

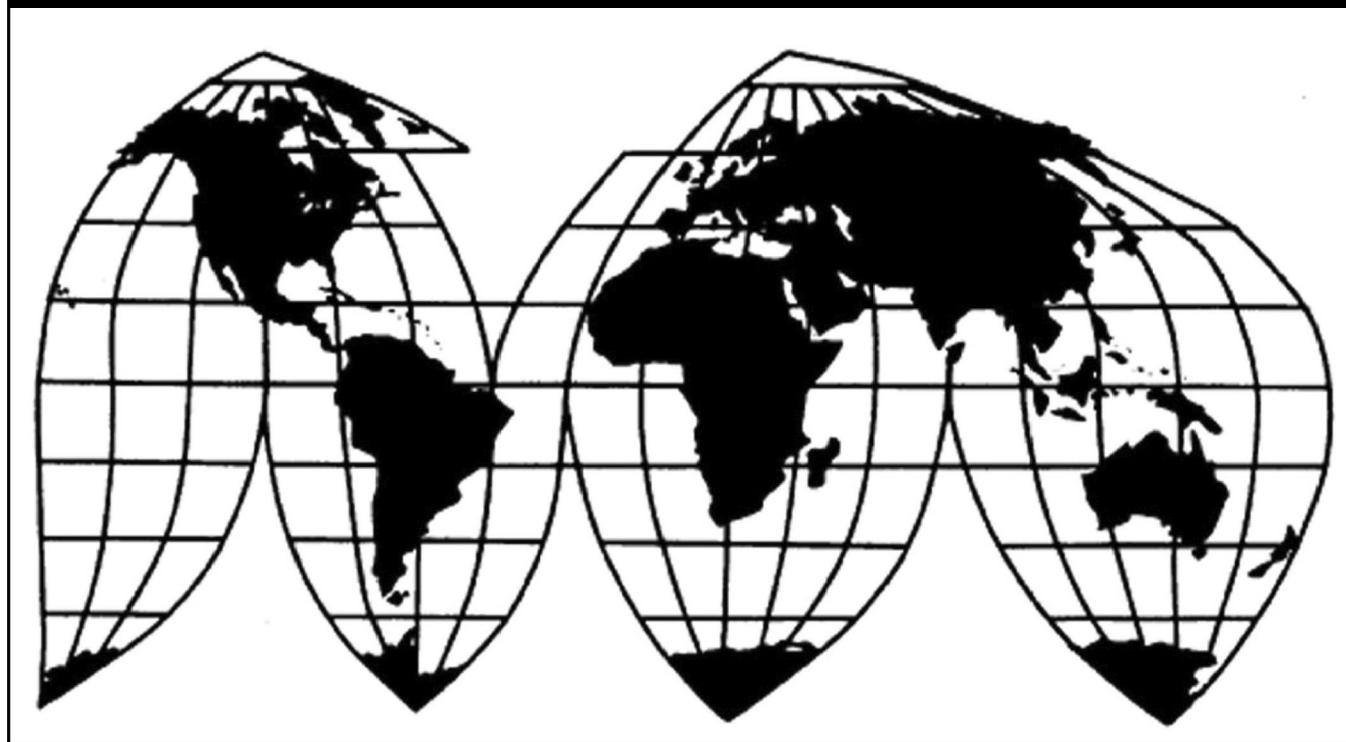
Certain Freight Rail Couplers and Parts Thereof from China

Investigation Nos. 701-TA-682 and 731-TA-1592 (Final)

Publication 5438

July 2023

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

COMMISSIONERS

David S. Johanson, Chairman

Rhonda K. Schmittlein

Jason E. Kearns

Randolph J. Stayin

Amy A. Karpel

Catherine DeFilippo

Director of Operations

Staff assigned

Ahdia Bavari, Investigator

Simon Adhanom, Industry Analyst

Mitchell Semanik, Industry Analyst

John Benedetto, Economist

Zahra Bekkal, Accountant

Jason Wang, Statistician

Michael Haldenstein, Attorney

Garrett Peterson, Attorney

Elizabeth Haines, Supervisory Investigator

**Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436**

U.S. International Trade Commission

Washington, DC 20436

www.usitc.gov

Certain Freight Rail Couplers and Parts Thereof from China

Investigation Nos. 701-TA-682 and 731-TA-1592 (Final)

Publication 5438



July 2023

CONTENTS

	Page
Determinations	1
Views of the Commission	3
Separate Views of Chairman David S. Johanson and Commissioner Amy A. Karpel	61
Dissenting Views of Chairman David S. Johanson	66
Part I: Introduction	I-1
Background	I-1
Statutory criteria	I-2
Organization of report.....	I-3
Market summary	I-3
Summary data and data sources	I-4
Previous and related investigations.....	I-4
Nature and extent of subsidies and sales at LTFV.....	I-5
Subsidies	I-5
Sales at LTFV	I-6
The subject merchandise.....	I-7
Commerce's scope.....	I-7
Tariff treatment	I-8
Section 301 tariff treatment	I-9
The product	I-10
Description and applications	I-10
Manufacturing processes.....	I-12
Domestic like product issues	I-14
Intermediate products.....	I-16

CONTENTS

	Page
Part II: Conditions of competition in the U.S. market.....	II-1
U.S. market characteristics.....	II-1
U.S. importer/purchasers	II-2
Impact of section 301 tariffs.....	II-3
Channels of distribution	II-3
Geographic distribution.....	II-4
Supply and demand considerations.....	II-5
U.S. supply	II-5
U.S. demand	II-9
Substitutability issues.....	II-17
Factors affecting purchasing decisions	II-17
Purchase factor comparisons of domestic products, subject imports, and nonsubject imports	II-26
Comparison of U.S.-produced and imported FRCs.....	II-32
Elasticity estimates.....	II-33
U.S. supply elasticity	II-34
U.S. demand elasticity	II-34
Substitution elasticity	II-34
Part III: U.S. producers' production, shipments, and employment.....	III-1
U.S. producers	III-1
U.S. production, capacity, and capacity utilization	III-4
Alternative products	III-10
U.S. producers' U.S. shipments and exports.....	III-12
U.S. producers' inventories	III-13
U.S. producers' imports and purchases from subject sources.....	III-14
U.S. employment, wages, and productivity	III-15

CONTENTS

	Page
Part IV: U.S. imports, apparent U.S. consumption, and market shares.....	IV-1
U.S. importers.....	IV-1
U.S. imports.....	IV-2
Negligibility.....	IV-6
Critical circumstances.....	IV-7
Cumulation considerations.....	IV-10
Fungibility	IV-10
Geographical markets.....	IV-15
Presence in the market.....	IV-16
Apparent U.S. consumption and market shares	IV-22
Quantity.....	IV-22
Value.....	IV-24
Part V: Pricing data	V-1
Factors affecting prices.....	V-1
Raw material costs.....	V-1
Impact of section 232 tariffs	V-3
Transportation costs to the U.S. market.....	V-4
U.S. inland transportation costs.....	V-4
Pricing practices	V-4
Pricing methods.....	V-4
Sales terms and discounts	V-6
Price leadership	V-7
Price data	V-7
Price trends.....	V-19
Price comparisons.....	V-20
Lost sales and lost revenue.....	V-22

CONTENTS

	Page
Part VI: Financial experience of U.S. producers.....	VI-1
Background	VI-1
Operations on FRCs	VI-2
Net sales	VI-11
Cost of goods sold and gross profit or loss	VI-12
SG&A expenses and operating income or loss.....	VI-15
All other expenses and net income or loss	VI-15
Capital expenditures and research and development expenses	VI-16
Assets and return on assets.....	VI-17
Capital and investment.....	VI-18
Part VII: Threat considerations and information on nonsubject countries	VII-1
The industry in China	VII-3
Changes in operations	VII-4
Operations on FRCs.....	VII-5
Alternative products	VII-8
Exports.....	VII-9
The industry in Mexico	VII-11
Changes in operations	VII-11
Operations on FRCs.....	VII-11
Alternative products	VII-15
Exports.....	VII-16
Subject countries combined	VII-17
U.S. inventories of imported merchandise	VII-19
U.S. importers' outstanding orders	VII-20
Third-country trade actions	VII-20
Information on nonsubject countries	VII-21

CONTENTS

Page

Appendixes

A.	Federal Register notices	A-1
B.	List of staff conference witnesses	B-1
C.	Summary data	C-1
D.	U.S. producers' and importers' narrative responses on the comparability of in-scope and out-of-scope freight rail coupler system components.....	D-1
E.	U.S. producers' and importers' narrative responses regarding the semi-finished product analysis	E-1
F.	Channels of distribution of components	F-1
G.	U.S. shipments by product type and market	G-1
H.	Trade data with exclusion	H-1
J.	Trade data on the expanded domestic like product.....	J-1
K.	Raw material costs	K-1
L.	Price data with exclusion.....	L-1
M.	Financial data with exclusion	M-1
N.	Financial data on the expanded domestic industry.....	N-1

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-682 and 731-TA-1592 (Final)

Certain freight rail couplers and parts thereof from China

DETERMINATIONS

On the basis of the record¹ developed in the subject investigations, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that an industry in the United States is materially injured by reason of imports of certain freight rail couplers and parts thereof (“FRCs”) from China, provided for in subheadings 8607.30.10 and 7326.90.86 of the Harmonized Tariff Schedule of the United States, that have been found by the U.S. Department of Commerce (“Commerce”) to be sold in the United States at less than fair value (“LTFV”) and subsidized by the government of China.^{2 3 4}

BACKGROUND

The Commission instituted these investigations effective September 28, 2022, following receipt of petitions filed with the Commission and Commerce by the Coalition of Freight Coupler Producers, consisting of McConway & Torley LLC, Pittsburgh, Pennsylvania, and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC. The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by Commerce that imports of FRCs from China were subsidized within the meaning of section 703(b) of the Act (19 U.S.C. 1671b(b)) and sold at LTFV within the meaning of 733(b) of the Act (19 U.S.C. 1673b(b)).

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 32184 (May 19, 2023) and 88 FR 34485 (May 30, 2023).

³ Chairman David S. Johanson dissenting, and Commissioner Randolph J. Stayin not participating.

⁴ The Commission also finds that imports subject to Commerce’s affirmative critical circumstances determination are not likely to undermine seriously the remedial effect of the antidumping and countervailing duty orders on FRCs from China.

Notice of the scheduling of the final phase of the Commission's investigations and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on March 15, 2023 (88 FR 16031). The Commission conducted its hearing on May 18, 2023. All persons who requested the opportunity were permitted to participate.

Views of the Commission

Based on the record in the final phase of these investigations, we determine that an industry in the United States is materially injured by reason of imports of certain freight rail couplers and parts thereof (“FRCs”) from China found by the U.S. Department of Commerce (“Commerce”) to be sold in the United States at less than fair value (“LTFV”) and to be subsidized by the government of China.¹ We also find that critical circumstances do not exist with respect to imports of FRCs from China that are subject to Commerce’s final affirmative critical circumstances determinations.²

I. Background

A. Schedule of the Investigations

Although the antidumping and countervailing duty petitions regarding FRCs from China and Mexico were filed on the same day, September 28, 2022, the investigation schedules became staggered when Commerce did not postpone the final determination for its antidumping and countervailing duty investigations regarding FRCs from China, while it did postpone the final determination for its antidumping duty investigation regarding FRCs from Mexico. This necessitates earlier Commission determinations in the final phase of the antidumping and countervailing duty investigations regarding FRCs from China (the “leading investigations”) than in the final phase of the antidumping duty investigation on FRCs from Mexico (the “trailing investigation”). Specifically, under the statute, the Commission makes its final determination in the leading investigations no later than July 3, 2023 (which, as noted above, is also the administrative deadline for this determination),³ and the Commission will make its final determination in the trailing investigation within 45 days of Commerce’s final

¹ Chairman Johanson determined that an industry in the United States is not materially injured or threatened with material injury by reason of subject imports of FRCs from China. See Dissenting Views of Chairman David S. Johanson.

² Commissioner Randolph J. Stayin did not participate in these investigations.

³ Commerce made its final affirmative determinations in the leading China investigations on May 19, 2023, and May 30, 2023. *Certain Freight Rail Couplers and Parts Thereof From the People’s Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination, In Part*, 88 Fed. Reg. 32184 (May 19, 2023); *Certain Freight Rail Couplers and Parts Thereof from the People’s Republic of China: Final Affirmative Determination of Sales at Less-Than-Fair Value and Final Affirmative Determination of Critical Circumstances*, 88 Fed. Reg. 34485 (May 30, 2023).

determination in the trailing investigation, or no later than October 30, 2023.⁴ Pursuant to the relevant statutory provision, the record for the trailing investigation will be the same as the leading investigations, except that the Commission shall include in the record Commerce’s final dumping determination and the parties’ final comments concerning the determination.⁵

B. Parties to the Investigations

Petitioner is the Coalition of Freight Rail Coupler Producers (“Petitioner” or “the Coalition”), consisting of McConway and Torley, LLC (“M&T”), a U.S. producer of FRCs, and the United Steel, Paper, and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC (“USW”). Petitioner submitted prehearing and posthearing briefs, and representatives for the Coalition submitted testimony and appeared at the hearing accompanied by counsel.

Several respondent entities participated in these investigations. Amsted Rail Company, Inc. (“Amsted”), a domestic producer of FRCs and U.S. importer of subject merchandise from Mexico, and ASF-K de Mexico S. de R.L. de C.V. (“ASF-K”), a Mexican producer and exporter of FRCs, appeared at the hearing accompanied by counsel and submitted joint prehearing and posthearing briefs. Strato, Inc. (“Strato”) and Wabtec Corporation (Wabtec”), both U.S. importers of subject merchandise from China, appeared at the hearing accompanied by counsel and submitted a joint prehearing brief and separate posthearing briefs. TTX Company (“TTX”), a U.S. purchaser of FRCs, appeared at the hearing accompanied by counsel and submitted prehearing and posthearing briefs. The Government of Mexico also filed a posthearing brief

C. Data Coverage

U.S. industry data are based on questionnaire responses of two firms that accounted for all known U.S. production of FRCs during 2022.⁶ U.S. import data are based on the

⁴ Commerce has postponed making its final determinations in the trailing Mexico investigation to no later than September 15, 2023. *Certain Freight Rail Couplers and Parts Thereof From Mexico: Preliminary Affirmative Determination of Sales at Less Than Fair Value Preliminary Negative Determination of Critical Circumstances, Postponement of Final Determination, and Extension of Provisional Measures*, 88 Fed. Reg. 27864 (May 3, 2023). As Commerce’s preliminary determination in the trailing investigation was affirmative, the Commission’s final determination in the trailing investigation must be made within 45 days after Commerce’s final determination in the Mexico investigation. 19 U.S.C. § 1673d(b)(2).

⁵ 19 U.S.C. § 1677(7)(G)(iii).

⁶ Confidential Report, INV-VV-048 (June 5, 2023) (“CR”) at III-1; Public Report (“PR”) at III-1. (Continued...)

questionnaire responses of six firms that, in 2022, accounted for the vast majority of subject imports from China and Mexico.⁷ Foreign industry data are based on the questionnaire responses of three producers of FRCs in China that accounted for the majority of U.S. imports of FRCs from China during 2022, and one producer in Mexico that accounted for all known imports of FRCs from Mexico in 2022.⁸

II. Domestic Like Product

A. In General

In determining whether an industry in the United States is materially injured or threatened with material injury by reason of imports of subject merchandise, the Commission first defines the “domestic like product” and the “industry.”⁹ 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.”¹⁰ 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.”¹¹

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.¹² 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.”¹³ The Commission then defines the domestic like product

Staff received a U.S. producer questionnaire from Huron in the preliminary phase of these investigations but did not in this final phase. In the preliminary phase of these investigations, Huron accounted for ***. CR/PR at III-1, n.2.

⁷ CR/PR at IV-1.

⁸ CR/PR at VII-3 and VII-11.

⁹ 19 U.S.C. § 1677(4)(A).

¹⁰ 19 U.S.C. § 1677(4)(A).

¹¹ 19 U.S.C. § 1677(10).

¹² 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).

¹³ *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.¹⁴ 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.^{15 16} No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.¹⁷ The Commission looks for clear dividing lines among possible like products and disregards minor variations.¹⁸

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).

¹⁴ *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).

¹⁵ *See, e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Torrington Co. v. United States*, 747 F. Supp. 744, 749 n.3 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991) (“every like product determination ‘must be made on the particular record at issue’ and the ‘unique facts of each case’”). The Commission generally considers a number of factors, including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. *See Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996).

¹⁶ In a semi-finished products analysis, the Commission examines the following: (1) the significance and extent of the processes used to transform the upstream into the downstream articles; (2) whether the upstream article is dedicated to the production of the downstream article or has independent uses; (3) differences in the physical characteristics and functions of the upstream and downstream articles; (4) whether there are perceived to be separate markets for the upstream and downstream articles; and (5) differences in the costs or value of the vertically differentiated articles. *See, e.g., Glycine from India, Japan, and Korea*, Inv. Nos. 731-TA-1111-1113 (Preliminary), USITC Pub. No. 3921 at 7 (May 2007); *Artists’ Canvas from China*, Inv. No. 731-TA-1091 (Final), USITC Pub. No. 3853 at 6 (May 2006); *Live Swine from Canada*, Inv. No. 731-TA-1076 (Final), USITC Pub. 3766 at 8 n.40 (Apr. 2005); *Certain Frozen Fish Fillets from Vietnam*, Inv. No. 731-TA-1012 (Preliminary), USITC Pub. No. 3533 at 7 (Aug. 2002).

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

¹⁸ *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.”).

B. Product Description

Commerce has defined the imported merchandise within the scope of these investigations as:

. . . {C}ertain freight railcar couplers (also known as “fits” or “assemblies”) and parts thereof. Freight railcar couplers are composed of two main parts, namely knuckles and coupler bodies but may also include other items (e.g., coupler locks, lock lift assemblies, knuckle pins, knuckle throwers, and rotors). The parts of couplers that are covered by the investigation include: (1) E coupler bodies, (2) E/F coupler bodies, (3) F coupler bodies, (4) E knuckles, and (5) F knuckles, as set forth by the Association of American Railroads (AAR). The coupler rail parts (*i.e.*, knuckles and coupler bodies) are included within the scope of the investigation when imported separately. Coupler locks, lock lift assemblies, knuckle pins, knuckle throwers, and rotors are covered merchandise when imported in an assembly but are not covered by the scope when imported separately.

Subject freight railcar couplers and parts are included within the scope whether finished or unfinished, whether imported individually or with other subject or nonsubject parts, whether assembled or unassembled, whether mounted or unmounted, or if joined with nonsubject merchandise, such as other nonsubject parts or a completed railcar. Finishing includes, but is not limited to, arc washing, welding, grinding, shot blasting, heat treatment, machining, and assembly of various parts. When a subject coupler or subject parts are mounted on or to other nonsubject merchandise, such as a railcar, only the coupler or subject parts are covered by the scope.

The finished products covered by the scope of this investigation meet or exceed the AAR specifications of M-211, “Foundry and Product Approval Requirements for the Manufacture of Couplers, Coupler Yokes, Knuckles, Follower Blocks, and Coupler Parts” and/or AAR M-215 “Coupling Systems,” or other equivalent domestic or international standards (including any revisions to the standard(s)).

The country of origin for subject couplers and parts thereof, whether fully assembled, unfinished or finished, or attached to a railcar, is the country where the subject coupler parts were cast or forged. Subject merchandise includes

coupler parts as defined above that have been further processed or further assembled, including those coupler parts attached to a railcar in third countries. Further processing includes, but is not limited to, arc washing, welding, grinding, shot blasting, heat treatment, painting, coating, priming, machining, and assembly of various parts. The inclusion, attachment, joining, or assembly of nonsubject parts with subject parts or couplers either in the country of manufacture of the in-scope product or in a third country does not remove the subject parts or couplers from the scope.

The couplers that are the subject of this Investigation are currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) statistical reporting number 8607.30.1000. Unfinished subject merchandise may also enter under HTSUS statistical reporting number 7326.90.8688. Subject merchandise attached to finished railcars may also enter under HTSUS statistical reporting numbers 8606.10.0000, 8606.30.0000, 8606.91.0000, 8606.92.0000, 8606.99.0130, 8606.99.0160, or under subheading 9803.00.50. Subject merchandise may also be imported under HTSUS statistical reporting number 7325.99.5000. These HTSUS subheadings are provided for convenience and customs purposes only; the written description of the scope of this investigation is dispositive.¹⁹

The above scope is essentially unchanged from the preliminary phase of these investigations. It includes FRCs attached to railcars when the railcars are entered for consumption.^{20 21}

¹⁹ *Certain Freight Rail Couplers and Parts Thereof From the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination, In Part*, 88 Fed. Reg. 32184, 32186-87 (May 19, 2023); *Certain Freight Rail Couplers and Parts Thereof from the People's Republic of China: Final Affirmative Determination of Sales at Less-Than-Fair Value and Final Affirmative Determination of Critical Circumstances*, 88 Fed. Reg. 34485, 34486-87 (May 30, 2023).

²⁰ Commerce included Instruments of International Traffic ("IITs") in the scope definition in its preliminary determinations. See, e.g., *Certain Freight Rail Couplers and Parts Thereof From the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value and Preliminary Affirmative Determination of Critical Circumstances*, 88 Fed. Reg. 15372, 15374 (March 13, 2023). Commerce subsequently removed the language covering IITs, and it also clarified that only entries for consumption would be subject to duties regardless of scope language. See *Freight Rail Couplers from Mexico and the People's Republic of China: Final Scope Decision Memorandum*, A-201-857, A-570-145, C-570-146 (May 15, 2023) (EDIS Doc. No. 798098) at 14-17.

²¹ The scope in these investigations is narrower than the scope in the Commission's investigations in *Freight Rail Coupler Systems and Components from China*, which included follower (Continued...)

FRCs consist of a system of two main metal components, (1) knuckles and (2) coupler bodies, in addition to ancillary parts (e.g., coupler locks, coupler lock lifters, knuckle pins, knuckle throwers, and rotors).²² The main components of FRCs are manufactured in accordance with the Association of American Railroad (“AAR”) standards to ensure FRCs in the United States are interoperable.²³ Knuckles are typically metal castings in the shape of a hook that pivot on a vertical hinge between a “locked” and “unlocked” position to be able to interlock with knuckles of adjacent FRCs.²⁴ Coupler bodies are a metal casting that holds the knuckle and allows it to pivot.²⁵

FRCs are designed to connect two freight cars together by automatically interlocking the knuckles of both FRCs when the freight cars are pushed together, eliminating the need for previously required and potentially dangerous manual input.²⁶ A manually operated lever on the side of a freight car connects to the FRC and is used to unlock the FRC by lifting the knuckle pin, allowing the knuckles to release and the freight cars to be uncoupled.²⁷ Freight cars typically use two FRCs, one on each of the front and rear of the freight car, to allow for coupling additional freight cars together in greater numbers.²⁸ In addition to interlocking freight cars together, FRCs are also designed to reduce shocks when freight cars are in transit or braking.²⁹

FRCs and components are classified under the following AAR designations: type E, E/F, and F coupler bodies, and type E and F knuckles.³⁰ Type E coupler bodies and knuckles meet the basic standards set by AAR but do not have the additional features included in type F components.³¹ Additional type F features include interlocking wing pockets and lugs that reduce the likelihood of certain freight car derailments as well as reducing the gap between locked knuckles to improve freight car handling.³² Type F couplers are typically used for freight

blocks and yokes in the scope. Inv. Nos. 701-TA-670 and 731-TA-1570 (Final), USITC Pub. 5331 (July 2022) (“FRC I” or “*Freight Rail Couplers from China*”).

²² CR/PR at I-10.

²³ CR/PR at I-10.

²⁴ CR/PR at I-10.

²⁵ CR/PR at I-10.

²⁶ CR/PR at I-10.

²⁷ CR/PR at I-10.

²⁸ CR/PR at I-10.

²⁹ CR/PR at I-10.

³⁰ CR/PR at I-10.

³¹ CR/PR at I-10.

³² CR/PR at I-10.

cars transporting hazardous material.³³ Type E/F couplers contain a basic type E knuckle and type F coupler body components.³⁴

C. Party Arguments

Petitioner argues that the Commission should define a single domestic like product, coextensive with Commerce's scope, as it did in its preliminary determinations. It contends that the Commission correctly rejected arguments in the preliminary phase to define the domestic like product more broadly than Commerce's scope definition to include yokes and follower blocks as there are significant differences between coupler assemblies (and parts thereof) on the one hand, and yokes and follower blocks on the other hand, including (but not limited to) physical characteristics, end uses, production processes, interchangeability, and prices.³⁵ It also maintains that the Commission should not reconsider its determination that in-scope coupler components and finished coupler "fits" or "assemblies" constitute a single domestic like product.³⁶ Respondents do not address the issue of the domestic like product definition in the final phase of these investigations.³⁷

D. Domestic Like Product Analysis

In the preliminary phase of the investigations, the Commission analyzed three domestic like product issues, making the following findings: (1) the Commission's traditional domestic like product factors generally supported defining a single domestic like product consisting of all FRCs within the scope;³⁸ (2) it was not appropriate to define the domestic like product broader

³³ CR/PR at I-10.

³⁴ CR/PR at I-10.

³⁵ Petitioner's Prehearing Br. at 6-7.

³⁶ Petitioner's Prehearing Br. at 11.

³⁷ In their joint comments on the draft questionnaires for the final phase of the investigations, Strato, Wabtec, TTX, Amsted, and ASF-K did not ask the Commission to seek additional information concerning out-of-scope products or differences between in-scope components and finished products. See Comments on Draft Questionnaires (Feb. 6, 2023) (EDIS Doc. No. 789595).

³⁸ Applying the traditional six domestic like product factors, the Commission found that all domestically produced FRCs within the scope were made primarily of the same raw materials and share the same basic common features. It found that domestically produced FRCs were produced through the same production process, generally interchangeable, and sold overwhelmingly through the same channels of distribution albeit at varying prices depending on the specific product. It also noted that, according to petitioner, all domestically produced FRCs were perceived to be a single product category by market participants. *Certain Freight Rail Couplers and Parts Thereof from China and Mexico*, Inv. Nos. 701-TA-682 and 731-1592-1593 (Preliminary), USITC Pub. 5387 (Nov. 2022) ("Preliminary Determinations") at 12-14.

than Commerce's scope definition to include yokes and follower blocks that are out-of-scope components in these investigations; and (3) applying a semi-finished products analysis,³⁹ the record did not support defining upstream in-scope FRC components and downstream fits or assemblies as separate domestic like products.

In the final phase of these investigations, there is no new information on the record that would warrant the Commission's reconsideration of its finding in the preliminary determinations that all FRCs belong in a single domestic like product, and no party has argued to the contrary.⁴⁰ As discussed below, this record contains additional information that further supports defining a single domestic like product coextensive with the scope. Accordingly, we find that all FRCs within the scope belong in a single domestic like product.

1. Whether to Define the Domestic Like Product More Broadly than the Scope to Include Out-Of-Scope Follower Blocks and Yokes

In its preliminary determinations, the Commission found that most or all importers reported that the products generally were not comparable for three factors (physical characteristics and uses, interchangeability, and price), half of responding importers reported that the products generally were not comparable for one of the factors (manufacturing facilities, production processes, and employees), and a minority of responding importers reported that the products were generally not comparable for the two remaining factors (customer and producer perceptions and channels of distribution). The two domestic producers were largely divided on the comparability of in-scope FRCs and the out-of-scope components under the six factors. Finding more differences than similarities when comparing out-of-scope follower blocks and yokes with the FRCs within the scope, the Commission found that a clear dividing line separated in-scope FRCs from the out-of-scope components. It

³⁹ In a semi-finished products analysis, the Commission examines the following: (1) the significance and extent of the processes used to transform the upstream into the downstream articles; (2) whether the upstream article is dedicated to the production of the downstream article or has independent uses; (3) differences in the physical characteristics and functions of the upstream and downstream articles; (4) whether there are perceived to be separate markets for the upstream and downstream articles; and (5) differences in the costs or value of the vertically differentiated articles. *See, e.g., Glycine from India, Japan, and Korea*, Inv. Nos. 731-TA-1111-1113 (Preliminary), USITC Pub. No. 3921 at 7 (May 2007); *Artists' Canvas from China*, Inv. No. 731-TA-1091 (Final), USITC Pub. No. 3853 at 6 (May 2006); *Live Swine from Canada*, Inv. No. 731-TA-1076 (Final), USITC Pub. 3766 at 8 n.40 (Apr. 2005); *Certain Frozen Fish Fillets from Vietnam*, Inv. No. 731-TA-1012 (Preliminary), USITC Pub. No. 3533 at 7 (Aug. 2002).

⁴⁰ *See, generally*, CR/PR at I-10 and I-14.

therefore did not include follower blocks and yokes within the definition of the domestic like product for purposes of its preliminary determinations.⁴¹

In the final phase of these investigations, the record contains additional information concerning the comparability of in-scope components (*i.e.*, knuckles and coupler bodies) and out-of-scope components (*i.e.*, follower blocks and yokes) for each of the six domestic like product factors.⁴² Market participants' responses are similar to their responses in the preliminary phase of these investigations.⁴³ Domestic producers and importer/purchasers⁴⁴ generally indicated that the products are not comparable for three factors (physical characteristics and uses, interchangeability, and price).⁴⁵ Furthermore, as was the case in the preliminary phase of the investigations, market participants reported that in-scope and out-of-scope components are somewhat more comparable with respect to channels of distribution; producer and customer perceptions; and manufacturing facilities, production processes, and employees.⁴⁶ Because the record continues to show a preponderance of differences between in-scope and out-of-scope components, the record indicates that a clear dividing line separates in-scope FRCs from out-of-scope components such that the domestic like product should not be defined to include out-of-scope components. We therefore find that the domestic like product should not be defined to include out-of-scope components.

2. Whether to Define Finished FRCs and Components as Separate Domestic Like Products

In the preliminary phase of the investigations, applying the semi-finished products analysis, the Commission found that upstream FRC components and downstream finished FRCs belong in a single domestic like product. As the Commission explained, the components and finished FRCs shared similar physical characteristics and functions, the process for transforming

⁴¹ *Preliminary Determinations*, USITC Pub. 5387 at 18-19.

⁴² See CR/PR at Tables I-5. The additional information includes responses from a majority of the 18 purchasers and/or importers that responded to the Commission's combined purchaser/importer questionnaire, although not all responded to each question. See CR/PR at II-2 and Table I-5; see also CR/PR at App. D (market participants' narrative responses concerning the domestic like product factors).

⁴³ See CR/PR at Table I-5.

⁴⁴ Based on comments received on the draft questionnaires, the Commission used a combined importer and purchaser questionnaire to examine subject import volume, as defined by Commerce's scope. The questionnaire was sent to importers, purchasers, railroads, and other original equipment manufacturers ("OEMs") to collect information on imports of standalone FRCs as well as FRCs attached to railcars.

⁴⁵ See CR/PR at Table I-5.

⁴⁶ See CR/PR at Table I-5.

the components into the finished assemblies was minimal, and the components were dedicated to the production of the finished products. Market participants disagreed concerning whether there were separate markets for finished FRCs and their components as well whether they differed in cost. While finding the evidence mixed in some respects, the Commission defined a single domestic like product that included components and finished FRCs.⁴⁷

The record of the final phase of the investigations contains additional information relevant to the Commission's semi-finished product analysis of whether in-scope FRC components (*i.e.*, knuckles and coupler bodies) and finished FRCs (*i.e.*, fits or assemblies) belong in a single domestic like product.⁴⁸ Market participants mostly indicated that there are no differences in physical characteristics and functions of the finished product and coupler components.⁴⁹ They also reported that the process for transforming FRC components into finished FRCs is not intensive.⁵⁰ On the other hand, responses from market participants were somewhat mixed with respect to the other relevant factors, with a slight majority reporting that there are differences in cost and separate markets as between in-scope FRC components and finished FRCs.⁵¹ Notwithstanding this mixed evidence, we find that on balance, the record of the final phase of the investigations continues to support the Commission's preliminary determinations that the domestic like product should be defined to include both FRC components and finished FRCs.

3. Conclusion

In sum, the record indicates that there are no clear dividing lines between different types of FRCs within the scope, and that all in-scope FRCs are a single domestic like product. The record also indicates that a clear dividing line separates in-scope FRCs from out-of-scope components, such that the domestic like product should not be defined to include out-of-scope components. Finally, the record supports including in-scope components and finished FRCs within a single domestic like product. For these reasons, and in the absence of any contrary argument, we define a single domestic like product consisting of FRCs, coextensive with the scope of the investigations.

⁴⁷ *Preliminary Determinations*, USITC Pub. 5387 at 22-23

⁴⁸ See CR/PR at Table I-6 and Appendix E.

⁴⁹ See CR/PR at Table I-6.

⁵⁰ See CR/PR at Table I-6.

⁵¹ See CR/PR at Table I-6.

III. Domestic Industry

The domestic industry is defined as the domestic “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”⁵² 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.

A. Related Parties

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.⁵³ Exclusion of such a producer is within the Commission’s discretion based upon the facts presented in each investigation.⁵⁴

In its preliminary determinations, the Commission found that one of three responding domestic producers, ***, met the statutory definition of a related party because it imported subject merchandise and owned a Mexican producer and exporter of subject merchandise to the United States, ***. Parties disagreed about whether appropriate circumstances existed to exclude *** from the domestic industry. The Petitioner argued for exclusion, suggesting that

⁵² 19 U.S.C. § 1677(4)(A).

⁵³ See *Torrington Co. v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int’l Trade 1992), *aff’d without opinion*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int’l Trade 1989), *aff’d mem.*, 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int’l Trade 1987).

⁵⁴ The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

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

doing so would not skew the data; *** argued for inclusion, suggesting that its primary interest was in domestic production rather than importation as reflected by its capital expenditures and that its exclusion would, in fact, skew the data.⁵⁵ The Commission observed that *** was the second largest domestic producer, accounting for *** percent of US. production of the domestic product in 2021. *** on the petitions concerning imports from China *** the petition concerning imports from Mexico. The Commission recognized that *** capital expenditures, totaling \$*** over the course of the POI reflected some commitment to domestic production. However, it ultimately found that *** primary interest appeared to be in importation of subject merchandise and not domestic production given its *** ratio of imports to domestic production and that its stated reasons for importation were lowering its costs and expanding sales for its largest customers. The Commission stated that the firm's inclusion may obscure the impact of unfairly traded imports on the domestic industry,⁵⁶ and therefore found that appropriate circumstances existed to exclude *** from the definition of the domestic industry.⁵⁷

In the final phase of the investigations, the record again establishes that *** is a related party because of its ownership of a producer and exporter of subject merchandise in Mexico and its imports of subject merchandise from that firm.⁵⁸

1. Party Arguments

Petitioner's Arguments. Consistent with the preliminary phase of these investigations, Petitioner initially argued in their prehearing brief that *** should be excluded from the definition of the domestic industry because it is both a related party and an importer of FRCs from Mexico.⁵⁹ Petitioner reversed its position in its testimony at the hearing and in their posthearing brief, however, arguing that *** should not be excluded from the domestic industry because doing so would mask injury to the domestic industry.⁶⁰ Petitioner additionally argues that excluding *** would be inconsistent with the purpose of the statute because it

⁵⁵ *Preliminary Determinations*, USITC Pub. 5387 at 24-25. Amsted was the only respondent party to address the definition of the domestic industry in the preliminary phase of these investigations.

⁵⁶ *** operating income to net sales ratio was *** the industry average in 2019 and *** the industry average in interim 2022; its *** operating income to net sales ratios in 2020, 2021, and interim 2021 were nonetheless *** the industry averages in those years as well. *Preliminary Confidential Determinations*, EDIS Doc. No. 785179 at 26 n.110.

⁵⁷ *Preliminary Determinations*, USITC Pub. 5387 at 25-27; *Preliminary Confidential Determination*, EDIS Doc. No. 785179 at 25-27.

⁵⁸ CR/PR at III-8, Table III-2.

⁵⁹ Petitioner's Prehearing Br. at 13-14, 23.

⁶⁰ Petitioner's Posthearing Br. at 2; Petitioner's Posthearing Br. Exhibit 1 (Answers to Commissioner Questions) at 16-19.

would mask the effects of subject imports on the domestic industry, and ignore that the union representing its workers is a petitioner in these investigations.⁶¹

Respondents' Arguments. Respondents Strato and Wabtec argue that the Commission should exclude *** from the definition of the domestic industry as it did in the preliminary phase. They argue that there have been no changes in the record that merit the Commission's reconsideration of its decision to exclude ***.⁶²

Amsted, in a reversal of its position from the preliminary phase and after stating that it decided not to address the issue in its prehearing brief, argues in posthearing that *** should not be included in the domestic industry.⁶³ Specifically, it asserts that ***, that ***.⁶⁴ Amsted also asserts that *** for reasons other than subject import competition, having purchased ***. Amsted additionally argues that ***.⁶⁵

2. Analysis⁶⁶

*** is one of two remaining domestic producers and accounted for between *** percent and *** percent of U.S. production of FRCs during the 2020-2022 period of investigation ("POI").⁶⁷ It *** the petitions concerning imports from China, ***.⁶⁸ *** imports of subject merchandise from Mexico were *** pounds in 2020, *** pounds in 2021, and *** pounds in 2022; its U.S. production was *** pounds in 2020, *** pounds in 2021, and *** pounds in 2022.⁶⁹ The ratio of its subject imports to U.S. production increased from *** percent in 2020 to *** percent in 2021, and then declined to *** percent in 2022.⁷⁰ *** reported capital expenditures totaling \$*** over the POI: \$*** in 2020, \$*** in 2021, and \$***

⁶¹ Petitioner's Posthearing Br., Answers to Questions at 17-18 (citing *Gas Powered Pressure Washers from China and Vietnam*, Inv. Nos. 701-TA-684 and 731-TA-1597-1598 (Preliminary) USITC Pub. 5409 (Feb. 2023) at 14.

⁶² Strato's Posthearing Br. Answers to Questions at 2-14; Wabtec's Posthearing Br. at 2-3.

⁶³ Amsted's Posthearing Br., Answers to Questions at 46-58.

⁶⁴ Amsted's Posthearing Br. at 1-6, Answers to Questions at 46-58.

⁶⁵ Amsted's Posthearing Br. at 3-4.

⁶⁶ Chairman Johanson and Commissioner Amy A. Karpel do not join this section and provide separate views on the definition of the domestic industry.

⁶⁷ CR/PR at Table III-6. Its share of domestic production was *** percent in 2020, *** percent in 2021, and *** percent in 2022. *Id.* In the preliminary phase of these investigations, *** accounted for *** percent of domestic production in 2021. Preliminary Confidential Determination, EDIS Doc. No. 785179 at 25.

⁶⁸ CR/PR at Table III-1.

⁶⁹ CR/PR at Table III-11.

⁷⁰ CR/PR at Table III-11.

in 2022.⁷¹ *** reported *** R&D expenses during the POI.⁷² *** reported *** financial results than *** for two of the three years of the POI although ***.⁷³

When questioned at the hearing, Amsted answered that *** is a major U.S. producer with a “primary interest” in domestic production.⁷⁴ Vice President Robert Oesch explained that it has 17 production facilities across the United States producing a variety of out-of-scope rail products in addition to FRCs.⁷⁵ *** which account for a *** of the facility’s overall production.⁷⁶ In its posthearing brief, however, *** argued that the relative size of its FRC production compared to other products made in the United States makes it such that its primary interest for FRCs is not in domestic production. Specifically, *** explains that it uses its Mexican operations to ***⁷⁷ and its purchase of the Mexican facility is to serve its largest rail customers that had shifted their production to Mexico.⁷⁸ *** ratio of subject imports to domestic production was *** throughout the POI, although it declined overall.⁷⁹

As stated above, the Commission’s general practice has been to define the domestic industry to include all domestic producers of the like product. Therefore, the Commission’s starting point in each proceeding is to include all producers, irrespective of how that related party may have been treated in a prior preliminary phase or other separate proceeding. Further, in considering whether appropriate circumstances exist to warrant exclusion of a given domestic producer, whether their primary interest lies in domestic production or importation is only one factor. Thus, even if a U.S. producer’s current primary interest is not in domestic production, that alone is not dispositive in the Commission’s related party analysis when the record shows the related party is not shielded from subject import competition and its exclusion from the industry would mask the effects of subject imports on the industry.⁸⁰ The

⁷¹ CR/PR at Table VI-5.

⁷² CR/PR at Table VI-7.

⁷³ See CR/PR at Table VI-3. ***. *Id.*

⁷⁴ In the preliminary phase of the investigations, ***. *Preliminary Determinations*, USITC Pub. 5387, at 25.

⁷⁵ Hearing Tr. at 119 (Oesch) (“Amsted Rail is a U.S. manufacturer with 17 U.S. facilities, employing more than 2,200 people, producing a wide range of rail products for both maintenance and OEM customers.”). See also Hearing Tr. at 162-163 (Oesch).

⁷⁶ See *** U.S. Producer Questionnaire at II-3a.

⁷⁷ Amsted Posthearing Br. at 5.

⁷⁸ CR/PR at Table III-12; Hearing Tr. at 118 (Oesch). (“Amsted purchased this facility out of bankruptcy in 2005. Some of the most significant OEM customers moved their production of railcars to Mexico.”).

⁷⁹ CR/PR at Table III-8.

⁸⁰ See, e.g., *Large Residential Washers from Korea and Mexico*, Inv. Nos. 701-TA-488 and 731-TA-1199-1200 (Final) USITC Pub. 4378 (Feb. 2013) at 12-13 (“that {firm’s} current interest is not in domestic (Continued...)”).

legislative history of the related party provision in the Trade Agreements Act of 1979 emphasizes that a producer should be excluded when it is shielded from the effects of the subject imports: “where a U.S. producer is related to a foreign exporter and the foreign exporter directs his exports to the United States so as not to compete with his related U.S. producer, this should be a case where the ITC would not consider the related U.S. producer to be a part of the domestic industry.”⁸¹ The Statement of Administrative Action (SAA) to the Uruguay Round Agreements Act likewise explains that the purpose of the related parties provision is “to reduce any distortion in industry data caused by the inclusion in the domestic industry of a related producer who is being shielded from the effects of the subject imports.”⁸²

We recognize that *** imported and sold the vast majority of subject imports from Mexico during the POI,⁸³ that its subject import quantities are far greater than its domestic production, and that *** maintains that its subject imports from Mexico complement its domestic production rather than compete with it.⁸⁴ Nevertheless, the record shows that *** domestic production was not shielded from competition with subject imports during the POI and that its exclusion would skew the domestic industry data as discussed in greater detail below.

First, there is no indication on the record that *** domestic production was shielded from competition with subject imports from Mexico. To the contrary, the record indicates that there was direct competition between its imports and domestic production with respect to raw materials, use of production-related workers, and sales. ***.⁸⁵ Thus, the raw materials that

production is an insufficient basis by itself to warrant exclusion as a related party in these investigations”); *LG Electronics, Inc. v. U.S. Intern. Trade Comm’n*, 26 F. Supp. 3d 1338, 1344-47 (Ct. Int’l Trade 2014) (affirming Commission decision not to exclude domestic producer, over respondents’ objection, when the firm did not appear to benefit from subject imports and exclusion would mask declines in domestic industry during the POI). *See also See Certain Tissue Paper from China*, Inv. No. 731-TA-1070B (Final), USITC Pub. 3758 (Mar. 2005) at 11-12 (“{E}xclusion may not be warranted simply because a large producer (that was also a related party) has shifted to become a substantial importer of such merchandise during the period of investigation. A significant factor is whether the firm’s domestic production operations significantly benefitted financially from its relationship to subject imports or from its import activities. Such benefits create the sort of data distorting effect that the exercise of discretion to exclude under the related party provision seeks to overcome.”).

⁸¹ S. Rep. No. 96-249, at 83 (1979) (emphasis added).

⁸² SAA at 858.

⁸³ CR/PR at IV-1 (*** accounted for *** percent of subject imports from Mexico in 2022).

⁸⁴ CR/PR at Table III-12 and *** Importer Questionnaire at II-14(d). *See also* Amsted’s Posthearing Br. at 3-4. *** reported ***. *** Producer Questionnaire at IV-27 and IV-28.

⁸⁵ CR/PR at III-14.

*** could be used to produce FRCs in the United States by U.S. workers who are members of the USW, petitioner in these investigations.⁸⁶

Record information concerning U.S. shipments, by source, indicates that subject imports from Mexico overlapped with *** domestic production with respect to coupler fit/assemblies, knuckles, and coupler bodies.⁸⁷ Not only did *** report U.S. shipments of these product types from both sources, but *** U.S. shipments of coupler bodies and knuckles from Mexico *** while its U.S. shipments of domestically produced coupler bodies and knuckles *** over the POI.⁸⁸ Specifically, during the POI, *** decreased its U.S. shipments of domestically produced products by *** percent while it increased its U.S. shipments of subject imports from Mexico by *** percent.⁸⁹ Thus, the record indicates that, rather than complementing its domestic production with subject imports from Mexico, *** was increasingly substituting *** from Mexico for its domestic production of the same FRC products.

*** also states that “***.”⁹⁰ Such a pricing strategy would indicate that *** is selling its domestic FRCs at the same low prices as its subject imports from Mexico.⁹¹ Yet, the record indicates that *** unit values for its sales of imported coupler fit/assembly and coupler bodies were consistently *** than those for its sales of the same domestically produced products, suggesting that it imported in order to sell these products at lower prices, and that the products were competing with each other.

Second, *** domestic operations also faced competition from low-priced subject imports from China during the POI. The record indicates that coupler bodies was the largest

⁸⁶ The record indicates that ***’s production in Mexico supplants its FRC production in the United States by shipping its raw materials to its affiliate; the record also suggests that the firm produces the same products in the United States and in Mexico, rather than complementing ones. See Petitioner’s Prehearing Br. Exhibit 6, FRC I Conference Tr. at 34 (“Amsted has told us the reason why production is down in part is because they’ve moved much of their production to Mexico so they can compete with Chinese imports...We only now make parts in Granite City that Amsted is unable to make in Mexico. We have been faced with prolonged layoffs.”).

⁸⁷ See CR/PR at Tables G-1 and G-5. See also CR/PR at Table V-8 (shipment volumes of subject imports from Mexico by pricing product) and *** Producer U.S. Questionnaire at IV-2b (shipments of products meeting pricing product definitions).

⁸⁸ CR/PR at Tables G-1 and G-5.

⁸⁹ CR/PR at Tables G-1 and G-5. Shipments of subject imports from Mexico increased from *** pounds in 2020 to *** pounds in 2022. See CR/PR at Table G-5. *** shipments of its domestically produced FRCs decreased from *** pounds in 2020 to *** pounds in 2022. See CR/PR at Table G-1.

⁹⁰ CR/PR at Table III-12.

⁹¹ See CR/PR at Table V-11 (showing predominant underselling by subject imports from Mexico during the POI).

FRCs product market for both *** and subject imports from China during the POI.⁹² Shipments of coupler bodies from China took market share from *** in the component market (replacement channel) in 2021.⁹³ Consistent with this evidence, *** reported *** to subject imports from China,⁹⁴ and the head of the employee union representing workers at the Granite City facility testified at the conference for FRC I in October 2021 that *** told its workers that the need to compete with subject imports from China was the reason that its FRC production was shifted to Mexico.⁹⁵

Third, *** domestic FRC production operations do not appear to have benefited from its ***.⁹⁶ *** capacity was unchanged while its capacity utilization remained *** throughout the POI, declining from *** percent in 2020 to *** percent in 2021, before increasing to ***

⁹² See CR/PR at Tables G-1 and G-4. There also was overlap in shipments meeting the pricing product definitions. See CR/PR at Table V-8 (shipment volumes of subject imports from China by pricing product) and *** Producer U.S. Questionnaire at IV-2b (shipments of products meeting pricing product definitions); CR/PR at Table G-1 (*** shipments by product type); CR/PR at Table G-4 (shipments of subject imports from China by product type).

*** unit values for sales of its products imported *** were lower for every year of the POI than *** sales of its domestic products. See CR/PR at Tables G-1 and G-5. ***, however, provided reasons for lower values for subject imports from Mexico “We charged the exact same contractually agreed-upon base price and applicable surcharges for the same FRC product sold to the same customer produced at both facilities. While the price charged to the customer will be the same, there will be quarterly pricing differentials based on product mix, changes in surcharge and the mix of customers in a particular quarter.” Hearing Tr. at 126 (Cumming).

Pricing comparison data show that *** sales of subject imports from Mexico were priced lower in *** comparisons than *** sales of its domestic products. See *** U.S. Producer at IV-2b and *** U.S. Importer/Purchaser Questionnaire at III-2b. See also Petitioner’s Prehearing Brief at 56 (calculating underselling in *** percent of the comparisons between *** shipments of the domestic product and subject imports from Mexico).

⁹³ See CR/PR at Tables F-3, G-1, G-4 and G-11. Shipments of subject imports from China of coupler components (bodies and knuckles) increased their share in the replacement market from *** percent in 2020 to *** percent in 2021 while *** share declined from *** percent in 2020 to *** percent in 2021. CR/PR at Table G-11. It also lost market share to China in the overall replacement market. See CR/PR at Table G-12.

⁹⁴ *** in FRC I, involving subject imports from China. It withdrew from the Petitioner Coalition shortly after the filing of the petitions, and USW (which represents Amsted workers who produce FRCs in the United States) was added. CR/PR at I-4, n.9.

⁹⁵ See Petitioner’s Prehearing Br. Exhibit 6, FRC I Conference Tr. at 33 (Wellmaker) (“Amsted management regularly tells us the reason why there is less work to go around, and it’s because of Chinese imports. . . . Amsted has told us the reason why production is down in part is because they’ve moved much of their production to Mexico so that they can compete with Chinese imports.”)

⁹⁶ The Court of International Trade explained in *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 12 (Ct. Int’l Trade 2001), that “{t}he provision’s purpose is to exclude from the industry headcount domestic producers substantially benefitting from their relationships with foreign exporters.”

percent in 2022, a level *** than the only other domestic producer.⁹⁷ *** domestic operations also suffered an overall decline in its shipments and market share during the POI, and notably lost share to subject imports from Mexico from 2020 to 2021.⁹⁸ Further, *** operating income to net sales ratio worsened from *** percent in 2020 to *** percent in 2021 and *** percent in 2022.⁹⁹ Similarly, its cost of goods sold (“COGS”) to net sales ratio increased from *** percent in 2020 to *** percent in 2021 and *** percent in 2022.¹⁰⁰ Thus, the record does not indicate that *** domestic operations benefitted from its imports of FRCs from Mexico. To the contrary, *** domestic operations suffered *** trade and financial performance as subject imports from Mexico increased.

An amended supply agreement between *** serves as further evidence that *** domestic production operations did not benefit from its subject imports from Mexico during the POI. In March 2022, after provisional duties were imposed on FRCs from China, *** amended a supply agreement to include purchases of knuckles by ***.¹⁰¹ The agreement provided that the knuckles could be supplied from either of ***.¹⁰² *** ended up purchasing roughly *** pounds of knuckles from *** in 2022.¹⁰³ The available data indicate that the majority of the *** pounds of knuckles came from ***, at the direct expense of its U.S. facility.¹⁰⁴

Finally, *** exclusion from the domestic industry would skew the data for the domestic industry. In addition to the trade and financial indicia described above, *** had *** pounds of capacity in each year of the POI and its production-related workers (“PRWs”) declined from ***

⁹⁷ CR/PR at III-6. *** available capacity and capacity utilization during the POI is especially relevant in light of respondents’ argument that the domestic industry lacked the production capacity to produce additional FRCs needed to make additional sales during the POI, as discussed in more detail in Section V.E. below. *See, e.g.*, Amsted’s Posthearing Br., Answers to Questions at 11 (“The increase in cumulated subject import shipments to the replacement channel in 2022 was primarily attributable to *** increasing its shipments to existing customers that were experiencing supply constraints due to the provisional duties on China from *FRC I.*”); *see also* Hearing Tr. at 196 (Dogan) (“There are purchasers who mentioned that they couldn’t get supply... But in terms of the actual data we have about relative prices and capacity constraint, that’s really a 2022 issue”).

⁹⁸ CR/PR at Table IV-11. *** share of apparent U.S. consumption was *** percent in 2020, *** percent in 2021, and *** percent in 2022. *Id.* It lost market share to *** from 2020 to 2021. *See* CR at Table IV-11.

⁹⁹ CR/PR at VI-8.

¹⁰⁰ CR/PR at VI-3.

¹⁰¹ Wabtec’s Posthearing Br. at Exhibit 2.

¹⁰² Wabtec’s Posthearing Br. at Exhibit 2.

¹⁰³ Wabtec’s Posthearing Br. at Exhibit 2.

¹⁰⁴ CR/PR at F-5 and Table F-2. *** U.S. facility increased shipments of knuckles by *** pounds in 2022 and *** Mexican facility increased shipments of knuckles by *** pounds in 2022. *Id.*

in 2020 to *** in 2021 before increasing to *** in 2022;¹⁰⁵ once again, its increase in subject imports from 2020 to 2021 coincided with a reduction in PRWs at its *** facility. Thus, excluding *** would have the effect of masking declines in the domestic industry's market share, financial performance, and employment.¹⁰⁶ It would also mask the available capacity for FRC production in the United States.

In sum, the record in these investigations does not indicate that *** domestic production activities were shielded from competition with subject imports from China and Mexico during the POI, or otherwise benefitted from *** subject imports from Mexico during the period. As described above, the statute and legislative history are clear in that the starting point for defining the domestic industry is to include all domestic producers of the domestic like product in the definition. Given this, and the fact that *** is one of two remaining domestic producers of FRCs and accounted for between *** percent and *** percent of domestic industry production during the POI—a percentage which doubled over the POI-- its exclusion from the domestic industry would mask declines in the industry's performance caused by subject import competition, including data relating to market share, employment, capacity utilization, and financial performance. Therefore, we find that appropriate circumstances do not exist to exclude *** from the domestic industry as a related party.

Accordingly, consistent with our definition of the domestic like product, we define a single domestic industry consisting of all U.S. producer of FRCs.

IV. Cumulation¹⁰⁷

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

¹⁰⁵ *Derived from* CR/PR at Tables III-13 and H-4.

¹⁰⁶ In particular, the domestic industry *** from 2020 to 2021 while *** do not show the same trends. *Compare* CR/PR Tables C-1 *with* Table C-2.

¹⁰⁷ Pursuant to Section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to a domestic like product that account for less than 3 percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible. 19 U.S.C. §§ 1671b(a), 1673b(a), 1677(24)(A)(i), 1677(24)(B); *see also* 15 C.F.R. § 2013.1 (developing countries for purposes of 19 U.S.C. § 1677(36)). 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. 19 U.S.C. § 1677(24)(A)(ii). In the case of countervailing duty investigations (Continued...)

cumulate subject imports from all countries as to which petitions were filed and/or investigations self-initiated by Commerce on the same day, if such imports compete with each other and with the domestic like product in the U.S. market. In assessing whether subject imports compete with each other and with the domestic like product, the Commission generally has considered four factors:

- (1) the degree of fungibility between subject imports from different countries and between subject imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;
- (2) the presence of sales or offers to sell in the same geographic markets of subject imports from different countries and the domestic like product;
- (3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and
- (4) whether the subject imports are simultaneously present in the market.¹⁰⁸

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.¹⁰⁹ Only a “reasonable overlap” of competition is required.¹¹⁰

involving developing countries (as designated by the United States Trade Representative), the statute indicates that the negligibility limits are 4 percent and 9 percent, rather than 3 percent and 7 percent. 19 U.S.C. § 1677(24)(B).

During the most recent 12-month period preceding the filing of the petitions in these investigations (September 2021 through August 2022), subject imports from China (for both the antidumping and countervailing duty investigations) accounted for *** percent of total imports and subject imports from Mexico accounted for *** percent of total imports, by quantity. CR/PR at IV-6 and Table IV-4. As imports from China subject to the antidumping and countervailing duty investigations and imports from Mexico subject to the antidumping duty investigation are clearly above negligible levels, we find that subject imports from China and Mexico are not negligible.

¹⁰⁸ See *Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan*, Inv. Nos. 731-TA-278-280 (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).

¹⁰⁹ See, e.g., *Wieland Werke, AG v. United States*, 718 F. Supp. 50 (Ct. Int’l Trade 1989).

¹¹⁰ 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- (Continued...)

A. Party Arguments

Petitioner's Arguments. Petitioner argues that the Commission should cumulatively assess subject imports from China and Mexico for purposes of present material injury.¹¹¹ It contends FRC producers must be certified and FRCs from all sources are made to AAR specifications, so they can be used interchangeably. With respect to channels of distribution, petitioner argues that FRCs from China and Mexico and the domestic like product are sold to OEMs and into the replacement market. Petitioner argues that FRCs from domestic and both subject sources are sold to all regions of the contiguous United States. Finally, petitioner observes that subject imports from both subject countries and the domestic like product were present in the U.S. market in each month of the POI.¹¹²

Respondents' Arguments. Amsted does not contest cumulation of subject imports for purposes of the Commission's material injury analysis.¹¹³

Strato and Wabtec argue, as they did in the preliminary phase of the investigations, that, in light of the "unprecedented" facts of this case, the statute bars cumulation for purposes of both injury and threat because they claim the Commission's investigations in FRC I were terminated when the Commission made negative determinations. Respondents acknowledge that the Commission found otherwise in its preliminary determinations, in which the Commission explained that the current investigations are not the same investigations as those in FRC I and that that a negative determination in a prior investigation is not the same as a termination in these investigations.¹¹⁴

316, Vol. I at 848 (1994) (*citing Fundicao Tupy, S.A. v. United States*, 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.")).

¹¹¹ Petitioner's Prehearing Br. at 12-16.

¹¹² Petitioner's Prehearing Br. at 15-17.

¹¹³ Amsted's Posthearing Brief, Answers to Commissioner's Questions at 58.

¹¹⁴ Strato's and Wabtec's Prehearing Br. at 24 n.35 (citing Preliminary Determinations, USITC Pub. No. 5387, at 34 n.146. *See also* Wabtec's Posthearing Br. Exhibit 1 at 6-8. With respect to Wabtec's argument that the FRC I investigations were terminated and thus subject imports from China now subject to investigation cannot be cumulated, the Commission previously rejected this argument in its preliminary determinations, explaining that these investigations concerning FRCs from China are not the same investigations as the FRC I investigations, and that the Commission's negative determination in a prior investigation is not the same thing as a termination in these investigations. *Preliminary Determinations*, USITC Pub. No. 5387, at 34 n.146. Wabtec has not presented any basis for the Commission to reconsider its view concerning the eligibility of subject imports from China for cumulation.

Respondent TTX made no reference in their briefs or testimony to cumulation of subject imports for purposes of the Commission's material injury analysis.

B. Analysis

The statutory threshold for cumulation is satisfied in these investigations because petitioners filed the antidumping and countervailing duty petitions with respect to both subject countries on the same day, September 28, 2022.¹¹⁵

The record also indicates a reasonable overlap of competition between imports from both subject countries, and between subject imports from each source and the domestic like product, for reasons discussed below.

Fungibility. The record in the final phase of these investigations indicates that FRCs are at least moderately fungible, regardless of source. All FRCs from subject and domestic sources are manufactured in accordance with AAR standards to ensure FRCs in the United States are interoperable.¹¹⁶ Market participants reported a high degree of interchangeability in their questionnaire responses. Responding domestic producers reported that FRCs from each subject country were always or frequently interchangeable with the domestic like product and that FRCs from both subject countries were always or frequently interchangeable.¹¹⁷ A majority of U.S. importers/purchasers indicated that the domestic like product was always interchangeable with imports from both subject countries and that imports from both subject countries were always interchangeable.¹¹⁸

When asked about the comparability of the domestic product, subject imports from China, and subject imports from Mexico with respect to 17 purchase factors,¹¹⁹ a majority of responding purchaser/importers reported that FRCs from the three sources were comparable with respect to the vast majority of factors.¹²⁰

¹¹⁵ None of the statutory exceptions to cumulation apply. We observe that these investigations involve dumping findings regarding FRCs from China and Mexico and subsidy findings for FRCs from China. Consequently, any decision to cumulate imports from all subject sources in these investigations will involve “cross-cumulating” dumped imports with subsidized imports. We have previously explained why we are continuing our longstanding practice of cross-cumulating. *See Polyethylene Terephthalate (PET) Resin from Canada, China, India, and Oman*, Inv. Nos. 701-TA-531-532 and 731-TA-1270-1273 (Final), USITC Pub. 4604 at 9-11 (April 2016).

¹¹⁶ CR/PR at I-10.

¹¹⁷ CR/PR at Table II-18.

¹¹⁸ CR/PR at Table II-19.

¹¹⁹ CR/PR at II-26.

¹²⁰ *See* CR/PR at Table II-17. Only with respect to price, delivery time, and reliability of supply were FRCs from different sources not rated as comparable by a majority of reporting importers/purchasers. *Id.*

The record also shows that U.S. shipments of subject imports from China and Mexico and the domestic like product overlapped with respect to product type.¹²¹ The record shows that shipments of the domestic like product and subject imports from both countries consisted of all three types of FRCs: 1) fits or assemblies, 2) knuckles, and 3) coupler bodies.¹²² Although shipments of imports from both subject countries were more concentrated in components and shipments of domestic product were concentrated in fits or assemblies, there was a substantial overlap in shipments of the three product types from all three sources.¹²³ This overlap in product types, as well as the pricing product data showing sales of domestic FRCs and subject imports from China and Mexico that satisfied the definitions of all five pricing products, show that there was a sufficient degree of fungibility between and among subject imports from China and Mexico and the domestic like product for purposes of cumulation.¹²⁴

Channels of Distribution. During the POI, the domestic like product and imports from both subject countries were sold to OEMs and to the replacement/maintenance market. Responding domestic producers sold substantial quantities of FRCs to OEMs and to the replacement/maintenance market.¹²⁵ Subject imports from China were largely, but not exclusively, sold to the replacement/maintenance market.¹²⁶ Subject imports from Mexico were sold predominantly to the replacement market, but substantial quantities were also sold to OEMs.¹²⁷

Geographic Overlap. Domestic producers reported shipping the domestic like product to all six regions of the contiguous United States.¹²⁸ Importers reported shipping imports from each subject country to all six regions as well.¹²⁹ The majority of subject imports from China entered through ports located in the North, while substantial quantities of subject imports from China also entered through ports located in the East, West, and South.¹³⁰ Subject imports from Mexico entered almost exclusively through ports located in the South.¹³¹

¹²¹ See CR/PR at Table IV-6 and Fig IV-3.

¹²² See CR/PR at Table IV-6 and Fig IV-3.

¹²³ See CR/PR at Fig. IV-3 and Table IV-6.

¹²⁴ See CR/PR at Table V-8.

¹²⁵ See CR/PR at Table II-1.

¹²⁶ See CR/PR at Table II-1.

¹²⁷ See CR/PR at Table II-1.

¹²⁸ CR/PR at Table II-2.

¹²⁹ CR/PR at Table II-2.

¹³⁰ CR/PR at Table IV-8. Border of entry information is for HTS statistical reporting number 8607.30.1000 and likely includes substantial quantities of out-of-scope subject merchandise. See CR/PR at IV-15 and Table IV-2.

¹³¹ CR/PR at Table IV-8.

Simultaneous Presence in Market. Domestically produced FRCs and imports from each subject country were present in the U.S. market throughout the POI.¹³²

Conclusion. The record indicates that subject imports from both subject countries are generally fungible with the domestic like product and each other, that subject imports from both subject countries and the domestic like product are sold in similar channels of distribution and in similar geographic markets, and that domestic FRCs and subject FRCs from both countries were simultaneously present in the U.S. market. In light of the foregoing, we find that there is a reasonable overlap of competition between the domestic like product and imports from each subject country and between imports from each subject country. Therefore, we cumulate subject imports from China and Mexico for purposes of our material injury analysis.

V. Material Injury by Reason of Subject Imports

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

A. Legal Standards

In the final phase of antidumping and countervailing duty investigations, the Commission determines whether an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.¹³³ 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.¹³⁴ The statute defines “material injury” as “harm which is not inconsequential, immaterial, or unimportant.”¹³⁵ In assessing whether the domestic industry is materially injured by reason of subject imports, we

¹³² See CR/PR at Table IV-9 (monthly imports), Table IV-10 (domestic production), and Tables V-3 to V-7 (quarterly sales of five pricing products). Subject imports from China and Mexico were reported in all months of the POI with the exception that subject imports from China were absent in two months in 2022. See CR/PR at Table IV-9.

¹³³ 19 U.S.C. §§ 1671d(b), 1673d(b).

¹³⁴ 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).

¹³⁵ 19 U.S.C. § 1677(7)(A).

consider all relevant economic factors that bear on the state of the industry in the United States.¹³⁶ 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.”¹³⁷

Although the statute requires the Commission to determine whether the domestic industry is “materially injured or threatened with material injury by reason of” unfairly traded imports,¹³⁸ 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.¹³⁹ 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.¹⁴⁰

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

¹³⁶ 19 U.S.C. § 1677(7)(C)(iii).

¹³⁷ 19 U.S.C. § 1677(7)(C)(iii).

¹³⁸ 19 U.S.C. §§ 1671d(b), 1673d(b).

¹³⁹ *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’d*, 944 F. Supp. 943, 951 (Ct. Int’l Trade 1996).

¹⁴⁰ 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.¹⁴¹ In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.¹⁴² 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.¹⁴³ It is clear that the existence of injury caused by other factors does not compel a negative determination.¹⁴⁴

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

¹⁴¹ 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.

¹⁴² 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.”).

¹⁴³ S. Rep. 96-249 at 74-75; H.R. Rep. 96-317 at 47.

¹⁴⁴ *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.”¹⁴⁵ 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.”¹⁴⁶ The Federal Circuit has examined and affirmed various Commission methodologies and has disavowed “rigid adherence to a specific formula.”¹⁴⁷

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.¹⁴⁸ Congress has delegated this factual finding to the Commission because of the agency’s institutional expertise in resolving injury issues.¹⁴⁹

B. Conditions of Competition and the Business Cycle

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

1. Demand Considerations

Demand for FRCs is driven by the production of new freight railcars (the OEM market), as well as the maintenance/replacement of FRCs of freight railcars already in service (the replacement market).¹⁵⁰ The parties generally agree that U.S. demand for new freight railcars

¹⁴⁵ *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 comports with the Court’s guidance in *Mittal*.

¹⁴⁶ *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.

¹⁴⁷ *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.”).

¹⁴⁸ We provide in our discussion below a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

¹⁴⁹ *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.”).

¹⁵⁰ CR/PR at II-9. New railcar deliveries to the North American market declined by 49.5 percent from 2019 (58,026 railcars) to 2021 (29,280) and then increased by 39.1 percent in 2022 (40,735 railcars). *Id.* at II-12 and Table II-5.

follows an eight-to-ten-year business cycle, whereas U.S. demand for the replacement market is steadier and less tied to the business cycle since it is driven by the average useful life of FRCs and FRC components.¹⁵¹ *** and eight importer/purchasers reported that FRCs accounted for 1 to 2 percent of the total cost to produce a freight rail car.¹⁵²

Most reporting firms indicated that demand for FRCs was higher in 2022 than in 2020 and 2021.¹⁵³ One of two responding U.S. producers reported that U.S. demand for FRCs fluctuated upwards since January 1, 2020, while the other reported that it fluctuated downwards.¹⁵⁴ Five of eight responding U.S. importer/purchasers reported that U.S. demand for FRCs fluctuated upwards since January 1, 2020, while two reported that it fluctuated downwards and one reported that it increased.¹⁵⁵ Reasons cited for decreased demand, particularly during the earlier part of the POI include reduced rail traffic during the COVID-19 pandemic, use of precision scheduled railroading by Class I rail operators, and increased scrapping of old railcars.¹⁵⁶ Reasons cited for increased demand during the POI, particularly in 2022, include recovery from the COVID-19 pandemic and increased production of new freight rail cars.¹⁵⁷ Most importer/purchasers forecast unchanged or decreasing U.S. and foreign demand.¹⁵⁸

Apparent U.S. consumption of FRCs declined from *** pounds in 2020 to *** pounds in 2021 before increasing to *** pounds in 2022, a level *** percent higher than in 2020.¹⁵⁹

2. Supply Considerations

During the POI, the U.S. market for FRCs was exclusively supplied by the domestic industry and subject imports from China and Mexico,¹⁶⁰ as there were no reported imports from nonsubject sources.¹⁶¹

¹⁵¹ CR/PR at II-10; Petitioner's Prehearing Br. at 26-27; Amsted's Prehearing Br. at 3-4.

¹⁵² CR/PR at II-9.

¹⁵³ CR/PR at II-9 and II-11.

¹⁵⁴ CR/PR at Table II-4.

¹⁵⁵ CR/PR at Table II-4.

¹⁵⁶ CR/PR at II-10-11; TTX's Prehearing Br. at 4, 40; Amsted's Prehearing Br. at 28.

¹⁵⁷ CR/PR at II-10-11; Amsted's Prehearing Br. at 3.

¹⁵⁸ CR/PR at II-11.

¹⁵⁹ CR/PR at Tables IV-11 and C-1.

¹⁶⁰ CR/PR at Tables IV-11 and C-1.

¹⁶¹ CR/PR at II-7 and Tables IV-11 and C-1.

Two firms, Amsted and M&T, currently manufacture FRCs in the United States. Over the full POI, *** accounted for *** percent of domestic production of FRCs, and *** accounted for *** percent.¹⁶²

The domestic industry was the second-largest supply source to the U.S. market in 2020 and 2021 and largest supply source to the U.S. market in 2022.¹⁶³ Its share of apparent U.S. consumption decreased from *** percent in 2020 to *** percent in 2021 before increasing to *** percent in 2022.^{164 165}

Nine of 14 responding importer/purchasers reported no changes to the availability of U.S.-produced FRCs since January 1, 2020, but of the five that did, three described domestic production or competition as insufficient to meet market demand.¹⁶⁶ The domestic industry's practical FRCs capacity decreased from *** pounds in 2020 to *** pounds in 2021 before increasing to *** pounds in 2022.¹⁶⁷ Similarly, its capacity utilization decreased from *** percent in 2020 to *** percent in 2021 before increasing to *** percent in 2022.^{168 169} Cumulated subject imports were the largest source of supply to the U.S. market in 2020 and 2021 and the second-largest source of supply to the U.S. market in 2022.¹⁷⁰ Their share of apparent U.S. consumption increased from *** percent in 2020 to *** percent in 2021 before decreasing to *** percent in 2022.¹⁷¹

¹⁶² CR/PR at Table III-6.

¹⁶³ CR/PR at Tables IV-11 and C-1.

¹⁶⁴ CR/PR at Tables IV-11 and C-1.

¹⁶⁵ The domestic industry as defined by Chairman Johanson and Commissioner Karpel was the second-largest supply source to the U.S. market throughout the period of investigation. Its share of the total FRCs market increased from *** percent in 2020 to *** percent in 2022. CR/PR at Table C-2. In the replacement market, which accounted for *** percent of *** U.S. shipments over the full period of investigation (and *** in 2020 and 2021), ***'s market share fell from *** percent in 2020 to *** percent in 2022, a decline of *** percentage points. CR/PR at Table G-12. In the OEM market, *** market share *** from *** percent in 2020 to *** percent in 2021, and to *** percent in 2022. CR/PR at Table G-9.

¹⁶⁶ CR/PR at II-6.

¹⁶⁷ CR/PR at Table III-4.

¹⁶⁸ CR/PR at Table III-4.

¹⁶⁹ For the domestic industry as defined by Chairman Johanson and Commissioner Karpel, the industry's practical FRCs capacity *** from *** pounds in 2020 to *** pounds in 2021, before an *** to *** pounds in 2022. Its capacity utilization *** from *** percent in 2020 to *** percent in 2021, before *** to *** percent in 2022. CR/PR at Table III-6.

¹⁷⁰ CR/PR at Tables IV-11 and C-1.

¹⁷¹ CR/PR at Tables IV-11 and C-1. Subject imports' share of the replacement market *** from *** percent in 2020 to *** percent in 2021, and to *** percent in 2022. In the OEM market, subject imports' market share *** from *** percent in 2020 to *** percent in 2021, and to *** percent in 2022. (Continued...)

U.S. importer/purchaser TTX, one of the largest owners of railcars in North America, stated that most of its purchases from U.S. importer Strato are pursuant to *** under a long-term supply agreement ***.¹⁷²

Nine of 12 responding importer/purchasers stated that the availability of Chinese-produced FRCs had changed since January 1, 2020, with six of those firms citing FRC I and/or these investigations as reasons for the change.¹⁷³ Nine of 11 responding importer/purchasers stated that the availability of Mexican-produced FRCs had not changed.¹⁷⁴

When asked if they had experienced any supply constraints between January 1, 2020, and September 28, 2022, *** reported that they had not, but two of three responding importers and six of eight responding importer/purchasers reported that they had.¹⁷⁵ Reasons cited included the COVID-19 pandemic, the provisional duties stemming from the FRC I investigations, volatile demand, global logistical issues, and insufficient capacity in the domestic industry.¹⁷⁶ *** and all three importers reported that they had not experienced supply constraints since September 28, 2022 (the date the petitions were filed), whereas three of seven responding importer/purchasers reported that they had.¹⁷⁷ Reasons cited included receding supply from China due to the pendency of these investigations and increased lead times.¹⁷⁸

3. Substitutability and Other Conditions

Based on the current record, we find that there is a moderately high to high degree of substitutability between domestically produced FRCs and subject imports.¹⁷⁹ The primary factors contributing to this level of substitutability include little preference for any particular country of origin, similarities between domestically produced FRCs and FRCs imported from China and Mexico across multiple purchase factors, and the high degree of interchangeability between domestic FRCs and subject imports from China and Mexico.¹⁸⁰ Differences in

The replacement market accounted for *** percent of total U.S. shipments of subject imports during the full POI (*** pound), compared to *** percent for the OEM market (*** pounds). CR/PR at Tables G-9 and G-12.

¹⁷² CR/PR at V-5; TTX's Prehearing Br. at 5.

¹⁷³ CR/PR at II-6.

¹⁷⁴ CR/PR at II-7.

¹⁷⁵ CR/PR at II-7-8.

¹⁷⁶ CR/PR at II-7-8.

¹⁷⁷ CR/PR at II-8.

¹⁷⁸ CR/PR at II-8.

¹⁷⁹ CR/PR at II-17.

¹⁸⁰ CR/PR at II-17.

availability, lead times, and certain purchasers' preference for certain types of FRCs (notably Bedloe technology) only available from China reduce substitutability to some degree.^{181 182}

¹⁸¹ CR/PR at II-17.

¹⁸² The parties disagree on the importance of Bedloe technology, which is unique to certain subject imports from China, as a factor limiting substitutability between subject imports from China and domestically produced FRCs. TTX and Strato claim that Bedloe FRCs are not substitutable with the domestic like product (*i.e.*, non-Bedloe FRCs) given the superior quality and durability of Bedloe FRCs and that Bedloe technology is an important purchasing factor. TTX claims that purchasers, such as itself, prefer Strato's FRCs based on quality, performance, and durability, and that these factors drive purchases of Bedloe FRCs. CR/PR at II-23; TTX's Prehearing Br. at 28-37; Strato's Posthearing Br. Attachment 1 at 19; TTX's Posthearing Br. at 5-10; TTX's Prehearing Br. at 3-4. In FRC I, the Commission found that "for a meaningful portion of the market, the use of Bedloe technology is a distinguishing factor between domestic product and subject imports." FRC I, USITC Pub. 5331 at 16-17 n.76.

In these investigations, we again recognize that Bedloe technology is an important purchasing factor for a portion of the market, in view of TTX's clear preference for Bedloe technology and that it is one of the largest U.S. purchasers of FRCs. The importance of Bedloe technology to a portion of the market, however, is consistent with our finding of a moderately high to high degree of substitutability, particularly in the context of these investigations which also involve subject imports from Mexico that do not use Bedloe technology. *** reported that they produced products comparable to FRCs with Bedloe technology, and that there are no differences in the end uses nor AAR certification/ classification of Bedloe FRCs and non-Bedloe FRCs. When asked if FRCs with Bedloe technology have different end uses than FRCs without Bedloe technology, five of six responding importer/purchasers stated that they did not. Further, when asked if there are meaningful differences between AAR certification/classification of FRCs on the basis of Bedloe technology, four of six responding importer/purchasers reported that there are not. CR/PR at II-23-24 and Table II-14. In terms of the importance of Bedloe technology as a purchasing factor, only 2 purchasers (*** and ***) reported it was very important, one reported it was somewhat important and 12 reported it was not important. CR/PR at Table II-12. While five of six importer/purchasers familiar with FRCs produced using Bedloe technology reported that they did not consider any other FRCs to be comparable to FRCs with Bedloe, we find on balance that the responses regarding the comparability of subject imports and the domestic like product support the Commission's finding of a moderately high to high degree of substitutability. The parties indicated that purchasers, including TTX, the large importer/purchaser that invested in the Bedloe technology through a subsidiary back in 2007, switched from purchasing Bedloe FRCs to non-Bedloe FRCs when the FRC I provisional duties were imposed on FRCs from China and imports from China declined. Petitioner's Posthearing Br. Exhibit 1 at 7-8, 48-53; TTX's Posthearing Br. at 14-15. TTX states that it did continue to predominately purchase Bedloe FRCs in 2022 and was able to meet ***. *Id.* at 12-15. The record in these investigations shows that U.S. shipments of FRCs with Bedloe technology declined from 2021 to 2022, while U.S. shipments of non-Bedloe FRCs by the domestic industry and subject imports increased over the same period. CR/PR at Tables G-13-14. This further supports the substitutability of subject imports and the domestic like product, even by purchasers that view Bedloe technology as an important purchasing factor when availability of FRCs with Bedloe technology may be constrained.

Respondents argue that that Bedloe FRCs are sold at a premium compared to the domestic like product due to their superiority. Hearing Tr. at 139-140 (Kunkelman). The record in these investigations shows, however, that subject imports from China (the only source of Bedloe FRCs) undersold the (Continued...)

However, *** and most responding importer/purchasers reported that the domestic like product and subject imports from China and Mexico were always or frequently interchangeable in all comparisons between sources.¹⁸³ Moreover, all FRCs and in-scope components are subject to manufacturing and safety standards set by the AAR, regardless of source.¹⁸⁴

The record in these investigations indicates that price is an important factor in purchasing decisions for FRCs.¹⁸⁵ Purchasers' rankings of factors used in purchasing decisions had price among the three most important factors in purchasing decisions for FRCs; purchasers also cited non-price factors, including availability and quality.¹⁸⁶ *** reported that differences other than price between sources were only sometimes or never significant in their sales of FRCs.¹⁸⁷ U.S. importer/purchasers' responses were mixed, generally reporting non-price differences for all country comparisons as either always or sometimes significant.¹⁸⁸

domestic like product in *** of *** quarterly comparisons during the POI, with an average underselling margin of *** percent, almost *** the ***. See CR/PR at Table V-10. Respondents claim that Strato's sales to purchasers other than TTX demonstrate the premium price of Bedloe FRCs in the U.S. market given TTX's ***. Strato's Posthearing Br. at 20-23; TTX's Posthearing Br. at 17-18. Even to the extent there may be some price difference between FRCs with Bedloe technology and other FRCs at least as sold to customers other than TTX, we do not find that such price differences warrant a degree of substitutability different than we find above. Moreover, as discussed in section below, the fact that TTX has negotiated more favorable price terms for its long-term contract due to its pre-existing relationship with Strato, does not, in our view, indicate that the pricing comparisons between subject imports from China and the domestic product are not comparable.

¹⁸³ CR/PR at Tables II-18 and II-19. As reviewed above, when asked about the comparability of the domestic product, subject imports from China, and subject imports from Mexico with respect to 17 purchase factors, a majority of responding purchaser/importers reported that FRCs from the three sources were comparable with respect to the vast majority of factors.

¹⁸⁴ CR/PR at I-7, I-10, and II-1.

¹⁸⁵ Most importer/purchasers reported price as being very important, and the rest reported it as being somewhat important. *Id.* at Table II-12. Further, eight of 15 importer/purchasers reported that they sometimes purchase the lowest-priced FRCs, and seven reported that they usually do. *Id.* at II-20.

¹⁸⁶ CR/PR at II-20 and Table II-11. Quality was the most frequently cited first-most important factor (cited by six firms), followed by availability (four firms); availability was the most frequently reported second-most important factor (six firms); and price was the most frequently reported third-most important factor (eight firms). CR/PR at Table II-11.

¹⁸⁷ CR/PR at Table II-20.

¹⁸⁸ CR/PR at Table II-21. For comparisons between "United States vs. China," five of eight responding importer/purchasers reported that there were "always" non-price differences, while three responding importer/purchasers reported that there were only "sometimes" non-price differences. *Id.* For comparisons between "United States vs. Mexico," two of six responding importer/purchasers reported that there were "always" non-price differences, three responding importer/purchasers reported that there were only "sometimes" non-price differences, and one responding importer/purchasers reported that there were "never" non-price differences. *Id.*

As explained above, domestically produced FRCs were sold to both OEMs and the replacement market. In 2020 and 2021, the majority of domestic producer U.S. shipments were to the replacement market whereas in 2022 the majority of domestic producer U.S. shipments were to the OEM market.¹⁸⁹ During the POI, subject imports from China and Mexico were also sold both in the replacement market and to OEMs.¹⁹⁰ A larger share of subject imports from Mexico were sold to OEMs than were subject imports from China, but subject imports from Mexico were predominately and increasingly sold to the replacement market.¹⁹¹ The replacement market accounted for a larger share of U.S. shipments of subject imports than the OEM market during the POI, with subject imports accounting for an increasing majority share of the replacement market, from *** percent in 2020 to *** percent in 2021, and to *** percent in 2022.¹⁹²

*** and importer *** reported that their sales of FRCs were bundled with other products, while *** and importer *** reported that theirs were not.^{193 194}

¹⁸⁹ CR/PR at Table II-1.

¹⁹⁰ CR/PR at Table II-1.

¹⁹¹ CR/PR at Table II-1.

¹⁹² CR/PR at Table G-12. The market share held by subject imports in the OEM market was *** percent in 2020, *** percent in 2021, and *** percent in 2022. CR/PR at Table G-9.

The share of the market held by the domestic industry in the OEM market was *** percent in 2020, *** percent in 2021, and *** percent in 2022. CR/PR at Table G-9. The domestic industry's market share in the replacement market was *** percent in 2020, *** percent in 2021, and *** percent in 2022. CR/PR at Table G-12.

The share of the market held by the domestic industry, as defined by Chairman Johanson and Commissioner Karpel, in the OEM market was *** percent in 2020, *** percent in 2021, and *** percent in 2022. CR/PR at Table G-9. The domestic industry's market share in the replacement market was *** percent in 2020, *** percent in 2021, and *** percent in 2022. CR/PR at Table G-12.

¹⁹³ CR/PR at II-24-25. *** states that ***. *** estimates that ***. *Id.* at II-25.

¹⁹⁴ Amsted argues that *** has excluded *** from a substantial portion of the FRC market and reduced demand for *** FRCs. Amsted's Prehearing Br. at 20-23.

Five responding importer/purchasers that purchase FRCs for their own use indicated that they purchase FRCs both as standalone FRCs and as parts of bundles. No responding importer/purchaser reported purchasing FRCs as only standalone purchases nor purchasing FRCs only as parts of bundles. Four of five responding importer/purchasers reported that a supplier's ability to bundle FRCs with other products would increase their likelihood of purchasing from the supplier. CR/PR at II-25-26. Purchaser responses regarding the importance of bundling in purchasing decisions were mixed, but most (eight of 15) purchasers reported that it was not important and only a small minority of purchasers (two of 15) reported that it was very important. CR/PR at Table II-12. Additionally, only one firm reported it to be a top three factor for purchasing decisions. *Id.* at Table I-11.

During the POI, U.S. producers sold FRCs using annual contracts,¹⁹⁵ with lesser but substantial quantities sold as spot sales and under long-term contracts, and very small quantities sold under short-term contracts.¹⁹⁶ Importers sold subject merchandise mainly using long-term contracts, with lesser but substantial quantities sold under annual contracts and as spot sales.¹⁹⁷

During the POI, domestically produced FRCs were sold primarily from inventory with lead times averaging *** days, and their lesser but substantial quantities produced to order averaged *** days.¹⁹⁸ Cumulated subject imports were also sold primarily from inventory with lead times averaging *** days, and their lesser but substantial quantities produced to order averaged *** days.¹⁹⁹

Raw materials accounted for *** percent of the COGS for FRCs in 2020, *** percent in 2021, and *** percent in 2022.²⁰⁰ ²⁰¹ FRCs are primarily made of pig iron and scrap metal, with steel scrap reported to account for more than *** of the cost of raw materials.²⁰² Steel scrap prices fluctuated but increased overall during the POI.²⁰³ Energy costs also increased during the POI.²⁰⁴

¹⁹⁵ ***. CR/PR at IV-5. As the Commission observed in its preliminary determinations, M&T had a supply agreement with its former parent company and current U.S. purchaser, Trinity, whereby Trinity agreed to purchase set amounts of FRCs that decrease annually until their supply agreement expires in 2023. *Preliminary Determinations*, USITC Pub. 5387 at 42.

¹⁹⁶ CR/PR at Table V-2. *** contracts fixed *** but allowed for price renegotiation. *** were not indexed to raw materials prices. Long-term contracts were for ***. *Id.* at V-5.

¹⁹⁷ CR/PR at Table V-2. U.S. importer/purchasers' sales contracts usually ***. Long-term sales contracts allowed for price renegotiation while short-term and annual contracts did not. Long term contracts were for ***. *Id.* at V-5-6.

¹⁹⁸ CR/PR at II-21.

¹⁹⁹ CR/PR at II-21.

²⁰⁰ CR/PR at V-1 and Table VI-1.

²⁰¹ For the domestic industry as defined by Chairman Johanson and Commissioner Karpel, raw materials accounted for *** percent of the COGS for FRCs in 2020, *** percent in 2021, and *** percent in 2022. CR/PR at Table M-1.

²⁰² CR/PR at V-1.

²⁰³ Steel scrap prices were generally lower in 2020 than in 2021 and the first half of 2022, which in turn were higher than prices in late 2022. Overall, prices for no. 1 busheling scrap increased by *** percent during January 2020-February 2023, no. 1 heavy melt scrap increased by *** percent, and shredded auto scrap increased by *** percent. CR/PR at V-1.

²⁰⁴ CR/PR at V-1. Between January 2020 and March 2023, prices for electricity for industrial users increased 24.2 percent, although such prices were 49.3 percent above January 2020 levels in August 2022. Between January 2020 and March 2023, prices for natural gas for commercial users increased 67.5 percent, although such prices were 101.4 percent above their January 2020 levels in September 2022. *Id.*

During the POI, subject merchandise from China entering under HTS subheadings 7325.99.50, 7326.09.86, 8607.30.10, 8606.10.00, 8606.30.00, 8606.91.00, 8606.92.00, and 8606.99.01 were subject to additional 25 percent *ad valorem* duties pursuant to section 301 of the Tariff Act of 1974²⁰⁵ (“section 301 tariffs”).²⁰⁶ Subject merchandise from China entering under HTS subheading 8607.30.10 were granted exclusions effective July 31, 2019 which expired in 2020 and then became subject to additional 25 percent *ad valorem* duties pursuant to section 301 effective July 31, 2020.²⁰⁷

As discussed above, FRCs from China were the subject of recent countervailing and antidumping duty investigations (FRC I) with a period of investigation that overlapped substantially with the current investigation period.²⁰⁸ The scope of FRC I was different from the scope of these investigations in that the earlier investigations included FRCs and two additional components (yokes and follower blocks).²⁰⁹ The petitions for FRC I were filed on September 29, 2021. The Commission issued its preliminary determinations on November 15, 2021, and Commerce issued its preliminary countervailing and antidumping duty determinations in March 2022.²¹⁰ The Commission made its final determination that an industry in the United States was not materially injured or threatened with material injury by reason of imports of FRCs from China on July 5, 2022.²¹¹

The parties generally agree that subject imports from China substantially reduced their presence in the U.S. market for some time in 2022.²¹² Eight of 15 responding importer/purchasers reported that the application of provisional AD/CVD duties as a result of the affirmative Commerce Department preliminary determinations in FRC I and the resulting

²⁰⁵ 19 U.S.C. § 2411.

²⁰⁶ CR/PR at I-9. *** and four importer/purchasers reported that the Section 301 tariffs affected the FRCs market. *** reported ***. *** reported ***. Two of the other three importer/purchasers described the tariffs as cutting off Chinese exports of FRCs to the U.S. market and the other described them as increasing costs. *Id.* At II-3.

²⁰⁷ CR/PR at I-9.

²⁰⁸ CR/PR at I-4-5. The period of investigation in the previous investigations was calendar years 2019-2021. The period of investigation in the current investigations is calendar years 2020-2022.

²⁰⁹ *Freight Rail Coupler Systems and Certain Components Thereof From the People’s Republic of China: Initiation of Countervailing Duty Investigation*, 86 Fed. Reg. 58,878, 58,879 (Oct. 25, 2021); *Freight Rail Coupler Systems and Certain Components Thereof From the People’s Republic of China: Initiation of Less-Than-Fair-Value Investigation*, 86 Fed. Reg. 58,864, 58,865 (Oct. 25, 2021).

²¹⁰ *Freight Rail Coupler Systems and Certain Components Thereof: Preliminary Affirmative Countervailing Duty Determination*, 87 Fed. Reg. 12,662 (Mar. 7, 2022); *Freight Rail Coupler Systems and Certain Components Thereof From the People’s Republic of China: Preliminary Affirmative Determination of Sales at Less-Than-Fair Value*, 87 Fed. Reg. 14,511 (Mar. 15, 2022).

²¹¹ CR/PR at I-4-5.

²¹² Petitioner Prehearing Br. at 38-39; CR/PR at II-2, II-8 and Fig. IV-7.

suspension of liquidation of goods resulted in changes in their FRCs supply chain arrangements, purchases, employment, or shipments.²¹³ These eight firms reported increased prices, decreased availability of Chinese FRCs, substitution of Chinese FRCs with domestic and/or Mexican FRCs, cancelled orders, and ***.²¹⁴

C. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the “Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant.”²¹⁵

The volume of cumulated subject imports increased from *** pounds in 2020 to *** pounds in 2021, before declining to *** pounds in 2022.²¹⁶

The cumulated subject imports’ share of apparent U.S. consumption increased from *** percent in 2020 to *** percent in 2021, before declining to *** percent in 2022.^{217 218}

We find that the volume of cumulated subject imports is significant, in absolute terms and relative to both consumption and production in the United States.

D. Price Effects of the Subject Imports

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

²¹³ CR/PR at II-8 (the other seven importer/purchasers stated that the determinations had not resulted in such changes). *See* ***); *** Importer/Purchaser Questionnaire at II-4c (***); *** Importer/Purchaser Questionnaire at IV-29 (***). *See also* Hearing Tr. at 160 (Dougan) (noting subject imports reentered the U.S. market after provisional duties were lifted); Strato and Wabtec’s Prehearing Br. at 49 (arguing that the increase in subject imports from China after the provisional duties were lifted “is not significant or meaningful because it is solely attributable to the virtual cessation of Chinese exports beginning in February 2022 and their resumption in September of that year”).

²¹⁴ CR/PR at II-8 and II-9.

²¹⁵ 19 U.S.C. § 1677(7)(i).

²¹⁶ CR/PR at Tables IV-2 & IV-3.

²¹⁷ CR/PR at Table IV-11. U.S. shipments of cumulated subject imports decreased from *** pounds in 2020 to *** pounds in 2021 and *** pounds in 2022. CR/PR at Tables IV-11 and C-1.

²¹⁸ The ratio of cumulated subject imports to domestic production increased from *** percent in 2020 to *** percent in 2021, before declining to *** percent in 2022. *See* CR/PR at Table IV-2. For the domestic industry as defined by Commissioner Karpel, the ratio of cumulated subject imports to domestic production increased from *** percent in 2020 to *** percent in 2021, before declining to *** percent in 2022. *Calculated from* CR/PR at Tables IV-2 and C-2.

(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.²¹⁹

As previously discussed in Section V.B.3 we find that there is a moderately high to high degree of substitutability between domestically produced FRCs and subject imports, and that price is an important factor in purchasing decisions for FRCs.

The Commission collected quarterly pricing data from U.S. producers and importers for five pricing products for January 2020–December 2022.²²⁰ Two U.S. producers, three importers of Chinese FRCs, and one importer of Mexican FRCs provided pricing data, although not all firms reported pricing for all products for all quarters.²²¹ Pricing data reported by these firms accounted for *** percent of U.S. producers’ U.S. shipments of FRCs in 2022, *** percent of importers’ U.S. shipments of subject merchandise from China in 2022, and *** percent of importers’ U.S. shipments of subject merchandise from Mexico in 2022.²²²

The pricing data show pervasive underselling by cumulated subject imports. Prices for cumulated subject imports were below those for the domestically produced FRCs in 75 of 110 (or *** percent of) quarterly comparisons, while prices for cumulated subject imports were above those for domestically produced FRCs in 35 of 110 (or *** percent of) quarterly comparisons.²²³ There were *** pounds of cumulated subject imports in quarterly comparisons in which cumulated subject imports undersold the domestic like product (*** percent of the total) and only *** pounds of cumulated subject imports in quarterly

²¹⁹ 19 U.S.C. § 1677(7)(C)(ii).

²²⁰ The five pricing products are as follows:

Product 1. — SE60, Grade E steel coupler (also known as an “assembly” or a “fit”), double shelves, 21.5” shank length, produced to AAR M-211 and/or AAR M-215 specifications;

Product 2. — SBE60, Grade E steel coupler (also known as an “assembly” or a “fit”), bottom shelf, 21.5” shank length, produced to AAR M-211 and/or AAR M-215 specifications;

Product 3. — E50 coupler knuckle, grade E steel, produced to AAR M-211 and/or AAR M-215 specifications;

Product 4. — SE60 coupler body, grade E steel, double shelves, produced to AAR M-211 and/or AAR M-215 specifications; and

Product 5. — SBE60 coupler body, grade E steel, bottom shelf, produced to AAR M-211 and/or AAR M-215 specifications.

CR/PR at V-7 to V-8.

²²¹ CR/PR at V-8.

²²² CR/PR at V-8.

²²³ CR/PR at Table V-9.

comparisons in which cumulated subject imports oversold the domestic like product (***) percent of the total).²²⁴ The margins of underselling ranged from 0.1 to 38.2 percent, and averaged *** percent during the POI, while the margins of overselling ranged from *** to *** percent, and averaged *** percent.²²⁵ Over half of the underselling by volume (***) pounds) consisted of pricing product 3 (knuckles).²²⁶ ²²⁷ The pricing data also show that underselling by subject imports from China was less prevalent in 2022 than earlier in the POI before provisional duties from FRC I were in place, and that subject imports from Mexico undersold throughout the POI.²²⁸ ²²⁹

We have also considered information concerning lost sales. Ten of 15 responding importer/purchasers reported that, since 2020, they had purchased subject imports instead of the domestic like product.²³⁰ Seven of these ten importer/purchasers reported that cumulated subject import prices were lower than prices of the domestic like product.²³¹ Two of these importer/purchasers also indicated that price was a primary reason for purchasing *** pounds of FRCs from subject countries rather than domestically produced FRCs during the POI,²³² equivalent to *** percent of total shipments of subject imports and *** percent of apparent

²²⁴ CR/PR at Table V-9.

²²⁵ CR/PR at Table V-9.

²²⁶ CR/PR at Table V-9.

²²⁷ Commissioner Karpel finds that with the domestic industry defined as ***, the pricing data likewise show pervasive underselling by cumulated subject imports. Prices for cumulated subject imports were below those for the domestically produced FRCs in 76 of 110 (or *** percent of) quarterly comparisons, while prices for cumulated subject imports were above those for domestically produced FRCs in 34 of 110 (or *** percent of) quarterly comparisons. The margins of underselling ranged from 0.5 to 38.2 percent, and averaged 10.4 percent during the POI, while the margins of overselling ranged from *** to *** percent, and averaged *** percent. There were *** pounds of cumulated subject imports in quarterly comparisons in which cumulated subject imports undersold the domestic like product (***) percent of the total) and only *** pounds of cumulated subject imports in quarterly comparisons in which cumulated subject imports oversold the domestic like product (***) percent of the total). CR/PR at Table L-8. Over half of the underselling by volume (***) pounds) consisted of pricing product 3 (knuckles), which is predominantly sold to the replacement market. CR/PR at Table L-7, and Tables G-8 and G-11.

²²⁸ See CR/PR at Table V-11.

²²⁹ TTX argues that ***. It contends that they should not be considered comparable to *** that pay the ***. TTX's Prehearing Br. at 4, 42-44. The fact that TTX has negotiated more favorable price terms for its long-term contract due to its pre-existing relationship with Strato, does not, in our view, indicate that the prices are not comparable. The Commission's questionnaires indicate that all prices were to be reported net of discounts and rebates, so the discount TTX received was appropriately included in the prices it reported. See U.S. Importer Questionnaire at III-2.

²³⁰ CR/PR at Table V-13.

²³¹ CR/PR at Table V-13.

²³² CR/PR at Table V-13.

U.S. consumption during the period. ***, one of the three largest purchasers of FRCs, accounted for the large lost sale, amounting to *** pounds.²³³

Based on the foregoing, including the moderately high to high degree of substitutability between subject imports and the domestic like product and the importance of price in purchasing decisions, we find that underselling by cumulated subject imports was significant.²³⁴ Significant underselling led cumulated subject imports to gain *** percentage points of market share at the expense of the domestic industry from 2020 to 2021, before provisional duties were placed on FRCs from China in 2022.²³⁵ ²³⁶ The pricing data also corroborate the market share shift from 2020 to 2021, showing that the largest volume of underselling was in 2020 (*** pounds), followed by 2021 (*** pounds).²³⁷ Only after the imposition of provisional duties on

²³³ Calculated from CR/PR at Tables V-13 and C-1. Amsted argues that the largest lost sale reported was pursuant to a long-term contract predating the POI, and shipments during the POI under this preexisting contract should not be considered a lost sale. Amsted's Prehearing Br. at 20. That subject imports were shipped during the POI pursuant to long term contracts previously signed does not mean such imports were not injurious. See *Polyethylene Terephthalate (PET) Sheet from Korea and Oman*, Inv. Nos. 731-TA-1455 and 731-TA-1457 (Final) USITC Pub. 5111 (Sept. 2020) at 26 n.139. Further, the particular contract at issue between *** was renegotiated in 2021, during the POI and permitted *** to purchase *** percent of its FRC requirements from other sources. See Petitioner's Posthearing Br., Answers to Questions at 24-26.

²³⁴ Commissioner Karpel does not join the remainder of this paragraph. Her finding of underselling which led to market share loss is premised on changes in relative market shares in the replacement market over the full POI, as further detailed in footnote 243 below.

²³⁵ CR/PR at Table C-1. The domestic industry's market share declined from *** percent of apparent U.S. consumption in 2020 to *** percent in 2021 as cumulated subject imports' market share increased from *** percent in 2020 to *** percent in 2021. See CR/PR at Table IV-11. We recognize that the domestic industry's loss of market share occurred as *** and subject imports from Mexico, ***, gained market share. See CR/PR at Table IV-11. As discussed in section III.A.2 above, however, *** as it competed with significant volumes of low-priced subject imports from China in the U.S. market. At the conference for FRC I, the head of the employee union representing workers at the Granite City facility testified that *** told its workers that the need to compete with subject imports from China was the reason that its FRC production was shifted to Mexico. See Petitioner's Prehearing Br. Exhibit 6, FRC I Conference Tr. at 33 (Wellmaker).

²³⁶ The Commission may presume changes in the volume of imports or their pricing is related to provisional duties. "{W}hen the Commission finds evidence on the record of a significant change in data concerning the imports or their effects subsequent to the filing of the petition or the imposition of provisional duties, the Commission may presume that such change is related to the pendency of the investigation. In the absence of sufficient evidence rebutting that presumption and establishing that such change is related to factors other than the pendency of the investigation, the Commission may reduce the weight to be accorded to the affected data. SAA at 854.

²³⁷ CR/PR at Table V-11.

FRCs from China in 2022, which caused subject imports from China to decline and primarily oversell the domestic like product,²³⁸ was the domestic industry able to regain market share.²³⁹

Subject import underselling also led to a *** percentage point shift in market share from the domestic industry to cumulated subject imports in the replacement market for FRCs over the POI.²⁴⁰ The domestic industry's market share in the replacement market declined from *** percent in 2020 to *** percent in 2021 and *** percent in 2022.²⁴¹ Although the industry made gains in the OEM market in 2022 that offset volume losses in the replacement market, the replacement market is larger than the OEM market and represents a more steady source of demand and income for the domestic industry.^{242 243}

²³⁸ CR/PR at Fig. IV-5 and Tables IV-2 and V-11.

²³⁹ CR/PR at Table C-1. The SAA recognizes that “{t}he imposition of provisional duties, in particular, can cause a reduction in import volumes and an increase in prices of both the subject imports and the domestic like product. Similarly, improvements in the domestic industry's condition during an investigation can be related to the pendency of the investigation.” SAA at 854.

²⁴⁰ While the Commission is affording reduced weight to the domestic industry's market share gain in the overall market in 2022 due to the impact of the FRC I provisional measures, we do not reduce the evidentiary weight afforded to the fact that, when considering the replacement segment of the market apart from the OEM segment, the domestic industry lost market share throughout the POI as the withdrawal of subject imports from China after the imposition of provisional duties inured wholly to subject imports from Mexico.

²⁴¹ CR/PR at Table G-12.

²⁴² Over the POI, total shipments into the replacement market ranged from *** pounds in 2020 to *** pounds in 2022. CR/PR at Table G-12. Total shipments into the OEM portion ranged from *** pounds in 2021 to *** pounds in 2022. CR/PR at Table G-9. It is apparent that the fluctuations in demand are largely attributable to the OEM market.

²⁴³ Commissioner Karpel does not join the majority in this paragraph. Commissioner Karpel concurs with the Majority that significant subject import underselling led subject imports to gain market share – in particular in the replacement market – from the domestic industry, resulting in significant adverse price effects on the domestic industry. She arrives at her conclusion, however, based on a different definition of the domestic industry and in view of the market share shift from 2020 to 2022 in the replacement market. She notes that the replacement market constituted a substantial portion of its total U.S. shipments. Over the full POI, *** percent of *** shipments were to the replacement market, and *** percent were to the OEM market. CR/PR at Tables G-9 and G-12. In fact, the replacement market accounted for the *** U.S. shipments in 2020 and 2021. *** share of apparent U.S. consumption in the replacement market *** from *** percent in 2020 to *** percent in 2022, a decline of *** percentage points. CR/PR at Table G-12. All of this market share loss went to subject imports. Commissioner Karpel notes that even when FRCs from China declined due to the provisional measures in FRC I in 2022, the benefit of the decline in Chinese imports in the replacement market inured to subject imports from Mexico, and to a lesser extent, ***; indeed, *** lost market share in the replacement market to subject imports (from Mexico) in 2022.

While, as respondents point out, the domestic industry's share of apparent U.S. consumption overall increased over the POI this was entirely accounted for by increased sales in the OEM market. As (Continued...)

We have also examined available data on price trends. Due to the impact of the FRC I provisional duties in 2022, we focus on the period from 2020 to 2021. From 2020 to 2021, domestic prices increased for pricing products 3, 4, and 5, while prices for pricing products 1 and 2 declined.^{244 245 246} Prices of subject imports from both China and Mexico generally increased for all five pricing products from 2020 to 2021.²⁴⁷

the OEM market recovered in 2022, Trinity, *** customer increased orders under its annual contract and as a result *** sales in the OEM market increased substantially. ***. CR/PR at III-7, n.8.

While some purchasers note supply constraints on the part of ***, *** refutes that those constraints significantly impacted its ability to supply, and on balance the record supports that *** had additional available capacity to increase shipments to the replacement market as well as serve increased demand in the OEM market. Yet despite that capacity, *** lost market share to subject imports in the replacement market over the POI as noted. Commissioner Karpel considers that to focus on the domestic industry's share of apparent U.S. consumption overall (as shown in Table C-2) over the POI would allow the increase demand in the OEM market and resulting increased shipments under *** to mask the adverse price effects caused by subject import underselling. Those price effects manifest themselves in the domestic industry's lost market share in the replacement market where subject imports undersold the domestic like product in the majority of instances and on the majority of the volume. While underselling declined in 2022, particularly for subject imports from China subject to provisional duties in 2022, there was still majority underselling by volume in 2022 in pricing products 3-5, including with respect to subject imports from Mexico, which are FRC components more typically purchased by purchasers in the replacement market than by OEMs building new railcars that would need complete FRCs. CR/PR at Tables L-3 through L-5. Given the moderately high to high degree of substitutability and the importance of price in purchasing decisions, Commissioner Karpel finds that subject import underselling in the replacement market caused domestic producers to lose sales and market share to subject imports resulting in adverse price effects for the domestic industry.

²⁴⁴ CR/PR at Tables V-3, V-4, V-5, V-6, and V-7. Of 15 responding importer/purchasers, seven reported that domestic producers did not reduce their prices to compete with subject imports and eight reported that they did not know whether domestic producers reduced their prices to compete with subject imports. *Id.* at Table V-15.

Over the entire POI, domestic prices increased for all pricing products. Domestic prices increased by *** percent for Product 1, *** percent for Product 2, *** percent for Product 3, *** percent for Product 4, and *** percent for Product 5. CR/PR at V-19 and Table V-8.

²⁴⁵ For pricing product 1, subject imports from China oversold the domestic like product in *** in 2021 and Mexico undersold in *** quarters in 2021 with underselling margins ranging *** percent to *** percent. For pricing product 2, there were no U.S. commercial shipments reported from China in *** quarters in 2021 and Mexico oversold the domestic like product in *** quarters in 2021. CR/PR at Tables V-3 and V-4.

²⁴⁶ For the domestic industry as defined by Commissioner Karpel, prices decreased by *** percent for Product 1 and by *** percent for Product 2. Prices increased by *** percent for Product 3, *** percent for Product 4, and *** percent for Product 5. CR/PR at Table L-6.

²⁴⁷ CR/PR at V-19 and Tables V-3, V-4, V-5, V-6, and V-7 and V-8. None of 15 responding importer/purchasers reported U.S. producers had reduced prices to meet subject import prices. CR/PR at V-23.

We have also considered whether cumulated subject imports have prevented price increases for domestically produced FRCs which otherwise would have occurred to a significant degree. The record shows that the domestic industry's ratio of COGS to net sales was high throughout the POI, increasing from *** percent in 2020 to *** percent in 2021, then declining to *** percent in 2022, a level *** percentage points lower than in 2020.²⁴⁸ The overall decrease in the industry's COGS-to-net-sales ratio during the full years of the POI was driven largely by increasing sales values in 2022, after provisional duties were imposed on FRCs from China.²⁴⁹ The industry's unit COGS increased by \$*** per 1,000 pounds between 2020 and 2022, whereas its net sales AUVs increased by \$*** per 1,000 pounds during that same period.²⁵⁰

The record indicates that cumulated subject imports materially contributed to the *** percentage point increase in the industry's already high COGS-to-net-sales ratio from 2020 to 2021, as they significantly undersold the domestic like product and increased their share of the U.S. market from *** percent to *** percent, although the *** percent decline in apparent U.S. consumption may have also contributed.²⁵¹ Petitioner provided contemporaneous business documents showing that low-priced subject import competition placed pricing pressure on the domestic industry during that time.²⁵² Thus, we find that subject imports prevented price increases that otherwise would have occurred to a significant degree in 2020 and 2021. From 2021 to 2022, the imposition of provisional duties on FRCs from China and an *** percent

²⁴⁸ CR/PR at Table C-1.

²⁴⁹ CR/PR at Table VI-3. Between 2020 and 2021, when the industry's ratio of COGS to net sales initially increased, per-unit raw material costs and unit labor costs decreased and per unit labor costs increased. *Id.* Between 2021 and 2022, per unit raw material costs increased while unit labor costs and per unit labor costs decreased. *Id.* Petitioner asserts that the full extent of increases in M&T's raw material costs during the POI is not reflected in its financial results because its sales were made from inventory and the costs reported are from earlier periods when it faced lower raw material costs. Petitioner's Prehearing Br. at 57-58 n.250. We afford less weight to the decline in the COGS to net sales ratio from 2021 to 2022 due to the impact of the FRC I provisional duties.

²⁵⁰ CR/PR at Table C-1

²⁵¹ CR/PR at Table C-1

²⁵² Petitioner has provided documentary evidence of the pricing pressure that it contends it faced from subject imports. Specifically, it includes the following: ***. Petitioner's Prehearing Br., Exhibit 2.

The Commission previously considered some of the same documents in FRC I but found that the evidence of pricing pressure was inconsistent with the pricing data collected by the Commission and that the evidence was otherwise vague without a specific reference to subject imports. FRC I, USITC Pub. 5331 at 32. In these investigations, however, this evidence of pricing pressure in 2020 and 2021 is corroborated by the pricing data demonstrating significant underselling and there is no concern about nonsubject imports.

increase in apparent U.S. consumption contributed to an *** percentage point decline in the industry's COGS-to-net-sales ratio.²⁵³ Nevertheless, the domestic industry's COGS-to-net sales ratio remained high in spite of the substantial increase in demand.²⁵⁴

In sum, we find that cumulated subject imports significantly undersold domestically produced FRCs, leading to a shift in market share from the domestic industry to cumulated subject imports in the overall market from 2020 to 2021, prior to the imposition of provisional duties on FRCs from China in FRC I, and in the replacement market from 2020 to 2022 largely attributable to FRCs from Mexico. Further, we find that subject imports prevented price increases that would have otherwise occurred to a significant degree in 2020 and 2021. Therefore, we find that cumulated subject imports had significant price effects during the POI.²⁵⁵

E. Impact of the Subject Imports²⁵⁶

Section 771(7)(C)(iii) of the Tariff Act provides that examining the impact of subject imports, the Commission "shall evaluate all relevant economic factors which have a bearing on

²⁵³ CR/PR at Table C-1

²⁵⁴ Commissioner Karpel does not join the preceding two paragraphs but finds that subject imports did not depress domestic process to a significant degree or prevent price increases that would have otherwise occurred to a significant degree. She notes that domestic prices generally increased during the POI, and the domestic industry, as defined by Commissioner Karpel, improved its COGS-to-net sales ratio over the POI. Commissioner Karpel further notes that there is no evidence that would indicate that domestic prices should have or could have been higher than they were, particularly as the AUVs of *** net sales increase by significantly more than its unit COGS.

²⁵⁵ Commissioner Karpel also finds that cumulated subject imports significantly undersold domestically produced FRCs, leading to a shift in market share from the domestic industry to cumulated subject imports in the replacement market during the POI. Therefore, she joins with the majority to find that cumulated subject imports had significant price effects during the POI.

²⁵⁶ The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). In its final determination for FRCs from China, Commerce found a dumping margin of 169.90 percent for all imports of FRCs from China. *Certain Freight Rail Couplers and Parts Thereof From the People's Republic of China: Final Affirmative Determination of Sales at Less-Than-Fair Value and Final Affirmative Determination of Critical Circumstances*, 88 Fed. Reg. 34485, 34486 (May 30, 2023). In its preliminary determination for FRCs from Mexico, Commerce found a preliminary margin of 47.82 percent for ASF-K de Mexico S. de R.L. de C.V and all others. *Certain Freight Rail Couplers and Parts Thereof From Mexico: Preliminary Affirmative Determination of Sales at Less Than Fair Value Preliminary Negative Determination of Critical Circumstances, Postponement of Final Determination, and Extension of Provisional Measures*, 88 Fed. Reg. 27864 (May 3, 2023). We take into account in our analysis the fact that Commerce has made findings that all subject producers in China and Mexico are selling subject imports in the United States at less than fair value, with an estimated dumping margin of 169.90 (Continued...)

the state of the industry.”²⁵⁷ These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debts, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”²⁵⁸

The domestic industry began the POI in a weakened condition, and its condition worsened from 2020 to 2021 as subject imports increased their market share at the expense of the domestic industry. Once provisional duties were in place on FRCs from China in 2022, the industry improved its performance by most measures but continued to experience financial losses.²⁵⁹

The domestic industry’s practical production capacity,²⁶⁰ production quantity, capacity utilization, and U.S. shipments all declined from 2020 to 2021 before increasing in 2022 to

percent. In addition to this consideration, our impact analysis has considered other factors affecting domestic prices. Our analysis of the significant underselling of cumulated subject imports, described in both the price effects discussion and below, is particularly probative to an assessment of the impact of the subject imports.

²⁵⁷ 19 U.S.C. § 1677(7)(C)(iii); *see also* SAA at 851 and 885 (“In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.”).

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

²⁵⁹ Commissioner Karpel does not join this paragraph. She agrees that the domestic industry began the POI in a weakened condition, however, based on how Commissioner Karpel defines the domestic industry, the domestic industry’s share of apparent U.S. consumption overall increased from 2020 to 2021. As noted in footnote 243, the domestic industry did not gain market share in the replacement market in 2022, losing *** percentage points to subject imports.

²⁶⁰ The industry’s practical capacity declined from *** pounds in 2020 to *** pounds in 2021, and then increased to *** pounds in 2022. CR/PR at Table III-6.

Practical capacity is designed to be a more realistic measure of a firm’s production capacity than overall capacity. Practical capacity is based on the level of production that a firm could reasonably have expected to attain, taking into account a firm’s actual product mix over the period. This capacity measure is based on not only existing capital investments, *i.e.*, machinery and equipment that is in place and ready to operate; but also non-capital investment constraints, such as (1) normal operating conditions, including normal downtime for maintenance, repair, and cleanup; (2) a firm’s existing in place and readily available labor force; (3) availability of material inputs; and (4) any other constraints that may have limited a firm’s ability to produce the reported products. This capacity measure is the maximum “practical” production a firm could have achieved without hiring new personnel or expanding the number of shifts operated in the period. *See* U.S. Producer’s Questionnaire at 10.

reflect overall increases for the POI.²⁶¹ The domestic industry's market share increased by *** percentage points overall,²⁶² and the domestic industry's end-of-period inventories decreased each year of the POI.^{263 264}

The domestic industry's employment-related performance indicia all declined from 2020 to 2021 before increasing in 2022 to reflect overall increases for the POI. The industry's number of production workers declined by from 2020 to 2021, but increased overall.²⁶⁵

²⁶¹ See CR/PR at Table III-6. The industry's production quantity decreased from *** pounds in 2020 to *** pounds in 2021, before increasing to *** pounds in 2022, for an overall increase of *** percent. *Id.* at Tables III-5 & C-1. Its capacity utilization decreased from *** percent in 2020 to *** percent in 2021, before increasing to *** percent in 2022. *Id.* The industry's U.S. shipments, by quantity, decreased from *** pounds in 2020 to *** pounds in 2021, before increasing to *** pounds in 2022, for an overall increase of *** percent. CR/PR at Table C-1.

²⁶² See CR/PR at Tables IV-9 & C-1. The domestic industry's market share decreased from *** percent in 2020 to *** percent in 2021 and then increased to *** percent in 2022. *Id.* The market share for the domestic industry as defined by Commissioner Karpel increased from *** percent in 2020 to *** percent in 2021, and to *** percent in 2022. CR/PR at Table C-2.

²⁶³ See CR/PR at Tables III-10 and C-1. 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. CR/PR at Table C-1. The record shows that the industry drew down in its relatively *** end-of-period inventories during the POI. End-of-period inventories were equivalent to *** percent of U.S. production in 2020 and *** percent of U.S. production in 2022. *Id.*

²⁶⁴ The practical capacity for the domestic industry as defined by Commissioner Karpel declined from *** pounds in 2020 to *** pounds in 2021, and then increased to *** pounds in 2022. CR/PR at Table III-6. Production quantity decreased from *** pounds in 2020 to *** pounds in 2021, before increasing to *** pounds in 2022, for an overall increase of *** percent. CR/PR at Table III-6. Its capacity utilization decreased from *** percent in 2020 to *** percent in 2021, before increasing to *** percent in 2022. CR/PR at Table III-6. The industry's U.S. shipments, by quantity, decreased from *** pounds in 2020 to *** pounds in 2021, before increasing to just under *** pounds in 2022, for an overall increase of *** percent. CR/PR at Table C-2.

End-of-period inventories decreased from *** pounds in 2020 to *** pounds in 2021 and *** pounds in 2022, for an overall decrease of *** percent. CR/PR at Table C-2. The industry drew down in its relatively *** end-of-period inventories during the POI: end-of-period inventories were equivalent to *** percent of U.S. production in 2020 and *** percent of U.S. production in 2022. *Id.*

²⁶⁵ See CR/PR at Table C-1. The industry's number of production and related workers decreased from *** in 2020 to *** in 2021, before increasing to *** in 2022, for an overall increase of *** percent. CR/PR at Table C-1.

Similarly, the industry's total hours worked and wages paid but ended the POI at a higher level than at the beginning of the POI.²⁶⁶ The industry's productivity decreased overall.^{267 268}

While the domestic industry's financial performance declined from 2020 to 2021 before increasing in 2022 to reflect overall increases from the beginning to the end for the POI, the industry remained in a weakened condition. The domestic industry's revenues, gross profits, operating and net income all declined from 2020 to 2021, but ended the POI at a higher level than at the beginning of the POI.²⁶⁹ The industry's operating and net *** as a share of net sales initially *** in 2021 before *** in 2022.²⁷⁰ The domestic industry's net assets, return on assets, and capital expenditures all fluctuated but ended the POI at a lower level than at the beginning of the POI.²⁷¹ Research and development ("R&D") expenditures fluctuated but increased

²⁶⁶ See CR/PR at Tables III-13 and C-1. The industry's total hours worked decreased from *** hours in 2020 to *** hours in 2021, before increasing to *** hours in 2022, for an overall increase of *** percent. *Id.* Its wages paid decreased from \$*** in 2020 to \$*** in 2021, before increasing 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.*

²⁶⁷ See CR/PR at Tables III-13 and C-1. Productivity decreased from *** pounds per hour in 2020 to *** pounds per hour in 2021 and then increased to *** pounds per hour in 2022, for an overall decrease of *** percent. *Id.*

²⁶⁸ The employment-related data for the domestic industry as defined by Commissioner Karpel followed the same directional pattern as for that of the industry as defined by the majority. Specifically, the industry's number of production and related workers decreased from *** in 2020 to *** in 2021, before increasing to *** in 2022, for an overall increase of *** percent. The industry's total hours worked decreased from *** hours in 2020 to *** hours in 2021, before increasing to *** hours in 2022, for an overall increase of *** percent. Its wages paid decreased from \$*** in 2020 to \$*** in 2021, before increasing 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. CR/PR at Table C-2.

Productivity decreased from *** pounds per hour in 2020 to *** pounds per hour in 2021 and then increased to *** pounds per hour in 2022, for an overall decrease of *** percent. *Id.*

²⁶⁹ See CR/PR at Tables VI-1 and C-1. The industry's revenues (net sales value) decreased from \$*** in 2020 to \$*** in 2021, before increasing to \$*** in 2022, for an overall increase of *** percent. *Id.* The industry's gross *** increased from \$*** in 2020 to \$*** in 2021, before the *** turned into gross *** of \$*** in 2022. *Id.* Its operating *** increased from \$*** in 2020 to \$*** in 2021, before decreasing to \$*** in 2022. *Id.* Its net *** increased from \$*** in 2020 to \$*** in 2021, before decreasing to \$*** in 2022. *Id.*

²⁷⁰ See CR/PR at Table C-1. The industry's operating *** as a share of net sales increased from *** percent in 2020 to *** percent in 2021 and then decreased to *** percent in 2022. CR/PR at Tables VI-1 & C-1. Its net *** as a share of net sales increased from *** percent in 2020 to *** percent in 2021 and then fell to *** percent in 2022. *Id.*

²⁷¹ See CR/PR at Table C-1. The industry's net assets decreased from \$*** in 2020 to \$*** in 2021 and \$*** in 2022. CR/PR at Tables VI-9. Its return on assets decreased from *** percent in 2020 to (Continued...)

overall.^{272 273} Lastly, *** responding U.S. producer reported that the subject imports had negative effects on investment and negative effects on growth and development.²⁷⁴

We find that the significant volume of cumulated subject imports significantly undersold the domestic like product, leading to a shift in market share from the domestic industry to cumulated subject imports in the overall market from 2020 to 2021, prior to the imposition of provisional duties on FRCs from China in FRC I, and in the replacement market from 2020 to 2022. We further find that subject imports prevented price increases that would have otherwise occurred to a significant degree in 2020 and 2021. The domestic industry experienced declines in its production, sales, shipments, and revenues from 2020 to 2021 in excess of the decline in apparent U.S. consumption, as subject imports undersold the domestic like product, captured market share, and prevented price increases that otherwise would have improved its financial position and at least avoided increasing losses.²⁷⁵ Although the domestic industry's performance improved by most measures from 2021 to 2022 after the imposition of provisional duties on FRCs from China in FRC I caused subject imports from China to recede

*** percent in 2021, before increasing to *** percent in 2022. CR/PR at Table VI-10. Its capital expenditures decreased from \$*** in 2020 to \$*** in 2021, before increasing to \$*** in 2022. CR/PR at Tables VI-5 and C-1.

²⁷² See CR/PR at Tables C-1 and VI-7. R&D expenditures decreased from \$*** in 2020 to \$*** in 2021 and then increased to \$*** in 2022 *** producer to report R&D expenses during the POI. *Id.*

²⁷³ The financial data for the domestic industry as defined by Commissioner Karpel followed the same directional pattern as for that of the industry as defined by the majority. Specifically, the industry's revenues (net sales value) decreased from \$*** in 2020 to \$*** in 2021, before increasing to \$*** in 2022, for an overall increase of *** percent. CR/PR at Table C-2. The industry's gross *** increased from \$*** in 2020 to \$*** in 2021, before the *** turned into gross *** of \$*** in 2022. *Id.* Its operating *** increased from \$*** in 2020 to \$*** in 2021, before decreasing to \$*** in 2022. *Id.* Its net *** increased from \$*** in 2020 to \$*** in 2021, before decreasing to \$*** in 2022. *Id.*

The industry's operating *** as a share of net sales increased from *** percent in 2020 to *** percent in 2021 and then decreased to *** percent in 2022. CR/PR at Table C-2. Its net *** as a share of net sales increased from *** percent in 2020 to *** percent in 2021 and then fell to *** percent in 2022. *Id.*

's net assets decreased from \$ in 2020 to \$*** in 2021, before an increase to \$*** in 2022. CR/PR at Tables VI-9. Over the full POI, *** total net assets declined by *** percent. Its return on assets decreased from *** percent in 2020 to *** percent in 2021, before increasing to *** percent in 2022. CR/PR at Table VI-10. Its capital expenditures decreased from \$*** in 2020 to \$*** in 2021, before increasing to just under \$*** in 2022. CR/PR at Tables VI-5 and C-1.

²⁷⁴ See CR/PR at Table VI-12. Specifically, *** reports that *** *** further reports that *** Lastly, *** states that *** CR/PR at Table VI-13.

²⁷⁵ See CR/PR at Table C-1. When apparent U.S. consumption as measured by quantity declined by *** percent from 2020 to 2021, the domestic industry's shipments declined by *** percent. The industry's revenues (net sales value) fell by *** percent while the value of apparent U.S. consumption fell by *** percent. See CR/PR at Table C-1.

from the U.S. market and oversell the domestic like product,²⁷⁶ the domestic industry remained unprofitable, despite the *** percent increase in apparent consumption from 2021 to 2022, with the domestic industry losing market share in the replacement market in each year of the POI and both members of the domestic industry reporting operating and net losses in 2022. We therefore find that cumulated subject imports had a significant impact on the domestic industry.²⁷⁷

Respondents argue that the increase in apparent U.S. consumption alone accounted for the industry's improved performance in 2022.²⁷⁸ Apparent U.S. consumption increased by *** percent from 2021 to 2022, but the domestic industry's U.S. shipments increased by far more, *** percent, as subject imports from China declined and largely oversold the domestic like product.²⁷⁹ We acknowledge that the imposition of provisional duties on FRCs from China in FRC I contributed to the domestic industry's improved performance in 2022.^{280 281}

Wabtec, Strato, and Amsted add that any *** of market share in the *** channel by the domestic industry was attributable to the industry's decision to *** market rather than from

²⁷⁶ CR/PR at Table IV-2 and Fig. IV-5 (showing decline in subject imports from China and an increase in subject imports from Mexico); CR/PR at Table V-11 (underselling).

²⁷⁷ Commissioner Karpel does not join this paragraph, although she concurs that cumulated subject imports had a significant impact on the domestic industry based on her finding that a significant volume of cumulated subject imports significantly undersold the domestic like product, leading to a shift in market share from the domestic industry to cumulated subject imports in the replacement market from 2020 to 2022, as detailed in footnote 243. This loss of market share to subject imports caused the domestic industry's performance to be worse than it otherwise would have been.

²⁷⁸ Respondents argue that the domestic industry was not injured because its production, capacity utilization, shipments and profitability all improved over the POI. While we acknowledge that the domestic industry experienced overall improvements in its trade and financial indicia, we also observe that its indicators declined 2020 to 2021 prior to provisional duties in 2022. Although the domestic industry's production, sales, and shipments increased over the POI, the improvements only occurred after the industry received trade relief. See CR/PR at Tables IV-11, VI-1 & C-1.

²⁷⁹ CR/PR at Tables V-11 and C-1.

²⁸⁰ Changes in apparent U.S. consumption also do not account for the increase in the domestic industry's net sales values which increased regardless of the trend in apparent U.S. consumption. The industry increased its net sales values from \$*** in 2020 to \$*** in 2021 when apparent U.S. consumption decreased by *** percent. See CR/PR at Table C-1. The industry also increased its net sales values from \$*** in 2021 to \$*** in 2022 when apparent U.S. consumption increased by *** percent. *Id.*

²⁸¹ Commissioner Karpel does not join in this sentence or the prior sentence. As Commissioner Karpel notes in the Price section above, as subject imports receded from the market for a portion of 2022 due to the provisional measures in FRCs I, that market share in the replacement market was wholly captured by subject imports from Mexico, and to a lesser degree, ***. CR/PR at G-12. Rather, it was *** which principally contributed to *** relatively improved financial position in 2022. However, even with that improvement, *** continued to record an operating and net *** in 2022 as well as a *** return on assets.

competition from subject imports.²⁸² The record, however, does not support respondents' claim that the industry was not interested in making sales in the replacement market. The domestic industry made *** during 2020 and 2021 in the replacement market rather than the *** market, yet the domestic industry *** market share in the *** market from 2020 to 2021.^{283 284}

Respondents further contend that the domestic industry lacked the production capacity to produce additional FRCs needed to make additional sales during the POI.²⁸⁵ Both domestic producers reported *** over the three years of the POI.²⁸⁶ Further, the domestic industry was able to *** in 2022 after provisional duties were in place and demand increased. Notwithstanding increased production in 2022, monthly capacity and production figures for 2022 show that *** with the exception of *** which only reported a utilization rate over *** percent in *** months.²⁸⁷ Amsted argued that its ***.²⁸⁸ Contrary to respondents' arguments, the record shows the domestic industry was not operating at full practical capacity during the POI and was positioned to supply significant additional volumes to the market.²⁸⁹

²⁸² Wabtec's Posthearing Br. at 11; Amsted's Posthearing Br. at 10; Amsted's Posthearing Br. Answers to Commissioners' Questions at 12.

²⁸³ See CR/PR at Tables G-9 and G-12.

²⁸⁴ As noted above, Commissioner Karpel finds that the domestic industry as defined by her lost market share in the replacement market to subject imports over the POI.

²⁸⁵ Wabtec's Posthearing Br. at 9-11; Amsted's Prehearing Br. at 35-47.

²⁸⁶ CR/PR at Table III-6.

²⁸⁷ See CR/PR at Table III-7.

²⁸⁸ CR/PR at Table III-5. See also *** U.S. Producer Questionnaire at II-3a. Practical capacity is defined as current capacity without the hiring of any additional personnel and is based on the firm's existing product mix. *Id.* ***. See CR/PR at Tables III-8, C-1 and C-2. For production of FRCs, Amsted's capacity utilization was ***. It reported a utilization rate of *** percent in 2020, *** percent in 2021, and *** in 2022. See CR/PR at Table III-6.

Amsted also argues other products were occupying its production capacity. Amsted's Final Comments at 3-4. But even considering production of all products, *** during the POI. Based on overall practical capacity, its overall utilization rate was *** percent in 2020, *** percent in 2021 and *** percent in 2022. See *** U.S. Producer Questionnaire at II-3a.

²⁸⁹ Amsted argues that a contract dispute between *** and *** shows that M&T was operating at full capacity, and as a result, turning away major customers in the replacement market. Amsted's Final Comments at 8-9. See also CR/PR at II-8 and II-8 n.17. However, ***. The dispute also occurred in July 2021, before the capacity constraints that are alleged to have occurred in 2022. See CR/PR at II-8.

Petitioner and Amsted presented additional evidence concerning the dispute between *** which suggests that *** purchases of subject imports from Mexico in 2022 were not due to *** capacity constraints. In an affidavit from ***. Petitioner's Prehearing Br. at Exhibit 2, and Attachments A and B. In ***. *Id.* at Exhibit 2, and Attachment A (*** Letter dated July 8, 2021). See also CR/PR at Fig. V-1 (monthly scrap prices). Information submitted by *** also confirms that the dispute concerned M&T's requests for price increases based on increased raw material prices. Amsted's Posthearing Br. at Exhibit (Continued...)

Respondents further assert that *** accounts for much of the domestic industry's additional sales in 2022, which they claim resulted from increased demand that year rather than provisional duties in FRC I.²⁹⁰ *** reported that FRC I provisional duties account, at least in part, for its increased purchases from domestic sources during 2022.²⁹¹ The record shows the provisional duties, as well as increased demand, played a role in the industry's increased sales and shipments during 2022.²⁹²

Respondents argue that a substantial portion of the FRC market was unavailable to the domestic industry because purchasers require "Bedloe" technology which is only used in FRCs from China.²⁹³ The record indicates that although certain *** purchasers prefer to purchase Bedloe FRCs because they believe they are superior, most purchasers do not believe the technology is important.²⁹⁴ The majority of subject imports during the POI were non-Bedloe FRCs, and Bedloe FRCs also do not sell at a price premium over non-Bedloe FRCs.²⁹⁵ Further, purchasers such as *** during the POI, purchasing more *** in 2022.²⁹⁶ TTX increased its purchases of non-Bedloe FRCs from Mexico by *** percent in 2022 when FRCs from China were

4 and Attachments 2-7. There was no mention of capacity or capacity constraints requiring that the contract to be terminated. See Amsted's Posthearing Br. at Exhibit 4 (***). When eventually *** the requested price increases for certain key products, including couplers, *** a 60-day notice of termination, which it had the right to do, under the contract. *** then increased its purchases of subject imports from Mexico by *** pounds for 2022. Amsted's Posthearing Brief, Answers to Commissioners' Questions at 37-38.

²⁹⁰ Wabtec's Posthearing Br. at 6-7, 9-11; Amsted's Prehearing Br. at 35-47.

²⁹¹ *** specifically cited the ***. *** Importer/Purchaser Questionnaire at IV-2 ("****.") and Questionnaire at IV-14 ("****."). See also *** Importer/Purchaser Questionnaire at IV-1 (reflecting ***). Most (8 of 15) responding importer/purchasers reported that the provisional duties had affected the supply of subject imports from China. See CR/PR at II-8 to II-9. *** also cited the duties as changing its purchase patterns in 2022. *** Importer/Purchaser Questionnaire at IV-29. *** all decreased their purchases of subject imports from China in 2022. *** Importer/Purchaser Questionnaire at IV-1 (purchases fell from *** pounds in 2021 to **** pounds in 2022); *** Importer/Purchaser Questionnaire at IV-1. (purchases fell from *** pounds in 2021 to *** in 2022); *** Importer/Purchaser Questionnaire at IV-1 (purchases fell from *** pounds in 2021 to **** pounds in 2022).

²⁹² Commissioner Karpel observes that, as she defines the domestic industry, while the majority of the domestic industry's increase in U.S. shipments in the OEM market were a result of increased demand in the OEM market, some of the increase was also a result of the domestic industry gaining market share in the OEM market from subject imports from China in 2022. CR/PR at Table G-9.

²⁹³ See CR/PR at I-13. Bedloe technology was developed by a subsidiary of TTX. *Id.*

²⁹⁴ See CR/PR at Table II-12 and II-23 to II-24.

²⁹⁵ See CR/PR at Tables G-13 and G-14 (shipments of Bedloe vs non-Bedloe FRCs). The majority of ***. See Petitioners' Prehearing Br. at 35-36. As noted, ***. CR/PR at V-5; TTX's Prehearing Br. at 4, 42-44.

²⁹⁶ See *** Importer/Purchaser Questionnaire at IV-1, IV-2 and IV-29 (indicating effect of FRC I duties on its purchase patterns). *** Importer/Purchaser Questionnaire at III-22 (indicating ***).

subject to provisional duties.²⁹⁷ In sum, although certain purchasers may prefer Bedloe FRCs over non-Bedloe FRCs, the technology, which has been available in the market for a number of years preceding the POI, does not account for the significant volume of subject imports during the POI.²⁹⁸

Respondents further argue that the Commission's negative determinations in *FRCs from China* mandate a finding of no material injury in these investigations. As discussed in detail by the Commission in the preliminary phase of these investigations, the Commission is not bound by our prior determinations in FRC I. In addition, the Commission's decision in *FRCs from China* was based on a different record with a different scope, and of course, only concerned imports of FRCs (and certain additional components) from China. Specifically, the Commission found that the increase in nonsubject imports from Mexico (subject of the current investigations) explained the domestic industry's market share loss over the POI.²⁹⁹

In our analysis of the impact of cumulated subject imports on the domestic industry, we have taken into account whether there are other factors that may have had an adverse impact on the industry during the POI to ensure that we are not attributing injury from other factors to cumulated subject imports. We have already explained that trends in apparent U.S. consumption do not explain the deteriorating condition of the domestic industry from 2020 to 2021 or fully explain its improvement in 2022. There are no nonsubject imports in these investigations, so they cannot account for the industry's performance. We consequently conclude that other causes cannot explain the injury we have attributed to the cumulated subject imports.

We accordingly find that cumulated subject imports had a significant impact on the domestic industry.

²⁹⁷ See *** Importer/Purchaser Questionnaire at IV-1.

²⁹⁸ See also footnote 182, above, explaining the Commission's finding that the importance of Bedloe technology to a portion of the market, however, is consistent with its finding of a moderately high to high degree of substitutability.

²⁹⁹ Unlike in these investigations, subject imports oversold the domestic like product in a majority of comparisons in *FRCs from China*. See *FRCs from China*, USITC Pub. 5331 at 23. The Commission observed that, at the same time, nonsubject imports from Mexico were sold at prices mostly below subject imports and mostly at volumes higher than those of subject imports for the three pricing products whose prices declined during the POI. *Id.* at 29. The Commission further explained that “{t}he domestic industry's worst performance during the POI, in 2020, coincided with large declines in demand and the volume of subject imports in the market.” *Id.* at 34. In these investigations, the record shows that neither apparent U.S. consumption nor nonsubject imports account for the domestic industry's materially injured condition.

VI. Critical Circumstances

A. Legal Standards

In its final antidumping and countervailing duty determinations FRCs from China, Commerce found that critical circumstances exist with respect to certain subject producers/exporters.³⁰⁰ Because we have determined that the domestic industry is materially injured by reason of subject imports from China we must further determine "whether the imports subject to the affirmative {Commerce critical circumstances} determination ... are likely to undermine seriously the remedial effect of the antidumping {and/or countervailing duty} order{s} to be issued."³⁰¹ The SAA indicates that the Commission is to determine "whether, by massively increasing imports prior to the effective date of relief, the importers have seriously undermined the remedial effect of the order" and specifically "whether the surge in imports prior to the suspension of liquidation, rather than the failure to provide retroactive relief, is likely to seriously undermine the remedial effect of the order."³⁰² The legislative history for the critical circumstances provision indicates that the provision was designed "to deter exporters whose merchandise is subject to an investigation from circumventing the intent of the law by increasing their exports to the United States during the period between initiation of an investigation and a preliminary determination by {Commerce}."³⁰³ An affirmative critical circumstances determination by the Commission, in conjunction with an affirmative determination of material injury by reason of subject imports, would normally result in the retroactive imposition of duties for those imports subject to the affirmative Commerce critical circumstances determination for a period 90 days prior to the suspension of liquidation.

The statute provides that, in making this determination, the Commission shall consider, among other factors it considers relevant,

- (I) the timing and the volume of the imports,
- (II) a rapid increase in inventories of the imports, and

³⁰⁰ *Certain Freight Rail Couplers and Parts Thereof From the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination, In Part*, 88 Fed. Reg. 32184, 32186-87 (May 19, 2023); *Certain Freight Rail Couplers and Parts Thereof from the People's Republic of China: Final Affirmative Determination of Sales at Less-Than-Fair Value and Final Affirmative Determination of Critical Circumstances*, 88 Fed. Reg. 34485, 34486-87 (May 30, 2023).

³⁰¹ 19 U.S.C. §§ 1671d(b)(4)(A)(ii), 1673d(b)(4)(A)(ii).

³⁰² SAA at 877.

³⁰³ *ICC Industries, Inc. v United States*, 812 F.2d 694, 700 (Fed. Cir. 1987), quoting H.R. Rep. No. 96-317 at 63 (1979), *aff'd* 632 F. Supp. 36 (Ct. Int'l Trade 1986). See 19 U.S.C. §§ 1671b(e)(2), 1673b(e)(2).

(III) any other circumstances indicating that the remedial effect of the {order} will be seriously undermined.³⁰⁴

In considering the timing and volume of subject imports, the Commission's practice is to consider import quantities prior to the filing of the petition with those subsequent to the filing of the petition using monthly statistics on the record regarding those firms for which Commerce has made an affirmative critical circumstances determination.³⁰⁵

B. Party Arguments

Petitioner's Arguments. Petitioner argues that imports subject to Commerce's affirmative critical circumstances determination were *** percent higher in the five-month post-petition period (*** pounds) than in the pre-petition period (*** pounds). Petitioner argues that inventories also increased *** percent from August 2022 to February 2023.³⁰⁶

Petitioner further contends that importer *** and purchaser *** acknowledged stockpiling subject imports after the filing of petitions in FRC I to beat the provisional duties and because there was a fear that the supply of FRCs from China would be limited. Petitioner argues that the record shows that the two firms did the same thing in these investigations as reflected in the large increase in subject imports in the post-petition period.³⁰⁷ Petitioner maintains that this is the type of intentional act done in order to frustrate the effects of provisional measures that warrants an affirmative finding of critical circumstances.³⁰⁸

Respondents' Arguments. Strato and Wabtec argue that, although there was an increase in subject imports from China in the post-petition period, the pre-petition period is not a proper baseline because the period included months (March 2022-July 2022) when provisional duties were in place from FRC I. They maintain that the provisional duties resulted in subject imports from China falling to an artificially low level in the pre-petition period. For

³⁰⁴ 19 U.S.C. §§ 1671d(b)(4)(A)(ii), 1673d(b)(4)(A)(ii).

³⁰⁵ See *Lined Paper School Supplies from China, India, and Indonesia*, Inv. Nos. 701-TA-442-43, 731-TA-1095-97, USITC Pub. 3884 at 46-48 (Sept. 2006); *Carbazole Violet Pigment from China and India*, Inv. Nos. 701-TA-437 and 731-TA-1060-61 (Final), USITC Pub. 3744 at 26 (Dec. 2004); *Certain Frozen Fish Fillets from Vietnam*, Inv. No. 731-TA-1012 (Final), USITC Pub. 3617 at 20-22 (Aug. 2003).

³⁰⁶ See Petitioner's Posthearing Br., Answers to Questions at 43. See also CR/PR at Tables IV-4 and IV-5. Staff has calculated an increase in inventories of *** percent based on September 2022 as the baseline for the pre-petition period because the petitions were filed on September 28, 2022.

³⁰⁷ See Petitioner's Posthearing Br., Answers to Questions at 44 (citing *** Importer/Purchasers Questionnaire at III-30).

³⁰⁸ See Petitioner's Posthearing Br., Answers to Questions at 45.

this reason, they argue, the large percentage increase in subject imports from China in the post-petition period is not meaningful.³⁰⁹

Strato and Wabtec further argue that there was no rapid increase in inventories to support an affirmative critical circumstances finding. They submit that after the Commission's negative determination in FRC I in July 2022 and the removal of cash deposits at the beginning of August 2022, imports of FRCs from China resumed. As a result, they claim that from December 2022 to February 2023, inventories essentially *** levels.³¹⁰

Finally, Strato and Wabtec maintain that improving market conditions in 2022 and 2023, which resulted in the domestic industry increasing its domestic production and shipments, further suggest that increased subject imports and inventories in the post-petition period will not undermine any relief.³¹¹

C. Analysis

On May 19 and May 30, 2023, Commerce issued its final determinations in its antidumping and countervailing duty investigations regarding FRCs from China.³¹² In its final antidumping duty determination, Commerce determined that critical circumstances exist with respect to imports of FRCs from China for the China-wide entity.³¹³ In its final countervailing duty determination, Commerce determined that critical circumstances exist with respect to imports of freight rail couplers from Chongqing Tongyao Transportation Equipment Co. (Chongqing Tongyao), Qingdao Sanheshan Precision Casting Co., Ltd. (Qingdao Sanheshan), and the nonresponsive companies.³¹⁴ Commerce did not find that critical circumstances exist with

³⁰⁹ Strato and Wabtec's Prehearing Br. at 49-50.

³¹⁰ Strato and Wabtec's Prehearing Br. at 51.

³¹¹ Strato and Wabtec's Prehearing Br. at 53.

³¹² *Certain Freight Rail Couplers and Parts Thereof from the People's Republic of China: Final Affirmative Determination of Sales at Less-Than-Fair Value and Final Affirmative Determination of Critical Circumstances*, 88 Fed. Reg. 34485 (May 30, 2023); *Certain Freight Rail Couplers and Parts Thereof From the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination, In Part*, 88 Fed. Reg. 32184 (May 19, 2023).

³¹³ *Certain Freight Rail Couplers and Parts Thereof from the People's Republic of China: Final Affirmative Determination of Sales at Less-Than-Fair Value and Final Affirmative Determination of Critical Circumstances*, 88 Fed. Reg. 34485, 34485 (May 30, 2023).

³¹⁴ *Certain Freight Rail Couplers and Parts Thereof From the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination, In Part*, 88 Fed. Reg. 32184, 32185 (May 19, 2023).

respect to other Chinese producers and exporters subject to the countervailing duty investigation.³¹⁵

We first consider the appropriate period for comparison of pre-petition and post-petition levels of subject imports from China. In previous investigations, the Commission has relied on a shorter comparison period when Commerce's preliminary determination applicable to the country at issue fell within the six-month post-petition period the Commission typically considers.³¹⁶ That situation arises here, and we have thus determined to compare the volume of subject imports five months prior to the filing of the petition with the volume of subject imports five months after the filing of the petition in our critical circumstances analyses regarding subject imports from China.³¹⁷

Subject imports from China subject to Commerce's affirmative critical circumstances determinations increased from *** pounds in the pre-petition period to *** pounds in the post-petition period, an increase of *** percent.³¹⁸ The post-petition imports were equivalent to *** percent of apparent U.S. consumption in 2022.³¹⁹

End-of-period inventories of subject merchandise from China held by U.S. importers increased from *** pounds on September 30, 2022 to *** pounds on February 28, 2023, a *** percent increase.³²⁰

As we noted above, prices for the domestic like product and subject imports increased in 2022.³²¹ Subject import prices from China were higher than domestic prices in *** pricing

³¹⁵ *Certain Freight Rail Couplers and Parts Thereof From the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination, In Part*, 88 Fed. Reg. 32184, 32185 (May 19, 2023).

³¹⁶ *Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom*, Inv. Nos. 701-TA-545-547, 731-TA-1291-1297 (Final), USITC Pub. 4638 at 49-50 (Sept. 2016); *Certain Corrosion-Resistance Steel Products from China, India, Italy, Korea, and Taiwan*, Inv. Nos. 701-TA-534-537 and 731-TA-1274-1278 (Final), USITC Pub. 4630 at 35-40 (July 2016); *Carbon and Certain Steel Wire Rod from China*, Inv. Nos. 701-TA-512, 731-TA-1248 (Final), USITC Pub. 4509 at 25-26 (Jan. 2015) (using five-month periods because preliminary Commerce countervailing duty determination was during the sixth month after the petition).

³¹⁷ The petitions were filed in these investigations on September 28, 2022. CR/PR at Table I-1. Since that date falls near the very end of the month, September 2022 is included in the pre-petition period. The post-petition period therefore begins with October 2022. Commerce's preliminary determinations were issued on March 3 and March 13, 2023, during the first half of that month. Therefore, the post-petition period should end with the prior month, February 2023. As such, the 5-month post-petition period is October 2022 through February 2023. The 5-month pre-petition period is May through September 2022.

³¹⁸ CR/PR at Table IV-4.

³¹⁹ CR/PR at Tables IV-4 and C-1.

³²⁰ CR/PR at Table IV-5.

³²¹ See CR/PR at Figs. V-3 to V-7.

comparisons during the fourth quarter of 2022 (which is fully encompassed by the post-petition period).³²²

We find that due to the provisional measures in FRC I, subject imports from China were very limited in the pre-petition period.³²³ The provisional measures in FRC I were in effect from March 15, 2022 to July 11, 2022. Customs and Border Protection (CBP) did not issue its official notice lifting the suspension of liquidation of entries until August 3, 2022.³²⁴ As a result of the Commerce Department's preliminary determination in FRC I, provisional measures were in place for the majority of the 5-month pre-petition period. In turn, as a result of the provisional measures, subject imports from China were effectively zero in May, June, and July 2022. Subject imports from China began to slightly increase in August and September 2022, when *** pounds were recorded.³²⁵ Even the total recorded in those two months was lower than the average monthly quantity of subject imports from China from the beginning of the POI (January 2020) to the month before the provisional measures were effective in FRC I (February 2022), which was *** pounds.³²⁶ We find that the large percentage increase in the post-petition import volume principally reflected a rebound in subject imports from China after provisional duties were lifted in August 2022.^{327 328}

³²² CR/PR at Tables V-3 through V-7. Commissioner Karpel notes that this statement remains true when pricing comparisons are based on her definition of the domestic industry (*i.e.*, not including *** prices in the U.S. price calculations). CR/PR at Tables L-1 through L-5.

³²³ See CR/PR at Figure IV-2 and Table IV-4.

³²⁴ Strato/Wabtec Prehearing Brief at Exhibit 1. Strato and Wabtec argue it requires twelve weeks of production time to fill an order and then 8-12 weeks from shipment to delivery.

³²⁵ CR/PR at Table IV-4.

³²⁶ *Calculated from* CR/PR at Table IV-9.

³²⁷ See CR/PR at Figure IV-2 and Table IV-4.

³²⁸ We acknowledge party arguments that the 5-month pre-petition period immediately preceding the filing of the petition is affected by the provisional measures in FRC I and an earlier period would be affected by the pendency of the Commerce Department's preliminary determination in FRC I. However, either of the proposed alternative "pre-petition" periods would lead us to the same result – that the increase in subject imports from China in the post-petition period are not of such a magnitude as to seriously undermine the remedial effect of the orders.

Respondents propose an alternative pre-petition period consisting of the 5-months from the year prior to the post-petition period, *i.e.*, October 2021 to February 2022. During that proposed "pre-petition" period, subject imports from China totaled *** pounds. CR/PR at Table IV-9. This would equate to a decline of *** percent between the "pre-petition period" and the post-petition period. *Calculated from* CR/PR at Tables IV-4 and IV-9. Petitioners argue that the respondents' proposed alternative "pre-petition" period is itself affected by the pendency of the Commerce Department's preliminary determination in FRC I, which may have prompted an increase in subject imports during respondents' proposed alternative "pre-petition" period of October 2021 to February 2022. As such, respondents' proposed alternative "pre-petition" period would also be impacted by the pendency of the provisional measures in FRC I.

Inventories of imports from China subject to Commerce’s critical circumstances determination (***) pounds) in February 2023 were also comparable to end-of-period inventories held in 2020, 2021, and 2022.³²⁹

On the basis of the facts detailed above, we do not find that the increase in subject imports from China in the post-petition period are of such a magnitude as to seriously undermine the remedial effect of the orders.³³⁰

In light of these facts and considerations, we make a negative critical circumstances finding with respect to subject imports from China subject to Commerce’s affirmative determinations of critical circumstances.

VII. Conclusion

For the reasons stated above, we determine that an industry in the United States is materially injured by reason of subject imports of FRCs from China that are sold in the United States at less than fair value and subsidized by the government of China.³³¹ We also find that critical circumstances do not exist with respect to imports of FRCs from China that are subject to Commerce’s final affirmative critical circumstances determinations.

³²⁹ Inventories of (***) pounds) as of February 28, 2023, are within the range of inventories of subject imports from China reported by importers during the POI. Importers reported end-of-period inventories of *** pounds in 2020, *** pounds in 2021 and *** pounds in 2022. CR/PR at Table VII-17.

³³⁰ In the alternative, we have examined the volume of subject imports from China in the 5-month period May to September 2021, representing the most recent 5-month period during the current POI in which subject import volume would not be affected by either the provisional measure in FRC I or the pendency of the Commerce Department’s preliminary determinations in FRC I. Subject imports from China in the period May to September 2021 totaled *** pounds, and they equate to an increase of *** percent between the “pre-petition” period of May to September 2021, and the post-petition period. CR/PR at Table IV-9. Therefore, even were we to use an alternative “pre-petition” period that is not impacted by FRC I or the pendency of the present investigations, we would continue to find that that the increase in subject imports from China in the post-petition period are not of such a magnitude as to seriously undermine the remedial effect of the orders.

³³¹ Chairman Johanson dissenting.

Separate Views of Chairman David A. Johanson and Commissioner Amy A. Karpel on Related Parties

Chairman Johanson and Commissioner Karpel dissent from the majority opinion and find that appropriate circumstances exist to exclude *** from the definition of the domestic industry in these investigations.

As noted by the majority, and as found by the Commission in its preliminary determination in these investigations, *** meets the statutory definition of a related party because it *** a Mexican producer and exporter of subject merchandise to the United States, and is itself an importer of subject merchandise from Mexico. As the Commission unanimously found in its preliminary determinations, *** primary interest is in importation and not domestic production given its *** ratio of imports to domestic production and that its stated reasons for importation were lowering its costs and expanding sales for its largest customers. The Commission therefore found that appropriate circumstances existed to exclude *** from the definition of the domestic industry.¹ Chairman Johanson and Commissioner Karpel find that there were no facts introduced in the final phase of these investigations that detract from the Commission's preliminary finding.

*** is the *** of the two currently-operating domestic producers of freight rail couplers. It accounted for *** percent of U.S. production of the domestic product in 2020, *** percent in 2021, and *** percent in 2022.² It *** the petition concerning imports from Mexico, and *** on the petitions concerning imports from China. *** ratio of imports from Mexico to domestic production increased from *** percent in 2020 to *** percent in 2021, before a decline to *** percent in 2022.³

*** reported capital expenditures over the full POI were *** compared to *** by ***,⁴ and *** reported *** research & development expenses during the POI.⁵

*** indicates that prior to the POI, it began production in Mexico to expand sales to its largest customers, which had moved their production operations to Mexico.⁶ *** explains that it ***. *** also reported ***.⁷

¹ Preliminary Determinations, USITC Pub. 5387 at 25-27; Preliminary Confidential Determination, EDIS Doc. No. 785179 at 25-27.

² CR/PR at Table III-6.

³ CR/PR at Table III-11.

⁴ CR/PR at Table VI-5. *** reports that its capital expenditures were to "***."

⁵ CR/PR at Table VI-7.

⁶ Hearing Tr. at 119 (Oesch). *** also reported ***. CR at III-13.

⁷ CR at Table III-12.

Given *** ratio of subject imports to domestic production throughout the POI (between *** percent), and its stated reasons for importing subject merchandise (lowering costs and expanding sales for its largest customers), Chairman Johanson and Commissioner Karpel find that *** primary interest is in the importation of subject merchandise.

The record also shows that *** was shielded from competition with subject imports from Mexico and benefits from producing FRCs in Mexico. Specifically, the record shows that *** is the only known producer of FRCs in Mexico,⁸ *** wholly-owns ***, and *** imported and sold the vast majority of subject imports from Mexico during the POI; indeed, *** accounted for *** percent of subject imports from Mexico in 2022),⁹ and in turn, subject imports from Mexico comprised *** percent of total subject imports during the POI,¹⁰ and *** percent of U.S. importers' U.S. shipments of subject imports.¹¹

*** states that its subject imports from Mexico complement the domestically produced FRCs, and thus do not compete with them in the U.S. market. *** reported no lost sales or revenue due to subject imports from Mexico.¹² Furthermore, *** itself argues that it has not been materially injured by subject imports, and ***.¹³

The legislative history of the Trade Agreements Act of 1979 states that "where a U.S. producer is related to a foreign exporter and the foreign exporter directs his exports to the United States so as not to compete with his related U.S. producer, this should be a case where the ITC would not consider the related U.S. producer to be a part of the domestic industry."¹⁴ Similarly, the Uruguay Round Agreement Act Statement of Administrative Action ("SAA") indicates that the Commission applies the related parties provision "to reduce any distortion in industry data caused by the inclusion in the domestic industry of a related producer who is being shielded from the effects of the subject imports."¹⁵ Under facts analogous to those at issue in this case, the CIT in *Sandvik* affirmed the Commission's determination to exclude a

⁸ CR/PR at VII-11.

⁹ CR/PR at IV-1.

¹⁰ CR/PR at Table IV-2.

¹¹ CR/PR at Table IV-11.

¹² *** Producer Questionnaire at IV-27 and IV-28.

¹³ *Id.* at Table VI-12, Note.

¹⁴ S. Rep. No. 96-249, at 83 (1979).

¹⁵ Uruguay Round Agreement Act Statement of Administrative Action, H.R. Doc. 103-316, vol. 1 at 858 (1994). Amsted highlights the following statement in the Senate Report: "Thus, for example, where a U.S. producer is related to a foreign exporter and the foreign exporter directs his exports to the United States so as not to compete with its related U.S. producer, this should be a case where the ITC would not consider the related U.S. producer to be a part of the domestic industry." Amsted's Posthearing Br., Answers to Questions at 50-51 (citing S. Rep. No. 96-249, at 83 (1979)). *See also* Strato's Posthearing Br. Answers to Questions at 7-8.

related party that was the exclusive importer of the subject merchandise, noting that this was the “exact scenario” described by the legislative history.¹⁶

In addition, the information of record indicates that *** has benefitted from its ownership of the *** producer and its imports of FRCs from that producer.¹⁷ *** states that its domestic production ***. For example, the majority of subject imports from Mexico in 2022 consisted of ***, which ***.^{18 19} Furthermore, *** reports that it often bundles its FRCs with other rail products which are the bulk of *** production.²⁰ It states that it seeks to ***.²¹ It reports that it seeks to ***.²² And, as referenced above, *** also reported ***.²³

We disagree with petitioner’s assertion that the record indicates that *** primary interest is in domestic production of FRCs. The record, as already noted, indicates that *** ratio of subject imports to domestic production was *** throughout the POI. Although *** responded to a question at the hearing that its “primary interest” is in domestic production, when read in context it does not appear that *** was answering this question ***,²⁴ and it subsequently clarified that its primary interest with respect to in-scope FRCs ***.²⁵ As noted above, *** has only one domestic facility that produces FRCs, which is located in ***, and FRCs account for a *** of the facility’s overall production.²⁶ Further, it is not in question that *** is a U.S. manufacturer and that *** including its *** production-related employees (in 2022)

¹⁶ 721 F. Supp. at 1331-32. The Commission has also more recently excluded a domestic producer as a related party on the basis that it was the sole importer of subject merchandise. In *Certain Ceramic Station Post Insulators from Japan*, Inv. No. 731-TA-1023 (Final), USITC Pub. 3655 (December 2003) at 7-9. Despite the domestic producer being the largest domestic producer with more production than imports, the Commission excluded the producer because it was the sole importer of subject merchandise and performed substantially better than the remainder of the domestic industry. *Id.*

¹⁷ As explained by the Court of International Trade, “{t}he provision’s purpose is to exclude from the industry headcount domestic producers substantially benefitting from their relationships with foreign exporters.” *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 12 (Ct. Int’l Trade 2001).

¹⁸ See CR at Table G-5.

¹⁹ *** Importer Questionnaire at II-14(d).

²⁰ Other rail products comprise most of *** production. In 2022 for instance, FRCs represented only *** percent of *** production. *** Producer Questionnaire at II-3a.

²¹ *** Posthearing Br. Ex 1 at 2.

²² CR at II-24. See *** Posthearing Brief at 2-3.

²³ CR at Table III-12.

²⁴ See Hearing Tr. at 119 (Oesch) (“Amsted Rail is a U.S. manufacturer with 17 U.S. facilities, employing more than 2,200 people, producing a wide range of rail products for both maintenance and OEM customers.”); 162-163 (Oesch)(“Commissioner Schmidlein: {W}ould you say that Amsted's primary interest is in domestic production? Mr.Oesch: Yes, I would. We also produce the most railway wheels for the maintenance market, pretty much all consumed in the U.S., as well as a number of other railroad products for the domestic market.”)

²⁵ See *** Posthearing Br., Answers to Questions at 51 (“***.”)

²⁶ See *** U.S. Producer Questionnaire at II-3a.

engage in domestic production of FRCs.²⁷ However, when a U.S. manufacturer both engages in importation and domestic production, the question becomes whether its interests lie primarily in one or the other and where, as here, its subject imports far exceed its domestic production and its reason for importing is to lower costs and expand sales to customers, its primary interest appears to lie in importation.

We disagree that exclusion would skew the data. First, we note that exclusion of *** from the definition of the domestic industry still leaves nearly *** percent of domestic production accounted for in the Commission’s analysis in 2022 (and more than *** percent in 2020 and 2021). Second, we note that the domestic industry that we are examining after exclusion of *** represents the sole domestic manufacturer that is claiming material injury by subject imports. Third, we note that not only does *** the petition regarding subject imports from Mexico, but it is also a principal respondent *** through submission of lengthy and detailed pre- and post-hearing briefs, affirmative testimony at the Commission’s hearing by *** executives, and submission of final comments.

We also disagree with Petitioner’s argument that excluding *** from the domestic industry would introduce “survivor bias” and mask the injury to the domestic industry during the POI. The cases relied upon by Petitioner are distinguishable from this investigation, involving situations where the domestic producer moved production out of the United States due to subject import competition.²⁸

²⁷ Calculated from CR/PR at Tables C-1 and C-2.

²⁸ Petitioner relies on *Gas Powered Washers*, an investigation in which the Commission found that the related party was forced by subject import competition to replace its domestic production with subject imports during the POI and ultimately ***. The Commission found that to “the extent that subject import competition compelled {the producer} to increase its ratio of subject imports to domestic production, excluding {the producer} from the domestic industry would mask declines in domestic industry market share caused by cumulated subject imports.” See *Gas Powered Pressure Washers from China and Vietnam*, Inv. Nos. 701-TA-684 and 731-TA-1597-1598 (Prelim), USITC Pub. 5409 (Feb. 2023) at 14; *Gas Powered Pressure Washers from China and Vietnam*, Confidential Preliminary Determination, EDIS Doc. 790753.

The Commission was faced with a similar situation in *Certain Large Residential Washers from Korea and Mexico*. Inv. Nos. 701-TA-488 and 731-TA-1199-1200 (Final) USITC Pub 4378 (Feb. 2013) (“USITC Pub 4378”). In those investigations, the related party, Electrolux, began the POI as the third largest domestic producer but moved its production to Mexico during the POI, gradually reducing its production and capacity before finally halting all domestic production of washers at the end of the POI. The Commission found that “{e}xcluding Electrolux would thus have the effect of masking declines in domestic capacity and employment that have occurred {over the POI}” and skew the industry’s data. USITC Pub 4378 at 13. The Commission’s decision not to exclude Electrolux as a related party was affirmed by the Court of International Trade in *LG Electronics v. United States International Trade Commission*, 26 F.Supp.3d 1338, 1344-47 (CIT 2014).

In these investigations, *** shifted production from the United States to Mexico in order to serve its largest rail customers that had shifted their own production to Mexico, not because of import competition, and completed the shift prior to the POI, having purchased the Mexican facility out of bankruptcy in 2005.²⁹ Therefore, unlike in *Gas Powered Washers* and *Large Residential Washers*, *** did not move production to Mexico during the POI due to subject import competition, and its exclusion would not mask any injury caused by the move. Indeed, *** of FRCs over the POI.³⁰

Nor do we believe that *** poor financial performance relative to *** supports not excluding it from the definition of the domestic industry. As discussed, *** primary interest appears to lie in importation, which is consistent with its relatively low capacity utilization (and resulting performance and financial indicators) and high ratio of subject imports to domestic production.

In all, Chairman Johanson and Commissioner Karpel find that the facts presented here constitute a basis to find that appropriate circumstances exist to exclude a firm from the definition of the domestic industry under the related parties provision. For the reasons discussed above, Chairman Johanson and Commissioner Karpel determine that appropriate circumstances exist to exclude *** from the domestic industry as a related party in the final phase of these investigations, and define the domestic industry as consisting of ***.³¹

²⁹ CR at Table III-12; Hearing Tr. at 118 (Oesch). (“Amsted purchased this facility out of bankruptcy in 2005. Some of the most significant OEM customers moved their production of railcars to Mexico.”).

³⁰ CR at Table III-6.

³¹ Chairman Johanson finds that the domestic industry, defined as *** alone, is not suffering material injury and is not threatened with material injury by reason of cumulated subject imports. Commissioner Karpel finds that the domestic industry, defined as *** alone, is suffering material injury by reason of cumulated subject imports.

Dissenting Views of Chairman David S. Johanson

Based on the record in the final phase of these investigations, I determine that an industry in the United States is not materially injured or threatened with material injury by reason of imports of certain freight rail couplers and parts thereof (FRCs) from China found by the U.S. Department of Commerce (Commerce) to be sold in the United States at less than fair value (LTFV) and to be subsidized by the government of China. I join sections I-III.1 and IV-V.B¹ of the Views of the Commission, except as otherwise noted. My views on the related party issue are set forth in the accompanying Separate Views of Chairman David S. Johanson and Commissioner Amy A. Karpel on Related Parties, and my views on material injury and threat of material injury are set forth below.

A year ago, the Commission reached a unanimous negative determination in *Freight Rail Coupler Systems and Certain Components Thereof from China*, Inv. Nos. 701-TA-670 and 731-TA-1570 (Final), USITC Pub. 5331 (July 2022) (*FRC I*), which was not appealed. The record evidence in this second proceeding, *FRC II*, which involves a slightly adjusted scope, covers an overlapping but more recent period of investigation, and adds Mexico as a subject country, does not warrant a different result in the final analysis. Moreover, to the extent there are any overlapping issues, I rule similarly to a year ago, as noted below. The bottom line is that the domestic industry's significant gains in market share and uniformly favorable performance trends over the instant period of investigation (POI) speak to an industry that has suffered no significant volume or price effects due to subject imports from China and Mexico. The domestic industry's favorable trends will likely continue in the absence of orders on FRCs from China and Mexico. Therefore, negative determinations on imports of FRCs from China are warranted.

I. No Material Injury by Reason of Cumulated Subject Imports

A. Volume of Subject Imports

Section 771(7)(C)(i) of the Tariff Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."²

¹ With respect to Section V.B (Conditions of Competition), the data I considered respecting the domestic industry are necessarily different given the different definition of industry applied, as illustrated in several footnotes in Section V.B that I join with Commissioner Karpel. I otherwise join this section except as indicated in the discussion of material injury and threat that follows.

² 19 U.S.C. § 1677(7)(C)(i).

The volume of cumulated subject imports declined overall by *** percent from 2020 to 2022.³ The volume was *** pounds in 2020, *** pounds in 2021, and *** pounds in 2022.⁴ The volume of cumulated subject imports as measured by U.S. shipments of subject imports declined from *** pounds in 2020 to *** pounds in 2021, and then to *** pounds in 2022, for a total decline of *** percent.⁵

Cumulated subject imports' share of apparent U.S. consumption also declined overall during the POI. Their share was *** percent in 2020, *** percent in 2021, and *** percent in 2022, for an overall decline of *** percentage points.⁶

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

B. Price Effects of the Subject Imports

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

(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and

(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.⁷

As noted above, I have joined the finding that there is a moderately high to high degree of substitutability between subject imports and the domestic like product, which is affected by certain other factors, and that price is an important consideration in purchasing decisions, although other factors are also important.

In the final phase of these investigations, the Commission collected monthly pricing data from the domestic industry and U.S. importers for the total quantity and f.o.b. value of five

³ CR/PR at Table IV-3.

⁴ CR/PR at Table IV-2.

⁵ CR/PR at Table C-2.

⁶ CR/PR at Table C-2.

⁷ 19 U.S.C. § 1677(7)(C)(ii).

pricing products.⁸ In addition to the domestic industry, three importers of Chinese FRCs, and one importer of Mexican FRCs provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.⁹ Pricing data reported by these firms accounted for approximately *** percent of the domestic industry's U.S. commercial shipments of FRCs, *** percent of U.S. commercial shipments of subject imports from China, and *** percent of U.S. commercial shipments of subject imports from Mexico in 2022.¹⁰

The pricing data show that cumulated subject imports undersold the domestic like product in 76 of 110 quarterly comparisons; the quantity of subject imports in these comparisons was *** million pounds.¹¹ The margins of underselling ranged from 0.5 to 38.2 percent and averaged 10.4 percent.¹² Subject imports oversold the domestic like product in the remaining 34 comparisons; the quantity of subject imports in these comparisons was *** million pounds.¹³ The margins of overselling ranged from 0.0 to 62.0 percent and averaged 11.3 percent.¹⁴

These data also indicate that the trend in the comparisons shifted from 2020 to 2022, with more overselling than underselling by the end of the POI.¹⁵ Whereas cumulated subject imports in 2020 undersold the domestic like product in *** quarterly comparisons and oversold

⁸ CR/PR at V-8. The five pricing products are as follows:

Product 1.--SE60, Grade E steel coupler (also known as an "assembly" or a "fit"), double shelves, 21.5" shank length, produced to AAR M-211 and/or AAR M-215 specifications;

Product 2.--SE60, Grade E steel coupler (also known as an "assembly" or a "fit"), bottom shelf, 21.5" shank length, produced to AAR M-211 and/or AAR M-215 specifications;

Product 3.--E50 coupler knuckle, grade E steel, produced to AAR M-211 and/or AAR M-215 specifications;

Product 4.--SBE60 coupler body, grade E steel, produced to AAR M-211 and/or AAR M-215 specifications; and

Product 5.-- SBE60 coupler body, grade E steel, bottom shelf, produced to AAR M-211 and/or AAR M-215 specifications.

Id. at V-7-V-8.

⁹ See CR/PR at Appendix L and V-8.

¹⁰ See CR/PR at Appendix L and V-8.

¹¹ CR/PR at Table L-7.

¹² CR/PR at Table L-7.

¹³ CR/PR at Table L-7.

¹⁴ CR/PR at Table L-7.

¹⁵ CR/PR at Table L-9.

in ***, by 2022, cumulated subject imports undersold the domestic like product in *** quarterly comparisons and oversold in ***.¹⁶

While I find this underselling during the POI to be significant in the sense that it was predominant in total, as discussed below I do not find that this underselling had any significant adverse price effects.

As an initial matter, subject imports did not lead to any significant shift in market share from domestic FRCs to subject imports. In fact, the domestic industry captured a substantial additional share of the market during the POI, increasing from *** percent in 2020 to *** percent in 2021 and to *** percent in 2022, for a total gain of *** percentage points.¹⁷ This gain in domestic industry market share was accompanied by an overall decline in the market share of subject imports, from *** percent in 2020 to *** percent in 2022, for an overall loss of *** percentage points during the POI.¹⁸ Thus, despite predominant underselling, subject imports lost market share to the domestic like product, not the other way around.

Consideration of the market by sector also fails to demonstrate loss due to low-priced subject imports. The domestic industry's share of the OEM channel increased from *** percent in 2020 to *** percent in 2021, and further to *** percent in 2022 when consumption in this channel increased sharply after declining in 2021.¹⁹ The domestic industry thus gained *** percentage points of market share in the OEM channel during the POI, with most of it coming in the final year of the POI.²⁰ Subject imports' share of the OEM channel, in contrast, declined from *** percent in 2020 to *** percent in 2021, and further to *** percent in 2022, for a total decline of *** percentage points during the POI.²¹

In the replacement channel, where consumption was steadier throughout the POI, the domestic industry's market share increased from *** percent in 2020 to *** percent in 2021, and then declined to *** percent in 2022, for an overall decline of *** percentage points.²² Subject imports' share of consumption in this channel increased from *** percent in 2020 to *** percent in 2021, and further to *** percent in 2022, for a total gain of *** percentage

¹⁶ CR/PR at Table L-9. I also examined importer/purchaser responses to purchasing subject imports instead of domestic FRCs in my underselling analysis. Of the fifteen responding firms, 10 reported that since 2020 they had purchased imported FRCs from China and/or Mexico instead of U.S.-produced product and seven of the 10 reported that subject import prices were lower than for U.S. produced product. *Id.* at V-23 and Table V-26.

¹⁷ CR/PR at Table C-2.

¹⁸ CR/PR at Table C-2.

¹⁹ CR/PR at Table G-9.

²⁰ CR/PR at Table G-9.

²¹ CR/PR at Table G-9.

²² CR/PR at Table G-12.

points during the POI.²³ I am unpersuaded that the domestic industry's loss of share in this channel in 2022, the only year it experienced a decline of share in either channel during the POI, is attributable to low-priced subject imports. Several factors lead me to this conclusion, including, as noted above, that the price comparison data are more mixed in 2022, with more instances of overselling than underselling by subject imports.²⁴

As an initial matter, the domestic industry's shipments in the replacement channel declined from *** pounds in 2021 to *** pounds in 2022, a total of *** pounds.²⁵ One purchaser, ***, accounted for *** of this decline in the domestic industry's shipments in the replacement channel from 2021 to 2022.²⁶ Specifically, *** increased from *** pounds in 2021 to *** pounds in 2022, a difference of *** pounds.²⁷ *** shift in supply was necessitated by ***, ***,²⁸ ***.²⁹ ***.³⁰

***, and *** is spelled out in detail in the record documents.³¹ ***.³² ***, not any price effects of subject imports. The decision to end the relationship was *** and is not reasonably attributable to subject imports. ***. *** chose to terminate the relationship, however, despite recognizing that ***.³³ *** was left to seek alternative sourcing, including from Mexico, from which its purchases increased in 2022 by *** the domestic industry now points to as replacement channel loss.³⁴ *** further explained that ***.³⁵ *** purchasing subject imports instead of domestic product was, therefore, not due to import pricing.³⁶

While the domestic industry's share of the replacement market therefore declined in 2022, in light of the experience described above, ***, and is not attributable to low-priced subject imports.

²³ CR/PR at Table G-12.

²⁴ CR/PR at Table V-11.

²⁵ CR/PR at Table G-12.

²⁶ See Amsted Posthearing Br., Answers to Questions at 37-38, 40-41, Tables 7 and 9.

²⁷ Amsted Posthearing Br., Answers to Questions at 37-38, 40-41, Tables 7 and 9. ***. See U.S. Importer/Purchaser Questionnaire Response of *** at Questions III-20, IV-1, and IV-3c.

²⁸ Amsted Posthearing Br., Exh. 4 (Declaration of *** (*** Decl.) at para. 5 and Att. 1 (copy of contract).

²⁹ *** Decl. at para. 6 and Att. 1.

³⁰ *** Decl. at para. 23.

³¹ See, e.g., *** Decl. and Atts.

³² See, e.g., *** Decl. at paras. 14-17, 19.

³³ *** Decl. at para. 18 and Att. 5.

³⁴ See, e.g., Amsted Posthearing Br., Answers to Questions at 37-38, 40-41, Tables 7 and 9; CR/PR at G-12.

³⁵ *** Decl. at para. 25.

³⁶ See, e.g., CR/PR at Table V-13 (***).

*** came away from this contract experience with the domestic industry with concerns that ***³⁷ *** assessment is hardly a lone voice among purchasers³⁸ and corroborates Respondents' position that the domestic industry's loss of share in the replacement channel was because it was capacity-constrained and made a strategic decision to reduce shipments to replacement market customers in order to prioritize customers in the OEM channel, ***.³⁹ The domestic industry was not in a position to satisfy demand from its OEM customers and increase shipments to the replacement market in 2022. In 2021, new railcar builds reached the low-point of the most recent business cycle, with 29,280 railcar deliveries that year.⁴⁰ Railcar orders, however, started picking up in 2021 and in 2022 railcar deliveries jumped 39.1 percent, increasing to 40,735.⁴¹ ***.⁴² The subsequent increase in OEM demand was significant. Between 2021 and 2022, consumption in this channel increased by *** pounds or *** percent.⁴³ The domestic industry captured *** of the demand increase in this channel, with its shipments to this channel increasing *** pounds or *** percent, and its market share of this channel, as noted above, increasing by *** percentage points from *** percent to *** percent.⁴⁴ As new railcar demand surged between 2021 and 2022, the domestic industry *** production to supply its OEM customer base.⁴⁵ By the second half of 2022, the domestic industry *** of its practical production capacity for FRCs,⁴⁶ and railcar demand was expected to increase further.⁴⁷

³⁷ *** Decl. at para. 22.

³⁸ For example, several firms "described domestic production or competition as insufficient to meet market demand." CR/PR at II-6. *** "stated that domestic suppliers did not have sufficient capacity." *Id.* at II-8. *** cited availability and supply issues as reasons for purchasing subject imports instead of domestic product, and *** indicated that multiple suppliers did not have enough product for sale. *Id.* at Table V-13.

³⁹ See, e.g., Amsted Prehearing Br. at 3-7 and Posthearing Br. at 8-10 (reviewing evidence on prioritization of OEM channel, including M&T witness testimony from *FRC I* and *II* prior proceedings, business relationships, and advantages to serving OEM channel); Tr. at 113-15 (Korzeniowski).

⁴⁰ CR/PR at Table II-5.

⁴¹ CR/PR at Tables II-5-II-6.

⁴² CR/PR at III-7 n.8; see also Amsted Prehearing Br. at 9.

⁴³ CR/PR at Table G-9.

⁴⁴ CR/PR at Table G-9.

⁴⁵ CR/PR at Tables C-2 and G-9.

⁴⁶ See CR/PR at Table III-7; cf. Amsted Prehearing Br. at 46, Table 5. Monthly capacity data reported by M&T posthearing do not persuade me that the domestic industry had substantial excess capacity in this period given the assumptions built into such reporting, see, e.g., Wabtec Final Comments at 12-14, and given the other evidence, as noted above, of domestic industry capacity constraints. See also Amsted Posthearing Br. at 9-10; Tr. at 121 (Oesch).

⁴⁷ See, e.g., Tr. at 114 (Korzeniowski).

On this record, any loss of share in the replacement channel by the domestic industry was attributable to the industry's strategic decisions as to how to deploy its capacity. The industry prioritized its OEM customers, capturing the entirety of the increasing demand in the OEM channel and resulting in the industry increasing its share of the overall market significantly.⁴⁸ In short, in 2022 subject imports did not take share from the domestic industry, they were pulled in by demand considerations. The domestic industry focused its available capacity on satisfying the surge in demand from its OEM customers, ***.⁴⁹ The record indicates that the industry was prioritizing its primary market and customers as new railcar demand was growing and the industry gained *** market share in the process.

Moreover, beyond the issues discussed above, the domestic industry does not produce FRCs with Bedloe technology, which put it at a competitive disadvantage in competing for the business of the *** U.S. purchaser of FRCs during the POI, ***, which has a strong preference for FRCs with Bedloe technology and believes ***.⁵⁰ The domestic industry also does not offer bundled solutions to customers.⁵¹ Four purchasers reported that a supplier's ability to bundle FRCs with other railcar components "increase{s} the likelihood that their firm will purchase that supplier's products."⁵² *** of these purchasers are in the replacement channel.⁵³ To all of these suppliers, *** is a less attractive supplier than subject imports for reasons having nothing to do with price.

For all of these reasons, I do not find that the underselling by subject imports demonstrated on this record resulted in any significant loss of market share by the domestic industry.⁵⁴ Nor do I find that subject imports had other adverse price effects.

⁴⁸ CR/PR at Tables C-2 and G-9.

⁴⁹ See, e.g., U.S. Importer/Purchaser Questionnaire Response of *** at IV-11.

⁵⁰ See, e.g., CR/PR at II-23; TTX Prehearing Br. at 28-34. See also *FRC I*, USITC Pub. 5331 at 16 n.76, 34 & n.189.

⁵¹ CR/PR at II-24-II-25.

⁵² CR/PR at II-26.

⁵³ See U.S. Importer/Purchaser Questionnaire Responses of *** and ***, at III-28.

⁵⁴ I also do not find compelling the lost sales data reported in CR/PR at Table V-13, involving *** and ***. ***. See CR/PR at V-13. ***. CR/PR at V-13. Amsted noted, however, that "the purchaser that accounts for *** reported lost sales (*** made its purchases *** subject to a long-term contract that was negotiated long before the beginning of the POI." Amsted Prehearing Br. at 43. Amsted further explained that this "business was not up for bid or addressable by M&T during the POI and also includes ***." Amsted Prehearing Br. at 43 and n.173. Staff confirmed with *** that *** CR/PR at V-23 and n.23; see also Amsted Postconference Br. at Exhs. 9-10. Most of the sales under this contract are therefore subject to an agreement that predates the POI and it appears that M&T was never eligible to compete for the contract. In any event, of the ten importer/purchasers that indicated they purchased subject imports instead of domestic, eight indicated that they did not do so for price reasons, citing

Petitioner has not argued for a finding of price depression on this record, whether advocating for the inclusion (its position prehearing) or exclusion (its position posthearing) of *** from the domestic industry. “In general, prices increased during January 2020-December 2022.”⁵⁵ Domestic pricing product AUVs were higher in the fourth quarter of 2022 than in the first quarter of 2020 for *** of the five pricing products, with price increases ranging from *** percent to *** percent.⁵⁶ Pricing product AUVs for subject imports increased for every pricing product with sufficient data available to measure.⁵⁷ Price increases for FRCs imported from China ranged from *** percent to *** percent, and price increases for FRCs imported from Mexico ranged from *** percent to *** percent.⁵⁸

Consistent with increasing prices generally during the POI, U.S. shipment AUVs increased by *** percent overall from 2020 to 2022, and net sales AUVs increased by *** percent overall.⁵⁹ U.S. shipment AUVs for imports from China increased by *** percent from 2020 to 2022 and U.S. shipment AUVs for imports from Mexico increased *** percent.⁶⁰

Moreover, of the 15 reporting purchasers, none reported any reduction in U.S. producer prices to compete with subject imports.⁶¹

Based on this record, I do not find that subject imports depressed prices to a significant degree.

I have also considered whether subject imports prevented price increases, which otherwise would have occurred, to a significant degree. The domestic industry’s ratio of cost of goods sold (“COGS”) to net sales was *** percent in 2020, *** percent in 2021, and ***

instead issues of availability or lack of domestic supply (***), supply agreements (***), customer preference (***), and quality (***). CR/PR at Table V-13. Moreover, this importer/purchaser’s reported data, consistent with the importer/purchasers’ data overall, show an increase in domestic purchases during the POI and a decrease in subject import purchases during the POI. CR/PR at Table V-12 (*** percent increase in domestic share and *** decrease in subject country share during the POI for ***, and *** percent increase in domestic share and *** percent decrease in subject import purchases for all reporting importer/purchasers). This trend is consistent with the market share data in table C-2, which shows the domestic industry gaining *** percentage points of market share and subject imports losing *** percentage points of market share overall during the POI. CR/PR at Table C-2. Given the consistent overall trend in movement away from subject imports to domestic product during the POI, and in light of the overall data and pricing discussion above, the available information on lost sales does alter my conclusion that subject imports did not have significant price effects.

⁵⁵ CR/PR at V-19.

⁵⁶ CR/PR at Table L-6.

⁵⁷ CR/PR at Table L-6.

⁵⁸ CR/PR at V-19 and Tables V-8, L-6.

⁵⁹ CR/PR at Table L-6.

⁶⁰ CR/PR at Table C-2.

⁶¹ CR/PR at Table V-15.

percent in 2022.⁶² This ratio therefore declined by *** percentage points overall from 2020 to 2022.⁶³ In addition to the improvement in this ratio during the POI, the industry's financial data indicate that the industry was able to pass along any increases in raw material costs during the POI.⁶⁴ Specifically, the domestic industry's unit net sales value increased more than the increase in unit raw material costs over the POI, whether measured in percent or dollars.⁶⁵ At the same time, as the unit net sales value increased overall, the unit total COGS declined overall, driven by the overall decline in unit direct labor and other factory costs.⁶⁶

Petitioner points to its experience with ***, among others, as an example of pricing pressure from subject imports that they experienced during the POI resulting in significant adverse price effects.⁶⁷ As discussed above, however, I am unpersuaded that this constituted an example of a lost sale to subject imports and, to the contrary, found it illustrative of domestic industry capacity issues and the industry's prioritization as between the OEM and replacement channels in the face of growing new railcar demand. I do not find the Petitioner's documentation persuasive in light of the other record evidence indicating, *inter alia*, an industry gaining significant market share, increasing prices, and decreasing its COGS to net sales ratio during the POI.⁶⁸ The record, in my view, does not support finding that subject imports prevented price increases for the domestic like product that otherwise would have occurred to a significant degree.

In sum, while I have found predominant underselling by subject imports, I do not find that such underselling had any significant effects on market share or resulted in significant price depression or suppression. I therefore find that cumulated subject imports did not have significant price effects on the domestic like product during the POI.

C. Impact of the Subject Imports⁶⁹

Section 771(7)(C)(iii) of the Tariff Act provides that in examining the impact of subject imports, the Commission "shall evaluate all relevant economic factors which have a bearing on

⁶² CR/PR at Table C-2.

⁶³ CR/PR at Table C-2.

⁶⁴ CR/PR at Table M-2.

⁶⁵ CR/PR at Table M-2.

⁶⁶ CR/PR at Table M-2.

⁶⁷ See, e.g., Petitioner's Prehearing Br. at Exh. 2 and attachments.

⁶⁸ See also, e.g., Amsted Posthearing Br., Answers to Questions at 1-6.

⁶⁹ The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). In its final determination for FRCs from China, Commerce found a dumping margin of

the state of the industry.”⁷⁰ These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debts, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁷¹

The domestic industry’s condition improved during the POI by virtually every measure of performance. The domestic industry’s output indicators improved from 2020 to 2022. Specifically, the domestic industry’s share of apparent U.S. consumption increased each year during the POI from *** percent in 2020 to *** percent in 2021 and *** percent in 2022.⁷² Its production increased overall by *** percent between 2020 and 2022.⁷³ Its production was *** pounds in 2020, declined to *** pounds in 2021, and was *** pounds in 2022.⁷⁴ Its reported capacity increased overall by *** percent from 2020 to 2022.⁷⁵ It was *** pounds in 2020, declined to *** pounds in 2021, and was *** pounds in 2019.⁷⁶ Reported capacity utilization

169.90 percent for all imports of FRCs from China. *Certain Freight Rail Couplers and Parts Thereof From the People’s Republic of China: Final Affirmative Determination of Sales at Less-Than-Fair Value and Final Affirmative Determination of Critical Circumstances*, 88 Fed. Reg. 34485, 34486 (May 30, 2023). In its preliminary determination for FRCs from Mexico, Commerce found a preliminary margin of 47.82 percent for ASF–K de Mexico S. de R.L. de C.V and all others. *Certain Freight Rail Couplers and Parts Thereof From Mexico: Preliminary Affirmative Determination of Sales at Less Than Fair Value Preliminary Negative Determination of Critical Circumstances, Postponement of Final Determination, and Extension of Provisional Measures*, 88 Fed. Reg. 27864 (May 3, 2023). I take into account in my analysis the fact that Commerce has made findings that all subject producers in China and Mexico are selling subject imports in the United States at less than fair value, with an estimated dumping margin of 169.90 percent. In addition to this consideration, my impact analysis has considered other factors affecting domestic prices. My analysis of the underselling but lack of price effects of subject imports, described in both the price effects discussion and below, is particularly probative to an assessment of the impact of the subject imports.

⁷⁰ 19 U.S.C. § 1677(7)(C)(iii); *see also* SAA at 851 and 885 (“In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.”).

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

⁷² CR/PR at Tables IV-11, C-2.

⁷³ CR/PR at Tables III-6, C-2.

⁷⁴ CR/PR at Tables III-6, C-2.

⁷⁵ CR/PR at Tables III-6, C-2

⁷⁶ CR/PR at Tables III-6, C-2.

increased overall by *** percentage points; it was *** percent in 2020, declined to *** percent in 2021, and was *** percent in 2022.⁷⁷

The domestic industry's U.S. shipments increased overall by *** percent between 2020 and 2022; U.S. shipments were *** pounds in 2020, declined to *** pounds in 2021, and were *** short tons in 2022.⁷⁸ The domestic industry's end-of-period inventories declined by *** percent from 2020 to 2022, from *** pounds in 2020 to *** pounds in 2021 and *** pounds in 2022.⁷⁹ The ratio of end-of-period inventories to total shipments also declined steadily from 2020 to 2022.⁸⁰

Employment indicators for the domestic industry also increased overall between 2020 and 2022. The domestic industry's number of production and related workers was *** in 2020, declined to *** in 2021, and was *** in 2022.⁸¹ Total hours worked and wages paid increased overall from 2020 to 2022 while productivity declined overall.⁸²

The domestic industry's financial performance improved overall during the POI by virtually every measure. The domestic industry's net sales by value were \$*** in 2020, \$*** in 2021, and \$*** in 2022, for an overall increase of *** percent from 2020 to 2022.⁸³ In terms of gross profit, the industry reported ***, which improved to a gross profit of \$*** in 2022.⁸⁴ The industry's operating income improved overall from *** in 2020 and *** in 2021 to *** in 2022.⁸⁵ The ratio of operating income to net sales improved *** percentage points, from *** percent in 2020 and *** percent in 2021 to *** percent in 2022.⁸⁶ The domestic industry's net income improved overall from *** in 2020 and *** in 2022 to *** in 2022.⁸⁷

The domestic industry's capital expenditures declined from \$*** in 2020 to \$*** in 2021 and increased to *** in 2022,⁸⁸ while research and development expenses increased

⁷⁷ CR/PR at Tables III-6, C-2.

⁷⁸ CR/PR at Tables C-2, H-2.

⁷⁹ CR/PR at Tables C-2, H-3.

⁸⁰ The ratio of end-of-period inventories to U.S. shipments was *** percent in 2020, *** percent in 2021, and *** percent in 2022. CR/PR at Tables C-2, H-3.

⁸¹ CR/PR at Tables C-2, H-4.

⁸² Total hours worked were *** in 2020, declined to *** in 2021, and were *** in 2022. CR/PR at Tables C-2, H-4. Wages paid were \$*** in 2020, decreased to \$*** in 2021, and were \$*** in 2022. CR/PR at Tables C-2, H-4. Productivity per hour was *** pounds in 2020, *** pounds in 2021, and was *** pounds in 2022. CR/PR at Tables C-2, H-4.

⁸³ CR/PR at Tables C-2, M-1.

⁸⁴ CR/PR at Tables C-2, M-1.

⁸⁵ CR/PR at Tables C-2, M-1.

⁸⁶ CR/PR at Tables C-2, M-1.

⁸⁷ CR/PR at Tables C-2, M-1. The ratio of net income to net sales improved *** percentage points overall from 2020 to 2022, from *** percent in 2020 and *** percent in 2021 to *** in 2022. *Id.*

⁸⁸ CR/PR at Tables C-2, M-1.

overall from \$*** in 2020 and \$*** in 2021 to \$*** in 2022.⁸⁹ *** also reported negative effects on investment and growth and development.⁹⁰

The record in the final phase of these investigations does not indicate that cumulated subject imports had a significant impact on the domestic industry during the POI. The domestic industry's substantial improvement in performance corresponds with a significant upturn in the new railcar market, and the reasoning of the Commission a year ago in *FRC I* – which evaluated shifts in market share in relation to the differing concentrations by channel of the domestic industry and producers of subject imports – has application to the current investigations. Whereas before the greater exposure of M&T to the OEM channel led to a loss in market share during a downturn in demand for new railcars,⁹¹ here that same exposure gave rise to sharp increases in domestic industry market share during an upswing in the OEM business cycle, consistent with the reasoning in *FRC I*. Specifically, while demand in the replacement channel has remained relatively flat over the POI, demand in the OEM channel increased by *** percent overall, with a *** percent increase between 2021 and 2022 alone.⁹² These conditions directly correspond to improvements in the domestic industry's performance indicators, including changes in its market share, U.S. shipments, and financial indicators identified above. Subject imports are not impacting these demand trends. Nor does the record establish that subject imports prevented the domestic industry from benefiting from increasing demand for FRCs. In fact, the domestic industry ***.⁹³ The increase in the domestic industry's shipments *** the increase in demand, leading to a *** increase in market share (*** percentage points).⁹⁴ Moreover, as discussed above, I have found that subject imports did not cause the domestic industry to lose significant market share in the replacement channel or a significant volume of sales due to price, or cause significant price depression or suppression. Finally, I see no sound

⁸⁹ CR/PR at Tables C-2, M-1.

⁹⁰ CR/PR at Tables VI-12-VI-13.

⁹¹ In *FRC I*, the Commission found that domestic producers were more heavily concentrated in the OEM channel in 2019, which was a relatively high-build year for new railcars. *See FRC I*, USITC Pub. 5331 at 27-28. Domestic producers were thus *** affected by the significantly greater decline in demand in that channel over the POI relative to the decline in the demand in the replacement channel. *FRC I*, USITC Pub. 5331 at 27-28. As the Commission explained: "Any overall market share shift was affected by different demand trends for new railcars and maintenance of FRCs, as well as differing concentrations of shipments in these market segments by U.S. producers and importers" *FRC I*, USITC Pub. 5331 at 25-26. And the Commission found it significant, given M&T's supply agreement with OEM purchaser Trinity, that "Trinity's railcar deliveries declined sharply in 2020 at a rate faster than the overall drop in railcar demand." *FRC I*, USITC Pub. 5331 at 28 n.138.

⁹² *See* CR/PR at Tables G-9 and G-12.

⁹³ CR/PR at Table C-2.

⁹⁴ CR/PR at Table C-2.

basis on this record, legal or factual, to discount the domestic industry's condition in 2022 in my injury analysis due to the temporary imposition of preliminary duties in *FRC I*, which were lifted after the Commission's negative determination in that case.⁹⁵

For these reasons, I find that subject imports did not have a significant impact on the domestic industry. Accordingly, I find that an industry in the United States is not materially injured by reason of cumulated subject imports of FRCs from China and Mexico.

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

A. Legal Standard

Section 771(7)(F) of the Tariff Act directs the Commission to determine whether the U.S. industry is threatened with material injury by reason of the subject imports by analyzing whether "further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is

⁹⁵ I find the post-petition information provision of the statute inapposite. 19 U.S.C. § 1677(7)(I). That provision applies to changes related to the pendency of "the investigation," that is, this investigation, not *FRC I*. It concerns the instant petition, not the prior petition. See 19 U.S.C. § 1677(7)(I); SAA at 854.

Moreover, that prior petition resulted in a negative determination; the imports subject to those preliminary duties were found to be non-injurious, a determination that was not appealed. The fact that provisional AD/CVD duties temporarily reduced the availability of FRCs from China in this period is expected; such duties would limit or deter importation irrespective of the existence or non-existence of injury. Any benefit to the domestic industry from these duties is not indicative of whether imports were injurious and, in fact, such imports were found by a unanimous Commission not to be causing injury.

Finally, improvements in the domestic industry's condition in 2022 were taking place regardless of the imposition of provisional measures in *FRC I*. As discussed above, the increased demand in general and in the OEM channel in particular drove significant improvements in the domestic industry's condition, including in its market share. Monthly data also reveal that M&T production remained *** from March to July 2022, when imports from China declined, and then such production *** from August to December 2022, after the Commission made its negative determination in *FRC I* and cash deposits were lifted. See, e.g., CR/PR at Tables III-7 and IV-10. These *** increases late in the POI show that the domestic industry's improvement was not limited to the period when provisional duties were imposed and continued strongly thereafter. In addition, as noted above, the domestic industry's largest customer, ***, was ***. CR/PR at III-7 n.8. The firm responded that ***. CR/PR at III-7 and n.8.

The transitional period in 2022 that resulted from M&T's unsuccessful petition in *FRC I* therefore does not justify not taking into consideration the significant improvement in the domestic industry's condition in 2022 in assessing whether the industry is currently materially injured by reason of subject imports. On this record, I decline the invitation to ignore such data and instead find it important in analyzing this case. See, e.g., *Nucor Corp. v. United States*, 414 F.3d 1331, 1336-37 (Fed. Cir. 2005) ("current data typically is the most pertinent in determining whether remedial measures are necessary"; "in most cases the most recent imports will have the greatest relevance to the current state of the domestic industry").

accepted.”⁹⁶ The Commission may not make such a determination “on the basis of mere conjecture or supposition,” and considers the threat factors “as a whole” in making its determination whether dumped or subsidized imports are imminent and whether material injury by reason of subject imports would occur unless an order is issued.⁹⁷ In making our determination, we consider all statutory threat factors that are relevant to these investigations.⁹⁸

B. Cumulation for Threat

Under section 771(7)(H) of the Tariff Act, the Commission may “to the extent practicable” cumulatively assess the volume and price effects of subject imports from all

⁹⁶ 19 U.S.C. § 1677(7)(F)(ii).

⁹⁷ 19 U.S.C. § 1677(7)(F)(ii).

⁹⁸ These factors are as follows:

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

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

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

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

(V) inventories of the subject merchandise,

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

...

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

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

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

countries as to which petitions were filed on the same day if the requirements for cumulation in the material injury context are satisfied.⁹⁹

Petitioner has argued the subject imports from Mexico and China should be cumulated for purposes of analyzing threat of material injury.¹⁰⁰ Strato and Wabtec, on the other hand, argue that subject imports from the two subject countries should not be cumulated due to likely differences in condition of competition for these products in the United States.¹⁰¹

I joined in section IV of the majority Views that there is a reasonable overlap of competition among subject imports from China and Mexico and between subject imports from each country and the domestic like product. These considerations also apply to my decision to cumulate subject imports for the purposes of my threat analysis. The record does not indicate that there would likely be significant differences in the conditions of competition between subject imports from China and Mexico, despite the position of Wabtec and Strato to the contrary. I acknowledge that there are some differences in the types of products imported from each of the subject countries and that subject imports from China displayed a different volume trend than subject imports from Mexico during the pendency of preliminary duties from *FRC I* in 2022. Nevertheless, after examining these differences, I find that they are not significant enough to warrant not cumulating subject imports. Accordingly, I exercise my discretion to cumulate subject imports from China and Mexico for the purposes of my threat analysis.

C. Analysis

1. Likely Volume

As discussed above in Section IV.C, cumulated subject import volume declined during the POI on an absolute basis and relative to apparent U.S. consumption. The volume of cumulated subject imports declined overall by *** percent from 2020 to 2022.¹⁰² The volume of cumulated subject imports as measured by U.S. shipments of subject imports declined *** percent from 2020 to 2022.¹⁰³ And cumulated subject imports' share of apparent U.S. consumption declined overall by *** percentage points from 2020 to 2022.¹⁰⁴ Consequently,

⁹⁹ 19 U.S.C. § 1677(7)(H).

¹⁰⁰ Petitioner Posthearing Br. at 54-62.

¹⁰¹ Strato and Wabtec Prehearing Br. at 7-24.

¹⁰² CR/PR at Table IV-3.

¹⁰³ CR/PR at Table C-2.

¹⁰⁴ CR/PR at Table C-2.

there was no significant rate of increase in either the volume or the market share of the subject imports during the POI indicating a likelihood of substantially increased subject imports.¹⁰⁵

Although the subject producers have the ability to increase their exports to the United States in the imminent future, that ability also existed during the POI and did not materialize. The overall capacity of subject producers declined from *** pounds in 2020 to *** pounds in 2022 and is projected to decline further to *** pounds in 2023.¹⁰⁶ Subject producers' production decreased from *** pounds in 2020 to *** pounds in 2022 and is projected to decline further to *** pounds in 2023.¹⁰⁷ Subject producers' capacity utilization declined from *** percent in 2020 to *** percent in 2022 and is projected to decline further to *** percent in 2023.¹⁰⁸ However, notwithstanding such excess capacity, subject imports declined during the POI.¹⁰⁹

Subject producers' end-of-period inventories also declined, from *** pounds in 2020 to *** pounds in 2022.¹¹⁰ Importers' inventories declined overall by *** percent during 2020-2022.¹¹¹ Importers also reported arranging imports of *** pounds in the first quarter of 2023, *** pounds in the second quarter, *** pounds in the third quarter, and *** pounds in the fourth quarter.¹¹²

Subject producers manufactured products other than FRCs on the same equipment that they use to produce subject merchandise, indicating some potential to switch from the production of out-of-scope merchandise to FRCs.¹¹³ FRCs' share of production in China decreased overall during 2020 to 2022, and by the end of the period accounted for *** percent of producers' overall production.¹¹⁴ Chinese producers reported several factors that affect their ability to switch production, including ***.¹¹⁵ FRCs accounted for a *** share of Amsted ASF-K's total production on the same equipment; in 2022, they accounted for *** percent of

¹⁰⁵ Moreover, while some of the decline in imports from China is attributable to the cash deposits in effect from March to July 2022, imports from China in the second half of 2022 were *** import levels in 2021, further indicating no likelihood of substantially increased imports. CR/PR at Table IV-4.

¹⁰⁶ CR/PR at Table VII-14.

¹⁰⁷ CR/PR at Table VII-14.

¹⁰⁸ CR/PR at Table VII-14.

¹⁰⁹ CR/PR at Tables IV-2-IV-3 and C-2.

¹¹⁰ CR/PR at Table VII-14.

¹¹¹ CR/PR at Table VII-15.

¹¹² CR/PR at Table VII-15.

¹¹³ CR/PR at Tables VII-6 and VII-12.

¹¹⁴ CR/PR at VII-8 and Table VII-6.

¹¹⁵ CR/PR at VII-8.

the firm's total production.¹¹⁶ Amsted ASF-K cited *** affecting the ability to switch production.¹¹⁷

Notwithstanding subject producers' ability to increase exports of FRCs to the United States, the record does not indicate that subject producers have the incentive to increase exports to the United States in the imminent future. Subject producers' total export shipments were similar at the beginning and the end of the POI, with *** pounds in 2020 and *** pounds in 2022, and are projected to decrease to *** pounds in 2023.¹¹⁸ Their exports as a share of total shipments declined overall from *** percent in 2020 to *** percent in 2022, and are projected to decline further to *** percent in 2023.¹¹⁹ Their exports to the United States were *** pounds in 2020, *** pounds in 2021, and *** pounds in 2022, and are projected to decrease to *** pounds in 2023.¹²⁰ These reflect an overall declining share of their total shipments, from *** percent in 2020 to *** in 2022, and a projected share of *** percent in 2023.¹²¹

Moreover, there are no antidumping or countervailing duty orders or investigations on FRCs from China or Mexico in third-country markets.¹²²

Finally, in *FRC I*, the Commission found barriers to entry for Chinese foundries in the AAR certification process and in a licensing agreement that restrained certain AAR-certified foundries in China from selling outside of their home market and in certain other markets, including North America.¹²³ The record in these investigations has not changed.¹²⁴

Given the declining volume of cumulated subject imports in the U.S. market during the POI and all of the other indicia described above, I do not find a likelihood of substantially increased subject imports in the imminent future.¹²⁵

¹¹⁶ CR/PR at VII-15.

¹¹⁷ CR/PR at VII-15.

¹¹⁸ CR/PR at Table VII-14.

¹¹⁹ CR/PR at Table VII-14.

¹²⁰ CR/PR at Table VII-14.

¹²¹ CR/PR at Table VII-14.

¹²² CR/PR at VII-20.

¹²³ *FRC I*, USITC Pub. 5331 at 38 & n.211.

¹²⁴ See, e.g., Wabtec and Strato Prehearing Br. at 25-34; CR/PR at I-12, VII-3 and n.5.

¹²⁵ In my analysis, I have considered the nature of the subsidies Commerce has found to be countervailable, particularly whether the countervailable subsidies are ones described in Articles 3 or 6.1 of the WTO Agreement on Subsidies and Countervailing Measures, and whether imports of the subject merchandise are likely to increase. 19 U.S.C. § 1677(7)(F)(i)(I). I observe that Commerce found eight countervailable subsidy programs, including the following that appear directed specifically towards exports: Export Assistance Grants, Interest Payment Subsidies for Exports, Export Loans from Chinese State-Owned Commercial Banks (SOCBs), Export Seller's Credits, and Export Buyer's Credits. See *Certain*

2. Likely Price Effects

As discussed above in Section IV.D, I have found that, although the pricing data show that subject imports predominantly undersold the domestic like product, the domestic industry did not lose market share or a significant volume of sales to subject imports on the basis of price. I also found that cumulated subject imports neither depressed nor suppressed prices for the domestic like product during the POI.

The record does not indicate that subject import underselling is likely to intensify. Nor is there any evidence of a likely imminent change in the conditions of competition that would result in subject imports having significant price-depressive or suppressive effects on domestic industry prices, or entering at prices that are likely to increase demand for further subject imports. On the contrary, subject import prices increased during the POI and the extent of underselling decreased in the final year of the POI, to the extent that there were more instances of overselling than underselling in 2022.¹²⁶

I therefore find that cumulated subject imports are not likely to enter at prices that would be likely to have significant depressing or suppressing effects on domestic prices, or that would be likely to increase demand for further subject imports in the imminent future.

3. Likely Impact

As discussed above, I have found that the volume of subject imports is not likely to increase significantly in the imminent future, nor are subject imports likely to enter at prices that are likely to have a significant depressing or suppressing effect on domestic prices. In Section IV.E above, I found that subject imports had not prevented the domestic industry from benefiting from improving demand conditions in the U.S. market, driven by the OEM channel in which M&T concentrates. The industry's condition improved significantly across trade, production, financial, and employment indicators, and while the industry still had relatively *** financial returns in 2022, and may be characterized as vulnerable, historical trends suggest that

Freight Rail Couplers and Parts Thereof From the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination, In Part, 88 Fed. Reg. 32184, 32185 (May 19, 2023); *Issues and Decision Memorandum for the Final Determination in the Countervailing Duty Investigation of Oil Certain Freight Rail Couplers and Parts Thereof from the People's Republic of China* (Dep't Commerce, May 15, 2023) at 3. I have taken these subsidy findings into account in my analysis of likely subject import volume.

¹²⁶ The fact that at the end of the POI (second half of 2022) Chinese FRCs were more frequently sold at *** also demonstrates that temporary duties resulting from *FRC I* that were not terminated until the Commission negative determination do not explain the pricing patterns observed on this record. CR/PR at Table L-9.

there are more years of improved performance and profitability in store for the domestic industry since the upturn in the OEM channel is still in its early stages. The subject imports did not cause material injury during the POI and there is no likelihood of any change in conditions of competition such that subject imports would likely have a significant impact on the industry in the imminent future.¹²⁷

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

III. Conclusion

For the reasons stated above, I determine that an industry in the United States is not materially injured or threatened with material injury by reason of imports of FRCs from China that are sold in the United States at LTFV and that are subsidized by the government of China.

¹²⁷ For these reasons, I find that subject imports, having not had a significant impact on the domestic industry during the POI, are not likely to have an actual or potential negative effect on the domestic industry's existing development and production efforts. Nor does the record show that there are other demonstrable adverse trends that indicate a probability that there is likely to be material injury by reason of subject imports.

Part I: Introduction

Background

These investigations result from petitions filed on September 28, 2022, with the U.S. Department of Commerce (“Commerce”) and the U.S. International Trade Commission (“USITC” or “Commission”) by Coalition of Freight Coupler Producers, consisting of McConway & Torley LLC (“M&T”), Pittsburgh, Pennsylvania, and the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO, CLC. (“USW”), 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 certain freight rail couplers and parts thereof (“FRC(s)”)¹ from China and Mexico, and subsidized imports from China. Table I-1 presents information relating to the background of these investigations.² ³

Table I-1

FRC: Information relating to the background and schedule of this proceeding

Effective date	Action
September 28, 2022	Petitions filed with Commerce and the Commission; institution of Commission investigations (87 FR 60413, October 5, 2022)
October 18, 2022	Commerce’s notices of initiation (87 FR 64440 and 87 FR 64444, October 25, 2022)
November 14, 2022	Commission’s preliminary determinations (87 FR 63940, November 18, 2022)
March 3, 2023	Commerce’s preliminary China CVD determination (88 FR 13425, March 3, 2023); scheduling of final phase of Commission investigations (88 FR 16031, March 15, 2023)
March 13, 2023	Commerce’s preliminary China CVD determination (88 FR 15372, March 13, 2023)
May 3, 2023	Commerce’s preliminary Mexico determination (88 FR 27864, May 3, 2023)
May 18, 2023	Commission’s hearing
May 19, 2023	Commerce’s final CVD determination with respect to imports from China (88 FR 32184, May 19, 2023)
May 30, 2023	Commerce’s final AD determination with respect to imports from China (88 FR 34485, May 30, 2023)
June 14, 2023	Commission’s vote
July 3, 2023	Commission’s views

¹ See the section entitled “The product” in Part I of this report for a description of the merchandise subject in this proceeding.

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

³ Appendix B presents the witnesses who appeared at the Commission’s hearing.

Statutory criteria

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

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

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

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

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

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

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

Organization of report

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

Market summary

FRCs are pieces of equipment generally used to connect two freight cars together by automatically interlocking the knuckles of both FRCs when the freight cars are pushed together. The leading U.S. producers of FRCs are *** and ***. Leading producers of FRCs outside the United States that responded to the Commission's questionnaire include *** of China and ASF-K de Mexico, S. de R. L. de C.V. Sahagun ("Amsted ASF-K") of Mexico. The leading U.S. importers of FRCs from China and Mexico are ***, ***, and ***. U.S. purchasers of FRCs are firms that build new railcars and service existing railcars, and railcar pooling companies. Leading purchasers that responded to the Commission's questionnaire include ***.

Apparent U.S. consumption of FRCs totaled approximately *** pounds (\$***) in 2022. Currently, two firms are known to have produced FRCs in the United States in 2022. U.S. producers' U.S. shipments of FRCs totaled *** pounds (\$***) in 2022, and accounted for *** percent of apparent U.S. consumption by quantity and *** percent by value. U.S. shipments of imports from subject sources totaled *** pounds (\$***) in 2022 and accounted for *** percent

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

of apparent U.S. consumption by quantity and *** percent by value. There were no reported U.S. imports of FRCs from nonsubject sources in 2022.

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 three firms that accounted for all known U.S. production of FRCs during 2022. U.S. imports are based on the questionnaire responses⁶ of six firms that, in 2022, accounted for the vast majority of subject imports from China and Mexico.⁷ Foreign industry data are based on the questionnaire responses of three producers of FRCs in China whose exports accounted for the majority of U.S. imports of FRCs from China during 2022, and one producer of FRCs in Mexico that accounted for *** U.S. imports of FRCs from Mexico during 2022.⁸

Previous and related investigations

FRCs have been the subject of prior related investigations. These prior related investigations (hereinafter referred to as the “FRC I” investigations) resulted from petitions filed with Commerce and the Commission by the Coalition of Freight Coupler Producers, consisting of M&T and the USW on September 29, 2021, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized and less-than-fair-value (“LTFV”) imports of freight rail coupler systems and components (“FRC”) from China.⁹ On July 5, 2022, the Commission determined that an industry in the United States is not materially injured or threatened with material injury by reason of imports of FRC from China.¹⁰

⁶ In the final phase of these investigations, the Commission issued combined importer/purchaser questionnaires to firms that either imported and/or purchased FRCs. See Part II for a list of firms that purchased FRCs during 2022, and Part IV for a list of firms that imported FRCs during 2022. These firms may be referred to as “importers,” “purchasers,” “importer/purchasers,” or “firms.”

⁷ See Part IV for additional information on the data coverage of U.S. imports.

⁸ See Part VII for additional information on the data coverage of the foreign industries.

⁹ Freight Rail Coupler Systems and Components from China, Inv. Nos. 701-TA-670 and 731-TA-1570 (Final), USITC Publication 5331 (July 2022) (“FRC I publication”) pp. 3 and I-1. Initially, the Petitioner coalition consisted of M&T and Amsted. Shortly after the filing of the petition, Amsted withdrew its participation as a member of the Petitioner coalition and USW was added to the petitions. See *also* Inv. Nos. 701-TA-670 and 731-TA-1570 (Final): Freight Rail Coupler Systems and Components from China, Confidential Report, INV-UU-060 (June 3, 2022), as amended in INV-UU-063 (June 13, 2022) (“FRC I staff report”), p. I-1.

¹⁰ 87 FR 41144, July 11, 2022.

Nature and extent of subsidies and sales at LTFV

Subsidies

On May 19, 2023, Commerce published a notice in the Federal Register of its final determination of countervailable subsidies for producers and exporters of FRCs from China.¹¹ Table I-2 presents Commerce's findings of subsidization of FRCs from China.

Table I-2

FRCs: Commerce's final subsidy determination with respect to imports from China

Entity	Final countervailable subsidy rate (percent)
Chongqing Changzheng Heavy Industry Co., Ltd	265.99
Chongqing Tongyao Transportation Equipment Co	265.99
CRRC Qiqihar Co., Ltd	265.99
NanJing Zhongsheng Rolling Stock Components Co. Ltd	265.99
Ningbo Minghui Metal Technology Co., Ltd	265.99
Qingdao Lianshan Casting Co., Ltd	265.99
Qingdao Sanheshan Precision Casting Co., Ltd	265.99
Shaanxi Haiduo Railway Technology Development Co., Ltd	265.99
Shanghai Voith Xiagujin Chuang Coupler Technology Co., Ltd	265.99
All others	265.99

Source: 88 FR 32184, May 19, 2023.

Note: For further information on programs determined to be countervailable, see Commerce's associated Issues and Decision Memorandum.

¹¹ 88 FR 32184, May 19, 2023.

Sales at LTFV

On May 30, 2023, Commerce published a notice in the Federal Register of its final determination of sales at LTFV with respect to imports from China,¹² and on May 3, 2023,¹³ published a notice in the Federal Register of its preliminary determination of sales at LTFV with respect to imports from Mexico. Tables I-3 and I-4 present Commerce's dumping margins with respect to imports of product from China and Mexico.

Table I-3

FRCs: Commerce's final weighted-average LTFV margins with respect to imports from China

Exporter/Producer	Final dumping margin (percent)
China-wide entity	169.90

Source: 88 FR 34485, May 30, 2023.

Note: Commerce did not select a mandatory respondent in its LTFV investigation, and determined that no respondent producer qualified for a separate rate. 88 FR 34485, May 30, 2023.

Table I-4

FRCs: Commerce's preliminary weighted-average LTFV margins with respect to imports from Mexico

Exporter/Producer	Preliminary dumping margin (percent)
ASF-K de Mexico S. de R.L. de C.V	47.82
All others	47.82

Source: 88 FR 27864, May 3, 2023

¹² 88 FR 15372, March 13, 2023.

¹³ 88 FR 27864, May 3, 2023.

The subject merchandise

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:¹⁴

The scope of these investigations covers certain freight railcar couplers (also known as "fits" or "assemblies") and parts thereof. Freight railcar couplers are composed of two main parts, namely knuckles and coupler bodies but may also include other items (e.g., coupler locks, lock lift assemblies, knuckle pins, knuckle throwers, and rotors). The parts of couplers that are covered by the investigations include: (1) E coupler bodies, (2) E/F coupler bodies, (3) F coupler bodies, (4) E knuckles, and (5) F knuckles, as set forth by the Association of American Railroads (AAR). The freight rail coupler parts (i.e., knuckles and coupler bodies) are included within the scope of the investigations when imported separately. Coupler locks, lock lift assemblies, knuckle pins, knuckle throwers, and rotors are covered merchandise when imported in an assembly but are not covered by the scope when imported separately.

Subject freight railcar couplers and parts are included within the scope whether finished or unfinished, whether imported individually or with other subject or nonsubject parts, whether assembled or unassembled, whether mounted or unmounted, or if joined with nonsubject merchandise, such as other nonsubject parts or a completed railcar. Finishing includes, but is not limited to, arc washing, welding, grinding, shot blasting, heat treatment, machining, and assembly of various parts. When a subject coupler or subject parts are mounted on or to other nonsubject merchandise, such as a railcar, only the coupler or subject parts are covered by the scope.

The finished products covered by the scope of these investigations meet or exceed the AAR specifications of M-211, "Foundry and Product Approval Requirements for the Manufacture of Couplers, Coupler Yokes, Knuckles, Follower Blocks, and Coupler Parts" and/or AAR M-215 "Coupling Systems," or other equivalent domestic or international standards (including any revisions to the standard(s)).

The country of origin for subject couplers and parts thereof, whether fully assembled, unfinished or finished, or attached to a railcar, is the country where the subject coupler parts were cast or forged. Subject merchandise includes coupler parts as defined above that have been further processed or further assembled, including those coupler parts attached to a railcar in third countries. Further processing includes, but is not limited to, arc washing, welding, grinding,

¹⁴ 88 FR 34485, May 30, 2023.

shot blasting, heat treatment, painting, coating, priming, machining, and assembly of various parts. The inclusion, attachment, joining, or assembly of nonsubject parts with subject parts or couplers either in the country of manufacture of the in-scope product or in a third country does not remove the subject parts or couplers from the scope.

Tariff treatment

Based upon the scope set forth by Commerce, information available to the Commission indicates that the merchandise subject to these investigations is imported under subheading 8607.30.10 of the Harmonized Tariff Schedule of the United States (“HTS”). This subheading includes both parts of subject goods and unfinished goods having the essential character of finished goods. Subject merchandise may be imported under HTSUS statistical reporting numbers 7325.99.5000 and 7326.90.8688, for miscellaneous iron or steel articles. FRCs attached to a freight car may also be imported under HTS subheadings 8606.10.00, 8606.30.00, 8606.91.00, and 8606.92.00, as well as statistical reporting numbers 8606.99.0130 and 8606.99.0160. In addition, HTS heading 9803.00.50 may be claimed when FRCs are attached to a freight car used as an instrument of international traffic.¹⁵

Originating goods of Mexico are eligible to enter free of duty under column 1-special in subheading 8607.30.10 or headings 7325 and 7326 under United States-Mexico-Canada Agreement (USMCA). For heading 8607, the rule of origin provides that non-partner inputs used to make the good coming into the United States must have been imported under a different heading than 8607, or instead the good must show regional value content (RVC) of 50 to 60 percent depending on the method of calculation used by the Mexican producer. Goods coming into the United States under heading 7325 or 7326 that contain non-partner content can be eligible if that content was classified in a heading other than these 2 when the material or component came into the USMCA region and underwent manufacturing in the region. Importers must claim the special duty rate when their goods qualify in order to receive it.

The 2022 general rate of duty is 3.6 percent ad valorem for HTS subheading 8607.30.10; 2.9 percent ad valorem for HTS subheadings 7325.99.50 and 7326.90.86; 14 percent ad valorem for HTS subheadings 8606.10.00, 8606.30.00, 8606.91.00, 8606.92.00, and 8606.99.01; and free

¹⁵ Instruments of international traffic (IIT) are certain vehicles or containers, including rail cars and locomotives, that are used to repeatedly transport goods internationally. IIT are exempt from formal entry procedures (e.g., a rail car used as an IIT would not be subject to its normal duty rate) but are required to be accounted for when imported into or exported out of the United States. HTS Chapter 98, Subchapter III, Substantial Containers or Holders, U.S. Note 4.

for HTS heading 9803.00.50. Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

Section 301 tariff treatment

U.S. imports of subject goods produced in China are also subject to additional duties under Section 301 of the Trade Act of 1974. HTS subheadings 8607.30.10, 8606.10.00, 8606.30.00, 8606.91.00, 8606.92.00, and 8606.99.01 were included in the list of articles subject to additional 25 percent ad valorem duties effective August 23, 2018, and HTS subheadings 7325.99.50 and 7326.90.86 were included in the list of articles subject to additional 25 percent ad valorem duties effective September 24, 2018. U.S. imports entering under HTS subheading 8607.30.10 were excluded from Section 301 duties effective July 31, 2019, for one year. The exclusion for HTS subheading 8607.30.10 was originally extended until October 2, 2020, and further extended until December 31, 2020, after which U.S. imports were subject to the additional 25 percent ad valorem duties effective July 31, 2020.¹⁶

¹⁶ 83 FR 40823, August 16, 2018; 83 FR 47974, September 21, 2018; 84 FR 37381, July 31, 2019; 84 FR 52553, October 2, 2019; 85 FR 62786, October 5, 2020.

The product

Description and applications

FRCs, also referred to as “fits” or “assemblies,” are comprised of two main metal components: knuckles and coupler bodies; in addition to ancillary parts (e.g., coupler locks, coupler lock lifters, knuckle pins, knuckle throwers, and rotors). The main components of FRCs are manufactured in accordance with Association of American Railroad (“AAR”) standards to ensure FRCs in the United States are interoperable. Knuckles are typically metal castings in the shape of a hook that pivot on a vertical hinge between a “locked” and an “unlocked” position to allow for interlocking with knuckles of adjacent FRC. Coupler bodies are a metal casting that hold the knuckle and allow it to pivot.

FRCs are designed to connect two freight cars together by automatically interlocking the knuckles of both FRCs when the freight cars are pushed together, eliminating previously required and potentially dangerous manual input. A manually operated lever on the side of a freight car connects to the FRC and is used to lift the knuckle pin, allowing the knuckles to release and the freight cars to be uncoupled. Freight cars typically use two FRCs, one on each of the front and rear of the freight car, to allow for coupling additional freight cars together in greater numbers. In addition to interlocking freight cars together, FRCs are also designed to reduce shocks when freight cars are in transit or braking.

For the purpose of these investigations, FRCs are classified under the following AAR designations: type E and F knuckles and type E, E/F, and F coupler bodies. Type E knuckles and coupler bodies meet the basic standards set by AAR but do not have the additional features included in type F components. Additional type F features include interlocking wing pockets and lugs that reduce the likelihood of certain freight car derailments as well as reducing the gap between coupled knuckles to improve freight car handling. Type F couplers are typically used for freight cars transporting hazardous materials. Type E/F couplers contain a basic type E knuckle and type F coupler body components.

Figure I-2
Type E and F knuckles



Type E knuckle



Type F knuckle

Source: <https://www.wabteccorp.com/freight-car/end-of-car-systems/coupler-system/knuckles>

Figure I-3
Type E and F coupler bodies



Type E coupler body



Type F coupler body

Source: <https://www.wabteccorp.com/freight-car/end-of-car-systems/coupler-system/coupler-bodies>

Manufacturers of FRCs sell their products through two main channels of distribution. The first is to freight car original equipment manufacturers (“OEMs”) that use FRCs in new freight car production. The second is to maintenance companies, freight railroads, and freight car producers that use FRCs and individual components as replacement parts in used freight cars.

Manufacturing processes

Freight rail knuckles and coupler bodies are typically iron castings manufactured in foundries certified by AAR.¹⁷ To begin the process, pig iron and scrap metal are melted in a furnace and poured into molds formed from hardened sand that provide the rough shape for each FRC component. Once the metal has cooled, the hardened sand molds are removed, and any imperfections present in the mold that were transferred to the casting are also removed.¹⁸ The casting undergoes heat treatment processes, such as annealing and tempering, designed to strengthen and harden the metal. Once the metal is hardened, machine tools are used to grind the rough casting into the final desired dimensions, as well as to drill holes and grooves into the components as necessary. Once the specified form is achieved, the components are painted, oiled, or primed to prevent rusting. Lastly, the castings are subjected to several safety and fatigue tests to comply with AAR standards.

For complete FRCs, the individual casted components are assembled along with additional ancillary parts (e.g., coupler locks, coupler lock lifters, knuckle pins, knuckle throwers, and rotors). These additional parts do not have to be manufactured in foundries certified by AAR but may still be manufactured by the same producers of the FRC components or purchased from secondary manufacturers.

¹⁷ Some knuckles are forged from a single piece of steel using dies instead of being cast using molten iron.

¹⁸ Some molds are air dried rather than baked.

Bedloe technology

Currently, FRCs with Bedloe technology are produced only in China, and may also be referred to as StratoMax products with Bedloe technology. The Bedloe technology, patented by Bedloe Industries, LLC, (a subsidiary of TTX) refers to refers to proprietary designs and processes to produce coupler bodies, knuckles, and their subcomponents.¹⁹ TTX invested in development of Bedloe technology “after experiencing decades of quality issues with domestic couplers. When TTX could not find a domestic foundry willing or able to produce Bedloe couplers at scale for the long term, {it} entered into an exclusive licensing agreement and long-term supply agreement with Strato, which currently produces Bedloe couplers in China.”²⁰ The Bedloe technology relies on a production process known as “Air Set” or “no-bake” manufacturing to make molds and cores. This Air Set process is distinct from the “green sand” process utilized by U.S. producers to make molds as described above. FRCs with Bedloe technology have been approved by the AAR under the “M-215” certification.²¹

¹⁹ TTX postconference brief, p. 6.

²⁰ TTX postconference brief, p. 21.

²¹ TTX postconference brief, Attachment D.

Domestic like product issues

The Commission typically considers the following factors in regarding the appropriate domestic product(s) that are “like” the subject imported product: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) common manufacturing facilities, production processes, and production employees; (5) customer and producer perceptions; and (6) price.

In the preliminary phase of these investigations, the Commission defined a single domestic like product, coextensive with the scope of these investigations.²²

The petitioner proposed a single domestic like product, co-extensive with the scope of these investigations, and contended that all domestically produced FRCs within the scope share the same general physical characteristics and uses, channels of distribution, common manufacturing facilities, production processes, and employees, customer and producer perceptions, are interchangeable, and are sold within a reasonable range of similar prices. The petitioner further contended that FRCs are a separate domestic like product from yokes and follower blocks, arguing that these have distinct physical characteristics and uses, are not interchangeable with FRCs, are distributed through different channels of distribution than FRCs, are perceived by customers and producers to be distinct from FRCs, require different production processes and production employees, and are sold at a higher price point than FRCs.²³

For purposes of these final phase investigations, respondents do not contest the domestic like product as defined in the preliminary phase of these investigations.

Based on issues raised in the preliminary phase, , the Commission’s questionnaires in the final phase of these investigations asked for U.S. producers and importers to compare FRCs to freight rail coupler system components not included within the scope of these investigations (e.g., yokes and follower blocks) (“out-of-scope components”) using the factors which the Commission typically considers in regarding the appropriate domestic product(s) that are “like” the subject imported product, and to provide data on their operations pertaining to the out-of-scope components. Table I-5 presents the count of these comparisons, by factor and firm type. Narrative responses on the domestic like product factors are available in Appendix D, and detailed information on reported operations is available in Appendix J.

²² Certain Freight Rail Couplers and Parts Thereof, Inv. Nos. 701-TA-682 and 731-1592-1593 (Preliminary), USITC Publication 5387 (December 2022), p. 18-19.

²³ Petitioner’s prehearing brief, pp. 6-11.

Table I-5

FRCs: Count of domestic firms' responses regarding the domestic like factors comparing in-scope freight rail couplers to out-of-scope freight rail coupler system components

Count in number of firms reporting

Factor	Firm type	Fully	Mostly	Somewhat	Never
Physical characteristics	U.S. producers	***	***	***	***
Physical characteristics	Importers/purchasers	0	3	3	5
Interchangeability	U.S. producers	***	***	***	***
Interchangeability	Importers/purchasers	0	0	4	7
Channels	U.S. producers	***	***	***	***
Channels	Importers/purchasers	4	3	3	0
Manufacturing	U.S. producers	***	***	***	***
Manufacturing	Importers/purchasers	2	0	4	0
Perceptions	U.S. producers	***	***	***	***
Perceptions	Importers/purchasers	1	5	4	2
Price	U.S. producers	***	***	***	***
Price	Importers/purchasers	0	3	4	5

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

Note: ***

Intermediate products

The domestic like product proposed by petitioners includes the intermediate, or unfinished products (components of FRCs including coupler bodies and knuckles) as well as downstream product (FRCs).²⁴

The following presents information on these products relating to the Commission's semi-finished like product analysis. Factor comparison responses of U.S. producers and importers regarding differences and similarities between the intermediate and downstream products are presented in table I-6. Detailed narrative responses provided by U.S. producers and importers on these five factors are available in Appendix E.

Table I-6
FRCs: Count of firms' responses regarding semi-finished product analysis comparing in-scope freight rail coupler fit/assemblies to in-scope coupler components

Count in number of firms reporting

Factor	Firm type	No	Yes
Other uses	U.S. producers	***	***
Other uses	Importers/purchasers	4	4
Separate market	U.S. producers	***	***
Separate market	Importers/purchasers	3	4
Differences in characteristics	U.S. producers	***	***
Differences in characteristics	Importers/purchasers	6	1
Differences in cost	U.S. producers	***	***
Differences in cost	Importers/purchasers	3	4
Transformation intensive	U.S. producers	***	***
Transformation intensive	Importers/purchasers	6	1

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

Note: ***

²⁴ Employing the Commission's semi-finished product analysis for domestic like product, the petitioner contended in the preliminary phase of these investigations that in-scope unfinished and unassembled components of FRCs are part of the same like product as FRCs. Petition, p. 20, and petitioner's postconference brief, pp. 10-12. None of the respondents addressed the domestic like product using the Commission's semi-finished product analysis in their comments on the draft questionnaires for the final phase of these investigations, nor in their prehearing or posthearing briefs.

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

U.S. market characteristics

The U.S. FRCs market is wholly supplied by U.S. producers and subject imports from China and Mexico.¹ FRCs can be sold as a completed assembly, or “fit,” or by their constituent parts: knuckles and couplers. The market for FRCs is comprised of two sectors: original equipment manufacturers (“OEM”) and maintenance/replacement. New freight railcar builds only use new FRCs while replacement FRCs on rolling stock or reconditioned railcars may use refurbished couplers.² The average coupler body replacement rate is every 20-25 years³ while the average knuckle replacement rate is 5 years because the knuckle takes the brunt of the force of joining of railcars.⁴

All FRCs must comply with the AAR standards, including imports from China and Mexico. FRCs may be imported into the United States fully assembled or as subassemblies, with most or all of the integral parts needed to assemble FRCs into a finished form.⁵ FRCs may also be imported as part of a finished railcar.⁶ Chinese FRCs are subject to section 301 tariffs and some raw materials are subject to section 232 tariffs.

Apparent U.S. consumption of FRCs decreased by *** percent from 2020 to 2021 but increased by *** percent in 2022 for an overall increase of *** percent from 2020 to 2022.

*** and seven of eight responding importer/purchasers⁷ reported no changes to the product mix or marketing of FRCs since January 1, 2020. While indicating no

¹ U.S.-produced FRCs accounted for *** percent of the U.S. market, FRCs imported from China accounted for *** percent, and FRCs imported from Mexico accounted for *** percent in 2022.

² Only newly manufactured FRCs can be used on new freight railcars. Conference transcript, p. 71 (LeFevre). Knuckles are not allowed to be reconditioned. Conference transcript, p. 68 (Mautino). Some purchasers will use reconditioned couplers when available but will otherwise buy new couplers. However, petitioner noted it is never competing against the price of reconditioned FRCs. Ibid., p. 70.

³ Conference transcript, p. 68 (Mautino). This can be extended another 10-20 years with reconditioning. Ibid., p. 69 (Mautino).

⁴ Conference transcript, p. 23 (Lefevre). Knuckles manufactured using Bedloe technology are estimated to last much longer, up to four times as long according to one respondent witness. Conference transcript, p. 173 (Werner).

⁵ Ibid.

⁶ There are instances where FRCs from China are imported into Mexico, assembled and attached to newly produced freight railcars, and ultimately exported to the United States market as part of the finished railcar. Ibid.

⁷ In these investigations, the Commission sent combined importer/purchaser questionnaires to firms that either imported or purchased FRCs, or both imported and purchased. In this chapter, firms that responded to these questionnaires are referred to as “importer/purchasers,” even if their response is relevant to their role exclusively as an importer or as a purchaser.

changes since 2020, *** reported that it had previously added ***. Importer/purchaser *** indicated that there had been changes since 2020, describing a decrease in railcar recycling, which has led to a decrease in the availability of FRCs cores for recycling.

*** and four importer/purchasers indicated that the FRCs market was not subject to distinctive conditions of competition. However, four importer/purchasers indicated that it was. Importer/purchaser *** described availability and bundling as key factors in the FRCs market, and importer/purchaser *** also described bundling as a distinctive condition of competition in the FRCs market. Importer/purchaser *** stated that its long-term contracts of three-to-five years are a distinctive condition of competition. Importer/purchaser *** stated that when the preliminary duties were imposed in FRC I, ***.

U.S. importer/purchasers

The Commission received 18 usable importer/purchaser questionnaires from firms that had imported or purchased FRCs during January 2020-December 2022. Of these 18 firms, 15 reported purchases and/or imports of FRCs while three (***) reported only imports. Large importer/purchasers include ***,^{8 9 10}

FRCs may be purchased by railcar builders, railroads, pooling companies, railcar servicing companies, and distributors. Six responding importer/purchasers are railcar builders/servicers, six are railroads, one is a railcar pooling company, one is a distributor, and two are other end users ***. No importer/purchaser reported competing for sales of FRCs with their suppliers.

⁸ The following firms provided importer/purchaser questionnaire responses: ***. Additionally, ***.

⁹ Of the 18 responding importer/purchasers, 10 purchased domestic FRCs, 9 purchased imports of the subject merchandise from China, 6 purchased imports of the subject merchandise from Mexico, 1 purchased imports of FRCs from other sources, and 8 purchased FRCs from unknown sources.

¹⁰ Fifteen importer/purchasers indicated they had marketing/pricing knowledge of domestic product, ten of Chinese product, ten of Mexican product, and two of product from nonsubject countries (Canada, India, and/or Indonesia).

Impact of section 301 tariffs

As discussed in Part I, FRCs subject to these investigations have been subject to section 301 tariffs beginning in September 2018. These tariffs were initially 10 percent ad valorem, increasing to 25 percent in May 2019.¹¹ U.S. producers and importer/purchasers were asked to report the impact of section 301 tariffs on the FRCs market. *** and four importer purchasers indicated that the section 301 tariffs had affected the FRCs market, while one indicated they had not. U.S. producer *** described the section 301 tariffs as ***. *** described the section 301 tariffs as ***. Importer/purchasers *** described the section 301 tariffs as cutting off Chinese exports of FRCs to the U.S. market. Importer/purchaser *** stated that the section 301 tariffs on railcar components generally (including FRCs) had made rail costs mostly higher, resulting in higher prices for American consumers of many products. It stated that railcar component suppliers were forced to pay the tariffs to continue importing components, as “railroads cannot operate without these Chinese-sourced foundry components.”

Channels of distribution

As shown in table II-1, U.S. producers sold to both OEMs and the replacement market, although their share of sales to OEMs was higher in 2022 than in 2020 and 2021. Importers of subject FRCs sold more to the replacement market than to OEMs, with importers of Mexican FRCs selling a larger share of their imports to OEMs than importers of Chinese product did. Importers of Mexican product increased the share of their sales to the replacement market in 2022. Appendix F presents data for channels of distribution separated out by component.

¹¹ *Notice of Modification of Section 301 Action: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 FR 48,000, September 21, 2018; *Notice of Modification of Section 301 Action: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 84 FR 20,459, May 9, 2019.

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

Shares in percent

Source	Channel	2020	2021	2022
United States: Amsted	OEM	***	***	***
United States: Amsted	Replacement	***	***	***
United States: M&T	OEM	***	***	***
United States: M&T	Replacement	***	***	***
United States: All producers	OEM	***	***	***
United States: All producers	Replacement	***	***	***
China	OEM	***	***	***
China	Replacement	***	***	***
Mexico	OEM	***	***	***
Mexico	Replacement	***	***	***
Subject sources	OEM	***	***	***
Subject sources	Replacement	***	***	***
Nonsubject sources	OEM	***	***	***
Nonsubject sources	Replacement	***	***	***
All import sources	OEM	***	***	***
All import sources	Replacement	***	***	***

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

Geographic distribution

U.S. producers and importer/purchasers reported selling FRCs to all regions in the contiguous United States (table II-2). For U.S. producers, *** percent of sales were over 1,000 miles from their production facility, *** percent were between 101 and 1,000 miles, and *** percent of sales were within 100 miles. Importer/purchasers sold *** percent of their FRCs between 101 and 1,000 miles of their U.S. point of shipment and *** percent within 100 miles.

Table II-2**FRCs: Count of U.S. producers' and U.S. importer/purchasers' geographic markets**

Region	U.S. producers	China	Mexico	Subject sources
Northeast	2	2	1	3
Midwest	2	2	1	3
Southeast	2	2	1	3
Central Southwest	2	2	1	3
Mountain	2	2	1	3
Pacific Coast	1	2	1	3
Other	2	0	0	0
All regions (except Other)	1	2	1	3
Reporting firms	2	2	1	3

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

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

Supply and demand considerations

U.S. supply

Table II-3 provides a summary of the supply factors regarding FRCs from U.S. producers and from subject countries. U.S. and Mexican producers showed increases in capacity utilization over 2020 to 2022, while Chinese producers showed a decrease.

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

Quantity in 1,000 pounds; ratio and share in percent

Factor	Measure	United States	China	Mexico
Capacity 2020	Quantity	***	***	***
Capacity 2022	Quantity	***	***	***
Capacity utilization 2020	Ratio	***	***	***
Capacity utilization 2022	Ratio	***	***	***
Inventories to total shipments 2020	Ratio	***	***	***
Inventories to total shipments 2022	Ratio	***	***	***
Home market shipments 2022	Share	***	***	***
Non-US export market shipments 2022	Share	***	***	***
Ability to shift production (firms reporting “yes”)	Count	***	***	***

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

Note: Responding U.S. producers accounted for all known U.S. production of FRCs in 2022. Responding foreign producer/exporter firms accounted for the vast majority of U.S. imports of FRCs from China and Mexico 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 FRCs have the ability to respond to changes in demand with moderate to large changes in the quantity of shipments of U.S.-produced FRCs to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of large amounts of unused capacity¹² and some ability to shift production to or from alternate products. Factors mitigating responsiveness of supply include a decreased ability to shift shipments from inventories and a limited ability to

¹² M&T stated that, due to the “significant” melting capacity of its existing furnaces, the only limit on its production is the number of workers. Petitioner’s prehearing brief, p. 21. Wabtec also described labor for finishing (after the furnace work is complete) as a major constraint on capacity. Hearing transcript, pp. 115-116 (Korzeniowski).

shift shipments from export markets. Additionally, as described below, some importer/purchasers described availability from U.S. producers as constrained.¹³

Nine importer/purchasers stated that the availability of U.S.-produced FRCs had not changed since January 1, 2020, but five stated that it had. *** described domestic production or competition as insufficient to meet market demand. *** stated that it believed Amsted had ceased U.S. production during the period. *** stated that a decrease in the scrapping of railcars meant that fewer casting cores were available for reconditioned FRCs. *** indicated that FRCs market cycles were dictated by new railcar building.

Subject imports from China

Based on available information, producers of FRCs from China have the ability to respond to changes in demand with large changes in the quantity of shipments of FRCs to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of very large amounts of unused capacity¹⁴ and the ability to shift production to or from alternate products. Factors mitigating responsiveness of supply include a decreased ability to shift shipments from inventories and a limited ability to shift shipments from non-U.S. export markets.

Nine importer/purchasers stated that the availability of Chinese-produced FRCs had changed since January 1, 2020. Six of those firms cited one or both of the recent antidumping/countervailing duty investigations of FRCs. *** stated that it believed supply was tightening, and *** cited the COVID-19 pandemic in China as disrupting supply from China. Three importer/purchasers stated that the availability of Chinese-produced FRCs had not changed.

¹³ In its prehearing brief, Amsted described M&T as being close to its full capacity in 2022, including due to labor constraints. Prehearing brief of Amsted, pp. 15-17. Wabtec also described M&T as having constrained capacity in 2022. Posthearing brief of Wabtec, exhibit 1, p. 2. Petitioner denied these allegations and stated that neither furnace capacity nor labor was a constraint on M&T's production. Petitioner's posthearing brief, p. 14.

¹⁴ Petitioner stated that Chinese producers that responded to Commission questionnaires represent only a minority of overall Chinese productive capacity, ***. Petitioner's prehearing brief, p. 84. Strato and Wabtec stated that AAR certification is expensive and time-consuming, and stated that the only foreign producers currently certified are Amsted and those that sell exclusively to Strato and Wabtec. Prehearing brief of Strato and Wabtec, pp. 26-31.

Subject imports from Mexico

Based on available information, producers of FRCs from Mexico have the ability to respond to changes in demand with small to moderate changes in the quantity of shipments of FRCs to the U.S. market. The main contributing factors to this degree of responsiveness of supply are a moderate ability to increase capacity utilization and the ability to shift production to or from alternate products. Factors mitigating responsiveness of supply include a very limited ability to shift shipments from non-U.S. export markets and very limited ability to shift shipments from inventories.

Nine importer/purchasers stated that availability of Mexican-produced FRCs had not changed, but two stated that it had. *** cited the antidumping and countervailing duty proceedings as having reduced supply. *** stated that it believes supply is tightening.¹⁵

Imports from nonsubject sources

No importers reported any FRCs imports from nonsubject sources between January 2020 and December 2022.¹⁶ As noted above, two importer/purchasers indicated familiarity with FRCs from nonsubject countries such as India and Indonesia.

Supply constraints

*** that imports FRCs and sells them to unrelated customers stated that their firms had not experienced supply constraints between January 1, 2020 and September 28, 2022 (the date of the filing of the petitions in these investigations). However, two such importer/purchasers (***) stated that they had experienced such constraints. *** described supply constraints due to the COVID-19 pandemic in the United States and China, as well as the preliminary duties in the FRC I investigations. *** also cited supply disruptions from FRC I as well as volatile demand combined with global logistics issues in the past year. It elaborated that, as a result, it had declined orders and inform customers it could not fulfill some orders.

Importer/purchasers that use FRCs were more likely to report supply constraints. Six importer/purchasers that use FRCs stated that their firms had experienced supply constraints

¹⁵ Five importer/purchasers stated that availability of FRCs produced in nonsubject countries had not changed, but *** stated that it had, adding that it believes supply is tightening.

¹⁶ Since FRCs are imported under an HTS number that also contains out of scope merchandise, official statistics may not be wholly representative of in-scope products. See Part IV for additional information on imports.

between January 1, 2020 and September 28, 2022, while two indicated that they had not. Those reporting supply constraints included ***, which stated that domestic suppliers did not have sufficient capacity, and ***, which indicated that multiple suppliers did not have enough product for sale. *** stated that it was unable to obtain additional knuckles in the third quarter of 2022. *** indicated that during the FRC I investigations (December 2021), Strato and Wabtec ceased Chinese production temporarily, and were not able to supply *** again until October 2022. *** described having a ***.¹⁷ *** indicated that ***.

*** and three importer/purchasers that import FRCs and sell them to unrelated customers indicated that their firms had not experienced supply constraints since September 28, 2022. Among importer/purchasers that import or purchase FRCs for their own use, four indicated that they had not experienced supply constraints in that period. Three stated that they had. *** described Strato and Wabtec suspending supply from China, as they did during the FRC I investigation. *** stated that lead times from their suppliers had increased, with *** adding that ***.

Importer/purchasers were asked if the application of provisional AD/CVD duties as a result of the affirmative preliminary determinations in FRC I (November 2021) and the suspension of liquidation of goods resulted in changes in their FRCs supply chain arrangements, purchases, employment, or shipments. Seven importer/purchasers stated that the determinations had not resulted in such changes, and eight stated that they had. Those latter eight firms described increased prices, decreased availability of Chinese FRCs, substitution of

¹⁷ ***. ***.

Chinese FRCs with domestic and/or Mexican FRCs, cancelled orders, and ***. *** stated that it issued an order not to use Chinese FRCs on any new railcars built for it. Firms describing the effects of these provisional orders indicated that the effects have continued into 2023.

New suppliers

All fifteen responding importer/purchasers indicated that no new FRCs suppliers had entered the U.S. market since January 1, 2020.

U.S. demand

Based on available information, the overall demand for FRCs is likely to experience small changes in response to changes in price. The main contributing factors are the lack of substitute products and the small cost share of FRCs in the production of new freight railcars and the reconditioning of used freight railcars. Most reporting firms indicated that demand for FRCs increased in 2022 over its levels in 2020 and 2021.

End uses and cost share

U.S. demand for FRCs depends on the demand for U.S.-produced freight railcars and for railcar servicing. TTX, which pools railcars in a fleet for its railroad owners, stated that railcar owners like itself are focused on quality, reliability, and longevity when purchasing FRCs, while OEMs only want to make sure they are using AAR-approved product. FRCs account for a small share of the cost of the freight railcars in which they are used.¹⁸ *** and eight importer/purchasers reported cost shares for freight railcar production were 1 to 2 percent.¹⁹

Four importer/purchasers described demand for their end use products incorporating FRCs as increasing with fluctuations, while one described such demand as increasing steadily, since January 1, 2020. These five importer/purchasers also indicated that increased demand for their end use products had affected their own demand for FRCs. Importer/purchaser *** stated that demand for FRCs increased in the OEM market in 2021 and 2022 over 2020. It added that maintenance market demand increased from 2020 to 2021 and then decreased from 2021 to 2022. Importer/purchaser *** stated that railroads are performing more maintenance on existing rail cars, in turn driving demand for parts including

¹⁸ Hearing transcript, p. 127 (Werner).

¹⁹ One importer/purchaser also stated that the cost shares of FRCs in railcar leasing and repair are 1 percent.

couplers. Two other importer/purchasers described transportation services demand as increasing demand for FRCs.

Business cycles

*** and seven of eight importer/purchasers (including ***) indicated that the market was subject to business cycles, describing such cycles as connected to railcar and/or rail service demand. Importer/purchasers *** described FRCs demand as following demand for new railcars and added that demand has increased since the end of the COVID-19 pandemic. Similarly, importer/purchaser *** stated that railcar demand has risen since 2020. Importer/purchaser *** stated that the OEM segment of the FRCs market follows new railcar production, but the aftermarket segment of the FRCs market is more dependent on rail traffic and thus more consistent. Importer/purchaser *** stated that railcar production follows an 8-to-10 year cycle in which production can rise and fall substantially. It further stated that 2021 railcar production was 64 percent lower than 2015 (a high in the cycle) and that railcar builder Trinity has been slowly ending its exclusive purchases from M&T, allowing more and more competition for Trinity's purchases. *** indicated that railcar usage decreased in 2020 and 2021 due to the COVID-19 pandemic and "resulting economic shock." The decreased usage in turn led to decreased railcar maintenance (for the FRCs aftermarket) and decreased new railcar construction (for the FRCs OEM market). However, *** continued that demand had increased in the first half of 2022, resulting in demand growth for FRCs for both the OEM and aftermarket.

*** and one importer/purchaser stated that the market was not subject to business cycles. At the hearing, M&T described demand from the maintenance/replacement market segment as providing more consistent demand than the OEM segment.²⁰

At the conference, witnesses discussed the growing use of an operational model called precision scheduled railroading ("PSR"), or precision railroading, by Class I rail operators that attempts to streamline railroad operations. A representative for M&T stated that this increased the number of cars in storage, causing a decrease in demand.²¹ Importer/purchaser *** also reported that the implementation of PSR created a "dramatic change," leading to fewer railcars in operation and increased rail time for each car.

²⁰ Hearing transcript, pp. 14-15 (Mautino).

²¹ Conference transcript, p. 72 (Mautino).

Demand trends

Questionnaire responses and outside data often show demand for FRCs as depressed in 2020 to 2021 and then increasing in 2022. Most questionnaire respondents reported fluctuating U.S. demand for FRCs since January 1, 2020 (table II-4), with more of those firms describing demand as fluctuating up than fluctuating down. Most importer/purchasers forecast unchanged or decreasing U.S. and foreign demand. *** described U.S. demand as following the freight industry, which in turn follows the general business cycle. It added that U.S. demand seemed to be recovering in 2022. *** stated that U.S. demand increased due to the section 301 tariffs and the preliminary duties in the FRC I investigations. It added that demand has increased since the end of the COVID-19 pandemic. Importer/purchaser *** stated that OEM segment demand followed the general business cycle, but that aftermarket segment demand is more consistent. It continued that rail traffic dropped during the COVID-19 pandemic and has still not recovered to pre-pandemic level. It added that most railcar production is now performed outside the United States, so most U.S. FRCs demand is for the maintenance market. Importer/purchaser *** stated that demand in 2020 was very low, increased in 2021, and fell somewhat in 2022 due to recovery from the COVID-19 pandemic. It anticipated that decreased railcar demand would cause decreased FRCs demand. Importer/purchaser *** stated that increased scrapping of old railcars had decreased FRCs demand. Importer/purchaser *** described demand as falling during the COVID-19 pandemic as railcars were placed in storage. It further stated that demand has since recovered. It also stated that most railcar production (for the U.S. market) is in Mexico. Importer/purchaser *** described railroads as increasingly focused on repairs (rather than purchasing new railcars).

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

Market	Firm type	Steady increase	Fluctuate up	No change	Fluctuate down	Steady decrease
Domestic demand	U.S. producers	***	***	***	***	***
Domestic demand	Importer/purchasers	1	5	0	2	0
Foreign demand	U.S. producers	***	***	***	***	***
Foreign demand	Importer/purchasers	1	4	1	0	0
Anticipated future domestic demand	U.S. producers	***	***	***	***	***
Anticipated future domestic demand	Importer/purchasers	0	1	3	2	0
Anticipated future foreign demand	U.S. producers	***	***	***	***	***
Anticipated future foreign demand	Importer/purchasers	0	0	4	1	0

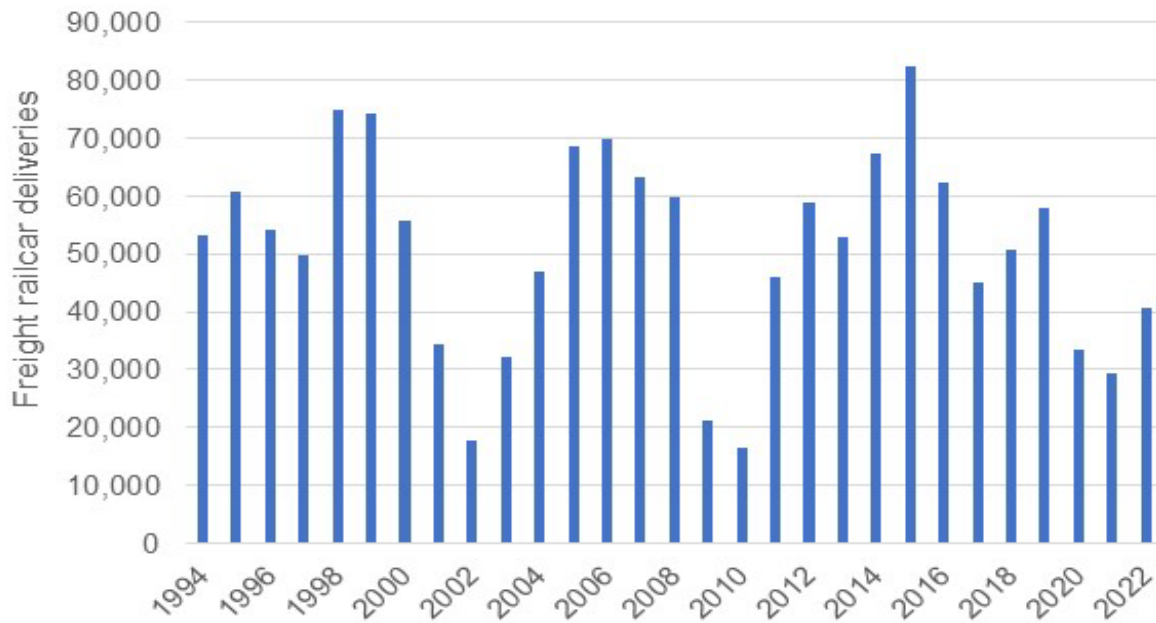
Source: Compiled from data submitted in response to Commission questionnaires.

The new railcar market has experienced several surges and declines in recent decades as the market follows general trends in the overall economy (figure II-1 and table II-5).²² New railcar deliveries to the North American market decreased by 49.5 percent from 2019 (58,026 railcars) to 2021 (29,280 railcars) and then increased 39.1 percent in 2022 (40,735 railcars). The average annual number of deliveries during 1994-2022 was 51,037.²³ Quarterly freight railcar orders generally increased irregularly between 2020 the end of 2022, with a particular surge in the third quarter of 2022 (figure II-2 and table II-6). Freight railcar deliveries have been increasing since the first quarter of 2021.

²² The United States experienced economic recessions during 2001, 2007-09, and 2020.

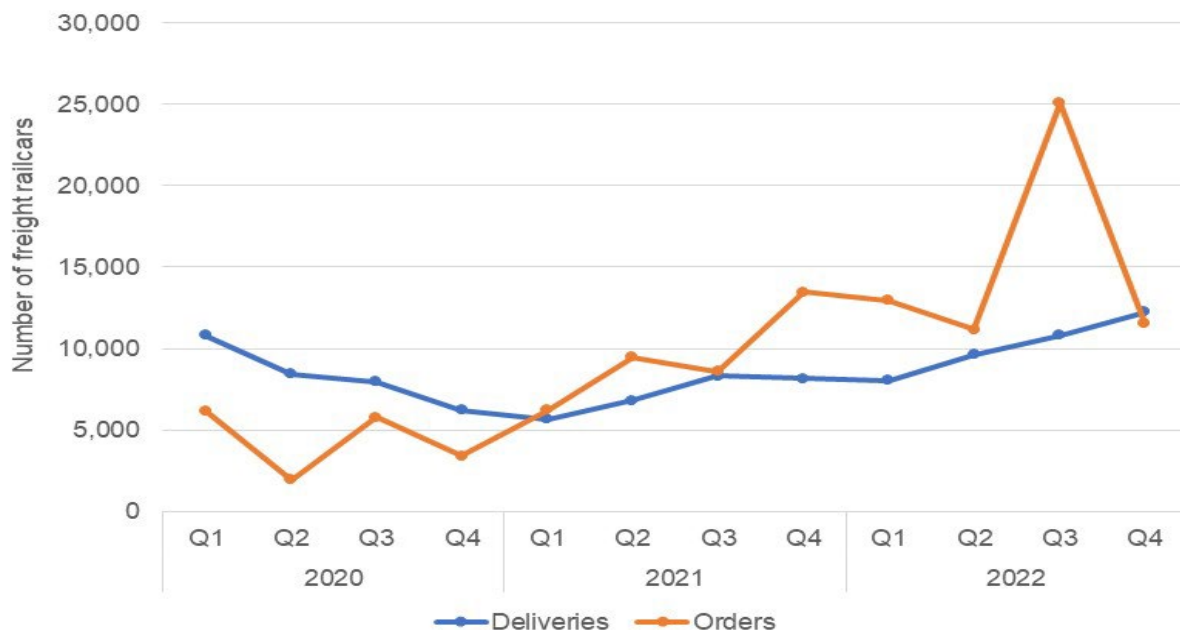
²³ Trinity Rail estimates industry deliveries of new railcars to be 40,000 to 50,000 railcars in 2022. <https://www.railwayage.com/mechanical/freight-cars/trinity-strong-4q21-highlights-improving-market-conditions/?RChannel=freight-cars>. A representative of M&T also noted this estimate for the market in 2022. Conference transcript, p. 79 (Mautino).

Figure II-1
Freight railcars: Deliveries in North America, by year



Sources: Years 1994-2019 from: <https://www.railwayage.com/mechanical/freight-cars/do-we-need-another-north-american-railcar-builder/#>. Years 2020-22 from: Railway Supply Institute Inc., ARCI 2022 4th Quarter Reporting Statistics, accessed January 27, 2023.

Figure II-2
Freight railcars: Deliveries and orders in North America, by quarter, January 2020-December 2022



Sources: Railway Supply Institute. <https://www.rsiweb.org/wp-content/uploads/2021/01/ARCI-Summary-4th-Quarter-2020.pdf>, https://www.rsiweb.org/wp-content/uploads/2022/02/ARCI-Summary-4th-Quarter-2021_Final.pdf, <https://www.rsiweb.org/wp-content/uploads/2023/01/ARCI-Summary-4th-Quarter-2022.pdf>, accessed April 3, 2023.

Table II-5
Freight railcars: Deliveries in North America by year

Year	Freight railcar deliveries
1994	53,269
1995	60,618
1996	54,031
1997	49,902
1998	74,832
1999	74,223
2000	55,791
2001	34,258
2002	17,714
2003	32,180
2004	46,871
2005	68,612
2006	69,733
2007	63,149
2008	59,954
2009	21,150
2010	16,579
2011	46,125
2012	58,891
2013	53,043
2014	67,228
2015	82,296
2016	62,433
2017	44,963
2018	50,803
2019	58,026
2020	33,417
2021	29,280
2022	40,735

Sources: Years 1994-2019 from: <https://www.railwayage.com/mechanical/freight-cars/do-we-need-another-north-american-railcar-builder/#> .Years 2020-22 from: Railway Supply Institute Inc., ARCI 2022 4th Quarter Reporting Statistics, accessed January 27, 2023.

Table II-6**Freight railcars: Deliveries and orders in North America, by quarter, January 2020-December 2022**

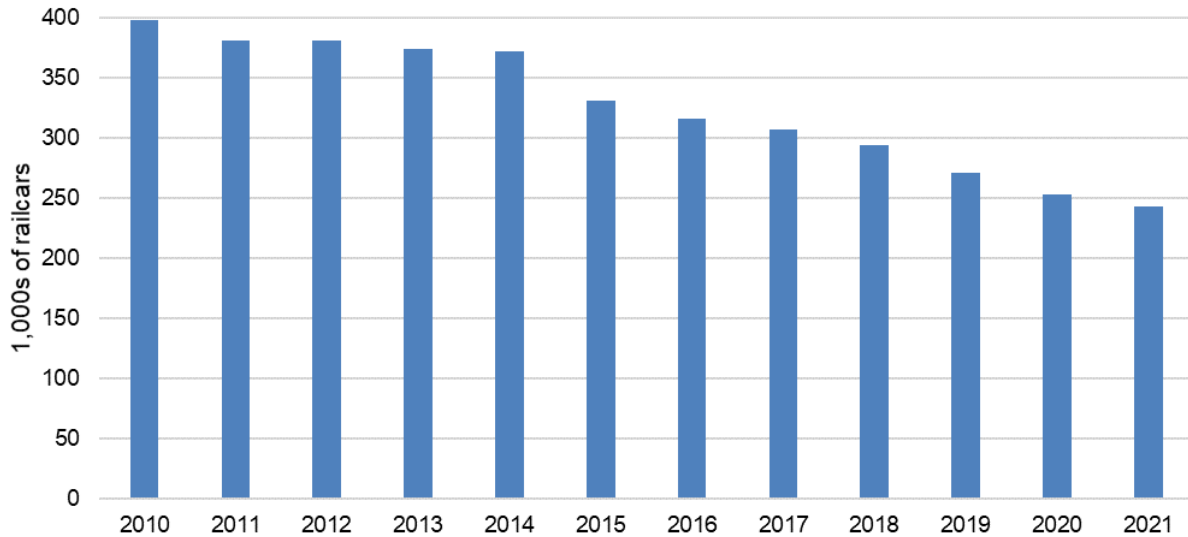
Quarter	Freight railcar deliveries	Freight railcar orders
2020 Q1	10,824	6,172
2020 Q2	8,441	1,923
2020 Q3	7,953	5,783
2020 Q4	6,216	3,397
2021 Q1	5,669	6,227
2021 Q2	6,825	9,466
2021 Q3	8,298	8,607
2021 Q4	8,161	13,477
2022 Q1	8,043	12,957
2022 Q2	9,629	11,177
2022 Q3	10,821	25,075
2022 Q4	12,242	11,525

Sources: Railway Supply Institute. <https://www.rsiweb.org/wp-content/uploads/2021/01/ARCI-Summary-4th-Quarter-2020.pdf>, https://www.rsiweb.org/wp-content/uploads/2022/02/ARCI-Summary-4th-Quarter-2021_Final.pdf, <https://www.rsiweb.org/wp-content/uploads/2023/01/ARCI-Summary-4th-Quarter-2022.pdf>, accessed April 3, 2023.

Additionally, the number of freight railcars owned and operated by Class I railroads decreased by nearly 4 percent from 2020 (252,400 railcars) to 2021 (243,087 railcars) (figure II-3 and table II-7), part of a larger decrease of nearly 40 percent from 2010 to 2021. The decrease has been attributed to improved utilization (e.g., double-stack container railcars) and the deployment of larger cars. However, Wabtec indicated that, in 2022, railcar builds have increased, causing an increase in demand for FRCs.²⁴ M&T stated that the maintenance segment of the market has not shown as much of an increase in demand as the OEM segment.²⁵

²⁴ Hearing transcript, pp. 114 (Korzeniowski).

²⁵ Hearing transcript, p. 24 (Lefevre).

Figure II-3**Freight railcars: Count of freight railcars owned and operated by Class I railroads**

Sources: Years 2010-20: U.S. Department of Transportation, Bureau of Transportation Statistics, National Transportation Statistics, Table 1-11, available at <https://www.bts.gov/topics/national-transportation-statistics> as of August 2021. Year 2021: U.S. Department of Transportation, Bureau of Transportation Statistics and Surface Transportation Board, Annual R-1 Reports, Schedule 710.

Table II-7**Freight railcars: Count of freight railcars owned and operated by Class I railroads**

Year	Freight railcars (number)
2010	397,730
2011	380,699
2012	380,641
2013	373,838
2014	371,642
2015	330,996
2016	315,227
2017	306,268
2018	293,742
2019	270,378
2020	252,400
2021	243,087

Sources: Years 2010-20: U.S. Department of Transportation, Bureau of Transportation Statistics, National Transportation Statistics, Table 1-11, available at <https://www.bts.gov/topics/national-transportation-statistics> as of August 2021. Year 2021: U.S. Department of Transportation, Bureau of Transportation Statistics and Surface Transportation Board, Annual R-1 Reports, Schedule 710.

Substitute products

*** and all eight responding importer/purchasers reported that there were no substitutes for FRCs.

Substitutability issues

This section assesses the degree to which U.S.-produced FRCs and imports of FRCs from China and Mexico can be substituted for one another by examining the importance of certain purchasing factors and the comparability of FRCs from domestic and imported sources based on those factors. Based on available data, staff believes that there is a moderately high to high degree of substitutability between domestically produced FRCs and FRCs imported from subject sources.²⁶ The primary factors contributing to this level of substitutability include little preference for any particular country of origin, similarities between domestically produced FRCs and FRCs imported from China and Mexico across multiple purchase factors, and the high degree of interchangeability between domestic and subject sources from China and Mexico. Factors reducing substitutability include differences in availability, lead times, and certain purchasers' preference for certain types of FRCs (notably Bedloe technology) only available from China.

Factors affecting purchasing decisions

Comparisons between new, reconditioned, and secondhand freight couplers

Most FRCs are sold as new, although there is a small share of the market accounted for by reconditioned (components acquired in the replacement market that have been used and refurbished) and secondhand coupler bodies (components acquired in the replacement market that have been used but have not been refurbished). Importer/purchasers were asked to estimate the percentage of their total purchases of FRCs that was accounted for by new, reconditioned, and secondhand coupler bodies in each year from 2020 to 2022. As seen in table II-8, a majority of purchases were new FRCs, with reconditioned FRCs making up most of the balance of purchases.

²⁶ The degree of substitution between domestic and imported FRCs depends upon the extent of product differentiation between the domestic and imported products and reflects how easily purchasers can switch from domestically produced FRCs to the FRCs 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.).

Table II-8

FRCs: Weighted average percent of total purchases that is accounted for by new, reconditioned, and secondhand coupler bodies

Firm making decision	2020	2021	2022
New FRCs	61.8	75.0	77.7
Reconditioned FRCs	37.4	24.4	21.6
Secondhand FRCs	0.8	0.5	0.8

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

Importer/purchasers were asked how often new freight rail couplers and reconditioned/secondhand freight rail couplers physically be used in the same applications. Six answered always, four answered usually, four answered sometimes, and one answered never. ***, elaborating on similar ideas from other importer/purchasers, stated that AAR rules do not allow knuckles to be reconditioned, but do allow used knuckles on secondhand cars in service. It continued that AAR rules allow coupler bodies to be reconditioned on railcars in service, but that new railcars must have new couplers. *** stated that reconditioned FRCs must meet the same AAR specifications as new FRCs.

Importer/purchasers were also asked to describe any similarities or differences between new FRCs and reconditioned/secondhand FRCs. Importer/purchasers *** indicated that new and reconditioned FRCs were comparable on quality and/or met the same AAR standards. However, *** indicated that reconditioned FRCs have a shorter useful lifespan and were more likely to fail than new FRCs. *** indicated that some customers prefer new FRCs. *** stated that new FRCs are supplied primarily by Amsted, M&T, Strato, and Wabtec while reconditioned FRCs come from Illini Castings, Stucky, and Progress Rail. *** indicated that the supply of reconditioned FRCs is lower than the supply of new FRCs. *** stated that because there are more suppliers of reconditioned FRCs than new FRCs, reconditioned FRCs generally have higher availability, faster lead times, and lower prices than new FRCs. Six importer/purchasers described the price of reconditioned FRCs as lower than the price of new FRCs.

Importer/purchasers that had purchased reconditioned coupler bodies since January 1, 2020 were asked what purchasing factors were important in their purchasing decisions. Firms' responses were most likely to include availability, price, quality, and lead times.

Purchaser decisions based on source

As shown in table II-9, most importer/purchasers and their customers sometimes or never make purchasing decisions based on the producer or country of origin.

Importer/purchasers that did at least sometimes base decisions on producer described

numerous reasons (including quality, availability, and price) for doing so. ***, which responded that it never bases its purchasing decisions on producer, stated that it is “agnostic” in choosing between approved suppliers, ***. Some importer/purchasers described customers as at least sometimes preferring particular suppliers, including *** or domestic producers for projects with federal funding. In terms of basing decisions on country of origin, *** indicated that it sometimes prefers U.S. product due to lead times. *** stated that it has no country of origin preference, ***.

Table II-9
FRCs: Count of importer/purchasers’ responses regarding frequency of purchasing decisions based on producer and country of origin

Firm making decision	Decision based on	Always	Usually	Sometimes	Never
Purchaser	Producer	3	2	4	6
Customer	Producer	1	2	3	2
Purchaser	Country	0	0	1	14
Customer	Country	1	0	2	5

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

Additionally, importer/purchasers were asked how often their firm and if known, their customers, make purchasing decisions involving freight rail couplers as replacement equipment based on replacing FRCs produced by the same producer that manufactured the FRCs first installed on the railcar. As shown in table II-10, most importer/purchasers and their customers sometimes or never make purchasing decisions for replacement FRCs based on the producer of the original FRCs installed. In additional comments, importer/purchaser *** stated that some FRCs are proprietary to Amsted or M&T and must be replaced with products from the same supplier.

Table II-10
FRCs: Count of importer/purchasers’ responses regarding frequency of purchasing decisions for replacement equipment based on producer of original coupler installed

Firm making decision	Decision based on	Always	Usually	Sometimes	Never
Purchaser	Producer	0	0	2	10
Customer	Producer	0	0	1	4

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

Importance of purchasing domestic product

Thirteen of 15 responding purchasers reported that none of their purchases required purchasing U.S.-produced product. One purchaser indicated that domestic product was required by law (for *** percent of their purchases), one reported it was required by their

customers (for *** percent of their purchases), and one reported another preference (***) for domestic product.

Six importer/purchasers indicated that there were certain FRCs that could only be purchased from certain country sources, while an equal number indicated that there were no such FRCs. Four of the six importer/purchasers indicating that some FRCs were only available from certain sources described FRCs not available from U.S. producers but only from Chinese and/or Mexican suppliers. Such products included FRCs with Bedloe technology only available from Chinese producers. An additional importer/purchaser described one type of FRCs available only from U.S. producers, and still another additional importer/purchaser indicated that some types of FRCs are available only from U.S. and Mexican producers.

Most important purchase factors

The most often cited top three factors firms consider in their purchasing decisions for FRCs were availability/production capacity (13 firms), price/total cost of ownership (12 firms), and quality/meeting specifications/performance (10 firms) as shown in table II-11.

Quality/meeting specifications/performance was the most frequently cited first-most important factor (cited by six firms), followed by availability (four firms); availability/production capacity was the most frequently reported second-most important factor (five firms); and price/total cost of ownership was the most frequently reported third-most important factor (seven firms).

Table II-11
FRCs: Count of ranking of factors used in purchasing decisions as reported by purchasers, by factor

Factor	First	Second	Third	Total
Availability/production capacity	4	6	3	13
Price/total cost of ownership	3	1	8	12
Quality/meets specifications/performance	6	3	1	10
Delivery/lead time	0	4	0	4
Contracts/extension of credit	1	0	2	3
Bundling	1	0	0	1
Customer preferred manufacturer	0	1	0	1

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

Note: Other factors (after the third factor) include ease of doing business and ensuring a diverse supplier base. Among purchasers listing price or total cost of ownership, 10 listed price and 2 listed total cost of ownership.

Eight importer/purchasers reported that they sometimes purchase the lowest-priced FRCs, and seven reported that they usually do.

Importance of specified purchase factors

Importer/purchasers were asked to rate the importance of 17 factors in their purchasing decisions (table II-12). The factors rated as very important by more than half of responding purchasers were availability (15 firms), quality meeting industry standards (15 firms), product consistency (14 firms), reliability of supply (14 firms), delivery time (12 firms), and price (9 firms). When asked to define quality, most firms described meeting American Association of Railroads (AAR) specifications, being free of defects, and passing inspections.

Importer/purchaser *** described valuing characteristics (such as surface finish, solidity, chemistry, and hardness) that increase fatigue life.

Table II-12

FRCs: Count of purchasers' responses regarding importance of purchase factors, by factor

Factor	Very important	Somewhat important	Not important
Availability	15	0	0
Bundle freights rail couplers with complete undercarriages and/or other railcar parts	2	5	8
Delivery terms	7	6	2
Delivery time	12	3	0
Discounts offered	4	9	2
Minimum quantity requirements	1	6	8
Packaging	1	7	7
Payment terms	6	8	1
Price	9	5	0
Produced using Bedloe technology (i.e., StratoMax products with Bedloe technology)	2	1	12
Product consistency	14	1	0
Product range	2	8	5
Quality meets industry standards	15	0	0
Quality exceeds industry standards	6	7	2
Reliability of supply	14	1	0
Technical support/service	6	6	3
U.S. transportation costs	3	9	3

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

Lead times

FRCs are primarily sold from inventory. U.S. producers reported that *** percent of their commercial shipments came from inventories, with lead times averaging *** days. The remaining *** percent of their commercial shipments were produced to order, with lead times averaging *** days. Importer/purchasers reported that *** percent of their U.S. commercial shipments came from foreign inventories, with lead times averaging *** days. Another *** percent of their commercial shipments came from domestic inventories, with lead times averaging *** days. The remaining *** percent of their commercial shipments were produced-to-order with lead times averaging *** days.

Supplier certification

Twelve of 15 responding importer/purchasers require their suppliers to become certified or qualified to sell FRCs to their firm, and generally listed AAR certification as the main certification required. Other certification criteria include component quality, overall quality, lead time, pricing, and reliability. Importer/purchaser *** described AAR certification as including certification of the production facility as well as the FRCs purchased. It stated that Chinese FRCs have a lower failure rate than U.S.-produced FRCs. It continued that the lower Chinese failure rate was more important in terms of overall cost than the difference in price between U.S. and Chinese FRCs. Importer/purchaser *** stated that ***. Other purchasers reported that the time to qualify a new supplier generally ranged from 240 to 365 days, although one purchaser (***) indicated that it took 14 days.

Thirteen importer/purchasers reported that at least one domestic or foreign supplier had failed in its attempt to qualify FRCs, or had lost its approved status since 2020. ***.

Minimum quality specifications

As can be seen from table II-13, most responding importer/purchasers reported that domestically produced and imported product always or usually met minimum quality specifications. Twelve importer/purchasers indicated that these characterizations had not changed since January 1, 2022.

Table II-13
FRCs: Count of purchasers' responses regarding suppliers' ability to meet minimum quality specifications, by source

Source of purchases	Always	Usually	Sometimes	Rarely or never	Don't Know
United States	9	5	0	0	1
China	7	4	0	0	3
Mexico	6	3	0	0	5
Nonsubject sources	1	0	0	0	6

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

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

Bedloe technology

TTX, the owner and operator of a large railcar fleet, stated that ***, it had invested in a subsidiary (Bedloe) to improve the quality of FRCs, resulting in a product (FRCs with Bedloe technology) that it described as having more reliability and a longer fatigue life than other FRCs because Bedloe technology uses “Air Set” casting instead of the green sand process used by M&T.²⁷ It then licensed the Bedloe technology to Strato, ***. TTX described FRCs with Bedloe technology as interoperable with other FRCs, but not substitutable because it stated that FRCs with Bedloe technology have the superior quality and durability.²⁸ However, petitioner stated that Bedloe technology is simply an attempt at branding, while being otherwise interchangeable with other FRCs.²⁹ It described Bedloe as “just a process of making the mold” for FRCs castings.³⁰

Five importer/purchasers indicated that they were familiar with FRCs produced using Bedloe technology, while three indicated that they were not. Three importer/purchasers indicated that they had imported or purchased FRCs with Bedloe technology since January 1, 2020, and three indicated that they had not. Two of those firms were ***, and the other was ***, which stated it did so because certain customers demand FRCs incorporating Bedloe technology.

Among importer/purchasers, *** described FRCs with Bedloe technology as always substitutable with other FRCs, *** stated that they were usually substitutable, and *** stated that they were never substitutable. *** described the prices of FRCs with Bedloe technology as more expensive than FRCs without such technology, while *** described them as comparably priced and *** described them as both comparably priced and more expensive.

As shown in table II-14, *** indicated that they produced products comparable to FRCs with Bedloe technology. *** elaborated that its FRCs meet AAR requirements and are viewed as interchangeable by customers, who focus on price in sales competition.

When asked if their firm considers any other FRCs to be comparable to FRCs with Bedloe technology, five importer/purchasers stated they did not, but *** stated that they did, without elaborating.

²⁷ Prehearing brief of TTX, p. 2. See also hearing transcript, pp. 131-134 (Werner) and 138-140 (Cunkelman).

²⁸ Prehearing brief of TTX, pp. 29-32.

²⁹ Petitioner’s prehearing brief, pp. 31-35.

³⁰ Hearing transcript, p. 19 (Mautino).

When asked if FRCs with Bedloe technology have different end uses than FRCs without Bedloe technology, five importer/purchasers and *** stated that they did not, but *** stated that they do, describing FRCs with Bedloe technology as preferred by customers that want longer-life from FRCs or that use FRCs with Bedloe technology for heavier loads.

When asked if FRCs with or without Bedloe technology were supplied to the U.S. market through different channels of distribution, four importer/purchasers and *** stated that they were not, but two stated that they were, with both noting that FRCs with Bedloe technology are only available through Strato.

When asked if there are meaningful differences between AAR certification/classification of freight rail couplers on the basis of Bedloe technology, four importer/purchasers both U.S. producers stated that there were not, and two indicated that there were. *** stated that FRCs with Bedloe technology meet M-216 fatigue testing requirements unlike other FRCs. *** stated that the AAR, under pressure from incumbent producers, resisted allowing the marketing of Bedloe technology under M-211 requirements, but now allows it under the M-215 requirements. It continued that FRCs with Bedloe technology meet M-211, M-215, and M-216 requirements.

Table II-14
FRCs: Count of U.S. producers' and importer/purchasers' responses to questions regarding Bedloe technology

Item	Firm type	No	Yes
Firm produces Bedloe equivalents	U.S. producers	***	***
Bedloe different uses than other FRCs	U.S. producers	***	***
Bedloe different channels than other FRCs	U.S. producers	***	***
Meaningful differences between AAR certification and Bedloe	U.S. producers	***	***
Firm familiar with Bedloe technology	Importer/purchasers	***	***
Firm imported or purchased FRCs with Bedloe	Importer/purchasers	***	***
Firm considers other FRCs to be Bedloe equivalents	Importer/purchasers	***	***
Bedloe different uses than other FRCs	Importer/purchasers	***	***
Bedloe different channels than other FRCs	Importer/purchasers	***	***
Meaningful differences between AAR certification and Bedloe	Importer/purchasers	***	***

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

Bundling

U.S. producers and importer/purchasers were asked if their sales of FRCs were bundled with other products.³¹ As shown in table II-15, *** indicated that they were, while ***

³¹ Bundling refers to selling FRCs along with other products. It does not refer to selling railcars with FRCs attached.

*** indicated that theirs were not. Amsted stated that one of its competitive advantages over M&T is that Amsted offers broad railroad systems (including not just components but also truck castings, roller bearings, axles, wheels, and brakes). It continued that M&T only supplies couplers, yokes, knuckles, and coupler parts.³² It added that Amsted's FRCs work more efficiently in a complete Amsted rail system, ***. ***. However, M&T stated that, in its experience, customers simply prefer lower-priced FRCs, whether bundled or not.³³

Table II-15
FRCs: U.S. producers' and importers/purchasers' bundling of sales of FRCs with other products

Count in number of firms reporting; shares in percent; quantity in 1,000 pounds

Item	Count No	Count Yes	Share	Estimated quantity bundled 2022
US: ***	***	***	***	***
US: ***	***	***	***	***
US: All firms	***	***	***	***
Importer/Purchaser: ***	***	***	***	***
Importer/Purchaser: ***	***	***	***	***
Importer/Purchaser: All other firms	***	***	***	***
Importer/Purchaser: All firms	***	***	***	***

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

Note: These numbers are based on supplier sales (i.e., U.S. producers' U.S. shipments or U.S. importers' U.S. shipments) and information contained in questions IV-25 of the U.S. producers' questionnaire and III-27 of the U.S. importers'/U.S. purchasers' questionnaire. U.S. importer/purchasers that only purchased were not included in this question. Shares in this table represent the share of that firm's or those firms' sales of all FRCs sold as a bundle. The numerator in this share calculation is shown in the subsequent "estimated quantity bundled 2022" column while the denominator (overall U.S. shipments) is not shown in the table.

Importer/purchasers that purchase FRCs for their own use were asked about whether they bundle their purchases of FRCs with other products. Five importer/purchasers (***) indicated that they purchase FRCs both as standalone FRCs and as parts of bundles. No importer/purchasers reported purchasing FRCs only as standalone purchases, and no importer/purchasers reported purchasing FRCs only

³² Hearing transcript, pp. 122-123 (Cumming).

³³ Hearing transcript, p. 26 (Lefevre).

as parts of bundles. The five importer/purchasers reported buying a variety of products (including yokes, knuckle throwers, axles, wheels, brakes, and lock lifts) bundled with FRCs. *** reported that over *** percent of its bundled transactions included FRCs, *** reported that *** percent of its bundled transactions included FRCs, *** reported that *** percent of its bundled transactions included FRCs, and *** reported that *** percent of its bundled transactions included FRCs.

Importer/purchasers that purchase FRCs were also asked if the fact that a supplier offers other products in connection with sales of FRCs increase the likelihood that their firm will purchase that supplier's products. Four answered that it would, and one (***) answered that it would not. The four that did so explained that they would because of issues of price, quality, warranty, minimizing freight costs, maintaining inventory, and maintaining relationships with suppliers that supply multiple products.

Changes in purchasing patterns

Importer/purchasers were also asked about changes in their purchasing patterns from different countries since January 1, 2020 (table II-16). Importer/purchasers generally reported increased or constant purchases of U.S.- and Mexican-produced product and decreased purchases of Chinese product. Importer/purchasers described the reasons for these trends as increased demand and the preliminary antidumping/countervailing duties on Chinese FRCs in 2022. However, a few importer/purchasers cited problems obtaining U.S.-produced and/or Mexican FRCs.

Table II-16
FRCs: Count of purchasers' responses regarding changes in purchase patterns from U.S., subject, and nonsubject countries

Source of purchases	Steadily increase	Fluctuate up	No change	Fluctuate down	Steadily decrease	Did not purchase
United States	3	4	2	1	1	0
China	0	1	1	4	4	1
Mexico	4	1	2	0	1	3
Nonsubject sources	0	0	1	0	0	7
Sources unknown	0	4	4	1	1	3

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

Purchase factor comparisons of domestic products, subject imports, and nonsubject imports

Importer/purchasers were asked a number of questions comparing FRCs produced in the United States, subject countries, and nonsubject countries. First, importer/purchasers were

asked for a country-by-country comparison on the same 17 factors (table II-17) for which they were asked to rate the importance.

Most importer/purchasers reported that U.S., Chinese, and Mexican FRCs were comparable on most factors. However, importer/purchasers offered a variety of responses when comparing U.S. and Chinese FRCs (and to a lesser extent, Chinese and Mexican FRCs) on price. Additionally, some purchasers (though still minorities) described Chinese product as inferior to U.S. and Mexican product on delivery time, and superior to U.S. and Mexican product in being produced with Bedloe technology. Only *** compared FRCs from nonsubject countries to FRCs from U.S. and subject countries.

Table II-17

FRCs: Count of importer/purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Availability	US v. China	1	8	0
Bundle freights rail couplers with complete undercarriages and/or other railcar parts	US v. China	0	6	2
Delivery terms	US v. China	0	7	2
Delivery time	US v. China	4	4	1
Discounts offered	US v. China	0	8	1
Minimum quantity requirements	US v. China	1	8	0
Packaging	US v. China	0	8	1
Payment terms	US v. China	0	9	0
Price	US v. China	3	3	3
Produced using Bedloe technology (i.e., StratoMax products with Bedloe technology)	US v. China	0	3	2
Product consistency	US v. China	0	8	1
Product range	US v. China	1	8	0
Quality meets industry standards	US v. China	0	8	1
Quality exceeds industry standards	US v. China	0	6	3
Reliability of supply	US v. China	0	8	1
Technical support/service	US v. China	0	7	2
U.S. transportation costs	US v. China	1	6	2

Table continued.

Table II-17 Continued

FRCs: Count of importer/purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Availability	US v. Mexico	0	7	1
Bundle freights rail couplers with complete undercarriages and/or other railcar parts	US v. Mexico	0	5	2
Delivery terms	US v. Mexico	1	6	1
Delivery time	US v. Mexico	1	5	2
Discounts offered	US v. Mexico	0	7	1
Minimum quantity requirements	US v. Mexico	0	8	0
Packaging	US v. Mexico	0	8	0
Payment terms	US v. Mexico	0	6	2
Price	US v. Mexico	1	5	2
Produced using Bedloe technology (i.e., StratoMax products with Bedloe technology)	US v. Mexico	0	4	0
Product consistency	US v. Mexico	0	7	1
Product range	US v. Mexico	0	8	0
Quality meets industry standards	US v. Mexico	0	7	1
Quality exceeds industry standards	US v. Mexico	0	7	1
Reliability of supply	US v. Mexico	0	7	1
Technical support/service	US v. Mexico	0	7	1
U.S. transportation costs	US v. Mexico	1	5	2

Table continued on next page.

Table II-17 Continued

FRCs: Count of importer/purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Availability	China v. Mexico	0	3	2
Bundle freights rail couplers with complete undercarriages and/or other railcar parts	China v. Mexico	0	4	1
Delivery terms	China v. Mexico	0	4	1
Delivery time	China v. Mexico	0	2	3
Discounts offered	China v. Mexico	0	4	1
Minimum quantity requirements	China v. Mexico	0	4	1
Packaging	China v. Mexico	1	3	0
Payment terms	China v. Mexico	0	3	2
Price	China v. Mexico	1	2	2
Produced using Bedloe technology (i.e., StratoMax products with Bedloe technology)	China v. Mexico	2	3	0
Product consistency	China v. Mexico	0	5	0
Product range	China v. Mexico	0	5	0
Quality meets industry standards	China v. Mexico	0	5	0
Quality exceeds industry standards	China v. Mexico	1	4	0
Reliability of supply	China v. Mexico	1	2	2
Technical support/service	China v. Mexico	0	5	0
U.S. transportation costs	China v. Mexico	0	5	0

Table continued.

Table II-17 Continued

FRCs: Count of importer/purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Availability	US v. Nonsubject	1	0	0
Bundle freights rail couplers with complete undercarriages and/or other railcar parts	US v. Nonsubject	0	0	0
Delivery terms	US v. Nonsubject	0	0	1
Delivery time	US v. Nonsubject	1	0	0
Discounts offered	US v. Nonsubject	0	1	0
Minimum quantity requirements	US v. Nonsubject	1	0	0
Packaging	US v. Nonsubject	0	0	1
Payment terms	US v. Nonsubject	0	1	0
Price	US v. Nonsubject	0	0	1
Produced using Bedloe technology (i.e., StratoMax products with Bedloe technology)	US v. Nonsubject	0	0	0
Product consistency	US v. Nonsubject	0	1	0
Product range	US v. Nonsubject	0	0	1
Quality meets industry standards	US v. Nonsubject	0	1	0
Quality exceeds industry standards	US v. Nonsubject	0	1	0
Reliability of supply	US v. Nonsubject	0	1	0
Technical support/service	US v. Nonsubject	0	1	0
U.S. transportation costs	US v. Nonsubject	0	0	1

Table continued on next page.

Table II-17 Continued

FRCs: Count of importer/purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Availability	China v. Nonsubject	0	1	0
Bundle freights rail couplers with complete undercarriages and/or other railcar parts	China v. Nonsubject	0	0	0
Delivery terms	China v. Nonsubject	0	1	0
Delivery time	China v. Nonsubject	0	1	0
Discounts offered	China v. Nonsubject	0	1	0
Minimum quantity requirements	China v. Nonsubject	0	1	0
Packaging	China v. Nonsubject	0	1	0
Payment terms	China v. Nonsubject	0	1	0
Price	China v. Nonsubject	0	1	0
Produced using Bedloe technology (i.e., StratoMax products with Bedloe technology)	China v. Nonsubject	0	1	0
Product consistency	China v. Nonsubject	1	0	0
Product range	China v. Nonsubject	0	1	0
Quality meets industry standards	China v. Nonsubject	0	1	0
Quality exceeds industry standards	China v. Nonsubject	0	1	0
Reliability of supply	China v. Nonsubject	0	1	0
Technical support/service	China v. Nonsubject	0	1	0
U.S. transportation costs	China v. Nonsubject	0	1	0

Table continued on next page.

Table II-17 Continued

FRCs: Count of importer/purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Availability	Mexico v. Nonsubject	1	0	0
Bundle freights rail couplers with complete undercarriages and/or other railcar parts	Mexico v. Nonsubject	0	0	0
Delivery terms	Mexico v. Nonsubject	0	1	0
Delivery time	Mexico v. Nonsubject	1	0	0
Discounts offered	Mexico v. Nonsubject	0	1	0
Minimum quantity requirements	Mexico v. Nonsubject	1	0	0
Packaging	Mexico v. Nonsubject	0	0	1
Payment terms	Mexico v. Nonsubject	1	0	0
Price	Mexico v. Nonsubject	0	0	1
Produced using Bedloe technology (i.e., StratoMax products with Bedloe technology)	Mexico v. Nonsubject	0	1	0
Product consistency	Mexico v. Nonsubject	0	1	0
Product range	Mexico v. Nonsubject	1	0	0
Quality meets industry standards	Mexico v. Nonsubject	0	1	0
Quality exceeds industry standards	Mexico v. Nonsubject	0	1	0
Reliability of supply	Mexico v. Nonsubject	1	0	0
Technical support/service	Mexico v. Nonsubject	0	1	0
U.S. transportation costs	Mexico v. Nonsubject	0	1	0

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

Note: A rating of superior means that price/U.S. transportation cost is generally lower for the first country's product. For example, if a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.

Comparison of U.S.-produced and imported FRCs

In order to determine whether U.S.-produced FRCs can generally be used in the same applications as imports from China and Mexico, U.S. producers and importer/purchasers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in tables II-18 and II-19, most U.S. producers and importer/purchasers indicated that FRCs from all sources were always or frequently interchangeable.

Table II-18
FRCs: 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
U.S. vs. China	***	***	***	***
U.S. vs. Mexico	***	***	***	***
U.S. vs. other	***	***	***	***
China vs. Mexico	***	***	***	***
China vs. Other	***	***	***	***
Mexico vs. Other	***	***	***	***

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

Table II-19
FRCs: Count of importer/purchasers reporting the interchangeability between product produced in the United States and in other countries, by country pair

Country pair	Always	Frequently	Sometimes	Never
U.S. vs. China	6	1	1	0
U.S. vs. Mexico	6	1	0	0
U.S. vs. other	5	1	0	0
China vs. Mexico	6	1	1	0
China vs. Other	1	1	0	0
Mexico vs. Other	1	1	0	0

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

In additional comments, importer/purchaser *** stated that while FRCs from different sources are required to be interoperable, it does not consider Chinese FRCs with Bedloe technology to be interoperable with U.S. and Mexican FRCs that do not have Bedloe technology. Importer/purchaser *** also indicated that FRCs from different sources should be interchangeable, but *** added that some U.S.-made coupler components do not always work well with other components from the same U.S. manufacturer. Importer/purchaser *** stated that U.S. and Chinese FRCs may be interchangeable, but also may not be because U.S.-produced FRCs are usually high quality while Chinese FRCs are of varied and sometimes lower quality.

In addition, U.S. producers and importer/purchasers were asked to assess how often differences other than price were significant in sales of FRCs from the United States, subject, or nonsubject countries. As seen in tables II-20 and II-21, U.S. producers described such differences as sometimes or never significant, while importer/purchasers generally described such differences as either always or sometimes significant.

Table II-20

FRCs: 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
U.S. vs. China	***	***	***	***
U.S. vs. Mexico	***	***	***	***
U.S. vs. other	***	***	***	***
China vs. Mexico	***	***	***	***
China vs. Other	***	***	***	***
Mexico vs. Other	***	***	***	***

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

Table II-21

FRCs: Count of importer/purchasers 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
U.S. vs. China	5	0	3	0
U.S. vs. Mexico	2	0	3	1
U.S. vs. other	3	0	2	0
China vs. Mexico	5	0	3	0
China vs. Other	1	0	1	0
Mexico vs. Other	1	0	1	0

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

In additional comments, importer/purchaser *** stated that it prefers the FRCs made with Bedloe technology that it can only obtain from Chinese producers. Importer/purchaser *** also described *** Bedloe technology as exceeding AAR specifications and allowing much lower failure rates as well as longer FRCs useful life. Among factors listed by other importer/purchasers as being significant, quality was listed by ***, availability and bundling were listed by ***, and availability, reliability of supply, quality, and transportation costs were listed by ***.

Elasticity estimates

This section discusses elasticity estimates; parties were encouraged to comment on these estimates as an attachment to their prehearing or posthearing briefs. A party comment from the hearing and one from a posthearing brief are noted below.

U.S. supply elasticity

The domestic supply elasticity for FRCs measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of FRCs. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced FRC. Analysis of these factors above indicates that the U.S. industry has the ability to increase or decrease shipments to the U.S. market; an estimate in the range of 4 to 8 is suggested.³⁴ To the extent importer/purchaser reports of domestic inability to supply the U.S. market right now are correct (despite reported low levels of U.S. capacity utilization), the range might be lower.

U.S. demand elasticity

The U.S. demand elasticity for FRCs measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of FRCs. This estimate depends on factors discussed above such as the existence, availability, and commercial viability of substitute products, as well as the component share of the FRCs in the production of any downstream products. Based on the available information, the aggregate demand for FRCs is likely to be highly inelastic; a range of -0.25 to -0.5 is suggested.

Substitution elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.³⁵ Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, appearance, etc.) and conditions of sale (e.g., availability, sales terms/discounts/promotions, etc.). Based on available information, the elasticity of substitution between U.S.-produced FRCs and imported FRCs is likely to be in the range of 4 to 7.³⁶ Factors contributing to the higher-end level of substitutability include little preference for a particular country of origin, similarities between domestically produced FRCs and FRCs imported from China and Mexico across multiple purchase factors, and the high

³⁴ In its posthearing brief, petitioner described changes in M&T's labor force in 2022 as consistent with the staff's estimated elasticity here. Petitioner's posthearing brief, answers to staff questions, p. 4.

³⁵ The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

³⁶ At the hearing, petitioner's economist stated that he believed the elasticity of substitution might be even higher than this range. Hearing transcript, p. 42 (Kaplan).

degree of interchangeability between domestic and subject sources from China and Mexico. Factors reducing substitutability include differences in availability, lead times, and certain purchasers' preference for certain types of FRCs only available only from China.

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 all known U.S. production of FRCs during 2022.

U.S. producers

The Commission issued U.S. producer questionnaires to four firms, two of which provided usable data on their operations.¹ Staff believe that these responses represent virtually all U.S. production of FRCs in 2022.²

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

¹ These firms were identified based on information contained in the petitions, industry sources, and information from the FRC I investigations.

² Staff received a U.S. producer questionnaire from Huron in the preliminary phase of these investigations, but did not in this final phase. In the preliminary phase of these investigations, Huron accounted for ***. Staff also sent a U.S. producer questionnaire to ***, based on information it provided in its ***. ***.

Table III-1

FRCs: U.S. producers, their positions on the petition, production locations, and shares of reported production, 2022

Firm	Position on petition	Production location(s)	Share of production
Amsted	***	Granite City, IL	***
M&T	Petitioner	Pittsburgh, PA	***
All firms	Various	Various	***

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. As discussed in greater detail below, one U.S. producer, ***, directly imports the subject merchandise and is related to a foreign producer of the subject merchandise.

Table III-2

FRCs: 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.

*** reported changes in the character of their operations or organization relating to the production of FRCs since January 1, 2020 (table III-3). *** reported ***,³ *** reported ***.

Table III-3
FRCs: U.S. producers' reported changes in operations, since January 1, 2020

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

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

³ M&T also noted that ***. M&T's U.S. producer questionnaire response, question II-2b.

U.S. production, capacity, and capacity utilization

Tables III-4 and III-5 present U.S. producers' installed capacity, practical capacity, and production on the same equipment and reported constraints to practical overall capacity.⁴ Installed capacity *** during 2020-22, while practical overall capacity, which includes capacity for products other than FRCs produced on the same equipment, rose slightly during 2020-22.⁵

Table III-4

FRCs: U.S. producers' overall capacity, production and capacity 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 FRCs	Capacity	***	***	***
Practical FRCs	Production	***	***	***
Practical FRCs	Utilization	***	***	***

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

⁴ See the U.S. producers' questionnaire at p. 10 for the definitions of the different types of reported capacity.

⁵ ***. Email from ***, April 19, 2023.

Table III-5

FRCs: 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
Existing labor force	***
Other constraints	***
Other constraints	***

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

Table III-6 and figure III-1 present U.S. producers' production, capacity, and capacity utilization. During 2020-22, capacity and production increased overall, resulting in an overall increase in capacity utilization. In each year for which data were reported, *** accounted for *** of capacity and production, although *** share of production increased during 2020-22.⁶

U.S. producers' capacity increased overall by *** percent during 2020-22, initially decreasing from *** pounds in 2020 to *** pounds in 2021, before increasing to *** pounds in 2022. While Amsted's capacity *** during 2020-22, M&T's capacity *** during the same period, from *** pounds in 2020 to *** pounds in 2022.

U.S. producers experienced an overall increase in production, from *** pounds in 2020 to *** pounds in 2022, with most of the increase occurring between 2021 and 2022. Between 2021 and 2022, ***'s reported production ***, and ***'s reported production ***.

U.S. producers' capacity utilization increased overall during 2020-22, initially decreasing from *** percent in 2020 to *** percent in 2021, then rising to *** percent in 2022 for a total increase of *** percentage points during 2020-22.

⁶ M&T noted in its questionnaire that ***.

Table III-6
FRCs: Firm-by-firm capacity, by period

Practical FRCs Capacity

Capacity in 1,000 pounds

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

Table continued.

Table III-6 Continued
FRCs: Firm-by-firm production, by period

FRCs Production

Production in 1,000 pounds

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

Table continued.

Table III-6 Continued
FRCs: Firm-by-firm capacity utilization, by period

Capacity utilization

Ratio in percent

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

Table continued.

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

Table continued.

Table III-6 Continued
FRCs: Firm-by-firm share of production, by period

Share of production

Share in percent

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

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

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

* * * * *

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

Table III-7 presents U.S. producers' capacity, production, and capacity utilization in each month of 2022. Based on these data, ***.⁷ The increase in production and, as discussed below, shipments, may be attributable, at least in part, to a *** increase in ***.⁸

⁷ Emails from *** and ***, April 19, 2023.

⁸ See ***'s importer/purchaser questionnaire response, Part IV. ***. Staff telephone interview with ***. See also *** 2022 Annual Report, https://s25.q4cdn.com/774532758/files/doc_financials/2022/ar/2022-annual-report.pdf accessed April 21, 2023.

Table III-7
FRCs: Firm-by-firm capacity in 2022, by month

Practical FRCs Capacity

Capacity in 1,000 pounds

Month	Amsted	M&T	All producers
January	***	***	***
February	***	***	***
March	***	***	***
April	***	***	***
May	***	***	***
June	***	***	***
July	***	***	***
August	***	***	***
September	***	***	***
October	***	***	***
November	***	***	***
December	***	***	***

Table continued.

Table III-7 Continued
FRCs: Firm-by-firm production in 2022, by month

FRCs Production

Production in 1,000 pounds

Month	Amsted	M&T	All producers
January	***	***	***
February	***	***	***
March	***	***	***
April	***	***	***
May	***	***	***
June	***	***	***
July	***	***	***
August	***	***	***
September	***	***	***
October	***	***	***
November	***	***	***
December	***	***	***

Table continued.

Table III-7 Continued

FRCs: Firm-by-firm capacity utilization in 2022, by month

Capacity utilization

Ratio in percent

Month	Amsted	M&T	All producers
January	***	***	***
February	***	***	***
March	***	***	***
April	***	***	***
May	***	***	***
June	***	***	***
July	***	***	***
August	***	***	***
September	***	***	***
October	***	***	***
November	***	***	***
December	***	***	***

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

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

Alternative products

As shown in table III-8, FRCs share of overall production using the same equipment and workers decreased by *** percentage points during 2020-22, though it was highest in 2021, accounting for *** percent of overall production. *** U.S. producers reported producing other products using the same equipment, machinery, or employees as used to produce FRCs. These products included ***.

The responding U.S. producers described market constraints as a limiting factor of production and production capacity. ***, which accounted for the majority of alternative production, reported that it is able to switch production between FRCs and other products using the same equipment and/or labor. *** noted that it that was not able to switch production/capacity between FRCs and other products, but was involved in the production of ***. Reported factors that affect the ability to shift production capacity between products included ***.

Table III-8
FRCs: All U.S. producers: Overall production on the same equipment as subject production, by period

Quantity in 1,000 pounds; shares in percent

Product type	Measure	2020	2021	2022
FRCs	Quantity	***	***	***
Other	Quantity	***	***	***
All product types	Quantity	***	***	***
FRCs	Share	***	***	***
Other	Share	***	***	***
All product types	Share	***	***	***

Table continued.

Table III-8 Continued

FRCs: U.S. producer Amsted: Overall production on the same equipment as subject production, by period

Quantity in 1,000 pounds; shares in percent

Product type	Measure	2020	2021	2022
FRCs	Quantity	***	***	***
Other	Quantity	***	***	***
All product types	Quantity	***	***	***
FRCs	Share	***	***	***
Other	Share	***	***	***
All product types	Share	***	***	***

Table continued.

Table III-8 Continued

FRCs: U.S. producer M&T: Overall production on the same equipment as subject production, by period

Quantity in 1,000 pounds; shares in percent

Product type	Measure	2020	2021	2022
FRCs	Quantity	***	***	***
Other	Quantity	***	***	***
All product types	Quantity	***	***	***
FRCs	Share	***	***	***
Other	Share	***	***	***
All product types	Share	***	***	***

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

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

Table III-9 presents U.S. producers' U.S. shipments, export shipments, and total shipments. The vast majority of U.S. producers' total shipments were of U.S. commercial shipments; no U.S. producer reported internal consumption or transfer to related firms. Export shipments accounted for a *** share of total U.S. shipments.⁹

Despite initial decreases between 2020 and 2021, the quantity and value of U.S. producers' U.S. shipments increased overall from *** pounds (\$***) in 2020 to *** pounds (\$***) in 2022, for overall increases of *** percent by quantity and *** percent by value during 2020-22. M&T ***. Amsted, ***.

*** reported export shipments, primarily to ***. The quantity and value of these export shipments increased during 2020-22 by *** percent and *** percent, respectively. The average unit value of U.S. shipments increased during 2020-22, while the average unit value of export shipments decreased during the same period.

⁹ Additional information on U.S. producers' U.S. shipments by product type and by channel of distribution is available in Part IV and Appendix G.

Table III-9**FRCs: U.S. producers' total shipments, by destination and period**

Quantity in 1,000 pounds; value in 1,000 dollars; unit value in dollars per 1,000 pounds; 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	***	***	***
U.S. shipments	Share of value	***	***	***
Export shipments	Share of value	***	***	***
Total shipments	Share of value	***	***	***

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

U.S. producers' inventories

Table III-10 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. During 2020-22, U.S. producers' end-of-period inventories decreased by *** percent, and the ratios of inventories to U.S. production, U.S. shipments, and total shipments decreased by ***, ***, and *** percentage points, respectively. Despite *** reporting an increase in end-of-period inventories, ***, which held *** of reported end-of-period inventories in each year, reported an *** percent decrease in *** end-of-period inventories during 2020-22.

Table III-10**FRCs: 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 and purchases from subject sources

As noted above, one U.S. producer, ***, directly imported the subject merchandise during 2020-22.^{10 11} ***'s U.S. production, imports, and ratio of subject imports to production are shown below in table III-11 and reason(s) for importing in table III-12. Although the ratio of the firm's subject imports to its U.S. production *** during 2020-22, in each period for which data were reported, the quantity of ***'s subject imports *** U.S. production.

In addition to directly importing the subject merchandise, ***, ***,¹²

Table III-11

FRCs: *'s U.S. production, U.S. imports, and ratio of imports to production, by period**

Quantity in 1,000 pounds; ratio in percent

Item	Measure	2020	2021	2022
U.S. production	Quantity	***	***	***
Imports from Mexico	Quantity	***	***	***
Imports from Mexico to U.S. production	Ratio	***	***	***

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

¹⁰ In the preliminary phase of these investigations, the Commission found appropriate circumstances to exclude *** as a related party. Certain Freight Rail Couplers and Parts Thereof from China and Mexico, Investigation Nos. 701-TA-682 and 731-TA-1592-1593 (Preliminary), USITC Publication 5387, pp. 26-27.

¹¹ A summary of the data collected in these investigations excluding *** can be found in Appendix C, table C-2, and in Appendix H.

¹² *** primary customers in the United States are ***, *** U.S. producer questionnaire, question II-16.

Table III-12
FRCs: *'s reasons for importing**

Item	Narrative response on reasons for importing
***'s reason for importing	***

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

U.S. employment, wages, and productivity

Table III-13 shows U.S. producers' employment-related data. As discussed in greater detail below, most indicators related to employment generally improved overall during 2020-22, with most of the increase occurring between 2021 and 2022.

The number of production and related workers ("PRWs") initially fell from *** PRWs in 2020 to *** PRWs in 2021, but then increased by *** PRWs in 2022, for an overall increase of *** percent during the period. Total hours worked and hours worked per PRW increased during 2020-22 by *** percent and *** percent, respectively. Productivity decreased overall by *** percent during 2020-22, but increased *** percent between 2021 and 2022.

Hourly wages for PRWs increased each year during 2020-22 from \$*** per hour in 2020 to \$*** per hour in 2022. Unit labor costs increased by *** percent during 2020-22, from \$*** per 1,000 pounds in 2020 to \$*** per 1,000 pounds in 2022, though were highest in 2021 at \$*** per 1,000 pounds.

Table III-13
FRCs: 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 1,000 pounds)	***	***	***

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

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

U.S. importers

The Commission issued questionnaires to 27 firms believed to be importers and/or purchasers of subject FRCs, as well as to all U.S. producers of FRCs.¹ Usable questionnaire responses were received from six companies.² ***.³ Based on best available information, the data reported by these six companies is believed to account for the vast majority of subject imports from China and Mexico. There were no reported imports of FRCs from nonsubject sources in 2022.

Four U.S. importers reported imports of FRCs from China in 2022. Two firms, ***, accounted for *** percent of reported subject imports from China in 2022.⁴ Three U.S. importers reported imports of FRCs from Mexico, with *** accounting for *** percent of reported subject imports from Mexico.

¹ The Commission issued questionnaires to those firms identified in the petition for which usable contact information could be obtained, 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 subheading 8607.30.10 in 2021. Imports under HTS subheading 8607.30.10 include merchandise outside the scope of these investigations, including products such as yokes, follower blocks, housings for draft gears, drawbars, front followers, followers for articulated connectors, and ring seats for articulated connectors. See also emails from ***, and from *** April 27, 2023.

² Five firms submitted certified responses stating that they did not import FRCs into the United States: ***.

³ Emails from ***, and from *** April 27, 2023.

⁴ *** percent of reported subject imports from China in 2022.

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

Share in percent

Firm	Headquarters	China	Mexico	Subject sources	Nonsubject sources	All import sources
Amsted	Chicago, IL	***	***	***	***	***
FCA	Chicago, IL	***	***	***	***	***
Greenbrier	Lake Oswego, OR	***	***	***	***	***
Strato	Piscataway, NJ	***	***	***	***	***
Trinity	Dallas, TX	***	***	***	***	***
Wabtec	Pittsburgh, PA	***	***	***	***	***
All firms	Various	***	***	***	***	***

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. imports

Tables IV-2 and IV-3 and figure IV-1 present data for U.S. imports of FRCs from China and Mexico. The quantity of U.S. imports of FRCs from subject sources decreased overall during 2020-22 by *** percent. Most of the decline occurred between 2021 and 2022, when the volume of U.S. imports from China decreased by ***. Conversely, however, the value of subject imports increased during 2020-22 by *** percent, primarily due to the increase in the value from 2021 to 2022 of subject imports from Mexico.

In 2020, U.S. imports from China and Mexico each accounted *** of total imports, with imports from China accounting for a slightly smaller share that decreased during the period. Imports from Mexico accounted for an increasing majority of total U.S. imports, by 2022 accounting for *** percent by quantity and *** percent by value.

The average unit value (“AUV”) of subject imports increased overall during 2020-22 by *** percent, and was lowest in 2020 due to ***. In each year for which data were reported, the AUV of subject imports from Mexico *** than the AUV of subject imports from China. While the AUV of subject imports from each source increased overall, the trend year-by-year differed by source. During 2020-22, the AUV of subject imports from China increased each year during 2020-22, while the AUV of subject imports from Mexico initially decreased between 2020 and 2021 by \$***, then increased between 2021 and 2022 by \$*** to end in 2022 with a \$*** overall increase during the period.

Table IV-2
FRCs: U.S. imports, by source and period

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

Source	Measure	2020	2021	2022
China	Quantity	***	***	***
Mexico	Quantity	***	***	***
Subject sources	Quantity	***	***	***
Nonsubject sources	Quantity	***	***	***
All import sources	Quantity	***	***	***
China	Value	***	***	***
Mexico	Value	***	***	***
Subject sources	Value	***	***	***
Nonsubject sources	Value	***	***	***
All import sources	Value	***	***	***
China	Unit value	***	***	***
Mexico	Unit value	***	***	***
Subject sources	Unit value	***	***	***
Nonsubject sources	Unit value	***	***	***
All import sources	Unit value	***	***	***

Table continued on next page.

Table IV-2 Continued
FRCs: U.S. imports, by source and period

Share and ratio in percent

Source	Measure	2020	2021	2022
China	Share of quantity	***	***	***
Mexico	Share of quantity	***	***	***
Subject sources	Share of quantity	***	***	***
Nonsubject sources	Share of quantity	***	***	***
All import sources	Share of quantity	***	***	***
China	Share of value	***	***	***
Mexico	Share of value	***	***	***
Subject sources	Share of value	***	***	***
Nonsubject sources	Share of value	***	***	***
All import sources	Share of value	***	***	***
China	Ratio	***	***	***
Mexico	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. Zeroes, null values, and undefined calculations are suppressed and shown as “---”.

Table IV-3**FRCs: Changes in U.S. imports between comparison periods, by source and comparison period**

Source	Measure	2020-22	2020-21	2021-22
China	%Δ Quantity	▼ ***	▲ ***	▼ ***
Mexico	%Δ Quantity	▲ ***	▼ ***	▲ ***
Subject sources	%Δ Quantity	▼ ***	▲ ***	▼ ***
Nonsubject sources	%Δ Quantity	***	***	***
All import sources	%Δ Quantity	▼ ***	▲ ***	▼ ***
China	%Δ Value	▼ ***	▲ ***	▼ ***
Mexico	%Δ Value	▲ ***	▼ ***	▲ ***
Subject sources	%Δ Value	▲ ***	▲ ***	▲ ***
Nonsubject sources	%Δ Value	***	***	***
All import sources	%Δ Value	▲ ***	▲ ***	▲ ***
China	%Δ Unit value	▲ ***	▲ ***	▲ ***
Mexico	%Δ Unit value	▲ ***	▼ ***	▲ ***
Subject sources	%Δ Unit value	▲ ***	▼ ***	▲ ***
Nonsubject sources	%Δ Unit value	***	***	***
All import sources	%Δ Unit value	▲ ***	▼ ***	▲ ***

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

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

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

* * * * *

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.⁵ 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.⁶ From September 2021 to August 2022, imports from China and Mexico accounted for *** percent and *** percent, respectively, of the quantity of total imports of FRCs (table IV-4).

Table IV-4
FRCs: U.S. imports in the twelve-month period preceding the filing of the petition, September 2021 through August 2022

Quantity in 1,000 pounds; share in percent

Source of imports	Quantity	Share of quantity
China	***	***
Mexico	***	***
All other sources	***	***
All import sources	***	***

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

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

⁵ 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)).

⁶ Section 771 (24) of the Act (19 U.S.C § 1677(24)).

Critical circumstances⁷

On May 19 and 30, 2023, Commerce issued its final determinations in its countervailing and antidumping duty investigations, respectively, finding that “critical circumstances” exist with regard to imports from China of FRCs by Chongqing Tongyao, Qingdao Sanheshan, the “non-responsive companies,” and the China-wide entity.⁸ In these investigations, if both Commerce and the Commission make affirmative final critical circumstances determinations, certain subject imports may be subject to antidumping and/or countervailing duties retroactive by 90 days from March 3, 2023 and March 13, 2023, the effective dates of Commerce’s preliminary affirmative subsidy and LTFV determinations, respectively. Tables IV-4 and IV-5 and figure IV-2 present imports and inventories of subject imports from China in the pre-petition and post-petition periods. The petitions were filed on September 28, 2022. Consequently, we have treated September 2022 as falling within the pre-petition period. Provisional duties were assessed on U.S. imports from China as a result of the FRC I investigations in the months of April 2022 through part of August 2022. CVD duties rates in those investigations were 265.99 percent ad valorem, and the additional AD duties rates (adjusted for export subsidy offsets) was 116.70 percent ad valorem. In August 2022, as a result of the Commission's final negative injury determination in the FRC I investigations in July of 2022, CBP removed the suspension of liquidation on U.S. imports from China and refunded any provisional duties to U.S. importers.⁹

⁷ When petitioners file timely allegations of critical circumstances, Commerce examines whether there is a reasonable basis to believe or suspect that (1) either there is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at LTFV and that there was likely to be material injury by reason of such sales; and (2) there have been massive imports of the subject merchandise over a relatively short period.

⁸ 88 FR 32184, May 19, 2023, and 88 FR 34485, May 30, 2023, referenced in app. A. The CVD critical circumstances determination includes the companies noted specifically above and “the non-responsive companies.” Commerce’s CVD determination did not find critical circumstances for “all other producers and exporters.” Commerce’s AD critical circumstances determination applies to the China-wide entity.

⁹ U.S. importer *** accounted for the vast majority (*** percent) of U.S. imports from China during this period. *** related to FRCs contain Bedloe technology.

Table IV-4

FRCs: U.S. imports from China subject to Commerce's affirmative final critical circumstances determination, by month

Quantity in 1,000 pounds

Month	Relation to petition	Quantity
May 2022	Before	***
June 2022	Before	***
July 2022	Before	***
August 2022	Before	***
September 2022	Before	***
October 2022	After	***
November 2022	After	***
December 2022	After	***
January 2023	After	***
February 2023	After	***

Table continued.

Table IV-4 Continued

FRCs: U.S. imports from China subject to Commerce's affirmative final critical circumstances determination, by differing number of months before and after the filing of the petition

Quantity in 1,000 pounds

Comparison pre/post petition period	Cumulative before period quantity	Cumulative after period quantity	Difference in percent
1 month	***	***	***
2 months	***	***	***
3 months	***	***	***
4 months	***	***	***
5 months	***	***	***

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

Note: Due to timing of issuance of the final phase investigations' questionnaires, data for March 2023 is not available.

Figure IV-2

FRCs: U.S. imports from China potentially subject to Commerce's final critical circumstances determination, by month

* * * * *

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

Note: Due to timing of issuance of the final phase investigations' questionnaires, data for March 2023 is not available.

Table IV-5

FRCs: U.S. importers' end-of-month U.S. inventories of imports from China subject to Commerce's final critical circumstances determination, by date

Quantity in 1,000 pounds

Date	Quantity	Index
September 30, 2022	***	***
October 31, 2022	***	***
November 30, 2022	***	***
December 31, 2022	***	***
January 31, 2023	***	***
February 28, 2023	***	***

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

Note: Index based on end of period inventories on September 30, 2022, equal to 100.0 percent.

Note: Due to timing of issuance of the final phase investigations' questionnaires, data for March 2023 is not available.

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

The Commission requested that U.S. producers and importers provide information on their U.S. shipments in 2021 based on product type. A summary of these data are presented in table IV-6 and figure IV-3 below. In 2022 coupler fits/assemblies accounted for *** U.S. shipments of FRCs. Coupler bodies accounted for ***, while the majority of ***.¹⁰

¹⁰ Additional information on U.S. producers' and importers' U.S. shipments based on product type, including data on the value of U.S. shipments by product type and the ratio of these shipments to apparent U.S. consumption, is available in Appendixes F and G.

Table IV-6**FRCs: U.S. producers' and U.S. importers' U.S. shipments, by source and product type, 2022**

Quantity in 1,000 pounds

Source	Coupler fit/assembly	Knuckles	Coupler bodies	All coupler fit/assembly components	All product types
U.S. producers	***	***	***	***	***
China	***	***	***	***	***
Mexico	***	***	***	***	***
Subject sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***

Table continued.

Table IV-6 Continued**FRCs: U.S. producers' and U.S. importers' U.S. shipments, by source and product type, 2022**

Share across in percent

Source	Coupler fit/assembly	Knuckles	Coupler bodies	All coupler fit/assembly components	All product types
U.S. producers	***	***	***	***	***
China	***	***	***	***	***
Mexico	***	***	***	***	***
Subject sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***

Table continued.

Table IV-6 Continued**FRCs: U.S. producers' and U.S. importers' U.S. shipments, by source and product type, 2022**

Share down in percent

Source	Coupler fit/assembly	Knuckles	Coupler bodies	All coupler fit/assembly components	All product types
U.S. producers	***	***	***	***	***
China	***	***	***	***	***
Mexico	***	***	***	***	***
Subject sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***
All sources	***	***	***	***	***

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**FRCs: U.S. producers' and U.S. importers' U.S. shipments, by source and product type, 2022**

* * * * * * *

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

As discussed in Parts I and II, U.S. shipments of FRCs with Bedloe technology (shown below in table IV-7 and figure IV-4) were imported exclusively from China- there were no U.S. shipments of imported FRCs from Mexico or U.S.-produced FRCs containing Bedloe technology.¹¹

Table IV-7
FRCs: U.S. producers' and U.S. importers' U.S. shipments, by source and use of Bedloe technology, 2022

Quantity in 1,000 pounds

Source	With Bedloe technology	Without Bedloe technology	All U.S. shipments
U.S. producers	***	***	***
China	***	***	***
Mexico	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
All sources	***	***	***

Table continued.

Table IV-7 Continued
FRCs: U.S. producers' and U.S. importers' U.S. shipments, by source and use of Bedloe technology, 2022

Share across in percent

Source	With Bedloe technology	Without Bedloe technology	All U.S. shipments
U.S. producers	***	***	***
China	***	***	***
Mexico	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
All sources	***	***	***

Table continued.

¹¹ Additional data on U.S. shipments and markets for FRCs with and without Bedloe technology are available in Appendix G.

Table IV-7 Continued

FRCs: U.S. producers' and U.S. importers' U.S. shipments, by source and use of Bedloe technology, 2022

Share down in percent

Source	With Bedloe technology	Without Bedloe technology	All U.S. shipments
U.S. producers	***	***	***
China	***	***	***
Mexico	***	***	***
Subject sources	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
All sources	***	***	***

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-4

FRCs: U.S. producers' and U.S. importers' U.S. shipments, by source and use of Bedloe technology, 2022

* * * * *

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

Geographical markets

Table IV-8 presents U.S. imports of merchandise under HTS statistical reporting number 8607.30.1000, including in- and out-of-scope merchandise, by the border of entry through which they were imported in 2022. Imports from China and nonsubject sources entered primarily through northern and eastern borders. Imports from China and nonsubject sources primarily entered through the Chicago, Illinois and New York, New York customs entry districts. Imports from Mexico entered almost exclusively through southern borders specifically, through the Laredo, Texas customs entry district.

Table IV-8

**Hooks and other coupling devices, buffers and parts thereof, for railway or tramway vehicles:
U.S. imports, by source and by border of entry, 2022**

Quantity in 1,000 pounds

Source	East	North	South	West	All borders
China	7,661	33,268	5,541	6,439	52,909
Mexico	---	---	34,200	---	34,200
Subject sources	7,661	33,268	39,741	6,439	87,110
Nonsubject sources	17,261	3,009	1,914	30	22,214
All import sources	24,922	36,277	41,656	6,470	109,324

Table continued

Table IV-8 Continued

**Hooks and other coupling devices, buffers and parts thereof, for railway or tramway vehicles:
U.S. imports, by source and by border of entry, 2022**

Share across in percent

Source	East	North	South	West	All borders
China	14.5	62.9	10.5	12.2	100.0
Mexico	---	---	100.0	---	100.0
Subject sources	8.8	38.2	45.6	7.4	100.0
Nonsubject sources	77.7	13.5	8.6	0.1	100.0
All import sources	22.8	33.2	38.1	5.9	100.0

Table continued

Table IV-8 Continued

**Hooks and other coupling devices, buffers and parts thereof, for railway or tramway vehicles:
U.S. imports, by source and by border of entry, 2022**

Share down in percent

Source	East	North	South	West	All borders
China	30.7	91.7	13.3	99.5	48.4
Mexico	---	---	82.1	---	31.3
Subject sources	30.7	91.7	95.4	99.5	79.7
Nonsubject sources	69.3	8.3	4.6	0.5	20.3
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 number 8607.30.1000, accessed April 14, 2022. Imports are based on the imports for consumption data series.

Presence in the market

As shown below in tables IV-9 and figures IV-5 and IV-6, subject imports from China and Mexico were present in nearly every month from January 2020 through December 2022. ***.

Table IV-9
FRCs: U.S. imports, by month and source, January 2020 through December 2022

Quantity in 1,000 pounds

Year	Month	China	Mexico	Subject sources	Nonsubject sources	All import sources
2020	January	***	***	***	***	***
2020	February	***	***	***	***	***
2020	March	***	***	***	***	***
2020	April	***	***	***	***	***
2020	May	***	***	***	***	***
2020	June	***	***	***	***	***
2020	July	***	***	***	***	***
2020	August	***	***	***	***	***
2020	September	***	***	***	***	***
2020	October	***	***	***	***	***
2020	November	***	***	***	***	***
2020	December	***	***	***	***	***
2021	January	***	***	***	***	***
2021	February	***	***	***	***	***
2021	March	***	***	***	***	***
2021	April	***	***	***	***	***
2021	May	***	***	***	***	***
2021	June	***	***	***	***	***
2021	July	***	***	***	***	***
2021	August	***	***	***	***	***
2021	September	***	***	***	***	***
2021	October	***	***	***	***	***
2021	November	***	***	***	***	***
2021	December	***	***	***	***	***
2022	January	***	***	***	***	***
2022	February	***	***	***	***	***
2022	March	***	***	***	***	***
2022	April	***	***	***	***	***
2022	May	***	***	***	***	***
2022	June	***	***	***	***	***
2022	July	***	***	***	***	***
2022	August	***	***	***	***	***
2022	September	***	***	***	***	***
2022	October	***	***	***	***	***
2022	November	***	***	***	***	***
2022	December	***	***	***	***	***

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

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

Figure IV-5
FRCs: U.S. imports from individual subject sources, by source and by month, January 2020 through December 2022

Quantity in 1,000 pounds

* * * * *

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

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

Figure IV-6

FRCs: U.S. imports from individual subject sources, by source and by month, January 2020 through December 2022

Quantity in 1,000 pounds

* * * * *

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

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

Table IV-10 and figure IV-7 present U.S. production and subject imports in each month of 2022.

Table IV-10
FRCs: U.S. production and imports in 2022, by month and source

Quantity in 1,000 pounds

Month	U.S. producers	China	Mexico	Subject sources	Nonsubject sources	All import sources
January	***	***	***	***	***	***
February	***	***	***	***	***	***
March	***	***	***	***	***	***
April	***	***	***	***	***	***
May	***	***	***	***	***	***
June	***	***	***	***	***	***
July	***	***	***	***	***	***
August	***	***	***	***	***	***
September	***	***	***	***	***	***
October	***	***	***	***	***	***
November	***	***	***	***	***	***
December	***	***	***	***	***	***

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

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

Figure IV-7
FRCs: U.S. production and imports in 2022, by month and source

Quantity in 1,000 pounds

* * * * *

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

Note: The Commission issued its negative injury determination in the FRC I investigations in July 2022. In August 2022, CBP revoked the CVD and AD orders on FRC systems. See liquidation instructions from Commerce to CBP, dated August 3, 2022.

Apparent U.S. consumption and market shares

Quantity

Table IV-11 and figure IV-8 present data on apparent U.S. consumption and U.S. market shares by quantity for FRCs. The quantity of apparent U.S. consumption increased during 2020-22 by *** percent, initially decreasing from *** pounds in 2020 to *** pounds in 2021, before increasing to *** pounds in 2022. During 2020-22, the market share held by subject imports from China decreased overall by *** percentage points, while the market share held by subject imports from Mexico increased overall by *** percentage points. At the beginning of the period, as illustrated in figure IV-8, subject imports accounted for a majority share in the market, with subject imports from Mexico consistently accounting for the larger share. By 2022, however, U.S. producers' share of apparent U.S. consumption increased by *** percentage points, and accounted for a majority market share.

Table IV-11

FRCs: Apparent U.S. consumption and market shares based on quantity of U.S. shipments, by source and period

Quantity in 1,000 pounds; shares in percent

Source	Measure	2020	2021	2022
U.S. producers: Amsted	Quantity	***	***	***
U.S. producers: M&T	Quantity	***	***	***
U.S. producers: All producers	Quantity	***	***	***
China	Quantity	***	***	***
Mexico	Quantity	***	***	***
Subject sources	Quantity	***	***	***
Nonsubject sources	Quantity	***	***	***
All import sources	Quantity	***	***	***
All sources	Quantity	***	***	***
U.S. producers: Amsted	Share	***	***	***
U.S. producers: M&T	Share	***	***	***
U.S. producers: All producers	Share	***	***	***
China	Share	***	***	***
Mexico	Share	***	***	***
Subject sources	Share	***	***	***
Nonsubject sources	Share	***	***	***
All import sources	Share	***	***	***
All sources	Share	***	***	***

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

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

Figure IV-8
FRCs: Apparent U.S. consumption based on quantity, by source and period

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires

Value

Table IV-12 and figure IV-9 present data on apparent U.S. consumption and U.S. market shares by value for FRCs. Similar to the trends observed in terms of quantity, the quantity of apparent U.S. consumption increased overall during 2020-22 by *** percent. During 2020-22, the market shares held by subject imports from China and Mexico decreased overall by *** and *** percentage points, respectively. At the beginning of the period, as illustrated in figure IV-9, subject imports accounted for a majority share in the market, with subject imports from Mexico consistently accounting for the larger share. By 2022, however, U.S. producers' share of apparent U.S. consumption increased by *** percentage points, and accounted for a majority market share.

Table IV-12
FRCs: Apparent U.S. consumption and market shares based on value of U.S. shipments, by source and period

Value in 1,000 dollars; shares in percent

Source	Measure	2020	2021	2022
U.S. producers: Amsted	Value	***	***	***
U.S. producers: M&T	Value	***	***	***
U.S. producers: All producers	Value	***	***	***
China	Value	***	***	***
Mexico	Value	***	***	***
Subject sources	Value	***	***	***
Nonsubject sources	Value	***	***	***
All import sources	Value	***	***	***
All sources	Value	***	***	***
U.S. producers: Amsted	Share	***	***	***
U.S. producers: M&T	Share	***	***	***
U.S. producers: All producers	Share	***	***	***
China	Share	***	***	***
Mexico	Share	***	***	***
Subject sources	Share	***	***	***
Nonsubject sources	Share	***	***	***
All import sources	Share	***	***	***
All sources	Share	***	***	***

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

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

Figure IV-9
FRCs: 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

The manufacturing process for FRCs includes molding, metal melting, heat treatment,¹ finishing, assembly, testing, and quality control. FRCs are produced from pig iron and ferrous scrap metal using a standard foundry process; prices for FRCs generally follow the price for scrap steel.² Raw material costs as a share of total cost of goods sold (“COGS”) were *** percent in 2020, *** percent in 2021, and *** percent in 2022.³ More than *** of the cost of raw materials was reported to be steel scrap.

Steel scrap costs fluctuated between January 2020 and February 2023, with costs in 2020 generally lower than costs in 2021 and the first half of 2022, which in turn were higher than costs in late 2022 (figure V-1). Overall, prices for no. 1 busheling scrap increased by *** percent during January 2020-February 2023, no. 1 heavy melt scrap increased by *** percent, and shredded auto scrap increased by *** percent.

Energy costs have also increased since 2020 (figure V-2). Between January 2020 and March 2023, prices for electricity for industrial users increased 24.2 percent, although such prices were 49.3 percent above January 2020 levels in August 2022. Between January 2020 and March 2023, prices for natural gas for commercial users increased 67.5 percent, although such prices were 101.4 percent above their January 2020 levels in September 2022.

¹ Common energy sources for metal melting and heat treatment are electricity and gas. M&T stated that electricity and gas are approximately 25 percent of its costs to produce FRC. The firm noted that most of its electricity is generated by gas and that it experiences large savings because Pittsburgh has relatively low gas rates. FRC I conference transcript, p. 65 (Mautino).

² Petitions, Volume 1, Part I, pp. 10, 29.

³ For more information on COGS, please see table VI-1 in Part VI.

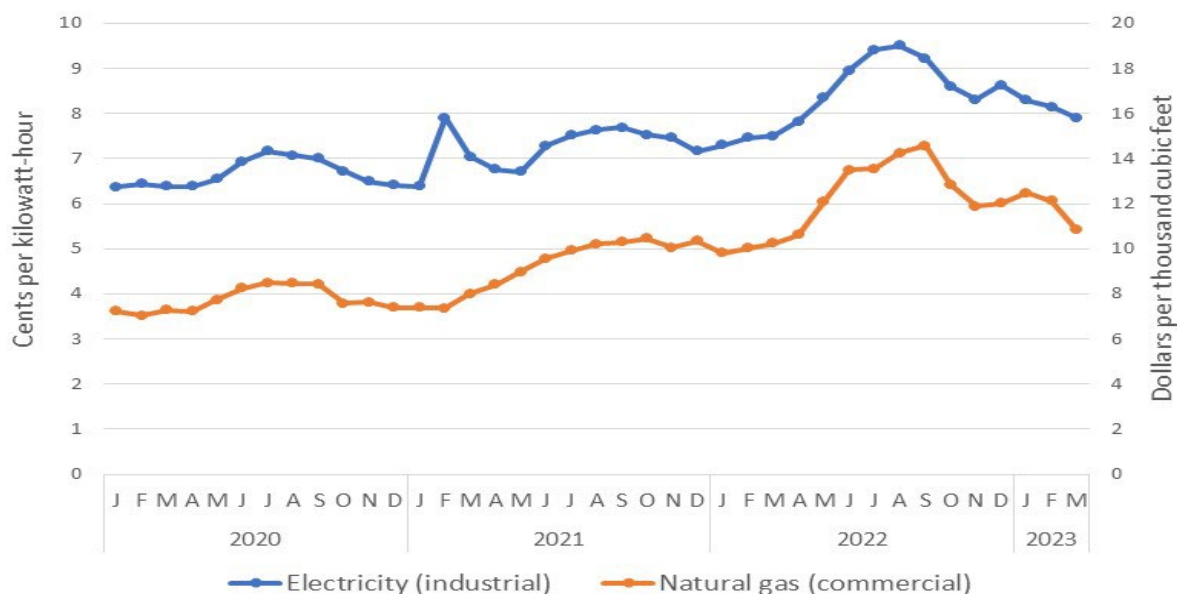
Figure V-1
Raw materials: Monthly U.S. ferrous scrap prices, January 2020-February 2023

* * * * *

Source: American Metal Market LLC, accessed March 31, 2023.

Note: Data associated with this figure are provided in Appendix K.

Figure V-2
Energy: Monthly U.S. industrial electricity and commercial natural gas prices, January 2020-March 2023



Source: U.S. Energy Information Administration, <https://www.eia.gov/dnav/ng/hist/n3020us3m.htm> and <https://www.eia.gov/electricity/data/browser/#/topic/7?agg=0,1&linechart=ELEC.PRICE.US-COM.M&freq=M&start=201901&end=202207>, accessed April 3, 2023, May 25, 2023, and June 2, 2023.

Note: Data associated with this figure are provided in Appendix K.

*** and six responding importer/purchasers⁴ reported that their cost of raw materials has increased since January 1, 2020. (One producer and two importer/ purchasers described the increase as steady, while one producer and four importer/purchasers described the increase as fluctuating.) One importer/purchaser described raw materials prices as constant. Importer/purchaser *** described its selling prices as having increased since 2018, reflecting higher raw material costs. It added that raw materials include scrap steel and alloys, and that ***. Importer/purchaser *** stated that its costs of scrap steel increased by 31 percent from 2020 to 2021, or 20 percent from 2020 to 2022. Three other importer/purchasers also described increased steel costs as increasing their FRCs prices or surcharges. However, U.S. producer *** stated that while steel costs had increased, ***.

Four importer/purchasers stated that raw material cost information had not affected their firm's negotiations or contracts to purchase FRCs since January 1, 2020, but four stated that it had. Importer/purchaser *** stated that it ***. Importer/purchaser *** also stated that ***. Other importer/purchasers describing raw material cost information as having affected contracts described raw material costs as rising and/or fluctuating.⁵

Impact of section 232 tariffs

*** and four responding importer/purchasers indicated that the section 232 tariffs had not had an impact on the FRCs market, including on cost, prices, supply, or demand.

⁴ In these investigations, the Commission sent combined importer/purchaser questionnaires to firms that either imported or purchased FRCs, or both imported and purchased. In this chapter, firms that responded to these questionnaires are referred to as "importer/purchasers," even if their response is relevant to their role exclusively as an importer or as a purchaser.

⁵ In its postconference brief, Amsted noted that in May 2022 it instituted a surcharge to its shipments. It uses a U.S. Bureau of Labor Statistics data series (Total Manufacturing Industries Data Series of the Producer Price Index) to compute the surcharge rate, but despite the index having increased 8.96 percent by September 2022 over the base year (2019), it capped its surcharge at 6 percent. Amsted's postconference brief, exhs. 1 and 2.

Transportation costs to the U.S. market

Transportation costs for FRCs shipped from subject countries to the United States averaged 18.1 percent for those imported from China and 0.8 percent for those imported from Mexico during 2022. These estimates were derived from official import data and represent the transportation and other charges on imports.⁶

U.S. inland transportation costs

Two U.S. producers and three responding importer/purchasers reported that FRCs purchasers typically arrange transportation.⁷ U.S. producer *** reported that its U.S. inland transportation costs were 12 percent while two importer/purchasers reported costs of 1 to 4 percent.

Pricing practices

Pricing methods

U.S. producers and importers reported setting prices using transaction-by-transaction negotiations, contracts, and price lists (table V-1). Importer/purchaser *** stated that, during repairs, maintenance yards use average price rates for components as published by the AAR. It continued that it also uses the AAR price list as a reference in setting its own prices.

Table V-1
FRCs: Count of U.S. producers' and importers' reported price setting methods

Method	U.S. producers	Importers
Transaction-by-transaction	***	***
Contract	***	***
Set price list	***	***
Other	***	***
Responding firms	2	3

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.

⁶ 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 8607.30.1000.

⁷ Three importer/purchasers reported shipping FRCs from a storage facility rather than their point of importation.

U.S. producers reported selling FRCs under annual contracts, spot sales, and long-term contracts. ***.⁸ U.S. importer/purchasers reported selling most of their FRCs under long-term contracts, but also some via annual contracts and spot sales (table V-2). Additionally, TTX stated that most of its purchases from Strato are pursuant to *** under a long-term supply agreement ***.⁹

Table V-2
FRCs: 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.

Among U.S. producers, contracts fixed ***. *** contracts allowed price renegotiation and *** did not. U.S. producers' contracts usually were indexed to raw materials prices, except for ***. U.S. producers used indexes or surcharges in their contracts to cover the costs of ***. Long-term contracts were for ***. At the hearing, petitioner described Class I railroads as often seeking three-year contracts that fix price but have only estimates (based on past consumption) for volumes.¹⁰ Amsted indicated that it will agree to pricing concessions in long-term contracts in exchange for minimum volumes.¹¹

Among U.S. importer/purchasers, sales contracts usually ***. Long-term sales contracts allowed for price renegotiation while short-term and annual contracts did not. Contracts usually were indexed to raw material

⁸ Petitioner's prehearing brief, p. 85.

⁹ Prehearing brief of TTX, pp. 27, 41-42, and posthearing brief of TTX, responses to Commissions' questions, pp. 12-17.

¹⁰ Hearing transcript, pp. 80-81 (Mautino). See also Amsted's posthearing brief, answers to Commission questions, pp. 31-32, and petitioner's posthearing brief, answers to Commission questions, p. 28.

¹¹ Hearing transcript, p. 168 (Oesch).

costs, covering the same costs (***) as those of U.S. producers. Long term contracts were for ***.

Six importer/purchasers reported that they purchase product weekly, four purchase monthly, and three purchase daily. Additionally, *** purchases on an as-needed basis, and *** purchases pursuant to annual contracts, usually at least once a week.

Eleven responding importer/purchasers reported that their purchasing frequency had not changed since 2020. Four indicated that it had, with three citing increased purchases due to increased demand for railcars, especially since the demand downturn in 2020. *** indicated that changes in the type of railcars ordered had changed the frequency of its orders.

Most importer/purchasers contact 1 to 5 suppliers before making a purchase, although three importer/purchasers (***) reported sometimes contacting as many as 12.

Thirteen of 15 responding importer/purchasers indicated that their purchases involve negotiations with their suppliers. These negotiations cover price, lead times, quality, and availability, as well as sometimes other factors such as transportation costs, surcharges, and payment terms. *** indicated that they negotiate FRCs purchases as parts of larger purchases with suppliers that supply other railcar components as well. Six importer/purchasers stated that they never disclose competing prices from other suppliers during negotiations, while one stated that it used market knowledge of other offered prices during negotiations.

Eleven importer/purchasers stated that they had not changed FRCs suppliers since January 1, 2020. Four stated that they had. ***.

Sales terms and discounts

U.S. producers and importers typically quote prices on an f.o.b. basis. U.S. producers and importers offered a mix of quantity, total volume, and/or no discounts. For example, U.S. producer *** offered ***

***. U.S. producer *** offered ***.

Price leadership

Six importer/purchasers reported that there were no price leaders in the FRCs market, or that they were unaware of any. Five firms named price leaders, listing Amsted (listed by two firms), M&T (listed by two firms), Progress, and Wabtec. *** described three of the above FRCs suppliers as leading due to a lack of competition among FRCs suppliers. *** described Progress as leading by being the first supplier to raise prices. Similarly, *** described M&T as the first supplier to raise prices. *** described Amsted as leading through its adherence to raw-material-cost based pricing. One firm also listed the AAR, stating that the AAR collects and publishes prices paid by railroads such that other purchasers then negotiate prices based on AAR-published prices.

Price data

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of the following FRCs products shipped to unrelated U.S. customers during January 2020-December 2022.

Product 1.--SE60, Grade E steel coupler (also known as an “assembly” or a “fit”), double shelves, 21.5” shank length, produced to AAR M-211 and/or AAR M-215 specifications.¹²

Product 2.--SBE60, Grade E steel coupler (also known as an “assembly” or a “fit”), bottom shelf, 21.5” shank length, produced to AAR M-211 and/or AAR M-215 specifications.

Product 3.—E50 coupler knuckle, grade E steel, produced to AAR M-211 and/or AAR M-215 specifications¹³

Product 4.--SE60 coupler body, grade E steel, double shelves, produced to AAR M-211 and/or AAR M-215 specifications.¹⁴

¹² Product 1 is the same as product 1 in the preliminary phase of these investigations.

¹³ Pricing product 3 is an individual knuckle sold separately from a coupler “assembly” or “fit”. Firms were instructed not to report or include knuckles sold as part of a coupler “assembly” or “fit”. This product is the same as product 2 in the preliminary phase of these investigations.

Product 5.--SBE60 coupler body, grade E steel, bottom shelf, produced to AAR M-211 and/or AAR M-215 specifications.¹⁵

Two U.S. producers, three importers of Chinese FRCs, and one importer of Mexican FRCs provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.¹⁶ Pricing data reported by these firms accounted for approximately *** percent of U.S. producers' 2022 U.S. commercial shipments of FRCs, *** percent of 2022 U.S. commercial shipments of subject imports from China, and *** percent of 2022 U.S. commercial shipments of subject imports from Mexico.^{17 18} At the hearing, Amsted stated that it offers FRCs at the same prices from its U.S. and Mexican production facilities, although differences in customers and the timing of contracts may result in different quarterly prices overall.¹⁹

Price data for products 1-5 are presented in tables V-3 to V-7 and figures V-3 to V-7. Pricing product data includes that reported by ***. Appendix L shows pricing data excluding ***.

(...continued)

¹⁴ Pricing product 4 is an individual coupler body sold separately from a coupler "assembly" or "fit". Firms were instructed not to report or include coupler bodies sold as part of a coupler "assembly" or "fit".

¹⁵ Pricing product 5 is an individual coupler body sold separately from a coupler "assembly" or "fit". Firms were instructed not to report or include coupler bodies sold as part of a coupler "assembly" or "fit". This product is similar to product 3 in the preliminary phase of these investigations, with the phrase "bottom shelf" added in this phase.

¹⁶ 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.

¹⁷ Pricing coverage is based on U.S. shipments reported in questionnaires.

¹⁸ Importer/purchaser *** provided a few quarters of data with ***. Staff did not use these data.

¹⁹ Hearing transcript, p. 126 (Cumming).

Table V-3

FRCs: 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 1,000 pounds, quantity in 1,000 pounds, margin in percent.

Period	U.S. price	U.S. quantity	China price	China quantity	China 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	***	***	***	***	***	***	***	***

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 "---".

Note: Product 1: SE60, Grade E steel coupler (also known as an "assembly" or a "fit"), double shelves, 21.5" shank length, produced to AAR M-211 and/or AAR M-215 specifications.

Figure V-3

FRCs: 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: SE60, Grade E steel coupler (also known as an “assembly” or a “fit”), double shelves, 21.5” shank length, produced to AAR M-211 and/or AAR M-215 specifications.

Table V-4

FRCs: 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 1,000 pounds, quantity in 1,000 pounds, margin in percent.

Period	U.S. price	U.S. quantity	China price	China quantity	China 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	***	***	***	***	***	***	***	***

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 "---".

Note: Product 2: SBE60, Grade E steel coupler (also known as an "assembly" or a "fit"), bottom shelf, 21.5" shank length, produced to AAR M-211 and/or AAR M-215 specifications.

Figure V-4

FRCs: 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: SBE60, Grade E steel coupler (also known as an “assembly” or a “fit”), bottom shelf, 21.5” shank length, produced to AAR M-211 and/or AAR M-215 specifications.

Table V-5

FRCs: 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 1,000 pounds, quantity in 1,000 pounds, margin in percent.

Period	U.S. price	U.S. quantity	China price	China quantity	China 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	***	***	***	***	***	***	***	***

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

Note: Product 3: E50 coupler knuckle, grade E steel, produced to AAR M-211 and/or AAR M-215 specifications

Figure V-5
FRCs: 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: E50 coupler knuckle, grade E steel, produced to AAR M-211 and/or AAR M-215 specifications

Table V-6

FRCs: 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 1,000 pounds, quantity in 1,000 pounds, margin in percent.

Period	U.S. price	U.S. quantity	China price	China quantity	China 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	***	***	***	***	***	***	***	***

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 "---".

Note: Product 4: SE60 coupler body, grade E steel, double shelves, produced to AAR M-211 and/or AAR M-215 specifications.

Figure V-6
FRCs: 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: SE60 coupler body, grade E steel, double shelves, produced to AAR M-211 and/or AAR M-215 specifications.

Table V-7

FRCs: Weighted-average f.o.b. prices and quantities of domestic and imported product 5 and margins of underselling/(overselling), by source and quarter

Price in dollars per 1,000 pounds, quantity in 1,000 pounds, margin in percent.

Period	U.S. price	U.S. quantity	China price	China quantity	China 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	***	***	***	***	***	***	***	***

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

Note: Product 5: SBE60 coupler body, grade E steel, bottom shelf, produced to AAR M-211 and/or AAR M-215 specifications.

Figure V-7
FRCs: Weighted-average f.o.b. prices and quantities of domestic and imported product 5, by source and quarter

Price of product 5

* * * * * * *

Volume of product 5

* * * * * * *

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

Note: Product 5: SBE60 coupler body, grade E steel, bottom shelf, produced to AAR M-211 and/or AAR M-215 specifications.

Price trends

In general, prices increased during January 2020-December 2022. Table V-8 summarizes the price trends, by country and by product. As shown in the table, domestic price increases ranged from *** to *** percent during January 2020-December 2022 while price increases for product imported from China ranged from *** to *** percent and price increases for product imported from Mexico ranged from *** to *** percent.

Table V-8
FRCs: Summary of price data, by product and source, January 2020-December 2022

Quantity in 1,000 pounds, price in dollars per 1,000 pounds, change in percent

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	***	***	***	***	***	***	***
Product 1	China	***	***	***	***	***	***	***
Product 1	Mexico	***	***	***	***	***	***	***
Product 2	United States	***	***	***	***	***	***	***
Product 2	China	***	***	***	***	***	***	***
Product 2	Mexico	***	***	***	***	***	***	***
Product 3	United States	***	***	***	***	***	***	***
Product 3	China	***	***	***	***	***	***	***
Product 3	Mexico	***	***	***	***	***	***	***
Product 4	United States	***	***	***	***	***	***	***
Product 4	China	***	***	***	***	***	***	***
Product 4	Mexico	***	***	***	***	***	***	***
Product 5	United States	***	***	***	***	***	***	***
Product 5	China	***	***	***	***	***	***	***
Product 5	Mexico	***	***	***	***	***	***	***

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

Note: Percent change column is percentage change from the first quarter 2020 to the fourth quarter 2022.

Price comparisons

As shown in tables V-9 and V-10, prices for product imported from China and Mexico were below those for U.S.-produced product in 75 of 110 instances (** million pounds); margins of underselling ranged from 0.1 to 38.2 percent. In the remaining 35 instances (** million pounds), prices for product from China and Mexico were between 0.0 and 47.1 percent above prices for the domestic product. At the hearing, Strato indicated that its prices of Chinese product reflect its large supply agreement with TTX, taking into account the investment TTX made in developing Bedloe technology.²⁰

Table V-9

FRCs: 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	Minimum margin	Maximum margin
Product 1	Underselling	***	***	***	***	***
Product 2	Underselling	***	***	***	***	***
Product 3	Underselling	***	***	***	***	***
Product 4	Underselling	***	***	***	***	***
Product 5	Underselling	***	***	***	***	***
Total, all products	Underselling	75	***	***	0.1	38.2
Product 1	Overselling	***	***	***	***	***
Product 2	Overselling	***	***	***	***	***
Product 3	Overselling	***	***	***	***	***
Product 4	Overselling	***	***	***	***	***
Product 5	Overselling	***	***	***	***	***
Total, all products	Overselling	35	***	***	(0.0)	(47.1)

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

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

²⁰ Hearing transcript, p. 140 (Cunkelman). See also Strato posthearing brief, attachment 1, pp. 20-22.

Table V-10**FRCs: 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	Minimum margin	Maximum margin
China	Underselling	***	***	***	***	***
Mexico	Underselling	***	***	***	***	***
Total, all subject sources	Underselling	75	***	***	0.1	38.2
China	Overselling	***	***	***	***	***
Mexico	Overselling	***	***	***	***	***
Total, all subject sources	Overselling	35	***	***	(0.0)	(47.1)

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

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

Table V-11 presents instances of underselling and overselling by source and by year.

Table V-11
FRCs: Instances of underselling and overselling and the range and average of margins, by source and year

Quantity in 1,000 pounds; margin in percent

Source	Type	Number of quarters	Quantity	Average margin	Minimum margin	Maximum margin
China 2020	Underselling	***	***	***	***	***
China 2021	Underselling	***	***	***	***	***
China 2022	Underselling	***	***	***	***	***
Mexico 2020	Underselling	***	***	***	***	***
Mexico 2021	Underselling	***	***	***	***	***
Mexico 2022	Underselling	***	***	***	***	***
All subject sources 2020	Underselling	33	16,022	11.1	0.1	22.5
All subject sources 2021	Underselling	27	12,410	8.3	0.7	38.2
All subject sources 2022	Underselling	15	8,414	10.7	0.5	34.3
China 2020	Overselling	***	***	***	***	***
China 2021	Overselling	***	***	***	***	***
China 2022	Overselling	***	***	***	***	***
Mexico 2020	Overselling	***	***	***	***	***
Mexico 2021	Overselling	***	***	***	***	***
Mexico 2022	Overselling	***	***	***	***	***
All subject sources 2020	Overselling	7	479	(6.5)	(1.0)	(17.1)
All subject sources 2021	Overselling	11	3,559	(10.9)	(0.0)	(23.5)
All subject sources 2022	Overselling	17	4,929	(12.2)	(0.1)	(47.1)

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

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

Lost sales and lost revenue

In the preliminary phase of these investigations, the Commission requested that U.S. producers of FRCs report purchasers with which they experienced instances of lost sales or revenue due to competition from imports of FRCs from China and/or Mexico during January 2019-June 2022.

In the final phase of these investigations, 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 due to such competition.

Staff contacted approximately 20 importer/purchasers and received responses from 18 importer/purchasers.²¹ Responding importer/purchasers reported purchasing *** million pounds of FRCs during January 2020-December 2022 (table V-12).²²

As shown in table V-13, of the 15 responding importer/purchasers, 10 reported that, since 2020, they had purchased imported FRCs from China and/or Mexico instead of U.S.-produced product. Seven of these importer/purchasers reported that subject import prices were lower than U.S.-produced product, and two of these importer/purchasers reported that price was a primary reason for the decision to purchase imported product rather than U.S.-produced product. Those latter two importer/purchasers estimated the quantity of FRCs from China or Mexico purchased instead of domestic product; quantities ranged from *** pounds to *** pounds (table V-14). ***.²³ Other importer/purchasers identified availability, reliability of supply, and quality as non-price reasons for purchasing imported rather than U.S.-produced product.

Of the 15 responding importer/purchasers, none reported that U.S. producers had reduced prices in order to compete with lower-priced imports from China and Mexico; 8 of those 15 reported that they did not know (table V-15).

²¹ *** submitted a lost sales lost revenue survey response in the preliminary phase, but did not submit an importer/purchaser questionnaire response in the final phase.

²² This amount is slightly more than the total consumption in table C-1, likely reflecting small amounts of double-counting of some imports as purchases in table V-11.

²³ See email from ***.

FRCs: Importer/purchasers' reported purchases and imports, by firm and source[illegible]

Note: Firms that imported and did not purchase were not included in the table. 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.

Table V-13

FRCs: Importer/purchasers' responses to purchasing subject imports instead of domestic product, by firm

Quantity in 1,000 pounds

Importer/ purchaser	Purchased subject imports instead of domestic	Imports priced lower	Choice based on price	Quantity	Explanation
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***

Table continued on next page.

Table V-13 Continued

FRCs: Importer/purchasers' responses to purchasing subject imports instead of domestic product, by firm

Quantity in 1,000 pounds

Importer/ purchaser	Purchased subject imports instead of domestic	Imports priced lower	Choice based on price	Quantity	Explanation
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
All firms	Yes--10; No--5	Yes--7; No--3	Yes--2; No--8	***	NA

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

Note: Firms that imported and did not purchase were not included in the table.

Table V-14**FRCs: Importer/purchasers' responses to purchasing subject imports instead of domestic product, by source**

Quantity in 1,000 pounds

Source	Count of importer/purchasers reporting subject instead of domestic	Count of importer/purchasers reported that imports were priced lower	Count of importer/purchasers reporting that price was a primary reason for shift	Quantity
China	10	5	1	***
Mexico	5	3	1	***
Any subject source	10	7	2	***

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

Table V-15**FRCs: Importer/purchasers' responses to U.S. producer price reductions, by firm**

Importer/purchaser	Reported producers lowered prices	Estimated percent of U.S. price reduction	Explanation
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
All firms	Yes--0; No--7; Don't Know--8	***	NA

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

Note: Firms that imported and did not purchase were not included in the table.

Part VI: Financial experience of U.S. producers

Background¹

Two U.S. producers, Amsted and M&T, provided usable financial results on their FRC operations. *** responding U.S. producers reported financial data on the basis of GAAP and *** responding U.S. producers provided their financial data on a calendar year basis.^{2 3 4 5}

Figure VI-1 presents each responding firm's share of the total reported net sales quantity in 2022.

¹ The following abbreviations may be 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"), 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 ***.

⁴ ***. Calculated from data in U.S. producers' questionnaire responses, section II-9.

⁵ Staff conducted a verification of ***'s U.S. producers' questionnaire data. Changes from the verification are incorporated within the report.

Figure VI-1
FRCs: U.S. producers' share of net sales quantity in 2022, by firm

* * * * *

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

Operations on FRCs

Table VI-1 presents aggregated data on U.S. producers' operations in relation to FRCs, while table VI-2 presents corresponding changes in AUVs. Table VI-3 presents selected company-specific financial data.

Table VI-1
FRCs: U.S. producers' results of operations, by item and period

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

Item	Measure	2020	2021	2022
Total net sales	Quantity	***	***	***
Total net sales	Value	***	***	***
COGS: Raw materials	Value	***	***	***
COGS: Direct labor	Value	***	***	***
COGS: Other factory	Value	***	***	***
COGS: Total	Value	***	***	***
Gross profit or (loss)	Value	***	***	***
SG&A expenses	Value	***	***	***
Operating income or (loss)	Value	***	***	***
Other expense / (income), net	Value	***	***	***
Net income or (loss)	Value	***	***	***
Depreciation/amortization	Value	***	***	***
Cash flow	Value	***	***	***
COGS: Raw materials	Ratio to NS	***	***	***
COGS: Direct labor	Ratio to NS	***	***	***
COGS: Other factory	Ratio to NS	***	***	***
COGS: Total	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.

Table VI-1 Continued
FRCs: U.S. producers' results operations, by item and period

Shares in percent; unit values in dollars per 1,000 pounds; count in number of firms reporting

Item	Measure	2020	2021	2022
COGS: Raw materials	Share	***	***	***
COGS: Direct labor	Share	***	***	***
COGS: Other factory	Share	***	***	***
COGS: Total	Share	***	***	***
Total net sales	Unit value	***	***	***
COGS: Raw materials	Unit value	***	***	***
COGS: Direct labor	Unit value	***	***	***
COGS: Other factory	Unit value	***	***	***
COGS: Total	Unit value	***	***	***
Gross profit or (loss)	Unit value	***	***	***
SG&A expenses	Unit value	***	***	***
Operating income or (loss)	Unit value	***	***	***
Net income or (loss)	Unit value	***	***	***
Operating losses	Count	***	***	***
Net losses	Count	***	***	***
Data	Count	***	***	***

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

Note: Shares represent the share of COGS.

Table VI-2
FRCs: Changes in AUVs between comparison periods

Changes in percent

Item	2020-22	2020-21	2021-22
Total net sales	▲ ***	▲ ***	▲ ***
COGS: Raw materials	▲ ***	▼ ***	▲ ***
COGS: Direct labor	▼ ***	▼ ***	▼ ***
COGS: Other factory	▲ ***	▲ ***	▼ ***
COGS: Total	▲ ***	▲ ***	▲ ***

Table continued.

Table VI-2 Continued
FRCs: Changes in AUVs between comparison periods

Changes in dollars per 1,000 pounds

Item	2020-22	2020-21	2021-22
Total net sales	▲ ***	▲ ***	▲ ***
COGS: Raw materials	▲ ***	▼ ***	▲ ***
COGS: Direct labor	▼ ***	▼ ***	▼ ***
COGS: Other factory	▲ ***	▲ ***	▼ ***
COGS: Total	▲ ***	▲ ***	▲ ***
Gross profit or (loss)	▲ ***	▼ ***	▲ ***
SG&A expense	▲ ***	▲ ***	▼ ***
Operating income or (loss)	▲ ***	▼ ***	▲ ***
Net income or (loss)	▲ ***	▼ ***	▲ ***

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

Note: Period changes preceded by a “▲” represent an increase, while period changes preceded by a “▼” represent a decrease.

Table VI-3**FRCs: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Net sales quantity**

Quantity in 1,000 pounds

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued**FRCs: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Net sales value**

Value in 1,000 dollars

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued**FRCs: U.S. producers' sales, costs/expenses, and profitability, by firm and period****COGS**

Value in 1,000 dollars

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued**FRCs: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Gross profit or (loss)**

Value in 1,000 dollars

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued**FRCs: U.S. producers' sales, costs/expenses, and profitability, by firm and period****SG&A expenses**

Value in 1,000 dollars

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued**FRCs: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Operating income or (loss)**

Value in 1,000 dollars

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued**FRCs: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Net income or (loss)**

Value in 1,000 dollars

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued**FRCs: U.S. producers' sales, costs/expenses, and profitability, by firm and period****COGS to net sales ratio**

Ratios in percent

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued**FRCs: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Gross profit or (loss) to net sales ratio**

Ratios in percent

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued**FRCs: U.S. producers' sales, costs/expenses, and profitability, by firm and period****SG&A expenses to net sales ratio**

Ratios in percent

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued**FRCs: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Operating income or (loss) to net sales ratio**

Ratios in percent

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued**FRCs: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Net income or (loss) to net sales ratio**

Ratios in percent

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued**FRCs: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit net sales value**

Unit values in dollars per 1,000 pounds

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued**FRCs: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit raw material costs**

Unit values in dollars per 1,000 pounds

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued**FRCs: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit direct labor costs**

Unit values in dollars per 1,000 pounds

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued**FRCs: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit other factory costs**

Unit values in dollars per 1,000 pounds

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued**FRCs: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit COGS**

Unit values in dollars per 1,000 pounds

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued**FRCs: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit gross profit or (loss)**

Unit values in dollars per 1,000 pounds

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued**FRCs: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit SG&A expenses**

Unit values in dollars per 1,000 pounds

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued**FRCs: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit operating income or (loss)**

Unit values in dollars per 1,000 pounds

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

Table continued.

Table VI-3 Continued**FRCs: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit net income or (loss)**

Unit values in dollars per 1,000 pounds

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

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

Net sales

Total net sales reflect commercial sales and exports of freight rail coupler fit/assemblies and components (knuckles and coupler bodies).

As shown in table VI-1, total net sales quantity decreased by *** percent from 2020 to 2021, then increased by *** percent from 2021 to 2022, and overall increased by *** from 2020 to 2022. Total net sales values also decreased by *** percent in 2021 and increased by *** percent in 2022. Total net sales value overall increased by *** percent from 2020 to 2022. *** U.S. producers reported a decline in sales in 2021 followed by an increase in 2022.⁶ On an average per unit basis of dollars per one thousand pounds, net sales increased from \$*** in 2020 to \$*** in 2021 and \$*** in 2022. As shown in table VI-3, ***'s per unit values increased from 2020 to 2021, then slightly decreased from 2021 to

⁶ ***. Email from ***, April 11, 2023.

***. Email from ***, April 13, 2023.

2022, while those of *** decreased from 2020 to 2021 before increasing in 2022. *** U.S. producers reported an overall increase in their unit values from 2020 to 2022.⁷

Cost of goods sold and gross profit or loss

Raw material costs, direct labor, and other factory costs accounted for *** percent of total COGS, respectively, in 2022.

Raw material costs, which accounted for the *** component of COGS for the majority of the reporting period, decreased by *** percent in 2021, before increasing by *** percent in 2022. Raw material costs overall increased by *** percent from 2020 to 2022. The average unit value of raw material costs decreased from \$*** in 2020 to \$*** in 2021, then increased to \$*** in 2022. As shown in table VI-3, ***'s unit values increased each year from 2020 to 2022, while those of *** decreased in 2021 then increased in 2022, and overall increased from 2020 to 2022 (driving the overall trends).^{8 9} As a ratio to net sales,

⁷ ***. Email from ***, April 11, 2023.

⁸ ***. Email from ***, April 11, 2023.

⁹ ***. Email from ***, April 17, 2023.

In its prehearing brief ***. ***.

***. Email from ***, May 25, 2023.

raw material costs decreased from *** percent in 2020 to *** percent in 2020, and increased to *** percent in 2022.

Table VI-4 presents details on specific raw material inputs as a share of total raw material costs in 2022. Scrap steel accounted for *** percent of total raw material, and other material inputs accounted for the remaining *** percent and included alloys, electrodes consumed in the melting process, and additives added to the melted scrap during the casting phase of the casting process.¹⁰

Table VI-4
FRCs: U.S. producers' raw material costs in 2022

Value in 1,000 dollars; share of value in percent

Item	Value	Share of value
Scrap steel	***	***
Other material inputs	***	***
Total, raw materials	***	***

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

Direct labor costs, which accounted for the *** component of COGS for 2020 and 2021, decreased by *** percent from 2020 to 2021, then increased by *** percent from 2021 to 2022. Direct labor costs overall increased by *** percent from 2020 to 2022 (following the trend of sales quantity for those time periods). The average unit value of direct labor costs continuously declined from 2020 (\$***) to 2022 (\$***). As shown in table VI-3, the *** in directional trends, ***'s unit values increased each year from 2020 to 2022, while those of *** declined.¹¹ As a ratio to net sales, direct labor costs continuously decreased from *** percent in 2020 to *** percent in 2022.

Other factory costs, which was the *** component COGS, decreased by *** percent from 2020 to 2021, then increased by *** percent from 2021 to 2022, and overall increased by *** percent from 2020 to 2022. The average unit value of other factory costs increased from \$*** in 2020 to \$*** in 2021, then decreased to \$*** in 2022. As shown in table VI-3, *** reported similar directional trends from 2020 to 2021 and from 2021 to 2022. Trends varied from 2020 to 2022 with *** reporting an overall

¹⁰ Emails from *** and ***, April 11, and April 13, 2023.

¹¹ ***. Email from ***, April 17, 2023.

increase in its unit values, while *** reported an overall decrease.^{12 13} As a ratio to net sales, other factory costs increased from *** percent in 2020 to *** percent in 2021, then decreased to *** percent in 2022.

Total COGS reflected the overall trends of its components and sales, decreasing in 2021, then increasing in 2022, with an overall increase of *** percent from 2020 to 2022. The average unit value of total COGS continuously increased from \$*** in 2020 to \$*** in 2022. As a ratio to net sales, total COGS increased from *** percent in 2020 to *** percent in 2021, then decreased to *** percent in 2022.

As shown in table VI-1, the decline in net sales value along with the decline in sales volume from 2020 to 2021 exceeded the corresponding decline in COGS, thus gross profit worsened from *** to ***, then improved to *** in 2022 as net sales increased more than COGS. As a ratio to net sales, gross profit worsened from *** percent in 2020 to *** percent in 2021, then increased to *** percent in 2022. On a firm-by-firm basis, *** reported *** in 2020 that improved in 2021, but worsened in 2022. *** reported *** in 2020 that worsened in 2021, then improved into *** in 2022.

¹² ***. Email from ***, April 18, 2023.

¹³ ***. Email from ***, April 18, 2023.

SG&A expenses and operating income or loss

U.S. producers' SG&A expenses increased by *** percent from 2020 to 2022. The corresponding SG&A expense ratio (total SG&A expenses divided by total net sales value) increased from *** percent in 2020 to *** percent 2021, then decreased to *** percent in 2022.¹⁴

Operating income worsened from *** in 2020 to *** in 2021 before improving to *** in 2022. As a ratio to net sales, operating income worsened from *** percent in 2020 to *** percent in 2021, then improved to *** percent in 2022. On a firm-by-firm basis, *** reported *** in 2021 that worsened in 2022; while *** reported *** in 2021 that improved in 2022.

All other expenses and net income or loss

Classified below the operating income level are interest expenses, other expenses, and other income. In table VI-1, these items are aggregated with the net amount shown. *** of the U.S. producers reported either interest expenses or other income. All other expenses, which were reported *** in 2020 and 2021 decreased during that same period.^{15 16}

Net income improved from *** in 2020 to *** in 2022. As a ratio to net sales, net income worsened from *** percent in 2020 to *** percent in 2021, then improved to *** percent in 2022. On a firm-by-firm basis, *** reported *** in 2021 that worsened in 2022; while *** reported *** in 2021 that improved in 2022.

¹⁴ ***. Email from *** and ***, April 11, 2023.

¹⁵ Other expenses reported by ***. Email from ***, April 13, 2023.

¹⁶ Given the mix of coupler fits/assemblies and components, and changes in product mix during the period, a variance analysis is not shown in this section of the report.

Capital expenditures and research and development expenses

Table VI-5 presents capital expenditures, by firm, and table VI-7 presents R&D expenses, by firm. Tables VI-6 and VI-8 present the firms' narrative explanations of the nature, focus, and significance of their capital expenditures and R&D expenses, respectively. Capital expenditures declined from 2020 to 2021 then increased from 2021 to 2022, and overall decreased by *** percent from 2020 to 2022.¹⁷ R&D expenses, reported by *** only, decreased from 2020 to 2021, then increased in 2022, and overall increased by *** percent from 2020 to 2022.

Table VI-5
FRCs: U.S. producers' capital expenditures, by firm and period

Value in 1,000 dollars

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

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

Table VI-6
FRCs: U.S. producers' narrative descriptions of their capital expenditures, by firm

Firm	Narrative on capital expenditures
Amsted	***
M&T	***

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

Table VI-7
FRCs: U.S. producers' R&D expenses, by firm and period

Value in 1,000 dollars

Firm	2020	2021	2022
***	***	***	***
All firms	***	***	***

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

¹⁷ ***. Email from ***, April 11, 2023.

Table VI-8**FRCs: U.S. producers' narrative descriptions of their R&D expenses, by firm**

Firm	Narrative on R&D expenses
***	***

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

Assets and return on assets

Table VI-9 presents data on the U.S. producers' total assets while table VI-10 presents their operating ROA.¹⁸ Table VI-11 presents U.S. producers' narrative responses explaining their major asset categories and any significant changes in asset levels over time. Total assets decreased from \$*** in 2020 to \$*** in 2022. The ROA improved from *** percent in 2020 to *** percent in 2022.

Table VI-9**FRCs: U.S. producers' total net assets, by firm and period**

Value in 1,000 dollars

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

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

Table VI-10**FRCs: U.S. producers' ROA, by firm and period**

Ratio in percent

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

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

¹⁸ 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.

Table VI-11**FRCs: U.S. producers' narrative descriptions of their total net assets, by firm**

Firm	Narrative on assets
Amsted	***
M&T	***

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

Capital and investment

The Commission requested U.S. producers of FRCs to describe any actual or potential negative effects of imports of FRCs from China and/or Mexico on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Table VI-12 presents the number of firms reporting an impact in each category and table VI-13 provides the U.S. producers' narrative responses.

Table VI-12**FRCs: 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.

Note: ***

Table VI-13

FRCs: 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
Cancellation, postponement, or rejection of expansion projects	***
Reduction in the size of capital investments	***
Return on specific investments negatively impacted	***
Other effects on growth and development	***
Anticipated effects of imports	***

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

Part VII: Threat considerations and information on nonsubject countries

Section 771(7)(F)(i) of the Act (19 U.S.C. § 1677(7)(F)(i)) provides that—

In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors¹--

- (I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,*
- (II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,*
- (III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,*
- (IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices, and are likely to increase demand for further imports,*
- (V) inventories of the subject merchandise,*

¹ Section 771(7)(F)(ii) of the Act (19 U.S.C. § 1677(7)(F)(ii)) provides that “The Commission shall consider {these factors} . . . as a whole in making a determination of whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted under this title. The presence or absence of any factor which the Commission is required to consider . . . shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition.”

- (VI) *the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products,*
- (VII) *in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),*
- (VIII) *the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and*
- (IX) *any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).²*

Information on the nature of the subsidies was presented earlier in this report; information on the volume and pricing of imports of the subject merchandise is presented in Parts IV and V; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in Part VI. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries.

² Section 771(7)(F)(iii) of the Act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, "... the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other WTO member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

The industry in China

The Commission issued foreign producers' or exporters' questionnaires to ten firms believed to produce and/or export FRCs from China.³ Usable responses to the Commission's questionnaire were received from three firms: Baotou Shengyu Machinery Mfg. Co. LTD. ("BSM"), Qingdao Sanheshan Precision Casting Co., Ltd. ("Sanheshan"), and Tongyao. According to estimates requested of the responding producers in China, the production of FRCs in China reported in questionnaires accounts for approximately *** percent of overall production of FRCs in China. These firms' exports to the United States accounted for the majority of U.S. imports of FRCs from China in 2021, based on U.S. imports reported in U.S. importer/purchaser questionnaire responses. *** stated in its questionnaire response in the preliminary phase of this investigation that ***.⁴ ***.⁵

Table VII-1 presents information on the FRCs operations of the responding producers and exporters in China.

³ These firms were identified through a review of information submitted in the petition and presented in third-party sources.

⁴ ***'s preliminary phase foreign producer questionnaire response, question II-10.

⁵ Email from ***, April 27, 2023. Strato and Wabtec noted that "AAR certification requirements limit the ability of Chinese exporters to enter the market by themselves, and require that they partner with experienced U.S. importers,...{and that} licensing agreements prohibits major Chinese producers from entering the U.S. market." Strato and Wabtec's prehearing brief, p. 5, pp. 21-22, footnote 34. See also Strato's posthearing brief, pp. 11-12.

Table VII-1
FRCs: Summary data for producers in China, 2022

Quantity in 1,000 pounds; share in percent

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)
BSM	***	***	***	***	***	***
Sanheshan	***	***	***	***	***	***
Tongyao	***	***	***	***	***	***
All firms	***	***	***	***	***	***

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

Changes in operations

Producers in China were asked to report any change in the character of their operations or organization relating to the production of FRCs since January 1, 2020. One producer indicated in its questionnaire that it had experienced such changes; its response is presented in table VII-2.

Table VII-2
FRCs: Reported changes in operations in China since January 1, 2020, by firm

Item	Firm name and accompanying narrative response
Prolonged shutdowns or curtailments	***

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

Operations on FRCs

Table III-3 presents data on Chinese producers' installed capacity, practical capacity, and production on the same equipment, and table VII-4 presents their reported constraints to practical overall capacity. During 2020-22, installed overall capacity ***. *** reported a *** percent decrease in practical overall capacity during 2020-22, resulting in a *** percent decrease of all Chinese producers' practical overall capacity during the period.

Table VII-3
FRCs: China producers' overall 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 FRC	Capacity	***	***	***
Practical FRC	Production	***	***	***
Practical FRC	Utilization	***	***	***

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

Table VII-4
FRCs: Foreign producers' in China reported constraints to practical overall capacity, since January 1, 2020

Item	Firm name and narrative response on constraints to practical overall capacity
Existing labor force	***
Existing labor force	***
Supply of material inputs	***
Fuel or energy	***
Fuel or energy	***
Logistics/transportation	***
Regulatory	***
Regulatory	***

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

Table VII-5 presents information on the FRCs operations of the responding producers and exporters in China.⁶ In general, producers of FRCs in China experienced an overall decline in their operations during 2020-22, with the sharpest decrease occurring largely between 2021 and 2022. While some elements of reported FRCs operations increased between 2020 and 2021, on the whole, FRCs operations in China ended in 2022 below levels reported in 2020, even with modest increases.

Reported FRCs capacity decreased by *** percent during 2020-22 as ***. While ***. Production of FRCs declined overall by *** percent during 2020-22, with most of the decrease occurring between 2021 and 2022. Reflecting the mostly steady capacity and the decline in production, capacity utilization decreased by *** percentage points during 2020-22. End-of-period inventories fell sharply in each year during 2020-22, decreasing overall by *** percent.

As a result of declines in both home market and export shipments, total shipments initially increased between 2020 and 2021, before falling in 2022 to *** the volume reported in 2021, for an overall decrease of *** percent. Commercial home market shipments, which initially accounted for *** of Chinese producers' total shipments, decreased during 2020-22 by *** percent.⁷ The volume of exports to the United States decreased during 2020-22 by *** percent.

⁶ Information on the projection data of the responding FRCs producers in China is provided *** in Table VII-3. ***. In its response submitted in this final phase, *** also noted that ***. ***'s foreign producer questionnaire response, question II-12.

⁷ ***.

Table VII-5
FRCs: Data on industry in China, by period

Quantity in 1,000 pounds; ratio and share in percent

Item	2020	2021	2022	Projection 2023
Capacity	***	***	***	***
Production	***	***	***	***
End-of-period inventories	***	***	***	***
Internal consumption	***	***	***	***
Commercial home market shipments	***	***	***	***
Home market shipments	***	***	***	***
Exports to related firms in the U.S.	***	***	***	***
Exports to unrelated firms in the U.S.	***	***	***	***
Exports to all firms in the U.S.	***	***	***	***
Exports to Canada	***	***	***	***
Exports to Mexico	***	***	***	***
Exports to all other markets	***	***	***	***
All export shipments	***	***	***	***
Total shipments	***	***	***	***

Table continued.

Table VII-5 Continued
FRCs: Data on industry in China, by period

Quantity in 1,000 pounds; ratio and share in percent

Item	2020	2021	2022	Projection 2023
Capacity utilization ratio	***	***	***	***
Inventory ratio to production	***	***	***	***
Inventory ratio to total shipments	***	***	***	***
Internal consumption share	***	***	***	***
Commercial home market shipments share	***	***	***	***
Home market shipments share	***	***	***	***
Exports to related firms in the U.S.	***	***	***	***
Exports to unrelated firms in the U.S.	***	***	***	***
Exports to all firms in the U.S.	***	***	***	***
Exports to Canada	***	***	***	***
Exports to Mexico	***	***	***	***
Exports to all other markets	***	***	***	***
All export shipments	***	***	***	***
Total shipments	***	***	***	***

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, responding firms in China produced reported that they were able to switch production between FRCs and other products using the same machinery, and during 2020-22, produced other products on the same equipment and machinery used to produce FRCs. These products include *** with FRCs production accounting for *** of total production during 2020-22. FRCs' share of total production on the same equipment decreased overall during 2020-22, and by the end of the period accounted for *** percent of Chinese producers' overall production. Reported factors affecting the ability to switch production include ***.⁸

Table VII-6
FRCs: Producers' in China overall 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
FRCs	Quantity	***	***	***
Other	Quantity	***	***	***
All product types	Quantity	***	***	***
FRCs	Share	***	***	***
Other	Share	***	***	***
All product types	Share	***	***	***

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

⁸ *** reported that it would take at least one-half of a year to a year to reach its original capacity should it switch production.

Exports

According to GTA, the leading export markets for a product category broader than the subject merchandise, hooks and other coupling devices, buffers and parts thereof, for railway and tramway vehicles (“railway coupling/buffer devices”) from China are the United States and Mexico (table VII-7). During 2022, the United States was the top export market for railway coupling/buffer devices from China, accounting for 34.5 percent of the quantity of exports from China, followed by Mexico, accounting for 17.5 percent of the quantity of exports from China.

Table VII-7
Hooks and other coupling devices, buffers and parts thereof, for railway and tramway vehicles:
Exports from China, by period

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

Destination market	Measure	2020	2021	2022
United States	Quantity	27,823	37,592	27,226
Mexico	Quantity	7,103	13,759	13,766
Australia	Quantity	9,834	7,690	10,846
Vietnam	Quantity	264	261	8,589
Canada	Quantity	4,937	4,019	2,899
India	Quantity	2,243	2,845	1,790
Russia	Quantity	2,253	1,029	1,440
Poland	Quantity	1,119	1,256	1,426
United Kingdom	Quantity	927	941	1,233
All other destination markets	Quantity	10,786	9,524	9,619
All destination markets	Quantity	67,288	78,916	78,834
United States	Value	34,722	43,318	36,657
Mexico	Value	6,629	14,819	17,664
Australia	Value	30,085	23,160	29,081
Vietnam	Value	553	415	10,212
Canada	Value	5,932	5,233	3,680
India	Value	7,544	11,734	7,381
Russia	Value	4,868	4,497	3,424
Poland	Value	4,675	5,244	5,871
United Kingdom	Value	2,191	2,468	3,646
All other destination markets	Value	97,167	54,111	56,095
All destination markets	Value	194,365	165,001	173,710

Table continued.

Table VII-7 Continued**Hooks and other coupling devices, buffers and parts thereof, for railway and tramway vehicles:
Exports from China, by period**

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

Destination market	Measure	2020	2021	2022
United States	Unit value	1,248	1,152	1,346
Mexico	Unit value	933	1,077	1,283
Australia	Unit value	3,059	3,012	2,681
Vietnam	Unit value	2,096	1,589	1,189
Canada	Unit value	1,201	1,302	1,269
India	Unit value	3,364	4,125	4,122
Russia	Unit value	2,161	4,370	2,378
Poland	Unit value	4,176	4,174	4,117
United Kingdom	Unit value	2,363	2,622	2,956
All other destination markets	Unit value	9,009	5,682	5,832
All destination markets	Unit value	2,889	2,091	2,203
United States	Share of quantity	41.3	47.6	34.5
Mexico	Share of quantity	10.6	17.4	17.5
Australia	Share of quantity	14.6	9.7	13.8
Vietnam	Share of quantity	0.4	0.3	10.9
Canada	Share of quantity	7.3	5.1	3.7
India	Share of quantity	3.3	3.6	2.3
Russia	Share of quantity	3.3	1.3	1.8
Poland	Share of quantity	1.7	1.6	1.8
United Kingdom	Share of quantity	1.4	1.2	1.6
All other destination markets	Share of quantity	16.0	12.1	12.2
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 8607.30 as reported by China Customs in the Global Trade Atlas database, accessed April 14, 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 received a questionnaire response from Amsted ASF-K, the only known producer of FRCs in Mexico. Amsted ASF-K, Amsted Rail's Mexican affiliate, is a *maquiladora* located in Sahagún, Mexico and is wholly-owned by Amsted Rail.⁹ Table VII-8 presents information on Amsted ASF-K's FRCs operations in Mexico.

Table VII-8
FRCs: Summary data for producers in Mexico, 2022

Quantity in 1,000 pounds; share in percent

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)
Amsted	***	***	***	***	***	***
All firms	***	***	***	***	***	***

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

Changes in operations

Amsted ASF-K *** since January 1, 2020.

Operations on FRCs

Table III-9 presents data on Amsted ASF-K's installed capacity, practical capacity, and production on the same equipment, and table VII-10 presents its reported production constraints. Amsted ASF-K's installed and practical overall capacity *** throughout the period, and noted one constraint to its practical overall capacity.

⁹ Amsted ASF-K participates in the IMMEX program, "an instrument which allows the temporary importation of goods that are used in an industrial process or service to produce, transform or repair foreign goods imported temporarily for subsequent export or provision of export services, without covering the payment of general import tax, value added tax and, where appropriate, countervailing duties." Government of Mexico, Secretaría de Economía, Foreign Trade Instruments: IMMEX. <http://www.2006-2012.economia.gob.mx/industry/foreign-trade-instruments/immex>, retrieved May 24, 2023.

Table III-9

FRCs: Mexico producer Amsted ASF-K's overall 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 FRC	Capacity	***	***	***
Practical FRC	Production	***	***	***
Practical FRC	Utilization	***	***	***

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

Table VII-10

FRCs: Mexico producer Amsted ASF-K's reported constraints to practical overall capacity, since January 1, 2020

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

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

Table VII-11 presents information on Amsted ASF-K's FRCs operations. Amsted ASF-K reported *** in its capacity during 2020-22. The firm's capacity is projected to *** in 2023 and 2024. Amsted ASF-K's production increased overall by *** percent during 2020-22, with most of the increase occurring between 2021 and 2022. Amsted ASF-K's production in 2023 and 2024 is projected to *** than levels observed in 2020 and 2021, but *** for 2022.

Amsted ASF-K's end-of-period inventories declined sharply during 2020-22, with most of the decrease occurring in 2022 as the firm *** its increased ***.

Amsted ASF-K's total shipments increased during 2020-22 from *** pounds in 2020 to *** pounds in 2022. Its exports to the United States (***) accounted for the majority of its total shipments and increased by *** percent during 2020-22. Its exports are project to end in 2023 and 2024 at levels closer to those observed in 2020 and 2021, lower than reported exports for 2022.

Table VII-11
FRCs: Data on Mexico producer Amsted ASF-K, by period

Quantity in 1,000 pounds; ratio and share in percent

Item	2020	2021	2022	Projection 2023	Projection 2024
Capacity	***	***	***	***	***
Production	***	***	***	***	***
End-of-period inventories	***	***	***	***	***
Internal consumption	***	***	***	***	***
Commercial home market shipments	***	***	***	***	***
Home market shipments	***	***	***	***	***
Exports to related firms in the U.S.	***	***	***	***	***
Exports to unrelated firms in the U.S.	***	***	***	***	***
Exports to all firms in the U.S.	***	***	***	***	***
Exports to Canada	***	***	***	***	***
Exports to Mexico	***	***	***	***	***
Exports to all other markets	***	***	***	***	***
All export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***

Table continued.

Table VII-11 Continued
FRCs: Data on industry in Mexico, by period

Quantity in 1,000 pounds; 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 share	***	***	***	***	***
Commercial home market shipments share	***	***	***	***	***
Home market shipments share	***	***	***	***	***
Exports to related firms in the U.S.	***	***	***	***	***
Exports to unrelated firms in the U.S.	***	***	***	***	***
Exports to all firms in the U.S.	***	***	***	***	***
Exports to Canada	***	***	***	***	***
Exports to Mexico	***	***	***	***	***
Exports to all other markets	***	***	***	***	***
All export shipments	***	***	***	***	***
Total shipments	***	***	***	***	***

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-12, Amsted ASF-K reported that it *** to switch production between FRCs and other products using the same machinery, and during 2020-22, *** on the same equipment and machinery used to produce FRCs. Amsted ASF-K cited *** affecting the ability to switch production.

During 2020-22, FRCs accounted for a *** share of the firm's total production on the same equipment; in 2022, FRCs accounted for *** percent of its total production.

Table VII-12

FRCs: Mexico producer Amsted ASF-K's overall 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
FRCs	Quantity	***	***	***
Other	Quantity	***	***	***
All product types	Quantity	***	***	***
FRCs	Share	***	***	***
Other	Share	***	***	***
All product types	Share	***	***	***

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

Exports

As shown in table VII-13, according to GTA, the United States is the sole export market for railway coupling/buffer devices from Mexico.

Table VII-13

**Hooks and other coupling devices, buffers and parts thereof, for railway and tramway vehicles:
Exports from Mexico, by period**

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

Destination market	Measure	2020	2021	2022
United States	Quantity	8,171	10,537	10,832
All destination markets	Quantity	8,171	10,537	10,832
United States	Value	17,405	20,673	27,702
All destination markets	Value	17,405	20,673	27,702
United States	Unit value	2,130	1,962	2,557
All destination markets	Unit value	2,130	1,962	2,557
United States	Share of quantity	100.0	100.0	100.0
All destination markets	Share of quantity	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 8607.30 as reported by INEGI in the Global Trade Atlas database, accessed April 14, 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.

Subject countries combined

Table VII-14 presents summary data on FRCs operations of the reporting subject producers in the subject countries.

Table VII-14

FRCs: Data on the industry in subject countries, by item and period

Quantity in 1,000 pounds; ratio and share in percent

Item	2020	2021	2022	Projection 2023
Capacity	***	***	***	***
Production	***	***	***	***
End-of-period inventories	***	***	***	***
Internal consumption	***	***	***	***
Commercial home market shipments	***	***	***	***
Home market shipments	***	***	***	***
Exports to related firms in the U.S.	***	***	***	***
Exports to unrelated firms in the U.S.	***	***	***	***
Exports to all firms in the U.S.	***	***	***	***
Exports to Canada	***	***	***	***
Exports to Mexico	***	***	***	***
Exports to all other markets	***	***	***	***
All export shipments	***	***	***	***
Total shipments	***	***	***	***

Table continued.

Table VII-14 Continued
FRCs: Data on the industry in subject countries, by item and period

Quantity in 1,000 pounds; ratio and share in percent

Item	2020	2021	2022	Projection 2023
Capacity utilization ratio	***	***	***	***
Inventory ratio to production	***	***	***	***
Inventory ratio to total shipments	***	***	***	***
Internal consumption share	***	***	***	***
Commercial home market shipments share	***	***	***	***
Home market shipments share	***	***	***	***
Exports to related firms in the U.S.	***	***	***	***
Exports to unrelated firms in the U.S.	***	***	***	***
Exports to all firms in the U.S.	***	***	***	***
Exports to Canada	***	***	***	***
Exports to Mexico	***	***	***	***
Exports to all other markets	***	***	***	***
All export shipments	***	***	***	***
Total shipments	***	***	***	***

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

Note: Due to differences in available projection data between the subject countries, projection data is shown for 2023 only.

U.S. inventories of imported merchandise

Table VII-15 presents data on U.S. importers' reported inventories of FRCs. End-of-period inventories of imports from subject sources decreased overall by *** percent during 2020-22. The ratios of end-of-period inventories to imports, U.S. shipments of imports, and total shipments of imports increased during 2020-22, though were generally at their highest in 2021.

Table VII-15
FRCs: 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	China	***	***	***
Ratio to imports	China	***	***	***
Ratio to U.S. shipments of imports	China	***	***	***
Ratio to total shipments of imports	China	***	***	***
Inventories quantity	Mexico	***	***	***
Ratio to imports	Mexico	***	***	***
Ratio to U.S. shipments of imports	Mexico	***	***	***
Ratio to total shipments of imports	Mexico	***	***	***
Inventories quantity	Subject	***	***	***
Ratio to imports	Subject	***	***	***
Ratio to U.S. shipments of imports	Subject	***	***	***
Ratio to total shipments of imports	Subject	***	***	***
Inventories quantity	Nonsubject	***	***	***
Ratio to imports	Nonsubject	***	***	***
Ratio to U.S. shipments of imports	Nonsubject	***	***	***
Ratio to total shipments of imports	Nonsubject	***	***	***
Inventories quantity	All	***	***	***
Ratio to imports	All	***	***	***
Ratio to U.S. shipments of imports	All	***	***	***
Ratio to total shipments of imports	All	***	***	***

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

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 to indicate whether they imported or arranged for the importation of FRCs from China and Mexico after December 31, 2022. Their reported data is presented in table VII-16. Arranged imports from each subject source were reported, as well as arranged imports from nonsubject sources.¹⁰

Table VII-16
FRCs: 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
China	***	***	***	***	***
Mexico	***	***	***	***	***
Subject sources	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

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

Third-country trade actions

There are no known antidumping or countervailing duty orders on FRC in third-country markets.

¹⁰ ***.

Information on nonsubject countries

Global exports for China, Mexico, and the largest nonsubject countries are presented in table VII-17. There are no AAR certified manufacturing plants for knuckles or coupler bodies outside of the United States, China, and Mexico.

Table VII-17

**Hooks and other coupling devices, buffers and parts thereof, for railway or tramway vehicles:
Global exports, by reporting country and by period**

Value in 1,000 dollars, shares in percent, "NA" = not available

Exporter	Measure	2020	2021	2022
United States	Value	95,724	114,745	212,125
China	Value	194,365	165,001	173,710
Mexico	Value	17,405	20,673	27,702
All subject exporters	Value	211,771	185,674	201,413
Germany	Value	141,756	151,392	123,512
Poland	Value	95,686	118,379	107,600
Czech Republic	Value	45,694	43,349	45,326
Sweden	Value	56,557	41,762	36,402
United Kingdom	Value	27,924	31,666	22,877
France	Value	11,375	11,001	12,090
Slovakia	Value	3,081	6,932	11,620
Turkey	Value	4,051	5,960	11,003
Switzerland	Value	10,372	10,957	7,992
All other exporters	Value	232,705	194,794	258,565
All reporting exporters	Value	936,696	916,611	1,050,523
United States	Share of value	10.2	12.5	20.2
China	Share of value	20.8	18.0	16.5
Mexico	Share of value	1.9	2.3	2.6
All subject exporters	Share of value	22.6	20.3	19.2
Germany	Share of value	15.1	16.5	11.8
Poland	Share of value	10.2	12.9	10.2
Czech Republic	Share of value	4.9	4.7	4.3
Sweden	Share of value	6.0	4.6	3.5
United Kingdom	Share of value	3.0	3.5	2.2
France	Share of value	1.2	1.2	1.2
Slovakia	Share of value	0.3	0.8	1.1
Turkey	Share of value	0.4	0.7	1.0
Switzerland	Share of value	1.1	1.2	0.8
All other exporters	Share of value	24.8	21.3	24.6
All reporting exporters	Share of value	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 8607.30 as reported by various national statistical authorities in the Global Trade Atlas database, accessed April 24, 2023.

Note: United States is shown at the top followed by the countries under investigation, all remaining top exporting countries in descending order of 2022 data.

APPENDIX A

FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, Federal Register notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
87 FR 60413, October 5, 2022	<i>Certain Freight Rail Couplers and Parts Thereof From China and Mexico; Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations</i>	https://www.govinfo.gov/content/pkg/FR-2022-10-05/pdf/2022-21576.pdf
87 FR 64440, October 25, 2022	<i>Certain Freight Rail Couplers and Parts Thereof From the People's Republic of China: Initiation of Countervailing Duty Investigation</i>	https://www.govinfo.gov/content/pkg/FR-2022-10-25/pdf/2022-23135.pdf
87 FR 64447, October 25, 2022	<i>Certain Freight Rail Couplers and Parts Thereof From the People's Republic of China and Mexico: Initiation of Less-Than-Fair-Value Investigations</i>	https://www.govinfo.gov/content/pkg/FR-2022-10-25/pdf/2022-23136.pdf
87 FR 63940, November 18, 2022	<i>Certain Freight Rail Couplers and Parts Thereof From China and Mexico</i>	https://www.govinfo.gov/content/pkg/FR-2022-11-18/pdf/2022-25178.pdf
88 FR 13425, March 3, 2023	<i>Certain Freight Rail Couplers and Parts Thereof From the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Preliminary Affirmative Critical Circumstances Determination</i>	https://www.govinfo.gov/content/pkg/FR-2023-03-03/pdf/2023-04438.pdf
88 FR 15372, March 13, 2023	<i>Certain Freight Rail Couplers and Parts Thereof From the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value and Preliminary Affirmative Determination of Critical Circumstances</i>	https://www.govinfo.gov/content/pkg/FR-2023-03-13/pdf/2023-05106.pdf

Citation	Title	Link
88 FR 16031, March 15, 2023	<i>Certain Freight Rail Couplers and Parts Thereof From China and Mexico: Scheduling of the Final Phase of Countervailing Duty and Anti-Dumping Duty Investigations</i>	https://www.govinfo.gov/content/pkg/FR-2023-03-15/pdf/2023-05243.pdf
88 FR 27864, May 3, 2023	<i>Certain Freight Rail Couplers and Parts Thereof from Mexico: Preliminary Affirmative Determination of Sales at Less Than Fair Value</i>	https://www.govinfo.gov/content/pkg/FR-2023-05-03/pdf/2023-09350.pdf
88 FR 32184, May 19, 2023	<i>Certain Freight Rail Couplers and Parts Thereof From the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Critical Circumstances Determination, In Part</i>	https://www.govinfo.gov/content/pkg/FR-2023-05-19/pdf/2023-10779.pdf
88 FR 34485, May 30, 2023	<i>Certain Freight Rail Couplers and Parts Thereof From the People's Republic of China: Final Affirmative Determination of Sales at Less-Than-Fair Value and Final Affirmative Determination of Critical Circumstances</i>	https://www.govinfo.gov/content/pkg/FR-2023-05-30/pdf/2023-11358.pdf

APPENDIX B

LIST OF HEARING WITNESSES {(RESERVED)}

CALENDAR OF PUBLIC HEARING

Those listed below appeared in the United States International Trade Commission's hearing:

Subject: Freight Rail Couplers and Parts Thereof from China and Mexico

Inv. Nos.: 701-TA-682 and 731-TA-1592-1593 (Final)

Date and Time: May 18, 2023 - 9:45 a.m.

Sessions were held in connection with these investigations in the Main Hearing Room (Room 101), 500 E Street, SW., Washington, DC.

OPENING REMARKS:

In Support of Imposition (**Daniel B. Pickard**, Buchanan Ingersoll & Rooney PC)
In Opposition to Imposition (**Douglas J. Heffner**, Faegre Drinker Biddle & Reath LLP)

In Support of Imposition of Antidumping and Countervailing Duty Orders:

Buchanan Ingersoll & Rooney PC
Washington, DC
on behalf of

Coalition of Freight Coupler Producers

Scott Mautino, Executive Vice President, McConway & Torley, LLC

Chris LeFevre, Director of Sales, McConway & Torley, LLC

Roxanne Brown, International Vice President at Large, United Steel,
Paper and Forestry, Rubber, Manufacturing, Energy,
Allied Industrial and Service Workers International Union

Dr. Seth T. Kaplan, Economist, International Economic Research

Travis Pope, Project Manager, Capital Trade, Inc.

Daniel B. Pickard)
Amanda L. Wetzel) – OF COUNSEL
Claire M. Webster)

**In Opposition to Imposition of
Antidumping and Countervailing Duty Orders:**

Faegre Drinker Biddle & Reath LLP
Washington, DC
on behalf of

Amsted Rail Company, Inc.
ASF-K de Mexico S. de R.L. de C.V.

Robert Oesch, Vice President Global Marketing & Customer Service,
Amsted Rail Company, Inc.

Jack Cumming, Vice President – Finance, Amsted Rail Company, Inc.

Jim Dougan, Partner, ION Economics, LLC

Cara Groden, Senior Economic Consultant, ION Economics, LLC

Douglas J. Heffner)
Richard P. Ferrin) – OF COUNSEL
Carrie Bethea Connolly)

Jones Day
Washington, DC
on behalf of

Wabtec Corporation

Mickey Korzeniowski, former Vice President, Wabtec’s Components Group

David M. Morrell)
Ryan Proctor) – OF COUNSEL
Shelbie Rose)

Grunfeld, Desiderio, Lebowitz, Silverman & Klestadt LLP
Washington, DC
on behalf of

Strato Inc. (“Strato”)

Brian Cunkelman, President, Strato Inc.

In Opposition to Imposition of
Antidumping and Countervailing Duty Orders (continued):

Dan Foxx, CIO, Strato Inc.

Ned H. Marshak)
) – OF COUNSEL
Andrew T. Schutz)

Covington & Burling LLP
Washington, DC
on behalf of

TTX Company (“TTX”)

Maureen Werner, Assistant Vice President,
Engineering and Research, TTX

James M. Smith) – OF COUNSEL

REBUTTAL/CLOSING REMARKS:

In Support of Imposition (**Daniel B. Pickard**, Buchanan Ingersoll & Rooney PC)
In Opposition to Imposition (**James M. Smith**, Covington & Burling LLP)

-END-

APPENDIX C

SUMMARY DATA

Table C-1: FRCs: Summary data concerning the U.S. market	C-3
Table C-2: FRCs: Summary data concerning the U.S. market excluding one U.S. producer.....	C-5
Table C-3: FRCs and out-of-scope (“OOS”) components (expanded domestic like product): Summary data concerning the U.S. market.....	C-8
Table C-4: FRCs and out-of-scope (“OOS”) components (expanded domestic like product): Summary data concerning the U.S. market excluding one U.S. producer	C-11

Co-extensive: All producers

Table C-1

FRCs: 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 1,000 pounds; 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):						
China.....	***	***	***	▼ ***	▲ ***	▼ ***
Mexico.....	***	***	***	▲ ***	▲ ***	▼ ***
Subject sources.....	***	***	***	▼ ***	▲ ***	▼ ***
Nonsubject sources.....	***	***	***	***	***	***
All import sources.....	***	***	***	▼ ***	▲ ***	▼ ***
U.S. consumption value:						
Amount.....	***	***	***	▲ ***	▼ ***	▲ ***
Producers' share (fn1).....	***	***	***	▲ ***	▼ ***	▲ ***
Importers' share (fn1):						
China.....	***	***	***	▼ ***	▲ ***	▼ ***
Mexico.....	***	***	***	▼ ***	▲ ***	▼ ***
Subject sources.....	***	***	***	▼ ***	▲ ***	▼ ***
Nonsubject sources.....	***	***	***	***	***	***
All import sources.....	***	***	***	▼ ***	▲ ***	▼ ***
U.S. importers' U.S. shipments of imports from:						
China:						
Quantity.....	***	***	***	▼ ***	▼ ***	▼ ***
Value.....	***	***	***	▼ ***	▲ ***	▼ ***
Unit value.....	***	***	***	▲ ***	▲ ***	▲ ***
Ending inventory quantity.....	***	***	***	▼ ***	▲ ***	▼ ***
Mexico:						
Quantity.....	***	***	***	▲ ***	▼ ***	▲ ***
Value.....	***	***	***	▲ ***	▲ ***	▲ ***
Unit value.....	***	***	***	▲ ***	▲ ***	▲ ***
Ending inventory quantity.....	***	***	***	▲ ***	▼ ***	▲ ***
Subject sources:						
Quantity.....	***	***	***	▼ ***	▼ ***	▼ ***
Value.....	***	***	***	▲ ***	▲ ***	▲ ***
Unit value.....	***	***	***	▲ ***	▲ ***	▲ ***
Ending inventory quantity.....	***	***	***	▼ ***	▲ ***	▼ ***
Nonsubject sources:						
Quantity.....	***	***	***	***	***	***
Value.....	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***
All import sources:						
Quantity.....	***	***	***	▼ ***	▼ ***	▼ ***
Value.....	***	***	***	▲ ***	▲ ***	▲ ***
Unit value.....	***	***	***	▲ ***	▲ ***	▲ ***
Ending inventory quantity.....	***	***	***	▼ ***	▲ ***	▼ ***

Table continued.

Table C-1 Continued

FRCs: 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 1,000 pounds; 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.....	***	***	***	▲ ***	▲ ***	▼ ***
Net sales:						
Quantity.....	***	***	***	▲ ***	▼ ***	▲ ***
Value.....	***	***	***	▲ ***	▼ ***	▲ ***
Unit value.....	***	***	***	▲ ***	▲ ***	▲ ***
Cost of goods sold (COGS).....	***	***	***	▲ ***	▼ ***	▲ ***
Gross profit or (loss) (fn2).....	***	***	***	▲ ***	▼ ***	▲ ***
SG&A expenses.....	***	***	***	▲ ***	▲ ***	▲ ***
Operating income or (loss) (fn2).....	***	***	***	▲ ***	▼ ***	▲ ***
Net income or (loss) (fn2).....	***	***	***	▲ ***	▲ ***	▲ ***
Unit COGS.....	***	***	***	▲ ***	▲ ***	▲ ***
Unit SG&A expenses.....	***	***	***	▲ ***	▲ ***	▼ ***
Unit operating income or (loss) (fn2).....	***	***	***	▲ ***	▼ ***	▲ ***
Unit net income or (loss) (fn2).....	***	***	***	▲ ***	▼ ***	▲ ***
COGS/sales (fn1).....	***	***	***	▼ ***	▲ ***	▼ ***
Operating income or (loss)/sales (fn1).....	***	***	***	▲ ***	▼ ***	▲ ***
Net income or (loss)/sales (fn1).....	***	***	***	▲ ***	▼ ***	▲ ***
Capital expenditures.....	***	***	***	▼ ***	▼ ***	▲ ***
Research and development expenses.....	***	***	***	▲ ***	▼ ***	▲ ***
Net assets.....	***	***	***	▼ ***	▼ ***	▼ ***

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.

Co-extensive: Related party exclusion

Table C-2

FRCs: Summary data concerning the U.S. market excluding one U.S. producer *, by item and period**

Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per 1,000 pounds; 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):						
Included producers.....	***	***	***	▲ ***	▲ ***	▲ ***
Excluded producers.....	***	***	***	▼ ***	▼ ***	▲ ***
All producers.....	***	***	***	▲ ***	▼ ***	▲ ***
Importers' share (fn1):						
China.....	***	***	***	▼ ***	▲ ***	▼ ***
Mexico.....	***	***	***	▲ ***	▲ ***	▼ ***
Subject sources.....	***	***	***	▼ ***	▲ ***	▼ ***
Nonsubject sources.....	***	***	***	***	***	***
All import sources.....	***	***	***	▼ ***	▲ ***	▼ ***
U.S. consumption value:						
Amount.....	***	***	***	▲ ***	▼ ***	▲ ***
Producers' share (fn1):						
Included producers.....	***	***	***	▲ ***	▲ ***	▲ ***
Excluded producers.....	***	***	***	▼ ***	▼ ***	▲ ***
All producers.....	***	***	***	▲ ***	▼ ***	▲ ***
Importers' share (fn1):						
China.....	***	***	***	▼ ***	▲ ***	▼ ***
Mexico.....	***	***	***	▼ ***	▲ ***	▼ ***
Subject sources.....	***	***	***	▼ ***	▲ ***	▼ ***
Nonsubject sources.....	***	***	***	***	***	***
All import sources.....	***	***	***	▼ ***	▲ ***	▼ ***
U.S. importers' U.S. shipments of imports from:						
China:						
Quantity.....	***	***	***	▼ ***	▼ ***	▼ ***
Value.....	***	***	***	▼ ***	▲ ***	▼ ***
Unit value.....	***	***	***	▲ ***	▲ ***	▲ ***
Ending inventory quantity.....	***	***	***	▼ ***	▲ ***	▼ ***
Mexico:						
Quantity.....	***	***	***	▲ ***	▼ ***	▲ ***
Value.....	***	***	***	▲ ***	▲ ***	▲ ***
Unit value.....	***	***	***	▲ ***	▲ ***	▲ ***
Ending inventory quantity.....	***	***	***	▲ ***	▼ ***	▲ ***
Subject sources:						
Quantity.....	***	***	***	▼ ***	▼ ***	▼ ***
Value.....	***	***	***	▲ ***	▲ ***	▲ ***
Unit value.....	***	***	***	▲ ***	▲ ***	▲ ***
Ending inventory quantity.....	***	***	***	▼ ***	▲ ***	▼ ***
Nonsubject sources:						
Quantity.....	***	***	***	***	***	***
Value.....	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***

Table continued.

Table C-2 Continued

FRCs: Summary data concerning the U.S. market excluding one U.S. producer *, by item and period**

Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per 1,000 pounds; Period changes=percent--exceptions noted

Item	Reported data Calendar year			Period changes Comparison years		
	2020	2021	2022	2020-22	2020-21	2021-22
U.S. importers' U.S. shipments of imports from: Continued						
All import sources:						
Quantity.....	***	***	***	▼***	▼***	▼***
Value.....	***	***	***	▲***	▲***	▲***
Unit value.....	***	***	***	▲***	▲***	▲***
Ending inventory quantity.....	***	***	***	▼***	▲***	▼***
Included 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.....	***	***	***	▲***	▲***	▲***

Table continued.

Table C-2 Continued

FRCs: Summary data concerning the U.S. market excluding one U.S. producer *, by item and period**

Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per 1,000 pounds; Period changes=percent--exceptions noted

Item	Reported data Calendar year			Period changes Comparison years		
	2020	2021	2022	2020-22	2020-21	2021-22
Net sales:						
Quantity.....	***	***	***	▲ ***	▼ ***	▲ ***
Value.....	***	***	***	▲ ***	▼ ***	▲ ***
Unit value.....	***	***	***	▲ ***	▼ ***	▲ ***
Cost of goods sold (COGS).....	***	***	***	▲ ***	▼ ***	▲ ***
Gross profit or (loss) (fn2).....	***	***	***	▲ ***	▼ ***	▲ ***
SG&A expenses.....	***	***	***	▲ ***	▲ ***	▲ ***
Operating income or (loss) (fn2).....	***	***	***	▲ ***	▼ ***	▲ ***
Net income or (loss) (fn2).....	***	***	***	▲ ***	▼ ***	▲ ***
Unit COGS.....	***	***	***	▼ ***	▼ ***	▼ ***
Unit SG&A expenses.....	***	***	***	▲ ***	▲ ***	▼ ***
Unit operating income or (loss) (fn2).....	***	***	***	▲ ***	▼ ***	▲ ***
Unit net income or (loss) (fn2).....	***	***	***	▲ ***	▼ ***	▲ ***
COGS/sales (fn1).....	***	***	***	▼ ***	▲ ***	▼ ***
Operating income or (loss)/sales (fn1).....	***	***	***	▲ ***	▼ ***	▲ ***
Net income or (loss)/sales (fn1).....	***	***	***	▲ ***	▼ ***	▲ ***
Capital expenditures.....	***	***	***	▼ ***	▼ ***	▲ ***
Research and development expenses.....	***	***	***	▲ ***	▼ ***	▲ ***
Net assets.....	***	***	***	▼ ***	▼ ***	▲ ***

Source: Compiled from data submitted in response to Commission questionnaires. 508-compliant tables containing these data are contained in parts IV, V, Appendix H and M 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.

Expanded like product: All producers

Table C-3

FRCs and out-of-scope (OOS) components: 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 1,000 pounds; 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):						
FRCs: China.....	***	***	***	▼ ***	▲ ***	▼ ***
FRCs: Mexico.....	***	***	***	▲ ***	▲ ***	▼ ***
FRCs: Subject sources.....	***	***	***	▼ ***	▲ ***	▼ ***
FRCs: Nonsubject sources.....	***	***	***	***	***	***
FRCs: All import sources.....	***	***	***	▼ ***	▲ ***	▼ ***
OOS components: All import sources.....	***	***	***	▼ ***	▼ ***	▼ ***
Combined: All import sources.....	***	***	***	▼ ***	▲ ***	▼ ***
U.S. consumption value:						
Amount.....	***	***	***	▲ ***	▼ ***	▲ ***
Producers' share (fn1).....	***	***	***	▲ ***	▼ ***	▲ ***
Importers' share (fn1):						
FRCs: China.....	***	***	***	▼ ***	▲ ***	▼ ***
FRCs: Mexico.....	***	***	***	▲ ***	▲ ***	▼ ***
FRCs: Subject sources.....	***	***	***	▼ ***	▲ ***	▼ ***
FRCs: Nonsubject sources.....	***	***	***	***	***	***
FRCs: All import sources.....	***	***	***	▼ ***	▲ ***	▼ ***
OOS components: All import sources.....	***	***	***	▼ ***	▼ ***	▼ ***
Combined: All import sources.....	***	***	***	▼ ***	▲ ***	▼ ***
U.S. importers' U.S. shipments of imports from:						
FRCs: China:						
Quantity.....	***	***	***	▼ ***	▼ ***	▼ ***
Value.....	***	***	***	▼ ***	▲ ***	▼ ***
Unit value.....	***	***	***	▲ ***	▲ ***	▲ ***
Ending inventory quantity.....	***	***	***	▼ ***	▲ ***	▼ ***
FRCs: Mexico:						
Quantity.....	***	***	***	▲ ***	▼ ***	▲ ***
Value.....	***	***	***	▲ ***	▲ ***	▲ ***
Unit value.....	***	***	***	▲ ***	▲ ***	▲ ***
Ending inventory quantity.....	***	***	***	▲ ***	▼ ***	▲ ***
FRCs: Subject sources:						
Quantity.....	***	***	***	▼ ***	▼ ***	▼ ***
Value.....	***	***	***	▲ ***	▲ ***	▲ ***
Unit value.....	***	***	***	▲ ***	▲ ***	▲ ***
Ending inventory quantity.....	***	***	***	▼ ***	▲ ***	▼ ***
FRCs: Nonsubject sources:						
Quantity.....	***	***	***	***	***	***
Value.....	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***

Table continued.

Table C-3 Continued

FRCs and out-of-scope (OOS) components: 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 1,000 pounds; Period changes=percent--exceptions noted

Item	Reported data			Period changes		
	Calendar year			Comparison years		
	2020	2021	2022	2020-22	2020-21	2021-22
FRCs: All import sources:						
Quantity.....	***	***	***	▼***	▼***	▼***
Value.....	***	***	***	▲***	▲***	▲***
Unit value.....	***	***	***	▲***	▲***	▲***
Ending inventory quantity.....	***	***	***	▼***	▲***	▼***
U.S. importers' U.S. shipments of imports from: Continued						
OOS components: All import sources:						
Quantity.....	***	***	***	▼***	▼***	▼***
Value.....	***	***	***	▼***	▼***	▼***
Unit value.....	***	***	***	▲***	▲***	▲***
Ending inventory quantity.....	***	***	***	▲***	▲***	▲***
Combined (FRCs and OOS components):						
Quantity.....	***	***	***	▼***	▼***	▼***
Value.....	***	***	***	▲***	▲***	▲***
Unit value.....	***	***	***	▲***	▲***	▲***
Ending inventory quantity.....	***	***	***	▲***	▲***	▲***
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.....	***	***	***	▲***	▲***	▲***

Table continued.

Table C-3 Continued

FRCs and out-of-scope (OOS) components: 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 1,000 pounds; 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': Continued						
Net sales:						
Quantity.....	***	***	***	▲ ***	▼ ***	▲ ***
Value.....	***	***	***	▲ ***	▼ ***	▲ ***
Unit value.....	***	***	***	▲ ***	▼ ***	▲ ***
Cost of goods sold (COGS).....	***	***	***	▲ ***	▼ ***	▲ ***
Gross profit or (loss) (fn2).....	***	***	***	▲ ***	▼ ***	▲ ***
SG&A expenses.....	***	***	***	▲ ***	▲ ***	▲ ***
Operating income or (loss) (fn2).....	***	***	***	▲ ***	▼ ***	▲ ***
Net income or (loss) (fn2).....	***	***	***	▲ ***	▲ ***	▲ ***
Unit COGS.....	***	***	***	▲ ***	▲ ***	▲ ***
Unit SG&A expenses.....	***	***	***	▲ ***	▲ ***	▼ ***
Unit operating income or (loss) (fn2).....	***	***	***	▲ ***	▼ ***	▲ ***
Unit net income or (loss) (fn2).....	***	***	***	▲ ***	▼ ***	▲ ***
COGS/sales (fn1).....	***	***	***	▼ ***	▲ ***	▼ ***
Operating income or (loss)/sales (fn1).....	***	***	***	▲ ***	▼ ***	▲ ***
Net income or (loss)/sales (fn1).....	***	***	***	▲ ***	▼ ***	▲ ***
Capital expenditures.....	***	***	***	▼ ***	▼ ***	▲ ***
Research and development expenses.....	***	***	***	▼ ***	▼ ***	▲ ***
Net assets.....	***	***	***	▼ ***	▼ ***	▼ ***

Source: Compiled from data submitted in response to Commission questionnaires. 508-compliant tables containing these data are contained in Appendix J and N 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.

Expanded like product: Related party exclusion

Table C-4

FRCs and OOS components: Summary data concerning the U.S. market excluding one U.S. producer ***, by item and period

Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per 1,000 pounds; Period changes=percent--exceptions noted

Item	Reported data Calendar year			Period changes Comparison years		
	2020	2021	2022	2020-22	2020-21	2021-22
U.S. consumption quantity:						
Amount.....	***	***	***	▲ ***	▼ ***	▲ ***
Producers' share (fn1):						
Included producers.....	***	***	***	▲ ***	▲ ***	▲ ***
Excluded producers.....	***	***	***	▼ ***	▼ ***	▲ ***
All producers.....	***	***	***	▲ ***	▼ ***	▲ ***
Importers' share (fn1):						
FRCs: China.....	***	***	***	▼ ***	▲ ***	▼ ***
FRCs: Mexico.....	***	***	***	▲ ***	▲ ***	▼ ***
FRCs: Subject sources.....	***	***	***	▼ ***	▲ ***	▼ ***
FRCs: Nonsubject sources.....	***	***	***	***	***	***
FRCs: All import sources.....	***	***	***	▼ ***	▲ ***	▼ ***
OOS components: All import sources.....	***	***	***	▼ ***	▼ ***	▼ ***
Combined: All import sources.....	***	***	***	▼ ***	▲ ***	▼ ***
U.S. consumption value:						
Amount.....	***	***	***	▲ ***	▼ ***	▲ ***
Producers' share (fn1):						
Included producers.....	***	***	***	▲ ***	▲ ***	▲ ***
Excluded producers.....	***	***	***	▼ ***	▼ ***	▲ ***
All producers.....	***	***	***	▲ ***	▼ ***	▲ ***
Importers' share (fn1):						
FRCs: China.....	***	***	***	▼ ***	▲ ***	▼ ***
FRCs: Mexico.....	***	***	***	▲ ***	▲ ***	▼ ***
FRCs: Subject sources.....	***	***	***	▼ ***	▲ ***	▼ ***
FRCs: Nonsubject sources.....	***	***	***	***	***	***
FRCs: All import sources.....	***	***	***	▼ ***	▲ ***	▼ ***
OOS components: All import sources.....	***	***	***	▼ ***	▼ ***	▼ ***
Combined: All import sources.....	***	***	***	▼ ***	▲ ***	▼ ***
U.S. importers' U.S. shipments of imports from:						
FRCs: China:						
Quantity.....	***	***	***	▼ ***	▼ ***	▼ ***
Value.....	***	***	***	▼ ***	▲ ***	▼ ***
Unit value.....	***	***	***	▲ ***	▲ ***	▲ ***
Ending inventory quantity.....	***	***	***	▼ ***	▲ ***	▼ ***
FRCs: Mexico:						
Quantity.....	***	***	***	▲ ***	▼ ***	▲ ***
Value.....	***	***	***	▲ ***	▲ ***	▲ ***
Unit value.....	***	***	***	▲ ***	▲ ***	▲ ***
Ending inventory quantity.....	***	***	***	▲ ***	▼ ***	▲ ***
FRCs: Subject sources:						
Quantity.....	***	***	***	▼ ***	▼ ***	▼ ***
Value.....	***	***	***	▲ ***	▲ ***	▲ ***
Unit value.....	***	***	***	▲ ***	▲ ***	▲ ***
Ending inventory quantity.....	***	***	***	▼ ***	▲ ***	▼ ***

Table continued.

Table C-4 Continued

FRCs and OOS components: Summary data concerning the U.S. market excluding one U.S. producer *, by item and period**

Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per 1,000 pounds; Period changes=percent--exceptions noted

Item	Reported data			Period changes		
	2020	2021	2022	2020-22	2020-21	2021-22
U.S. importers' U.S. shipments of imports from: Continued						
FRCs: Nonsubject sources:						
Quantity.....	***	***	***	***	***	***
Value.....	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***
Ending inventory quantity.....	***	***	***	***	***	***
FRCs: All import sources:						
Quantity.....	***	***	***	▼***	▼***	▼***
Value.....	***	***	***	▲***	▲***	▲***
Unit value.....	***	***	***	▲***	▲***	▲***
Ending inventory quantity.....	***	***	***	▼***	▲***	▼***
OOS components: All import sources:						
Quantity.....	***	***	***	▼***	▼***	▼***
Value.....	***	***	***	▼***	▼***	▼***
Unit value.....	***	***	***	▲***	▲***	▲***
Ending inventory quantity.....	***	***	***	▲***	▲***	▲***
Combined (FRCs and OOS components): All import sources						
Quantity.....	***	***	***	▼***	▼***	▼***
Value.....	***	***	***	▲***	▲***	▲***
Unit value.....	***	***	***	▲***	▲***	▲***
Ending inventory quantity.....	***	***	***	▲***	▲***	▲***
Included 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.....	***	***	***	▲***	▲***	▲***

Table continued.

Table C-4 Continued

FRCs and OOS components: Summary data concerning the U.S. market excluding one U.S. producer *, by item and period**

Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per 1,000 pounds; Period changes=percent--exceptions noted

Item	Reported data			Period changes		
	Calendar year			Comparison years		
	2020	2021	2022	2020-22	2020-21	2021-22
Included U.S. producers: Continued						
Net sales:						
Quantity.....	***	***	***	▲ ***	▼ ***	▲ ***
Value.....	***	***	***	▲ ***	▼ ***	▲ ***
Unit value.....	***	***	***	▲ ***	▼ ***	▲ ***
Cost of goods sold (COGS).....	***	***	***	▲ ***	▼ ***	▲ ***
Gross profit or (loss) (fn2).....	***	***	***	▲ ***	▼ ***	▲ ***
SG&A expenses.....	***	***	***	▲ ***	▲ ***	▲ ***
Operating income or (loss) (fn2).....	***	***	***	▲ ***	▼ ***	▲ ***
Net income or (loss) (fn2).....	***	***	***	▲ ***	▲ ***	▲ ***
Unit COGS.....	***	***	***	▼ ***	▼ ***	▼ ***
Unit SG&A expenses.....	***	***	***	▲ ***	▲ ***	▼ ***
Unit operating income or (loss) (fn2).....	***	***	***	▲ ***	▼ ***	▲ ***
Unit net income or (loss) (fn2).....	***	***	***	▲ ***	▼ ***	▲ ***
COGS/sales (fn1).....	***	***	***	▼ ***	▲ ***	▼ ***
Operating income or (loss)/sales (fn1).....	***	***	***	▲ ***	▼ ***	▲ ***
Net income or (loss)/sales (fn1).....	***	***	***	▲ ***	▼ ***	▲ ***
Capital expenditures.....	***	***	***	▼ ***	▼ ***	▲ ***
Research and development expenses.....	***	***	***	▼ ***	▼ ***	▲ ***
Net assets.....	***	***	***	▼ ***	▼ ***	▲ ***

Source: Compiled from data submitted in response to Commission questionnaires. Appendices J and N includes 508 compliant tables

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.

APPENDIX D

U.S. PRODUCERS' AND IMPORTERS' NARRATIVE RESPONSES TO THE COMPARABILITY OF IN-SCOPE AND OUT-OF-SCOPE FREIGHT RAIL COUPLER SYSTEM COMPONENTS

Table D-1
FRCs: U.S. producers' narrative responses on the comparability of in-scope and out-of-scope freight rail coupler system components

Factor	Producer name and narrative on the domestic like product factors
Physical characteristics	***
Physical characteristics	***
Interchangeability	***
Interchangeability	***
Channels	***
Channels	***
Manufacturing	***
Manufacturing	***
Perceptions	***
Perceptions	***
Price	***
Price	***

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

Note: Responses have been edited for spelling, grammar, and punctuation. Where applicable, unusable responses such as "N/A", or instances in which a firm indicated that they had no familiarity with the product have been removed.

Table D-2
FRCs: U.S. importers' narrative responses on the comparability of in-scope and out-of-scope freight rail coupler system components

Factor	Importer / purchaser name and narrative on the domestic like product factors
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Physical characteristics	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Interchangeability	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***
Channels	***

Factor	Importer / purchaser name and narrative on the domestic like product factors
Channels	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Manufacturing	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Perceptions	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***
Price	***

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

Note: Responses have been edited for spelling, grammar, and punctuation. Where applicable, responses such as “N/A” or instances in which a firm indicated that they had no familiarity with the product have been removed.

Table D-3
FRCs: U.S. producers' and importer's narratives regarding the expansion of the domestic like product

Firm	Firm type	Narratives on expansion of domestic like product
***	Producer	***
***	Importer	***
***	Importer	***
***	Importer	***

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

Note: Responses have been edited for spelling, grammar, and punctuation. Where applicable, responses such as "N/A", or instances in which a firm indicated that they had no familiarity with the product have been removed.

APPENDIX E

U.S. PRODUCERS' AND IMPORTER/PURCHASERS' NARRATIVE RESPONSES REGARDING THE SEMI-FINISHED LIKE PRODUCT ANALYSIS

Table E-1
FRCs: U.S. producers' narrative responses regarding the semi-finished like product analysis

Item	Producer name and narrative regarding semi-finished product analysis
Other uses	***
Separate market	***

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

Note: Responses have been edited for spelling, grammar, and punctuation. Where applicable, unusable responses such as "N/A", or instances in which a firm indicated that they had no familiarity with the product have been removed.

Table E-2
FRCs: U.S. importers' narrative responses regarding the semi-finished like product analysis

Factor	Importer/purchaser name and narrative regarding semi-finished product analysis
Other uses	***
Other uses	***
Other uses	***
Separate market	***
Separate market	***
Separate market	***
Separate market	***
Differences in characteristics	***
Differences in cost	***
Differences in cost	***
Differences in cost	***
Differences in cost	***

Factor	Importer/purchaser name and narrative regarding semi-finished product analysis
Transformation intensive	***

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

Note: Responses have been edited for spelling, grammar, and punctuation. Where applicable, unusable responses such as “N/A”, or instances in which a firm indicated that they had no familiarity with the product have been removed.

APPENDIX F

DETAILED CHANNELS OF DISTRIBUTION

U.S. producers and importer/purchasers were asked to break out their channels of distribution by the type of FRC, i.e., full unit or finished coupler fits/assemblies (which include both a knuckle and a coupler body), or the individual FRC component (i.e., knuckles sold individually or and coupler bodies sold individually). U.S. importer/purchasers were also asked to break out their channels of distribution by whether such sales were standalone or attached to railcars. However, no firms reported any FRCs attached to railcars. Tables F-1 to F-4 present the channels of distribution for FRCs. The data in tables F-2 (knuckles individually sold) and F-3 (coupler bodies individually sold) sum to the data underlying table F-4 (all in-scope FRC components). The data in tables F-1 (full units or finished coupler fits/assemblies) and F-4 (all in-scope FRC components) correspond to the data used to calculate the overall channels of distribution data shown in table II-1.

Table F-1
FRCs: U.S. shipments of standalone freight rail coupler fit/assemblies by source, channel of distribution, and period

Quantities in 1,000 pounds

Source	Channel	2020	2021	2022
United States: Amsted	OEM	***	***	***
United States: Amsted	Replacement	***	***	***
United States: Amsted	All channels	***	***	***
United States: M&T	OEM	***	***	***
United States: M&T	Replacement	***	***	***
United States: M&T	All channels	***	***	***
United States: All producers	OEM	***	***	***
United States: All producers	Replacement	***	***	***
United States: All producers	All channels	***	***	***
China	OEM	***	***	***
China	Replacement	***	***	***
China	All channels	***	***	***
Mexico	OEM	***	***	***
Mexico	Replacement	***	***	***
Mexico	All channels	***	***	***
Subject sources	OEM	***	***	***
Subject sources	Replacement	***	***	***
Subject sources	All channels	***	***	***
Nonsubject sources	OEM	***	***	***
Nonsubject sources	Replacement	***	***	***
Nonsubject sources	All channels	***	***	***
All import sources	OEM	***	***	***
All import sources	Replacement	***	***	***
All import sources	All channels	***	***	***

Table continued on next page.

Table F-1 Continued**FRCs: U.S. shipments of standalone freight rail coupler fit/assemblies by source, channel of distribution, and period**

Shares in percent

Source	Channel	2020	2021	2022
United States: Amsted	OEM	***	***	***
United States: Amsted	Replacement	***	***	***
United States: Amsted	All channels	***	***	***
United States: M&T	OEM	***	***	***
United States: M&T	Replacement	***	***	***
United States: M&T	All channels	***	***	***
United States: All producers	OEM	***	***	***
United States: All producers	Replacement	***	***	***
United States: All producers	All channels	***	***	***
China	OEM	***	***	***
China	Replacement	***	***	***
China	All channels	***	***	***
Mexico	OEM	***	***	***
Mexico	Replacement	***	***	***
Mexico	All channels	***	***	***
Subject sources	OEM	***	***	***
Subject sources	Replacement	***	***	***
Subject sources	All channels	***	***	***
Nonsubject sources	OEM	***	***	***
Nonsubject sources	Replacement	***	***	***
Nonsubject sources	All channels	***	***	***
All import sources	OEM	***	***	***
All import sources	Replacement	***	***	***
All import sources	All channels	***	***	***

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

Note: The shares calculated in this table represent the shares of channels of distribution within each source for full unit coupler fits/assemblies sold on a standalone basis.

Table F-2**FRCs: U.S. shipments of standalone knuckles by source, channel of distribution, and period**

Quantities in 1,000 pounds

Source	Channel	2020	2021	2022
United States: Amsted	OEM	***	***	***
United States: Amsted	Replacement	***	***	***
United States: Amsted	All channels	***	***	***
United States: M&T	OEM	***	***	***
United States: M&T	Replacement	***	***	***
United States: M&T	All channels	***	***	***
United States: All producers	OEM	***	***	***
United States: All producers	Replacement	***	***	***
United States: All producers	All channels	***	***	***
China	OEM	***	***	***
China	Replacement	***	***	***
China	All channels	***	***	***
Mexico	OEM	***	***	***
Mexico	Replacement	***	***	***
Mexico	All channels	***	***	***
Subject sources	OEM	***	***	***
Subject sources	Replacement	***	***	***
Subject sources	All channels	***	***	***
Nonsubject sources	OEM	***	***	***
Nonsubject sources	Replacement	***	***	***
Nonsubject sources	All channels	***	***	***
All import sources	OEM	***	***	***
All import sources	Replacement	***	***	***
All import sources	All channels	***	***	***

Table continued on next page.

Table F-2 Continued**FRCs: U.S. shipments of standalone knuckles by source, channel of distribution, and period**

Shares in percent

Source	Channel	2020	2021	2022
United States: Amsted	OEM	***	***	***
United States: Amsted	Replacement	***	***	***
United States: Amsted	All channels	***	***	***
United States: M&T	OEM	***	***	***
United States: M&T	Replacement	***	***	***
United States: M&T	All channels	***	***	***
United States: All producers	OEM	***	***	***
United States: All producers	Replacement	***	***	***
United States: All producers	All channels	***	***	***
China	OEM	***	***	***
China	Replacement	***	***	***
China	All channels	***	***	***
Mexico	OEM	***	***	***
Mexico	Replacement	***	***	***
Mexico	All channels	***	***	***
Subject sources	OEM	***	***	***
Subject sources	Replacement	***	***	***
Subject sources	All channels	***	***	***
Nonsubject sources	OEM	***	***	***
Nonsubject sources	Replacement	***	***	***
Nonsubject sources	All channels	***	***	***
All import sources	OEM	***	***	***
All import sources	Replacement	***	***	***
All import sources	All channels	***	***	***

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

The shares calculated in this table represent the shares of channels of distribution within each source for knuckles independently (i.e., not as part of the full unit or coupler fit/assembly) sold on a standalone basis.

Table F-3**FRCs: U.S. shipments of standalone coupler bodies by source, channel of distribution, and period**

Quantities in 1,000 pounds

Source	Channel	2020	2021	2022
United States: Amsted	OEM	***	***	***
United States: Amsted	Replacement	***	***	***
United States: Amsted	All channels	***	***	***
United States: M&T	OEM	***	***	***
United States: M&T	Replacement	***	***	***
United States: M&T	All channels	***	***	***
United States: All producers	OEM	***	***	***
United States: All producers	Replacement	***	***	***
United States: All producers	All channels	***	***	***
China	OEM	***	***	***
China	Replacement	***	***	***
China	All channels	***	***	***
Mexico	OEM	***	***	***
Mexico	Replacement	***	***	***
Mexico	All channels	***	***	***
Subject sources	OEM	***	***	***
Subject sources	Replacement	***	***	***
Subject sources	All channels	***	***	***
Nonsubject sources	OEM	***	***	***
Nonsubject sources	Replacement	***	***	***
Nonsubject sources	All channels	***	***	***
All import sources	OEM	***	***	***
All import sources	Replacement	***	***	***
All import sources	All channels	***	***	***

Table continued on next page.

Table F-3 Continued**FRCs: U.S. shipments of standalone coupler bodies by source, channel of distribution, and period**

Shares in percent

Source	Channel	2020	2021	2022
United States: Amsted	OEM	***	***	***
United States: Amsted	Replacement	***	***	***
United States: Amsted	All channels	***	***	***
United States: M&T	OEM	***	***	***
United States: M&T	Replacement	***	***	***
United States: M&T	All channels	***	***	***
United States: All producers	OEM	***	***	***
United States: All producers	Replacement	***	***	***
United States: All producers	All channels	***	***	***
China	OEM	***	***	***
China	Replacement	***	***	***
China	All channels	***	***	***
Mexico	OEM	***	***	***
Mexico	Replacement	***	***	***
Mexico	All channels	***	***	***
Subject sources	OEM	***	***	***
Subject sources	Replacement	***	***	***
Subject sources	All channels	***	***	***
Nonsubject sources	OEM	***	***	***
Nonsubject sources	Replacement	***	***	***
Nonsubject sources	All channels	***	***	***
All import sources	OEM	***	***	***
All import sources	Replacement	***	***	***
All import sources	All channels	***	***	***

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

Note: The shares calculated in this table represent the shares of channels of distribution within each source for coupler bodies independently (i.e., not as part of the full unit or coupler fit/assembly) sold on a standalone basis.

Table F-4**FRCs: U.S. shipments of all standalone components by source, channel of distribution, and period**

Quantities in 1,000 pounds

Source	Channel	2020	2021	2022
United States: Amsted	OEM	***	***	***
United States: Amsted	Replacement	***	***	***
United States: Amsted	All channels	***	***	***
United States: M&T	OEM	***	***	***
United States: M&T	Replacement	***	***	***
United States: M&T	All channels	***	***	***
United States: All producers	OEM	***	***	***
United States: All producers	Replacement	***	***	***
United States: All producers	All channels	***	***	***
China	OEM	***	***	***
China	Replacement	***	***	***
China	All channels	***	***	***
Mexico	OEM	***	***	***
Mexico	Replacement	***	***	***
Mexico	All channels	***	***	***
Subject sources	OEM	***	***	***
Subject sources	Replacement	***	***	***
Subject sources	All channels	***	***	***
Nonsubject sources	OEM	***	***	***
Nonsubject sources	Replacement	***	***	***
Nonsubject sources	All channels	***	***	***
All import sources	OEM	***	***	***
All import sources	Replacement	***	***	***
All import sources	All channels	***	***	***

Table continued on next page.

Table F-4 Continued**FRCs: U.S. shipments of all standalone components by source, channel of distribution, and period**

Shares in percent

Source	Channel	2020	2021	2022
United States: Amsted	OEM	***	***	***
United States: Amsted	Replacement	***	***	***
United States: Amsted	All channels	***	***	***
United States: M&T	OEM	***	***	***
United States: M&T	Replacement	***	***	***
United States: M&T	All channels	***	***	***
United States: All producers	OEM	***	***	***
United States: All producers	Replacement	***	***	***
United States: All producers	All channels	***	***	***
China	OEM	***	***	***
China	Replacement	***	***	***
China	All channels	***	***	***
Mexico	OEM	***	***	***
Mexico	Replacement	***	***	***
Mexico	All channels	***	***	***
Subject sources	OEM	***	***	***
Subject sources	Replacement	***	***	***
Subject sources	All channels	***	***	***
Nonsubject sources	OEM	***	***	***
Nonsubject sources	Replacement	***	***	***
Nonsubject sources	All channels	***	***	***
All import sources	OEM	***	***	***
All import sources	Replacement	***	***	***
All import sources	All channels	***	***	***

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

The shares calculated in this table represent the shares of channels of distribution within each source for knuckles or coupler bodies combined (i.e., all FRC components) independently (i.e., not as part of the full unit or coupler fit/assembly) sold on a standalone basis.

APPENDIX G

U.S. SHIPMENTS BY PRODUCT TYPE AND MARKET

Table G-1
FRCs: U.S. producer Amsted's U.S. shipments, by type and period

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit value in dollars per 1,000 pounds; Share in percent

Product type	Measure	2020	2021	2022
Coupler fit / assembly	Quantity	***	***	***
Knuckles	Quantity	***	***	***
Coupler bodies	Quantity	***	***	***
All coupler fit components	Quantity	***	***	***
All product types	Quantity	***	***	***
Coupler fit / assembly	Value	***	***	***
Knuckles	Value	***	***	***
Coupler bodies	Value	***	***	***
All coupler fit components	Value	***	***	***
All product types	Value	***	***	***
Coupler fit / assembly	Unit value	***	***	***
Knuckles	Unit value	***	***	***
Coupler bodies	Unit value	***	***	***
All coupler fit components	Unit value	***	***	***
All product types	Unit value	***	***	***
Coupler fit / assembly	Share of quantity	***	***	***
Knuckles	Share of quantity	***	***	***
Coupler bodies	Share of quantity	***	***	***
All coupler fit components	Share of quantity	***	***	***
All product types	Share of quantity	***	***	***
Coupler fit / assembly	Share of value	***	***	***
Knuckles	Share of value	***	***	***
Coupler bodies	Share of value	***	***	***
All coupler fit components	Share of value	***	***	***
All product types	Share of value	***	***	***

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". Ratios are ratio to overall apparent consumption quantity as presented in Part IV of the report.

Table G-2
FRCs: U.S. producer M&T's U.S. shipments, by type and period

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit value in dollars per 1,000 pounds; Share in percent

Product type	Measure	2020	2021	2022
Coupler fit / assembly	Quantity	***	***	***
Knuckles	Quantity	***	***	***
Coupler bodies	Quantity	***	***	***
All coupler fit components	Quantity	***	***	***
All product types	Quantity	***	***	***
Coupler fit / assembly	Value	***	***	***
Knuckles	Value	***	***	***
Coupler bodies	Value	***	***	***
All coupler fit components	Value	***	***	***
All product types	Value	***	***	***
Coupler fit / assembly	Unit value	***	***	***
Knuckles	Unit value	***	***	***
Coupler bodies	Unit value	***	***	***
All coupler fit components	Unit value	***	***	***
All product types	Unit value	***	***	***
Coupler fit / assembly	Share of quantity	***	***	***
Knuckles	Share of quantity	***	***	***
Coupler bodies	Share of quantity	***	***	***
All coupler fit components	Share of quantity	***	***	***
All product types	Share of quantity	***	***	***
Coupler fit / assembly	Share of value	***	***	***
Knuckles	Share of value	***	***	***
Coupler bodies	Share of value	***	***	***
All coupler fit components	Share of value	***	***	***
All product types	Share of value	***	***	***

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". Ratios are ratio to overall apparent consumption quantity as presented in Part IV of the report.

Table G-3
FRCs: 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 1,000 pounds; Share in percent

Product type	Measure	2020	2021	2022
Coupler fit / assembly	Quantity	***	***	***
Knuckles	Quantity	***	***	***
Coupler bodies	Quantity	***	***	***
All coupler fit components	Quantity	***	***	***
All product types	Quantity	***	***	***
Coupler fit / assembly	Value	***	***	***
Knuckles	Value	***	***	***
Coupler bodies	Value	***	***	***
All coupler fit components	Value	***	***	***
All product types	Value	***	***	***
Coupler fit / assembly	Unit value	***	***	***
Knuckles	Unit value	***	***	***
Coupler bodies	Unit value	***	***	***
All coupler fit components	Unit value	***	***	***
All product types	Unit value	***	***	***
Coupler fit / assembly	Share of quantity	***	***	***
Knuckles	Share of quantity	***	***	***
Coupler bodies	Share of quantity	***	***	***
All coupler fit components	Share of quantity	***	***	***
All product types	Share of quantity	***	***	***
Coupler fit / assembly	Share of value	***	***	***
Knuckles	Share of value	***	***	***
Coupler bodies	Share of value	***	***	***
All coupler fit components	Share of value	***	***	***
All product types	Share of value	***	***	***

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". Ratios are ratio to overall apparent consumption quantity as presented in Part IV of the report.

Table G-4
FRCs: U.S. importers' U.S. shipments of imports from China, by type and period

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit value in dollars per 1,000 pounds; Share in percent

Product type	Measure	2020	2021	2022
Coupler fit / assembly	Quantity	***	***	***
Knuckles	Quantity	***	***	***
Coupler bodies	Quantity	***	***	***
All coupler fit components	Quantity	***	***	***
All product types	Quantity	***	***	***
Coupler fit / assembly	Value	***	***	***
Knuckles	Value	***	***	***
Coupler bodies	Value	***	***	***
All coupler fit components	Value	***	***	***
All product types	Value	***	***	***
Coupler fit / assembly	Unit value	***	***	***
Knuckles	Unit value	***	***	***
Coupler bodies	Unit value	***	***	***
All coupler fit components	Unit value	***	***	***
All product types	Unit value	***	***	***
Coupler fit / assembly	Share of quantity	***	***	***
Knuckles	Share of quantity	***	***	***
Coupler bodies	Share of quantity	***	***	***
All coupler fit components	Share of quantity	***	***	***
All product types	Share of quantity	***	***	***
Coupler fit / assembly	Share of value	***	***	***
Knuckles	Share of value	***	***	***
Coupler bodies	Share of value	***	***	***
All coupler fit components	Share of value	***	***	***
All product types	Share of value	***	***	***

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". Ratios are ratio to overall apparent consumption quantity as presented in Part IV of the report.

Table G-5
FRCs: U.S. importers' U.S. shipments of imports from Mexico, by type and period

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit value in dollars per 1,000 pounds; Share in percent

Product type	Measure	2020	2021	2022
Coupler fit / assembly	Quantity	***	***	***
Knuckles	Quantity	***	***	***
Coupler bodies	Quantity	***	***	***
All coupler fit components	Quantity	***	***	***
All product types	Quantity	***	***	***
Coupler fit / assembly	Value	***	***	***
Knuckles	Value	***	***	***
Coupler bodies	Value	***	***	***
All coupler fit components	Value	***	***	***
All product types	Value	***	***	***
Coupler fit / assembly	Unit value	***	***	***
Knuckles	Unit value	***	***	***
Coupler bodies	Unit value	***	***	***
All coupler fit components	Unit value	***	***	***
All product types	Unit value	***	***	***
Coupler fit / assembly	Share of quantity	***	***	***
Knuckles	Share of quantity	***	***	***
Coupler bodies	Share of quantity	***	***	***
All coupler fit components	Share of quantity	***	***	***
All product types	Share of quantity	***	***	***
Coupler fit / assembly	Share of value	***	***	***
Knuckles	Share of value	***	***	***
Coupler bodies	Share of value	***	***	***
All coupler fit components	Share of value	***	***	***
All product types	Share of value	***	***	***

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". Ratios are ratio to overall apparent consumption quantity as presented in Part IV of the report.

Table G-6**FRCs: U.S. importers' U.S. shipments of imports from subject sources, by type and period**

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit value in dollars per 1,000 pounds; Share in percent

Product type	Measure	2020	2021	2022
Coupler fit / assembly	Quantity	***	***	***
Knuckles	Quantity	***	***	***
Coupler bodies	Quantity	***	***	***
All coupler fit components	Quantity	***	***	***
All product types	Quantity	***	***	***
Coupler fit / assembly	Value	***	***	***
Knuckles	Value	***	***	***
Coupler bodies	Value	***	***	***
All coupler fit components	Value	***	***	***
All product types	Value	***	***	***
Coupler fit / assembly	Unit value	***	***	***
Knuckles	Unit value	***	***	***
Coupler bodies	Unit value	***	***	***
All coupler fit components	Unit value	***	***	***
All product types	Unit value	***	***	***
Coupler fit / assembly	Share of quantity	***	***	***
Knuckles	Share of quantity	***	***	***
Coupler bodies	Share of quantity	***	***	***
All coupler fit components	Share of quantity	***	***	***
All product types	Share of quantity	***	***	***
Coupler fit / assembly	Share of value	***	***	***
Knuckles	Share of value	***	***	***
Coupler bodies	Share of value	***	***	***
All coupler fit components	Share of value	***	***	***
All product types	Share of value	***	***	***

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". Ratios are ratio to overall apparent consumption quantity as presented in Part IV of the report.

Table G-7**FRCs: OEM market for full FRCs (i.e., coupler fits/assemblies), by source and period**

Quantity in 1,000 pounds; Shares and ratio in percent

Source	Measure	2020	2021	2022
U.S. producers: Amsted	Quantity	***	***	***
U.S. producers: M&T	Quantity	***	***	***
U.S. producers: All producers	Quantity	***	***	***
China	Quantity	***	***	***
Mexico	Quantity	***	***	***
Subject sources	Quantity	***	***	***
Nonsubject sources	Quantity	***	***	***
All import sources	Quantity	***	***	***
All sources	Quantity	***	***	***
U.S. producers: Amsted	Share	***	***	***
U.S. producers: M&T	Share	***	***	***
U.S. producers: All producers	Share	***	***	***
China	Share	***	***	***
Mexico	Share	***	***	***
Subject sources	Share	***	***	***
Nonsubject sources	Share	***	***	***
All import sources	Share	***	***	***
All sources	Share	***	***	***
U.S. producers: Amsted	Ratio	***	***	***
U.S. producers: M&T	Ratio	***	***	***
U.S. producers: All producers	Ratio	***	***	***
China	Ratio	***	***	***
Mexico	Ratio	***	***	***
Subject sources	Ratio	***	***	***
Nonsubject sources	Ratio	***	***	***
All import sources	Ratio	***	***	***
All sources	Ratio	***	***	***

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". Ratios are ratio to overall apparent consumption quantity as presented in Part IV of the report.

Table G-8

FRCs: OEM market for in-scope components (i.e., FRC knuckles or coupler bodies sold individually), by source and period

Quantity in 1,000 pounds; Shares and ratio in percent

Source	Measure	2020	2021	2022
U.S. producers: Amsted	Quantity	***	***	***
U.S. producers: M&T	Quantity	***	***	***
U.S. producers: All producers	Quantity	***	***	***
China	Quantity	***	***	***
Mexico	Quantity	***	***	***
Subject sources	Quantity	***	***	***
Nonsubject sources	Quantity	***	***	***
All import sources	Quantity	***	***	***
All sources	Quantity	***	***	***
U.S. producers: Amsted	Share	***	***	***
U.S. producers: M&T	Share	***	***	***
U.S. producers: All producers	Share	***	***	***
China	Share	***	***	***
Mexico	Share	***	***	***
Subject sources	Share	***	***	***
Nonsubject sources	Share	***	***	***
All import sources	Share	***	***	***
All sources	Share	***	***	***
U.S. producers: Amsted	Ratio	***	***	***
U.S. producers: M&T	Ratio	***	***	***
U.S. producers: All producers	Ratio	***	***	***
China	Ratio	***	***	***
Mexico	Ratio	***	***	***
Subject sources	Ratio	***	***	***
Nonsubject sources	Ratio	***	***	***
All import sources	Ratio	***	***	***
All sources	Ratio	***	***	***

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". Ratios are ratio to overall apparent consumption quantity as presented in Part IV of the report.

Table G-9
FRCs: OEM market, by source and period

Quantity in 1,000 pounds; Shares and ratio in percent

Source	Measure	2020	2021	2022
U.S. producers: Amsted	Quantity	***	***	***
U.S. producers: M&T	Quantity	***	***	***
U.S. producers: All producers	Quantity	***	***	***
China	Quantity	***	***	***
Mexico	Quantity	***	***	***
Subject sources	Quantity	***	***	***
Nonsubject sources	Quantity	***	***	***
All import sources	Quantity	***	***	***
All sources	Quantity	***	***	***
U.S. producers: Amsted	Share	***	***	***
U.S. producers: M&T	Share	***	***	***
U.S. producers: All producers	Share	***	***	***
China	Share	***	***	***
Mexico	Share	***	***	***
Subject sources	Share	***	***	***
Nonsubject sources	Share	***	***	***
All import sources	Share	***	***	***
All sources	Share	***	***	***
U.S. producers: Amsted	Ratio	***	***	***
U.S. producers: M&T	Ratio	***	***	***
U.S. producers: All producers	Ratio	***	***	***
China	Ratio	***	***	***
Mexico	Ratio	***	***	***
Subject sources	Ratio	***	***	***
Nonsubject sources	Ratio	***	***	***
All import sources	Ratio	***	***	***
All sources	Ratio	***	***	***

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". Ratios are ratio to overall apparent consumption quantity as presented in Part IV of the report.

Figure G-1
FRCs: OEM market in 2022, by product type and source

* * * * *

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

Table G-10**FRCs: Replacement market for full unit FRCs (i.e., coupler fits/assemblies), by source and period**

Quantity in 1,000 pounds; Shares and ratio in percent

Source	Measure	2020	2021	2022
U.S. producers: Amsted	Quantity	***	***	***
U.S. producers: M&T	Quantity	***	***	***
U.S. producers: All producers	Quantity	***	***	***
China	Quantity	***	***	***
Mexico	Quantity	***	***	***
Subject sources	Quantity	***	***	***
Nonsubject sources	Quantity	***	***	***
All import sources	Quantity	***	***	***
All sources	Quantity	***	***	***
U.S. producers: Amsted	Share	***	***	***
U.S. producers: M&T	Share	***	***	***
U.S. producers: All producers	Share	***	***	***
China	Share	***	***	***
Mexico	Share	***	***	***
Subject sources	Share	***	***	***
Nonsubject sources	Share	***	***	***
All import sources	Share	***	***	***
All sources	Share	***	***	***
U.S. producers: Amsted	Ratio	***	***	***
U.S. producers: M&T	Ratio	***	***	***
U.S. producers: All producers	Ratio	***	***	***
China	Ratio	***	***	***
Mexico	Ratio	***	***	***
Subject sources	Ratio	***	***	***
Nonsubject sources	Ratio	***	***	***
All import sources	Ratio	***	***	***
All sources	Ratio	***	***	***

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". Ratios are ratio to overall apparent consumption quantity as presented in Part IV of the report.

Table G-11

FRCs: Replacement market for replacement in-scope components (i.e., FRC knuckles or coupler bodies sold individually), by source and period

Quantity in 1,000 pounds; Shares and ratio in percent

Source	Measure	2020	2021	2022
U.S. producers: Amsted	Quantity	***	***	***
U.S. producers: M&T	Quantity	***	***	***
U.S. producers: All producers	Quantity	***	***	***
China	Quantity	***	***	***
Mexico	Quantity	***	***	***
Subject sources	Quantity	***	***	***
Nonsubject sources	Quantity	***	***	***
All import sources	Quantity	***	***	***
All sources	Quantity	***	***	***
U.S. producers: Amsted	Share	***	***	***
U.S. producers: M&T	Share	***	***	***
U.S. producers: All producers	Share	***	***	***
China	Share	***	***	***
Mexico	Share	***	***	***
Subject sources	Share	***	***	***
Nonsubject sources	Share	***	***	***
All import sources	Share	***	***	***
All sources	Share	***	***	***
U.S. producers: Amsted	Ratio	***	***	***
U.S. producers: M&T	Ratio	***	***	***
U.S. producers: All producers	Ratio	***	***	***
China	Ratio	***	***	***
Mexico	Ratio	***	***	***
Subject sources	Ratio	***	***	***
Nonsubject sources	Ratio	***	***	***
All import sources	Ratio	***	***	***
All sources	Ratio	***	***	***

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". Ratios are ratio to overall apparent consumption quantity as presented in Part IV of the report.

Table G-12
FRCs: Replacement market, by source and period

Quantity in 1,000 pounds; Shares and ratio in percent

Source	Measure	2020	2021	2022
U.S. producers: Amsted	Quantity	***	***	***
U.S. producers: M&T	Quantity	***	***	***
U.S. producers: All producers	Quantity	***	***	***
China	Quantity	***	***	***
Mexico	Quantity	***	***	***
Subject sources	Quantity	***	***	***
Nonsubject sources	Quantity	***	***	***
All import sources	Quantity	***	***	***
All sources	Quantity	***	***	***
U.S. producers: Amsted	Share	***	***	***
U.S. producers: M&T	Share	***	***	***
U.S. producers: All producers	Share	***	***	***
China	Share	***	***	***
Mexico	Share	***	***	***
Subject sources	Share	***	***	***
Nonsubject sources	Share	***	***	***
All import sources	Share	***	***	***
All sources	Share	***	***	***
U.S. producers: Amsted	Ratio	***	***	***
U.S. producers: M&T	Ratio	***	***	***
U.S. producers: All producers	Ratio	***	***	***
China	Ratio	***	***	***
Mexico	Ratio	***	***	***
Subject sources	Ratio	***	***	***
Nonsubject sources	Ratio	***	***	***
All import sources	Ratio	***	***	***
All sources	Ratio	***	***	***

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". Ratios are ratio to overall apparent consumption quantity as presented in Part IV of the report.

Figure G-2
FRCs: Replacement market in 2022, by product type and source

* * * * *

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

Table G-13**FRCs: Market for U.S. shipments with Bedloe technology, by source and period**

Quantity in 1,000 pounds; Shares and ratio in percent

Source	Measure	2020	2021	2022
U.S. producers: Amsted	Quantity	***	***	***
U.S. producers: M&T	Quantity	***	***	***
U.S. producers: All producers	Quantity	***	***	***
China	Quantity	***	***	***
Mexico	Quantity	***	***	***
Subject sources	Quantity	***	***	***
Nonsubject sources	Quantity	***	***	***
All import sources	Quantity	***	***	***
All sources	Quantity	***	***	***
U.S. producers: Amsted	Share	***	***	***
U.S. producers: M&T	Share	***	***	***
U.S. producers: All producers	Share	***	***	***
China	Share	***	***	***
Mexico	Share	***	***	***
Subject sources	Share	***	***	***
Nonsubject sources	Share	***	***	***
All import sources	Share	***	***	***
All sources	Share	***	***	***
U.S. producers: Amsted	Ratio	***	***	***
U.S. producers: M&T	Ratio	***	***	***
U.S. producers: All producers	Ratio	***	***	***
China	Ratio	***	***	***
Mexico	Ratio	***	***	***
Subject sources	Ratio	***	***	***
Nonsubject sources	Ratio	***	***	***
All import sources	Ratio	***	***	***
All sources	Ratio	***	***	***

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". Ratios are ratio to overall apparent consumption quantity as presented in Part IV of the report.

Table G-14**FRCs: Market for U.S. shipments without Bedloe technology, by source and period**

Quantity in 1,000 pounds; Shares and ratio in percent

Source	Measure	2020	2021	2022
U.S. producers: Amsted	Quantity	***	***	***
U.S. producers: M&T	Quantity	***	***	***
U.S. producers: All producers	Quantity	***	***	***
China	Quantity	***	***	***
Mexico	Quantity	***	***	***
Subject sources	Quantity	***	***	***
Nonsubject sources	Quantity	***	***	***
All import sources	Quantity	***	***	***
All sources	Quantity	***	***	***
U.S. producers: Amsted	Share	***	***	***
U.S. producers: M&T	Share	***	***	***
U.S. producers: All producers	Share	***	***	***
China	Share	***	***	***
Mexico	Share	***	***	***
Subject sources	Share	***	***	***
Nonsubject sources	Share	***	***	***
All import sources	Share	***	***	***
All sources	Share	***	***	***
U.S. producers: Amsted	Ratio	***	***	***
U.S. producers: M&T	Ratio	***	***	***
U.S. producers: All producers	Ratio	***	***	***
China	Ratio	***	***	***
Mexico	Ratio	***	***	***
Subject sources	Ratio	***	***	***
Nonsubject sources	Ratio	***	***	***
All import sources	Ratio	***	***	***
All sources	Ratio	***	***	***

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

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". Ratios are ratio to overall apparent consumption quantity as presented in Part IV of the report.

Figure G-3
FRCs: Use of Bedloe technology market analysis, 2022, by product type and source

* * * * *

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

APPENDIX H

U.S. PRODUCER TRADE DATA EXCLUDING ***

Table H-1

FRCs: U.S. producers' capacity, production and capacity utilization excluding one U.S. producer * , by period**

Quantity in 1,000 pounds; Ratio in percent

Item	Measure	2020	2021	2022
Capacity	Quantity	***	***	***
Production	Quantity	***	***	***
Capacity utilization	Ratio	***	***	***

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

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

Table H-2

FRCs: U.S. producers' total shipments excluding one U.S. producer * , by destination and period**

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit values in dollars per 1,000 pounds; Share 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	***	***	***
U.S. shipments	Share of value	***	***	***
Export shipments	Share of value	***	***	***
Total shipments	Share of value	***	***	***

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

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

Table H-3
FRCs: U.S. producers' inventories and their ratio to select items excluding one U.S. producer *, by period**

Quantity in 1,000 pounds; Ratios 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.

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 "---".

Table H-4
FRCs: U.S. producers' employment related information excluding one U.S. producer *, by item and 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 1,000 pounds)	***	***	***

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 "---".

APPENDIX J

DATA ON THE EXPANDED DOMESTIC LIKE PRODUCT

Table J-1

FRCs and out-of-scope components: U.S. producers' capacity, production and capacity utilization, by period

Quantity in 1,000 pounds; Ratio in percent

Item	Measure	2020	2021	2022
Capacity	Quantity	***	***	***
Production	Quantity	***	***	***
Capacity utilization	Ratio	***	***	***

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

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

Table J-2

FRCs and out-of-scope components: U.S. producers' capacity, production and capacity utilization excluding one U.S. producer *, by period**

Quantity in 1,000 pounds; Ratio in percent

Item	Measure	2020	2021	2022
Capacity	Quantity	***	***	***
Production	Quantity	***	***	***
Capacity utilization	Ratio	***	***	***

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

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

Table J-3
FRCs and out-of-scope components: U.S. producers' total shipments, by period

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit values in dollars per 1,000 pounds; Share 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	***	***	***
U.S. shipments	Share of value	***	***	***
Export shipments	Share of value	***	***	***
Total shipments	Share of value	***	***	***

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

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

Table J-4

**FRCs and out-of-scope components: U.S. producers' total shipments excluding one U.S. producer
***, by period**

Quantity in 1,000 pounds; Value in 1,000 dollars; Unit values in dollars per 1,000 pounds; Share 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	***	***	***
U.S. shipments	Share of value	***	***	***
Export shipments	Share of value	***	***	***
Total shipments	Share of value	***	***	***

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

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

Table J-5**FRCs and out-of-scope components: U.S. producers' inventories and their ratio to select items, by period**

Quantity in 1,000 pounds; Ratios 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.

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 "---".

Table J-6**FRCs and out-of-scope components: U.S. producers' inventories and their ratio to select items excluding one U.S. producer ***, by period**

Quantity in 1,000 pounds; Ratios 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.

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 "---".

Table J-7

FRCs and out-of-scope components: U.S. producers' employment related information, by item and 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 1,000 pounds)	***	***	***

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 "---".

Table J-8

FRCs and out-of-scope components: U.S. producers' employment related information excluding one U.S. producer *, by item and 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 1,000 pounds)	***	***	***

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 "---".

Table J-9

FRCs and out-of-scope components: Apparent U.S. consumption and market shares based on quantity data, by source and period

Quantity in 1,000 pounds; Share in percent

Source	Measure	2020	2021	2022
U.S. producer: ***	Quantity	***	***	***
U.S. producer: ***	Quantity	***	***	***
All U.S. producers	Quantity	***	***	***
FRCs: China	Quantity	***	***	***
FRCs: Mexico	Quantity	***	***	***
FRCs: Subject sources	Quantity	***	***	***
FRCs: Nonsubject sources	Quantity	***	***	***
FRCs: All import sources	Quantity	***	***	***
Out-of-scope components: All import sources	Quantity	***	***	***
FRCs and out-of-scope components: All import sources	Quantity	***	***	***
All sources	Quantity	***	***	***
U.S. producer: ***	Share	***	***	***
U.S. producer: ***	Share	***	***	***
All U.S. producers	Share	***	***	***
FRCs: China	Share	***	***	***
FRCs: Mexico	Share	***	***	***
FRCs: Subject sources	Share	***	***	***
FRCs: Nonsubject sources	Share	***	***	***
FRCs: All import sources	Share	***	***	***
Out-of-scope components: All import sources	Share	***	***	***
FRCs and out-of-scope components: All import sources	Share	***	***	***
All sources	Share	***	***	***

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

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

Table J-10
FRCs and out-of-scope components: Apparent U.S. consumption and market shares based on value data , by source and period

Value in 1,000 dollars; Shares and ratio in percent

Source	Measure	2020	2021	2022
U.S. producer: ***	Value	***	***	***
U.S. producer: ***	Value	***	***	***
U.S. producers	Value	***	***	***
FRCs: China	Value	***	***	***
FRCs: Mexico	Value	***	***	***
FRCs: Subject sources	Value	***	***	***
FRCs: Nonsubject sources	Value	***	***	***
FRCs: All import sources	Value	***	***	***
Out-of-scope components: All import sources	Value	***	***	***
FRCs and out-of-scope components: All import sources	Value	***	***	***
All sources	Value	***	***	***
U.S. producer: ***	Share	***	***	***
U.S. producer: ***	Share	***	***	***
U.S. producers	Share	***	***	***
FRCs: China	Share	***	***	***
FRCs: Mexico	Share	***	***	***
FRCs: Subject sources	Share	***	***	***
FRCs: Nonsubject sources	Share	***	***	***
FRCs: All import sources	Share	***	***	***
Out-of-scope components: All import sources	Share	***	***	***
FRCs and out-of-scope components: All import sources	Share	***	***	***
All sources	Share	***	***	***

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

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

APPENDIX K

RAW MATERIAL COSTS

Table K-1**Raw materials: Monthly U.S. ferrous scrap prices, January 2020-February 2023**

Prices in dollars per short ton

Year	Month	No. 1 busheling	No. 1 heavy melt	Shredded auto scrap
2020	January	***	***	***
2020	February	***	***	***
2020	March	***	***	***
2020	April	***	***	***
2020	May	***	***	***
2020	June	***	***	***
2020	July	***	***	***
2020	August	***	***	***
2020	September	***	***	***
2020	October	***	***	***
2020	November	***	***	***
2020	December	***	***	***
2021	January	***	***	***
2021	February	***	***	***
2021	March	***	***	***
2021	April	***	***	***
2021	May	***	***	***
2021	June	***	***	***
2021	July	***	***	***
2021	August	***	***	***
2021	September	***	***	***
2021	October	***	***	***
2021	November	***	***	***
2021	December	***	***	***

Table continued.

Table K-1 Continued**Raw materials: Monthly U.S. ferrous scrap prices, January 2020-February 2023**

Prices in dollars per short ton

Year	Month	No. 1 busheling	No. 1 heavy melt	Shredded auto scrap
2022	January	***	***	***
2022	February	***	***	***
2022	March	***	***	***
2022	April	***	***	***
2022	May	***	***	***
2022	June	***	***	***
2022	July	***	***	***
2022	August	***	***	***
2022	September	***	***	***
2022	October	***	***	***
2022	November	***	***	***
2022	December	***	***	***
2023	January	***	***	***
2023	February	***	***	***

Source: American Metal Market LLC, accessed March 31, 2023, and May 30, 2023.

Table K-2**Energy: Monthly U.S. industrial electricity and commercial natural gas prices, January 2020-March 2023**

Electricity prices in cents per kilowatt-hour; natural gas prices in dollars per thousand cubic feet; n.a is not available

Year	Month	Industrial electricity price	Commercial natural gas price
2020	January	6.37	7.24
2020	February	6.44	7.03
2020	March	6.39	7.29
2020	April	6.39	7.24
2020	May	6.54	7.73
2020	June	6.94	8.24
2020	July	7.16	8.49
2020	August	7.07	8.48
2020	September	7.00	8.45
2020	October	6.72	7.59
2020	November	6.49	7.64
2020	December	6.41	7.40
2021	January	6.39	7.40
2021	February	7.90	7.36
2021	March	7.05	8.00
2021	April	6.76	8.41
2021	May	6.71	8.99
2021	June	7.28	9.58
2021	July	7.52	9.93
2021	August	7.64	10.21
2021	September	7.69	10.30
2021	October	7.53	10.47
2021	November	7.46	10.05
2021	December	7.16	10.36

Table continued.

Table K-2 Continued**Energy: Monthly U.S. industrial electricity and commercial natural gas prices, January 2020-March 2023**

Electricity prices in cents per kilowatt-hour; natural gas prices in dollars per thousand cubic feet; n.a is not available

Year	Month	Industrial electricity price	Commercial natural gas price
2022	January	7.30	9.81
2022	February	7.46	10.04
2022	March	7.50	10.23
2022	April	7.83	10.63
2022	May	8.35	12.11
2022	June	8.96	13.50
2022	July	9.41	13.54
2022	August	9.51	14.24
2022	September	9.22	14.58
2022	October	8.61	12.84
2022	November	8.31	11.89
2022	December	8.63	12.03
2023	January	8.30	12.47
2023	February	8.15	12.13
2023	March	7.91	10.85

Source: U.S. Energy Information Administration, <https://www.eia.gov/dnav/ng/hist/n3020us3m.htm> and <https://www.eia.gov/electricity/data/browser/#/topic/7?agg=0,1&linechart=ELEC.PRICE.US-COM.M&freq=M&start=201901&end=202207>, accessed April 3, 2023, May 30, 2023, and June 2, 2023.

APPENDIX L

PRICE DATA EXCLUDING ***

This appendix contains pricing data excluding the data of U.S. producer ***. Tables L-1 through L-5 are comparable to tables V-3 through V-7. As shown in table L-6, domestic price increases ranged from *** to *** percent during January 2020-December 2022, while domestic price decreases ranged from *** to ***. As seen in tables L-7 and L-8, prices for product imported from China and Mexico were below those for U.S.-produced product in 76 of 110 instances (*** million pounds); margins of underselling ranged from 0.5 to 38.2 percent. In the remaining 34 instances (*** million pounds), prices for product from China and Mexico were between 0.0 and 62.0 percent above prices for the domestic product. Table L-9 corresponds to table V-11 in presenting margins by source and by year.

Table L-1

FRCs: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by source and quarter, excluding data for ***

Price in dollars per 1,000 pounds, quantity in 1,000 pounds, margin in percent.

Period	U.S. price	U.S. quantity	China price	China quantity	China 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	***	***	***	***	***	***	***	***

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 "---".

Note: Product 1: SE60, Grade E steel coupler (also known as an "assembly" or a "fit"), double shelves, 21.5" shank length, produced to AAR M-211 and/or AAR M-215 specifications.

Figure L-1
FRCs: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, by source and quarter, excluding data for ***

Price of product 1

* * * * * * *

Volume of product 1

* * * * * * *

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

Note: Product 1: SE60, Grade E steel coupler (also known as an “assembly” or a “fit”), double shelves, 21.5” shank length, produced to AAR M-211 and/or AAR M-215 specifications.

Table L-2

FRCs: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by source and quarter, excluding data for ***

Price in dollars per 1,000 pounds, quantity in 1,000 pounds, margin in percent.

Period	U.S. price	U.S. quantity	China price	China quantity	China 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	***	***	***	***	***	***	***	***

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.

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

Note: Product 2: SBE60, Grade E steel coupler (also known as an "assembly" or a "fit"), bottom shelf, 21.5" shank length, produced to AAR M-211 and/or AAR M-215 specifications.

Figure L-2
FRCs: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, by source and quarter, excluding data for ***

Price of product 2

* * * * * * *

Volume of product 2

* * * * * * *

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

Note: Product 2: SBE60, Grade E steel coupler (also known as an “assembly” or a “fit”), bottom shelf, 21.5” shank length, produced to AAR M-211 and/or AAR M-215 specifications.

Table L-3

FRCs: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by source and quarter, excluding data for ***

Price in dollars per 1,000 pounds, quantity in 1,000 pounds, margin in percent.

Period	U.S. price	U.S. quantity	China price	China quantity	China 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	***	***	***	***	***	***	***	***

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

Note: Product 3: E50 coupler knuckle, grade E steel, produced to AAR M-211 and/or AAR M-215 specifications

Figure L-3
FRCs: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, by source and quarter, excluding data for ***

Price of product 3

* * * * * * *

Volume of product 3

* * * * * * *

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

Note: Product 3: E50 coupler knuckle, grade E steel, produced to AAR M-211 and/or AAR M-215 specifications

Table L-4

FRCs: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by source and quarter, excluding data for ***

Price in dollars per 1,000 pounds, quantity in 1,000 pounds, margin in percent.

Period	U.S. price	U.S. quantity	China price	China quantity	China 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	***	***	***	***	***	***	***	***

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.

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

Note: Product 4: SE60 coupler body, grade E steel, double shelves, produced to AAR M-211 and/or AAR M-215 specifications.

Figure L-4
FRCs: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, by source and quarter, excluding data for ***

Price of product 4

* * * * * * *

Volume of product 4

* * * * * * *

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

Note: Product 4: SE60 coupler body, grade E steel, double shelves, produced to AAR M-211 and/or AAR M-215 specifications.

Table L-5

FRCs: Weighted-average f.o.b. prices and quantities of domestic and imported product 5 and margins of underselling/(overselling), by source and quarter, excluding data for ***

Price in dollars per 1,000 pounds, quantity in 1,000 pounds, margin in percent.

Period	U.S. price	U.S. quantity	China price	China quantity	China 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	***	***	***	***	***	***	***	***

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

Note: Product 5: SBE60 coupler body, grade E steel, bottom shelf, produced to AAR M-211 and/or AAR M-215 specifications.

Figure L-5
FRCs: Weighted-average f.o.b. prices and quantities of domestic and imported product 5, by source and quarter, excluding data for ***

Price of product 5

* * * * * * *

Volume of product 5

* * * * * * *

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

Note: Product 5: SBE60 coupler body, grade E steel, bottom shelf, produced to AAR M-211 and/or AAR M-215 specifications.

Table L-6

FRCs: Summary of price data, by product and source, excluding data for *, January 2020-December 2022**

Quantity in 1,000 pounds, price in dollars per 1,000 pounds

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	***	***	***	***	***	***	***
Product 1	China	***	***	***	***	***	***	***
Product 1	Mexico	***	***	***	***	***	***	***
Product 2	United States	***	***	***	***	***	***	***
Product 2	China	***	***	***	***	***	***	***
Product 2	Mexico	***	***	***	***	***	***	***
Product 3	United States	***	***	***	***	***	***	***
Product 3	China	***	***	***	***	***	***	***
Product 3	Mexico	***	***	***	***	***	***	***
Product 4	United States	***	***	***	***	***	***	***
Product 4	China	***	***	***	***	***	***	***
Product 4	Mexico	***	***	***	***	***	***	***
Product 5	United States	***	***	***	***	***	***	***
Product 5	China	***	***	***	***	***	***	***
Product 5	Mexico	***	***	***	***	***	***	***

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 "---".

Note: Percent change column is percentage change from the first quarter 2020 to the fourth quarter 2022.

Table L-7

FRCs: Instances of underselling and overselling and the range and average of margins, by product, excluding data for ***

Quantity in 1,000 pounds; margin in percent

Product	Type	Number of quarters	Quantity	Average margin	Min margin	Max margin
Product 1	Underselling	***	***	***	***	***
Product 2	Underselling	***	***	***	***	***
Product 3	Underselling	***	***	***	***	***
Product 4	Underselling	***	***	***	***	***
Product 5	Underselling	***	***	***	***	***
Total, all products	Underselling	76	***	10.4	0.5	38.2
Product 1	Overselling	***	***	***	***	***
Product 2	Overselling	***	***	***	***	***
Product 3	Overselling	***	***	***	***	***
Product 4	Overselling	***	***	***	***	***
Product 5	Overselling	***	***	***	***	***
Total, all products	Overselling	34	***	(11.3)	(0.0)	(62.0)

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 "---".

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

Table L-8

FRCs: Instances of underselling and overselling and the range and average of margins, by source, excluding data for ***

Quantity in 1,000 pounds; margin in percent

Source	Type	Number of quarters	Quantity	Average margin	Min margin	Max margin
China	Underselling	***	***	***	***	***
Mexico	Underselling	***	***	***	***	***
Total, all subject sources	Underselling	76	***	10.4	0.5	38.2
China	Overselling	***	***	***	***	***
Mexico	Overselling	***	***	***	***	***
Total, all subject sources	Overselling	34	***	(11.3)	(0.0)	(62.0)

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.

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

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

Table L-9

FRCs: Instances of underselling and overselling and the range and average of margins, by source and year, excluding data for ***

Quantity in 1,000 pounds; margin in percent

Source	Type	Number of quarters	Quantity	Average margin	Minimum margin	Maximum margin
China 2020	Underselling	***	***	***	***	***
China 2021	Underselling	***	***	***	***	***
China 2022	Underselling	***	***	***	***	***
Mexico 2020	Underselling	***	***	***	***	***
Mexico 2021	Underselling	***	***	***	***	***
Mexico 2022	Underselling	***	***	***	***	***
All subject sources 2020	Underselling	***	***	***	***	***
All subject sources 2021	Underselling	***	***	***	***	***
All subject sources 2022	Underselling	***	***	***	***	***
China 2020	Overselling	***	***	***	***	***
China 2021	Overselling	***	***	***	***	***
China 2022	Overselling	***	***	***	***	***
Mexico 2020	Overselling	***	***	***	***	***
Mexico 2021	Overselling	***	***	***	***	***
Mexico 2022	Overselling	***	***	***	***	***
All subject sources 2020	Overselling	***	***	***	***	***
All subject sources 2021	Overselling	***	***	***	***	***
All subject sources 2022	Overselling	***	***	***	***	***

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

Note: These data include only quarters in which there is a comparison between the U.S. and subject product.

APPENDIX M

FINANCIAL DATA EXCLUDING ***

Table M-1**FRCs: U.S. producers' results of operations excluding one U.S. producer ***, by item and period**

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

Item	Measure	2020	2021	2022
Total net sales	Quantity	***	***	***
Total net sales	Value	***	***	***
COGS: Raw materials	Value	***	***	***
COGS: Direct labor	Value	***	***	***
COGS: Other factory	Value	***	***	***
COGS: Total	Value	***	***	***
Gross profit or (loss)	Value	***	***	***
SG&A expenses	Value	***	***	***
Operating income or (loss)	Value	***	***	***
Other expense / (income), net	Value	***	***	***
Net income or (loss)	Value	***	***	***
Depreciation/amortization	Value	***	***	***
Cash flow	Value	***	***	***
COGS: Raw materials	Ratio to NS	***	***	***
COGS: Direct labor	Ratio to NS	***	***	***
COGS: Other factory	Ratio to NS	***	***	***
COGS: Total	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.

Table M-1 Continued**FRCs: U.S. producers' results of operations excluding one U.S. producer ***, by item and period**

Shares in percent; unit values in dollars per 1,000 pounds; count in number of firms reporting

Item	Measure	2020	2021	2022
COGS: Raw materials	Share	***	***	***
COGS: Direct labor	Share	***	***	***
COGS: Other factory	Share	***	***	***
COGS: Total	Share	***	***	***
Total net sales	Unit value	***	***	***
COGS: Raw materials	Unit value	***	***	***
COGS: Direct labor	Unit value	***	***	***
COGS: Other factory	Unit value	***	***	***
COGS: Total	Unit value	***	***	***
Gross profit or (loss)	Unit value	***	***	***
SG&A expenses	Unit value	***	***	***
Operating income or (loss)	Unit value	***	***	***
Net income or (loss)	Unit value	***	***	***
Operating losses	Count	***	***	***
Net losses	Count	***	***	***
Data	Count	***	***	***

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

Note: Shares represent the share of COGS. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table M-2**FRCs: Changes in AUVs between comparison periods excluding one U.S. producer *****

Changes in percent

Item	2020-22	2020-21	2021-22
Total net sales	▲ ***	▼ ***	▲ ***
COGS: Raw materials	▲ ***	▼ ***	▲ ***
COGS: Direct labor	▼ ***	▼ ***	▼ ***
COGS: Other factory	▼ ***	▲ ***	▼ ***
COGS: Total	▼ ***	▼ ***	▼ ***

Table continued.

Table M-2 Continued**FRCs: Changes in AUVs between comparison periods excluding one U.S. producer *****

Changes in dollars per 1,000 pounds

Item	2020-22	2020-21	2021-22
Total net sales	▲ ***	▼ ***	▲ ***
COGS: Raw materials	▲ ***	▼ ***	▲ ***
COGS: Direct labor	▼ ***	▼ ***	▼ ***
COGS: Other factory	▼ ***	▲ ***	▼ ***
COGS: Total	▼ ***	▼ ***	▼ ***
Gross profit or (loss)	▲ ***	▼ ***	▲ ***
SG&A expense	▲ ***	▲ ***	▼ ***
Operating income or (loss)	▲ ***	▼ ***	▲ ***
Net income or (loss)	▲ ***	▼ ***	▲ ***

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

Note: Period changes preceded by a “▲” represent an increase, while period changes preceded by a “▼” represent a decrease.

APPENDIX N

FINANCIAL DATA ON EXPANDED DOMESTIC INDUSTRY

Table N-1**FRCs and out-of-scope components: U.S. producers' results of operations, by item and period**

Quantity in 1,000 pounds; Value in 1,000 dollars; Ratios in percent

Item	Measure	2020	2021	2022
Total net sales	Quantity	***	***	***
Total net sales	Value	***	***	***
COGS: Raw materials	Value	***	***	***
COGS: Direct labor	Value	***	***	***
COGS: Other factory	Value	***	***	***
COGS: Total	Value	***	***	***
Gross profit or (loss)	Value	***	***	***
SG&A expenses	Value	***	***	***
Operating income or (loss)	Value	***	***	***
Other expense / (income), net	Value	***	***	***
Net income or (loss)	Value	***	***	***
Depreciation/amortization	Value	***	***	***
Cash flow	Value	***	***	***
COGS: Raw materials	Ratio to NS	***	***	***
COGS: Direct labor	Ratio to NS	***	***	***
COGS: Other factory	Ratio to NS	***	***	***
COGS: Total	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.

Table N-1 Continued**FRCs and out-of-scope components: U.S. producers' results of operations, by item and period**

Shares in percent; Unit values in dollars per 1,000 pounds; Count in number of firms reporting

Item	Measure	2020	2021	2022
COGS: Raw materials	Share	***	***	***
COGS: Direct labor	Share	***	***	***
COGS: Other factory	Share	***	***	***
COGS: Total	Share	***	***	***
Total net sales	Unit value	***	***	***
COGS: Raw materials	Unit value	***	***	***
COGS: Direct labor	Unit value	***	***	***
COGS: Other factory	Unit value	***	***	***
COGS: Total	Unit value	***	***	***
Gross profit or (loss)	Unit value	***	***	***
SG&A expenses	Unit value	***	***	***
Operating income or (loss)	Unit value	***	***	***
Net income or (loss)	Unit value	***	***	***
Operating losses	Count	***	***	***
Net losses	Count	***	***	***
Data	Count	***	***	***

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

Note: Shares represent the share of COGS. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table N-2**FRCs and out-of-scope components: Changes in AUVs between comparison periods**

Changes in percent

Item	2020-22	2020-21	2021-22
Total net sales	▲ ***	▼ ***	▲ ***
COGS: Raw materials	▲ ***	▼ ***	▲ ***
COGS: Direct labor	▼ ***	▼ ***	▼ ***
COGS: Other factory	▲ ***	▲ ***	▼ ***
COGS: Total	▲ ***	▲ ***	▲ ***

Table continued.

Table N-2 Continued**FRCs and out-of-scope components: Changes in AUVs between comparison periods**

Changes dollars per 1,000 pounds

Item	2020-22	2020-21	2021-22
Total net sales	▲ ***	▼ ***	▲ ***
COGS: Raw materials	▲ ***	▼ ***	▲ ***
COGS: Direct labor	▼ ***	▼ ***	▼ ***
COGS: Other factory	▲ ***	▲ ***	▼ ***
COGS: Total	▲ ***	▲ ***	▲ ***
Gross profit or (loss)	▲ ***	▼ ***	▲ ***
SG&A expense	▲ ***	▲ ***	▼ ***
Operating income or (loss)	▲ ***	▼ ***	▲ ***
Net income or (loss)	▲ ***	▼ ***	▲ ***

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

Note: Period changes preceded by a “▲” represent an increase, while period changes preceded by a “▼” represent a decrease.

Table N-3**FRCs and out-of-scope components: U.S. producers' Capex, by firm and period**

Values in 1,000 dollars

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

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

Note: ***

Table N-4
FRCs and out-of-scope components: U.S. producers' R&D expenses, by firm and period

Values in 1,000 dollars

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

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

Table N-5
FRCs and out-of-scope components: U.S. producers' net assets, by firm and period

Values in 1,000 dollars

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

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

Table N-6
FRCs and out-of-scope components: U.S. producers' ROA, by firm and period

Ratios in percent

Firm	2020	2021	2022
Amsted	***	***	***
M&T	***	***	***
All firms	***	***	***

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 "---".

Table N-7

FRCs and out-of-scope components: U.S. producers' results of operations excluding one U.S. producer *, by item and period**

Quantity in 1,000 pounds; Value in 1,000 dollars; Ratios in percent

Item	Measure	2020	2021	2022
Total net sales	Quantity	***	***	***
Total net sales	Value	***	***	***
COGS: Raw materials	Value	***	***	***
COGS: Direct labor	Value	***	***	***
COGS: Other factory	Value	***	***	***
COGS: Total	Value	***	***	***
Gross profit or (loss)	Value	***	***	***
SG&A expenses	Value	***	***	***
Operating income or (loss)	Value	***	***	***
Other expense / (income), net	Value	***	***	***
Net income or (loss)	Value	***	***	***
Depreciation/amortization	Value	***	***	***
Cash flow	Value	***	***	***
COGS: Raw materials	Ratio to NS	***	***	***
COGS: Direct labor	Ratio to NS	***	***	***
COGS: Other factory	Ratio to NS	***	***	***
COGS: Total	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.

Table N-7 Continued

FRCs and out-of-scope components: U.S. producers' results of operations excluding one U.S. producer *, by item and period**

Shares in percent; Unit values in dollars per 1,000 pounds; Count in number of firms reporting

Item	Measure	2020	2021	2022
COGS: Raw materials	Share	***	***	***
COGS: Direct labor	Share	***	***	***
COGS: Other factory	Share	***	***	***
COGS: Total	Share	***	***	***
Total net sales	Unit value	***	***	***
COGS: Raw materials	Unit value	***	***	***
COGS: Direct labor	Unit value	***	***	***
COGS: Other factory	Unit value	***	***	***
COGS: Total	Unit value	***	***	***
Gross profit or (loss)	Unit value	***	***	***
SG&A expenses	Unit value	***	***	***
Operating income or (loss)	Unit value	***	***	***
Net income or (loss)	Unit value	***	***	***
Operating losses	Count	***	***	***
Net losses	Count	***	***	***
Data	Count	***	***	***

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

Note: Shares represent the share of COGS. Zeroes, null values, and undefined calculations are suppressed and shown as “---”.

Table N-8**FRCs and out-of-scope components: Changes in AUVs between comparison periods excluding one U.S. producer *****

Changes in percent

Item	2020-22	2020-21	2021-22
Total net sales	▲ ***	▼ ***	▲ ***
COGS: Raw materials	▲ ***	▼ ***	▲ ***
COGS: Direct labor	▼ ***	▼ ***	▼ ***
COGS: Other factory	▼ ***	▲ ***	▼ ***
COGS: Total	▼ ***	▼ ***	▼ ***

Table continued.

Table N-8 Continued**FRCs and out-of-scope components: Changes in AUVs between comparison periods excluding one U.S. producer *****

Changes in dollars per 1,000 pounds

Item	2020-22	2020-21	2021-22
Total net sales	▲ ***	▼ ***	▲ ***
COGS: Raw materials	▲ ***	▼ ***	▲ ***
COGS: Direct labor	▼ ***	▼ ***	▼ ***
COGS: Other factory	▼ ***	▲ ***	▼ ***
COGS: Total	▼ ***	▼ ***	▼ ***
Gross profit or (loss)	▲ ***	▼ ***	▲ ***
SG&A expense	▲ ***	▲ ***	▼ ***
Operating income or (loss)	▲ ***	▼ ***	▲ ***
Net income or (loss)	▲ ***	▼ ***	▲ ***

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

Note: Period changes preceded by a “▲” represent an increase, while period changes preceded by a “▼” represent a decrease.

