

APPEARANCES: (cont'd.)

In Support of the Imposition of Antidumping and
Countervailing Duty Orders:

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Manufacturing, Inc.:

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P R O C E E D I N G S

(9:30 a.m.)

MS. DeFILIPPO: Good morning. Welcome to the United States International Trade Commission's conference in connection with the preliminary phase of antidumping and countervailing duty investigation nos. 701-TA-498 and 731-TA-1213 and 1214 concerning imports of Certain Steel Threaded Rod From India and Thailand.

My name is Catherine DeFilippo. I am the Director of the Office of Investigations, and I will preside at this conference. Among those present from the Commission staff are, from my far right, James McClure, supervisory investigator; Nate Comly, the investigator; to my left, Nannette Christ, the economist; Courtney McNamara, attorney/advisor; Mary Jane Alves, attorney/advisor; Mahmaz Khan, one of our new steel analysts in the Office of Industries; and Alan Treat, also from the Office of Industries.

I understand that parties are aware of the time allocations. I would remind speakers not to refer in your remarks to business proprietary information and to speak directly into the microphones. We also ask that you state your name and affiliation for the record before beginning your presentation or answering questions for the benefit of

1 the court reporter.

2 Finally, speakers will not be sworn in, but
3 are reminded of the applicability of 18 U.S.C. 1001
4 with regard to false or misleading statements and to
5 the fact that the record of this proceeding may be
6 subject to Court review if there is an appeal.

7 Any questions?

8 (No response.)

9 MS. DeFILIPPO: Hearing none, we will
10 proceed. Mr. Waite, normally we do opening statement,
11 direct testimony, closing. You can take that time for
12 an opening statement and then move into the time for
13 the direct, or you can just run right through.

14 MR. WAITE: Thank you, Ms. DeFilippo. I
15 think we'll just do this as a seamless whole.

16 MS. DeFILIPPO: Okay.

17 MR. WAITE: Our prepared presentation will
18 not use the entire hour to which we're entitled, so
19 what I'd like to do is an opening statement and then
20 move directly into the testimony from the industry
21 witnesses and our economist if that's satisfactory.

22 MS. DeFILIPPO: That's perfect. Thank you.

23 MR. WAITE: Thank you very much. Good
24 morning again, Ms. DeFilippo and members of the
25 Commission staff. My name is Fred Waite with the law

1 firm of Vorys, Sater, Seymour & Pease. I'm here today
2 on behalf of the Petitioners representing the U.S.
3 steel threaded rod industry.

4 This is a product known to the Commission as
5 a result of its investigation of Threaded Rod From
6 China, which resulted in an antidumping order four
7 years ago. Threaded rod is a commodity product that
8 is used for various applications in commercial
9 construction and related markets. Threaded rod is
10 sold primarily on the basis of price, and there are no
11 significant quality differences between threaded rod
12 made by one manufacturer versus another. Our
13 witnesses this morning will address these factors in
14 much greater detail.

15 In the very short time following the
16 issuance of the antidumping order on China in 2009,
17 imports of threaded rod from India and Thailand
18 flooded into the U.S. market. Prior to 2009, there
19 were only limited imports from India and virtually
20 none from Thailand. However, during the period of
21 this investigation subject imports increased by almost
22 60 percent, and by 2012 threaded rod from India and
23 Thailand accounted for two-thirds of all imports.

24 At the same time that the volume of imports
25 from India and Thailand were increasing, their prices

1 were the lowest in the market, lower than China, lower
2 than other foreign producers and far below the prices
3 of U.S. suppliers. Thus, subject imports consistently
4 and significantly undersold threaded rod made in the
5 USA, resulting in depressed and suppressed prices for
6 the American industry.

7 Numerous examples of lost sales and lost
8 revenues were submitted with our petition, and the
9 price disparity between imported threaded rod and
10 domestic threaded rod is demonstrated clearly by
11 comparing the average unit values from official U.S.
12 import statistics with the pricing data from the
13 American manufacturers. We also expect that the
14 responses to the Commission's importers' questionnaire
15 will confirm widespread underselling by subject
16 imports.

17 As a result of this pattern of widespread
18 and persistent underselling, subject imports have
19 seized an ever larger share of domestic consumption by
20 taking sales and customers from U.S. producers.
21 Because of these unfairly priced imports, U.S.
22 producers suffered increasing losses during the period
23 of investigation.

24 Although the domestic industry broke even in
25 2010, it was in the red by 2011 and experienced even

1 deeper losses in 2012. These negative financial
2 results rippled through the industry's operations.
3 Capacity utilization rates were abysmal. Hourly wages
4 declined and employment was stagnant. The ratio of
5 cost of goods sold to sales revenue deteriorated, and
6 operating income as a percentage of sales was at its
7 most negative level in 2012. The industry also lost
8 market share in each year between 2010 and 2012.

9 The U.S. producers of threaded rod can
10 compete successfully when all suppliers to the market
11 are playing by the same rules. However, they cannot
12 withstand the impact of rapidly increasing imports
13 sold at dumped and subsidized prices that are the
14 lowest in the market and far below the prices of the
15 domestic industry.

16 Without the timely application of our trade
17 laws, unfairly priced imports from India and Thailand
18 will continue to flood into the market and the U.S.
19 threaded rod industry will continue to lose sales and
20 market share and face continuing declines in their
21 profitability. This embattled industry needs relief
22 now.

23 If I may, Ms. DeFilippo, I would like to
24 introduce our panel to the staff this morning. On my
25 immediate right is Bill Upton, who is president of

1 Vulcan Threaded Products of Pelham, Alabama. Mr.
2 Upton was here testifying in the case involving
3 Threaded Rod From China. Next to Bill is Alan Logan,
4 who is Vice President of Operations at Vulcan, and
5 next to Alan on his right is Brent Jenkins, who is a
6 marketing and sales analyst at Vulcan.

7 On my immediate left is Larry Broderick. He
8 is the president and CEO of All America Threaded
9 Products. All America Threaded Products is one of the
10 Petitioners in these proceedings. Next, on my far
11 left is Kimberly Young, also of Vorys, Sater, Seymour
12 & Pease. Last, but clearly not least, is Dr. Patrick
13 Magrath of Otis & Magrath, and Pat needs no
14 introduction in this forum.

15 Bill Upton will begin our presentation this
16 morning, and he will be followed by the other
17 witnesses. Thank you very much.

18 MR. UPTON: Good morning. My name is Bill
19 Upton, and I'm the president and co-founder of Vulcan
20 Threaded Products, one of the Petitioners in this
21 case. Vulcan Threaded Products is the nation's
22 largest domestic manufacturer and supplier of low
23 carbon threaded rod. The company was founded in 1978
24 in Birmingham, Alabama, and we have been a U.S.
25 manufacturer of all types of steel threaded rod since

1 that time.

2 From our headquarters facility in Pelham, we
3 serve customers throughout North America. We also
4 maintain warehouses and sales representatives
5 nationwide in order to meet the needs of our
6 customers. Vulcan's warehouses are located in eight
7 states, from Florida to Minnesota and from New York to
8 Texas. We pride ourselves on providing quality
9 products and prompt, responsive service.

10 Vulcan Threaded Products is one of our
11 company's three product divisions, all located in
12 Pelham. The other divisions are Vulcan Heat Treating
13 and Vulcan Cold Finished. Our Heat Treating Division
14 is a state-of-the-art facility that specialized in
15 induction, quenching, quenching and tempering of bar.
16 Our Cold Finished Division began as a wire producer,
17 but is now a producer of cold drawn wire in rounds,
18 squares, hexagons and flats. Both of these divisions
19 were started in 1997.

20 Over the past three decades, Vulcan has
21 built its reputation on our ability to provide a
22 superior product and exceptional customer service.
23 Vulcan's goal has always been to help our customers
24 succeed.

25 The reason that we are here, along with our

1 friends from All America Threaded Products, is to talk
2 about our steel threaded rod business. Low carbon
3 threaded rod is used primarily in commercial
4 construction. Fortunately, just before the U.S.
5 economy tanked in 2008 and '09, we were successful in
6 our efforts to have antidumping duties imposed on
7 threaded rod products from China.

8 You may recall from that earlier case that
9 imports from China exploded into the U.S. market in
10 2006 and 2007 at unbelievably low prices. As a direct
11 result of that case against China, which led to a
12 dumping order, imports from China fell by 100 million
13 pounds in 2009. And as I said, it was fortunate that
14 this huge overhang of dumped Chinese imports was
15 subject to a dumping order before the recession hit us
16 and the domestic market contracted.

17 However, with every silver lining there are
18 gray clouds. Unfortunately for the U.S. threaded rod
19 industry, those clouds were the millions of pounds of
20 dumped and unfairly subsidized imports from India and
21 Thailand. From literally out of nowhere, imports from
22 these two countries surged into the U.S. market,
23 taking sales from us and forcing us to lower our
24 prices in order to keep our customers.

25 By 2012, imports of threaded rod from India

1 and Thailand accounted for almost two-thirds of all
2 imports. It was really disappointing that it was
3 India and Thailand, not the U.S. threaded rod
4 industry, who have benefitted most from the dumping
5 order against China.

6 As I mentioned, the amount of threaded rod
7 from India and Thailand in our market has increased
8 substantially over the last few years. When we filed
9 our case against China, India and Thailand accounted
10 for very little of the U.S. market. In 2008, India
11 and Thailand represented about 12 million pounds of
12 threaded rod in the U.S. market.

13 In fact, we didn't even see our product from
14 Thailand in the market until after the order on China
15 was issued in 2009, but then shipments from both these
16 countries increased dramatically. Based on the import
17 data for carbon threaded rod, total imports from India
18 and Thailand jumped to 27 million pounds in 2010 and
19 continued increasing until they reached 43 million in
20 2012. That's a jump of almost 60 percent in just two
21 years.

22 This massive increase in import levels, as
23 well as the unfair pricing for India and Thai threaded
24 rod in the U.S. market, has had an extremely
25 destructive impact on our company's operations.

1 Although we were able to increase our prices somewhat,
2 the increase was not nearly enough to cover increases
3 in our cost of raw materials. The reason? Low priced
4 India and Thai imports that took away sales and forced
5 us to drop our prices to keep the customers that we
6 have.

7 Since the beginning of 2010, Vulcan has
8 experienced declines across the board. Our capacity
9 utilization rate has been terrible and is
10 unsustainable going forward. Hourly wages declined
11 from 2010 to 2013. Although Vulcan was profitable in
12 2010, we suffered losses in both 2011 and '12. Last
13 year was the worst year for our threaded rod
14 operations since 2007 when Vulcan's Threaded Rod
15 Division recorded its first ever operating loss due to
16 the flood of dumped Chinese imports.

17 We've been producing threaded rod in Alabama
18 for 35 years, and with your help we plan to produce in
19 Alabama for at least another 35 years. Unless
20 fairness is restored to the market, dumped and
21 subsidized imports of threaded rod from India and
22 Thailand will continue to injure our company, as well
23 as the other U.S. producers. Thank you.

24 MR. LOGAN: Good morning. My name is Alan
25 Logan, and I'm Vice President of Operations for Vulcan

1 Threaded Products in Pelham. I've been employed by
2 Vulcan since 1985, and I've worked in threaded rod
3 sales and operations for over 25 years.

4 At Vulcan, we produce and inventory threaded
5 rod in a wide variety of materials, threads and
6 finishes. We produce diameters under one-quarter of
7 an inch, which are called machine screw sizes, and up
8 to two and a half inches in diameter. We produce all
9 of the standard lengths of threaded rod -- two feet,
10 three feet, six foot, 10 foot, 12 foot -- and we also
11 produce nonstandard lengths, which are commonly
12 referred to as studs. Threaded studs are likewise
13 covered by the scope of our petitions in this case.

14 My job today is to explain how threaded rod
15 is made and how it is used. I've also brought some
16 samples so that you can see what the threaded rod
17 looks like. It's not a product that most people are
18 familiar with. Let me start with our production
19 process. Our primary raw material is steel wire rod.

20 We buy low carbon grades between 1006 and 1018 to
21 produce our products. For some larger diameter
22 products we use steel bar rather than wire rod as out
23 input, but the production process is the same either
24 way.

25 We begin by descaling the wire rod to remove

1 the surface scale and then cold draw the rod,
2 straighten it and cut it to length. Cold drawing and
3 straightening the wire rod ensures that it is round
4 and properly sized in terms of the desired diameter.
5 Next, the steel is fed through the threading machine,
6 which forms the threaded grooves along the length. We
7 use a process known as thread rolling, which pushes
8 the steel out of the valleys and into peaks, forming
9 the threaded grooves. This process does not involve
10 cutting the steel, so there is very little scrap or
11 waste.

12 Finally, the threaded rod is either coated
13 with plain oil finish in the threading process or is
14 galvanized using either zinc plating or a hot tub
15 galvanizing process. Vulcan does not have its own
16 zinc line. Instead, we outsource this function to two
17 companies that provide zinc plating and galvanizing
18 services. Although both of these finishes involve
19 coating the threaded rod with zinc, the process and
20 results are very different.

21 In the U.S. market, most threaded rod is
22 zinc plated. The process of zinc plating involves
23 tanks and rinses and different chemicals and of course
24 an electrical charge that causes the zinc to adhere to
25 the surface of the threaded rod. You can think of

1 this like the candy coating on an M&M. The coating
2 does not blend into the underlying material.

3 Hot dipping is a process, on the other hand,
4 by which the steel is dipped into molten zinc, and the
5 zinc actually bonds chemically with the steel. In
6 other words, the zinc penetrates the steel, and this
7 physical bond between the zinc and the steel provides
8 a lot of corrosion resistance for the product.

9 Now that you know how threaded rod is made,
10 I would like to talk about some of the common uses of
11 the product. Low carbon threaded rod is used
12 primarily in commercial construction. The most common
13 applications for the product are to suspend electrical
14 conduit, pipes for plumbing, HVAC ductwork and
15 sprinkler systems for fire protection. Normally one
16 end of the threaded rod is fastened to the ceiling and
17 the other end is fastened to the support that is
18 holding the pipes or ductwork or sprinkler system.

19 You can often see threaded rod used in this
20 way in warehouses, manufacturing plants and other
21 buildings with exposed ceilings. I also brought a
22 copy of the front of a magazine called *Sprinkler Age*,
23 and if you'll notice the pipe in the back is suspended
24 by two pieces of threaded rod. I thought that would
25 be a good application to show you how the product is

1 used. We make the threaded rod that is connected to
2 the two connections that are actually in the ceiling
3 and on the pipe. Do you see that?

4 Fully threaded rod, that is rod which is
5 threaded along its full length, is a very versatile
6 product because it can be purchased in any length, and
7 because it's made from low carbon steel it can be cut
8 on site to the required length for the specific
9 application. For example, if the building has a
10 sloping roof the contractor may need to cut threaded
11 rod to different lengths to ensure that whatever is
12 being suspended is level.

13 The ability to cut to length on site is one
14 of the great advantages of low carbon steel. A
15 threaded rod made from high carbon or stainless steel
16 is much more difficult to cut and can damage the
17 contractor's cutting blades. Carbon steel is also
18 more flexible than higher carbon alloy or stainless
19 material and can be bent in some applications.

20 Low carbon threaded rod is also used for
21 structural tie-downs in earthquake and hurricane
22 restraint systems for roofing, as headless screws and
23 general fastener applications and for bolting together
24 pipe joints in the waterworks industry. The product
25 is also used for basic industrial repairs. Again, the

1 ability to cut the product to length, to any length on
2 site, makes it very versatile for such applications.

3 Not all threaded rod is fully threaded.
4 Vulcan produces single ends and double ends, which are
5 threaded on one end or both ends, but not in the
6 middle. These products are usually ordered for
7 specific application where the customer knows the
8 exact length that is required.

9 They are not usually cut to length on the
10 jobsite because the threads are only located on the
11 ends and they're not in the middle, so if you cut them
12 then the threads aren't where you need them to be.
13 These products account for a very small percentage of
14 threaded production, and they also are a very small
15 portion of the overall threaded rod market in the
16 United States.

17 Vulcan sells all of its threaded rod
18 products to distributor customers. As the Commission
19 discovered in the case against China, threaded rod is
20 sold almost exclusively through distributors,
21 including to master distributors, companies like
22 Porteous and Industrial Threaded Products, that sell
23 primarily to other distributors. At one point these
24 companies were domestic customers of Vulcan. Now they
25 are imports of threaded rod from countries like India

1 and Thailand and base their purchasing decision on the
2 lowest price available.

3 Finally, I have brought with me some samples
4 of low carbon steel threaded rod which is the subject
5 of our petition. We have samples of the following
6 products: A three-eighths inch diameter zinc plated
7 fully threaded rod, a half-inch diameter zinc plated
8 fully threaded rod, and a three-quarter inch diameter
9 plain full threaded rod. These are all low carbon
10 steel products, and they all represent the pricing
11 products that were included in the questionnaires.

12 We call them fully threaded because the
13 threads run along the full length of the product. The
14 three-eighths inch product in all the various lengths
15 -- two, three, six, 10 and 12 -- accounts for
16 approximately 60 percent of the U.S. market for low
17 carbon threaded rod. In addition, we brought samples
18 of a quarter-inch diameter zinc plated threaded rod
19 and a five-eighths inch diameter hot-dipped galvanized
20 fully threaded rod. I brought the sample of
21 hot-dipped product so that you can compare the zinc
22 coatings.

23 We'd be happy to pass these samples around
24 for you to view at the conclusion of the presentation.

25 Thank you for your attention. I look forward to

1 responding to your questions.

2 MR. BRODERICK: Hello. Can you hear me?

3 Yes. Good morning. My name is Larry Broderick, and I
4 am president and one of the owners of All America
5 Threaded Products. All America is a subsidiary of
6 Acme Manufacturing Company, Inc. of Denver, Colorado.

7 All America was formed in June 2010 by combining the
8 operations of several acquisitions made over the
9 years.

10 Since All America was not in existence when
11 Vulcan filed its dumping case against China, I would
12 like to review for you the history of our company. My
13 partners and I first entered the threaded products
14 business in 1992 when we acquired the SteelWorks
15 Corporation, and we entered manufacturing of threaded
16 products when we acquired BoltMaster Readibolt of
17 Chicago, Illinois, in December of 1994.

18 In the following years we made several more
19 acquisitions of U.S. companies in the threaded
20 products industry, including several threaded rod
21 producers. First we bought the Threaded Rod Company
22 of Indianapolis, Indiana. Next we purchased Watson
23 Metal Products of Kenilworth, New Jersey, and
24 Lancaster Threaded Products of Lancaster,
25 Pennsylvania. Both of these companies were acquired

1 in 2009.

2 Finally, in March of 2010, we acquired Rods
3 Indiana in Butler, Indiana, and J&D Industrial
4 Products, Inc. of Butler, Indiana. Each of these
5 companies was seriously impacted by the flood of
6 imports from China that devastated the U.S. threaded
7 rod industry several years ago.

8 Our goal in taking over these companies was
9 to expand our manufacturing base, take advantage of
10 certain economies of scale and become a player in the
11 threaded products industry. In 2010, we consolidated
12 all of these threading operations into three
13 facilities and established All America, which has
14 three divisions.

15 Our MidAtlantic Division is located in a
16 new, 97,000 square foot facility in Lancaster,
17 Pennsylvania, and consists of the merger of Lancaster
18 Threaded Products and Watson Metal Products. Our
19 Midwest Division is located in a 120,000 square foot
20 facility in Indianapolis, Indiana, and consists of the
21 merger of Threaded Rod Company, Rods Indiana and J&D
22 Industrial Products.

23 Our Rocky Mountain Division, as well as the
24 headquarters of our company, are located in a 160,000
25 square foot facility in Denver, Colorado. All

1 America's total capacity increased from 2010 to 2011
2 as we brought much of this acquired equipment and
3 machinery online in 2010.

4 We carry stock products at all three of our
5 manufacturing facilities, and we pride ourselves on
6 providing fast and reliable delivery to our customers.

7 We also have three stocking warehouses in California,
8 Illinois and Florida, and we are able to supply our
9 customers from inventories at these locations as well.

10 In total, we have six shipping locations throughout
11 the United States, which allow us to supply our
12 products nationwide. We also have company owned
13 delivery trucks in order to better serve our
14 customers.

15 All America produces threaded rod in all
16 three of our manufacturing locations and we also have
17 a zinc plating line in our Indianapolis facility,
18 which allows us to do in-house plating of our
19 products. In addition to threaded rod, we also
20 produce other quality threaded products, including
21 anchor bolts, U-bolts, J-bolts and specials.

22 Specials refer to threaded products which
23 are not carried in stock and are thus made to customer
24 specifications on an inquiry-by-inquiry basis and
25 include products such as esoteric metals, highly

1 specialized threading, finishes, sizes,
2 configurations, bends, welds, et cetera.

3 So in addition to carrying an inventory of a
4 wide range of in-stock products, All America also
5 designs and builds custom parts for customers. We
6 have a broad range of capabilities to draw,
7 straighten, cut, thread, bend, weld, assemble and
8 package in order to produce the precise size, shape
9 and specification required by our customers.

10 You may have seen on our website that we
11 also manufacture products called studs. This is just
12 another term in our industry for straight threaded rod
13 product. Some refer to studs as threaded rods in
14 nonstandard lengths. Others refer to studs as
15 threaded rods that are less than one foot in length.
16 Either way, a stud is still a threaded rod. It's just
17 a shorter one.

18 All America produces and sells the full
19 range of threaded rod and stud products in terms of
20 diameter, length, finish in metallurgy, including high
21 volumes of low carbon steel. The most common diameter
22 of threaded rod in the market is a three-eighths inch
23 diameter rod, and most of the threaded rod we produce
24 is in 10-foot lengths.

25 All America produces fully threaded rod,

1 also known as all-thread rod, which means that the
2 product is threaded along its entire length. We also
3 produce single end and double end threaded rod.
4 Basically we can produce whatever our customers
5 require. Our threaded rod products are used in a
6 variety of applications and industries ranging from
7 plumbing, electrical HVAC and fire sprinklers to heavy
8 construction, automotive, telecom and food service.
9 Most of our customers are distributors. We sell to
10 the trades.

11 Now that you know a little bit more about
12 All America, I would like to talk to you about why All
13 America is a Petitioner in this investigation and why
14 I am here today. When we started our acquisition
15 phase, there were no imports of threaded rod from
16 Thailand in the U.S. market, and India only had a
17 limited volume. Now these two countries account for
18 more than half of all imports of threaded rod in the
19 United States.

20 In the first quarter of 2013, imports from
21 India and Thailand had grown to 63 percent of total
22 imports. Not only have their volumes grown
23 dramatically, but the prices at which these imports
24 are sold are ridiculously low and causing real harm to
25 our company. All America has experienced many lost

1 sales and has been forced to reduce its prices in an
2 attempt to compete with dumped prices from these
3 countries. We provided numerous examples of lost
4 sales and lost revenues which were included in the
5 petition filed last month.

6 Based on our experience, the reason that
7 customers buy these imports is entirely because they
8 are priced so cheaply. With some customers, faster
9 domestic lead times and consistent quality still
10 matter, but with others price is all that matters.
11 With the exception of price, the threaded rod products
12 shipped from India and Thailand are comparable to the
13 products we produce. The only time they would not be
14 interchangeable is where the threaded rod is being
15 used in a government job that requires domestic
16 product. Unfortunately, such Buy America requirements
17 protect very little of our product.

18 Imports from India and Thailand are focused
19 on the high volume products, what we would call our
20 bread and butter products. We need to be able to
21 produce and sell these products. Otherwise our
22 capacity utilization suffers and our sales decline.

23 If imports from India and Thailand continue
24 expanding their share of U.S. market through unfair
25 pricing, I predict that All America and the rest of

1 the U.S. threaded rod industry will continue to
2 experience serious harm. Already we have seen
3 significant reduction in sales volumes, lost margins
4 and higher production costs due to underutilization of
5 our equipment. Without relief from these dumped and
6 subsidized imports, I have real concerns that we will
7 have to begin closing facilities and terminating
8 employees.

9 We urge the Commission to find that imports
10 from India and Thailand are causing injury to our
11 industry. Thank you for your attention, and I look
12 forward to responding to your questions. Thank you.

13 MR. MAGRATH: Good morning. I am Patrick
14 Magrath. I'm here today on behalf of the three U.S.
15 producers who together constitute the great bulk of
16 U.S. production of steel threaded rod, the product
17 subject to this investigation. I will discuss the
18 conditions of competition relevant to this industry
19 and product -- thank you -- regarding the price effect
20 of imports from India and Thailand, the impact of
21 these imports on the U.S. industry and the threat of
22 these imports to the domestic industry going forward.

23 Of course, the staff has seen this product
24 before. It was only a little over four years ago that
25 the Commission found imports of threaded rod from

1 China to have been injuring the U.S. industry. As a
2 result of that trade action, imports from China
3 declined by roughly 100 billion pounds between 2008
4 and 2010.

5 The U.S. industry benefitted from this trade
6 action of course, but the recovery was short lived.
7 Presently U.S. producers find themselves dealing with
8 unfairly traded imports again, this time from India
9 and Taiwan (sic). Although growth in private,
10 nonresidential construction slowed, a healthy increase
11 over the POI, and although imports from China fell
12 sharply from preorder levels, China was quickly
13 replaced by imports from the subject countries at low,
14 unfairly traded prices, as you heard from our industry
15 witnesses. Thus, the U.S. industry did not reap the
16 benefits of the Chinese trade action.

17 Final duties against China became effective
18 in mid 2009. From 2009 to 2010, imports from China
19 shrank by 32 percent. However, at the same time
20 imports from India and Thailand increased from
21 17.3 million pounds to 27.3 million pounds or by
22 58 percent. Together the volume of imports from the
23 subject countries did not equal the volume from China
24 in 2009. By the following year, however, they had
25 surpassed China in the U.S. market. Since then, the

1 volume of subject imports has increased every year.

2 I review this history because one condition
3 of competition we wish to highlight is that unfair
4 imports, including those from the subject producers,
5 have been present in substantial volumes from the
6 entire period of investigation and as far back as the
7 midpoint of the last decade. That means the U.S.
8 industry has faced unfair imports in a substantial
9 part of the market for a number of years and has had
10 to meet unfair prices or lose sales.

11 Hence, and we are jumping the gun here a
12 little bit, you will not see in this investigation the
13 great trends in the injury database the Commission
14 sometimes sees in these cases. What you will see
15 throughout the POI are domestic capacity utilization
16 that is too low, prices that are too low and operating
17 profits that are inadequately low and unsustainable.
18 The faces of unfair competition may have changed, but
19 the poor condition and the injured state of the
20 domestic industry have remained the same.

21 The second condition of competition we wish
22 to highlight is demand in the market. In general,
23 total demand for threaded rod has increased solidly
24 over the period as the industry recovered from the
25 deep recession. Using the questionnaire data on

1 domestic shipments together with public import
2 statistics, we see that consumption increased each
3 year and by 16 percent over the period of
4 investigation; if not spectacular, at least healthy
5 and steady growth.

6 The problem is the constituent parts of that
7 growth. Growth of U.S. domestic shipments lagged
8 consumption growth by six percentage points, whereas
9 subject imports registered growth at 57 percent from
10 2010 to 2012. This is five times more than the growth
11 of U.S. shipments and almost quadruple the growth in
12 the overall market. The result of China vacating much
13 of the market and who benefitted by it is shown in
14 this chart, Chart 1. The only sources which increased
15 their volume of shipments were the subject countries.

16 On the supply side, the picture also
17 indicates an ominous situation for domestic producers.

18 As Exhibits 5 and 6 of our petition show, there are
19 at least 87 producers of threaded rod in the subject
20 countries. Eighty-seven. Hopefully the Commission
21 through the questionnaire process will get as accurate
22 a reading as possible of the capacities of these two
23 countries to produce threaded rod. As for the United
24 States, overall capacity utilization has never
25 exceeded 41 percent in a full year of the POI, so

1 ample supply exists to respond to market trends.

2 Finally, the last condition of competition
3 we wish to discuss is that threaded rod is a commodity
4 type product and is sold primarily on the basis of
5 price. This conclusion as to the nature of the
6 product and market is clear to anyone who has reviewed
7 the Commission's report in the China case, which, as I
8 said, is a mere four years old. That investigation
9 revealed that 24 of 32 purchasers agreed that price
10 was the first or the second most important variable in
11 purchasing decisions. The report also stated that 10
12 of 11 purchasers agreed that the domestic and imported
13 threaded rod products were interchangeable.

14 Finally, the China report stated that 47 of
15 50 purchasers who bought imports other than Chinese
16 reported that these other imports were comparable to
17 the domestic product in the 18 market factors the
18 Commission listed. Nothing has occurred in this short
19 period of time to change the Commission's
20 determination that threaded rod is a commodity product
21 sold primarily on the basis of price.

22 As for the present case, what will this data
23 being collected likely reveal? On the issue of volume
24 of imports, the data confirmed that the subject
25 countries have exported substantial quantities of

1 threaded rod to the U.S. market, both absolutely and
2 relative to consumption. Indeed, subject imports rose
3 from 27.3 million pounds in 2010 to 34.8 million tons
4 in 2011 and 42.8 million pounds in 2012, the final
5 year of the period. This is a linear increase of 57
6 percent overall.

7 These rising values increased India and Thai
8 shares of the U.S. market with import penetration
9 rising from 20 percent in 2010 to 25 percent in 2011
10 and topping out at 27 percent in 2012 as Exhibit 10
11 shows, once again a linear increase. Subject imports'
12 share rose in each year, whereas the share of U.S.
13 shipments fell, Charts 2 and 3.

14 As these rather dramatic charts show, the
15 trade case against China produced a significant, if
16 intended, result. The first chart shows China's huge
17 decline as a result of the dumping order. The second
18 chart shows the domestic industry could obtain no
19 import relief from these declines. Only the two
20 subject countries benefitted from China's withdrawal
21 from the market.

22 The trend in industry pricing has always
23 been unfavorable. Prices have largely stagnated at
24 2010 levels, despite demand growth in the industry's
25 end markets. Although we are limited in what we can

1 discuss at this conference due to confidentiality
2 concerns, what the data show is pricing for the zinc
3 plated and uncoated product either stagnating or
4 declining from 2010 levels throughout the entire
5 period of investigation. Again, this is in contrast
6 to the demand growth in the market.

7 As proof of price depression or suppression,
8 Petitioners have supplied numerous lost sales examples
9 in the format requested by the ITC, but in addition we
10 have also given the staff some "smoking gun" examples
11 of lost sales and revenue. What we have supplied in
12 Exhibit 14 of our petition are individual allegations
13 of lost sales and revenue with backup documentation,
14 usually in the form of email messages that are going
15 to and from U.S. customers and Vulcan.

16 We request that the staff and Commission
17 consider these examples with care. You will see what
18 really motivates buyers in this market -- the lowest
19 price. Other characteristics of the product, the
20 various factors that, for example, would be listed in
21 a purchaser's questionnaire from the Commission, are
22 rarely even mentioned in these communications.

23 Given the increased demand for threaded rod,
24 these stagnant U.S. prices can only be explained by
25 the increasing level of subject imports which came

1 flooding into the U.S. market with low, unfairly
2 priced products. The rising level of imports from
3 India and Thailand, their low prices and the
4 consequent price suppression all negatively affected
5 U.S. producers' operations. What you have heard today
6 from the industry witnesses is aptly reflected in the
7 data that they have submitted to the Commission.

8 Against a background of a growing market,
9 most of the domestic industry indicators rose only
10 moderately, lagging the general trend of the market;
11 that is, lagging consumption. Production and
12 shipments of threaded rods rose slightly from 2010 to
13 2012, but from that point the latest data comparisons
14 between the first quarter of 2012 and the first
15 quarter of 2013 show that the indicia roll over in an
16 ominous fashion. The trend of many injury variables
17 -- production, capacity utilization, employment -- are
18 now near zero. Others have declined substantially
19 from 2010 to 2012.

20 Finally, we can fit profitability data into
21 this picture. Despite the increase to the domestic
22 market over the POI, the U.S. industry experienced
23 only break even profitability in 2010 and two years of
24 operating losses on the product from 2011 and 2012.
25 The first quarter of 2013 saw profits for the industry

1 improve slightly, but to levels still woefully
2 inadequate to ensure the long run survival of this
3 industry.

4 As to the issue of threat of injury, there
5 is the specter of continued injury to the domestic
6 industry going forward. Several sets of data stand
7 out as relevant to the issue of threat. The first
8 fact is that the very short length of time it took
9 imports from India and Thailand to become major
10 factors in the U.S. market. The following chart, and
11 we have to flip back to Chart 2, shows what happened
12 when market restraints in the form of dumping orders
13 in 2009 were applied to China.

14 Never, never think that these cases that we
15 do and that you people adjudicate don't have an
16 impact. With China restrained, Chart 3 shows the
17 surge in imports from India and Thailand. This chart
18 shows that as late as 2008 Thai exports to the United
19 States were almost nonexistent, and cumulated imports
20 were only 8 percent of the total imports.

21 Just two years later, the beginning of the
22 POI, cumulated imports were 42 percent of all imports,
23 and by 2012 this country had double digit market
24 shares, and together India and Thailand accounted for
25 54 percent of total imports. These data show that

1 foreign capacity exists and will exist to place large,
2 injurious volumes of imports into the U.S. market in a
3 short period of time.

4 In our petition we identified 69 Indian
5 producers and exporters of threaded rod and 18 from
6 Thailand. In order to dominate a commodity type
7 market, foreign suppliers must be willing and able to
8 offer material at low, market clearing prices. In
9 this regard, India and Thai exporters of threaded rod
10 dropped their prices quickly and substantially
11 following the dumping finding against China.

12 Charts 4 and 5 will show Chinese and India
13 and Thai weighted average prices going back to 2008,
14 and they plainly reveal the impact of the dumping
15 order on all three parties. Import prices from China,
16 at least 57 cents per pound in 2008, spiked to 66.3
17 cents a pound in 2009 and remained well above 60 cents
18 a pound through 2012.

19 But the order didn't impact imports from
20 China alone. India and Thai producers saw their
21 opportunity and quickly lowered their prices as
22 dramatically as China raised its prices. The India
23 and Thai weighted average price at 80 cents per pound
24 in 2008 dropped to a mere 45 cents per pound in 2009,
25 a 40 percent drop in prices from the year before.

1 Since 2009, the two countries' prices have closely
2 tracked each other's and have remained in the range of
3 46 to 48 cents per pound, well below the prices prior
4 to 2009, well below China's prices, even preorder
5 China's prices, and of course far beneath the domestic
6 pricing.

7 So what do Chart 3, which is the volume
8 chart, and Chart 5, the comparative pricing, show?
9 First, they show the ability and willingness of
10 producers and exporters in the subject countries to
11 produce to the United States in large volumes and to
12 gear up in very short periods of time. And second,
13 they show the ability and the willingness of India and
14 Thailand to lower their prices quickly and
15 substantially, including selling them at unfair value
16 in order to capture market share.

17 That concludes my presentation, and I thank
18 you for your attention.

19 MR. WAITE: This is Fred Waite again. Mr.
20 Logan in his testimony mentioned that he brought
21 samples of threaded rod for you to review. I have
22 them here, and with your permission I'd like to bring
23 them over, and as you look at them Mr. Logan can
24 explain what the various products are and the
25 significance of them.

1 MS. DeFILIPPO: That would be perfect.

2 Thank you.

3 (Pause.)

4 MR. LOGAN: I'll be glad to explain if you
5 guys have any questions, but they're labeled, the
6 three pricing products -- the three-eighths, half and
7 three-quarter -- and then the five-eighths hot-dip.

8 If you notice when the five-eighths hot-dip
9 passes, it looks grayer and the coating is actually a
10 thicker coating. That leads to its corrosive
11 resistance. It's also applied differently, as I
12 explained in my testimony.

13 MR. McCLURE: Excuse me. Jim McClure from
14 the Commission staff. Now, are any of those studs, or
15 do they all have the capability --

16 MR. LOGAN: Well, I mean, basically those
17 are studs, but we sell all of those products in two
18 feet, three foot, six foot, 10 foot and 12 foot. And
19 as Mr. Broderick said, actually three-eighths by 10
20 foot is probably the most common size within the
21 industry. I didn't think you guys wanted us to bring
22 a 10-footer in to pass around.

23 MR. McCLURE: No. No. That's fine.

24 (Pause.)

25 MR. WAITE: Okay. Ms. DeFilippo, that

1 completes our presentation, and we'd be delighted to
2 respond to any questions that you or the staff have.

3 MS. DeFILIPPO: Thank you, Mr. Waite. And
4 before I turn to staff for questions I would like to
5 thank this panel for coming today. It is I know
6 difficult to take a day away from your every day
7 business and come here, but it's really helpful to us
8 to understand the product and what's going on in the
9 market, so thank you very much for that.

10 I will first turn to our investigator, Mr.
11 Comly.

12 MR. COMLY: This is Nate Comly, Office of
13 Investigations. I just have a few questions. The
14 first one I should ask is what HTS number are you
15 using for the data in the presentation? I guess that
16 would be Mr. Magrath. Is it the primary? Is it the
17 5056?

18 MS. DeFILIPPO: Excuse me. Dr. Magrath, can
19 you just turn your mic on for the court reporter?
20 Thank you.

21 MR. MAGRATH: Ms. Young did a breakdown in
22 how we arrived at these numbers, and that's at the end
23 of the graph presentation. The HTS number changed
24 twice in 2008 and 2009 I think and so some allocations
25 early in the period were necessary, but the rest of

1 the period is, yes, solid. July to December 2009,
2 that's a clear HTS. Through '12 was a clear category.

3 MR. WAITE: Mr. Comly, this is Fred Waite.
4 If I could just confirm what Dr. Magrath has told you?

5 In July 2009, the United States Government broke out
6 a separate and discrete harmonized tariff heading,
7 which is defined as all threaded fully threaded carbon
8 steel threaded rod, and that's the 5056 number that
9 you mentioned. That in our judgment is the tariff
10 heading that virtually all fully threaded subject
11 merchandise will be entered under and also virtually
12 everything entered under that HTS subheading will be
13 subject merchandise.

14 You'll note that there are three other
15 tariff subheadings included in our scope description.

16 Those headings are put in there largely for post
17 petition behavior on the part of foreign producers and
18 U.S. importers, and two of them were put in at the
19 insistence of the United States Department of
20 Commerce. One of them is for alloy fully threaded
21 alloy steel threaded rod. That's the 5050 tariff
22 subheading.

23 That's in there because, as you know, the
24 definition of the product is carbon quality threaded
25 rod, and that's because we have found, as other

1 segments of the steel industry has found, as soon as
2 there's an order against carbon steel threaded rod you
3 start receiving all of these bizarre chemistries
4 coming in and the product is tweaked so that it would
5 be classified as an alloy steel, and this is to deal
6 with that.

7 And indeed, in the order on China there was
8 an attempt to tweak the chemistry even beyond the
9 carbon quality standard, and the Commerce Department
10 conducted an -- I'm sorry. That was in a scope
11 investigation. I'm sorry. Anticircumvention
12 investigation. And determined that that product was
13 within the scope.

14 There's also the basket category -- I
15 believe that is 5090 -- for threaded rod. That's in
16 there because, as the witnesses mentioned, there is
17 the product of partially threaded threaded rod where
18 the ends are threaded, and again the scope of the
19 petition, like in the China case, includes partially
20 threaded rod as long as the threads comprise 25
21 percent or more of the total length of the threaded
22 rod. So that's why that's in there.

23 And then you may ask well, why do you have
24 this other category in there that's not even under the
25 threaded rod category, but under the bolt category,

1 and again that's in there again at the insistence of
2 the Commerce Department because we found that foreign
3 producers and, if I may be allowed some editorial
4 comment, their complicit importers were bringing in
5 threaded rod to which two nuts and two washers were
6 fixed to each end of the threaded rod.

7 The product was called a double arming bolt,
8 which is a product that's sold in the industry and is
9 used primarily for electrical lines and under the 2095
10 category, as I recall. The Commerce Department
11 conducted a scope investigation on that and determined
12 that these double arming bolts are simply threaded rod
13 by another name, and they are also within the scope,
14 but that's a long answer to a very simple question.

15 But the 5056 is really the benchmark, and
16 especially before a case is filed because before a
17 case is filed no foreign producer and no importer has
18 an incentive to try to tweak the chemistry or do
19 anything outside normal market activity, and in that
20 regard all those products would then come in under the
21 5056, which is why we have used that as our proxy for
22 import data.

23 MR. COMLY: Thank you for that thorough
24 answer. That's very helpful. How much subject
25 product in your estimation comes under those non 5056

1 HTS numbers you mentioned? Currently, I should say.

2 MR. WAITE: Currently?

3 MR. COMLY: Yes.

4 MR. WAITE: I would say a very small
5 percentage, and it would probably be primarily product
6 that was partially threaded under the 5090 category --
7 5090 category -- because again there's no reason to
8 tweak the chemistry or to affix nuts and washers on
9 the end of it because there's no order, there's no
10 reason to try to evade the assessment of a dumping
11 duty on the product.

12 MR. COMLY: Okay. When you say very small,
13 do you mean under 1 percent? Under 10 percent?

14 MR. WAITE: I'll turn that over to the
15 industry.

16 MR. COMLY: Roughly. I don't need an exact
17 number.

18 MR. LOGAN: This is Alan Logan. I would say
19 probably under 2 or 3 percent. A very small number.

20 MR. COMLY: Okay. Great. Thank you. Do
21 you see any micro alloy threaded rod coming in from
22 particularly the subject countries, but also I guess
23 China as well?

24 MR. WAITE: In terms of review -- this is
25 Fred Waite again. Sorry. In terms of reviewing the

1 official import statistics, it doesn't appear so.
2 There are legitimate products that are classified
3 under the alloy classification, and as we mentioned in
4 our petition those are products that are not included.
5 B7 alloy product is probably the most common.

6 But again, I'd leave it to the members of
7 the industry to tell you what alloy products are seen
8 in the market and also whether they are aware of any
9 micro alloy products in the market.

10 MR. LOGAN: This is Alan Logan. The alloys
11 commonly brought in probably under the 5050 code would
12 be A193B7, A193B16, A193B8, B8M, some stainless
13 alloys. All of them are brought in for specific
14 applications such as B7 is a high strength
15 application. Stainless is obviously a corrosive
16 application.

17 Those products would not normally be
18 substituted for a low carbon rod simply because you're
19 paying more for specific characteristics. That's why
20 it needed to be broken out.

21 MR. COMLY: Thank you. That makes sense.

22 MR. LOGAN: That's a shorter answer than --

23 MR. COMLY: Yes. I guess this would be a
24 question for Mr. Waite. What's the best way of
25 establishing the level of imports for the Commission's

1 purposes?

2 MR. WAITE: I think the best way to
3 establish the level of imports is to use the 5056
4 tariff subheading. That went into effect in July of
5 2009, so it predates the period of investigation. So
6 throughout the period of investigation there were
7 separate and distinct subheadings for carbon fully
8 threaded threaded rod, alloy fully threaded threaded
9 rod, stainless fully threaded threaded rod and all
10 other.

11 So we would believe, based on our
12 discussions with members of the industry, again that
13 virtually everything coming in under the 5056
14 subheading would be subject merchandise, and virtually
15 all subject merchandise would be reported under the
16 5056 subheading.

17 Again, it's perhaps an unusual case where
18 there is a very specific subheading dedicated to this
19 product, and it's not by accident. Vulcan Threaded
20 Products applied to the Tariff Committee chaired here
21 in the Commission on two occasions in order to have
22 breakouts of its products. The first breakout
23 occurred on July 1, 2008, and that broke out fully
24 threaded threaded rod that was both alloy and carbon,
25 and then the following year there was a subsequent

1 breakout separate alloy and carbon into two separate
2 subheadings.

3 So you have a unique tariff heading that you
4 can look at. It's not a basket category. There's
5 going to be very little, if any, nonsubject
6 merchandise in that category, and again because there
7 is no reason to use another subheading we would expect
8 that the producers in India and Thailand, as well as
9 their importers, would be using that subheading for
10 these products.

11 MR. COMLY: Thank you. I don't know if
12 you've had a chance to look at the importer
13 questionnaires that have come in. I'm wondering if we
14 are missing any larger ones that you know of.

15 MR. WAITE: I have to be careful, I suppose,
16 in responding to that. The answer is yes, you are
17 missing some of the largest, and I would offer to
18 provide that to you in a postconference submission
19 maybe even tomorrow separate from the postconfernece
20 brief.

21 We just received the release yesterday.
22 We've seen who submitted responses. We also looked at
23 EDIS to see who was recorded on EDIS as submitting
24 responses, and there are some noticeable no-shows on
25 the importer side and also on the foreign producer

1 side, and we'd be happy to share that information with
2 you if you think it would be helpful.

3 MR. COMLY: That would be greatly
4 appreciated actually in both. If you could do it
5 tomorrow and then also in your brief, that would be
6 helpful.

7 MR. WAITE: We can do that, yes.

8 MR. COMLY: Thank you. Looking at the
9 foreign industry data, you said there's some larger
10 ones missing. The way it stands now is it
11 representative of the industries in either of the
12 countries? You can answer that in your brief if you'd
13 like.

14 MR. WAITE: We'll answer that in our brief,
15 but clearly for one country it's not representative
16 for obvious reasons to anyone who has access to the
17 APO record.

18 MR. COMLY: Thank you. Do imports from both
19 subject countries, do they import all types of the
20 subject threaded rod? Do they import zinc plate,
21 electroplate, hot-dipped, plain?

22 MR. LOGAN: India exports all of those. It
23 is our belief that Thailand only exports plain and
24 zinc plate, unless something has changed in the last
25 few months.

1 Fred suggests that I explain why I believe
2 that. Brent and I were actually able to travel to
3 India and Thailand a year ago, and we visited a great
4 many of the foreign producers that have actually
5 reported and one that is not on that list, and we
6 actually saw firsthand how the product was produced
7 there, what the factories looked like and were able to
8 tour the factories over a course of a week.

9 So it was a great experience, and I'll be
10 glad to share more information about that trip with
11 you either during this conference or afterwards.

12 MR. COMLY: I guess going off of that, do
13 the foreign producers produce threaded rod in the same
14 way or similar way?

15 MR. LOGAN: I'll be glad to address that.
16 I've also visited China. I visited China in 2007
17 prior to us filing our case against China, so I have
18 seen all of the -- not all, but a great majority of
19 the producers in three different countries now.

20 I can tell you the basics of producing
21 threaded rod is identical worldwide. The basics are,
22 and I explained it in my testimony, you start with raw
23 steel, you somehow straighten that product to a
24 length, then you put it on a cylindrical die machine.
25 The bar runs through the cylindrical die as it

1 basically squeezes the threads onto the bar.

2 Then the way I explain it when I'm doing a
3 factory tour for people is it's like squeezing dough
4 through your fingers. You take dough. You squeeze
5 it. Some goes up. Some goes down. That's kind of
6 basically how you're forming the threads. There's
7 really no scrap loss there, so the basic way of -- and
8 electroplating and hot-dipping there is done in a very
9 -- the basics are done in a very similar fashion.

10 The differences between how we produce rod
11 and how they produce rod come in the efficiencies that
12 we have in the United States, and I can speak only for
13 my factory or our factory, but the way we load the
14 table, the way we load the material, the way we unload
15 it, the way we transport it, the way we move it around
16 the factory, the way we store it, retrieve it and ship
17 it is much more efficient than what I've seen in any
18 foreign factory, but the basics of how you get the
19 thread on the steel is the same.

20 MR. COMLY: All right. I guess this
21 probably may be my last question for now. To the
22 extent you can answer this in this public setting --
23 you may also do so in the brief if you'd like -- do
24 any of you produce nonsubject products on the same
25 production equipment as the subject threaded rod?

1 MR. LOGAN: From the one who filled out the
2 questionnaire, this is a painful subject, but the
3 answer is yes, but not to any great extent. I would
4 prefer to answer this specifically in a private
5 setting, but we manufacture a small amount of
6 nonsubject merchandise on the threaded rod, the same
7 threaded rod equipment.

8 We manufacture some stainless primarily and
9 a little bit of B7 studs on that same equipment. The
10 percentages compared to total capacity is small, and
11 I'll be glad to go over those numbers with you.

12 MR. COMLY: I'd appreciate that. Looking at
13 the manufacturing process, can you touch on how easy
14 it is to shift from the subject product to those
15 nonsubject products? You know, cost and time. What's
16 involved in doing that?

17 MR. LOGAN: This is Alan Logan. It's a
18 matter of most of the time just changing dies.
19 Depending on whether we are processing the bar totally
20 or buying bar already ready to thread. Like in
21 stainless we buy bar from suppliers who have already
22 straightened the bar. All we have to do is put the
23 threads on it.

24 For that matter, it's a matter of just
25 changing the type of dies you're running. Stainless

1 is very abrasive and will tend to work harden very
2 quickly so you have to run it differently than you do
3 low carbon. However, you can run it in the same
4 manner. It's still squeezing dough through your
5 fingers. The lubricant you use, the type of dies you
6 use may differ a little bit.

7 But once again, and I'll share these numbers
8 with you. The total production of stainless off that
9 equipment compared to what we produce in low carbon
10 compared to the total capacity is small.

11 MR. COMLY: Great. Thank you. That's all
12 for now.

13 MS. DeFILIPPO: Thank you, Mr. Comly. We
14 will now turn to our economist, Ms. Christ.

15 MS. CHRIST: Again, I want to just echo
16 Cathy's statements. Thank you for coming here to help
17 us understand the dynamics of the industry.

18 I have to admit yesterday as I was walking
19 out the Huntington Metro I almost fell off the side of
20 the sidewalk as I was staring at the sprinkler system
21 going yes, that's threaded rod all right, and there's
22 a pretty big one towards the end that looks a little
23 bit corroded so I'm concerned. So, yes, I enjoy
24 learning about it and seeing it, noticing it for the
25 first time as I walk around.

1 In the petition you mentioned that threaded
2 rod is sold primarily through distributors, and that
3 was similar to what was reported in the last
4 investigation. I'm curious sort of what it is, why is
5 it that it's primarily sold to distributors? In
6 addition, there was a mention of sort of master
7 distributors, distributors and then end use.

8 So how is it that sort of you determine how
9 is the market sort of set up for this distribution,
10 and is there any pricing differences when you're
11 selling to if it's -- but generally is there sort of
12 pricing differences, distribution differences, market
13 condition differences if you're selling to a master
14 distributor, a regular distributor and an end user for
15 that small amount and maybe why is it that you
16 normally don't sell directly to end users?

17 MR. LOGAN: Okay. This is Alan Logan. I'll
18 take a shot at that. First of all, your first
19 question was why is it sold to distributors. Threaded
20 rod is a very small part of a very large industry,
21 which is just generally fastener distribution, okay,
22 and fastener distribution can cover everything from
23 screws, bolts, nuts, washers.

24 If you can imagine walking down the Home
25 Depot fastener aisle, it's all of that and many more,

1 okay, and there are multiple manufacturers of product
2 in the United States and around the world that make
3 various products out of various materials and various
4 grades that fit into this entire industry. So low
5 carbon threaded rod is a small portion of that.

6 What tends to happen is is that distributors
7 are set up to carry a broad range of product. They
8 may be an electrical distributor, so they will carry
9 quarter and three-eighths threaded rod to sell along
10 with their strut and other electrical items. Pipe
11 valves and fittings companies that are more of a
12 plumbing type where this would be used would carry
13 three-eighths and half and five-eighths threaded rod
14 or maybe some larger diameters along with their
15 hangers and things that suspend and join together
16 pipe.

17 Then you have contractors who may buy larger
18 diameter threaded rods and stick them in concrete, but
19 all of that, all of the different distributors tend to
20 have focuses in industry. So they may focus on the
21 plumbing industry or the electrical industry or the
22 general construction industry, and there are some
23 fastener distributors that focus on a lot of
24 industries. I mean, you can talk to some guys and
25 they want to sell everybody and anybody that will pay

1 them a fair margin for their product.

2 So it is a very large industry and it has
3 multiple channels of distribution, but the main reason
4 that it is sold through distribution is because most
5 people don't want to buy just threaded rod. They want
6 to go to a location and buy your Home Depot type
7 effect. They want to buy stuff off this aisle, stuff
8 off this aisle and stuff off that aisle, so that's why
9 most threaded rod is sold through distribution.

10 And there are master distributors that have
11 developed -- that have probably starting in the late
12 '60s, early '70s, where master distributors selling to
13 smaller distributors will buy from manufacturers mass
14 quantities of product and then be able to sell to
15 smaller distributors five tubes of threaded rod and
16 two boxes of nuts and washers and three boxes of
17 screws and ship it all together. So there is a
18 function of that.

19 We have most of our business is sold. We
20 sell some through master distribution. We also sell
21 to regular distributors. There at times can be price
22 differences. Right now the price is very suppressed
23 across the market because of imports, so there used to
24 be greater price differences years and years ago than
25 there are now, if that makes sense. Does that answer

1 your question sort of?

2 MS. CHRIST: Yes. And is the master
3 distributor versus the nonmaster, what kind of
4 coverage would you say is the relative size?

5 MR. LOGAN: Do you want me to take a shot at
6 that? I think what she's saying is of the total
7 volume of the market, how much is covered by master
8 distribution and how much is covered? I would say,
9 and I think it would be fair to say this. I would say
10 most of the subject merchandise that is being imported
11 is definitely being imported through master
12 distribution because they can.

13 There's very few smaller guys that will
14 import directly. There are some, and there are quite
15 a few that if you go through the records you will see
16 quite a few customers -- I mean companies -- from all
17 over the United States that have imported, but the
18 vast majority probably has been imported by several
19 large master distributors that then turn around and
20 sell the product to our other customers also. And as
21 I said in my testimony, two of the largest importers
22 used to be our customers.

23 MS. CHRIST: Would you say that that is the
24 same for the domestic market in terms of selling to
25 master distributors?

1 MR. LOGAN: Yes.

2 MR. BRODERICK: This is Larry Broderick.
3 You know, in order to buy at the best price, which is
4 what this is really all about, importers have to buy
5 container-load quantities effectively and so they have
6 to be pretty good sized companies, pretty good sized
7 distributors to buy container-load quantities of
8 nothing but threaded rod to add in with all the other
9 products they carry because this is effectively an
10 accessory product for a lot of them, again pipe and
11 conduit and other things that these distributors sell.

12 And so the smaller distributors around the
13 country simply don't have the mass to be buying
14 accessory products in container load quantities, okay,
15 and so the master distributors import container load
16 quantities and then in many cases will ship these
17 smaller quantities, like Alan was saying, to the
18 smaller distributors around the country.

19 MS. CHRIST: Thank you. There was also
20 mention of specials and a distribution. I think
21 actually maybe you had mentioned it, Mr. Broderick.
22 How has the proportion of specials demand in the
23 market changed in the last few years? I'm just trying
24 to get an idea of what the market presence is for
25 specials.

1 MR. BRODERICK: Well, let's see. I don't
2 know. This is Larry Broderick. I don't know the
3 terms to use here in terms of the codes and everything
4 else you guys are talking about, but most of the
5 products that we are talking about here today and are
6 the subject of this action wouldn't fit into the
7 specials category, okay? Some of them would, I
8 suppose, but most of them do not.

9 And so the specials business hasn't changed
10 much over the years as far as I can tell. There are
11 some -- let's see. There are imports out there that
12 are taking away business in specials. A special is
13 like a tiny little threaded rod that's a half inch
14 long and an eighth inch diameter and is threaded,
15 okay? If a guy is ordering a thousand of those he's
16 not going to go overseas. If he's ordering a million
17 of them a year and they're exactly the same, we'll
18 lose that business to an import, but that little piece
19 wouldn't be subject to this action.

20 So while imports are having an impact on
21 that, it's sort of the stuff that gets into great
22 volume, the stuff we would love. Once you get that
23 volume it goes overseas.

24 MS. CHRIST: And since we've sort of covered
25 this in the last investigation I just want to know has

1 there been any changes in recent year in terms of the
2 share of the market that's covered by galvanized
3 versus plain and then within the galvanized
4 electroplated versus the hot-dipped?

5 MR. LOGAN: This is Alan Logan, Ms. Christ.
6 No, not really. Zinc plating, carbon steel zinc
7 still accounts for a vast majority of the project.
8 Hot-dip is probably 7 to 10 percent depending, and
9 that's hard to know because it's not specifically
10 broken out in its own HTS code, but I would say those
11 percentages have remained very stable in the market.

12 MS. CHRIST: Has it changed in recent years,
13 the proportion of the market that is subject to sort
14 of Buy America provisions relative to before?

15 MR. BRODERICK: This is Larry Broderick. I
16 don't know what Alan and Bill are seeing, but we see
17 very little of it. I mean, very little. Less than
18 1 percent of our sales would be subject to that.

19 MS. CHRIST: I don't know how to kind of
20 broach this one because I read a reference to it so
21 it's something that's new to me, and I thought maybe
22 if it made sense you could explain it to me, the idea
23 of traceability. Is that a factor in the products or
24 in the market?

25 MR. BRODERICK: From my experience on again

1 the products subject to this action, no.

2 MR. LOGAN: This is Alan Logan. To
3 elaborate on that, on nonsubject merchandise like the
4 B7 and the stainless it's absolutely critical because
5 those are considered to be critical application type
6 materials so we work very hard to maintain full
7 traceability. Where low carbon rod is concerned that
8 is not nearly the concern in the market.

9 MR. BRODERICK: That is because, I might
10 say, the low carbon threaded rod is much more of a
11 commodity.

12 MR. LOGAN: Ms. Christ, if I may add one
13 other thing to the previous question you asked about
14 the mix of product?

15 Brent wanted to point out that what we
16 believe to be happening is for the domestic market
17 hot-dip is a fairly small percentage. We believe it's
18 a much larger share of the material coming out of
19 India specifically simply because of the pricing level
20 that they are able to sell that. A greater percentage
21 of their sales into the U.S. is probably hot-dip. The
22 overall market is still relatively small, if that
23 makes sense.

24 MS. CHRIST: To the best of your knowledge,
25 do the importers of Indian and Thai product, do they

1 provide the same range of products as the U.S.
2 producers do, and has that changed in the last few
3 years?

4 MR. LOGAN: Based on our trip to see them,
5 basically they're not very good at large diameter
6 product. Thailand I believe produces up to inch and
7 an eighth diameter. We go up to two and a half. Now,
8 they cover the majority of the market. Larger
9 diameter product is a smaller percentage of the
10 market. The vast majority is the three-eighths and
11 half and the smaller sizes. They do not produce some
12 of the larger sizes. Thailand does not produce
13 hot-dip, as far as we are aware; at least they did not
14 June of last year.

15 India produces both plain zinc and hot-dip.
16 I did not see any large diameter being produced
17 there, but it's very possible that it is, that they
18 are capable of producing the larger diameter also.

19 MS. CHRIST: Would you say that of those
20 three -- the plain, the electroplated and the
21 hot-dipped -- is it harder to produce the hot-dip,
22 which is why it's not, or why is that not being
23 produced?

24 MR. LOGAN: My opinion is probably Thailand
25 is more -- that's hard. I really can't answer that.

1 It's two separate processes. Hot-dip is traditionally
2 much more messy. I'll just be honest with you. It's
3 a much more difficult product to run.

4 Especially on threaded rod it's a more
5 difficult product to run because it's such a small
6 amount and it's harder for these countries to get
7 geared up and sell into a product and get geared up
8 for a smaller amount of the market.

9 So obviously if you're going to come into
10 the domestic market you obviously have to have zinc
11 plated rod and you have plain because you just don't
12 plate it. You just leave it in an oil finish.

13 MS. CHRIST: I think, Mr. Broderick, in your
14 description of the history of your company you
15 mentioned that part of the reason that all of these
16 firms were acquired was to reach a certain scale.

17 I was wondering if you or any other
18 panelists can talk about the role of scale economies
19 in supplying any U.S. suppliers and whether or not
20 there's a difference, to your knowledge, between the
21 type of scale that Indian and Thai producers have
22 versus the United States, U.S. producers.

23 MR. BRODERICK: Well, scale. First let me
24 say I really don't have any experience in seeing the
25 factories over in Thailand and India and China like

1 our friends at Vulcan do and so I only know what goes
2 on there from what they have told me.

3 I think that scale -- I have been to some of
4 those places over the years, but, I mean, their scale
5 is a lot different than our scale. I don't know
6 exactly what their economics are, to be honest with
7 you. But, I mean, you can see a little factory of
8 threaded rod or chain makers -- we make chain as well
9 -- and there will be 30 people sitting on the floor
10 with pliers making this chain by crimping them
11 together, so it's a different sort of situation over
12 there.

13 But in terms of our situation, yes. We're
14 manufacturers of threaded rod going back to 1994, but
15 we never had the critical mass to make significant
16 money at it and so we had to we felt like in an
17 interest to grow our businesses and do things that we
18 were familiar with doing and industries we knew
19 something about that in order to get to the scale that
20 we need to to be profitable we had to build it.

21 And so it was either build it from scratch
22 or acquire other companies, and at the time all these
23 companies that we were looking at were going down
24 because they were getting killed by imports from
25 China, and one after another of them was either out of

1 business, shutting down or about to go out of
2 business.

3 And some of them were mentioned in the China
4 case. In fact, I think one of the guys was here in
5 the China case from Watson Manufacturing. Anyway,
6 those guys were all going down and so we saw an
7 opportunity to acquire these businesses at a time when
8 they were going out and at the same time the reason
9 that they were going out of business, China, was being
10 eliminated as a factor by the International Trade
11 Commission and Commerce Department in the last action.

12 And so we acquired these companies for a
13 combination of those reasons and, just to say it, all
14 of that would have played out reasonably well as we
15 came out of the big recession -- we didn't predict
16 that -- but for India and Thailand. They just have
17 taken all of China's volume, and we're right back
18 where we started, so it looks like a bad trade.

19 MS. CHRIST: Well, to the extent that you
20 can comment in your postconference briefs about you
21 mentioned you referred to trying to target critical
22 mass.

23 So the extent that you can provide some
24 discussion about what you might consider to be sort of
25 this critical mass target capacity that it seemed that

1 you were targeting a particular level to break even,
2 if I heard you correctly, and to the extent that you
3 could provide some information or background
4 confidentially as to what it was at the time that you
5 were targeting to get this break even level it would
6 be helpful to understand that, understand the U.S.
7 supply.

8 MR. BRODERICK: Fair enough.

9 MS. CHRIST: I think those are all the
10 questions, but to the extent that there have been any
11 significant changes in the last few years in terms of
12 the demand in the market, if you happen to think of
13 any putting that in the postconference brief, I'd
14 appreciate it. Thank you.

15 MS. DeFILIPPO: Thank you, Ms. Christ. Ms.
16 McNamara?

17 MS. McNAMARA: Thank you. Courtney McNamara
18 from the Office of General Counsel. I also want to
19 thank everyone for your presentations today. We
20 really do appreciate you taking the time to be here,
21 and your participation in this conference is very
22 helpful to us.

23 Now, Mr. Waite, you indicated in the
24 petition that in the 2008-2009 investigation on Steel
25 Threaded Rod From China the Commission defined a

1 domestic like product to be a single domestic like
2 product co-extensive with the scope, which is nearly
3 identical here. Are you aware of any changes in the
4 facts or the product that might possibly alter the
5 Commission's analysis in this case?

6 MR. WAITE: We are not aware of any changes.

7 In fact, we would endorse the same definition of like
8 product in this investigation. As the industry
9 witnesses testified, there really haven't been any
10 changes in the product characteristic, in the product
11 applications, its use in the market, the basic
12 criteria that one would look at to decide whether
13 there is a single like product.

14 MS. McNAMARA: Thank you. On page 112 of
15 the petition and in Exhibit 1-7 you discuss the
16 average unit value data for imports from steel
17 threaded rod from India, Thailand and nonsubject
18 sources. Are you aware of any product mix issues that
19 might call that data into question?

20 MR. WAITE: Again, it's Fred Waite. That's
21 an excellent question, and the answer is no because of
22 the specific breakout that this data reflects; that
23 is, the 5056 tariff subheading is defined as only
24 carbon steel fully threaded threaded rod, which is
25 subject merchandise.

1 And as I testified earlier, it's our
2 understanding -- that is on the legal side, as well as
3 the industry side -- that everything or virtually
4 everything that's imported under that tariff
5 subheading is subject merchandise and that nothing or
6 virtually nothing imported under that tariff heading
7 is not subject merchandise.

8 So it seems to be almost a perfect one for
9 one proxy, and particularly in a situation where the
10 Commission may not be receiving responses from the
11 importing community to give you confidence that either
12 you're covering a significant portion of imports or
13 that the coverage is not representative.

14 MS. McNAMARA: Do you have any information
15 or knowledge as to why the AUVs from the nonsubject
16 countries are higher than the AUVs from India and
17 Thailand?

18 MR. WAITE: Well, China is included in
19 those, and by definition Chinese threaded rod is now
20 fairly traded. And if you looked at the chart -- and
21 I forgot the number of Dr. Magrath's chart -- on
22 pricing you would see that the pricing in China
23 increased and increased significantly after the order
24 was put in place. Chart No. 4. That would be
25 reflected in that.

1 And if you look at the other countries that
2 are included in the all other category, they tend to
3 be either industrialized countries, which one would
4 expect would have cost structures not too dissimilar
5 from those in the United States, or they're very small
6 and probably don't have much of an impact on the
7 overall pricing data.

8 So I would say that as you've heard from a
9 number of witnesses this morning, during the period of
10 investigation prices from India, average unit values
11 from India, pricing and average unit values from
12 Thailand have been significantly below everyone else
13 in the market. They're below China. They're below
14 other foreign suppliers, and they're certainly far,
15 far below the pricing in the U.S. industry.

16 MS. McNAMARA: Well, if steel threaded rod
17 is a commodity product as you claim, do you know why
18 people would be paying the higher prices for imported
19 products?

20 MR. WAITE: I would turn that over to the
21 industry witnesses.

22 MR. LOGAN: This is Alan Logan. It could
23 possibly be a mix of maybe a higher hot-dip galvanized
24 content. That's possible.

25 I believe Mr. Broderick mentioned some very

1 small studs that could possibly be used in the
2 electrical industry. Like, for instance, if you open
3 up a computer at times you will see small -- or some
4 electrical equipment you'll see some really small
5 pieces of threaded rod. Those are very expensive to
6 manufacture. It's not something that the domestic
7 industry tends to do. It's not a construction type
8 production. It's an OEM type product. It's possible
9 that there are some of that type of product coming in
10 from some of the foreign producers.

11 As far as the industry that we're in, this
12 construction, general construction industry, really
13 the only players that we see in any significant way
14 are India and Thailand, China still to a small degree
15 and a couple of other smaller producers, but you'll
16 see something like Germany show up, and we're really
17 not -- I'm not aware of what that product could be.
18 It's probably a very specialized type product that
19 just so happens to fall under this code.

20 MS. McNAMARA: Okay.

21 MR. MAGRATH: Ms. McNamara, I don't have any
22 special knowledge of this. I'm surmising though from
23 what's been said here that a lot of sales -- that some
24 sales of steel threaded rod are part of a larger order
25 of construction materials. Various fasteners I think

1 have been mentioned. And so when you disaggregate
2 those prices that's where your high unit values come
3 from.

4 May I make one more point? These are unit
5 values here we use in our charts, and because of the
6 timely 484(f) activity where we got these things
7 broken out they are a good proxy for the actual prices
8 from India and Thailand and the other players in the
9 industry.

10 MS. MCNAMARA: Okay. Now you mentioned
11 China. What other countries would you consider to be
12 major foreign producers of steel threaded rod?

13 MR. LOGAN: This is Alan Logan. China is
14 still a producer. We also visited Taiwan. Taiwan is
15 a producer. But over the POI, their average unit
16 values have gone up and their volumes have gone down.

17 And I can surmise some reasons for that, that we can
18 get into, but I don't believe that they feel that they
19 can be competitive in this marketplace either.

20 Other than that, there is honestly some
21 material being transhipped from Malaysia, from China,
22 that we're pretty positive of. Brent and I also
23 visited Kuala Lumpur and actually in Malaysia and
24 actually visited with an individual who owns a company
25 that is listed as an exporter from Malaysia and his

1 factory would -- his factor would fit in the center of
2 this area right here. I actually have pictures of
3 that.

4 I recently received -- actually is was very
5 interesting. Do you want me to get into this? I
6 actually received an email solicitation about three
7 months ago, four months ago, in the spring from a
8 Chinese producer who said they would like to sell us
9 some threaded rod. And we always respond back and
10 say, well, sure, you know, interested, can you get us
11 some pricing. So they gave us some pricing and it was
12 okay.

13 But then I ask the question, well, how are
14 you going to get around the dumping duties and their
15 reply was, oh, we've been doing transshipment for years
16 and we ship it to X. We ship it to, and I'll use this
17 privately. I'll be glad to provide it to you, but
18 they ship it to the address that we visited in Kuala
19 Lumpur. And I'd be glad to show it to you on my
20 phone. It's below a restaurant beside a dentist --
21 below a dentist and beside a restaurant. And I can
22 even show you the gentleman who was on his cell phone
23 as I was leaving. And I was like, get in the car,
24 let's go.

25 It was very in one way disconcerting, but

1 also very affirming that, you know, we basically went
2 into Kuala Lumpur, hired a driver. The driver
3 actually called this gentleman about 15 minutes
4 away -- it was about a two-hour drive outside of Kuala
5 Lumpur -- and said we have two gentleman from the
6 United States; they want to talk to you about threaded
7 rod. And the guy should have just left, but he chose
8 to see us and he talked for about 20 minutes. I mean,
9 he had a factory, he didn't have a factory, he used to
10 have a factory, he's going to have a factory, he's
11 building a factory, he build a factory, but then he
12 sold the factory. And I mean, seriously, he, in
13 broken English, he had 18 different stories in about
14 20 minutes.

15 So you asked where other materials are
16 coming from. We know for a certain that it's coming
17 through Malaysia being transhipped. We are working
18 diligently with other departments in our government to
19 help stem that flow and eliminate that as an
20 illegitimate source of supply.

21 I would say, and honestly I would say
22 between Thailand, India, Malaysia, and Taiwan, that
23 would represent as our industry the construction
24 covered by 5056, 99 percent of the product coming in -
25 - 97 percent. I mean, it's a -- it's the vast

1 majority.

2 MS. MCNAMARA: And if you have any
3 information on -- any additional information besides
4 the location next to Denis, as to the industries in
5 these countries, like excess capacity, capacity
6 utilization, export orientation, et cetera, that you
7 can include in the post-conference brief, that would
8 very helpful.

9 MR. WAITE: Ms. McNamara, it's Fred Waite
10 again. Are you speaking about just the subject
11 countries?

12 MS. MCNAMARA: The non-subject countries.

13 MR. WAITE: Oh, the non-subject countries as
14 well.

15 MS. MCNAMARA: Right. If you have any
16 information on that as well too, that would helpful.

17 MR. WAITE: Understood. Thank you.

18 MS. MCNAMARA: Thank you. Now you stated
19 that steel threaded rod is primarily based on price.
20 Are there any non-price factors that go into the
21 purchasing decisions?

22 MR. LOGAN: This is Alan Logan. If they're
23 happy to wait six to nine months for delivery from
24 overseas, it must be a factor.

25 MR. BRODERICK: Well, this is Larry

1 Broderick. I mean, it's always about price and a few
2 other factors, quality and availability, and
3 availability meaning ship time or delivery time. And
4 so, I mean, those are always considerations. But all
5 things being equal, it is always about price. It's a
6 commodity, pure and simple commodity and price is what
7 drives it other things being equal. So that if we
8 were to quote two-day shipment to our customer, as
9 opposed to six-month shipment to our customer, and our
10 price is the same, I guarantee you, we would get the
11 order, okay. If these guys are offering prices 20
12 percent below us, six-month's delivery versus our
13 delivery in two days, many people who are price buyers
14 will buy the import because of price.

15 And so there's always those other -- and
16 quality is sort of off the table. It's got to meet
17 the basic spec and these guys that are importing do
18 that, okay. So then it becomes how quickly can you
19 get it versus the price. That's the trade. And if a
20 guy needs it fast, he'll buy it from us. A lot of
21 guys who are commodity buyers that know how this works
22 and know they're going to have to wait six months for
23 the product, are buying container loads or many
24 container loads at a time, will plan ahead and buy the
25 price. And that's how it works.

1 MS. MCNAMARA: Now you mentioned that
2 they're produced to specific -- a particular
3 specification. Is there an industry standard that
4 this stuff gets produced to? Or what do you mean when
5 you said they're produced to a specification?

6 MR. BRODERICK: Well, I mean, if you're 3A
7 sync threaded rod low carbon steel, the low carbon
8 steel has to meet a spec, an ASTM spec, if that's
9 correct -- I don't know what it is, but they have to
10 meet one, but it's a basic spec. It's got to be 3/8th
11 inch diameter. It's got to be the length that they
12 say it is, those kinds of things. And the zinc
13 coating has to meet a minimum spec as well. They do
14 that. But it's, you know -- yeah, go ahead.

15 MR. MAGRATH: But even then, I mean, these
16 are very low hurdles. Patrick Magrath. This kind of
17 thing, there's a lower hurdle. You know, as we said
18 we've got 80 some producers over in India and
19 Thailand. There were hundreds in the Chinese
20 investigation. These are not terribly hard specs to
21 meet.

22 MS. MCNAMARA: In your post-conference
23 brief, could you please address any related -- any
24 potential related party issues of which you're aware
25 and explain why you believe the Commission should or

1 should not exclude the particular domestic producer?
2 And, in particular, to the extent that any domestic
3 producers are importing, if you could please explain
4 why to the extent you can?

5 MR. WAITE: We will address that, of course.

6 But in the petition, we mentioned that two of the
7 Petitioners, All American Threaded Products and Bay
8 Standard did import during the period of
9 investigation, but those level of imports were frankly
10 infinitesimal. So by the Commission standard, they
11 simply don't even come up on the radar. But we will
12 address that issue in our post-conference brief, of
13 course.

14 MS. MCNAMARA: Thank you. And again, if you
15 could just explain why what they chose to import, that
16 would be helpful.

17 MR. WAITE: Okay.

18 MS. MCNAMARA: Thank you.

19 MR. WAITE: We will do that.

20 MS. MCNAMARA: I also want to confirm that
21 you're asking the Commission to cumulate imports.

22 MR. WAITE: Yes, we are.

23 MS. MCNAMARA: Could you discuss the factors
24 that the Commission traditionally considers?

25 MR. WAITE: Of course we can. Would you

1 like us to do it now? In the post-conference?

2 MS. MCNAMARA: You can do it here or in the
3 post-conference brief.

4 MR. WAITE: Well, just very briefly, there
5 are four factors that the Commission traditionally
6 looks at. Fungibility, you've heard today that this
7 is a commodity product. It's fungible. Everybody can
8 make it. Everybody does make it. They're sold
9 interchangeably and customers look primarily at the
10 price of the product because the product itself is
11 interchangeable.

12 Again, you've already received questionnaire
13 responses, both from the entire U.S. industry as we
14 can see, as well as importers who address issues of
15 interchangeability. And I'm sure you're going to see
16 that everyone agrees it's fully a interchangeable,
17 fungible product.

18 The second criteria is -- actually it's the
19 fourth, but I'm not necessarily going in order because
20 my mind doesn't work that way -- a second criteria is
21 simultaneous presence in the market. And we can
22 provide you with official import statistics, again
23 using this unique HTS subheading, which would cover
24 subject merchandise. And what it shows is that for
25 each and every month of the POI, there were imports

1 from each of these countries into the United States.

2 Next is geographic overlap -- and I'm not
3 addressing the U.S. industry because they fall into
4 all of these same categories too. The U.S. industry
5 is present in the market every day. Then we have
6 geographic overlap and again you'll see in the
7 questionnaire responses from the U.S. industry that
8 the U.S. industry sells nationwide. You see on
9 imports, and we can provide you with the information,
10 the imports are coming into ports all over the country
11 all the time, so you have heavy geographic overlap.

12 And the fourth criterion -- I'm looking to
13 the lawyer on the panel.

14 MS. MCNAMARA: I think you've spoken to
15 channels of distribution already.

16 MR. WAITE: Channels of distribution --

17 MS. MCNAMARA: Right.

18 MR. WAITE: -- right, thank you. Thank you
19 indeed. And you've already heard testimony that
20 virtually all of the sales go through distribution,
21 both for imports and for domestic -- subject and non-
22 subject imports and domestic. And we'll address that
23 in a little more orderly fashion I assure you in our
24 post-conference brief.

25 MS. MCNAMARA: Thank you very much. Now are

1 the domestic producers able to supply the entire U.S.
2 market of steel threaded rod? Could somebody speak --
3 I'm sorry, for the record. I see some nods, but if
4 someone could just --

5 MR. LOGAN: This is Alan Logan. We service
6 the -- as an industry, we service the entire country,
7 so we do geographically cover it. I would believe --
8 once again this would probably be in the private
9 portion, but from a capacity utilization, there is
10 plenty of excess capacity to sell to the market as a
11 whole and to cover the needs of the market.

12 MR. WAITE: And this is Fred Waite. And I
13 would just endorse what Mr. Logan has said. From the
14 confidential record, you will see, given the capacity
15 of the U.S. industry, the capacity utilization rate
16 during the POI, that there is more than sufficient
17 capacity within the U.S. industry to service the
18 entire market if that were necessary.

19 MS. MCNAMARA: I know that you've discussed
20 capacity utilization rates, but in your post-
21 conference briefs, if you could also just discuss a
22 little bit about the production capacity trend over
23 the -- not just the utilization rate, but the trend.
24 I know that I believe Mr. Broderick had mentioned that
25 it increased in 2010 when certain equipment came on

1 line. But if you could just discuss that over the
2 period of investigation, that would be helpful.

3 MR. BRODERICK: This is Larry Broderick.
4 Just to say that all that equipment that we brought on
5 line had been on line just the prior -- few years
6 prior, okay, so they had shut down or were shutting
7 down and we just used the same equipment and started
8 operating again. But we're not operating nearly as
9 much of the equipment that we acquired.

10 MS. MCNAMARA: Now you had mentioned and you
11 discussed that after the order on threaded rod from
12 China was implemented, that the importers turned to
13 India and Thailand. Do you have any particular sense
14 as to why those two particular countries?

15 MR. MAGRATH: Patrick Magrath. As my
16 testimony I hope indicated, they dropped their prices
17 from above the Chinese price to below in the 46-48
18 cents range, to below what China was charging when
19 China was dumping. So in a commodity product once
20 again, in most products, cheaper prices call for
21 volumes. The same thing happened here.

22 MS. MCNAMARA: Do you have any knowledge or
23 information as to why the subject imports from
24 Thailand increased between 2011 and 2012 at the rate
25 that they did?

1 MR. WAITE: This is Fred Waite. Let me take
2 sort of the outsider's view and if particularly Mr.
3 Logan, who visited Thailand, has any specific
4 insights, I would invite him to share those with you.

5 This is all in the public record. It's in
6 our petition as well. There's a major producer of
7 steel long products in Thailand called Tycoons. It's
8 a publicly-traded company, so it has a very elaborate
9 website and you can look at its financial statements
10 on the website. This is a company that makes its own
11 wire rod internally, so it's an integrated steel
12 producer, and they make a number of downstream wire
13 and wire products according to their website,
14 including threaded rod.

15 It's my impression, looking from the outside
16 and how this company developed, is that as they
17 developed, they were looking at products that could be
18 targets of opportunity perhaps in the Thai market,
19 perhaps in local Southeast Asian markets, and in world
20 markets, global markets. And threaded rod for an
21 integrated long products producer could be seen as a
22 natural extension. They take the rod, they draw it
23 into wire. They have threading machines. They make
24 the product.

25 It's also our impression from the website --

1 and maybe again if Mr. Logan would care to testify
2 about this in public session, we can certainly provide
3 it to you in the confidential post-conference brief --
4 it appears that virtually all or all of Tycoons
5 threaded rod production is destined for the United
6 States market. It's not used in Thailand. It's not
7 shipped to other countries. It's shipped to the USA.

8 So it could very well be as this company developed
9 and was looking at its products and its market
10 opportunities, saw threaded rod, saw the order against
11 China, it's a sophisticated company obviously, and
12 thought this would be a wonderful marketing
13 opportunity for us. This is a product that we can
14 make, we can sell, it's not a particularly difficult
15 product.

16 Alan, did you want to add anything further
17 now or would you prefer to do that post-conference?

18 MR. LOGAN: This is Alan Logan. I can add a
19 little bit and we can do the rest of it post-
20 conference. Brent and I visited seven factories on
21 our tour. We did not see any threaded rod that seemed
22 to be destined for anywhere but the United States.
23 I'm not saying that they don't. I'm not privy to
24 those records. But I didn't -- we didn't see any.
25 Everything that we saw was destined to purchasers here

1 in the U.S.

2 It's hard to speak as to why they chose to
3 pursue this market other than the fact that they
4 looked at the China case and saw the China case and in
5 talking with customers here in the United States, they
6 just saw the opportunity and they stepped in and did
7 it at a very cheap price. And that's basically the
8 crux of it.

9 MS. MCNAMARA: Did the consolidation, when
10 All America purchased all the companies, did that have
11 any affect on the domestic market?

12 MR. BRODERICK: Can you say the question
13 again?

14 MS. MCNAMARA: I'm just trying to
15 understand, when All America acquired all the various
16 companies that you acquired and consolidated them, did
17 that have any affect on the U.S. market?

18 MR. BRODERICK: Well, after we got those
19 companies consolidated and operating again, I'm sure
20 that we produced more product than they were producing
21 in the year or two before, but not anywhere near what
22 they were producing the years four or five before. I
23 think our friends at Vulcan would have a better view -
24 - they would have a better view of whether we had an
25 impact on the market than I would.

1 MS. MCNAMARA: Do you have anything to add?

2 MR. LOGAN: We love our friends at All
3 America and we are extremely pleased that they are
4 able to step in and provide jobs to Americans
5 producing a product and being competitive in the
6 marketplace, that we were so looking forward to
7 serving on our own.

8 MS. MCNAMARA: Okay. The last thing is just
9 in the post-conference brief, if you have any more
10 information about the factors that the Commission
11 considers in analyzing threat of material injury that
12 you could include, that would be helpful.

13 MR. WAITE: We will do that.

14 MS. MCNAMARA: Thank you very much. Thank
15 you, all of you.

16 MS. DEFILIPPO: Thank you, Ms. McNamara.
17 Ms. Alves?

18 MS. ALVES: Thank you. I just have two
19 quick questions for you. Mr. Jenkins, since you're in
20 sales, we'll give Mr. Logan a break for a minute, but
21 Mr. Logan feel free to chime in. Why would a
22 purchaser prefer to buy zinc-plated as opposed to hot-
23 dip galvanized or vice versa?

24 MR. JENKINS: Brent Jenkins. Really the
25 difference in hot-dip galvanized and zinc-plated is a

1 corrosion resistance that the hot-dipped galvanized
2 provides. Typically no one would want to buy hot-dip
3 galvanized unless they needed a higher corrosion
4 capability to resist corrosion.

5 Zinc-plated provides a little bit of
6 protection, but not really. It's mainly just a
7 cleaner product than the plain. It allows -- like
8 this guy right here in the Sprinkler Age Magazine, his
9 hands not to get dirty while installing it. While
10 it's hot-dip galvanized, it's going to be a thicker
11 finish. You're going to probably need a different nut
12 for it. So the only time somebody would ever need
13 hot-dip galvanized is if they were -- if the job
14 demanded it.

15 MS. ALVES: And, Mr. Broderick, has that
16 been your experience as well?

17 MR. BRODERICK: Yes. Zinc-plated is
18 prettier. Lots of our customers, we want the shiny
19 stuff because it's prettier. It doesn't provide the
20 corrosion resistance that a lot of people may think it
21 does. It's nothing like hot-dip galvanized in terms
22 of true corrosion resistance, but it does provide
23 some. And the other alternative though is plain,
24 which will turn rusty just in a humid environment,
25 okay. So if you don't put something on it, it will

1 rust in Washington, D.C. in days.

2 MS. ALVES: Okay. And then my final
3 question goes to the issue of master distributors. To
4 the extent that you can discuss it publicly, about how
5 many master distributors are there and, if you can,
6 what are their names, assuming that there are a fairly
7 discrete number of them?

8 MR. LOGAN: More than 10, less than 100.
9 This is Alan Logan. It's a hard question to answer
10 because I know small guys that would like to consider
11 themselves master distributors. There is no -- you
12 know, you don't apply to be a master distributor in
13 the industry. It's just a master distributor is kind
14 of somebody that buys a lot and resales to other
15 distributors, where if you're a distributor -- if
16 you're a distributor and you buy the product and you
17 sell to an end user, then you're skipping that master
18 distribution level, right. Or if you're a master
19 distributor, by definition, a master distributor sells
20 to other distributors.

21 It's really hard to say how many of those
22 there are. There are several that are very large.
23 I'll be glad to give you in a post-conference brief
24 the names of who we believe the largest master
25 distributors are.

1 MS. ALVES: Sure. That would be helpful.
2 It's just another way of trying to check the integrity
3 of our data and trying to get some sort of a sense,
4 especially to the extent that master distributors may
5 be doing some more of the importing, just to get a
6 sense of who else we may be missing from the data set
7 or just to get some sense of how good the importer
8 questionnaire data set is.

9 MR. LOGAN: And I do believe you will find
10 that a very high percentage of the product being
11 brought in is being brought in by some of the people,
12 by the list that we will give you. But we'll be glad
13 to provide you as much information as you need.

14 MS. ALVES: Thank you.

15 MR. BRODERICK: And just to say it, Alan,
16 correct me if I'm wrong, if we're talking about master
17 distributor importers, the number would be much
18 smaller and more like, you know, six to 12 or
19 something like that, that would really, you know, hit
20 the radar screen.

21 MS. ALVES: If you're able to differentiate
22 in your post-conference brief who those types of firms
23 are or give us better senses of that, that would be
24 helpful. I mean, if you anticipate that these are
25 master distributors purchasing from both domestic

1 producers and importers, any additional information
2 you have that way would be helpful. It just gives us
3 a better a sense of what's going on in the marketplace
4 and how pricing is done and who is competing against
5 whom.

6 Thank you. This panel has been extremely
7 helpful. I certainly appreciate it.

8 MS. DEFILIPPO: Thank you. Mr. Treat, any
9 questions for you -- no, from you? All right. We
10 will now turn to Mr. McClure. Do you have questions
11 for this panel today?

12 MR. MCCLURE: Thank you. Jim McClure,
13 Office of Investigations. I usually say at this point
14 I'm the least important person in the room and that is
15 still true. But I do have a couple of questions.

16 Sticking with the master distributor, are
17 there any master distributors, and this may apply more
18 to the importers who sell direct to end users or are
19 sells direct to end users just not part of this
20 business?

21 MR. LOGAN: This is Mr. Logan. I would say,
22 since I can't speak for every company out there, I'm
23 not sure.

24 MR. MCCLURE: Right, I understand.

25 MR. LOGAN: But I believe if you talk to

1 master distributors, they would tell you as soon as
2 they start selling to end users, they take all their
3 customers off -- all their distributor customers off.

4 And so for every direct end user they try to sell,
5 they may aggravate several people that are trying to -
6 - several companies that are trying to get that
7 company's business. So I think by definition, most of
8 the master -- most distribution of threaded rod goes
9 through a channel of distribution and not directly to
10 the end user.

11 MR. MCCLURE: Okay, thank you. With respect
12 to your comments about your visits to Thailand and
13 India, and over the years I've always been fascinated
14 with out seemingly willingly folks from the United
15 States can go and say, hey, I'd like to visit your
16 plant and they let them in. Anyway, you mentioned
17 that you saw product that you believe to be destined
18 for the U.S. market. Now do you base that assumption
19 on the fact that it wasn't metric, so you assumed it's
20 not going to stay local and it's not going to the rest
21 of the world who uses --

22 MR. LOGAN: This is Alan Morgan. No, sir.
23 It had the labels of the customers in the United
24 States. A lot of product is -- that comes in
25 overseas, especially being sold through master

1 distribution, the master distributors have their own
2 labels, their name put on the product. So it is very
3 obvious, you know, because they'll have -- and I
4 prefer not to use names in this conference --

5 MR. MCCLURE: Right, right, that's fine.

6 MR. LOGAN: -- but we saw multiple labels of
7 different company's product that was being
8 manufactured overseas in Thailand and in India that
9 had their labels on it. So we know for a fact that
10 they were destined for the United States.

11 MR. MCCLURE: With respect to metric
12 production, how we see -- I know the U.S. doesn't do
13 or I assume you don't do any significant metric
14 production. How easy would it be for somebody in
15 Thailand or India to switch from metric to -- is it a
16 matter of just switching dyes?

17 MR. LOGAN: This is Mr. Logan. We do also
18 manufacture metric. It is not significant here in the
19 States simply because of the demand.

20 You are correct that to produce a metric
21 rod, two things would have to happen. You would have
22 to have a different set of dyes and then obviously
23 your material has to change. So, you know, like you
24 might have -- 10 millimeter is very -- I believe it's
25 10 millimeter that's very equivalent to the U.S.

1 three-eighths diameter, but they're not identical.
2 You couldn't take the same diameter steel and stick it
3 in a machine and thread both metric and UNC. You
4 would have to change slightly the diameter of the
5 steel to also do that. But you are correct, the way
6 it is manufactured is very similar.

7 I had this conversation not too long ago
8 trying to surmise is threaded rod used elsewhere in
9 the world. And to be honest with you, we really don't
10 know. I don't think it's heavily used in building
11 codes in Asia. It probably is used in Europe, but we
12 just don't -- we don't know much about that market.

13 MR. MCCLURE: Okay, thank you. Let's see,
14 we mentioned I believe 21 producers in Thailand and 69
15 producers in India or something close to that.
16 Obviously, all of those firms or I'm assuming they all
17 aren't exporting a little bitty portion of their
18 production, especially after the size of some of these
19 operations that I believe Mr. Broderick mentioned.
20 How concentrated are the firms that account for the
21 bulk of the exports to the United States in both
22 countries? What's your best guess?

23 MR. LOGAN: Being a good politician, as I
24 was accused of, I don't know what I don't know, but
25 what I do know --

1 MR. MCCLURE: But that doesn't stop anybody.

2 MR. LOGAN: What I do believe is that one
3 factory in Thailand represents the vast majority of
4 the product coming in from Thailand. I believe Mr.
5 Waite mentioned Tycoons. It is our belief that that
6 is most exclusively at this moment, especially the
7 last two years of the POI. We don't really know in
8 2010. We didn't do a visit until 2012. But it's my
9 belief that the vast majority is coming in from that
10 one corporation, from that one company in Thailand.

11 In India, it's more diverse, but I don't
12 believe it to be 60. I believe that the vast majority
13 is probably accounted for with probably 10 to 12
14 manufacturers in India, one large manufacturer and a
15 lot of small ones.

16 MR. MCCLURE: Okay. If you know those names
17 --

18 MR. LOGAN: I'd be glad to pass those names
19 --

20 MR. MCCLURE: -- if you could provide that
21 in the post-conference submission. Again as Ms. Alves
22 said, it just --

23 MR. LOGAN: It helps clarify the record.

24 MR. MCCLURE: -- gives us a sense of how
25 good our data is, where we need to fill in.

1 MR. LOGAN: We'll be glad to fill in
2 everything we know for you on that fact.

3 MR. MCCLURE: Okay. One question that you
4 can answer post-conference, the scope definition
5 includes threaded rod, allows the threaded rod to have
6 carbon levels up to two percent, which includes low
7 carbon, medium carbon, and high carbon steel. Can you
8 tell us the share of the threaded rod market accounted
9 for by each type of steel? And you can do that, if
10 you can.

11 Okay, that finishes my questions. I'd like
12 to thank everybody coming from Denver. I know you
13 folks coming from Alabama, it's a tough week to be out
14 of Alabama with the CC media week starting down there
15 and football is important. Anyway --

16 MR. LOGAN: Mr. McClure, I'd just like to
17 say that Brent wife works for the SEC and was on ESPN
18 yesterday escorting Johnny Manziel around, so I'm
19 looking for all the inside information when I get
20 home.

21 MS. DEFILIPPO: But was she in charge of
22 waking him up, because I don't think that went too
23 well.

24 MR. MCCLURE: Anyway, thank you.

25 MR. BRODERICK: Just for the record, another

1 thing that Vulcan and we have in common is that I went
2 to Notre Dame.

3 MS. DEFILIPPO: Well, now as a Boston
4 College girl, I might have to shut you off over there.
5 Thank you, Mr. McClure.

6 I was asked by our auditor, Mary Klir, who
7 was unable to be here, to ask two questions, of which
8 I left upstairs on my desk. So I'm putting this in
9 the record that it's my fault that they're not being
10 asked. But I would like to email those to you, Mr.
11 Wait, this afternoon. I know that there are just two
12 of them. And if you could reply to those in your
13 post-conference brief, I know I will appreciate it and
14 then so will she.

15 MR. WAITE: We will certainly do that.

16 MS. DEFILIPPO: Thank you. I had one
17 question before I look back to staff to see if any
18 additional questions cropped up and it is in reference
19 to one of the charts, Chart 3. And it's sort of the
20 flip of what Ms. McNamara asked.

21 Ms. McNamara was asking why did we such a
22 spike in the Thailand numbers. And I guess my
23 question is there's a fairly drop off in the imports
24 from India and I just was wondering if there was any
25 specific reason why we're seeing that decline on the

1 last bit. Were there any supply problems or issues in
2 the production in India or was it just a down year for
3 -- slight down for those imports?

4 MR. WAITE: If we could pull our resources
5 and respond to that in the post-conference. I mean,
6 one of the reasons might be that Thailand became far
7 more aggressive, both in terms of pushing material in
8 at lower prices. But I think if we have a chance to
9 converse among ourselves, we may be able to come up
10 with some ideas to why the Indian number came down.
11 But as you saw, the Indian number can also go up quite
12 dramatically.

13 MS. DEFILIPPO: Yes. That would be helpful.
14 Thank you. We'll turn to Ms. Christ first and then
15 to Ms. McNamara.

16 MS. CHRIST: Thank you. I just had a couple
17 out of curiosity questions. The first one is just has
18 there been any changes in any relevant ASTM
19 specifications in the last three to four years? Yeah,
20 for the threaded.

21 MR. LOGAN: This is Alan Logan. Mr.
22 Broderick spoke earlier and you were asking him about
23 the specifications. Low carbon rod is primarily -- I
24 think that what he was trying to say is it was
25 primarily sold to characteristics. It's a low carbon

1 grade, so it's easily cuttable. It's a particular
2 diameter, three-eighths; a particular pitch, which is
3 how many threads per inch it is. It's a particular
4 length and the fact that it is zinc-plated.

5 We'll be glad to tell you the specifications
6 that the zinc-plating is normally applied to. It used
7 to be B633. I believe it's another spec now. I'd be
8 glad to send you that information.

9 There is not a very good -- honestly there's
10 not a very good spec in ASTM that covers this product.

11 I like to tell people it's the grade, that if you
12 throw it in the swimming pool, it will sink to the
13 bottom. So it's kind of the very -- where, for
14 instance, stainless can be covered by seven or eight
15 different ASTM specifications and it's very detailed.

16 Low carbon just tends not to be.

17 There is one other specification that is
18 used at some points in the construction industry
19 called ASTM F1554. However, that is -- I'm on that
20 committee and that is a grade -- that is a
21 specification that's in the process of being changed,
22 but will not greatly affect this market.

23 MS. CHRIST: And my last question, Mr.
24 Broderick, you had mentioned that all else being
25 equal, price is what matters. Could you define what

1 the all else is or give me some idea of what a
2 purchaser might pay more -- what characteristics or
3 services or factors a purchaser would pay more for?
4 What is in the all else?

5 MR. BRODERICK: Well, in the products we're
6 talking about, which are the commodity products in our
7 industry, it's really about availability because the
8 quality has got to meet the minimum spec, you know,
9 whatever that is. They've got to be, you know, on
10 size and it's got to be low carbon steel that meets
11 the minimum spec, whatever it is. It's just got to be
12 there. So quality is sort of off the table.

13 You don't go to a customer and say, okay,
14 we're going to offer you better quality and the spec.

15 In other words, how are you going to make -- offer
16 them something different than three-eighths if they
17 want three-eighths, zinc-plated if they want zinc-
18 plated. So quality is sort of off the table on a
19 commodity. That's what makes it fungible.

20 And the only other thing really that I can
21 think of is delivery, more prompt delivery. They
22 don't - the customer doesn't care, you know, why you
23 cannot deliver it in two days, why it will take you
24 six months. He doesn't care. It's just going to take
25 six months because we have to make it, ship it across

1 the ocean, and go through Customs, and do all that
2 kind of stuff.

3 Whereas if you have the product on the
4 ground, you get a little bit of a premium. How much?
5 Depends on how desperate the customer is. It's not
6 twice what the commodity price would be. It might be
7 five percent higher. It might three percent higher.
8 It's just a marginal improvement. If a guy is
9 absolutely desperate and he can't get it from Vulcan
10 and we have it, we might get five percent. But we
11 have competition here in the United States that wants
12 that order too and so it's not a high premium because
13 there's some other -- there's a competitor in the U.S.
14 If there was not a competitor in the U.S. and the guy
15 had to wait six months, you can get a much higher
16 price because they're desperate to get it.

17 But that really what it comes down in a
18 commodity, it's -- quality is off the table because
19 it's fungible. It's all the same. And so it's price
20 and availability and availability really means
21 delivery time because he doesn't care about anything
22 else. It's when do I get it here at my factory or my
23 distribution center.

24 MS. CHRIST: Thank you very much.

25 MR. LOGAN: I haven't spoken in a couple of

1 minutes and like a politician, I have a need to talk I
2 guess. Just adding one other thing, the role of the
3 master distributor kind of takes that delivery thing
4 off the table anyway. So, you know, the deal is, is
5 the customer can call All America and get it in a
6 couple of days. He can call Vulcan and get it in a
7 couple of days. If we don't have it, we can make it
8 in a couple of days. But if it's a standard product,
9 most of the time, the master distributor, they can
10 call the master distributor who has imported from
11 overseas and they can deliver that product in a couple
12 of days also.

13 MR. BRODERICK: (Off mic) and he's got to
14 get it faster from people like us.

15 MS. DEFILIPPO: Can you just repeat that for
16 the court reporter. Your mic kind of goes on and off
17 sometimes.

18 MR. BRODERICK: Well, I was just saying that
19 in Alan's example, we don't have it, the master
20 distributor does have it, maybe the small distributor
21 goes to the master distributor first. If the master
22 distributor doesn't have it, he's got to come to us,
23 one of the two of us to get it quickly because he's
24 not going to get it from overseas quickly. Or the
25 little distributor, if the master distributor doesn't

1 have it, would come directly to us to get it quickly.

2 And again we would make a little premium on that than
3 on a pure commodity.

4 MS. DEFILIPPO: Thank you. Ms. McNamara?

5 MS. MCNAMARA: Thank you. I'm actually
6 going to address questions to Respondents even though
7 they aren't here, because I understand that they have
8 a representative here. And so I'd just like to put
9 some questions on the record.

10 First of all, I just would like to make sure
11 that Respondents address any changes in the facts or
12 the product that might alter the Commission's domestic
13 like product analysis here versus the investigation on
14 steel threaded rod from China. Would like them to
15 comment on the data sources they believe the
16 Commission should use. I would like them to comment
17 on the AUV data and whether or not they believe
18 there's any product mix issues there. I would like
19 them to discuss the role of non-subject imports in the
20 U.S. steel threaded rod market. It would be helpful
21 if they would comment on cumulation and specifically
22 address whether or not in any threat analysis, they
23 believe that imports should be cumulated. And finally
24 if they could also comment on how the market changed
25 after the order on China was implemented and whether

1 they have any knowledge as to why the importers turned
2 to India and Thailand and any knowledge about why the
3 imports from Thailand increased from 2011 to 2012.

4 Thank you.

5 MS. DEFILIPPO: Thank you, Ms. McNamara.
6 Looking around the table for staff, any additional
7 questions from anyone here? Seeing none, Mr. Waite,
8 thank you very much, and thank you very much to this
9 panel for being patient and answering all of our
10 questions. I think we can all concur that it's been
11 enjoyable and very informative.

12 Would you like to make a closing statement?

13 Do you need any time to confer with your panel before
14 doing so?

15 MR. WAITE: Ms. DeFilippo, I think the
16 members from the industry spoke far more eloquently
17 than I could about the various factors that have
18 impacted them with regard to imports from India and
19 Thailand. We will certainly address it in our post-
20 conference brief. I don't think it's necessary to
21 recite things that you've already heard multiple times
22 this morning. But thank you very much to the panel
23 for your patience with us and your insightful
24 questions.

25 MS. DEFILIPPO: Thank you. On behalf of the

1 Commission and the staff, I would like to thank the
2 witnesses who came here today, as well as counsel, for
3 helping us gain a better understanding of the product
4 and the conditions of competition in the steel
5 threaded rod industry.

6 Before concluding today's conference, please
7 let me mention a few dates to keep in mind. The
8 deadline for submission of corrections to the
9 transcript and for submission of post-conference
10 briefs is Tuesday, July 23rd. If briefs contains
11 business proprietary information, a public version is
12 due on Wednesday, July 24th. The Commission has
13 tentatively scheduled its vote on these investigations
14 for Friday, August 9th, and it will report its
15 determinations to the Secretary of the Department of
16 Commerce on Monday, August 12th. Commissioner's
17 opinions will be transmitted to Commerce on Tuesday,
18 August 19th. Thank you all for coming and with that
19 this conference is adjourned.

20 (Whereupon, at 11:45 a.m., the preliminary
21 conference was concluded.)

22 //

23 //

24 //

25 //

CERTIFICATION OF TRANSCRIPTION

TITLE: Certain Steel Threaded Rod from India
and Thailand

INVESTIGATION NO.: 701-TA-498 and 731-TA-1213-1214

HEARING DATE: July 18, 2013

LOCATION: Washington, D.C.

NATURE OF HEARING: Preliminary

I hereby certify that the foregoing/attached transcript is a true, correct and complete record of the above-referenced proceeding(s) of the U.S. International Trade Commission.

DATE: July 19, 2013

SIGNED: LaShonne Robinson
Signature of the Contractor or the
Authorized Contractor's Representative
1220 L Street, N.W. - Suite 600
Washington, D.C. 20005

I hereby certify that I am not the Court Reporter and that I have proofread the above-referenced transcript of the proceeding(s) of the U.S. International Trade Commission, against the aforementioned Court Reporter's notes and recordings, for accuracy in transcription in the spelling, hyphenation, punctuation and speaker-identification, and did not make any changes of a substantive nature. The foregoing/attached transcript is a true, correct and complete transcription of the proceeding(s).

SIGNED: Rebecca McCrary
Signature of Proofreader

I hereby certify that I reported the above-referenced proceeding(s) of the U.S. International Trade Commission and caused to be prepared from my tapes and notes of the proceedings a true, correct and complete verbatim recording of the proceeding(s).

SIGNED: Diane Humke
Signature of Court Reporter