in 2022.[7] Table VII-8 presents information on the brass rod operations of the responding producer India.

Table VII-8
Brass rod: Summary data for producer in India, 2022

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)
Rajhans	***	***	***	***	***	***
All firms	***	100.0	***	100.0	***	***

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

[6] This firm was identified through a review of information submitted in the petition and presented in third-party sources.

[7] Rajhans' foreign producer questionnaire response, section II-7a.

Changes in operations

The producer in India was asked to report any change in the character of its operations or organization relating to the production of brass rod since 2020. Rajhans indicated in its questionnaire that it had experienced such changes. Table VII-9 presents the changes identified by Rajhans.

Table VII-9
Brass rod: Reported changes in operations in India since January 1, 2020, by firm

Item	Firm name and accompanying narrative response
Prolonged shutdowns	***

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

Operations on brass rod

Table VII-10 presents Rajhans' capacity and production on the same equipment and machinery used to produce brass rod. During 2020-22, Rajhans' installed overall capacity, practical overall capacity, and practical brass rod capacity ***. Rajhans' production of brass rod increased annually and overall, by *** percent during 2020-22. Rajhans' capacity utilization of brass rod increased by *** percentage points during 2020-22. Rajhans' reported that ***.[8]

Table VII-10
Brass rod: Producer's in India installed and practical capacity and production on the same equipment as subject production, by period

Capacity and production in 1,000 pounds; utilization in percent

Item	Measure	2020	2021	2022
Installed overall	Capacity	***	***	***
Installed overall	Production	***	***	***
Installed overall	Utilization	***	***	***
Practical overall	Capacity	***	***	***
Practical overall	Production	***	***	***
Practical overall	Utilization	***	***	***
Practical brass rod	Capacity	***	***	***
Practical brass rod	Production	***	***	***
Practical brass rod	Utilization	***	***	***

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

[8] Rajhans' foreign producer questionnaire response, section II-2a.

Table VII-11 presents data on Rajhans' reported constraints to practical overall capacity.

Table VII-11
Brass rod: Producer's in India reported constraints to practical overall capacity, since January 1, 2020

Item	Firm name and narrative response on constraints to practical overall capacity
Other constraints	***

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

Table VII-12 presents information on the brass rod operations of the responding producer in India. During 2020-22, Rajhans' home market shipments increased by *** percent, while exports to the United States ***. Rajhans projects 2023 and 2024 home market shipments and exports to the United States to be similar to levels in 2022. During the period for which data were collected, Rajhans *** report any internal consumption or company transfers. Home market shipments had the largest share of all shipments during 2020-22 ranging from *** percent of total shipments in 2022 to *** percent of total shipments in 2020. During 2020-22, Rajhans' end-of-period inventories decreased by *** percent and the firm projects end-of-period inventories to decrease further during 2022-24. Rajhans' inventory ratios to production and to total shipments remained below *** percent during the period for which data were collected.

Table VII-12
Brass rod: Data on industry in India, by period

Quantity in 1,000 pounds

Item	2020	2021	2022	Projection 2023	Projection 2024
Capacity	***	***	***	***	***
Production	***	***	***	***	***
End-of-period inventories	***	***	***	***	***
Internal consumption/transfers	***	***	***	***	***
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-12 Continued
Brass rod: Data on industry in India, by period

Shares and ratios in percent

Item	2020	2021	2022	Projection 2023	Projection 2024
Capacity utilization ratio	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***
Internal consumption/transfers 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	100.0	100.0	100.0	100.0	100.0

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. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Alternative products

As shown in table VII-13, *** percent of the product produced during 2022 by Rajhans was brass rod.

Table VII-13
Brass rod: Producer's in India production on the same equipment as subject production, by product type and period

Quantity in 1,000 pounds; share in percent

Product type	Measure	2020	2021	2022
Brass rod	Quantity	***	***	***
Other products made of brass	Quantity	***	***	***
Bronze products	Quantity	***	***	***
Other products	Quantity	***	***	***
Out-of-scope products	Quantity	***	***	***
All products	Quantity	***	***	***
Brass rod	Share	***	***	***
Other products made of brass	Share	***	***	***
Bronze products	Share	***	***	***
Other products	Share	***	***	***
Out-of-scope products	Share	***	***	***
All products	Share	100.0	100.0	100.0

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. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Exports

According to GTA, the leading export markets for bars, rods, and profiles of copper-zinc base alloys from India are the United States, the United Arab Emirates, and China (table VII-14). During 2022, the United States was the top export market for bars, rods, and profiles of copper-zinc base alloys from India, accounting for 63.0 percent of exports, followed by the United Arab Emirates, accounting for 10.4 percent.

Table VII-14
Bars, rods, and profiles of copper-zinc base alloys (brass): Exports from India, by destination market and period

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

Destination market	Measure	2020	2021	2022
United States	Quantity	1,491	2,303	2,988
United Arab Emirates	Quantity	327	295	493
China	Quantity	112	520	399
Australia	Quantity	262	390	303
Nepal	Quantity	50	250	236
Sri Lanka	Quantity	56	109	88
Saudi Arabia	Quantity	44	55	44
Netherlands	Quantity	0	5	27
Tanzania	Quantity	4	1	22
All other destination markets	Quantity	221	288	140
All destination markets	Quantity	2,566	4,217	4,740
United States	Value	4,080	8,999	11,643
United Arab Emirates	Value	762	893	1,529
China	Value	190	1,344	1,115
Australia	Value	596	1,256	954
Nepal	Value	103	712	686
Sri Lanka	Value	154	395	333
Saudi Arabia	Value	174	217	159
Netherlands	Value	0	19	89
Tanzania	Value	10	6	42
All other destination markets	Value	707	1,139	712
All destination markets	Value	6,777	14,981	17,262

Table continued.

Table VII-14 Continued
Bars, rods, and profiles of copper-zinc base alloys (brass): Exports from India, by destination market and period

Unit value in dollars per pound; share in percent

Destination market	Measure	2020	2021	2022
United States	Unit value	2.74	3.91	3.90
United Arab Emirates	Unit value	2.33	3.03	3.10
China	Unit value	1.70	2.58	2.79
Australia	Unit value	2.28	3.22	3.15
Nepal	Unit value	2.08	2.84	2.91
Sri Lanka	Unit value	2.76	3.64	3.77
Saudi Arabia	Unit value	3.94	3.95	3.61
Netherlands	Unit value	24.92	4.18	3.36
Tanzania	Unit value	2.50	5.94	1.89
All other destination markets	Unit value	3.20	3.95	5.08
All destination markets	Unit value	2.64	3.55	3.64
United States	Share of quantity	58.1	54.6	63.0
United Arab Emirates	Share of quantity	12.7	7.0	10.4
China	Share of quantity	4.4	12.3	8.4
Australia	Share of quantity	10.2	9.3	6.4
Nepal	Share of quantity	1.9	5.9	5.0
Sri Lanka	Share of quantity	2.2	2.6	1.9
Saudi Arabia	Share of quantity	1.7	1.3	0.9
Netherlands	Share of quantity	0.0	0.1	0.6
Tanzania	Share of quantity	0.2	0.0	0.5
All other destination markets	Share of quantity	8.6	6.8	3.0
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 7407.21 as reported by Ministry of Commerce in the Global Trade Atlas database, accessed May 15, 2023.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2020 data.

The industry in Israel

The Commission issued foreign producers' or exporters' questionnaires to one firm believed to produce and/or export brass rod from Israel.[9] A usable response to the Commission's questionnaire was received from Finkelstein. Finkelstein's exports to the United States accounted for all known U.S. imports of brass rod from Israel in 2022. According to estimates requested of the responding producer in Israel, the production of brass rod in Israel reported in the questionnaire accounts for all known production of brass rod in Israel in 2022.[10] Table VII-15 presents information on the brass rod operations of the responding producer Israel.

Table VII-15
Brass rod: Summary data for producer in Israel, 2022

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)
Finkelstein	***	***	***	***	***	***
All firms	***	100.0	***	100.0	***	***

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

[9] This firm was identified through a review of information submitted in the petition and presented in third-party sources.

[10] Finkelstein's foreign producer questionnaire response, section II-7a. At the staff conference Finkelstein confirmed it was the sole producer of brass rod in Israel. Conference transcript, p. 165 (Finkelstein).

Changes in operations

The producer in Israel was asked to report any change in the character of its operations or organization relating to the production of brass rod since 2020. Finkelstein indicated in its questionnaire that it had experienced such changes. Table VII-16 presents the changes identified by Finkelstein.

Table VII-16
Brass rod: Reported changes in operations in Israel since January 1, 2020, by firm

Item	Firm name and accompanying narrative response
Prolonged shutdowns	***
Other	***

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

Operations on brass rod

Table VII-17 presents Finkelstein's capacity and production on the same equipment and machinery used to produce brass rod. During 2020-22, Finkelstein's installed overall capacity ***. During 2020-22, practical overall capacity and practical brass rod capacity was the *** during 2020-21 then decreased by *** percent and by *** percent, respectively in 2022. Finkelstein's production of brass rod was highest in 2021 and overall increased by *** percent during 2020-22. Finkelstein's capacity utilization of brass rod increased by *** percentage points to its highest level in 2021 then decreased by *** percentage points from 2021 to 2022 for an overall increase of *** percentage points during 2020-22.

Table VII-17
Brass rod: Producer's in Israel installed and practical capacity and production on the same equipment as subject production, by period

Capacity and production in 1,000 pounds; utilization in percent

Item	Measure	2020	2021	2022
Installed overall	Capacity	***	***	***
Installed overall	Production	***	***	***
Installed overall	Utilization	***	***	***
Practical overall	Capacity	***	***	***
Practical overall	Production	***	***	***
Practical overall	Utilization	***	***	***
Practical brass rod	Capacity	***	***	***
Practical brass rod	Production	***	***	***
Practical brass rod	Utilization	***	***	***

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

Table VII-18 presents data on Finkelstein's reported constraints to practical overall capacity.

Table VII-18
Brass rod: Producer's in Israel reported constraints to practical overall capacity, since January 1, 2020

Item	Firm name and narrative response on constraints to practical overall capacity
Production bottlenecks	***
Existing labor force	***
Supply of material inputs	***
Other constraints	***

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

Table VII-19 presents information on the brass rod operations of the responding producer in Israel. During 2020-22, Finkelstein's home market shipments decreased by *** percent, while exports to the United States increased by *** percent. Finkelstein projects home market shipments to decrease by *** percent, while it projects exports to the United States will increase by *** percent during 2022-24. During the period for which data were collected, Finkelstein did not report any internal consumption or company transfers. Exports to the United States were a majority of all shipments during 2020-22 ranging from *** percent of total shipments in 2020 to *** percent of total shipments in 2021. During 2020-22, Finkelstein's end-of-period inventories fluctuated but overall decreased by *** percent during 2020-22. Finkelstein projects end-of-period inventories to increase by *** percent during 2022-24. Finkelstein's inventory ratios to production and to total shipments remained below *** percent during the period for which data were collected.

Table VII-19
Brass rod: Data on industry in Israel, by period

Quantity in 1,000 pounds

Item	2020	2021	2022	Projection 2023	Projection 2024
Capacity	***	***	***	***	***
Production	***	***	***	***	***
End-of-period inventories	***	***	***	***	***
Internal consumption/transfers	***	***	***	***	***
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-19 Continued
Brass rod: Data on industry in Israel, by period

Shares and ratios in percent

Item	2020	2021	2022	Projection 2023	Projection 2024
Capacity utilization ratio	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***
Internal consumption/transfers 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	100.0	100.0	100.0	100.0	100.0

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. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Alternative products

As shown in table VII-20, *** percent of the product produced during 2022 by Finkelstein was brass rod.

Table VII-20
Brass rod: Producer's in Israel production on the same equipment as subject production, by product type and period

Quantity in 1,000 pounds; share in percent

Product type	Measure	2020	2021	2022
Brass rod	Quantity	***	***	***
Other products made of brass	Quantity	***	***	***
Bronze products	Quantity	***	***	***
Other products	Quantity	***	***	***
Out-of-scope products	Quantity	***	***	***
All products	Quantity	***	***	***
Brass rod	Share	***	***	***
Other products made of brass	Share	***	***	***
Bronze products	Share	***	***	***
Other products	Share	***	***	***
Out-of-scope products	Share	***	***	***
All products	Share	100.0	100.0	100.0

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

Exports

According to GTA, the leading export markets for bars, rods, and profiles of copper-zinc base alloys from Israel are the United States and Canada (table VII-21). During 2022, the United States was the top export market for bars, rods, and profiles of copper-zinc base alloys from Israel, accounting for 91.3 percent of exports, followed by Canada, accounting for 8.7 percent.

Table VII-21
Bars, rods, and profiles of copper-zinc base alloys (brass): Exports from Israel, by destination market and period

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

Destination market	Measure	2020	2021	2022
United States	Quantity	5,322	11,082	7,869
Canada	Quantity	121	445	749
Turkey	Quantity	---	---	1
United Kingdom	Quantity	13	---	---
Spain	Quantity	44	---	---
Italy	Quantity	32	---	---
India	Quantity	13	---	---
Germany	Quantity	54	201	---
France	Quantity	2	---	---
All other destination markets	Quantity	51	0	---
All destination markets	Quantity	5,651	11,728	8,618
United States	Value	11,690	30,664	26,424
Canada	Value	265	1,232	2,514
Turkey	Value	---	---	3
United Kingdom	Value	29	---	---
Spain	Value	96	---	---
Italy	Value	71	---	---
India	Value	28	---	---
Germany	Value	118	556	---
France	Value	5	---	---
All other destination markets	Value	111	---	---
All destination markets	Value	12,413	32,452	28,941

Table continued.

Table VII-21 Continued
Bars, rods, and profiles of copper-zinc base alloys (brass): Exports from Israel, by destination market and period

Unit value in dollars per pound; share in percent

Destination market	Measure	2020	2021	2022
United States	Unit value	2.20	2.77	3.36
Canada	Unit value	2.20	2.77	3.36
Turkey	Unit value	---	---	3.36
United Kingdom	Unit value	2.20	---	---
Spain	Unit value	2.20	---	---
Italy	Unit value	2.20	---	---
India	Unit value	2.20	---	---
Germany	Unit value	2.20	2.77	---
France	Unit value	2.20	---	---
All other destination markets	Unit value	2.20	---	---
All destination markets	Unit value	2.20	2.77	3.36
United States	Share of quantity	94.2	94.5	91.3
Canada	Share of quantity	2.1	3.8	8.7
Turkey	Share of quantity	---	---	0.0
United Kingdom	Share of quantity	0.2	---	---
Spain	Share of quantity	0.8	---	---
Italy	Share of quantity	0.6	---	---
India	Share of quantity	0.2	---	---
Germany	Share of quantity	1.0	1.7	---
France	Share of quantity	0.0	---	---
All other destination markets	Share of quantity	0.9	0.0	---
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 7403.21 and 74107.21 (Israel only) as reported by UN Comtrade in the Global Trade Atlas database, accessed May 15, 2023.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2022 data.

The industry in Mexico

The Commission issued foreign producers' or exporters' questionnaires to two firms believed to produce and/or export brass rod from Mexico.[11] Usable responses to the Commission's questionnaire were received from two firms: Cobre and Industrias Unidas. These firms' exports to the United States accounted for over *** percent of U.S. imports of brass rod from Mexico in 2022. According to estimates requested of the responding producers in Mexico, the production of brass rod in Mexico reported in questionnaires accounts *** of overall production of brass rod in Mexico in 2022.[12] Table VII-22 presents information on the brass rod operations of the responding producers and exporters in Mexico.

Table VII-22
Brass rod: Summary data for producers in Mexico, 2022

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)
Cobre	***	***	***	***	***	***
Industrias Unidas	***	***	***	***	***	***
All firms	***	100.0	***	100.0	***	***

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

[11] These firms were identified through a review of information submitted in the petition and presented in third-party sources.

[12] ***. Cobre's and Industrias Unidas's foreign producer questionnaire response, section II-7a.

Changes in operations

Producers in Mexico were asked to report any change in the character of their operations or organization relating to the production of brass rod since 2020. One of two producers indicated in their questionnaires that they had experienced such changes. Table VII-23 presents the changes identified by this producer.

Table VII-23
Brass rod: Reported changes in operations in Mexico since January 1, 2020, by firm

Item	Firm name and accompanying narrative response
Prolonged shutdowns	***

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

Operations on brass rod

Table VII-24 presents producers' capacity in Mexico and production on the same equipment and machinery used to produce brass rod. During 2020-22, Mexican producers' installed overall capacity ***. During 2020-22, practical overall capacity and practical brass rod capacity was *** during 2020-21 then decreased by *** percent and *** percent, respectively, in 2022. Mexican producers' production of brass rod was highest in 2021 and overall decreased by *** percent during 2020-22. Mexican producers' capacity utilization of brass rod increased by *** percentage points to its highest level in 2021 then decreased by *** percentage points in from 2021 to 2022, for an overall decrease of *** percentage points during 2020-22.

Table VII-24
Brass rod: Producers' in Mexico installed and practical capacity and production on the same equipment as subject production, by period

Capacity and production in 1,000 pounds; utilization in percent

Item	Measure	2020	2021	2022
Installed overall	Capacity	***	***	***
Installed overall	Production	***	***	***
Installed overall	Utilization	***	***	***
Practical overall	Capacity	***	***	***
Practical overall	Production	***	***	***
Practical overall	Utilization	***	***	***
Practical brass rod	Capacity	***	***	***
Practical brass rod	Production	***	***	***
Practical brass rod	Utilization	***	***	***

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

Table VII-25 presents data on producers' in Mexico reported constraints to practical overall capacity.

Table VII-25
Brass rod: Producers' in Mexico reported constraints to practical overall capacity, since January 1, 2020

Item	Firm name and narrative response on constraints to practical overall capacity
Production bottlenecks	***
Existing labor force	***
Supply of material inputs	***
Other constraints	***
Other constraints	***

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

Table VII-26 presents information on the brass rod operations of the responding producers in Mexico. During 2020-22, Mexican producers' home market shipments were highest in 2021 and decreased by *** percent overall during 2020-22. Exports to the United States were also highest in 2021 and decreased by *** percent overall during 2020-22. Mexican producers project home market shipments and export to the United States to increase by *** percent and by *** percent, respectively during 2022-24. During the period for which data were collected, Mexican producers reported between *** percent and *** percent of total shipments as internal consumption or company transfers. Home market shipments had majority share of all shipments during 2020-22 ranging from *** percent of total shipments in 2021 to *** percent of total shipments in 2022 and Mexican producers project home market shipments to have a similar share of total shipments during 2023-24. During 2020-22, Mexican producers' end-of-period inventories fluctuated but overall increased by *** percent during 2020-22. Mexican producers project end-of-period inventories to increase by *** percent during 2022-24. Mexican producers' inventory ratios to production and to total shipments remained below *** percent during the period for which data were collected.

Table VII-26
Brass rod: Data on industry in Mexico, by period

Quantity in 1,000 pounds

Item	2020	2021	2022	Projection 2023	Projection 2024
Capacity	***	***	***	***	***
Production	***	***	***	***	***
End-of-period inventories	***	***	***	***	***
Internal consumption/transfers	***	***	***	***	***
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-26 Continued
Brass rod: Data on industry in Mexico, by period

Shares and ratios in percent

Item	2020	2021	2022	Projection 2023	Projection 2024
Capacity utilization ratio	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***
Internal consumption/transfers 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	100.0	100.0	100.0	100.0	100.0

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

Alternative products

As shown in table VII-27, *** percent of the product produced during 2022 by producers in Mexico was brass rod. In addition to other products made of brass and bronze products, other out-of-scope products include: ***.[13]

Table VII-27
Brass rod: Producers' in Mexico production on the same equipment as subject production, by product type and period

Quantity in 1,000 pounds; ratio and share in percent

Product type	Measure	2020	2021	2022
Brass rod	Quantity	***	***	***
Other products made of brass	Quantity	***	***	***
Bronze products	Quantity	***	***	***
Other products	Quantity	***	***	***
Out-of-scope products	Quantity	***	***	***
All products	Quantity	***	***	***
Brass rod	Share	***	***	***
Other products made of brass	Share	***	***	***
Bronze products	Share	***	***	***
Other products	Share	***	***	***
Out-of-scope products	Share	***	***	***
All products	Share	100.0	100.0	100.0

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

[13] *** foreign producer questionnaire, section II-3a.

Exports

According to GTA, the leading export markets for bars, rods, and profiles of copper-zinc base alloys from Mexico are the United States, the United Kingdom, and El Salvador (table VII-28). During 2022, the United States was the top export market for bars, rods, and profiles of copper-zinc base alloys from Mexico, accounting for 92.5 percent of exports, followed by the United Kingdom, accounting for 4.1 percent.

Table VII-28
Bars, rods, and profiles of copper-zinc base alloys (brass): Exports from Mexico, by destination market and period

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

Destination market	Measure	2020	2021	2022
United States	Quantity	2,091	2,471	1,939
United Kingdom	Quantity	47	13	86
El Salvador	Quantity	29	22	45
Colombia	Quantity	5	---	13
Venezuela	Quantity	1	---	7
Canada	Quantity	1	2	6
Guatemala	Quantity	46	4	0
All other destination markets	Quantity	60	12	1
All destination markets	Quantity	2,279	2,524	2,097
United States	Value	5,376	9,676	7,716
United Kingdom	Value	173	121	629
El Salvador	Value	81	106	176
Colombia	Value	16	---	62
Venezuela	Value	3	---	34
Canada	Value	2	10	35
Guatemala	Value	157	16	2
All other destination markets	Value	162	47	11
All destination markets	Value	5,970	9,975	8,664

Table continued.

Table VII-28 Continued
Bars, rods, and profiles of copper-zinc base alloys (brass): Exports from Mexico, by destination market and period

Unit value in dollars per pound; share in percent

Destination market	Measure	2020	2021	2022
United States	Unit value	2.57	3.92	3.98
United Kingdom	Unit value	3.72	9.51	7.33
El Salvador	Unit value	2.76	4.82	3.92
Colombia	Unit value	3.28	---	4.81
Venezuela	Unit value	2.88	---	4.52
Canada	Unit value	3.61	5.24	6.43
Guatemala	Unit value	3.43	3.61	4.48
All other destination markets	Unit value	2.69	3.80	20.56
All destination markets	Unit value	2.62	3.95	4.13
United States	Share of quantity	91.7	97.9	92.5
United Kingdom	Share of quantity	2.0	0.5	4.1
El Salvador	Share of quantity	1.3	0.9	2.1
Colombia	Share of quantity	0.2	---	0.6
Venezuela	Share of quantity	0.1	---	0.4
Canada	Share of quantity	0.0	0.1	0.3
Guatemala	Share of quantity	2.0	0.2	0.0
All other destination markets	Share of quantity	2.6	0.5	0.0
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official imports statistics of imports from Mexico (constructed export statistics for Mexico) under HS subheading 7407.21 as reported by various statistical reporting authorities in the Global Trade Atlas database, accessed May 22, 2023.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2022 data.

The industry in South Africa

The Commission issued foreign producers' or exporters' questionnaires to one firm believed to produce and/or export brass rod from South Africa.[14] A usable response to the Commission's questionnaire was received from Non-Ferrous. Non-Ferrous's exports to the United States accounted for *** U.S. imports of brass rod from South Africa in 2022. According to estimates requested of the responding producer in South Africa, the production of brass rod in South Africa reported in questionnaire accounts for approximately *** percent of the production of brass rod in South Africa in 2022.[15] Table VII-29 presents information on the brass rod operations of the responding producer South Africa.

Table VII-29
Brass rod: Summary data for producer in South Africa, 2022

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)
Non-Ferrous	***	***	***	***	***	***
All firms	***	100.0	***	100.0	***	***

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

[14] This firm was identified through a review of information submitted in the petition and presented in third-party sources.

[15] Non-Ferrous' foreign producer questionnaire response, section II-7a.

Changes in operations

The producer in South Africa was asked to report any change in the character of its operations or organization relating to the production of brass rod since 2020. Non-Ferrous indicated in its questionnaire that it had experienced such changes. Table VII-30 presents the changes identified by Non-Ferrous.

Table VII-30
Brass rod: Reported changes in operations in South Africa since January 1, 2020, by firm

Item	Firm name and accompanying narrative response
Plant openings	***
Prolonged shutdowns	***
Consolidations	***
Weather-related or force majeure events	***
Other	***

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

Operations on brass rod

Table VII-31 presents Non-Ferrous' capacity and production on the same equipment and machinery used to produce brass rod. During 2020-22, Non-Ferrous' installed overall capacity ***. During 2020-22, practical overall capacity and practical brass rod capacity was highest in 2021 and overall decreased by *** percent and by *** percent, respectively during 2020-22. Following similar trends, Non-Ferrous' production of brass rod was highest in 2021 and decreased overall by *** percent during 2020-22.[16] Non-Ferrous' capacity utilization of brass rod increased by *** percentage points during 2020-22.

Table VII-31
Brass rod: Producer's in South Africa installed and practical capacity and production on the same equipment as subject production, by period

Capacity and production in 1,000 pounds; utilization in percent

Item	Measure	2020	2021	2022
Installed overall	Capacity	***	***	***
Installed overall	Production	***	***	***
Installed overall	Utilization	***	***	***
Practical overall	Capacity	***	***	***
Practical overall	Production	***	***	***
Practical overall	Utilization	***	***	***
Practical brass rod	Capacity	***	***	***
Practical brass rod	Production	***	***	***
Practical brass rod	Utilization	***	***	***

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

[16] Non-Ferrous reported ***. Non-Ferrous' foreign producer questionnaire response, section II-2a.

Table VII-32 presents data on Non-Ferrous' reported constraints to practical overall capacity.

Table VII-32
Brass rod: Producer's in South Africa reported constraints to practical overall capacity, since January 1, 2020

Item	Firm name and narrative response on constraints to practical overall capacity
Production bottlenecks	***
Supply of material inputs	***
Fuel or energy	***
Logistics/transportation	***
Other constraints	***

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

Table VII-33 presents information on the brass rod operations of the responding producer in South Africa. During 2020-21, Non-Ferrous' home market shipments increased by *** percent then returned to similar levels in 2022 compared to 2020. Exports to the United States were highest in 2021 and overall increased by *** percent during 2020-22. Non-Ferrous projects home market shipments and exports to the United States to increase by *** percent and by *** percent, respectively during 2022-24. During 2020-22, exports to all other markets decreased by *** percent. During the period for which data were collected Non-Ferrous *** internal consumption or company transfers. Total exports were a majority of all shipments during 2020-21 ranging from *** percent of total shipments in 2020 to *** percent of total shipments in 2021. In 2022 home market shipments held the majority share (*** percent). During 2020-22, Non-Ferrous' end-of-period inventories fluctuated but overall increased by *** percent during 2020-22. Non-Ferrous projects end-of-period inventories to increase by *** percent during 2022-24. Non-Ferrous' inventory ratios to production and to total shipments remained below *** percent during the period for which data were collected.

Table VII-33
Brass rod: Data on industry in South Africa, by period

Quantity in 1,000 pounds

Item	2020	2021	2022	Projection 2023	Projection 2024
Capacity	***	***	***	***	***
Production	***	***	***	***	***
End-of-period inventories	***	***	***	***	***
Internal consumption/transfers	***	***	***	***	***
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-33 Continued
Brass rod: Data on industry in South Africa, by period

Shares and ratios in percent

Item	2020	2021	2022	Projection 2023	Projection 2024
Capacity utilization ratio	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***
Internal consumption/transfers 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	100.0	100.0	100.0	100.0	100.0

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. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

Alternative products

As shown in table VII-34, *** percent of the product produced during 2022 by Non-Ferrous was brass rod. Other out-of-scope products include: ***.[17]

Table VII-34
Brass rod: Producer's in South Africa production on the same equipment as subject production, by product type and period

Quantity in 1,000 pounds; share in percent

Product type	Measure	2020	2021	2022
Brass rod	Quantity	***	***	***
Other products made of brass	Quantity	***	***	***
Bronze products	Quantity	***	***	***
Other products	Quantity	***	***	***
Out-of-scope products	Quantity	***	***	***
All products	Quantity	***	***	***
Brass rod	Share	***	***	***
Other products made of brass	Share	***	***	***
Bronze products	Share	***	***	***
Other products	Share	***	***	***
Out-of-scope products	Share	***	***	***
All products	Share	100.0	100.0	100.0

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

[17] Non-Ferrous' foreign producer questionnaire, section II-3a.

Exports

According to GTA, the leading export markets for bars, rods, and profiles of copper-zinc base alloys from South Africa are the United States, China, and Australia (table VII-35). During 2022, the United States was the top export market for bars, rods, and profiles of copper-zinc base alloys from South Africa, accounting for 69.2 percent of exports, followed by China, accounting for 12.6 percent.

Table VII-35
Bars, rods, and profiles of copper-zinc base alloys (brass): Exports from South Africa, by destination market and period

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

Destination market	Measure	2020	2021	2022
United States	Quantity	45,164	5,097	3,013
China	Quantity	2,367	827	550
Australia	Quantity	656	1,049	402
Eswatini	Quantity	614	249	257
Zimbabwe	Quantity	12	29	36
New Zealand	Quantity	54	63	34
France	Quantity	11	20	23
Botswana	Quantity	37	24	20
Zambia	Quantity	15	7	7
All other destination markets	Quantity	1,848	646	12
All destination markets	Quantity	50,778	8,011	4,353
United States	Value	6,638	16,097	10,441
China	Value	5,134	2,861	1,891
Australia	Value	1,599	3,627	1,476
Eswatini	Value	1,569	898	890
Zimbabwe	Value	57	109	176
New Zealand	Value	134	210	123
France	Value	32	72	115
Botswana	Value	96	86	63
Zambia	Value	30	28	20
All other destination markets	Value	3,799	1,881	93
All destination markets	Value	19,089	25,870	15,288

Table continued.

Table VII-35 Continued
Bars, rods and profiles of copper-zinc base alloys (brass): Exports from South Africa, by destination market and period

Unit value in dollars per pound; share in percent

Destination market	Measure	2020	2021	2022
United States	Unit value	0.15	3.16	3.47
China	Unit value	2.17	3.46	3.44
Australia	Unit value	2.44	3.46	3.67
Eswatini	Unit value	2.55	3.60	3.46
Zimbabwe	Unit value	4.74	3.81	4.95
New Zealand	Unit value	2.50	3.32	3.56
France	Unit value	2.87	3.69	5.00
Botswana	Unit value	2.61	3.52	3.17
Zambia	Unit value	2.01	4.17	3.05
All other destination markets	Unit value	2.06	2.91	8.09
All destination markets	Unit value	0.38	3.23	3.51
United States	Share of quantity	88.9	63.6	69.2
China	Share of quantity	4.7	10.3	12.6
Australia	Share of quantity	1.3	13.1	9.2
Eswatini	Share of quantity	1.2	3.1	5.9
Zimbabwe	Share of quantity	0.0	0.4	0.8
New Zealand	Share of quantity	0.1	0.8	0.8
France	Share of quantity	0.0	0.2	0.5
Botswana	Share of quantity	0.1	0.3	0.5
Zambia	Share of quantity	0.0	0.1	0.1
All other destination markets	Share of quantity	3.6	8.1	0.3
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 7407.21 as reported by South African Revenue Service in the Global Trade Atlas database, accessed May 15, 2022.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2022 data.

The industry in South Korea

The Commission issued foreign producers' or exporters' questionnaires to two firms believed to produce and/or export brass rod from South Korea.[18] Usable responses to the Commission's questionnaire were received from two firms: Daechang and Poongsan Corporation ("Poongsan"). These firms' exports to the United States accounted for *** U.S. imports of brass rod from South Korea in 2022. According to estimates requested of the responding producers in South Korea, the production of brass rod in South Korea reported in questionnaires accounts approximately *** percent of overall production of brass rod in South Korea in 2022.[19] Table VII-36 presents information on the brass rod operations of the responding producers and exporters in South Korea.

Table VII-36
Brass rod: Summary data for producers in South Korea, 2022

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)
Daechang	***	***	***	***	***	***
Poongsan	***	***	***	***	***	***
All firms	***	100.0	***	100.0	***	***

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

[18] These firms were identified through a review of information submitted in the petition and presented in third-party sources.

[19] Daechang's and Poongsan's foreign producer questionnaire response, section II-7a.

Changes in operations

Producers in South Korea were asked to report any change in the character of their operations or organization relating to the production of brass rod since 2020. Neither firm indicated in their questionnaires that they had experienced such changes.

Operations on brass rod

Table VII-37 presents producers in South Korea capacity and production on the same equipment and machinery used to produce brass rod. During 2020-22, producers in South Korea installed overall capacity ***. During 2020-22, practical overall capacity and practical brass rod capacity increased by *** percent and by *** percent, respectively. South Korean producers' production of brass rod was highest in 2021 and overall increased by *** percent during 2020-22. South Korean producers' capacity utilization of brass rod increased by *** percentage points to its highest level in 2021 then decreased by *** percentage points in from 2021 to 2022, for an overall decrease of *** percentage points during 2020-22.

Table VII-37
Brass rod: Producers' in South Korea installed and practical capacity and production on the same equipment as subject production, by period

Capacity and production in 1,000 pounds; utilization in percent

Item	Measure	2020	2021	2022
Installed overall	Capacity	***	***	***
Installed overall	Production	***	***	***
Installed overall	Utilization	***	***	***
Practical overall	Capacity	***	***	***
Practical overall	Production	***	***	***
Practical overall	Utilization	***	***	***
Practical brass rod	Capacity	***	***	***
Practical brass rod	Production	***	***	***
Practical brass rod	Utilization	***	***	***

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

Table VII-38 presents data on producers' in South Korea reported constraints to practical overall capacity.

Table VII-38
Brass rod: Producers' in South Korea reported constraints to practical overall capacity, since January 1, 2020

Item	Firm name and narrative response on constraints to practical overall capacity
Production bottlenecks	***
Other constraints	***

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

Table VII-39 presents information on the brass rod operations of the responding producers in South Korea. During 2020-22, South Korean producers' home market shipments were highest in 2021 and overall decreased by *** percent during 2020-22. Exports to the United States were also highest in 2021 and overall decreased by *** percent during 2020-22. South Korean producers project home market shipments to increase by *** percent while they project exports to the United States to decrease by *** percent during 2022-24. During the period for which data were collected, South Korean producers reported over *** percent of home market shipments as commercial shipments. Total export shipments had majority share of all shipments during 2020-22 ranging from *** percent of total shipments in 2020 to *** percent of total shipments in 2022. During 2020-22, export shipments to the United States accounted for less than *** percent of total export shipments. During 2020-22, South Korean producers' end-of-period inventories fluctuated but overall increased by *** percent during 2020-22. South Korean producers project end-of-period inventories to decrease by *** percent during 2022-24. South Korean producers' inventory ratios to production and to total shipments remained below *** percent during the period for which data were collected.

Table VII-39
Brass rod: Data on industry in South Korea, by period

Quantity in 1,000 pounds

Item	2020	2021	2022	Projection 2023	Projection 2024
Capacity	***	***	***	***	***
Production	***	***	***	***	***
End-of-period inventories	***	***	***	***	***
Internal consumption/transfers	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***
Home market shipments	***	***	***	***	***
Exports to the United States	***	***	***	***	***
Exports to all other markets	***	***	***	***	***
Export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***
Resales exported to the United States	***	***	***	***	***
Adjusted total exports to the United States	***	***	***	***	***

Table continued.

Table VII-39 Continued
Brass rod: Data on industry in South Korea, by period

Shares and ratios in percent

Item	2020	2021	2022	Projection 2023	Projection 2024
Capacity utilization ratio	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***
Internal consumption/transfers 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	***	***	***	***	***
Resales exported to the United States	***	***	***	***	***
Adjusted exports to the United States share of total shipments	***	***	***	***	***

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

Alternative products

As shown in table VII-40, *** percent of the product produced during 2022 by producers in South Korea was brass rod. In addition to other products made of brass other out-of-scope products include: ***.[20]

Table VII-40
Brass rod: Producers' in South Korea production on the same equipment as subject production, by product type and period

Quantity in 1,000 pounds; ratio and share in percent

Product type	Measure	2020	2021	2022
Brass rod	Quantity	***	***	***
Other products made of brass	Quantity	***	***	***
Bronze products	Quantity	***	***	***
Other products	Quantity	***	***	***
Out-of-scope products	Quantity	***	***	***
All products	Quantity	***	***	***
Brass rod	Share	***	***	***
Other products made of brass	Share	***	***	***
Bronze products	Share	***	***	***
Other products	Share	***	***	***
Out-of-scope products	Share	***	***	***
All products	Share	100.0	100.0	100.0

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. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

[20] *** foreign producer questionnaire, section II-3a.

Exports

According to GTA, the leading export markets for bars, rods, and profiles of copper-zinc base alloys from South Korea are China, Thailand, and the United States (table VII-41). During 2022, China was the top export market for bars, rods, and profiles of copper-zinc base alloys from South Korea, accounting for 24.2 percent of exports, followed by Thailand, accounting for 18.4 percent, and the United States accounting for 11.6 percent.

Table VII-41
Bars, rods and profiles of copper-zinc base alloys (brass): Exports from South Korea, by destination market and period

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

Destination market	Measure	2020	2021	2022
United States	Quantity	13,347	16,581	12,883
China	Quantity	30,069	34,968	26,888
Thailand	Quantity	19,147	13,264	20,497
Vietnam	Quantity	6,798	7,069	9,124
Singapore	Quantity	3,803	6,611	8,700
Taiwan	Quantity	5,990	6,577	6,388
Malaysia	Quantity	5,680	7,182	6,205
India	Quantity	4,754	3,291	5,828
Japan	Quantity	2,902	3,552	3,248
All other destination markets	Quantity	14,099	12,735	11,434
All destination markets	Quantity	106,589	111,830	111,196
United States	Value	31,374	52,839	43,818
China	Value	65,538	107,983	87,024
Thailand	Value	38,807	40,545	62,487
Vietnam	Value	16,673	23,714	30,279
Singapore	Value	8,248	20,132	29,695
Taiwan	Value	12,248	19,818	19,694
Malaysia	Value	11,715	20,638	20,113
India	Value	10,537	10,121	18,008
Japan	Value	6,512	11,102	10,422
All other destination markets	Value	31,341	40,615	37,699
All destination markets	Value	232,991	347,507	359,240

Table continued.

Table VII-41 Continued
Bars, rods and profiles of copper-zinc base alloys (brass): Exports from South Korea, by destination market and period

Unit value in dollars per pound; share in percent

Destination market	Measure	2020	2021	2022
United States	Unit value	2.35	3.19	3.40
China	Unit value	2.18	3.09	3.24
Thailand	Unit value	2.03	3.06	3.05
Vietnam	Unit value	2.45	3.35	3.32
Singapore	Unit value	2.17	3.05	3.41
Taiwan	Unit value	2.04	3.01	3.08
Malaysia	Unit value	2.06	2.87	3.24
India	Unit value	2.22	3.08	3.09
Japan	Unit value	2.24	3.13	3.21
All other destination markets	Unit value	2.22	3.19	3.30
All destination markets	Unit value	2.19	3.11	3.23
United States	Share of quantity	12.5	14.8	11.6
China	Share of quantity	28.2	31.3	24.2
Thailand	Share of quantity	18.0	11.9	18.4
Vietnam	Share of quantity	6.4	6.3	8.2
Singapore	Share of quantity	3.6	5.9	7.8
Taiwan	Share of quantity	5.6	5.9	5.7
Malaysia	Share of quantity	5.3	6.4	5.6
India	Share of quantity	4.5	2.9	5.2
Japan	Share of quantity	2.7	3.2	2.9
All other destination markets	Share of quantity	13.2	11.4	10.3
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 7407.21 as reported by Korea Trade Statistics Promotion Institute in the Global Trade Atlas database, accessed May 15, 2022.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top, all remaining top export destinations shown in descending order of 2022 data.

Subject countries combined

Table VII-42 presents summary data on brass rod operations of the reporting subject producers in the subject countries and table VII-43 presents summary data on brass rod operations of the reporting subject producers in the subject countries excluding Israel.

Table VII-42
Brass rod: Data on the industry in subject countries, by period

Quantity in 1,000 pounds

Item	2020	2021	2022	Projection 2023	Projection 2024
Capacity	443,617	462,312	458,966	475,259	475,396
Production	305,924	346,408	312,128	339,589	343,536
End-of-period inventories	16,395	18,571	15,587	15,991	15,522
Internal consumption/transfers	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***
Home market shipments	192,052	211,862	185,852	202,223	204,876
Exports to the United States	***	***	***	***	***
Exports to all other markets	***	***	***	***	***
Export shipments	114,818	132,062	128,619	135,713	138,969
Total shipments	306,870	343,924	314,471	337,936	343,845

Table continued.

Table VII-42 Continued
Brass rod: Data on the industry in subject countries, by period

Ratio and share in percent

Item	2020	2021	2022	Projection 2023	Projection 2024
Capacity utilization ratio	69.0	74.9	68.0	71.5	72.3
Inventory ratio to production	5.4	5.4	5.0	4.7	4.5
Inventory ratio to total shipments	5.3	5.4	5.0	4.7	4.5
Internal consumption/transfers share	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***
Home market shipments share	62.6	61.6	59.1	59.8	59.6
Exports to the United States share	***	***	***	***	***
Exports to all other markets share	***	***	***	***	***
Export shipments share	37.4	38.4	40.9	40.2	40.4
Total shipments share	100.0	100.0	100.0	100.0	100.0

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

Table VII-43
Brass rod: Data on the industry in subject countries except Israel, by period

Quantity in 1,000 pounds

Item	2020	2021	2022	Projection 2023	Projection 2024
Capacity	***	***	***	***	***
Production	***	***	***	***	***
End-of-period inventories	***	***	***	***	***
Internal consumption/transfers	***	***	***	***	***
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-43 Continued
Brass rod: Data on the industry in subject countries except Israel, by period

Ratio and share in percent

Item	2020	2021	2022	Projection 2023	Projection 2024
Capacity utilization ratio	***	***	***	***	***
Inventory ratio to production	***	***	***	***	***
Inventory ratio to total shipments	***	***	***	***	***
Internal consumption/transfers 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	100.0	100.0	100.0	100.0	100.0

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. Zeroes, null values, and undefined calculations are suppressed and shown as “---“.

U.S. inventories of imported merchandise

Table VII-44 presents data on U.S. importers' reported inventories of brass rod. Eight of the 16 responding firms reported inventories from subject sources and nine reported inventories from nonsubject sources. U.S. importers' inventories of brass rod were highest in 2022 for all subject countries expect Mexico and South Korea. U.S. importers' inventories of brass rod from Mexico and South Korea fluctuated during 2020-22 and overall decreased during the period which data were collected. U.S. importers' inventories of brass rod from nonsubject countries fluctuated but overall increased during 2020-22. Overall, as a ratio to imports, U.S. shipments of imports, and total shipments of imports, U.S. importers' reported inventories of brass rod from Brazil, India, Israel, and South Africa, increased during 2020-22 meanwhile as a ratio to imports, U.S. shipments of imports, and total shipments of imports, U.S. importers' reported inventories of brass rod from Mexico, South Korea, and nonsubject sources decreased.

Table VII-44
brass rod: U.S. importers' inventories and their ratio to select items, by source and period

Quantity in 1,000 pounds; ratio in percent

Measure	Source	2020	2021	2022
Inventories quantity	Brazil	***	***	***
Ratio to imports	Brazil	***	***	***
Ratio to U.S. shipments of imports	Brazil	***	***	***
Ratio to total shipments of imports	Brazil	***	***	***
Inventories quantity	India	***	***	***
Ratio to imports	India	***	***	***
Ratio to U.S. shipments of imports	India	***	***	***
Ratio to total shipments of imports	India	***	***	***
Inventories quantity	Mexico	***	***	***
Ratio to imports	Mexico	***	***	***
Ratio to U.S. shipments of imports	Mexico	***	***	***
Ratio to total shipments of imports	Mexico	***	***	***
Inventories quantity	South Africa	***	***	***
Ratio to imports	South Africa	***	***	***
Ratio to U.S. shipments of imports	South Africa	***	***	***
Ratio to total shipments of imports	South Africa	***	***	***
Inventories quantity	South Korea	***	***	***
Ratio to imports	South Korea	***	***	***
Ratio to U.S. shipments of imports	South Korea	***	***	***
Ratio to total shipments of imports	South Korea	***	***	***

Table continued.

Table VII-44 Continued
brass rod: U.S. importers' inventories and their ratio to select items, by source and period

Quantity in 1,000 pounds; ratio in percent

Measure	Source	2020	2021	2022
Inventories quantity	Subject sources except Israel	***	***	***
Ratio to imports	Subject sources except Israel	***	***	***
Ratio to U.S. shipments of imports	Subject sources except Israel	***	***	***
Ratio to total shipments of imports	Subject sources except Israel	***	***	***
Inventories quantity	Israel	***	***	***
Ratio to imports	Israel	***	***	***
Ratio to U.S. shipments of imports	Israel	***	***	***
Ratio to total shipments of imports	Israel	***	***	***
Inventories quantity	Subject sources	3,125	4,313	6,586
Ratio to imports	Subject sources	13.3	11.9	21.1
Ratio to U.S. shipments of imports	Subject sources	13.0	12.6	23.4
Ratio to total shipments of imports	Subject sources	12.7	12.3	22.8
Inventories quantity	Nonsubject	639	1,380	1,204
Ratio to imports	Nonsubject	58.1	51.4	53.7
Ratio to U.S. shipments of imports	Nonsubject	63.3	73.4	52.3
Ratio to total shipments of imports	Nonsubject	61.7	71.0	49.8
Inventories quantity	All	3,764	5,693	7,790
Ratio to imports	All	15.3	14.6	23.3
Ratio to U.S. shipments of imports	All	15.0	15.7	25.6
Ratio to total shipments of imports	All	14.6	15.3	24.8

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. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

U.S. importers' outstanding orders

The Commission requested importers indicate whether they imported or arranged for the importation of brass rod from individual sources after December 31, 2022. The responding firms' data is presented in table VII-45. Five firms reported arranged imports of brass rod from Brazil and India; one firm from Israel and South Africa, two firms from Mexico; three firms from South Korea; and six firms from nonsubject sources. All but one importer reported arranged imports of brass rod from at least one source.

Table VII-45
brass rod: U.S. importers' arranged imports, by source and period

Quantity in 1,000 pounds

Source	Jan-Mar 2023	Apr-Jun 2023	Jul-Sept 2023	Oct-Dec 2023	Total
Brazil	***	***	***	***	***
India	***	***	***	***	***
Mexico	***	***	***	***	***
South Africa	***	***	***	***	***
South Korea	***	***	***	***	***
Subject sources except Israel	***	***	***	***	***
Israel	***	***	***	***	***
Subject sources	***	***	***	***	20,522
Nonsubect sources	***	***	***	***	2,153
All import sources	***	***	***	***	22,675

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. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Third-country trade actions

Based on available information, brass rod from Brazil, India, Israel, Mexico, South Africa, and South Korea has not been subject to other antidumping or countervailing duty investigations outside the United States.

Information on nonsubject countries

Table VII-46 presents global export data for bars, rods, and profiles of copper-zinc base alloys (brass), a category that includes brass rod and out-of-scope products (by source in descending order of quantity for 2022). Germany, Italy, and South Korea were the largest exporters in 2022 and accounted for 23.2 percent, 18.2 percent, and 10.8 percent of total global exports by quantity, respectively. South Africa, Brazil, India, Mexico, and Israel each accounted for less than one percent of global exports.[21]

[21] Global Trade Atlas database, accessed May 15, 2023, and May 22, 2023

Table VII-46
Bars, rods, and profiles of copper-zinc base alloys (brass): Global exports, by reporting country and period

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

Exporting country	Measure	2020	2021	2022
United States	Quantity	38,070	47,544	34,288
Brazil	Quantity	5,023	6,896	9,785
India	Quantity	2,566	4,217	4,740
Israel	Quantity	5,651	11,728	8,618
Mexico	Quantity	2,279	2,524	2,097
South Africa	Quantity	50,778	8,011	4,353
South Korea	Quantity	106,589	111,830	111,196
Subject sources	Quantity	172,887	145,206	140,789
Germany	Quantity	273,948	291,084	239,550
Italy	Quantity	135,434	196,931	187,466
France	Quantity	60,052	68,781	55,929
Japan	Quantity	30,557	50,785	46,702
Turkey	Quantity	23,360	35,260	43,004
All other exporters	Quantity	308,100	349,658	284,319
All reporting exporters	Quantity	1,042,410	1,185,249	1,032,046
United States	Value	85,514	122,859	105,624
Brazil	Value	11,846	23,395	34,578
India	Value	6,777	14,981	17,262
Israel	Value	12,413	32,452	28,941
Mexico	Value	5,970	9,975	8,664
South Africa	Value	19,089	25,870	15,288
South Korea	Value	232,991	347,507	359,240
Subject sources	Value	289,086	454,180	463,972
Germany	Value	649,539	909,975	799,912
Italy	Value	307,083	611,366	637,411
France	Value	121,820	179,176	178,760
Japan	Value	97,794	195,871	185,260
Turkey	Value	53,393	111,885	147,890
All other exporters	Value	643,576	986,748	877,968
All reporting exporters	Value	2,247,804	3,572,060	3,396,796

Table continued.

Table VII-46 Continued
Bars, rods, and profiles of copper-zinc base alloys (brass): Global exports, by reporting country and period

Unit value in dollars per pound; shares in percent

Exporting country	Measure	2020	2021	2022
United States	Unit value	2.25	2.58	3.08
Brazil	Unit value	2.36	3.39	3.53
India	Unit value	2.64	3.55	3.64
Israel	Unit value	2.20	2.77	3.36
Mexico	Unit value	2.62	3.95	4.13
South Africa	Unit value	0.38	3.23	3.51
South Korea	Unit value	2.19	3.11	3.23
Subject sources	Unit value	1.67	3.13	3.30
Germany	Unit value	2.37	3.13	3.34
Italy	Unit value	2.27	3.10	3.40
France	Unit value	2.03	2.61	3.20
Japan	Unit value	3.20	3.86	3.97
Turkey	Unit value	2.29	3.17	3.44
All other exporters	Unit value	2.09	2.82	3.09
All reporting exporters	Unit value	2.16	3.01	3.29
United States	Share of quantity	3.7	4.0	3.3
Brazil	Share of quantity	0.5	0.6	0.9
India	Share of quantity	0.2	0.4	0.5
Israel	Share of quantity	0.5	1.0	0.8
Mexico	Share of quantity	0.2	0.2	0.2
South Africa	Share of quantity	4.9	0.7	0.4
South Korea	Share of quantity	10.2	9.4	10.8
Subject sources	Share of quantity	16.6	12.3	13.6
Germany	Share of quantity	26.3	24.6	23.2
Italy	Share of quantity	13.0	16.6	18.2
France	Share of quantity	5.8	5.8	5.4
Japan	Share of quantity	2.9	4.3	4.5
Turkey	Share of quantity	2.2	3.0	4.2
All other exporters	Share of quantity	29.6	29.5	27.5
All reporting exporters	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 7407.21 for all sources except Israel (HS subheading 7403.21) and official imports statistics of imports from Mexico (constructed export statistics for Mexico) under HS subheading 7407.21 as reported by various national statistical authorities in the Global Trade Atlas database, accessed May 15, 2023, and May 22, 2023.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top followed by the countries under investigation, all remaining top exporting countries in descending order of 2022 data. Data for Chile and Egypt were presented in net kilograms and was converted using the same formula as kilograms.

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
88 FR 27921, May 3, 2023	*Brass Rod From Brazil, India, Israel, Mexico, South Africa, and South Korea; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations*	https://www.govinfo.gov/content/pkg/FR-2023-05-03/pdf/2023-09369.pdf
88 FR 33575, May 24, 2023	*Brass Rod From Brazil, India, Israel, Mexico, the Republic of Korea, and South Africa: Initiation of Less-Than- Fair-Value Investigations*	https://www.govinfo.gov/content/pkg/FR-2023-05-24/pdf/2023-11002.pdf
88 FR 33566, May 24, 2023	*Brass Rod From India, Israel, and the Republic of Korea: Initiation of Countervailing Duty Investigations*	https://www.govinfo.gov/content/pkg/FR-2023-05-24/pdf/2023-11005.pdf

APPENDIX B

LIST OF STAFF CONFERENCE WITNESSES

CALENDAR OF PUBLIC PRELIMINARY CONFERENCE

Those listed below appeared in the United States International Trade Commission's preliminary conference via videoconference:

Subject: Brass Rod from Brazil, India, Israel, Mexico, South Africa, and South Korea

Inv. Nos.: 701-TA-686-688 and 731-TA-1612-1617 (Preliminary)

Date and Time: May 18, 2023 - 9:30 a.m.

EMBASSY APPEARANCE:

Embassy of Israel
Washington, DC

Natalie Gutman Chen, Minister for Economic and Trade Affairs

OPENING REMARKS:

In Support of Imposition (**Thomas M. Beline**, Cassidy Levy Kent (USA) LLP)
In Opposition to Imposition (**Lizbeth Levinson**, Fox Rothschild LLP)

In Support of the Imposition of the Antidumping and Countervailing Duty Orders:

Cassidy Levy Kent (USA) LLP
Washington, DC
on behalf of

American Brass Rod Fair Trade Coalition
Mueller Brass Co.
Wieland Chase LLC

Chris Mitchell, President Brass and Aluminum, Mueller Brass Co.

Devin Denner, President, Wieland Chase LLC

Tom Christie, Vice President, Commercial, Wieland Chase LLC

Myles S. Getlan)
Thomas M. Beline) – OF COUNSEL
Jack A. Levy)

In Opposition to the Imposition of the
Antidumping Duty and Countervailing Duty Orders:

White & Case LLP
Washington, DC
on behalf of

Finkelstein Metals Ltd.
Finkelstein Metals USA Inc.

Yitzhak Apeloig, Chairman of the Board, Finkelstein Metals Ltd.

Eitan Finkelstein, Chief Executive Officer, Finkelstein Metals Ltd.

Jonathan Havardi, Global Sales & Marketing Manager, Finkelstein Metals Ltd.

Jay C. Campbell)
Ron Kendler) – OF COUNSEL
Chunfu Yan)

Fox Rothschild LLP
Washington, DC
on behalf of

Aviva Metals
Non-Ferrous Metal Works (SA) (Pty) Ltd.

Michael Greathead, President, Aviva Metals

Norman Lazarus, Senior Vice President, Aviva Metals

Sid Lazarus, Chief Executive Officer of NFM, Aviva Metals

Ron Lazarus, Director, NFM South Africa, Aviva Metals

Lizbeth Levinson)
) – OF COUNSEL
Brittney Powell)

In Opposition to the Imposition of the
Antidumping Duty and Countervailing Duty Orders (continued):

Doyle, Barlow & Mazard PLLC
Washington, DC
on behalf of

Industrias Unidas, S.A. De C.V. ("IUSA")
Cambridge-Lee Industries ("CLI")
(collectively "DBM Respondents")

David Goad, Vice President of Industrial Metals, CLI

Carlos Mochon Sacal, Head of Legal Counsel, IUSA

Juan Carlos Peralta del Rio, Vice President, IUSA

Camelia C. Mazard) – OF COUNSEL

REBUTTAL/CLOSING REMARKS:

In Support of Imposition (**Myles S. Getlan**, Cassidy Levy Kent (USA) LLP)
In Opposition to Imposition (**Ron Kendler**, White & Case LLP
and **Camelia C. Mazard**, Doyle, Barlow & Mazard PLLC)

-END-

APPENDIX C

SUMMARY DATA

Table C-1
Brass rod: Summary data concerning the U.S. market, by item and period

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

Item	Reported data			Period changes		
	Calendar year			Comparison years		
	2020	2021	2022	2020-22	2020-21	2021-22
U.S. consumption quantity:						
Amount	***	***	***	▲***	▲***	▼***
Producers' share (fn1)	***	***	***	▼***	▼***	▲***
Importers' share (fn1):						
Brazil	***	***	***	▲***	▲***	▲***
India	***	***	***	▼***	▼***	▲***
Mexico	***	***	***	▼***	▲***	▼***
South Africa	***	***	***	▼***	▲***	▼***
South Korea	***	***	***	▲***	▲***	▼***
Subject sources except Israel	***	***	***	▲***	▲***	▼***
Israel	***	***	***	▲***	▲***	▼***
Subject sources	***	***	***	▲***	▲***	▼***
Nonsubject sources	***	***	***	▲***	▲***	▲***
All import sources	***	***	***	▲***	▲***	▼***
U.S. consumption value:						
Amount	***	***	***	▲***	▲***	▼***
Producers' share (fn1)	***	***	***	▼***	▼***	▼***
Importers' share (fn1):						
Brazil	***	***	***	▲***	▲***	▲***
India	***	***	***	▼***	▼***	▲***
Mexico	***	***	***	▼***	▲***	▼***
South Africa	***	***	***	▲***	▲***	▼***
South Korea	***	***	***	▲***	▲***	▲***
Subject sources except Israel	***	***	***	▲***	▲***	▲***
Israel	***	***	***	▲***	▲***	▼***
Subject sources	***	***	***	▲***	▲***	▲***
Nonsubject sources	***	***	***	▲***	▲***	▲***
All import sources	***	***	***	▲***	▲***	▲***
U.S. importers' U.S. shipments of imports from:						
Brazil:						
Quantity	***	***	***	▲***	▲***	▲***
Value	***	***	***	▲***	▲***	▲***
Unit value	***	***	***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	▲***	▲***	▲***
India:						
Quantity	***	***	***	▼***	▼***	▼***
Value	***	***	***	▲***	▲***	▲***
Unit value	***	***	***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	▲***	▼***	▲***

Table C-1 Continued
Brass rod: Summary data concerning the U.S. market, by item and period
Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted

Item	Reported data			Period changes		
	Calendar year			Comparison years		
	2020	2021	2022	2020-22	2020-21	2021-22
U.S. importers' U.S. shipments of imports from: Continued						
Mexico:						
Quantity	***	***	***	▼***	▲***	▼***
Value	***	***	***	▲***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	▼***	▼***	▲***
South Africa:						
Quantity	***	***	***	▼***	▲***	▼***
Value	***	***	***	▲***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	▲***	▲***	▲***
South Korea:						
Quantity	***	***	***	▲***	▲***	▼***
Value	***	***	***	▲***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	▼***	▼***	▼***
Subject sources except Israel:						
Quantity	***	***	***	▲***	▲***	▼***
Value	***	***	***	▲***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	▲***	▲***	▲***
Israel:						
Quantity	***	***	***	▲***	▲***	▼***
Value	***	***	***	▲***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▲***
Ending inventory quantity	***	***	***	▲***	▲***	▲***
Subject sources:						
Quantity	24,002	34,330	28,126	▲17.2	▲43.0	▼(18.1)
Value	66,362	127,321	114,499	▲72.5	▲91.9	▼(10.1)
Unit value	$2.76	$3.71	$4.07	▲47.2	▲34.1	▲9.8
Ending inventory quantity	3,125	4,313	6,586	▲110.8	▲38.0	▲52.7
Nonsubject sources:						
Quantity	1,010	1,881	2,301	▲127.8	▲86.2	▲22.3
Value	3,104	8,502	11,690	▲276.6	▲173.9	▲37.5
Unit value	$3.07	$4.52	$5.08	▲65.3	▲47.1	▲12.4
Ending inventory quantity	639	1,380	1,204	▲88.4	▲116.0	▼(12.8)
All import sources:						
Quantity	25,012	36,211	30,427	▲21.6	▲44.8	▼(16.0)
Value	69,466	135,823	126,189	▲81.7	▲95.5	▼(7.1)
Unit value	$2.78	$3.75	$4.15	▲49.3	▲35.1	▲10.6
Ending inventory quantity	3,764	5,693	7,790	▲107.0	▲51.2	▲36.8

Table continued.

Table C-1 Continued
Brass rod: Summary data concerning the U.S. market, by item and period

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

Item	Reported data			Period changes		
	Calendar year			Comparison years		
	2020	2021	2022	2020-22	2020-21	2021-22
U.S. producers':						
Practical capacity quantity	***	***	***	***	***	***
Production quantity	***	***	***	▲***	▲***	▼***
Capacity utilization (fn1)	***	***	***	▲***	▲***	▼***
U.S. shipments:						
Quantity	***	***	***	▲***	▲***	▼***
Value	***	***	***	▲***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▲***
Export shipments:						
Quantity	***	***	***	▼***	▲***	▼***
Value	***	***	***	▲***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▼***
Ending inventory quantity	***	***	***	▼***	▼***	▼***
Inventories/total shipments (fn1)	***	***	***	▼***	▼***	▲***
Production workers	***	***	***	▼***	▲***	▼***
Hours worked (1,000s)	***	***	***	▲***	▲***	▼***
Wages paid ($1,000)	***	***	***	▲***	▲***	▼***
Hourly wages (dollars per hour)	***	***	***	▲***	▲***	▲***
Productivity (pounds per hour)	***	***	***	▼***	▼***	▼***
Unit labor costs	***	***	***	▲***	▲***	▲***
Non-toll operations of U.S. producers:						
Net sales:						
Quantity	***	***	***	▲***	▲***	▼***
Value	***	***	***	▲***	▲***	▼***
Unit value	***	***	***	▲***	▲***	▲***
Cost of goods sold (COGS)	***	***	***	▲***	▲***	▼***
Gross profit or (loss), total (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)	***	***	***	▼***	▼***	▼***

Table continued.

Table C-1 Continued
Brass rod: Summary data concerning the U.S. market, by item and period
Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period

Item	Reported data			Period changes		
	Calendar year			Comparison years		
	2020	2021	2022	2020-22	2020-21	2021-22
Tolling operations of U.S. producers:.....						
Net toll transactions:						
Quantity.....	***	***	***	▲***	▲***	▼***
Value of tolling conversion fees.....	***	***	***	▲***	▲***	▲***
Unit toll conversion fees.....	***	***	***	▲***	▲***	▲***
Cost of tolling services (COTS).....	***	***	***	▲***	▲***	▲***
Gross profit or (loss) (fn2).....	***	***	***	▲***	▲***	▲***
Unit COTS.....	***	***	***	▲***	▼***	▲***
COTS/sales (fn1).....	***	***	***	▼***	▼***	▲***
Gross profit or (loss)/sales (fn1).....	***	***	***	▲***	▲***	▼***
Combined toll and non-toll operations of U.S. producers:						
Net sales:						
Quantity.....	***	***	***	▲***	▲***	▼***
Value.....	***	***	***	▲***	▲***	▼***
Unit value (fn3).....	***	***	***	▲***	▲***	▲***
COGS/COTS, total.....	***	***	***	▲***	▲***	▼***
Gross profit or (loss) (fn2).....	***	***	***	▲***	▲***	▼***
SG&A expenses.....	***	***	***	▲***	▲***	▼***
Operating income or (loss) (fn2).....	***	***	***	▲***	▲***	▼***
Net income or (loss) (fn2).....	***	***	***	▲***	▲***	▼***
Unit COGS/COTS (fn3).....	***	***	***	▲***	▲***	▲***
Unit SG&A expenses.....	***	***	***	▲***	▲***	▲***
Unit operating income or (loss) (fn2).....	***	***	***	▲***	▲***	▼***
Unit net income or (loss) (fn2).....	***	***	***	▲***	▲***	▲***
COGS/COTS to sales (fn1).....	***	***	***	▲***	▲***	▼***
Operating income or (loss)/sales (fn1).....	***	***	***	▼***	▼***	▼***
Net income or (loss)/sales (fn1).....	***	***	***	▼***	▼***	▼***
Capital expenditures.....	***	***	***	▲***	▲***	▼***
Research and development expenses.....	***	***	***	▲***	▲***	▲***
Net assets.....	***	***	***	▲***	▲***	▼***

Source: Compiled from data submitted in response to Commission questionnaires. 508-compliant tables containing these data are contained in parts III, IV, VI, and VII of this report.

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.
fn3.--Unit value of net sales combining both toll and non-toll operations, as well as unit value of combined COGS/COTS to net sales is distorted by the lack of the inclusion of the value of the raw materials used in toll produced brass rod and should be used with caution.

APPENDIX D

OFFICAL U.S. IMPORT STATISTICS

Appendix D-1
Brass rod: Official U.S. import statistics, by source and period

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

Source	Measure	2020	2021	2022
Brazil	Quantity	3,642	4,496	8,639
India	Quantity	1,182	1,867	2,788
Mexico	Quantity	1,859	2,471	1,939
South Africa	Quantity	2,491	4,638	3,084
South Korea	Quantity	12,412	13,310	13,507
Subject sources except Israel	Quantity	21,586	26,782	29,957
Israel	Quantity	3,958	8,751	6,536
Subject sources	Quantity	25,545	35,533	36,493
Nonsubject sources	Quantity	10,076	16,138	12,302
All import sources	Quantity	35,621	51,672	48,795
Brazil	Value	8,968	15,810	33,169
India	Value	3,386	7,885	12,668
Mexico	Value	4,856	9,700	7,736
South Africa	Value	5,879	14,928	10,924
South Korea	Value	31,445	47,192	53,913
Subject sources except Israel	Value	54,534	95,513	118,410
Israel	Value	10,188	34,411	26,679
Subject sources	Value	64,722	129,924	145,089
Nonsubject sources	Value	31,454	63,385	58,384
All import sources	Value	85,988	158,898	176,828

Table continued.

Appendix D-1 Continued
Brass rod: Official U.S. import statistics, by source and period

Unit values in dollars per pound; shares in percent

Source	Measure	2020	2021	2022
Brazil	Unit value	2.46	3.52	3.84
India	Unit value	2.86	4.22	4.54
Mexico	Unit value	2.61	3.93	3.99
South Africa	Unit value	2.36	3.22	3.54
South Korea	Unit value	2.53	3.55	3.99
Subject sources except Israel	Unit value	2.53	3.57	3.95
Israel	Unit value	2.57	3.93	4.08
Subject sources	Unit value	2.53	3.66	3.98
Nonsubject sources	Unit value	3.12	3.93	4.75
All import sources	Unit value	2.41	3.08	3.62
Brazil	Share of quantity	10.2	8.7	17.7
India	Share of quantity	3.3	3.6	5.7
Mexico	Share of quantity	5.2	4.8	4.0
South Africa	Share of quantity	7.0	9.0	6.3
South Korea	Share of quantity	34.8	25.8	27.7
Subject sources except Israel	Share of quantity	60.6	51.8	61.4
Israel	Share of quantity	11.1	16.9	13.4
Subject sources	Share of quantity	71.7	68.8	74.8
Nonsubject sources	Share of quantity	28.3	31.2	25.2
All import sources	Share of quantity	100.0	100.0	100.0
Brazil	Share of value	10.4	9.9	18.8
India	Share of value	3.9	5.0	7.2
Mexico	Share of value	5.6	6.1	4.4
South Africa	Share of value	6.8	9.4	6.2
South Korea	Share of value	36.6	29.7	30.5
Subject sources except Israel	Share of value	63.4	60.1	67.0
Israel	Share of value	11.8	21.7	15.1
Subject sources	Share of value	75.3	81.8	82.1
Nonsubject sources	Share of value	36.6	39.9	33.0
All import sources	Share of value	100.0	100.0	100.0

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using statistical reporting numbers 7407.21.1500. 7407.21.3000, 7407.21.7000, and 7407.21.9000 for imports for all sources including Israel as well as statistical reporting number 7403.21.0000 for Israel, accessed May 9, 2023. Imports are based on the imports for consumption data series.