

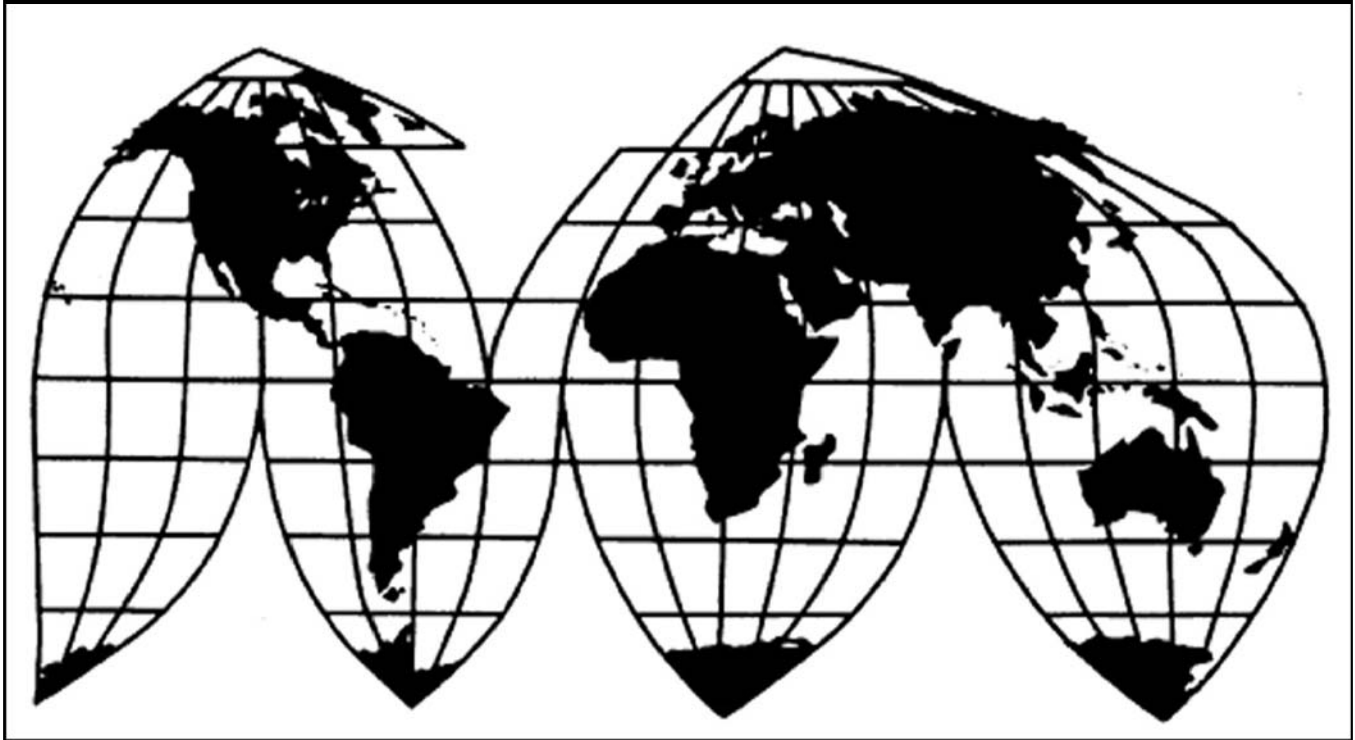
Steel Concrete Reinforcing Bar from Turkey

Investigation No. 731-TA-745 (Second Review)

Publication 4052

December 2008

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-745 (Second Review)

Steel Concrete Reinforcing Bar from Turkey

DETERMINATION

On the basis of the record¹ developed in the subject five-year review, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)), that revocation of the antidumping duty order on steel concrete reinforcing bar from Turkey would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.²

BACKGROUND

The Commission instituted this review on February 1, 2008 (73 F.R. 6206) and determined on May 6, 2008 that it would conduct a full review (73 F.R. 27847, May 14, 2008). Notice of the scheduling of the Commission's review and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on June 11, 2008 (73 F.R. 33116). The hearing was held in Washington, DC, on October 16, 2008, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

² Commissioners Charlotte R. Lane and Irving A. Williamson dissenting.

VIEWS OF THE COMMISSION

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (the “Act”), that revocation of the antidumping duty order on steel concrete reinforcing bar (“rebar”) from Turkey would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.¹

I. BACKGROUND

In April 1997, the Commission determined that an industry in the United States was materially injured by reason of imports of rebar from Turkey that were being sold at less than fair value.² In making its determination, the Commission concluded that appropriate circumstances existed for a regional industry analysis, with the region consisting of the U.S. producers in the “Eastern Tier.”³ On April 17, 1997, the Department of Commerce (“Commerce”) issued an antidumping duty order on subject imports of rebar from Turkey.⁴

On March 1, 2002, the Commission instituted its first five-year review of the antidumping duty order on imports of rebar from Turkey.⁵ On February 12, 2003, the Commission determined that revocation of the order would be likely to lead to the continuation or recurrence of material injury to a U.S. regional industry within a reasonably foreseeable time.⁶ The Commission again defined the region as the Eastern Tier.⁷

The Commission instituted this second review on February 1, 2008. The Commission received a joint response to the notice of institution from Nucor Corporation (“Nucor”), Commercial Metals Corporation (“CMC”), and Gerdau Ameristeel (“Gerdau”) (collectively “Domestic Producers”), which are U.S. producers of rebar. The Commission also received individual responses from Ekinciler Demir ve Celik Sanayi A.S. (“Ekinciler”), Kaptan Demir Celik Endustrisi ve Ticaret, A.S. (“Kaptan”), and Izmir Demir Celik Sanayi A.S. (“IDC”) (collectively “Respondents”), which are producers and exporters of rebar from Turkey.⁸ The Commission determined that both the domestic and respondent interested party

¹ Commissioners Charlotte R. Lane and Irving A. Williamson dissenting. See Dissenting Views of Commissioners Charlotte R. Lane and Irving A. Williamson (“Dissenting Views”). They, however, join sections I, II, and III A and B of these views.

² Steel Concrete Reinforcing Bars From Turkey, Inv. No. 731-TA-745 (Final), USITC Pub. 3034 (April 1997) (“Original Determination”). All references to the Original Determination are to USITC Pub. 3034 unless specifically noted.

³ The “Eastern-Tier” region consists of 22 contiguous states (Alabama, Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, and West Virginia), plus Puerto Rico and the District of Columbia. Original Determination at 9.

⁴ 62 Fed. Reg. 18748 (Apr. 17, 1997).

⁵ See 67 Fed. Reg. 38333 (June 3, 2002) and Steel Concrete Reinforcing Bars From Turkey, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 (Feb. 2003) (“Review Determination”) at 4. All references to the Review Determination are to USITC Pub. 3577 unless otherwise noted.

⁶ Review Determination at 3. Chairman Okun and Commissioner Bragg dissenting.

⁷ Review Determination at 10.

⁸ The Commission also received a joint response from Istanbul Minerals and Metal Exporters’ Association (“IMMEA”) and Steel Exporters Association (“IISEA”), foreign business associations whose membership includes, among others, Turkish producers and exporters of the subject merchandise. IMMEA and IISEA are not interested parties, because producers/exporters of the subject merchandise do not account for a majority of their associations.

(continued...)

group responses were adequate and voted to conduct a full review pursuant to section 751(c)(5) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(5).

Data Coverage. In this second review, the Commission received questionnaire responses from nine U.S. rebar producers that accounted for virtually all of the rebar production in the United States in 2007.⁹ The Commission sent questionnaires to 33 firms in Turkey and received responses from five firms; three of these firms reported production of subject merchandise accounting for about *** percent of Turkish rebar production in 2007.¹⁰ These three firms also accounted for *** of subject imports during 2007.¹¹

Related Investigations. In addition to the order on rebar from Turkey, there are outstanding orders on rebar from seven other countries. In 2001, in a series of staggered investigations, the Commission determined that a domestic industry was materially injured by reason of subject imports of rebar from Belarus, Indonesia, Korea, Latvia, Moldova, Poland and Ukraine and that a domestic industry was threatened with material injury by reason of imports of rebar from China.^{12 13} In 2007, in the first five-year reviews of the orders on rebar from these countries, the Commission determined that revocation of the orders on rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine would be likely to lead to the continuation or recurrence of material injury to an industry in the United States. The Commission also determined that revocation of the order on imports of rebar from Korea would not be likely to lead to the continuation or recurrence of material injury.¹⁴

During the period covered by this five-year review, certain steel products, including rebar, were the subject of a global safeguards investigation conducted by the Commission under section 202 of the

⁸ (...continued)

See 19 U.S.C. § 1677(9)(A).

⁹ Confidential Report (“CR”) at I-34-I-35, Public Report (“PR”) at I-28; CR/PR at Tables I-8 and I-9.

¹⁰ CR at IV-12 and n.4, PR at IV-11 and n.4.

¹¹ CR at IV-12, PR at IV-11.

¹² In its preliminary determinations, the Commission conducted a regional industry analysis as proposed by the petitioners. In so doing, the Commission found that subject imports from Japan were not sufficiently concentrated in the region and therefore rendered a negative determination. The Commission also found that imports of rebar from Austria, Russia, and Venezuela were negligible. See Certain Steel Concrete Reinforcing Bars from Austria, Belarus, China, Indonesia, Japan, Korea, Latvia, Moldova, Poland, Russia, Ukraine, and Venezuela, Inv. Nos. 731-TA-872-883 (Preliminary), USITC Pub. 3343 (Aug. 2000).

¹³ Chairman Koplán and Vice Chairman Okun determined that a regional industry producing rebar was materially injured by reason of subject imports from Belarus, Indonesia, Korea, Latvia, Moldova, Poland and Ukraine and threatened with material injury by reason of subject imports from China. Commissioners Miller, Hillman, and Devaney found a national industry and determined that the industry was materially injured by reason of subject imports from Belarus, Indonesia, Korea, Latvia, Moldova, Poland and Ukraine and threatened with material injury by reason of subject imports from China. Commissioner Bragg determined that a regional industry was materially injured by reason of subject imports from all eight countries. See Certain Steel Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine, Inv. Nos. 731-TA-875, 880, and 882 (Final), USITC Pub. 3425 (May 2001); Certain Steel Concrete Reinforcing Bars from Belarus, China, Korea, Latvia, and Moldova, Inv. Nos. 731-TA-873-874 and 877-879 (Final), USITC Pub. No. 3440 (July 2001).

¹⁴ Certain Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 877-880 and 882 (Review), USITC Pub. 3933 (July 2007) (“Multi-Country Rebar Reviews”) at 3. Chairman Pearson dissented with respect to the antidumping duty orders on Belarus, Latvia, Moldova, Poland, and Ukraine; Vice Chairman Aranoff dissented with respect to the orders on Poland and Latvia; and Commissioner Okun dissented with respect to the orders on Belarus, Latvia, Moldova, and Poland. Commissioners Lane and Pinkert dissented with respect to Korea.

The Commission determined that appropriate circumstances did not exist to conduct its likely material injury analysis on a regional basis and conducted its likely material injury analysis on a national industry basis. Multi-Country Rebar Reviews at 11.

Trade Act of 1974.¹⁵ As a result of the Commission's affirmative determinations in that investigation, the President imposed an additional *ad valorem* tariff on imports of rebar, including rebar from Turkey.¹⁶ All safeguard duties were terminated, however, on December 4, 2003.¹⁷

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

In making its determination under section 751(c), the Commission defines the “domestic like product” and the “industry.”¹⁸ The Act defines the “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”¹⁹ In five-year reviews, the Commission looks to the domestic like product definition from the original determination and any previous reviews and considers whether the record indicates any reason to revisit that definition.²⁰

Commerce defined the imported product subject to the antidumping duty order under review as follows:

all stock deformed steel concrete reinforcing bars sold in straight lengths and coils. This includes all hot-rolled deformed rebar rolled from billet steel, rail steel, axle steel, or low-alloy steel. It excludes: (i) plain round rebar; (ii) rebar that a processor has further worked or fabricated; and (iii) all coated rebar.²¹

The subject merchandise is hot-rolled deformed rebar, designed specifically to enhance the tensile strength and shear stress of concrete structures. Although rebar is sold to customers in various forms or stages of fabrication, only stock deformed rebar that is not further processed is subject to the antidumping duty order.²²

¹⁵ Steel, Inv. No. TA-201-73, USITC Pub. 3479 (Dec. 2001).

¹⁶ CR at I-16-I-17, PR at I-13-I-14.

¹⁷ CR at I-17, PR at I-14.

¹⁸ 19 U.S.C. § 1677(4)(A).

¹⁹ 19 U.S.C. § 1677(10). See Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), aff'd, 938 F.2d 1278 (Fed. Cir. 1991). See also S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

²⁰ See Stainless Steel Sheet and Strip from France, Germany, Italy, Japan, Korea, Mexico, Taiwan, and the United Kingdom, Inv. Nos. 701-TA-380 to 382 and 731-TA-797 to 804 (Review), USITC Pub. 3788 at 6 (July 2005); Crawfish Tail Meat from China, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); Steel Concrete Reinforcing Bar from Turkey, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

²¹ 73 Fed. Reg. 24534 (May 5, 2008).

²² CR at I-25-I-27, PR at I-20-I-22.

In the original investigation, the Commission found a single domestic like product consisting of rebar coextensive with Commerce's scope. The Commission considered whether the domestic like product should be defined more broadly to include plain rebar or downstream products such as fabricated or coated rebar. The Commission also considered whether it should define two like products, small diameter rebar (sizes #3-5) and large diameter rebar (sizes #6 and above).²³ In the first review, the Commission again defined the domestic like product as rebar coextensive with Commerce's scope.²⁴

In this second review, the domestic producers agree with the Commission's definition of the domestic like product in the original investigation.²⁵ Respondents did not raise any domestic like product issues in their briefs or at the hearing. No new information has been obtained during this review that would suggest any reason to revisit the Commission's domestic like product definition from the original determination and first review. We therefore continue to define the domestic like product as rebar, coextensive with the scope of Commerce's review.

B. Domestic Industry

Section 771(4)(A) of the Act defines the relevant domestic industry as the "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."²⁶ Consistent with our domestic like product determination, we find one domestic industry consisting of all domestic producers of rebar.

We consider whether appropriate circumstances exist to conduct a regional industry analysis in this five-year review.

1. General Considerations For Regional Industry Analysis

Section 752(a)(8) of the Act permits use of a regional industry analysis in a five-year review. Specifically, the Act provides that in five-year reviews, the Commission may revisit its original regional industry determination and may base its likely injury determination on the original regional industry,

²³ Original Determination at 6-8.

²⁴ Review Determination at 4-5. The Commission noted that no party advocated otherwise and that there was no new information to warrant revisiting its domestic like product definition. Id.

²⁵ Domestic Parties' Response to the Commission's Notice of Institution (March 25, 2008) at 25.

²⁶ 19 U.S.C. § 1677(4)(A). In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market, provided that adequate production-related activity is conducted in the United States. See United States Steel Group v. United States, 873 F. Supp. 673, 682-83 (Ct. Int'l Trade 1994), aff'd, 96 F.3d 1352 (Fed. Cir. 1996).

another regional industry, or the United States industry as a whole.²⁷ Section 1677(4)(C), 19 U.S.C. § 1677(4)(C), provides the following:

In appropriate circumstances, the United States, for a particular product market, may be divided into 2 or more markets and the producers within each market may be treated as if they were a separate industry if--

- (i) the producers within such market sell all or almost all of their production of the like product in question in that market, and
- (ii) the demand in that market is not supplied, to any substantial degree, by producers of the product in question located elsewhere in the United States.

In such appropriate circumstances, material injury, the threat of material injury, or material retardation of the establishment of an industry may be found to exist with respect to an industry even if the domestic industry as a whole, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of that product, is not injured, if there is a concentration of dumped imports or imports of merchandise benefitting from a countervailable subsidy into such an isolated market and if the producers of all, or almost all, of the production within that market are being materially injured or threatened by material injury, or if the establishment of an industry is being materially retarded, by reason of the dumped imports or imports of merchandise benefitting from a countervailable subsidy. The term “regional industry” means the domestic producers within a region who are treated as a separate industry under this subparagraph.^{28 29}

²⁷ The statute states the following with respect to five-year reviews involving a regional industry:

the Commission may base its determination on the regional industry defined in the original investigation under this subtitle, another region that satisfies the criteria established in section 1677(4)(C) of this title, or the United States as a whole. In determining if a regional industry analysis is appropriate for the determination in review, the Commission shall consider whether the criteria established in section 1677(4)(C) of this title are likely to be satisfied if the order is revoked or the suspended investigation is terminated. 19 U.S.C. § 1675a(a)(8).

The Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“SAA”) clarifies that “the Commission is not bound by any determination it may have made in the original investigation regarding the existence of a regional industry.” SAA, H.R. Rep. No. 103-316, vol. I at 887 (1994). However, the SAA also states that the Commission needs “sufficient evidence” to warrant revisiting its original regional industry determination:

If there is sufficient evidence to warrant revisiting the original regional industry determination, the Commission may base its likelihood determination on: (1) the regional industry defined by the Commission in the original investigation; (2) another regional industry satisfying the criteria of amended section 771(4)(C); or (3) the United States industry as a whole.

Id. at 887-88.

²⁸ 19 U.S.C. § 1677(4)(C). The URAA added the definition of “regional industry” in the last sentence and made technical language changes. These URAA changes to the regional industry provisions were not intended to affect substantive Commission practice. The URAA also amended the statute to require that Commerce “to the maximum extent possible, direct that duties be assessed only on the subject merchandise of the specific exporters or producers that exported the subject merchandise for sale in the region concerned during the period of investigation.” 19 U.S.C. § 1673e(d). Therefore, Commerce will “exclude from the [antidumping duty] order, to the ‘maximum extent

(continued...)

In determining whether appropriate circumstances exist to conduct a regional industry analysis in a five-year review, the Commission takes into account any effect that the order or suspension agreement may have had on the marketing and distribution patterns for the subject product in analyzing whether the market isolation and import concentration criteria are likely to be satisfied in the event of revocation or termination.³⁰ The Commission also takes into account any prior regional industry definition, any product characteristics that lend themselves to a regional market, and whether any changes in the isolation of the region or import concentration are related to the imposition of the order or acceptance of the suspension agreement.³¹ As discussed in detail below, we find that appropriate circumstances do not exist to conduct a regional industry analysis in this review.

²⁸ (...continued)

possible,' those exporters or producers that did not export for sale in the region during the period of investigation.' SAA at 859 and 860.

²⁹ The Court of International Trade has described the steps taken by the Commission in a regional industry analysis:

The statute sets up three prerequisites which must be satisfied before the Commission can reach an affirmative determination under a regional industry analysis. The Commission must determine that there is: (1) a regional market satisfying the requirements of the statute, (2) a concentration of dumped imports into the regional market, and (3) material injury or threat thereof to producers of all or almost all of the regional production, or material retardation to the establishment of an industry, due to the subsidized or dumped imports. The Commission will move on to the next step only if each preceding step is satisfied.

Texas Crushed Stone Co. v. United States, 822 F. Supp. 773, 777 (Ct. Int'l Trade 1993), aff'd, 35 F.3d 1535, 1542 (Fed. Cir. 1994) ("the ITC's case-by-case approach represents a 'legitimate policy choice made by the agency in interpreting and applying the statute.'"), aff'g Crushed Limestone from Mexico, Inv. No. 731-TA-562 (Preliminary), USITC Pub. 2533 (July 1992) ("Limestone"). See also Committee For Fairly Traded Venezuelan Cement v. United States, 372 F.3d. 1284 (Fed. Cir. 2004); Atlantic Sugar, Ltd. v. United States, 519 F. Supp. 916, 920 (Ct. Int'l Trade 1981) (the court cautioned against "[a]rbitrary or free handed sculpting of regional markets.").

³⁰ SAA at 888. The SAA specifically states:

Given the predictive nature of a likelihood of injury analysis, the Commission's analysis in regional industry investigations will be subject to no greater degree of certainty than in a review involving a national industry. Because the issuance of an order or the acceptance of a suspension agreement may have affected the marketing and distribution patterns of the product in question, the Commission's analysis of a regional industry should take into account whether the market isolation and import concentration criteria in section 771(4)(C) are likely to be satisfied in the event of revocation or termination. Neither the Commission nor interested parties will be required to demonstrate that the regional industry criteria currently are satisfied.

Id.

³¹ SAA at 888. The SAA explains as follows:

The Commission should take into account any prior regional industry definition, whether the product at issue has characteristics that naturally lead to the formation of regional markets (e.g., whether it has a low value-to-weight ratio and is fungible), and whether any changes in the isolation of the region or in import concentration are related to the imposition of the order or the acceptance of a suspension agreement.

2. Background

a. Original Investigation

In the original investigation, the Commission found that appropriate circumstances existed to conduct a regional industry analysis. Specifically, it considered product characteristics and found that although transportation costs were not a substantial part of any delivered price to customers, rebar possessed a low value-to-weight ratio which appeared to restrict the geographical area in which it could be competitively sold. The Commission noted that the industry practice of “freight equalization” or “freight absorption” made transportation costs an important component of rebar sales for domestic producers.³² It stressed that the majority of shipments were concentrated within a 250 mile radius of each production facility.³³

The Commission also found that the statutory market isolation criteria were satisfied and defined the region as the Eastern Tier consisting of 22 contiguous states plus the District of Columbia and Puerto Rico.³⁴ Finally, regarding the import concentration criterion, the Commission found, based on a comparison of the market share of subject imports into the region, as well as consideration of the proportion of total subject imports that entered the region, that rebar from Turkey was concentrated in the region.

b. First Five-Year Review

In the first five-year review, the Commission again found that appropriate circumstances existed to conduct a regional industry analysis. In particular, the Commission again considered product characteristics and found that rebar is a low value-to-weight product with relatively high transportation costs, rendering the area in which the product is sold necessarily isolated and insular. It noted that during the period of review, the majority of domestic shipments were within 250 miles of the manufacturing

³² Freight equalization is a practice in which a firm absorbs additional shipping costs relative to its competitors in order to sell its product for the same price as its competitors at the point of delivery to the customer.

³³ In considering alternative regions, the Commission rejected respondents’ arguments that Puerto Rico should be excluded from the Eastern Tier. It determined that, although there was no domestic producer of rebar in Puerto Rico, there had been shipments into Puerto Rico of both subject imports and rebar produced in the region. It also noted that demand in Puerto Rico was not supplied by domestic producers outside the region. Original Determination at 11-12.

The Commission also rejected petitioners’ arguments for the inclusion of Texas, Ohio, Indiana, and Illinois in the Eastern Tier region. With respect to Texas, the Commission found that the Texas market appeared to be separate and isolated from the region, with only limited shipments into Texas by Eastern Tier producers and minimal shipments by Texas producers into the Eastern Tier region. It noted that most of the imports from Turkey shipped to Texas remained in Texas. With respect to Ohio and Illinois, the Commission found that there were limited shipments into the Eastern Tier from these states. With respect to Indiana, the Commission found that there was no production of rebar in that state. Finally, it found that there were limited shipments of subject imports into Ohio, Illinois, and Indiana. Original Determination at 13-14.

³⁴ Original Determination at 14. With regard to the market isolation criteria, the Commission first found that sales of “all or almost all” regional production were within the region, as Eastern Tier producers shipped 90 percent of their production of the domestic like product within the region during the period of investigation. The Commission next found that demand in the region was not supplied to a substantial degree by producers outside the region, as the percentage of consumption supplied by U.S. producers outside the region was less than 5 percent during the period of investigation. Original Determination at 16.

plant and the majority of importers' shipments within the region were shipped within 100 miles of their port of entry.³⁵

The Commission also found that the requisite statutory criteria for defining a regional industry were likely to be met if the order were revoked, given that regional producers shipped the vast majority of their rebar production within the region and regional demand was not supplied to any substantial degree by domestic producers outside the region. The Commission again defined the region as the Eastern Tier.³⁶ Finally, the Commission found that subject imports were likely to be concentrated in the region, considering the ratios of imports in the region, which were substantially higher than outside the region, and the "pattern of [] imports during the original investigation"^{37 38}

c. Analysis

The circumstances and the product characteristics identified at the time of the original investigation and the first five-year review that supported defining a regional industry now have

³⁵ In so doing, the Commission again rejected respondents' contention that Puerto Rico should not be included in the region, emphasizing that regional producers continued to ship to Puerto Rico and that demand in Puerto Rico was not supplied to a significant degree by producers outside the region. Review Determination at 8-9.

³⁶ Review Determination at 10-11.

³⁷ Review Determination at 12.

³⁸ The Commission found that appropriate circumstances did not exist to conduct a regional industry analysis in the Multi-Country Rebar Reviews issued in 2007. In those reviews, however, the Commission did not face the question of whether there was sufficient evidence to revisit its regional industry definition, as the Commission did not define a regional industry in the original investigations. In those reviews, the Commission determined not to engage in a regional industry analysis because the record in those reviews demonstrated that, among other things, rebar's low value-to weight ratio did not appear to restrict the geographic area in which rebar was shipped, rebar producers inside and outside the region had similar financial trends, and rebar producers inside and outside the region would likely face direct competition from subject imports. It further noted that, although the market isolation criteria appeared to be satisfied, this was probably the result of the vast geographic area covered by the proposed 30 state region. In reaching its determination, the Commission specifically distinguished its prior determination in the first review of the order in Rebar from Turkey stating as follows:

We note that the Commission recently found that appropriate circumstances existed to conduct a regional industry analysis in Concrete Reinforcing Bars From Turkey, Inv. 731-TA-745 (Review), USITC Pub. 3577 (Feb. 2003) ("Rebar from Turkey"). In that review, the proposed region did not encompass as great a geographical area (the region accounted for less than a third of the United States and 20 states as opposed to 30) and accounted for roughly 20 percent of total apparent U.S. consumption. In Rebar from Turkey, as here, a considerable portion of regional producers' shipments in the original investigations were made at distances over 500 miles. In that review, however, transportation costs were a higher component of the total cost of rebar. Specifically, U.S. producers reported inland transportation costs generally ranging from 6 to 20 percent of the delivered price for sales within the region and from 5 to 15 percent for sales outside the region. Among importers of rebar from Turkey, the costs ranged from 2 to 18 percent of the delivered price for sales within the region, and from 12 to 18 percent outside the region. The Commission also found that the industry engaged in the practice of freight equalization, making transportation costs an important component of rebar sales by domestic producers. There is no specific evidence in these reviews that the domestic industry currently engages in a similar practice.

Multi-Country Rebar Reviews at 14 n.48 (cites omitted).

changed.³⁹ While rebar remains a relatively low value-to-weight product, average unit values (“AUVs”) for rebar have risen sharply since the first review.⁴⁰ Consequently, transportation costs as a share of the total cost of rebar are much lower than in the original investigation and first review. In the original investigation, U.S. producers reported that these costs accounted for 5 percent to 15 percent of the total delivered cost of rebar.⁴¹ In the first review, U.S. producers reported transportation costs ranging from 6 percent to 20 percent of the total delivered cost of rebar.⁴² In this second review, U.S. producers’ transportation costs were less than 5 percent of the total delivered price of rebar.⁴³

As noted above, in the original investigation and first review, the Commission found that the practice of “freight equalization” or “freight absorption” by the rebar industry made transportation costs an important component of rebar sales by U.S. producers. In this second review, freight equalization continues to be practiced by some producers. The ***, which together accounted for *** percent of domestic producers’ rebar U.S. shipments in 2007,⁴⁴ ***.⁴⁵ ***.⁴⁶

In both the original investigation and the first review, the Commission found that the low value-to-weight ratio of rebar and relatively high transportation costs appeared to limit the distances to which rebar was shipped. In this second review, U.S. producers reported that *** percent of their shipments within the region were shipped to customers within 250 miles,⁴⁷ compared to 62 percent in the original investigation and 51 percent in the first review.⁴⁸ There are indications, however, that neither the low value-to-weight ratio nor the transportation costs necessarily limit the distances to which rebar can be shipped. For example, two of the smaller U.S. rebar producers, *** and ***, whose plants are inland, ship *** percent of their rebar production to distances over 500 miles.⁴⁹ Furthermore, shipments from nonregional U.S. producers into the region have increased over the period of review.⁵⁰

In the original investigation and first review, the U.S. rebar industry was comprised mostly of smaller producers. Since 2001, the U.S. rebar industry has restructured and become increasingly concentrated and foreign-owned through bankruptcies, exits from the industry, mergers, and buyouts.⁵¹ U.S. steel representatives explained that the restructuring would effect a more orderly market with greater price stability, enable U.S. steelmakers to better control their output volume and enhance their market leverage vis-a-vis steel-consuming customers, and facilitate rationalization of higher-cost facilities with a wider geographic range and product mix. These objectives support the contention that the industry has shifted from a regional to a national focus.⁵²

³⁹ The parties all support a finding of a national, not a regional industry. Domestic Producers’ Posthearing Brief at Exhibit J and Respondents’ Posthearing Brief at Exhibit 4.

⁴⁰ Reported AUVs for domestic shipments inside the Eastern Tier region by regional producers and outside the Eastern Tier region by non-regional producers were \$*** per short ton and \$*** per short ton in 2007, compared to \$*** per short ton and \$*** per short ton in 2001. CR /PR at Tables C-2 and C-3.

⁴¹ 1997 Confidential Staff Report at V-2.

⁴² Review Determination at 8.

⁴³ CR/PR at V-3, as revised.

⁴⁴ CR/PR at Table E-2.

⁴⁵ CR/PR at V-3 (as revised). *** CR/PR at V-3 (as revised).

⁴⁶ CR/PR at V-3 (as revised).

⁴⁷ CR/PR at II-1.

⁴⁸ 2003 Confidential Staff Report at II-2.

⁴⁹ ***; CR/PR at II-1 n.1.

⁵⁰ CR/PR at Table C-3.

⁵¹ CR/PR at Tables I-8 and I-9; Figure I-1 and I-2; and Table III-1.

⁵² CR at I-38 and n.72, PR at I-29-I-30 and n.72.

More importantly, the marketing patterns of U.S. producers have shifted somewhat since the first review. In 2001, *** percent of U.S. rebar producers' shipments were to end-users and *** percent were to distributors and distributors/end-users.⁵³ In 2007, by contrast, U.S. rebar producers shipped 35.7 percent to end-users and 64.3 percent to distributors and distributors/end-users,⁵⁴ indicating a greater focus by U.S. rebar producers on customers that distribute rebar. We further note that during the second review period, the pricing trends inside and outside the region, as well as the financial trends for rebar producers inside and outside the region, are very similar.⁵⁵

The shift from a regional market to a national one is evident from examination of the statutory market isolation factors during the period of review. Although regional producers continued to ship the vast majority of their rebar production within the region,⁵⁶ an increasing share of regional demand was supplied by U.S. producers outside the region. The share of regional consumption supplied by U.S. producers outside the Eastern Tier fluctuated, but increased overall from *** percent in 2002 to *** percent in 2006. It then increased sharply from the historical *** percent level to *** percent in 2007. In interim 2008, the share of consumption supplied by U.S. rebar producers outside the region reached *** percent compared to *** percent in interim 2007.⁵⁷

For the reasons cited above, we have revisited our regional industry definition and find that appropriate circumstances do not exist to conduct a regional industry analysis. We find instead that the industry in this review is a national industry and that the domestic industry is comprised of all domestic producers of rebar.

III. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE ANTIDUMPING DUTY ORDER IS REVOKED

For the reasons stated below, we determine that revocation of the antidumping duty order on rebar from Turkey would not be likely to lead to continuation or recurrence of material injury to the domestic industry producing rebar within a reasonably foreseeable time.⁵⁸

⁵³ 2003 Confidential Staff Report at Table I-3.

⁵⁴ CR/PR at II-2, as revised.

⁵⁵ CR/PR at Tables C-1, C-2, C-3, V1a-V4a, V1b-V4b.

⁵⁶ In this second review, producers in the Eastern Tier region made between *** and *** percent of their shipments within the region between 2002 and 2007. Producers in the Eastern Tier region made *** percent of their shipments within the region in interim 2007 compared to *** percent in interim 2008. CR at I-53, PR at I-38.

⁵⁷ CR at I-53, PR at I-38.

⁵⁸ Commissioners Charlotte R. Lane and Irving A. Williamson dissenting. See Dissenting Views. They join sections I, II, and III A and B of these views.

A. Legal Standard In a Five-Year Review

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping duty order unless (1) it makes a determination that dumping is likely to continue or recur, and (2) the Commission makes a determination that revocation of the antidumping duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”⁵⁹ The Uruguay Round Agreements Act (“URAA”), Statement of Administrative Action (“SAA”), states that “under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the *status quo* – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”⁶⁰ Thus, the likelihood standard is prospective in nature.⁶¹ The Court of International Trade has found that “likely,” as used in the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.^{62 63}

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”⁶⁴ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”⁶⁵

Although the standard in a five-year review is not the same as the standard applied in an original antidumping duty investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject

⁵⁹ 19 U.S.C. § 1675a(a).

⁶⁰ The SAA, H.R. Rep. No. 103-316, vol. I, at 883-84 (1994). The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” SAA at 883.

⁶¹ Although the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued [sic] prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

⁶² See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), aff’d without opinion, 140 Fed. Appx. 268 (Fed. Cir. 2005); Nippon Steel Corp. v. United States, Slip Op. 02-153 at 7-8 (Ct. Int’l Trade Dec. 24, 2002) (same); Usinor Industeel, S.A. v. United States, Slip Op. 02-152 at 4 n.3 & 5-6 n.6 (Ct. Int’l Trade Dec. 20, 2002) (“more likely than not” standard is “consistent with the court’s opinion”; “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); Indorama Chemicals (Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int’l Trade Sept. 4, 2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); Usinor v. United States, Slip Op. 02-70 at 43-44 (Ct. Int’l Trade July 19, 2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

⁶³ Commissioner Lane notes that, consistent with her views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004) at 15-17, she does not concur with the U.S. Court of International Trade’s interpretation of “likely” but she will apply the Court’s standard in this review and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses the issue.

⁶⁴ 19 U.S.C. § 1675a(a)(5).

⁶⁵ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” Id.

merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”⁶⁶ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the orders are revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).⁶⁷ The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination.⁶⁸

As noted above, the Commission has essentially complete data coverage for the domestic industry. The Commission also received completed questionnaire responses from three subject producers in Turkey that accounted for *** percent of Turkish rebar production in 2007 and *** of subject imports in the same year.⁶⁹ When appropriate in this review, we have relied on the facts otherwise available, which consist primarily of information from the original investigation and first review, information submitted in this review, and information available from published sources.^{70 71}

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”⁷²

⁶⁶ 19 U.S.C. § 1675a(a)(1).

⁶⁷ 19 U.S.C. § 1675a(a)(1). Commerce did not make any duty absorption findings with respect to the order under review. See 73 Fed. Reg. 24534 (May 5, 2008).

⁶⁸ 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

⁶⁹ CR at IV-12 and n.4, PR at IV-11 and n.4.

⁷⁰ 19 U.S.C. § 1677e(a) authorizes the Commission to “use the facts otherwise available” in reaching a determination when (1) necessary information is not available on the record or (2) an interested party or any other person withholds information requested by the agency, fails to provide such information in the time or in the form or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to 19 U.S.C. § 1677m(i). The verification requirements in 19 U.S.C. § 1677m(i) are applicable only to Commerce. See Titanium Metals Corp. v. United States, 155 F. Supp. 2d 750, 765 (Ct. Int’l Trade 2002) (“the ITC correctly responds that Congress has not required the Commission to conduct verification procedures for the evidence before it, or provided a minimum standard by which to measure the thoroughness of Commission investigations.”).

⁷¹ Commissioner Okun notes that the statute authorizes the Commission to take adverse inferences in five-year reviews, but such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination. See 19 U.S.C. § 1677e. She generally gives credence to the facts supplied by the participating parties and certified by them as true, but bases her decision on the evidence as a whole, and does not automatically accept participating parties’ suggested interpretations of the record evidence. Regardless of the level of participation and the interpretations urged by participating parties, the Commission is obligated to consider all evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. “In general, the Commission makes determinations by weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most persuasive.” SAA at 869.

⁷² 19 U.S.C. § 1675a(a)(4).

1. Original Investigation

In the original investigation, the Commission identified several conditions of competition pertinent to its analysis of the regional rebar market. The Commission found that the statutory criteria for invoking the captive production provision were not met.⁷³ The Commission observed that rebar is sold to steel distributors, steel service centers, reinforcing bar fabricators, contractors, and building material dealers. With respect to demand for rebar, the Commission determined that it is tied to demand for construction projects that involve concrete structures such as bridges, roads, residential and other buildings, patios, and pools.⁷⁴ It also found that demand for rebar increased over the period of investigation and that there was no evidence that demand followed a recurring long-term business cycle.⁷⁵ It noted, however, that there was a seasonal cycle, given that rebar shipments were generally higher in the spring and summer as a result of peak construction activity during those times.⁷⁶ The Commission further found that the diameter and length of rebar dictated its use and the portion of the market to which it can be sold.⁷⁷ It noted that demand for smaller sizes was estimated to account for about 60 percent of rebar sales in the region.⁷⁸

2. First Five-Year Review

In its first five-year review determination, the Commission found that rebar is a highly fungible product, that rebar of the same grade and dimensions is generally interchangeable regardless of origin, and that there are no broadly accepted substitutes for rebar in its intended application. As all rebar is used for concrete reinforcement, the Commission found that demand for rebar is closely tied to the level of construction activity, which in turn depends on the aggregate level of U.S. economic activity. It further noted that apparent consumption of rebar within the region rose by 36 percent from 1997 to 2001 but was lower in the first three quarters of 2001 compared to the same period in 2000. The Commission further found that the regional industry had consolidated into 6 firms operating 12 plants. The Commission also observed that regional producers' share of regional consumption had declined as imports from other countries increased. It noted that imports from countries other than Turkey had declined late in the period of review due to the filing of an antidumping duty petition against many of those imports and the imposition of antidumping duty orders on imports from eight of the countries in 2001.⁷⁹

The Commission further found that price was an important factor in purchasing decisions and that prices were determined on a transaction-by-transaction basis. It observed that regional producers generally shipped to end-users, distributors/end-users, and to distributors, although importers generally shipped the subject product to end-users. Next, the Commission found that, although imports of rebar were generally excluded from federal and state projects subject to "Buy America" laws, domestic suppliers typically charged the same prices for all products, even those purchased subject to "Buy America" laws. Finally, the Commission observed that there were a number of antidumping duty and safeguard actions concerning Turkish rebar in third countries and that imports from Turkey were also subject to a recent Section 201 safeguard action.⁸⁰

⁷³ Original Determination at 20-21.

⁷⁴ Original Determination at 21.

⁷⁵ Original Determination at 22.

⁷⁶ Original Determination at 22.

⁷⁷ Original Determination at 22.

⁷⁸ Original Determination at 22.

⁷⁹ Review Determination at 16-18.

⁸⁰ Review Determination at 16-18.

3. Second Five-Year Review

The following conditions of competition are relevant to our determination in this review.

i. Demand

U.S. Demand. Since all rebar is used in concrete reinforcement, demand for rebar is closely tied to the level of construction activity. Although firms responding to the Commission's questionnaires are split as to whether the rebar market is cyclical, it is generally agreed that U.S. construction activity and overall demand for rebar depend on the health of the U.S. economy. Among the major end uses for rebar are roads and bridges, commercial and industrial construction, and public construction. Rebar accounts for a relatively small percentage of the total cost of such projects.⁸¹ There are only a few reported substitutes for rebar such as wire mesh, PC strand, structural steel and composite fiberglass.⁸²

The United States is one of the largest markets for rebar.⁸³ Apparent U.S. consumption increased from 7.8 million short tons in 2002 to 10.4 million short tons in 2006 and then decreased slightly to 10.1 million short tons in 2007. Apparent U.S. consumption was somewhat lower in interim 2008 (January-June 2008) (5.3 million short tons) than in interim 2007 (January-June 2007) (5.4 million short tons).⁸⁴ Explanations offered for the overall increase in demand during the second review period included a strong economy, low interest rates, and a high level of construction activity.⁸⁵

Although the parties agree that demand for rebar in the United States has been at very high levels, they disagree as to the expected level of demand given the recent downturn in the U.S. economy. Domestic Producers emphasize that the demand for rebar has fallen as residential construction has declined sharply and non-residential construction has begun to fall off. According to Domestic Producers, residential and non-residential construction are predicted to decline through 2010, and they expect the situation will worsen because the ongoing financial crisis in the United States is likely to have long-term effects on construction.⁸⁶ Respondents acknowledge that the United States and other countries are experiencing recessionary pressures due to a credit crunch caused by sub-prime mortgage defaults. They note, however, that the U.S. government and governments in other countries have passed economic stimulus packages to address recessionary pressures. As a result of these measures, Respondents contend that recovery is anticipated to begin by mid-to-late 2009.⁸⁷

The record indicates that U.S. demand for rebar will likely decline from its high levels during the period of review as construction activity has slowed. According to the record, the real value of total construction spending was fairly robust from 2002 through March 2006, increasing by 10 percent. Although the real value of total construction spending in the United States decreased by 28 percent from March 2006 through September 2008, this decline was in large measure due to the decline in spending for residential construction, which decreased by 59 percent over the same period. In contrast, the real value of spending for nonresidential construction increased by 11 percent between March 2006 and September 2008.⁸⁸ Total U.S. construction is projected to decline from the high levels during the period of review. According to two well-placed sources, McGraw-Hill Construction, an independent research firm, and the

⁸¹ CR at II-10-II-15, PR at II-4-II-8.

⁸² CR at II-15, PR at II-8.

⁸³ CR/PR at Tables IV-12, IV-14 and IV-18.

⁸⁴ CR/PR at Tables I-2, C-1.

⁸⁵ CR at II-10-II-11, PR at II-4-II-5.

⁸⁶ Domestic Producers' Prehearing Brief at 13-21.

⁸⁷ Respondents' Posthearing Brief at 4-5.

⁸⁸ CR at II-10-II-12, PR at II-4-II-6.

Portland Cement Association, an association of cement producers, U.S. construction activity will decline over the foreseeable future.⁸⁹ McGraw Hill estimates that the nominal value of total construction contracts will decline by 12 percent in 2008 and 7 percent in 2009, but increase thereafter. McGraw-Hill also estimates that the real value of construction contracts will fall by 16 percent in 2008 and 10 percent in 2009, but will then increase through 2012. The Portland Cement Association, an association of cement producers, estimates that the real value of construction put-in-place will decline by 9.5 percent in 2008, 13.9 percent in 2009, and 0.8 percent in 2010.⁹⁰ Accordingly, although there may be occasional fluctuations, we find that overall demand for rebar is lower and is likely to remain below its period of review highs for the reasonably foreseeable future.

Global Demand. Global consumption of rebar increased by *** percent from 2002 to 2007, primarily due to rapid consumption growth in the Commonwealth of Independent States (“C.I.S.”) and in East and Southeast Asia.⁹¹ A principal factor underlying the strong global demand for rebar was economic growth in a number of world regions and the development of infrastructure in those regions. Consistent with published data regarding global demand, four of five U.S. producers, 14 of 15 importers, and 15 of 16 purchasers reported increases in demand outside the United States.⁹²

The record indicates, however, that demand for rebar has weakened somewhat in some regions of the world over the last several months. This recent decline in demand in these regions can be attributed to rising raw material costs, a global financial downturn negatively affecting the ability to obtain favorable credit, declining residential housing demand, and declining construction-related activity.⁹³

ii. Supply Conditions

Throughout the second period of review, the domestic industry was the largest supplier of rebar to the U.S. market. The domestic industry’s share of apparent U.S. consumption fluctuated over the period of review, decreasing slightly overall by 2.0 percent. The industry’s share increased from 83.6 percent in 2002 to 88.5 percent in 2003, but decreased to 78.7 percent in 2004. It then increased to 84.5 percent in 2005 and decreased to 75.1 percent in 2006 before increasing again in 2007 to 81.6 percent. The domestic industry’s share of U.S. consumption reached 87.5 percent in interim 2008 compared to 78.8 percent in interim 2007.⁹⁴

In the original investigation and first five-year review, the U.S. rebar industry was comprised mostly of small producers.⁹⁵ Since 2001, the U.S. industry has become increasingly concentrated and foreign-owned through bankruptcies, exits from the industry, mergers, and buyouts.⁹⁶ As a result, nine firms now own and operate the twenty-nine mills in the United States. Five of these nine firms are owned by rebar producers located in nonsubject countries.⁹⁷

⁸⁹ CR at II-12-II-13, PR at II-6-II-7; Domestic Producers’ Prehearing Brief Exhibits 3 and 4; Domestic Producers’ Posthearing Brief at 12 and Exhibit 27.

⁹⁰ CR at II-12-II-13, PR at II-6-II-7.

⁹¹ CR at IV-22, PR at IV-14.

⁹² CR at II-13, PR at II-8.

⁹³ CR at IV-31-IV-36, PR at IV-17-IV-20.

⁹⁴ CR/PR at Table C-1.

⁹⁵ CR at I-39, PR at I-30-I-31.

⁹⁶ CR/PR at Tables I-8 and I-9; Figures I-1 and I-2; and Table III-1.

⁹⁷ CR at I-35, PR at I-28.

During the second period of review, U.S. rebar producers' production capacity increased almost every year (with the exception of a small decline in 2004).⁹⁸ The industry's production followed a similar trend, with the largest increase occurring in 2003.⁹⁹ Domestic producers reported that they have begun adding capacity or will add capacity over the next few years.¹⁰⁰

The U.S. market is also supplied by subject and nonsubject Turkish producers and nonsubject producers in other countries. Subject imports' market share declined at the end of the period of review due in part to the revocation of the antidumping duty order with respect to imports from several Turkish producers.¹⁰¹ Nonsubject imports' market share fluctuated over the period.¹⁰² The increase in nonsubject imports' market share after 2005 was due in part to imports from several nonsubject Turkish producers, which continued to ship to the U.S. market following revocation.¹⁰³

iii. Interchangeability

Rebar is a highly fungible commodity product, and rebar of the same grade and dimensions is generally interchangeable regardless of country of origin. Virtually all rebar produced, sold, or consumed in the United States meets ASTM standards.¹⁰⁴ Generally, rebar is available in sizes #3 through #18 and is usually sold in lengths of 20, 40, or 60 feet. Differing rebar sizes and lengths may be put to different uses. A considerable portion of the small rebar sizes (sizes #3 through #5) is used in light construction applications (e.g., residences, swimming pools, patios, and walkways). The larger sizes (sizes #6 and above) and longer lengths are used in heavy construction applications (e.g., high-rise buildings, commercial facilities, industrial structures, bridges, roads), although smaller sizes and shorter lengths are also utilized in heavy construction applications to some degree.¹⁰⁵ During the second period of review, as was true in the original investigation and the first review period, domestic rebar was predominantly sold in sizes #4 through #6, while imports from Turkey and from all other sources were mostly concentrated in sizes #3 through #5.¹⁰⁶

Rebar imports are generally excluded from federal and state projects that are subject to federal and state "Buy American" provisions. The record does not indicate what percentage of rebar purchases is subject to these provisions.¹⁰⁷ There is no indication in the record, however, that "Buy American"

⁹⁸ CR/PR at Table C-1.

⁹⁹ CR/PR at Tables I-2, C-1.

¹⁰⁰ CR/PR at Table III-3.

¹⁰¹ The order was revoked with respect to imports from ICDAS Celik Enerji Tersane ve Ulasim Sanayi A.S. on November 8, 2005; imports from Colakoglu Metalurji A.S./Colakoglu Dis Ticaret A.S. and Diler Demir Celik Endustrisi ve Ticaret A.S./Yazici Demir Celik Sanayi ve Turizm Ticaret A.S./Diler Dis Ticaret A.S. on November 6, 2007; and imports from Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi A.S. on November 7, 2008. CR at I-5, PR at I-2.

¹⁰² Nonsubject imports' market share decreased from 13.4 percent in 2002 to 10.2 percent in 2005. It then increased to *** percent in 2006, but declined slightly to *** percent in 2007. Nonsubject imports' market share was *** percent in interim 2008 compared to *** percent in interim 2007. CR/PR at Tables I-2, C-1.

¹⁰³ Imports from Belarus, China, Indonesia, Latvia, Moldova, Poland and Ukraine are subject to other antidumping duty orders. See Multi-Country Rebar Reviews at 3. Imports from these countries have been virtually nonexistent during the period of review. Official Import Statistics (EDIS Doc. 314369).

¹⁰⁴ CR at I-26-I-27, PR at I-21-I-22.

¹⁰⁵ CR at I-29-I-32, PR at I-24-I-26.

¹⁰⁶ CR at I-29, PR at I-22, CR/PR at Table I-6.

¹⁰⁷ CR at II-18, PR at II-10-II-11.

purchases differ in price from other rebar purchases. Respondents have stated that “Buy American” provisions have little impact on the volume of subject imports.¹⁰⁸

iv. Other Factors

Price was cited by a majority of purchasers as the most important factor in purchasing decisions. Other important factors cited included availability and quality.¹⁰⁹ Moreover, price is determined generally on a transaction-by-transaction basis or on a set price list, and there is a relatively high degree of substitutability between subject imports and the domestic like product.¹¹⁰

Raw material costs are an important part of the final cost of rebar and accounted for 60.8 percent of the cost of goods sold (“COGS”) in 2007.¹¹¹ Raw material costs increased irregularly from \$109 per short ton in 2002 to \$266 per short ton in 2007. Steel scrap is the primary component in raw material costs. The monthly average cost of steel scrap increased from \$63 per short ton in January 2002 to \$406 per short ton in August 2008, or by 564 percent. It then fell by 60 percent to \$168 per short ton in October 2008.¹¹² There is no suggestion in the record that ferrous scrap prices are likely to return to the high levels seen in 2008 within the reasonably foreseeable future.

C. Likely Volume of Subject Imports

In evaluating the likely volume of imports of subject merchandise if the antidumping duty order is revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.¹¹³ In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.¹¹⁴

¹⁰⁸ Respondents’ Posthearing Brief, Ex. 4.

¹⁰⁹ CR/PR at Table II-2.

¹¹⁰ CR/PR at Tables II-4 and V-3.

¹¹¹ CR/PR at Table III-13. The ratio of raw material costs to total COGS ranged from 45.3 percent to 60.8 percent over the period of review. It was 68.1 percent in interim 2008 compared to 60.4 percent in interim 2007. CR/PR at Table III-13.

¹¹² CR/PR at V-1 (as revised). The market price for steel scrap continued to fall in November 2008, reaching a daily price of \$80 per short ton on November 10, 2008. CR/PR at V-1 (as revised).

¹¹³ 19 U.S.C. § 1675a(a)(2).

¹¹⁴ 19 U.S.C. § 1675a(a)(2)(A)-(D).

1. Original Determination

In the original investigation, the Commission found that both the volume of subject imports into the Eastern Tier region and their market share were significant. In so doing, the Commission determined that the volume of subject imports into the region increased from 1994 to 1995, although apparent consumption in the region declined during the same period. It further found that the regional market share held by subject imports increased from 1994 to 1995 before declining in 1996. Finally, the Commission found that the declines in the volume and market share of subject imports from 1995 to 1996 were related to the pendency of the investigation and that the data for the period after filing of the petition was entitled to less weight in making its determination.¹¹⁵

2. First Five-Year Review

In the first five-year review, the Commission found that the volume of subject imports likely would be significant if the order was revoked. In reaching this determination, the Commission noted that subject imports increased dramatically in 2000 and 2001 because of (as Turkish producers indicated) “the threatened and then real United States safeguard action.”¹¹⁶ Moreover, it found that subject producers had the ability to increase their exports to the United States if the order were revoked, given Turkey’s substantial production capacity, which increased over the period of review. Additionally, the Commission emphasized that subject producers’ unused capacity was equal to 16.6 percent of apparent U.S. consumption for the same year. The Commission also found that subject producers had the incentive to increase shipments to the United States after revocation given their export orientation, the attractiveness of the U.S. market, and the existence of antidumping duty orders and safeguard actions on Turkish rebar in other countries. Finally, the Commission emphasized that subject producers’ inventories were fairly significant at the end of the period of review.¹¹⁷

3. Second Five-Year Review

During the second period of review, subject import volume fluctuated, but for the most part remained at moderate levels throughout the period. Subject import volume increased from 234,126 short tons in 2002 to 713,690 short tons in 2004, decreased to 489,570 short tons in 2005, increased to *** short tons in 2006, and then decreased to *** short tons in 2007.¹¹⁸ The decrease in subject imports toward the end of the period was due in part to the exclusion of several subject producers from the order. The volume of subject imports was higher in interim 2008 (*** short tons) than in interim 2007 (*** short tons).^{119 120}

¹¹⁵ Original Determination at 28-29.

¹¹⁶ Review Determination at 19.

¹¹⁷ Review Determination at 19-20.

¹¹⁸ CR/PR at Table I-2 (2002-07); calculated from Table C-1 (interim periods).

¹¹⁹ CR/PR at Table I-2 (2002-07); calculated from Table C-1 (interim periods).

¹²⁰ As a result of Commerce’s administrative reviews of the antidumping duty order, a substantial portion of rebar imports from Turkey over the review period originated from producers that are no longer subject to the order. Reported imports from producers still subject to the order fluctuated, decreasing from *** short tons in 2002 to *** short tons in 2003, increasing to *** short tons in 2004, then decreasing to *** short tons in 2005, before peaking at *** short tons in 2006, and then declining to *** short tons in 2007. CR/PR at Table I-11. Their share of apparent U.S. consumption ranged from a low of *** percent in 2003 to a high of *** percent in 2006, and was *** percent in 2007 and *** percent in January-June 2008. CR/PR at Table I-13. The total quantity of rebar imports from producers in Turkey that are now nonsubject due to Commerce’s administrative reviews exceeded the quantity of
(continued...)

Subject imports' U.S. market share increased from 3.0 percent in 2002 to 7.9 percent in 2004, then declined to 5.3 percent in 2005. It increased to *** percent in 2006, but declined to *** percent in 2007. Subject imports' market share was *** percent in interim 2008 compared to *** percent in interim 2007.¹²¹

As noted above, the Commission received questionnaire responses from only three subject producers, and thus data coverage for Turkish rebar capacity is less than comprehensive. There are varying sets of data in the record regarding Turkish production capacity, creating an issue as to which is most accurate. According to ***, mills in Turkey produced *** short tons of rebar in 2007.¹²² This information, however, is based only on data from reporting companies and those companies for which *** can make reasonable estimates. Domestic Producers estimated that Turkish rebar capacity is (***) metric tons (***) short tons).¹²³ That estimate, however, appears to be overstated because it seems to include additional long product capacity, including wire rod and other round bar production, and also incorrectly identifies capacity that was scheduled to be installed over the course of a year as being fully available during the entire year of installation. Similarly, IMMEA estimated that overall Turkish rebar production was 24.3 million short tons in 2007. As with the Domestic Producers' estimate, this production figure is overstated, as it includes all long products.¹²⁴ Respondents estimated that rebar capacity in Turkey is *** metric tons, or *** short tons, based on an allocation of long product capacity according to Turkish production volumes of rebar and other long products (specifically wire rod, merchant bar, and profile shapes).¹²⁵ Because the record data confirm that Turkish production capacity for rebar is more than *** short tons, but less than the *** short tons of all long product capacity, and Respondents offered a reasonable basis on which to estimate total rebar capacity from total Turkish long product capacity, we find the *** short tons figure to be the most reliable estimate available.

In the original investigation, subject import volume increased at the expense of regional producers' market share, but that increase was due in large measure to imports from producers that are no longer subject to the order. When the original investigation was conducted, the 16 Turkish producers/exporters responding to the Commission's questionnaire had a combined production capacity of 5 million metric tons and exports of 153,000 metric tons to the United States. Of these 16 companies, four have been excluded from the antidumping duty order. These four companies represented *** percent of Turkish rebar capacity and *** percent of Turkish rebar exports to the United States in 1996. In 2007, these same companies represented *** percent of Turkish rebar capacity.¹²⁶ Based on this calculation, the amount of rebar capacity accounted for by the remainder of the Turkish industry still subject to the antidumping duty order is *** short tons (***) percent of the total Turkish rebar industry). Although Domestic Producers are correct that this capacity exceeds both apparent U.S. consumption and U.S. rebar production in 2007, the record does not support a finding that this capacity will likely be used to increase subject imports significantly if the order is revoked.

As noted above, the Commission received responses from three subject producers that accounted for about *** percent of Turkish rebar production and *** of subject imports in 2007.¹²⁷ Although the three responding producers account for only a portion of the estimated subject production, their share is

¹²⁰ (...continued)

rebar imports from remaining subject producers in every portion of the review period except January-June 2008. CR/PR at Table I-11.

¹²¹ CR/PR at Table I-2 (2002-07); calculated from Table C-1 (interim periods).

¹²² CR at IV-12 n.4, PR at IV-11 n.4.

¹²³ Domestic Producers' Posthearing Brief at 3-4.

¹²⁴ CR at IV-12 n.4, PR at IV-11 n.4.

¹²⁵ Respondents' Posthearing Brief Exhibit 4 at 18 and attachments K and M.

¹²⁶ CR at IV-13, PR at IV-11; ***.

¹²⁷ CR at IV-12, PR at IV-11.

nonetheless significant, as these producers accounted for *** of the subject imports late in the period of review. The three responding producers' production capacity increased from *** short tons in 2002 to *** short tons in 2007 and was higher in interim 2008 than in interim 2007.¹²⁸ Although their reported capacity increased over the period of review, there is little or no unused capacity that would be directed to the United States if the order is revoked. The three subject producers' capacity utilization rates have been high throughout the period, ranging from *** percent in 2002 to *** percent in 2007.¹²⁹ Unused capacity in 2007 was only *** short tons, which was equivalent to only *** percent of U.S. apparent consumption and *** percent of U.S. production in the same year.¹³⁰ Furthermore, the three responding subject producers reported a capacity utilization rate of *** percent in interim 2008 compared to *** percent in interim 2007.¹³¹ According to the most recent data for the third quarter of 2008, capacity remained relatively unchanged but production increased, resulting in a capacity utilization rate of nearly *** percent.¹³² These three responding subject producers are already operating at a high capacity utilization rate and have relatively little unused capacity.

Although the three responding subject producers and the other subject producers substantially rely on export markets for their rebar, past shipping patterns indicate that subject producers are substantially dedicated to other export markets and likely will not shift significant volumes of their product from other markets to the United States if the order is revoked. During the period of review, the ratio of responding subject producers' total exports to non-U.S. markets to their total shipments ranged from *** percent (2005) to *** percent (2003) and was higher in interim 2008 (*** percent) than in interim 2007 (*** percent). The export markets that received the largest proportion of output from the responding producers were *** in 2006 and *** in 2007.¹³³ According to responding subject producers, ***.¹³⁴ At the same time, responding producers shipped a fairly consistent percentage of their shipments to their home market during the period of review, ranging from *** percent (2003) to *** percent (2002). In the interim periods of 2007 and 2008, responding producers shipped *** percent and *** percent, respectively, to their home market.¹³⁵

¹²⁸ CR/PR at Table IV-6.

¹²⁹ CR/PR at Table IV-6.

¹³⁰ Calculated from CR/PR at Tables IV-6 and C-1.

¹³¹ CR/PR at Table IV-6.

¹³² CR at IV-15, PR at IV-12.

¹³³ CR/PR at Table IV-6.

¹³⁴ CR at IV-15, PR at IV-12.

¹³⁵ CR/PR at Table IV-6.

Domestic Producers contend that many of the subject producers' markets recently have collapsed, in particular the Middle East, the Turkish subject producers' major regional export market.¹³⁶ The record indicates that demand for rebar in the Middle East did weaken in the summer of 2008, as rebar distributors worked off inventories imported from Southeast Asia and prices for rebar in the region consequently fell. Any slackening of demand in that region, however, appears to be short-term, as most recent market reports provide indications of firming prices in the Middle East.¹³⁷ According to data from the third quarter of 2008 provided by the three responding subject producers, Turkish exports to the Middle East were greater than in the same period in 2007, and these exports more than offset a decline in Turkish exports to all other markets.¹³⁸ Furthermore, other record evidence indicates that demand for rebar in the Middle East will grow over the next few years at a significant rate. In its October 2008 report, the International Monetary Fund ("IMF") indicated that the global financial situation has had little impact in the region and that non-petroleum sectors such as construction and transportation in the Middle East are anticipated to grow by 6 percent in 2009.¹³⁹ At the same time, *** estimates that global consumption of rebar will increase from 2008 to 2012, with the largest increase occurring in East and Southeast Asia.¹⁴⁰ Consistent with these assessments are numerous articles and data that indicate the continuation of many large construction projects in the Middle East. Respondents cite to an estimate that the total value of all construction projects planned and under way in the Middle East as of the week of October 13, 2008 is \$2.76 trillion dollars.¹⁴¹ Although oil prices have fallen, which Domestic Producers assert will likely affect construction activity in that region, there is evidence in the record that most of the countries in the Middle East based their construction budgets on the assumption of oil prices below \$50 per barrel.¹⁴²

Domestic Producers also contend that Turkish subject producers will face increased competition in the Middle East due to increased rebar production capacity in that region and an influx of Chinese rebar as the result of weakening demand for rebar in China. According to the Domestic Producers, countries in the Middle East, including the UAE, have added over *** metric tons of rebar capacity over the past two years and are expected to add another *** tons. Although Middle Eastern rebar capacity may have increased over the past two years, however, there is no indication that this capacity will displace imports from Turkey in the Middle East, as such imports have increased over the same period. Although additional capacity may come online in the Middle East over the next few years, consumption is anticipated to increase as well.¹⁴³ It also appears that any decrease in domestic Chinese demand is likely to be short-term. Demand in China was weakened in part by a ban on construction-related activity due to the 2008 Summer Olympic Games.¹⁴⁴ The IMF forecasts that the Chinese economy, which has been growing, will continue to grow at a rate of 9.3 percent in 2009.¹⁴⁵ Although some Chinese rebar recently has been exported to the Middle East, the record indicates that Chinese producers remain at a disadvantage to Turkish subject producers, as only two Chinese producers are certified to make sales in

¹³⁶ Citing recent news articles, Domestic Producers assert that demand in the Middle East has stalled and is no longer able to absorb Turkish rebar due to the worsening global economy and the collapse of rebar speculation in the UAE. Domestic Producers' Posthearing Brief at 5-7.

¹³⁷ CR at IV-34 (as revised), PR at IV-19.

¹³⁸ CR at IV-15, PR at IV-12.

¹³⁹ CR at IV-35, PR at IV-19.

¹⁴⁰ CR/PR at Table IV-14.

¹⁴¹ Respondents' Posthearing Brief at 6 and articles cited therein.

¹⁴² Respondents' Posthearing Brief at 9, Exhibit 4.

¹⁴³ CR/PR at Table IV-14.

¹⁴⁴ CR at IV-36, PR at IV-20.

¹⁴⁵ Domestic Producers' Posthearing Brief at Exhibit 51.

the UAE and other Middle Eastern countries.¹⁴⁶ Moreover, there is no evidence in the record that Chinese exports have displaced or likely will displace Turkish exports in serving Middle Eastern demand.

With respect to other non-U.S. markets, the record is mixed as to future demand levels in those areas of the world.¹⁴⁷ Prices in a variety of regions have risen throughout interim 2008, but fell in September, October, and November 2008.¹⁴⁸

We have also considered the potential for product shifting by subject producers and their existing inventories. The record does not indicate that there is an incentive for subject producers to shift from production of other products to production of rebar, given that rebar is a lower-valued product than other long steel products made on the same production lines.¹⁴⁹ Although inventories in Turkey were reportedly *** short tons at the end of 2007,¹⁵⁰ the record indicates that these inventories have since decreased.¹⁵¹

We recognize that Turkish subject producers may shift some of their exports from existing markets, but find it is unlikely that a significant volume of those exports will be shipped to the United States. Domestic Producers maintain that the United States is an attractive market due to its large size and its consistently higher prices than in other markets. They also argue that ocean freight charges have fallen in 2008, making the U.S. market more accessible.¹⁵² The record, however, indicates that, although prices in the United States have been higher at times than those in some other markets such as the EU and China, U.S. prices have fluctuated over the period and will likely decrease, as demand is expected to remain lower over the foreseeable future than it was at its height during the period of review. In any event, despite arguments that prices are higher in the United States and that decreasing ocean freight charges make the U.S. market more accessible, other markets that are closer in proximity to Turkey have consistently absorbed the vast majority of subject producers' production. This indicates that subject producers have little incentive to expand their presence in the United States substantially. We note that there are no barriers to the importation of Turkish rebar in other countries.

In sum, in light of the responding subject producers' limited excess capacity, the shipping patterns of subject imports and the subject producers' established markets in third countries, we conclude that the likely volume of subject imports from Turkey will not be significant if the antidumping duty order is revoked.

D. Likely Price Effects of Subject Imports

In evaluating the likely price effects of subject imports if the antidumping order is revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.¹⁵³

¹⁴⁶ Respondents' Posthearing Brief at 7-8 and Exhibit 8.

¹⁴⁷ CR at IV-31-IV-33, PR at IV-17-IV-18.

¹⁴⁸ The prices reported are for ***. CR/PR at figure IV-1 and Tables IV-15, IV-16, and IV-17.

¹⁴⁹ See ***.

¹⁵⁰ CR/PR at Table IV-6.

¹⁵¹ CR at IV-15, PR at IV-12.

¹⁵² Domestic Producers' Posthearing Brief at 7-8.

¹⁵³ 19 U.S.C. § 1675a(a)(3). The SAA states that "[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

1. Original Determination

In the original investigation, the Commission determined that subject imports had a significant depressing or suppressing effect on prices for the domestic like product. In so doing, it found that rebar is a highly fungible commodity product and that price is a significant factor in purchasing decisions. The Commission examined quarterly price comparisons for the domestic like product and the subject imports and noted that the evidence of underselling was somewhat mixed. It found, however, the underselling was most pronounced in instances where domestic producers competed most directly with subject imports. In examining price trends, the Commission observed that prices for the domestic like product were significantly higher than those for subject imports from 1994 to mid-1995, before declining sharply to move roughly in tandem with subject import prices for the rest of the period. The Commission found that this decline in domestic prices, which was exacerbated by downward pressure from the low-priced subject imports, supported a finding that subject imports depressed prices in the region to a significant degree. It further found evidence of lost sales due to the lower priced imports and that domestic prices recovered somewhat with the decline of subject imports at the end of the period of investigation. Finally, with respect to price suppression, the Commission found that the regional industry was unable to raise prices in the face of rising costs due to competition from the low-priced imports.¹⁵⁴

2. First Five-Year Review

In the first five-year review, the Commission found that if the order was revoked, significant volumes of subject imports would likely significantly undersell the domestic like product to gain market share and would likely have significant depressing effects on domestic prices. In reaching this determination, the Commission noted the commodity nature of rebar and the fact that price was an important factor in purchasing decisions. The Commission also took into account that there was significant underselling of the imported product even with the order in place. Subject imports undersold the domestic like product in 15 out of 22 quarterly regional comparisons by margins ranging from 0.6 percent to 26.6 percent. Finally, the Commission observed that the average unit COGS generally declined at a slower rate than average unit revenue. It found that gross profitability on a unit basis was flat or declining throughout most of the period of review, indicating that prices were being suppressed relative to costs. Consequently, the Commission determined that increased shipments of lowered-priced subject imports would likely have further significant price suppressing effects.¹⁵⁵

3. Second Five-Year Review

The record in this review indicates that rebar is a highly fungible product and that price remains an important consideration in purchasing decisions.¹⁵⁶ Moreover, price is determined generally on a transaction-by-transaction basis or on a set price list, and there is a relatively high degree of substitutability between subject imports and the domestic like product.¹⁵⁷

The Commission collected pricing data on four products. Prices for both the domestic like product and the subject imports fluctuated, but increased overall for each product. Publicly available price data suggest that these price levels continued into the third quarter of 2008 but started to decrease in

¹⁵⁴ Original Determination at 29-31.

¹⁵⁵ Review Determination at 21-22.

¹⁵⁶ CR/PR at Table II-2.

¹⁵⁷ CR/PR at Table II-4; CR at V-3, PR at V-3.

October 2008.¹⁵⁸ Higher prices for the domestic like product during the review period were due in part to the rise in total COGS, which in turn was driven by rising raw material costs. U.S. producers, however, were more than able to recoup rising costs, as unit sales values increased, were well above unit COGS from 2002 to 2007, and were higher than unit COGS in both interim periods.¹⁵⁹ The domestic industry's ratio of COGS to net sales fell overall, indicating that unit sales values rose faster than unit costs.¹⁶⁰ Although the most recent public data show that prices for the domestic product have started to decrease, the record also indicates that raw material costs have fallen dramatically, as noted above. Thus, it is unlikely that the domestic industry will be faced with a significant cost-price squeeze within the reasonably foreseeable future if the order is revoked.

The Commission's pricing information indicates that subject imports undersold the domestic like product in 53 of 68 instances, with an average margin of underselling of 10.5 percent.¹⁶¹ Nevertheless, for several reasons we do not find it likely that any underselling by subject imports would be significant if the order is revoked. First, as explained above, we find that the volume of subject imports would not be significant if the order were revoked, limiting the impact of any underselling. Second, the underselling that occurred during the period of review did not result in subject imports gaining significant market share; subject import volumes largely tracked trends in U.S. apparent consumption.¹⁶² Finally, as discussed above, the responding subject producers are operating at high rates of capacity utilization, and subject producers have established other export markets and therefore have little incentive to undersell significantly in the U.S. market in order to increase their market share.

Although U.S. demand will likely decline somewhat and global demand may weaken in some markets, other markets such as the Middle East will likely remain strong, suggesting that prices in other markets will be comparable to or higher than U.S. prices. Furthermore, U.S. prices for rebar increased throughout the period despite some increases in total subject imports and underselling by subject imports. This indicates that any increase in the volume of subject imports following revocation would likely be limited and would not be likely to have significant adverse effects on U.S. prices.

Consequently, on the basis of the record in this review, we find that revocation of the antidumping duty order would not be likely to lead to significant underselling by subject imports or have significant price depressing or suppressing effects within the reasonably foreseeable future.

E. Likely Impact of Subject Imports

In evaluating the likely impact of imports of subject merchandise if the antidumping duty order is revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including, but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic

¹⁵⁸ CR at V-6, PR at V-5.

¹⁵⁹ Unit sales values increased from \$262 per short ton in 2002 to \$578 per short ton in 2007. Unit sales values were \$706 per short ton in interim 2008 compared to \$569 per short in interim 2007. Unit COGS increased from \$239 per short ton in 2002 to \$437 per short ton in 2007. Unit COGS was \$574 per short ton in interim 2008 compared to \$434 in interim 2007. CR/PR at Tables III-13, C-1.

¹⁶⁰ The COGS to net sales ratio increased slightly from 91.2 percent in 2002 to 92.4 percent in 2003 but decreased overall to 75.7 percent in 2007. It was higher in interim 2008 (81.4 percent), however, than in interim 2007 (76.3 percent). CR/PR at Tables III-13, C-1.

¹⁶¹ CR at V-19 (as revised), PR at V-11.

¹⁶² CR/PR at Tables I-2 and C-1.

like product.¹⁶³ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.¹⁶⁴ As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order at issue and whether the industry is vulnerable to material injury if the order is revoked.

1. Original Determination

In the original investigation, the Commission found that subject imports had a significant adverse impact on the regional rebar industry. According to the Commission, the “financial information showed that the regional industry experienced declining performance over the period of investigation in the face of expanding regional consumption.”¹⁶⁵ The Commission noted that, as volumes of subject imports increased, regional producers’ inventories grew. At the same time, it observed that regional producers were unable to raise prices until the end of the period, when subject imports began to recede from the region.¹⁶⁶

The Commission also found that “the regional industry’s financial performance substantially weakened over the period of investigation, and particularly in 1996.”¹⁶⁷ The Commission noted that regional producers closed regional plants, filed for bankruptcy, and temporarily shut plants to reduce high inventories. Moreover, the Commission determined that firms that competed most directly with subject imports experienced the most serious financial decline. In contrast, the Commission found that the financial performance of non-regional producers, which did not face the same degree of direct competition with subject imports, was significantly better than that of the Eastern Tier producers.¹⁶⁸

Based on its conclusion that the significant volume and price effects of the subject imports led to the overall significant decline in the financial performance of the regional industry, the Commission concluded that the producers of all or almost all production within the region were materially injured by reason of subject imports from Turkey.¹⁶⁹

2. First Five-Year Review

In its first five-year review, the Commission determined that subject imports from Turkey would likely have a significant adverse impact on the regional rebar industry if the order were revoked. The Commission found that the condition of the regional industry had improved immediately after imposition of the order. In particular, the industry’s operating income and operating margins increased as the volume of subject imports fell. The Commission found, however, that any further improvement in the regional industry’s condition was inhibited by the increase in imports from all sources. It noted that

¹⁶³ 19 U.S.C. § 1675a(a)(4).

¹⁶⁴ 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that “the Commission may consider the magnitude of the margin of dumping” in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the “magnitude of the margin of dumping” to be used by the Commission in five-year reviews as “the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title.” 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. Commerce expedited its determination in its review of rebar from Turkey and found that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the following margins: 18.68 percent for Ekinciler; 41.80 percent for IDC; 30.16 percent for Izmir Metalurji; and 16.06 percent for all others. CR at I-23, PR at I-19.

¹⁶⁵ Original Determination at 32.

¹⁶⁶ Original Determination at 32.

¹⁶⁷ Original Determination at 33.

¹⁶⁸ Original Determination at 33.

¹⁶⁹ Original Determination at 33.

imports into the region from all sources climbed sharply from 1997 to 1998, reaching a peak in 1999. It also noted that imports from all sources declined steadily thereafter due to the filing of an antidumping petition in 2000 and the imposition of the orders on imports from eight countries in May and July 2001. As a result, the Commission found that the regional producers had lost market share and their capacity utilization rates had declined. At the same time, the industry's operating income and operating margins had fallen and the number of regional producers reporting operating losses increased as imports surged.¹⁷⁰

The Commission found that the condition of the regional industry further improved following the imposition of the antidumping duty orders on imports from eight other countries in 2001. Capacity utilization rates increased, as did operating income and operating margins. The Commission further found that, although the profitability of the regional industry had not returned to the levels that were attained early in the period of review, the condition of the industry had improved and, as such, it was not in a weakened or vulnerable condition.¹⁷¹ The Commission therefore found that if the order were revoked, the likely volume of subject imports would be significant and would have significant adverse price effects. It concluded that if the order were revoked, the significant volume of low-priced subject imports would likely have a significant adverse impact on the production, shipment, sales, and revenue levels of the domestic industry.¹⁷²

3. Second Five-Year Review

In this second review period, the domestic industry experienced positive operating and financial trends throughout the period. As noted above, the domestic industry's production capacity increased overall, increasing every year (with the exception of a small decline in 2004).¹⁷³ The domestic industry's production followed a similar trend, with the largest increase occurring in 2003.¹⁷⁴ Its capacity utilization rate increased from 77.0 percent in 2002 to 86.1 percent in 2005, but declined thereafter to 83.5 percent in 2007.¹⁷⁵ The domestic industry's capacity utilization rate was higher in interim 2008 (89.2 percent) than in interim 2007 (84.0 percent). Its U.S. shipments fluctuated from 2002 to 2007, but increased overall by 26.6 percent and were higher in interim 2008 than in interim 2007.¹⁷⁶ The number of workers and the wages paid increased throughout the period of review (with the exception of 2004 for workers) and were higher in interim 2008 than in interim 2007. Productivity and hours worked generally increased from 2002 to 2007, and were higher in interim 2008 than in interim 2007.¹⁷⁷

The domestic industry's net sales by quantity fluctuated, but increased overall by 27.2 percent from 2002 to 2007, and total net sales by value increased by 180.4 percent between 2002 and 2007 due to

¹⁷⁰ Review Determination at 23-24.

¹⁷¹ Review Determination at 24.

¹⁷² Review Determination at 24.

¹⁷³ U.S. rebar production capacity increased from 8.7 million short tons in 2002 to 9.1 million tons in 2003, but decreased to 8.8 million short tons in 2004. U.S. rebar production capacity was 9.2 million short tons in 2005, increasing to 9.5 million short tons in 2006 and 10.0 million short tons in 2007. Capacity was 5.2 million short tons in interim 2007 compared to 5.3 million short tons in interim 2008. CR/PR at Table C-1.

¹⁷⁴ U.S. rebar production increased from 6.7 million short tons in 2002 to 7.8 million short tons in 2003, but decreased to 7.4 million short tons in 2004. Production increased to 7.9 million short tons in 2005, and then increased to 8.1 million short tons in 2006 and 8.4 million short tons in 2007. Production was slightly higher in interim 2008 (4.7 million short tons) than in interim 2007 (4.4 million short tons). CR/PR at Tables I-2, C-1.

¹⁷⁵ CR/PR at Tables I-2, C-1.

¹⁷⁶ U.S. shipments increased from 6.5 million short tons in 2002 to 8.2 million short tons in 2007. CR/PR at Table C-1. U.S. shipments were 4.7 million short tons in interim 2008 compared to 4.2 million short tons in interim 2007. CR/PR at Table C-1.

¹⁷⁷ CR/PR at Table C-1.

increases in the average unit value of sales.¹⁷⁸ At the same time, the domestic industry's operating income increased by 1325.6 percent from 2002 to 2007 and was higher in interim 2008 compared to interim 2007. The domestic industry's operating income increased from \$70.5 million in 2002 to \$1.0 billion in 2007; it was \$529 million in interim 2008 compared to \$498 million in interim 2007.¹⁷⁹ Similarly, the domestic industry's operating income margin increased from 4.0 percent in 2002 to 20.6 percent in 2007; it was 15.5 percent in interim 2008 compared to 20.0 percent in interim 2007.¹⁸⁰ Capital expenditures increased from 2002 to 2007 and were higher in interim 2008 than in interim 2007.¹⁸¹ Given the industry's robust performance throughout the period of review, we do not find that the domestic industry is currently in a vulnerable or weakened state.¹⁸²

As described above, revocation of the antidumping duty order would not likely lead to a significant increase in the volume and market share of subject imports. Despite decreases in demand from the high levels during the period of review, given the likely limited increase in subject imports and subject producers' lack of incentive to gain substantial additional market share in the U.S. market, subject imports would not likely have a significant adverse impact on domestic prices. Indeed, it is unlikely that domestic producers will be faced with a cost-price squeeze. Although prices may decrease along with demand, total COGS will likely also fall given the significant decline in raw material costs. While the domestic industry may experience a decline in its financial performance due to declining U.S. rebar demand, we find that subject imports would not be likely to have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic industry. We therefore determine that revocation of the antidumping duty order on rebar from Turkey would not be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

CONCLUSION

For the above-stated reasons, we determine that revocation of the antidumping duty order on rebar from Turkey would not be likely to lead to continuation or recurrence of material injury to the U.S. rebar industry within a reasonably foreseeable time.

¹⁷⁸ CR/PR at Table C-1.

¹⁷⁹ CR/PR at Table C-1.

¹⁸⁰ CR/PR at Table C-1.

¹⁸¹ CR/PR at Table C-1.

¹⁸² The domestic producers argue that, even though the domestic industry has experienced high capacity utilization, record prices, and excellent operating income margins during the period of review, the current U.S. economic recession and the attendant dampening of demand for rebar render the domestic industry vulnerable to material injury by reason of subject imports in the reasonably foreseeable future. While we are not unmindful that, in light of current economic conditions, the domestic industry is unlikely to perform as well in the near term as it did during the period of review, these conditions do not outweigh the circumstances demonstrated in the record evidence and set forth in the text of this opinion that, in our view, do not indicate vulnerability on the part of the domestic industry within the meaning of the statute.

DISSENTING VIEWS OF COMMISSIONERS CHARLOTTE R. LANE AND IRVING A. WILLIAMSON

Based on the record in this review, we determine that revocation of the antidumping duty order on imports of steel concrete reinforcing bar (“rebar”) from Turkey is likely to lead to the continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

We join the views of the Commission majority with respect to the legal standard in five-year reviews, domestic like product, domestic industry, including regional industry, and conditions of competition. We write these views to explain our determination with respect to likely material injury in the event of revocation.

I. LIKELY VOLUME OF SUBJECT IMPORTS

In evaluating the likely volume of imports of subject merchandise if the antidumping duty order is revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.¹ In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.²

1. Original Investigation

In the original investigation, the Commission found that both the volume of subject imports into the Eastern Tier and their market share were significant. In so doing, the Commission determined that the volume of subject imports into the region increased from 1994 to 1995, although apparent consumption in the region declined during the same period. It further found that the regional market share held by subject imports increased from 1994 to 1995 before declining in 1996. Finally, the Commission found that the declines in the volume and market share of subject imports from 1995 to 1996 were related to the pendency of the investigation and that the data for the period after filing of the petition in making its determination was entitled to less weight.³

2. First Five-Year Review

In the first five-year review, the Commission found that the volume of subject imports likely would be significant if the order was revoked. In reaching this determination, the Commission noted that subject imports increased dramatically in 2000 and 2001 because of (as Turkish producers indicated) “the threatened and then real United States safeguard action.”⁴ Moreover, it found that subject producers had the ability to increase their exports to the United States if the order was revoked, given Turkey’s

¹ 19 U.S.C. § 1675a(a)(2).

² 19 U.S.C. § 1675a(a)(2)(A)-(D).

³ Steel Concrete Reinforcing Bars from Turkey, Inv. No. 731-TA-745 (Final), USITC Pub. 3034 at 28-29 (April 1997).

⁴ Steel Concrete Reinforcing Bars from Turkey, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 19 (February 2003).

substantial production capacity, which increased over the period of review. Additionally, the Commission emphasized that subject producers' unused capacity was equal to 18.8 percent of regional apparent consumption in 2001 and 16.6 percent of regional apparent consumption in interim 2002.⁵ The Commission also found that subject producers had the incentive to increase shipments to the United States after revocation given their export-orientation, the attractiveness of the U.S. market, and antidumping orders and safeguard actions on Turkish rebar in other countries. Finally, the Commission emphasized that subject producers' inventories were fairly significant at the end of the period of review.⁶

3. Current Five-Year Review

The current review period includes the full years 2002 through 2007, and interim periods of January-June 2007 and January-June 2008. During 2005 through 2008, the Department of Commerce excluded four rebar producers in Turkey from the antidumping order as a result of several years of zero or *de minimis* margins in annual review proceedings. Although the excluded producers represent a significant share of Turkish industry capacity, a large share remains. There are at least thirteen known active subject rebar producers in Turkey, and the firms that remain account for approximately *** percent of total capacity.⁷ Thus, although we have taken into account Commerce's partial revocations of the orders, we find that the revocations do not substantially weaken the ability of the industry in Turkey still under order to export significant quantities of rebar to the United States.

U.S. imports from Turkish producers that remain subject to the order fluctuated over the review period, peaking in 2006 when subject imports held a *** percent share of the U.S. market.⁸ As explained below, we find that subject producers have the ability and incentive to increase exports of rebar to the United States significantly if the antidumping duty order is revoked.

Subject producers maintain substantial capacity to produce rebar. Total annual subject capacity in 2008 is estimated to be between *** tons,⁹ as compared to *** tons of domestic capacity.¹⁰ Of the nine known active Turkish firms that were not excluded, three provided data in response to the Commission's questionnaires. These producers represent a majority of subject imports of rebar from Turkey in 2007, but a minority of total subject rebar capacity and production in Turkey.¹¹

⁵ Id. at 20.

⁶ Id. at 20.

⁷ CR at IV-12-13; PR at IV-11.

⁸ CR/PR at Table C-1. In each year or partial year, combined imports from excluded producers exceeded imports from subject sources, except interim 2008.

⁹ Recalculated from *** Both the domestic producers and the Turkish respondents estimate Turkish rebar capacity to be higher than the *** figures. CR at IV-12 n.4; PR at IV-11 n.4. Turkish respondents estimated that rebar capacity in Turkey is *** tons, based on an allocation of long product capacity according to production volumes of rebar and other long products (specifically wire rod, merchant bar, and profile shapes). Although there are no definitive data that firmly establish the share of rebar capacity attributable to the four now-excluded producers, one estimate is that the firms account for *** percent of total Turkish rebar capacity. Based on this calculation, it follows that the amount of rebar capacity accounted for by the remainder of the Turkish industry that is still subject to the antidumping duty order is *** short tons (*** percent of the industry total). We note, however, that the excluded Turkish producers accounted for approximately *** of reported Turkish rebar capacity at the time of the original investigation, and that these companies are believed to account for approximately *** of 2007 Turkish long product capacity. CR at IV-13; PR at IV-11 and posthearing brief of respondent interested parties, exhibit 4, attachment M (table 2).

¹⁰ CR/PR at Table C-1. Unless otherwise indicated, references to "tons" in these dissenting views mean "short tons."

¹¹ CR at IV-12; PR at IV-11; CR/PR at Table IV-6.

Responding subject producers reported steadily increasing capacity over the review period, ultimately more than *** their capacity from 2002 to 2007.¹² Responding subject producers' capacity utilization generally grew over the period, reaching *** percent in 2007 and over *** percent in interim 2008. Although these levels are high, the fact that other subject producers did not provide data to the Commission suggests that there is some available capacity that is unaccounted for by which subject producers might increase rebar production for sale to the United States.

The Turkish industry is highly export-dependent. For responding producers, exports accounted for over *** percent of shipments in every year of the review period, and over *** percent in 2003 and January-June 2008.¹³ Turkey has historically been the world's leading exporter of rebar, a position challenged by China in 2007.¹⁴ Consistent with the commodity nature of rebar, the industry in Turkey has demonstrated the ability to shift export destinations rapidly from year to year in response to market changes. Turkish exports to the United Arab Emirates (UAE), Turkey's main export destination, surged in January-June 2008, while exports to Western European markets fell off dramatically.¹⁵ Turkish producers acknowledge that they shifted their export destinations in 2008 in response to higher Middle East prices.¹⁶

The record indicates that the Middle East will become a less attractive export market in the foreseeable future. While demand for rebar in the Middle Eastern was undeniably robust entering 2008, by mid-year demand had slackened, leading to pressure on prices and rising inventory levels.¹⁷ Rebar prices in the Gulf Cooperation Council (GCC) fell precipitously from over \$*** per ton in July 2008 to just over \$*** per ton in October. GCC prices *** U.S. market prices for much of 2008, but *** U.S. prices in September.¹⁸ Moreover, significant new rebar capacity is likely to come on line in the Middle East over the next several years. Middle East capacity is projected to *** between 2006 and 2010, reaching over *** tons in 2010.¹⁹ Thus Turkish producers will face significant new competition in their main export market.²⁰

¹² CR/PR at Table IV-6.

¹³ CR/PR at Table IV-6.

¹⁴ CR/PR at Table IV-19. Although China appeared to surpass Turkey in 2007, Turkey's export data are likely to be understated. CR/PR at Table IV-19, n.1.

¹⁵ Domestic Industry's Prehearing Brief, Exhibit 6 (Global Trade Atlas figures). Responding Turkish producers reported a shift in interim 2008 that was consistent with the Global Trade Atlas data. CR/PR at Table IV-6.

¹⁶ Turkish Respondents' Posthearing Brief, Exhibit 4 at 2 ("[T]he rebar price in the Middle East has reached record levels during the 2008 interim period. Therefore, it made perfect sense for Turkish producers to sell to the most profitable market – the Middle East and *** shipments to the E.U. . . .")

¹⁷ See, e.g., CR/PR at IV-1 n.2 (as updated in memorandum INV-FF-146); CR at IV-33-34 (as updated in memorandum INV-FF-146), PR at IV-18-19 (citing similar observations from Metal Bulletin, American Metal Market, and Metal Expert News during August - November 2008); and Domestic Industry's Posthearing Brief at Exhibits 18-21, 34-48.

¹⁸ CR/PR at Table IV-17 (as updated in memorandum INV-FF-146). See also Domestic Industry's Posthearing Brief at Exhibit 4 (UAE rebar prices fell from over \$*** per ton in August 2008 to below \$*** per ton in October 2008).

¹⁹ CR/PR at Table IV-11. It is unlikely that growing Middle East consumption will absorb all the new capacity. The IMF projected in October that Middle East GDP will grow by approximately 5-6 percent annually. Domestic Industry Posthearing Brief, Exhibit 51.

²⁰ In addition, China's exports to the Middle East have grown substantially, and there is no reason to believe that they will not continue to grow, given China's growing rebar capacity. Domestic Industry Posthearing Brief at Exhibit 13; CR/PR at Table IV-11; CR at IV-33, PR at IV-18. Certification issues may hinder some Chinese producers from accessing Middle East markets; however, the basic nature of rebar and the increases in exports from China to the Middle East suggest that any problems are not insurmountable.

Prices in Europe, another important export destination for Turkish rebar, have also fallen sharply in recent months, to levels well below U.S. prices.²¹ Market conditions in Western Europe appear to be poor,²² making that market significantly less attractive than in the past.

Thus, we find it likely that subject producers would, in the foreseeable future, shift a significant quantity of rebar exports from other export markets to the U.S. market. While weak, the U.S. market appears stronger than other important export markets for Turkish producers.

Other than the antidumping order, there are no significant impediments to increased Turkish exports of subject product to the United States. Most imports from Turkey are sold to distributors, who are used to handling the Turkish product.²³ Ocean freight rates have recently plummeted, making it financially more attractive for Turkish producers to incur the cost of shipping product to the United States.²⁴

For all the above reasons, we find that subject imports of rebar from Turkey are likely to be significant in the event of revocation of the antidumping duty order.

II. LIKELY PRICE EFFECTS OF SUBJECT IMPORTS

In evaluating the likely price effects of subject imports if the antidumping duty order is revoked, the Commission is directed to consider whether:

- (A) there is likely to be significant underselling by the subject imports as compared to domestic like products; and
- (B) whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.

The Commission is directed to take into account its prior injury determinations, including the price effect of subject imports on the domestic product before the order was issued.

²¹ CR/PR at Tables IV-15, 16, 17 (as updated in memorandum INV-FF-146).

²² CR at IV-33, PR at IV-17-18.

²³ CR/PR at Table II-1.

²⁴ CR at V-1-3; PR at V-1.

1. Original Investigation

In the original investigation the Commission found that price is a significant factor in purchasing decisions for rebar which is essentially a commodity product. The Commission also found that subject imports and the domestic like product of the same size are comparable and generally interchangeable when used in the same application, and that there are no significant quality differences between the domestic product and subject imports.²⁵

The Commission found that there was evidence showing that subject imports had a significant depressing effect on prices for the domestic like product.²⁶ During the original period of investigation, prices for the subject imports were significantly lower than those for the domestic like product during 1994 to mid-1995. After the domestic industry instituted focused competitive pricing programs in 1995 in response to competition from Turkish imports, domestic prices declined sharply and then moved generally in tandem with subject import prices for the rest of the period of investigation.²⁷ The Commission determined that this decline in domestic prices, in response to lower-priced less than fair value (“LTFV”) Turkish imports, supported a finding that subject imports significantly depressed domestic prices. The Commission further found that price depression was supported by evidence that domestic producers had lost revenue due to price cutting to meet the prices of subject imports.²⁸ In addition to lost revenue, in some instances the domestic industry could not match the prices of subject imports and lost sales to lower priced subject imports.

The Commission also found that domestic prices were suppressed due to subject imports as the domestic industry experienced a cost/price squeeze and was unable to raise prices to cover rising costs.²⁹ The Commission noted a direct connection between domestic prices and the level of subject imports as domestic prices recovered somewhat with the decline in subject imports at the end of the period of investigation.³⁰

2. First Five-Year Review

In the first five-year review, the Commission determined that there continued to be significant underselling by subject imports even with the order in place. Subject imports undersold the domestic product in 15 out of 22 regional quarterly comparisons by margins ranging from 0.6 percent to 26.6 percent.³¹ The Commission further found during the first review that while both the domestic industry’s average unit sales revenue and the average unit cost of goods sold (“COGS”) declined, revenue generally declined at a greater rate than COGS. The Commission determined that this indicated that prices were being suppressed relative to costs and that increased shipments of lower-priced subject imports would likely have a further price suppressing effect.³²

²⁵ Steel Concrete Reinforcing Bars from Turkey, Inv. No. 731-TA-745 (Final), USITC Pub. 3034 at 40 (April 1997).

²⁶ *Id.*

²⁷ *Id.* at 41.

²⁸ *Id.* at 42.

²⁹ *Id.*

³⁰ *Id.*

³¹ Steel Concrete Reinforcing Bars from Turkey, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 21 (February 2003). *See also* CR/PR at Table V-5 (similar levels of underselling outside the Eastern Tier).

³² *Id.* at 22.

3. Current Five-Year Review

For the current period of review, the record clearly shows that price is the single most important factor governing rebar purchasing decisions.³³ The importance of price and the potential for significant impact of low priced subject imports on domestic producers' prices is underscored by the perceived degree of interchangeability between domestic rebar and subject rebar from Turkey.³⁴ Although unrelated purchasers gave U.S. produced rebar a superior ranking over subject imports from Turkey for availability, delivery terms, delivery time, reliability and service, in the most important purchasing decision factor, price, no purchaser considered the U.S. product to be lower priced than subject rebar.³⁵

There continues to be underselling by subject imports in this second five-year review. During the period covering January 2002 through June 2008, the Commission obtained quarterly pricing information on four separate products. A direct comparison of quarterly prices between domestic prices and subject import prices shows that subject imports continue to undersell domestic shipments of domestic production in a significant majority of comparisons. For all pricing products, there were 68 quarterly price comparisons. Subject imports undersold domestic rebar in 53 of the 68 comparisons.³⁶ The margins of underselling ranged from less than 1 percent to 26.1 percent. The margin of underselling was 5 percent or greater in 39 out of the 53 quarterly instances of underselling and the average margin of underselling was 10.5 percent.³⁷

Prices for rebar continue to be set mostly on a transaction-by-transaction basis, considering market prices. While some domestic producers tended to rely more on price lists, 19 of 21 importers reported that prices are established on a transaction-by-transaction basis. Only 2 importers indicated that contracts applicable to multiple transactions were used.³⁸

Unlike the initial investigation and the first review, the prices for domestic rebar generally increased during the current review period. Average unit value of sales outpaced average unit COGS from 2002 through 2006 as the ratio of COGS to sales decreased from 91.2 percent in 2002 to 75.4 percent in 2006. However, this trend of price increases outstripping COGS increases reversed in 2007 and interim 2008. Although prices and the average unit value of sales continued to increase in 2007 and into 2008, COGS increased at a greater rate, and the ratio of COGS to sales increased to 75.7 percent in 2007 and to 81.4 percent in interim 2008.³⁹

As discussed above, we find that there is a high likelihood of significantly increased imports from Turkey if the order is revoked. The impact of increased volumes of rebar from Turkey at prices that are

³³ The Commission received responses from 18 purchasers in this proceeding. Ten of the 18 purchasers responded that price was the number one factor in their purchasing decisions. Five of the remaining 8 purchasers named price as the number two factor in their purchasing decisions. Thirteen of the 18 responding purchasers indicated that the lowest priced rebar will "usually" be chosen over higher priced rebar and two reported that the lowest priced rebar will "always" be chosen over higher priced rebar. CR at II-16; PR at II-9.

³⁴ Five out of 6 responding U.S. producers reported that subject rebar from Turkey was always interchangeable with rebar produced in the United States. Fifteen of 20 responding importers reported that subject rebar from Turkey was always interchangeable with rebar produced in the United States, and all 5 of the remaining importers reported that subject rebar from Turkey was frequently interchangeable with U.S. produced rebar. Thirteen of 15 responding purchasers reported that subject rebar from Turkey was always interchangeable with U.S. produced rebar. CR at II-18 and Table II-4; PR at II-11-12 and Table II-4.

³⁵ Three unrelated purchasers considered U.S.-produced rebar to be comparably priced with subject rebar and 7 considered U.S.-produced rebar to be higher priced than subject rebar. CR at II-19, Table II-6; PR at II-12, Table II-6.

³⁶ CR/PR at Tables V-1b through V-4b.

³⁷ CR at V-19; PR at V-11. CR/PR at Tables V-1b through V-4b.

³⁸ CR/PR at V-3.

³⁹ CR/PR at Tables III-13 and C-1.

LTFV would be particularly devastating on the U.S. market since rebar is a commodity product for which price is the most important purchasing factor. The price for rebar is set on a transaction-by-transaction rather than contract basis and there is a relatively high degree of substitutability between the subject imports and the domestic like product. Thus, there are no offsetting factors such as long-term contracts or lack of substitutability that would insulate the domestic industry. Moreover, because demand for rebar is relatively inelastic, there is no likelihood that lower prices would result in increased demand which could help to offset some of the negative effects of unfair price competition.⁴⁰ Thus, significantly increased volumes of subject imports of rebar from Turkey that we find will enter the U.S. market if the order is revoked will likely have significant negative price effects for the U.S. produced rebar.

In light of the importance of price in the rebar market, the interchangeability of subject imports and the domestic like product, the negative price effects of low-priced imports in the original investigation, the underselling by subject imports during the period of review, coupled with the incentive to enter the higher priced U.S. market, we find a likelihood of negative price effects from the subject imports. We determine that, if the order is revoked, significant volumes of subject imports would significantly undersell the domestic like product to gain market share and would have significant depressing or suppressing effects on the prices of the domestic like product within a reasonably foreseeable time.

III. LIKELY IMPACT OF SUBJECT IMPORTS

In evaluating the likely impact of imports of subject merchandise if the order is revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to:

- (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity;
- (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and
- (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.

All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. The statute also requires that we consider our prior injury determinations, including:

- the impact of imports of the subject merchandise on the industry before the order was issued;
- whether any improvement in the state of the industry is related to the order;⁴¹ and
- whether the industry is vulnerable to material injury if the order is revoked.⁴²

⁴⁰ See CR at II-23, PR at II-14.

⁴¹ The original investigation commenced in 1996 and covered a period of investigation from 1994 through 1996. Commerce's final affirmative determination was made in February 1997. The Commission's final affirmative determination and Commerce's antidumping duty order were issued in April 1997. The first review was conducted in 2002-03 with a period of review covering 1997 through 2001. The Commission's affirmative determination in that review was issued in March 2003.

⁴² The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission "considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." SAA at (continued...)

1. Original Investigation

In the original investigation, the Commission found that subject imports had a significant adverse impact on the regional domestic rebar industry.⁴³ Financial information showed that the regional domestic industry experienced declining performance over the period of investigation despite an expanding domestic consumption.⁴⁴ The Commission noted that several producers permanently closed plants and/or temporarily shut-down plants to reduce high inventories, and several filed for bankruptcy. The Commission determined that the poor financial performance of the domestic industry was attributable to the significant volume and adverse price effects of the subject imports.

2. First Five-Year Review

A further indication that the injury experienced by the domestic industry was attributable to subject imports is the improvement in the domestic industry's condition following the order. In its decision in the first five-year review, the Commission noted that "[i]mmediately following the filing of the petition and imposition of the order, the regional industry's condition improved."⁴⁵ Between 1996 and 1998, operating income and operating margins increased for the regional industry overall as the volume of subject imports fell.⁴⁶ Subject imports into the Eastern Tier region had peaked in 1995 at 159,275 tons before declining to 110,867 tons in 1996. In 1997 subject imports into the region dropped to 70,792 tons and in 1998 to 8,968 tons.⁴⁷

Other major components representing the financial condition of the domestic industry are the employment and wage levels for production workers in the industry. Here there was a major upturn after the order was imposed on subject imports from Turkey. The number of production workers employed in the Eastern Tier region increased from 1,579 in 1997 to 1,757 in 2001 and total wages increased from \$74.5 million in 1997 to \$97.3 million in 2001.⁴⁸ Productivity increased from 659.4 tons per 1,000 hours worked in 1997 to 713.5 tons per 1,000 hours worked in 2001.⁴⁹

During the periods following the order, the financial performance of the domestic industry was affected by growth in imports from countries other than Turkey. These nonsubject imports increased

⁴² (...continued)
885.

⁴³ In the initial investigation and first review, the Commission's findings with regard to the domestic industry related to the industry within the Eastern Tier region as defined by the Commission. All references in these Views to Commission findings regarding impacts on the domestic industry during the original investigation and first five-year review relate to the regional industry. We find that the impacts of subject imports on the regional industry prior to, and immediately after, the issuance of the order are instructive and important factors for us to consider although we now consider the entire U.S. rebar industry as the "domestic industry."

⁴⁴ Production and capacity utilization increased somewhat as did the number of production workers. However, maintaining market share came at the cost of declining profits. Operating income dropped from \$20.9 million in 1994 to \$1.8 million in 1996. The ratio of operating income to sales dropped from 3.9 percent in 1994 to 0.3 percent in 1996 and the industry experienced a cost price squeeze as the ratio of COGS to sales increased from 92.3 percent to 95.4 percent. CR/PR at Table I-1.

⁴⁵ USITC Pub. 3577 at 23.

⁴⁶ Id.

⁴⁷ CR/PR at Table I-1. Thereafter, subject imports began to increase, reaching 32,082 tons in 1999 and almost to pre-order levels in 2000 and 2001. The regional U.S. domestic industry's profits, which had increased dramatically immediately after the imposition of the order, declined as subject imports increased after 1998.

⁴⁸ USITC Pub. 3577 at Table C-2.

⁴⁹ Id.

significantly from 1996 to 1999, growing steadily from 450,800 tons to 1,790,639 in tons in 1999 and then decreased, but not as significantly, to 1,543,521 tons by 2001.⁵⁰ The Commission noted that further improvement in the regional industry's condition was inhibited by the increase in imports from all sources.⁵¹ This negative impact by nonsubject imports however, does not obviate the finding that the beneficial impact first experienced by the domestic industry after imposition of the order on Turkey demonstrates the injury imposed on the domestic industry by subject imports and the likelihood of recurrence of injury if the order is revoked. The imports from sources other than Turkey were largely unfairly traded themselves and, as the Commission determined in a separate proceeding against many of these nonsubject imports, were causing injury to the domestic industry as they increased in 1998 and 1999. Antidumping duties were placed on rebar imports from eight other countries in mid-2001.

3. Current Five-Year Review

Due to a combination of LTFV imports from countries other than Turkey and a recession in the early 2000's, the domestic industry did not enjoy a continuation of the significant growth in profits it had experienced immediately after the order on Turkey was imposed. However, the financial condition of the domestic industry improved dramatically beginning in 2004.⁵² This improvement coincided with strong economic activity, including a recovery of the housing market which had declined during a period of economic recession in the early 2000's. U.S. consumption, which had been running in the high 7 million-tons-per-year range from 1999, exceeded 9 million tons by 2005 and then quickly jumped to exceed 10 million tons in 2006 and 2007. The operating income of the domestic industry jumped to \$449.6 million in 2004 and grew steadily thereafter to reach slightly over \$1 billion by 2007. The domestic industry's ratio of operating income to sales likewise jumped to 14.3 percent in 2004 and climbed to 20.6 percent in 2007.⁵³

The number of production workers, which had not declined significantly between 1997 and 2001, was more seriously impacted by the recession of the early 2000's. Production workers had numbered 5,178 in 2000, but that number quickly dropped to a low of 4,289 in 2004. Thereafter, the number of production workers increased to reach 4,849 by 2007.⁵⁴ Although the number of production workers declined after 2000, the average hourly wages increased significantly after 2001.

Given the healthy financial condition of the domestic industry, it may be difficult to find that the industry is in a weakened condition that would lead to a conclusion of vulnerability.⁵⁵ However, whether or not vulnerable from a standpoint of "weakened condition," the evidence indicates that the current economic conditions facing not only the United States, but the worldwide economy, make it likely that the domestic industry is more susceptible to negative impacts from a variety of sources. Any measure of economic activity that could be chosen is currently negative and not projected to improve in the near

⁵⁰ Id.

⁵¹ Id. at 23.

⁵² As discussed earlier, for the periods covered in the original investigation and first review our discussion of the market and domestic industry reflects data applicable to the Eastern Tier region. Since we are now evaluating the entire U.S. industry, we refer to the data pertaining to entire industry for the period of review in this second five-year review.

⁵³ CR/PR at Table I-2.

⁵⁴ Id.

⁵⁵ Commissioner Lane notes that even a financially healthy industry that is not currently in a financially "weakened condition" may be vulnerable. As described in the SAA, other factors at play in the marketplace may demonstrate that an industry is facing difficulties and, therefore, is vulnerable to dumped imports. She finds the current condition of the economy which is causing a downturn in construction and related demand for rebar is presenting the industry with unprecedented difficulties which make them particularly vulnerable to unfair competition from LTFV imports. Therefore, she does find the industry to be vulnerable.

future. Annual growth in U.S. Gross Domestic Product (“GDP”) is dropping, going from 3.6 percent in 2004 to 2 percent in 2007. Dr. Morici, testifying for the domestic industry provided his estimates for U.S. GDP growth dropping to 1.6 percent in 2008 and to only 0.3 percent in 2009. Housing starts, which had recovered from a downturn from 2001 to 2004, have again turned downward beginning in 2007. The domestic industry has argued that construction demand in the United States is in “free fall”, orders are sharply down since last year, and this trend shows no sign of reversal in the near future.⁵⁶ They characterize these facts as demonstrating that the domestic industry is vulnerable.⁵⁷

Moreover, the financial condition of the domestic industry is not the only factor that defines vulnerability or susceptibility to injury. We are concerned that the production workers in the industry are already feeling the pinch of the economic downturn even before it shows up in the bottom line of the domestic industry. Domestic workers’ compensation is based, in large part, on production volumes at their plants and on the profitability of the domestic rebar companies. At the hearing, the Commission heard the testimony of Louis Miller, a roller mill pull pit operator in the Nucor Steel mill in Birmingham, Alabama. According to Mr. Miller, two-thirds of his salary comes from production bonuses, and his company has a profit-sharing program.⁵⁸ Like Nucor, CMC has provided production employees with an 11 percent bonus the past three years and profit sharing benefits equal to more than 20 percent of pay in recent years.⁵⁹ The compensation of workers at these two firms, which account for over half of U.S. rebar production, would thus be put in jeopardy by increased subject imports that result in reduced production or profits.

As discussed above, revocation of the order would likely lead to a significant increase in the volume of subject imports. These imports would undersell the domestic like product and significantly suppress or depress U.S. prices. The combined volume and price effects of the subject imports would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of the domestic rebar industry at a time when it is facing unprecedented adverse market conditions due to the financial and economic crisis that is facing the world. Lower sales volumes and lower prices will have a direct adverse impact on the industry’s profitability as well as its ability to raise capital and make and maintain necessary capital investments. Domestic workers will lose jobs and those that remain employed will make less money.

⁵⁶ Hearing Transcript at 21-22.

⁵⁷ Commissioner Lane notes that it was widely reported in many public sources that Moody’s Investment Service has recently cut its outlook for the steel industry from Stable to Negative. The agency said steel producers will face increasing challenges in earnings and cash flow generation, which will endure for a number of quarters. “With the stress in the global financial system, essential collapse in demand at this time and prices which have not yet bottomed, more negative pressure persists,” Moody’s said in a statement. The Associated Press, November 21, 2008. Commissioner Lane notes that while this outlook covers the entire global steel industry, it is indicative of the problems facing the rebar segment of the industry.

⁵⁸ Mr. Miller testified that although times have been good over the years with Nucor, the employees are now experiencing “a really tough period.” He indicated that the mills warehouse is “packed full of steel” and that his place of employment was “down to producing only two days a week.” Given a reduced production schedule, he testified that many workers work only three shifts a week and that his pay “has literally been cut in half.” He indicated that it is necessary for workers at the mill to reduce nonessential expenses and that he has friends that “can’t even make their mortgage payments and are losing their homes.” Hearing Transcript at 42-43.

⁵⁹ CR at III-21-22, PR at III-11.

CONCLUSION

For the reasons stated above, we determine that revocation of the antidumping duty order on imports of rebar from Turkey is likely to lead to the continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

PART I: INTRODUCTION AND OVERVIEW

BACKGROUND

On February 1, 2008, the U.S. International Trade Commission (“Commission” or “USITC”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930 (“the Act”),¹ that it had instituted a review to determine whether revocation of the antidumping duty order on steel concrete reinforcing bar (“rebar”) from Turkey would likely lead to the continuation or recurrence of material injury to a domestic regional industry.^{2 3 4} Effective May 6, 2008, the Commission determined that it would conduct a full review pursuant to section 751(c)(5) of the Act.⁵ Information relating to the background and schedule of the review is provided in the following tabulation.⁶

Effective date	Action
April 17, 1997	Commerce’s antidumping duty order (62 FR 18748)
March 1, 2002	Commission’s institution of first review (67 FR 9465)
February 12, 2003	Commission’s determination in first review (68 FR 10032, March 3, 2003)
November 5, 2005	Commerce’s decision to revoke ICDAS from order (70 FR 67665)
November 6, 2007	Commerce’s decision to revoke Colakoglu and Diler from order (72 FR 62630)
February 1, 2008	Commission’s institution of second review (73 FR 6206)
February 1, 2008	Commerce’s initiation of second review (73 FR 6128)
May 5, 2008	Commerce’s final results of expedited review (73 FR 24534) ¹

Tabulation continued on next page.

¹ 19 U.S.C. 1675(c).

² For purposes of this review, and consistent with the Commission’s findings in the original investigation and first review, data are presented for an Eastern-tier region which comprises Puerto Rico, the District of Columbia, and 22 states: Alabama, Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, and West Virginia.

³ *Steel Concrete Reinforcing Bar from Turkey*, 73 FR 6206, February 1, 2008. All interested parties were requested to respond to this notice by submitting the information requested by the Commission. The Commission’s notice of institution is presented in appendix A.

⁴ In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year review of the subject antidumping duty order concurrently with the Commission’s notice of institution. *Initiation of Five-Year (“Sunset”) Reviews*, 73 FR 6128, February 1, 2008.

⁵ *Steel Concrete Reinforcing Bar from Turkey*, 73 FR 27847, May 14, 2008. The Commission found that both the domestic and respondent interested party group responses to its notice of institution were adequate.

⁶ The Commission’s notice of institution, notice to conduct a full review, scheduling notice, and statement on adequacy appear in appendix A and may also be found at the Commission’s web site (internet address www.usitc.gov). Commissioners’ votes on whether to conduct an expedited or full review may also be found at the web site. Appendix B presents a list of witnesses who appeared at the Commission’s hearing.

Effective date	Action
May 6, 2008	Commission's decision to conduct a full review (73 FR 27847, May 14, 2008)
June 5, 2008	Commission's scheduling of the review (73 FR 33116, June 11, 2008)
October 16, 2008	Commission's hearing
November 7, 2008	Commerce's decision to revoke Habas from order (73 FR 66218)
December 2, 2008	Commission's vote
December 15, 2008	Commission's determination transmitted to Commerce
¹ Commerce's final results are presented in appendix A.	

The Original Investigation

On March 8, 1996, Florida Steel Corp.⁷ of Tampa, FL, and New Jersey Steel Corp. of Sayreville, NJ, filed a petition with U.S. Department of Commerce (“Commerce”) and the Commission alleging that a regional industry in the United States was materially injured or threatened with material injury by reason of dumped imports of rebar from Turkey.⁸ On February 24, 1997, Commerce made a final affirmative determination of sales at less than fair value (“LTFV”). Commerce’s final revised weighted-average dumping margins were: 9.84 percent for Colakoglu Metalurji A.S. (“Colakoglu”); 18.68 percent for Ekinciler Demir Celik A.S. (“Ekinciler”); 18.54 percent for Habas Sinai Ve Tibbi Gazlar Istihsal Endustrisi A.S. (“Habas”); 41.80 percent for Izmir Demir Celik Sanayi A.S. (“IDC”); 30.16 percent for Izmir Metalurji Fabrikasi Turk A.S. (“Metas”); and 16.06 percent for all other Turkish exporters/manufacturers.⁹ The Commission made its final affirmative injury determination on April 9, 1997,¹⁰ and Commerce issued an antidumping duty order on April 17, 1997.¹¹

⁷ Florida Steel Corp. changed its name to Ameristeel in 1996 to reflect the company’s “increasing market area and continuing focus on growth and diversification.” This company is now known as Gerdau Ameristeel and is made up of rebar assets formerly of Ameristeel, Co-Steel, Gerdau Courtice Steel, Gerdau MRM Steel, North Star Steel, and Chaparral Steel. See <http://www.gerdauameristeel.com/company/aboutga/oh.cfm>, retrieved on November 4, 2008.

⁸ During the period examined in the original investigation, both petitioners produced rebar exclusively in the Eastern-tier region. *Steel Concrete Reinforcing Bars From Turkey, Inv. No. 731-TA-745 (Final)*, USITC Publication 3034, April 1997, pp. III-1 through III-5.

⁹ Commerce published revised final dumping margins for Habas (reduced from 19.15 to 18.54 percent) and “all others” (reduced from 16.25 to 16.06 percent) on April 7, 1997. *Notice of Amendment of Final Determination of Sales at Less Than Fair Value: Certain Steel Concrete Reinforcing Bars From Turkey*, 62 FR 16543)

¹⁰ *Steel Concrete Reinforcing Bars From Turkey, Inv. No. 731-TA-745 (Final)*, USITC Publication 3034, April 1997.

¹¹ *Antidumping Duty Order: Certain Steel Concrete Reinforcing Bars From Turkey*, 62 FR 18748, April 17, 1997.

The First Review

On March 1, 2002, the Commission gave notice, pursuant to section 751(c) of the Tariff Act of 1930 (the Act), that it had instituted a review to determine whether revocation of the antidumping duty order on rebar from Turkey would likely lead to the continuation or recurrence of material injury to a domestic regional industry.¹² The Commission conducted a full review¹³ during 2002-03. Following an affirmative determination by Commerce regarding the likelihood of continued sales at LTFV,¹⁴ the Commission determined that revocation of the antidumping order on rebar from Turkey would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.^{15 16}

Summary Data

Tables I-1 and I-2 present a summary of data from the original investigation, the first review, and the current second review. U.S. industry data are based on questionnaire responses of nine firms operating 29 mills that accounted for virtually all known production of rebar in the United States. U.S. import data are based on official Commerce statistics.

On both a national and regional basis, apparent consumption increased from 2002 through 2006, then decreased slightly in 2007. U.S. producers' share of consumption, both regionally and nationally, fluctuated during each year of this period. Importers' share of consumption reached peaks in 2004 and 2006, but declined noticeably in 2007. Subject import quantity and value reached their highest levels in 2006. Domestic production, both regionally and nationally, grew more rapidly than capacity, reflecting in part greater worker productivity and resulting in generally higher levels of capacity utilization. U.S. producers' in-region and national shipments likewise increased in quantity and value, as average unit values rose markedly. The quantity and value of net sales showed similar trends, rising more rapidly than costs and contributing to higher operating income levels.

¹² *Steel Concrete Reinforcing Bar From Turkey*, 67 FR 9465, March 1, 2002.

¹³ *Steel Concrete Reinforcing Bar From Turkey*, 67 FR 40965, June 14, 2002.

¹⁴ *Final Results of Expedited Sunset Review: Certain Concrete Reinforcing Bars from Turkey*, 67 FR 45457, July 9, 2002.

¹⁵ *Steel Concrete Reinforcing Bar From Turkey*, 68 FR 10032, March 3, 2003. Chairman Okun and Commissioner Bragg dissented.

¹⁶ In the first review of this order, the Commission found that a regional market satisfying the requirements of the statute existed. *Steel Concrete Reinforcing Bar From Turkey, Inv. No. 731-TA-745 (Review)*, USITC Publication 3577, February 2003, pp. 5-13.

Table I-1

Rebar: Eastern-tier region summary data from the original investigation, first review, and current second review, 1994-2007

(Quantity= short tons; value=\$1,000; unit values, unit labor costs, and unit financial data are per short ton)

Item	Calendar year ¹													
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Eastern-tier U.S. consumption quantity: Amount	1,999,353	***	***	2,630,926	2,915,304	3,466,753	3,530,696	3,572,053	***	***	***	***	***	***
Producers' share: ²	88.9	***	***	87.8	77.6	71.4	72.9	74.7	***	***	***	***	***	***
Importers' share: ^{2,3}														
Turkey (included in AD order)	7.9	***	***	2.7	0.3	0.9	4.2	4.1	***	***	***	***	***	***
Turkey (excluded from AD order)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	***	***	***	***	***	***
All other countries ²	3.2	***	***	9.5	22.1	27.6	22.9	21.2	***	***	***	***	***	***
Total imports ²	11.1	***	***	12.2	22.4	28.6	27.1	25.3	***	***	***	***	***	***
Eastern-tier U.S. consumption value: Amount	597,086	***	***	802,915	859,245	870,124	888,900	913,328	***	***	***	***	***	***
Producers' share: ²	89.3	***	***	88.4	79.9	76.4	77.0	77.8	***	***	***	***	***	***
Importers' share: ^{2,3}														
Turkey (included in AD order)	7.5	***	***	2.4	0.2	0.7	3.6	3.2	***	***	***	***	***	***
Turkey (excluded from AD order)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	***	***	***	***	***	***
All other countries ²	3.1	***	***	9.3	19.8	22.9	19.3	19.0	***	***	***	***	***	***
Total imports ²	10.7	***	***	11.6	20.1	23.6	23.0	22.2	***	***	***	***	***	***

Table continued on next page.

Table I-1--Continued

Rebar: Eastern-tier region summary data from the original investigation, first review, and current second review, 1994-2007

(Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit financial data are per short ton)

Item	Calendar year ¹													
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Eastern-tier U.S. imports from--														
Turkey (included in AD order): ³ Quantity	157,926	159,275	110,867	70,792	8,968	32,082	148,477	145,607	177,204	58,974	377,845	325,155	***	***
Value	44,935	44,891	32,548	18,934	2,129	6,152	32,378	29,646	39,316	17,235	18,298	141,001	***	***
Unit value	\$288	\$282	\$294	\$267	\$237	\$192	\$218	\$204	\$222	\$292	\$482	\$434	\$***	\$***
Turkey (excluded from AD order): ³ Quantity	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	***	***
Value	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	***	***
Unit value	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	\$***	\$***
All other countries: Quantity	64,721	51,355	147,972	251,166	645,444	958,440	808,234	756,796	534,887	400,302	422,401	342,200	372,158	338,104
Value	18,794	14,102	40,039	74,503	170,174	199,038	171,930	173,460	118,997	111,185	187,033	145,266	170,144	170,259
Unit value	\$290	\$275	\$271	\$297	\$264	\$208	\$213	\$229	\$222	\$278	\$443	\$425	\$457	\$504
All countries: Quantity	222,647	210,630	258,839	321,958	654,412	990,522	956,712	902,403	712,091	459,276	800,246	667,355	1,087,536	518,576
Value	63,729	58,993	72,587	93,437	172,304	205,190	204,308	203,107	158,313	128,420	369,331	286,267	487,001	266,540
Unit value	\$288	\$280	\$280	\$290	\$263	\$207	\$214	\$225	\$222	\$280	\$462	\$429	\$448	\$514
Non-Eastern-tier U.S. producers' U.S. shipments to region: Quantity	***	***	***	234,413	197,708	213,294	209,404	169,647	***	***	***	***	***	***
Value	***	***	***	70,471	56,918	52,404	54,117	43,644	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$301	\$288	\$246	\$258	\$257	\$***	\$***	\$***	\$***	\$***	\$***
Eastern-tier U.S. producers' Capacity quantity	2,407,400	***	***	2,990,722	2,963,002	3,293,167	3,463,393	3,588,707	***	***	***	***	***	***
Production quantity	1,894,293	***	***	2,374,649	2,351,538	2,547,511	2,890,304	2,966,324	***	***	***	***	***	***
Capacity utilization ²	78.7	***	***	79.4	79.4	77.4	83.5	82.7	***	***	***	***	***	***

Table continued on next page.

Table I-1--Continued

Rebar: Eastern-tier region summary data from the original investigation, first review, and current second review, 1994-2007

(Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit financial data are per short ton)

Item	Calendar year ¹													
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
U.S. shipments within the region:														
Quantity	***	***	***	2,074,555	2,063,184	2,262,937	2,364,580	2,500,002	***	***	***	***	***	***
Value	***	***	***	639,007	630,023	612,530	630,476	666,578	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$308	\$305	\$271	\$267	\$267	\$***	\$***	\$***	\$***	\$***	\$***
U.S. shipments outside the region:														
Quantity	***	***	***	257,117	267,627	301,996	394,456	460,776	***	***	***	***	***	***
Value	***	***	***	79,615	82,273	88,881	105,495	123,892	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$310	\$307	\$294	\$267	\$269	\$***	\$***	\$***	\$***	\$***	\$***
Exports:														
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
Ending inventory quantity	121,650	***	***	184,685	215,027	206,811	265,900	222,014	***	***	***	***	***	***
Inventories/U.S. shipments ²	6.4	***	***	7.9	9.2	8.1	9.6	7.5	***	***	***	***	***	***
Production workers	1,809	***	***	1,579	1,600	1,686	1,748	1,757	***	***	***	***	***	***
Hours worked (1,000 hours)	3,725	***	***	3,601	3,696	4,082	4,140	4,158	***	***	***	***	***	***
Wages paid (1,000 dollars)	83,569	***	***	74,531	80,527	91,817	95,004	97,267	***	***	***	***	***	***
Hourly wages	\$22.43	\$***	\$***	\$20.69	\$21.79	\$22.49	\$22.95	\$23.39	\$***	\$***	\$***	\$***	\$***	\$***
Productivity (short tons per 1,000 hours)	388.1	***	***	659.4	636.2	624.1	698.2	713.5	***	***	***	***	***	***

Table continued on next page.

Table I-1--Continued

Rebar: Eastern-tier region summary data from the original investigation, first review, and current second review, 1994-2007

(Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit financial data are per short ton)

Item	Calendar year ¹													
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Net sales: Quantity	1,826,022	1,774,715	1,930,083	2,321,665	2,327,716	2,534,663	2,704,623	2,970,228	***	***	***	***	***	***
Value	542,317	540,428	562,840	704,361	686,477	679,303	698,830	769,499	***	***	***	***	***	***
Unit value	\$297	\$305	\$292	\$303	\$295	\$268	\$258	\$259	\$***	\$***	\$***	\$***	\$***	\$***
Cost of goods sold	500,651	498,379	536,735	607,870	587,817	601,235	650,064	690,835	***	***	***	***	***	***
Gross profit or (loss)	41,666	42,049	26,105	96,491	98,660	78,068	48,766	78,664	***	***	***	***	***	***
Operating income or (loss)	20,920	19,619	1,758	62,521	69,829	47,786	16,479	40,079	***	***	***	***	***	***
Unit cost of goods sold	\$274	\$281	\$278	\$262	\$253	\$237	\$240	\$233	\$***	\$***	\$***	\$***	\$***	\$***
Unit operating income or (loss)	\$11	\$13	\$13	\$27	\$30	\$19	\$6	\$13	\$***	\$***	\$***	\$***	\$***	\$***
Cost of goods sold/sales ²	92.3	92.2	95.4	86.3	85.6	88.5	93.0	89.8	***	***	***	***	***	***
Operating income or (loss)/sales ²	3.9	3.6	0.3	8.9	10.2	7.0	2.4	5.2	***	***	***	***	***	***
Capital expenditures	63,918	60,263	60,593	31,903	53,528	98,629	51,750	33,226	***	***	***	***	***	***

¹ Financial data are on a fiscal-year basis.

² In percent.

³ Data for Turkey for 1994-96 are for shipments of imports rather than imports, per se. All other import data presented are from official Commerce statistics.

⁴ Not applicable.

Note.- Because of rounding, figures may not add to the totals shown. Calculated data are based on unrounded numbers. Data for 1994-96 are derived from information presented in tables C-1, E-2, III-5, and III-6 of the staff report from the original investigation. Employment data for 1994-96 are incomplete because *** did not provide data. Also, SMI Steel (SC) acquired Owen Steel Co. in November 1994 and was unable to provide producer data for 1994; the firm was unable to provide financial data for 1994-96. As a result, apparent consumption, market penetration, and Eastern-tier producers' data (except financial) for 1994 are not comparable with such data for 1995 and 1996. Table C-3 of the original report (see revisions to staff report in original investigation contained in Memorandum INV-Y-028, March 26, 1997) contains summary data for the Eastern-tier region excluding SMI Steel (SC). Ratios for 1994-96 data are calculated using data from firms providing both the numerator and denominator. Accordingly, some ratios cannot be calculated from the total figures provided in this table.

Note.- Turkey (subject) includes all producers in Turkey during 1994-2005 period; Turkey (nonsubject) includes ICDAS Celik alone during 2006-07. Additional data on imports from Turkey, including imports from all companies, may be found in Part IV of this report.

Source: Compiled from data submitted in response to Commission's questionnaires and from official Commerce statistics. *See also Steel Concrete Reinforcing Bar from Turkey, Inv. No. 731-TA-745 (Review)*, USITC Publication 3577, pp. I-2 through I-4.

Table I-2

Rebar: Summary data for the total U.S. market from the original investigation, first review, and current second review, 1994-2007

(Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit financial data are per short ton)

Item	Calendar year ¹													
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
U.S. consumption quantity: Amount	4,466,561	4,553,657	5,253,361	6,395,588	6,778,126	7,788,993	7,835,091	8,189,780	7,785,129	8,842,363	8,980,845	9,191,047	10,373,740	10,101,524
Producers' share: ²	92.6	89.5	88.8	89.0	81.9	76.5	78.7	78.5	83.6	88.5	78.7	84.5	75.1	81.6
Importer's share: ^{2,3}														
Turkey (included in AD order)	4.5	5.1	2.6	1.3	0.1	0.5	2.4	2.6	3.0	1.4	7.9	5.3	***	***
Turkey (excluded from AD order)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	***	***
All other countries ²	2.8	5.4	8.6	9.7	18.0	23.0	18.9	18.8	13.4	10.1	13.4	10.2	13.0	13.9
Total imports ²	7.4	10.5	11.2	11.0	18.1	23.5	21.3	21.5	16.4	11.5	21.3	15.5	24.9	18.4
U.S. consumption value: Amount	1,346,563	1,398,569	1,572,762	1,903,595	2,041,153	2,011,575	2,026,938	2,136,787	1,989,472	2,501,049	4,055,557	4,308,637	5,208,982	5,772,062
Producers' share: ²	93.1	90.2	89.9	90.0	83.4	80.8	82.1	81.5	85.6	88.6	77.7	85.9	78.1	82.7
Importer's share: ^{2,3}														
Turkey (included in AD order) ³	4.1	4.7	2.6	1.2	0.1	0.4	2.0	2.0	2.6	1.4	8.9	5.0	***	***
Turkey (excluded from AD order) ³	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	***	***
All other countries ²	2.8	5.1	7.5	8.8	16.5	18.8	15.8	16.4	11.7	10.0	13.4	9.1	11.5	13.0
Total imports ²	6.9	9.8	10.1	10.0	16.6	19.2	17.9	18.5	14.4	11.4	22.3	14.1	21.9	17.3
U.S. imports from--														
Turkey (included in AD order): ³ Quantity	202,463	232,779	138,445	83,699	8,993	41,969	190,687	214,688	234,126	122,391	713,690	489,570	***	***
Value	55,745	66,242	40,797	22,389	2,140	8,006	41,111	43,539	52,109	35,277	362,738	213,507	***	***
Unit value	\$289	\$285	\$295	\$267	\$238	\$191	\$216	\$203	\$223	\$288	\$508	\$436	\$***	\$***

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Table I-2--Continued

Rebar: Summary data for the total U.S. market from the original investigation, first review, and current second review, 1994-2007

(Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit financial data are per short ton)

Item	Calendar year ¹													
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Turkey (excluded from AD order): ³ Quantity	(^d)	(^d)	(^d)	(^d)	(^d)	(^d)	(^d)	(^d)	(^d)	(^d)	(^d)	(^d)	***	***
Value	(^d)	(^d)	(^d)	(^d)	(^d)	(^d)	(^d)	(^d)	(^d)	(^d)	(^d)	(^d)	***	***
Unit value	(^d)	(^d)	(^d)	(^d)	(^d)	(^d)	(^d)	(^d)	(^d)	(^d)	(^d)	(^d)	\$***	\$***
All other countries: Quantity	126,468	246,685	450,800	617,604	1,220,201	1,790,639	1,479,142	1,543,521	1,042,066	896,616	1,203,165	934,819	1,348,441	1,405,793
Value	37,321	71,057	117,595	167,187	336,449	377,897	321,120	350,901	233,527	250,272	542,089	393,035	600,255	752,592
Unit value	\$295	\$288	\$261	\$271	\$276	\$211	\$217	\$227	\$224	\$279	\$451	\$420	\$445	\$535
All countries: Quantity	328,931	479,464	589,245	701,303	1,229,195	1,832,608	1,669,829	1,758,208	1,276,191	1,019,007	1,916,854	1,424,389	2,587,418	1,860,854
Value	93,066	137,299	158,392	189,576	338,589	385,903	362,231	394,440	285,636	285,549	904,826	606,542	1,142,533	996,278
Unit value	\$292	\$286	\$269	\$270	\$275	\$211	\$217	\$224	\$224	\$280	\$472	\$426	\$442	\$535
U.S. producers' -- Capacity	(^d)	(^d)	(^d)	7,755,392	7,903,880	8,331,264	8,425,795	8,642,263	8,694,794	9,110,611	8,843,716	9,150,565	9,450,718	10,043,896
Production quantity	4,099,042	4,203,753	4,543,739	5,812,071	5,841,818	5,980,948	6,377,625	6,580,793	6,693,497	7,846,342	7,428,309	7,878,434	8,077,288	8,383,464
Capacity utilization ²	(^d)	(^d)	(^d)	74.9	73.9	71.8	75.7	76.1	77.0	86.1	84.0	86.1	85.5	83.5
U.S. shipments: Quantity	4,137,630	4,074,193	4,664,116	5,694,285	5,548,932	5,956,385	6,165,262	6,431,571	6,508,938	7,823,356	7,063,991	7,766,658	7,786,322	8,240,670
Value	1,253,497	1,261,270	1,414,370	1,714,019	1,702,564	1,625,672	1,664,707	1,742,347	1,703,836	2,215,500	3,150,730	3,702,094	4,066,449	4,775,784
Unit value	\$303	\$310	\$303	\$301	\$307	\$273	\$270	\$271	\$262	\$283	\$446	\$477	\$522	\$580
Exports: Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***	\$***
Ending inventory quantity	257,904	456,583	358,791	475,512	672,015	585,295	635,284	652,210	627,556	453,005	646,918	551,444	634,304	535,725

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Table I-2--Continued

Rebar: Summary data for the total U.S. market from the original investigation, first review, and current second review, 1994-2007

(Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit financial data are per short ton)

Item	Calendar year ¹													
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Inventories/U.S. shipments ²	6.4	11.3	7.7	8.4	12.1	9.8	10.3	10.1	***	***	***	***	***	***
Production workers	2,813	3,034	3,182	5,081	5,066	5,153	5,178	4,916	4,313	4,440	4,289	4,721	4,750	4,849
Hours worked (1,000 hours)	5,913	5,658	6,502	11,014	11,144	11,233	11,362	10,713	8,921	9,820	9,124	9,465	9,524	10,097
Wages paid (1,000 dollars)	116,271	124,626	140,827	219,093	232,678	246,093	251,265	246,959	225,646	249,559	252,597	283,567	300,611	326,501
Hourly wages	\$19.66	\$22.03	\$21.66	\$19.89	\$20.88	\$21.91	\$22.12	\$23.05	\$25.29	\$25.41	\$27.68	\$29.96	\$31.56	\$32.34
Productivity (short tons per 1,000 hours)	439.0	476.0	439.0	527.7	524.2	532.4	561.3	614.3	750.3	799.0	814.2	832.4	848.1	830.3
Net sales: Quantity	3,942,498	3,747,990	4,047,532	5,811,036	5,698,439	6,025,017	6,244,417	6,482,591	6,644,330	7,936,020	7,289,004	7,886,361	8,085,904	8,452,738
Value	1,176,636	1,167,262	1,226,633	1,745,940	1,692,380	1,651,545	1,673,610	1,708,739	1,741,718	2,236,068	3,153,898	3,720,516	4,184,161	4,883,493
Unit value	\$298	\$311	\$303	\$300	\$297	\$274	\$268	\$264	\$262	\$282	\$433	\$472	\$517	\$578
Cost of goods sold	1,062,070	1,034,244	1,106,138	1,566,630	1,479,265	1,444,682	1,519,658	1,530,655	1,588,112	2,065,704	2,568,679	2,921,951	3,155,928	3,695,722
Gross profit or (loss)	114,566	133,018	120,495	179,310	213,115	206,864	153,952	178,084	153,606	170,364	585,219	798,565	1,028,233	1,187,771
Operating income or (loss)	61,184	77,665	61,004	86,784	126,598	120,487	58,353	75,824	70,495	52,402	449,630	610,949	829,640	1,004,993
Unit cost of goods sold	\$269	\$276	\$273	\$270	\$260	\$240	\$243	\$236	\$239	\$260	\$352	\$371	\$390	\$437
Unit operating income or (loss)	\$16	\$21	\$15	\$15	\$22	\$20	\$9	\$12	\$11	\$7	\$62	\$77	\$103	\$119
Cost of goods sold/sales ²	90.3	88.6	90.2	89.7	87.4	87.5	90.8	89.6	91.2	92.4	81.4	78.5	75.4	75.7

Table continued on next page.

Table I-2--Continued

Rebar: Summary data for the total U.S. market from the original investigation, first review, and current second review, 1994-2007

(Quantity=short tons; value=\$1,000; unit values, unit labor costs, and unit financial data are per short ton)

Item	Calendar year ¹													
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Operating income or (loss)/sales ²	5.2	6.7	5.0	5.0	7.5	7.3	3.5	4.4	4.0	2.3	14.3	16.4	19.8	20.6
Capital expenditures	96,405	91,782	164,787	118,745	137,177	145,845	79,058	69,445	***	***	***	***	***	***

¹ Financial data are on a fiscal year basis.

² In *percent*.

³ Data for Turkey for 1994-96 are for shipments of imports rather than imports, per se. All other import data presented are from official Commerce statistics.

⁴ Not applicable.

Note.— Because of rounding, figures may not add to the totals shown. Data for 1994-96 are derived from information presented in table C-2 of the staff report from the original investigation. Data for 1997-2001 are derived from information in table C-1 of the staff report from the first review. Production and inventory data for 1994-96 are understated since they do not include data of ***. Employment data for 1994-96 are incomplete because *** did not provide data. Financial data for 1994-96 are unavailable for ***. Additionally, producer data for 1994 are understated inasmuch as data were not available for SMI Steel (SC). Calculated data are based on unrounded numbers. U.S. producers' capacity data for 1994-96 are unavailable; accordingly, no capacity data for those years are shown in this table. Ratios for 1994-96 data are calculated using data from firms providing both the numerator and denominator. Accordingly, some ratios cannot be calculated from the total figures provided in this table.

Note.— Turkey (subject) includes all producers in Turkey during 1994-2005 period; Turkey (nonsubject) includes ICDAS Celik alone during 2006-07. Additional data on imports from Turkey, including imports from all companies, may be found in Part IV of this report.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics. *See also Steel Concrete Reinforcing Bar from Turkey, Inv. No. 731-TA-745 (Review)*, USITC Publication 3577, pp. I-5 and I-6.

Unlike in the original investigation and first review, in this review certain Turkish exporters are no longer subject to the antidumping duty order. The antidumping duty order was revoked with respect to rebar exports by ICDAS Celik Enerji Tersane ve Ulasim Sanayi A.S. on November 8, 2005; by Colakoglu Metalurji A.S./Colakoglu Dis Ticaret A.S. and Diler Demir Celik Endustrisi ve Ticaret A.S./Yazici Demir Celik Sanayi ve Turizm Ticaret A.S./Diler Dis Ticaret A.S. on November 6, 2007; and by Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi A.S. on November 7, 2008.^{17 18}

Related Title VII Investigations

The Commission has conducted four other antidumping investigations concerning steel concrete reinforcing bars. In March 1964, the U.S. Tariff Commission (“TC”) made an affirmative determination concerning less-than-fair-value (“LTFV”) imports of steel reinforcing bars from Canada (investigation No. AA1921-33).¹⁹ In February 1970, the Commission made an affirmative determination concerning LTFV imports of steel bars, reinforcing bars, and shapes from Australia (investigation No. AA1921-62).²⁰ There are no outstanding antidumping duty orders as a result of either of these investigations. In August 1973, the Commission made a negative determination concerning LTFV imports of deformed concrete reinforcing bars of non-alloy steel from Mexico (investigation No. AA1921-122).²¹ Finally, in May and July 2001, the Commission made affirmative determinations concerning LTFV imports of rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine.²² During the preliminary phase of these investigations, the Commission concurrently examined allegedly LTFV sales of rebar from

¹⁷ *Certain Steel Concrete Reinforcing Bars from Turkey; Final Results, Recission of Antidumping Duty Administrative Review in Part, and Determination to Revoke in Part*, 70 FR 67665, November 8, 2005. *Certain Steel Concrete Reinforcing Bars from Turkey; Final Results, Recission of Antidumping Duty Administrative Review in Part, and Determination to Revoke in Part*, 72 FR 62630, November 6, 2007. *Certain Steel Concrete Reinforcing Bars from Turkey; Final Results of Antidumping Duty Administrative Review and Determination to Revoke in Part*, 73 FR 66218, November 7, 2008.

¹⁸ The revocation of the order with respect to exports by these companies has reduced the overall volume of subject imports of rebar from Turkey. However, because the revocation of the order covering Colakoglu and Diler did not occur until November 2007, and the revocation of the order covering Habas did not occur until November 2008, only the revocation of the order covering ICDAS is reflected in tables I-1 and I-2. More detailed import data, including imports of rebar originating from all four current nonsubject Turkish exporters, can be found in Part IV of this report. Please note that the data presented in tables I-1 and I-2 reflect the transition in the volume of imports from Turkey from subject to nonsubject as the order was revised. Tables in the remainder of the report focus on the volumes of imports covered by the order (and not covered by the order) as it is currently configured.

¹⁹ *Steel Reinforcing Bars from Canada, Inv. No. AA1921-33*, TC Publication 122, March 1964. In this investigation, the Commission focused on a Pacific Northwest industry consisting of three producers in Washington and Oregon.

²⁰ *Steel Bars, Reinforcing Bars, and Shapes from Australia, Inv. No. AA1921-62*, TC Publication 314, February 1970. In this investigation, the Commission also focused on a Pacific Northwest industry consisting of three producers in Washington and Oregon.

²¹ *Deformed Concrete Reinforcing Bars of Non-Alloy Steel from Mexico, Inv. No. AA1921-122*, TC Publication 605, August 1973. In this investigation, the Commission considered all U.S. facilities devoted to rebar production, but gave special attention to rebar facilities within and outside Texas which produced most domestic rebar sold in that state during the years prior to the investigation.

²² *Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine, Invs. Nos. 731-TA-875, 880, and 882 (Final)*, USITC Publication 3425, May 2001 and *Concrete Reinforcing Bars from Belarus, China, Korea, Latvia, and Moldova, Invs. Nos. 731-TA-873-874 and 877-879 (Final)*, USITC Publication 3440, July 2001. In these investigations, the Commission considered rebar in straight lengths for an industry in 30 states plus Puerto Rico and the District of Columbia. The Commission was evenly divided with respect to the analysis of material injury, with three Commissioners basing their analysis on a national domestic industry and three basing their analysis on a regional industry. *Ibid.*

Austria, Japan, Russia, and Venezuela. The Commission made a negative determination regarding allegedly LTFV sales of imports from Japan and determined that imports from Austria, Russia, and Venezuela were negligible and accordingly terminated those investigations.²³ Most recently, in July 2007, the Commission made affirmative determinations after conducting five-year reviews of the antidumping duty orders covering imports of rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine. As a result of those reviews, the existing orders remain in place for these countries. The antidumping duty order on imports of rebar from Korea was revoked as a result of a negative determination in those reviews.²⁴

Previous and Related Safeguard Investigations

Following receipt of a request from the Office of the United States Trade Representative (“USTR”) on June 22, 2001, the Commission instituted investigation No. TA-201-73, *Steel*, under section 202 of the Trade Act of 1974²⁵ to determine whether certain steel products, including rebar, were being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industries producing articles like or directly competitive with the imported article.²⁶ On July 26, 2001, the Commission received a resolution adopted by the Committee on Finance of the U.S. Senate (“Senate Finance Committee” or “Committee”) requesting that the Commission investigate certain steel imports under section 201 of the Trade Act of 1974.²⁷ Consistent with the Senate Finance Committee’s resolution, the Commission consolidated the investigation requested by the Committee with the Commission’s previously instituted investigation No. TA-201-73.²⁸ On December 20, 2001, the Commission issued its determinations and remedy recommendations. The Commission reached an affirmative determination with respect to rebar. On March 5, 2002, following determinations regarding serious injury or threat of serious injury by the Commission under section 202 of the Trade Act of 1974, the President announced the safeguard measures that he planned to implement to facilitate efforts by various domestic steel industries and their workers to make a positive adjustment to import competition with respect to certain steel products. The safeguard measures encompassed 10 different product categories for which the Commission made affirmative determinations or was evenly divided. Presidential Proclamation 7529 implemented the safeguard measures, principally in the form of tariffs and tariff-rate quotas, effective March 20, 2002, for a period of three years and one day. Import relief relating to rebar consisted of an additional tariff of 15 percent *ad valorem* on imports in the first

²³ *Certain Steel Concrete Reinforcing Bars from Austria, Belarus, China, Indonesia, Japan, Korea, Latvia, Moldova, Poland, Russia, Ukraine, and Venezuela, Invs. Nos. 731-TA-872-883 (Preliminary)*, USITC Publication 3343, August 2000.

²⁴ *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine*, 72 FR 42110, August 1, 2007. See also *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine (Review)*, *Invs. Nos. 731-TA-873-875, 877-880 and 822 (Review)*, USITC Publication 3933, July 2007. The Commission collected data and information for both the original regional market and the national market, but ultimately unanimously found that appropriate circumstances did not exist to conduct a regional industry analysis. *Ibid.*

²⁵ 19 U.S.C. § 2252.

²⁶ *Institution and Scheduling of an Investigation under Section 202 of the Trade Act of 1974 (19 U.S.C. 2252) (the Act)*, 66 FR 35267, July 3, 2001.

²⁷ 19 U.S.C. § 2251.

²⁸ *Consolidation of Senate Finance Committee Resolution Requesting a Section 201 Investigation with the Investigation Requested by the United States Trade Representative on June 22, 2001*, 66 FR 44158, August 22, 2001.

year, 12 percent in the second year, and 9 percent in the third year.^{29 30} The President also instructed the Secretary of the Treasury and the Secretary of Commerce to establish a system of import licensing to facilitate the monitoring of imports of certain steel products.³¹

The safeguard measures applied to imports of subject steel products from all countries except Canada, Israel, Jordan, and Mexico, which had entered into free trade agreements with the United States, and most developing countries that were members of the World Trade Organization.³² The President's initial proclamation also excluded numerous specific products from the measures, and was followed by subsequent additional exclusions.

On September 19, 2003, the Commission submitted a mid-term report to the President and the Congress on the results of its monitoring of developments in the steel industry, as required by section 204(a)(2) of the Trade Act of 1974.³³ The Commission's monitoring report noted that total imports of rebar declined, as imports from covered sources declined sharply, while imports from sources not covered by the safeguard measure (notably Brazil, the Dominican Republic, and Egypt) increased.

Notwithstanding decreased demand for rebar, output-related indicators for the U.S. industry such as production, capacity utilization, and shipments increased in the first relief year, as did labor productivity. Per-unit net sales, however, declined while unit costs (specifically, unit raw materials costs), increased in the first relief year, and the domestic industry reported an operating loss.³⁴

On December 4, 2003, President Bush terminated the U.S. measure with respect to increased tariffs, following receipt of the Commission's mid-point monitoring report in September 2003, and after seeking information from the U.S. Secretary of Commerce and U.S. Secretary of Labor, having determined that the effectiveness of the action taken had been impaired by changed circumstances.³⁵ Import licensing, however, remained in place through March 21, 2005, and continues in modified form at this time.³⁶

On March 21, 2005, the Commission instituted an investigation under section 204(d) of the Trade Act of 1974 for the purpose of evaluating the effectiveness of the relief action imposed by the President on imports of certain steel products. The Commission's report on the evaluation was transmitted to the President and the Congress on September 19, 2005.

²⁹ *Presidential Proclamation 7529 of March 5, 2002, To Facilitate Positive Adjustment to Competition From Imports of Certain Steel Products*, 67 FR 10553, March 7, 2002.

³⁰ The increased duties were reduced from 15 percent to 12 percent on March 20, 2003.

³¹ The Department of Commerce published regulations establishing such a system on December 31, 2002.

³² Imports of rebar from Turkey were subject to the U.S. safeguard measures.

³³ *Steel: Monitoring Developments in the Domestic Industry, Inv. No. TA-204-9*, USITC Publication 3632, September 2003.

³⁴ *Steel: Monitoring Developments in the Domestic Industry, Inv. No. TA-204-9, Volume I*, USITC Publication 3632, September 2003, pp. xiv-xv.

³⁵ *Presidential Proclamation 7741 of December 4, 2003, To Provide for the Termination of Action Taken With Regard to Imports of Certain Steel Products*, 68 FR 68483, December 8, 2003.

³⁶ Proclamation 7741 terminated the tariff-rate quota and the increased import duties on certain steel products, but directed the Secretary of Commerce to continue the monitoring system until the earlier of March 21, 2005, or such time as the Secretary establishes a replacement program. On March 11, 2005, Commerce published an interim final rule to implement a replacement program for the period beyond March 21, 2005. *Steel Import Monitoring and Analysis System*, 70 FR 12133, March 11, 2005. On December 5, 2005, Commerce published its final rule. *Steel Import Monitoring and Analysis System*, 70 FR 72373, December 5, 2005.

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory Criteria

Section 751(c) of the Act requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation “would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury.”

Section 752(a) of the Act provides that in making its determination of likelihood of continuation or recurrence of material injury—

(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--

(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,

(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,

(C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and

(D) in an antidumping proceeding . . . , (Commerce’s findings) regarding duty absorption

(2) VOLUME.--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--

(A) any likely increase in production capacity or existing unused production capacity in the exporting country,

(B) existing inventories of the subject merchandise, or likely increases in inventories,

(C) the existence of barriers to the importation of such merchandise into countries other than the United States, and

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

(3) PRICE.--In evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether--

(A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and

(B) imports of the subject merchandise are likely to enter the

United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.

(4) IMPACT ON THE INDUSTRY.--In evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to--

(A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,

(B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and

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

The Commission shall evaluate all such relevant economic factors . . . within the context of the business cycle and the conditions of competition that are distinctive to the affected industry.

Section 752(a)(6) of the Act states further that in making its determination, “the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy. If a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement.”

Organization of the Report

Information obtained during the course of the review that relates to the above factors is presented throughout this report. A summary of data collected in the review is presented in appendix C. U.S. industry data are based on questionnaire responses of 3 firms operating 11 mills that accounted for virtually all of U.S. production of rebar in the Eastern-tier region during 2007; 9 firms operating 18 mills that accounted for 100 percent of U.S. production of rebar outside the Eastern-tier region during 2007; and 9 firms operating 29 mills that accounted for nearly 100 percent of total production of rebar in the United States. U.S. import data are based on Department of Commerce official statistics.³⁷ Responses by U.S. producers, importers, and purchasers of rebar and producers of rebar in Turkey to a series of questions concerning the significance of the existing antidumping duty order and the likely effects of revocation are presented in appendix D. Company-by-company trade and financial data for the U.S. industry producing rebar collected during this review are presented in appendices E and F, respectively.

³⁷ Importers’ questionnaire responses accounted for 73.8 percent of imports of rebar from Turkey in 2006 and 83.6 percent of total imports of rebar in that year. The questionnaire coverage in 2006 was the highest level attained during the reporting period. Questionnaire coverage for imports ranged as low as 46.9 percent for imports from Turkey in 2003 and 53.0 percent for imports from all sources in 2002.

COMMERCE'S REVIEWS

Administrative Reviews

Commerce has conducted nine administrative reviews of the antidumping duty order on rebar from Turkey as shown in table I-3. Three of the four most recent administrative reviews have resulted in the partial revocation of the order with respect to one or more Turkish manufacturers/exporters.

Table I-3
Rebar: Administrative reviews of the antidumping duty order for Turkey

Date results published	Period of review	Producer or exporter	Margin (percent)
September 10, 1999 (64 FR 49150)	10/10/96-03/31/98 10/10/96-07/31/98	Ekinciler	0.30 ¹
		ICDAS ²	9.67
November 7, 2001 (66 FR 56274), amended December 6, 2001 (66 FR 63364)	04/01/99-03/31/00	Colakoglu	9.51
		Ekinciler	8.41
		Diler	0.00
		ICDAS	0.00
October 30, 2002 (67 FR 66110)	04/01/00-03/31/01	Colakoglu	5.31
		Ekinciler	0.04 ¹
		Habas	0.27 ¹
September 9, 2003 (68 FR 53127)	04/01/01-03/31/02	Colakoglu	1.62
		Habas	2.42
		ICDAS	0.10 ¹
November 8, 2004 (69 FR 64731), corrected November 26, 2004 (69 FR 68883)	04/01/02-03/31/03	Colakoglu	9.25
		Diler	0.38 ¹
		ICDAS	0.00
November 8, 2005 (70 FR 67665)	04/01/03-03/31/04	Colakoglu	0.00
		Diler	0.31 ¹
		Habas	26.07
		ICDAS	0.16 ¹

Table continued on next page.

Table I-3--Continued

Rebar: Administrative reviews of the antidumping duty order for Turkey

Date results published	Period of review	Producer or exporter	Margin (Percent)
November 7, 2006 (71 FR 65082), corrected December 18, 2006 (71 FR 75711)	04/01/04-03/31/05	Colakoglu	0.27 ¹
		Diler	0.02 ¹
		Ege	41.80
		Ekinciler	3.16
		Habas	0.04 ¹
		Ilhanlar	41.80
		Intermet	41.80
		Iskenderun	41.80
		Koc	41.80
		Numet	41.80
		Nursan	41.80
		Sozer	41.80
		Ucel	41.80
		Yolbulanlar	41.80
November 6, 2007 (72 FR 62630)	04/01/05-03/31/06	Colakoglu	0.32 ¹
		Diler	0.14 ¹
		Ekinciler	1.66
		Habas	0.22 ¹
		Kaptan	0.00
		Kroman	0.00
November 7, 2008 (73 FR 66218)	04/01/06-03/31/07	Ekinciler	2.75
		Habas	0.00
		Izmir	2.75
		Nursan	2.75
<p>¹ Margins less than 0.50 percent were considered <i>de minimis</i> and liquidated without regard to antidumping duties.</p> <p>² ICDAS Celik Enerji Tersane ve Ulasim Sanayi A.S.</p> <p>Note.- Commerce has partially revoked the antidumping duty order in each of the following years: 2005 (ICDAS), 2007 (Colakoglu and Diler), and 2008 (Habas).</p> <p>Source: Cited <i>Federal Register</i> notices.</p>			

Results of Expedited Five-Year Review

On May 5, 2008, Commerce found that revocation of the antidumping duty order on rebar from Turkey would likely lead to continuation or recurrence of weighted-average dumping margins as follows: Ekinciler, 18.68 percent; Habas, 18.54 percent;³⁸ IDC, 41.80 percent; Izmir Metalurji, 30.16 percent; and all others,³⁹ 16.06 percent.

DISTRIBUTION OF CONTINUED DUMPING AND SUBSIDY OFFSET ACT FUNDS

The Continued Dumping and Subsidy Offset Act of 2000 (“CDSOA”) (also known as the Byrd Amendment) provides that assessed duties received pursuant to antidumping or countervailing duty orders must be distributed to affected domestic producers for certain qualifying expenditures that these producers incur after the issuance of such order.⁴⁰ During the review period, qualified producers of rebar were eligible to receive disbursements from the U.S. Customs and Border Protection (“Customs”) under CDSOA relating to the antidumping duty order on the subject product beginning in fiscal year 2002. Table I-4 presents CDSOA disbursements and claims for the Federal fiscal years (October 1-September 30) 2002-07 by firm.

Table I-4
Rebar: CDSOA disbursements, by firm, and total claims, Federal fiscal years 2002-07

Item	Federal fiscal year					
	2002	2003	2004	2005	2006	2007
Disbursements (dollars)						
CMC Steel Group	259,625	236,784	266,802	99,095	39,747	26,774
Co-Steel Sayreville	284,544	0	0	0	0	0
Gerdau USA ¹	378,383	598,526	363,909	154,343	80,084	59,983
Nucor Corporation	0	74,108	222,083	98,036	48,177	37,042
Nucor Steel Auburn	76,392	73,863	90,388	34,177	13,365	8,716
Nucor Steel Marion ²	138,712	124,324	139,685	50,176	20,282	13,473
Total	1,137,656	1,107,605	1,082,867	435,827	201,654	145,988

Table continued on next page.

³⁸ Commerce revoked the antidumping duty order with respect to Habas subsequent to its expedited five-year review. *Certain Steel Concrete Reinforcing Bars from Turkey; Final Results of Antidumping Duty Administrative Review and Determination to Revoke in Part*, 73 FR 66218, November 7, 2008.

³⁹ This excludes Colakoglu, ICDAS, and Diler, for which the order had been revoked prior to Commerce’s review. Commerce has a request pending to reinstate ICDAS in the order. *Certain Steel Concrete Reinforcing Bars from Turkey; Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 73 FR 24534, May 5, 2008.

⁴⁰ Section 754 of the Tariff Act of 1930, as amended (19 U.S.C. § 1675(c)).

Table I-4--Continued

Rebar: CDSOA disbursements, by firm, and total claims, Federal fiscal years 2002-07

Item	Federal fiscal year					
	2002	2003	2004	2005	2006	2007
Claims (1,000 dollars)						
Total	3,577,133	1,493,172	4,722,421	6,258,080	8,746,628	11,231,831
¹ Listed in CDSOA records in 2002 as Ameristeel and in 2003 as GerdauAmeristeel. ² Listed in CDSOA records from 2002-05 as Marion Steel Co., which was the predecessor to Nucor Steel Marion. Note.-Because of rounding, figures may not add to the totals shown. Source: U.S. Customs and Border Protection's CDSOA <i>Annual Reports</i> . Retrieved from http://www.customs.gov/xp/cgov/trade/priority_trade/add_cvd/cont_dump/ .						

THE SUBJECT MERCHANDISE

Commerce's Scope

The imported merchandise subject to the antidumping duty order under review, as defined by Commerce, is

all stock deformed steel concrete reinforcing bars sold in straight lengths and coils.⁴¹
 This includes all hot-rolled deformed rebar rolled from billet steel, rail steel, axle steel, or low-alloy steel. It excludes: (i) plain round rebar; (ii) rebar that a processor has further worked or fabricated; and (iii) all coated rebar. Deformed rebar is currently classifiable in the Harmonized Tariff Schedule of the United States (HTS) under subheadings 7213.10.00 and 7214.20.00.⁴²

Unless otherwise specified, this report will refer to the subject merchandise as defined by Commerce and its domestically produced counterpart simply as "rebar."

Tariff Treatment

HTS subheading 7213.10.00 covers hot-rolled concrete reinforcing bars and rods, of iron or nonalloy steel, in irregularly wound coils. HTS subheading 7214.20.00 covers other (i.e., not in irregularly wound coils) concrete reinforcing bars and rods, of iron or nonalloy steel, that are not further worked than forged, hot-rolled, hot-drawn, or hot-extruded, but including those twisted after rolling. The 2008 general rate of duty for both of these subheadings is free. There are several subheadings, delineated by steel composition, under HTS headings 7222 (products of stainless steel) and 7228 (of alloy steel) for bars and rods, whether or not in irregularly wound coils, and not further worked than hot-rolled, hot-drawn, or extruded. However, concrete reinforcing bars are not specifically mentioned under any of these subheadings, and any such imports under those subheadings are believed to be minimal.

⁴¹ "Stock" rebar is unfabricated or not further processed. "Deformed" refers to the pattern of uniformly shaped surface protrusions or ribs running across, and evenly spaced along, the length of a rebar.

⁴² *See Certain Steel Concrete Reinforcing Bars from Turkey; Final Results of the Expedited Sunset Review of the Antidumping Duty Order*, 73 FR 24534, May 5, 2008. Commerce stated that although the HTS subheadings are provided for convenience and customs purposes, its written description of the scope is dispositive.

THE DOMESTIC LIKE PRODUCT⁴³

Description and Applications

The construction industry uses rebar extensively to provide structural reinforcement to concrete structures, embedding the rebar in concrete to enhance its compressional and tensional strength as well as to control cracking as the concrete shrinks during curing or due to temperature fluctuations. Because the surface protrusions (deformations) on a deformed bar inhibit longitudinal movement relative to the surrounding concrete, rebar resists tension, compression, temperature variation, and shear stresses in reinforced concrete. During construction, rebar is placed in a form and concrete from a mixer is poured over it. Once the concrete has set, deformation is resisted and stresses are transferred from the concrete to the steel reinforcement by friction and adhesion along the surface of the steel.

Rebar for the U.S. market generally is manufactured to conform with the test standards of the American Society for Testing and Materials (“ASTM”) International^{44 45} standards which specify for each bar size the nominal unit weight, nominal dimensions, and deformation requirements (dimension and spacing of deformations), as well as chemical composition, tensile strength, yield strength (grade), and elongation tolerances.⁴⁶ There are several ASTM specifications for rebar, based on steel composition.⁴⁷ Generally, deformed rebars of these various ASTM specifications are interchangeable except for use in seismic areas.⁴⁸

⁴³ The information in this section of the report is derived from *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 877-880, and 882 (Review)*, USITC Publication 3933, July 2007; and *Steel Concrete Reinforcing Bar from Turkey, Inv. No. 731-TA-745 (Review)*, USITC Publication 3577, February 2003.

⁴⁴ ASTM International (previously ASTM, before December 11, 2001), based in West Conshohocken PA, claims to be one of the world's largest organizations, “...that provides a global forum for the development and publication of voluntary consensus standards for materials, products, systems, and services.” Individual members are technical specialists representing producers, users, consumers, government, and academia from over 120 countries. ASTM International, “About ASTM International, Overview,” found at <http://www.astm.org/ABOUT/index.html>, retrieved on November 4, 2008; and “ASTM International, Name Change Reflects Global Scope,” news release #6261, December 11, 2001.

⁴⁵ ASTM International is not a product testing and certification organization. Rather, manufacturers can choose voluntarily to indicate on the label or packaging that their products have been tested according to ASTM standards. ASTM International, “Answers to Frequently Asked Questions,” found at http://www.astm.org/FAQ/whatisastm_answers.html#anchor1, retrieved on November 4, 2008.

⁴⁶ The ASTM standards apply to both deformed and plain-round rebar, whether in straight lengths or coiled. There are separate and non-interchangeable standards for rebar with dimensions and designations in English units (e.g., ASTM A615) versus SI (metric) units (e.g., ASTM A615M).

⁴⁷ Both deformed and plain rebar are most commonly rolled from nonalloy billet steel to the requirements of ASTM A615/A615M. Rebar can also be re-rolled from the head (top) portion slit from scrapped nonalloy steel rails or re-rolled from scrapped axles of railroad rolling stock and locomotives (ASTM A996/A996M deformed rebar of either rail or axle steel, A616/A616M deformed and plain rebar of rail steel, and A617/A617M deformed and plain rebar of axle steel). For special applications (e.g., in seismic areas) that require a combination of strength, weldability, ductility, and bendability, ASTM A706/A706M (a high-strength low-alloy (HSLA) steel) is specified. Certain forged rebars of nonalloy or HSLA steel are covered under ASTM A970/A970M. There is also a standard for deformed and plain rebar of stainless steel (ASTM A955/A995M) for special applications requiring corrosion resistance (e.g., for long-term resistance to road salts and de-icing chemicals on bridges) or controlled magnetic permeability (e.g., for avoiding interference with hospital imaging equipment).

⁴⁸ *Steel Concrete Reinforcing Bars from Turkey, Inv. No. 732-TA-745 (Final)*, USITC Publication 3034, April 1997.

Among the specifications for rebar used outside the United States, those of the British Standards Institute⁴⁹ are commonly required for shipments of Turkish rebar in its major foreign markets, particularly the Middle East.⁵⁰ Table I-5 of the mechanical properties delineated in the more common U.S. and British standards for deformed rebar.

To conform with ASTM specifications, deformed and plain rebars are identified by distinguishing sets of raised marks legibly rolled onto the surface of one side of the bar to denote, in order, the producer's hallmark, mill designation, size designation, specification of the type of steel, and minimum-yield designation. Guidelines for use of deformed rebar in building construction are provided by the American Concrete Institute (ACI) 318 Code and in highway and bridge construction by the American Association of State Highway and Transportation Officials (AASHTO) Standard Specifications. Contents of the two specifications are similar and are applicable throughout the continental United States and in Puerto Rico.⁵¹

Rebar is available in sizes #3 through #18 specified by ASTM standards. These size indicators are about 8 times the respective nominal diameters⁵² in inches (e.g., 3/8-inch bar is designated as size #3 and 1-inch rebar is designated as size #8), although this relationship diverges somewhat for rebar larger than size #9.⁵³ Table I-6 presents data on U.S. producers' production and U.S. importers' imports of rebar in 2007 by size. Domestic rebar was concentrated in sizes #4 through #6, while imports of rebar from Turkey and from other all other sources were most concentrated in sizes #3 through #5.

⁴⁹ BSI British Standards, based in London, is the National Standards Body of the United Kingdom, dedicated to the devising product standards. Its BSI Product Services provides product testing services for a wide range of industrial and consumer products. However, UK CARES, based in Kent, is the certification authority in the United Kingdom for reinforcing steels. BSI Group, "About BSI Group," available at <http://www.bsigroup.com/en/About-BSI>, retrieved on November 4, 2008; and UK CARES, "CARES," available at <http://www.ukcares.co.uk/>, retrieved on November 4, 2008.

⁵⁰ Hearing transcript, pp. 182 and 212 (Sukan).

⁵¹ *Certain Steel Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine, Invs. Nos. 731-TA-875, 880, and 882 (Final)*, USITC Publication 3425, May 2001.

⁵² Nominal diameters of deformed rebar are equivalent to those of plain round bars of the same unit weight (mass) per foot (meter).

⁵³ Rebar is also available in metric sizes, with nominal diameters from 10 millimeters (mm) to 57 mm specified by ASTM standards.

**Table I-5
Components of U.S. (ASTM) and British standards (BSI) for concrete reinforcing bar**

ASTM A615/A615M–96a (nonalloy billet steel rebar)¹			
Grade designation– A615 {A615M}	40 {300}	60 {420}	75 {520}
Yield strength– min. (<i>kpsi</i> { <i>MPa</i> }) ²	40 {300}	60 {420}	75 {520}
Tensile strength– min. (<i>kpsi</i> { <i>MPa</i> })	70 {500}	90 {620}	100 {690}
Elongation, by nominal size– A615 {A615M} in 8 in. {203.2 mm} of length, min. (<i>percent</i>):			
#3 {#10}	11	9	(³)
#4, #5 {#13, #16}	12	9	(³)
#6 {#19}	12	9	7
#7, #8 {#22, #25}	(⁴)	8	7
#9, #10, #11 {#29, #32, #36}	(⁴)	7	6
#14, #18 {#43, #57}	(⁴)	7	6
Size tolerance– nominal weight (<i>percent of lbs per foot</i>) {nominal mass (<i>percent of kgs per meter</i>)}	±6	±6	±6
BS4449:2005 (carbon steel rebar)			
Grade designation	B500A	B500B	B500C
Yield strength– min. (<i>MPa</i>)	500	500	500
Tensile strength per yield strength ratio	1.05	1.08	1.15 min. 1.30 max.
Tensile strength (<i>MPa</i>) ⁵	525	540	575 min. 650 max.
Elongation– min. (<i>percent</i>)	2.5	5.0	7.5
Size tolerance– nominal mass (<i>percent of kgs per meter</i>):			
#6, #8	±6.0	±6.0	±6.0
#10	±4.5	±4.5	±4.5
#12 and above	±12.0	±12.0	±12.0
<p>¹ Values for the ASTM standards are specified in either English (inch-pound) or metric (kg-mm) units, but are not equivalent conversions. <u>Each specification is independent of the other</u>, and any combining of the separate values from these two systems may result in noncompliance with these standards.</p> <p>² Kilo pounds per square inch {Mega pascals}. A pascal is the metric system (SI) unit of force or tension, defined as newtons (the amount of force to impart an acceleration of 1 meter per second per second to a mass of 1 kilogram) per square meter (N/m²). To convert mega (1,000,000) pascals to kilo (1,000 psi, multiply by 0.145.</p> <p>³ Grade 40 {300} rebars are available only in English {metric} sizes 3 through 6 {10 through 19}.</p> <p>⁴ Grade 75 {520} rebars are available only in English {metric} sizes 6 through 18 {19 through 57}.</p> <p>⁵ Calculated from specified yield strength and ratio of tensile strength to yield strength.</p>			
<p>Source: American Society for Testing and Materials (ASTM), "A615M Standard Specification for Deformed and Plain Billet-Steel Bars for Concrete Reinforcement," <i>Annual Book of ASTM Standards 2000, Section One, Iron and Steel Products, vol. 01.04, Steel– Structural, Reinforcing, Pressure Vessel, Railway</i>, ASTM, West Conshohocken, PA, 2000, pp. 293-297; U.K. CARES, <i>CARES Guide to Reinforcing Steels</i>, "Part 10, Standards, Codes, and Regulations," UK CARES, Kent, United Kingdom, available at http://www.ukcares.co.uk/CARESGuides.htm, retrieved November 4, 2008; "Units and Standards," Table 3, Principal Units-- Symbols, Definitions, Dimensions, <i>Van Nostrand's Scientific Encyclopedia</i>, D.M. Considine and G.D. Considine, eds., 6th edn., Van Nostrand Reinhold Co., New York, 1983, p. 2891; and "Conversion Factors," <i>CRC Handbook of Chemistry and Physics</i>, R.C. Weast, ed., (Chemical Rubber Corp.) CRC Press Inc., Cleveland, OH, 1974, pp. F-298 and F-302.</p>			

Table I-6
Rebar: U.S. producers' production and importers' imports, by size, in 2007

Item	Size by number											
	3	4	5	6	7	8	9	10	11	14/18	Other	Total
Quantity (short tons)												
U.S. production:												
Inside the region	***	***	***	***	***	***	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***	***	***	***	***	***	***
Total	295,809	1,850,195	2,114,777	1,212,704	572,543	647,077	490,193	311,705	503,158	47,573	242,942	8,288,675
U.S. imports:												
Turkey:												
Still included in AD order	***	***	***	***	***	***	***	***	***	***	***	***
Excluded as of 11/08/05	***	***	***	***	***	***	***	***	***	***	***	***
Excluded as of 11/06/07	***	***	***	***	***	***	***	***	***	***	***	***
Excluded as of 11/07/08	***	***	***	***	***	***	***	***	***	***	***	***
All other	211,214	294,715	205,843	106,707	22,374	21,553	4,028	3,332	6,376	0	0	876,141
Total	287,737	434,073	279,932	138,093	33,403	33,011	4,915	3,988	7,374	0	0	1,222,526
Share of quantity (percent)												
U.S. production:												
Inside the region	***	***	***	***	***	***	***	***	***	***	***	100.0
Outside the region	***	***	***	***	***	***	***	***	***	***	***	100.0
Total	3.6	22.3	25.5	14.6	6.9	7.8	5.9	3.8	6.1	0.6	2.9	100.0
U.S. imports:												
Turkey:												
Still included in AD order	***	***	***	***	***	***	***	***	***	***	***	100.0
Excluded as of 11/08/05	***	***	***	***	***	***	***	***	***	***	***	100.0
Excluded as of 11/06/07	***	***	***	***	***	***	***	***	***	***	***	100.0
Excluded as of 11/07/08	***	***	***	***	***	***	***	***	***	***	***	100.0
All other	24.1	33.6	23.5	12.2	2.6	2.5	0.5	0.4	0.7	0.0	0.0	100.0
Total	23.5	35.5	22.9	11.3	2.7	2.7	0.4	0.3	0.6	0.0	0.0	100.0
Note.—ICDAS Celik excluded as of November 8, 2005; Colakoglu and Diler excluded as of November 6, 2007; Habas excluded as of November 7, 2008; all other Turkish producers included.												
Source: Compiled from data submitted in response to Commission questionnaires.												

Rebar is available from mills in various lengths, from less than 20 feet to more than 60 feet. According to representatives of two domestic rebar producers, there may be slight differences in prices between 20-, 40-, and 60-foot lengths, but typically prices are the same regardless of length; nevertheless, prices have been lower in the past for 20-foot lengths to be more competitive with imports.⁵⁴ Table I-7 presents data on U.S. producers' production and U.S. importers' imports of rebar in 2007 by length. Domestic rebar production is particularly prevalent in lengths of greater than or equal to 60 feet, whereas U.S. imports of rebar from Turkey are most concentrated in lengths of 20-40 feet. A domestic distributor and fabricator of rebar reported paying a lesser price for 20-foot lengths in competition with imports, and a somewhat higher price for 60-foot lengths, a reflection of the additional freight handling costs of longer-length flat-bed truck trailers than for transporting 40-foot and 60-foot lengths.⁵⁵ Rebar prices are examined in more detail in Part V.

⁵⁴ *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 877-880, and 882 (Review)*, USITC Publication 3933, July 2007, p. I-21.

⁵⁵ *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 877-880, and 882 (Review)*, USITC Publication 3933, July 2007, p. I-21.

Table I-7

Rebar: U.S. producers' production and importers' imports, by source and length, 2007

Item	Length				Total
	< 20'	≥20' but <40'	≥40' but <60'	≥60'	
Quantity (short tons)					
U.S. production:					
Inside the region	***	***	***	***	***
Outside the region	***	***	***	***	***
Total	457,711	2,063,072	2,320,718	3,450,425	8,291,926
U.S. imports:					
Turkey:					
Included in AD order	***	***	***	***	***
Excluded as of 11/08/05	***	***	***	***	***
Excluded as of 11/06/07	***	***	***	***	***
Excluded as of 11/07/08	***	***	***	***	***
Total from Turkey	0	158,645	168,999	18,811	346,456
All other	61,059	500,802	288,227	23,949	874,037
Total	61,059	659,447	457,227	42,760	1,220,463
Share of quantity (percent)					
U.S. production:					
Inside the region	***	***	***	***	100.0
Outside the region	***	***	***	***	100.0
Total	5.5	24.9	28.0	41.6	100.0
U.S. imports:					
Turkey:					
Included in AD order	***	***	***	***	***
Excluded as of 11/08/05	***	***	***	***	***
Excluded as of 11/06/07	***	***	***	***	***
Excluded as of 11/07/08	***	***	***	***	***
Total from Turkey	0.0	45.8	48.8	5.4	100.0
All other	7.0	57.3	33.0	2.7	100.0
Total	5.0	54.0	37.5	3.5	100.0
Note.—ICDAS Celik excluded as of November 8, 2005; Colakoglu and Diler excluded as of November 6, 2007; Habas excluded as of November 7, 2008; all other Turkish producers included.					
Source: Compiled from data submitted in response to Commission questionnaires.					

Certain rebar sizes and lengths tend to predominate among end uses. A considerable portion of smaller sizes #3–#5 are applied to light construction applications (e.g., residences, swimming pools, patios, and walkways). By contrast, heavy construction applications (e.g., high-rise buildings, commercial facilities, industrial structures, bridges, roads, etc.) utilize all sizes and lengths.⁵⁶ Nevertheless, the larger sizes (#6 and above) and longer lengths (e.g., 60 foot and above) are almost exclusively utilized in heavy construction applications.⁵⁷

⁵⁶ More specifically, nuclear projects utilize size-18 rebar, spaced very closely together. Highway construction utilizes size-6 through size-8 rebar, depending on spacing. Hearing transcript, p. 152 (Kerkvliet).

⁵⁷ *Steel Concrete Reinforcing Bars from Turkey, Inv. No. 732-TA-745 (Review)*, USITC Publication 3577, February 2003.

Manufacturing Process

Rebar mills typically specialize in producing their rebar either from (1) billet steel, (2) rail steel, or (3) axle steel, because each involves different starting materials and imposes somewhat different rolling requirements. The most common manufacturing process for deformed rebar from billet steel consists of three stages: (1) melting steel scrap, (2) casting billets, and (3) hot-rolling the bar. In contrast, the manufacturing process for rebar from scrapped rail or axle steel, or from purchased billets, requires only the rolling stage.

In the United States, non-integrated “mini-mills” produce rebar by melting steel scrap in electric arc furnaces. Once molten, liquid steel is poured from the furnace into a refractory-lined ladle, where any necessary alloys are added to affect the required chemical and physical properties. Molten steel must be cast into billets of the size and shape suitable for the rolling process. In the more common continuous (strand-) casting process, molten steel is poured from the ladle into a tundish (reservoir dam) which controls the rate of flow into the molds of the caster. A solid “skin” forms around the molten steel at the top openings of the molds, and as the columns of partially solidified steel descend through the caster, water sprays rapidly cool the cast steel (which helps minimize compositional segregation) to the point that the strands are completely solidified when emerging from the bottom of the caster. Lengths of continuous-cast billets are flame cut at intervals, and then may either be sent directly for further processing or be cooled on a cooling bed and subsequently stored for later use.

Prior to rolling, newly cast billets, scrapped rails,⁵⁸ or scrapped railroad axles are heated to rolling temperature in a reheat furnace. The steel is reduced in size as it passes through successive rolling stands. Most modern rolling mills are in-line, and rebar of different sizes can be produced by changing the rolls. Deformations are rolled onto the surface of the rebar as it passes through the final finishing stand, which has patterns cut into the grooves of the rolls.⁵⁹ After the rolling process, rebar is cut to length, before being sent to the cooling bed. Coiled rebar is produced by steel mills with laying heads (coilers), which most mills producing straight-length bar lack.⁶⁰ Mills with laying heads usually also produce steel wire rod.

Many U.S. producers of rebar produce additional products using the same equipment, machinery, and production workers that are used to produce straight-length rebar. Other products include wire rod, merchant bar, special bar quality (SBQ), and fence and sign posts. Alternative products produced by U.S. mills are discussed in greater detail in Part III of this report.

DOMESTIC LIKE PRODUCT ISSUES

In both its preliminary and final determinations in the original investigation, the Commission found that there was one domestic like product, coextensive with the scope of the investigation defined by Commerce as: “all stock deformed steel concrete reinforcing bars sold in straight lengths and coils. This includes all hot-rolled deformed rebar, rolled from billet steel, rail steel, axle steel, or low-alloy steel. It excludes (i) plain round rebar, (ii) rebar that a processor has further worked or fabricated, and (iii) all

⁵⁸ For re-rolling rebar (or other bars or shapes) from scrapped nonalloy steel rails, the head (top) portion is slit from the web (middle) and foot (bottom) portions of the reheated rail. The slit head portion is used for rebar production whereas the web and foot portions can be re-rolled into other steel mill products including channels, angles, and flats.

⁵⁹ When rolling plain rebar, with uniformly smooth surfaces rather than with deformations, smooth-grooved rolls are substituted in the final finishing stand.

⁶⁰ Domestic facilities capable of producing coiled rebar are Gerdau-Ameristeel’s mills in Jacksonville, FL, Perth Amboy, NJ, and Beaumont, TX; Cascade’s mill in McMinnville, OR; Rocky Mountain Steel’s mill in Pueblo, CO; and Nucor’s mill in Plymouth, UT. Mills located in Texas, Oregon, Colorado, and Utah are outside the Eastern-tier region. Domestic producers’ questionnaire responses.

coated rebar.”⁶¹ In its notice of institution in this five-year review, the Commission solicited comments from interested parties regarding the appropriate domestic like product and domestic industry. Domestic interested parties agreed with the Commission’s definitions⁶² and foreign interested parties did not object, but reserved the right to address the domestic like product issue in the course of the sunset review proceeding.⁶³ No party requested that the Commission collect data concerning other possible domestic like products in their comments on the Commission’s draft questionnaires. Subsequently, the parties raised no domestic like product issues during the hearing or in their briefs.

U.S. MARKET PARTICIPANTS

U.S. Producers

The Commission sent producer questionnaires to 10 firms known to be capable of producing rebar.⁶⁴ ⁶⁵ Nine firms, encompassing 29 mills in which rebar is produced, supplied the Commission with complete information on their rebar operations in the United States. An additional firm, Bayou Steel (Harriman, TN), was capable of producing the product, but was generally inactive in the production or marketing of those products.⁶⁶ Eleven of the mills are located in the Eastern-tier region and the other 18 are located outside the region. Three domestic interested parties (Commercial Metals Co., Gerdau Ameristeel, and Nucor) in the second review⁶⁷ accounted for 100 percent of reported U.S. production within the region and almost *** percent of all reported rebar production in the United States during 2007. Tables I-8 and I-9 present information on the producers both within and outside the specified region. None of these rebar producers were identified as related parties in these reviews.

Five firms are owned by rebar producers located in nonsubject countries. Gerdau Ameristeel U.S. Inc.’s parent company, Gerdau Ameristeel Corp., of Ontario, Canada, is ***-percent owned by Gerdau S.A., based in Brazil. TAMCO Steel is ***-percent owned by Tokyo Steel Manufacturing Co. Ltd., a Japanese producer. Border Steel, and other facilities ultimately owned by Mexican long-products producer Sicartsa, were acquired from its Mexican parent company, Grupo Villacero, by Luxembourg-

⁶¹ In the final phase of the original investigations, petitioners proposed finding two domestic like product categories based on size, stating that “the domestic product category most ‘like’ the imported subject merchandise is small bar,” while respondents continued to support the Commission’s definition of one like product in the preliminary phase investigation. *Steel Concrete Reinforcing Bars from Turkey, Inv. No. 731-TA-745 (Final)*, USITC Publication 3034, April 1997, pp. 4–6.

⁶² *Response* of the domestic interested parties, March 25, 2008, p. 25.

⁶³ *Response* of Ekinciler Demir ve Celik Sanayi A.S., March 25, 2008, p. 10; *Response* of Izmir Demir Celik Sanayi A.S., March 25, 2008, p. 10; *Response* of Kaptan Demir Celik Endustrisi ve Ticaret A.S., March 25, 2008, p. 10.

⁶⁴ See Table III-1 for planned rebar mills, both within and outside the region.

⁶⁵ Three additional firms, encompassing four mills, were identified as producers of stainless steel bar products, with either past histories or current potential capabilities of producing rebar: North American Stainless (Ghent, KY) and Universal Stainless and Alloy Products (Bridgeville, PA, Dunkirk, NY) are within the Eastern-tier region; whereas Valbruna Slater Stainless (Fort Wayne, IN) is outside this region. These producers were not sent producer questionnaires, due to the very low share of stainless steel in the rebar market, estimated at 0.033 percent worldwide, compared to 1-2 percent for other steel mill products. Philip Price, “SMR Stainless Conference: Outokumpu Urges New Approach to Stainless Rebar Market,” *American Metal Market*, November 12, 2008. For more information about these three stainless-steel bar producers, see figures I-1 and I-2, and table III-1.

⁶⁶ Bayou Steel Corp. ***. With the acquisition of Bayou Steel by ArcelorMittal in August 2008, ***. ***, written correspondence to USITC staff, July 30, 2008.

⁶⁷ For more information about these former members of the petitioning coalition in the original investigation and in the first review, see table III-1 in Part III of this report.

based ArcelorMittal in April 2007. Bayou Steel, which can produce rebar at its rolling mill in Harriman, TN, was acquired by ArcelorMittal in June 2008. Rocky Mountain Steel Mills was among the facilities acquired when the Russia-based Evraz Group S.A. bought out Rocky Mountain's parent company, Oregon Steel Mills, in January 2007.

Table I-8

Rebar: U.S. producers with mills inside the Eastern-tier region, their positions on continuing the antidumping duty order, their shares of regional and national U.S. production reported in 2007, their U.S. production locations inside the region, and their parent companies

Firm	Position on continuing the antidumping duty order	Production location(s)	Share of regional/national production (percent)	Parent company and country
Commercial Metals Co.	Domestic interested party	Cayce, SC	***	Commercial Metals Co. (U.S.)
Gerdau AmeriSteel Corp.	Domestic interested party	Baldwin, FL Charlotte, NC Perth Amboy, NJ Sayerville, NJ ¹ Jackson, TN Knoxville, TN	***	Gerdau S.A. (Brazil)
Nucor Corp.	Domestic interested party	Birmingham, AL ² Jackson, MS ² Auburn, NY Darlington, SC	***	Nucor Corp. (U.S.)

¹ Facility acquired by Gerdau AmeriSteel as result of merger with Co-Steel in 2002.

² Birmingham Steel, including its rebar facilities in Birmingham, AL and Jackson, MS (located within Eastern-tier region) was acquired by Nucor in 2002.

Note.- ArcelorMittal has a wire rod producing facility located in Georgetown, SC, that produced and sold coiled rebar on a limited basis in 2007 and 2008. ***.

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

Table I-9

Rebar: U.S. producers with mills outside the Eastern-tier region, their positions on continuing the antidumping duty order, their shares of reported outside-of-region and national U.S. production in 2007, their U.S. production locations outside the region, and their parent companies

Firm	Position on continuing the antidumping duty order	Production location(s)	Share of outside-of-region/national production (percent)	Parent company and country
AB Steel Mill, Inc.	***	Cincinnati, OH	***	AB Steel Mill, Inc. (U.S.)
ArcelorMittal Vinton, Inc. ¹	***	Vinton, TX	***	ArcelorMittal, S.A. (Luxembourg)
Cascade Steel Rolling Mills, Inc.	***	McMinnville, OR	***	Schnitzer Steel Industries, Inc. (U.S.)
Commercial Metals Co.	Domestic interested party	Magnolia, AR Seguin, TX	***	Commercial Metals Co. (U.S.)
Gerdau Ameristeel Corp.	Domestic interested party	Wilton, IA ² St. Paul, MN ² Sand Springs, OK ³ Midlothian, TX ⁴ West Vidor, TX ²	***	Gerdau S.A. (Brazil)
Nucor Corp.	Domestic interested party	Bourbonnais, IL ⁵ Marion, OH ⁶ Jewett, TX Plymouth, UT Seattle, WA ⁵	***	Nucor Corp. (U.S.)
Evraz Rocky Mountain Steel	***	Pueblo, CO	***	Evraz Inc. NA (Russia) ⁷
Steel Dynamics, Inc.	***	Pittsboro, IN	***	Steel Dynamics, Inc. (U.S.)
TAMCO	***	Rancho Cucamonga, CA	***	Ameron International, Corp. (U.S.): ***%; Tokyo Steel Mfg. Co. Ltd. (Japan): ***%; Mitsui & Co. USA, Inc. (U.S.): ***%

¹ Formerly Border Steel Inc. Company was acquired by the ArcelorMittal Group in 2007.

² Former North Star Steel assets acquired by Gerdau Ameristeel from Cargill in 2004.

³ Sheffield Steel, including its rebar facility in Sand Springs, OK, was acquired by Gerdau Ameristeel in 2006.

⁴ Chapparral Steel, including its rebar facility in Midlothian, TX, was acquired by Gerdau Ameristeel in 2007.

⁵ Birmingham Steel, including its rebar facilities in Bourbonnais, IL and Seattle, WA (located outside of the Eastern-tier region) was acquired by Nucor in 2002.

⁶ Marion Steel was acquired by Nucor in 2005.

⁷ Rocky Mountain Steel and its U.S. parent company, Oregon Steel Mills, was acquired by the Evraz Group S.A. in January 2007.

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

The domestic rebar industry, once characterized as among the more highly fragmented segments of the U.S. steel industry,^{68 69} has undergone significant restructuring since the previous review (1997-2001) and final investigation (1994-96). Among the rationales cited for domestic industry restructuring by steel industry representatives and observers is that consolidation would effect a more orderly market with greater price stability,⁷⁰ and enable U.S. steelmakers to better control their output volume and

⁶⁸ “Seamless Integration,” *Metal Bulletin*, June 8, 2007.

⁶⁹ Likewise, the entire minimill segment of the U.S. steel industry was also characterized as “too fragmented,” and in need of consolidation and rationalization for future competitiveness. Dan DiMicco, Vice Chairman, President, and Chief Executive Officer, Nucor, cited in “Tough Talk on 201 Trade Relief, Mini-mill Roundtable,” *American Metal Market*, February 25, 2002.

⁷⁰ Keith Busse, President and Chief Executive Officer, Steel Dynamics, cited in “They Might Be Giants,” *Metal Bulletin*, December 2, 2002.

enhance their market leverage vis-a-vis steel-consuming customers.^{71 72} As a result, the structure of the U.S. industry became increasingly concentrated and foreign-owned, through bankruptcies, exits, mergers, and buyouts. For example, Nucor acquired the remaining minimills of Birmingham Steel after the latter declared bankruptcy and ceased production in June 2002. After parent-firm Cargill Corp. decided to exit the industry,⁷³ it sold North Star's remaining minimills to Gerdau Ameristeel in November 2002.⁷⁴ With fewer and larger firms increasingly dominating the U.S. rebar industry through mergers and acquisitions, the remaining smaller producers were relegated to competing for regional or niche-product markets.⁷⁵ Nevertheless, the major producers also increasingly pursued these smaller producers, to continue expanding their regional market coverage of complimentary products (e.g., Nucor's buyouts of Marion Steel and Connecticut Steel)⁷⁶ and expand into new product offerings (e.g., Gerdau Ameristeel's buyout of Chaparral Steel).⁷⁷ Foreign-based steelmakers entered the U.S. rebar industry because they considered North America to be good market for foreign direct investment, according to a representative of a U.S. steelmaker.⁷⁸ Gerdau (Brazil) entered the U.S. industry through its purchase of Ameristeel in August 1999 and expanded its North American presence by subsequently merging with Co-Steel (Canada), which had minimills in both Canada and the United States. More recently, the Evraz Group (Russia) entered in November 2006 by purchasing Oregon Steel Mills. Regarding the potential for further consolidation, a steel industry observer recently noted that most of the readily available steelmaking firms have already been acquired.⁷⁹

Thus, while the rebar industry in the United States included eight producers located in the Eastern-tier region (four of which operated seven of the approximately eighteen production facilities outside the region) in 1996, it now includes three major producers in the Eastern-tier region (each of operates production facilities outside the region). In total, the three major producers located within the Eastern-tier region now operate twelve of the eighteen production facilities located outside the region. Most of this change has taken place since 2001. Figures I-1 and I-2 illustrate the changes in corporate ownership that have occurred, both within and outside the Eastern-tier region, respectively, since the previous review.

⁷¹ Charles Bradford, Metals Analyst and Principal, Bradford Research/Soleil Securities, cited in "U.S. Steel Restructures," *Metal Bulletin*, August 1, 2008.

⁷² Other benefits to a larger firm with numerous facilities as a result of consolidation include: 1) shared overhead, research and development, and other costs, 2) specialization of output and products among the most suitable facilities, 3) increased production flexibility, 4) rationalization of higher-cost facilities, and wider geographic range and product mix. Dick McLaughlin, Practice Director and Principal Consultant, Hatch Beddows, and Philip Casey, President and Chief Executive Officer, Gerdau Ameristeel, cited in "Big Steel Gets Bigger," *Metal Bulletin*, August 4, 2005.

⁷³ Philip Burgert, "Whither North Star Steel? Tired of Chronically Thin Harvests, Cargill Appears Poised to Pull Up Roots," *American Metal Market*, December 9, 2002.

⁷⁴ "Ameristeel Completes North Star Purchases," *Metal Bulletin*, November 2, 2004; and "Gerdau Buys North Star Steel Assets," *Metal Bulletin*, September 10, 2004.

⁷⁵ Scott Robinson, "Where Giants Rule Mergers Spur Big Changes in the Bar Mart," *American Metal Market*, December 9, 2002.

⁷⁶ Nucor, "Nucor to Purchase Assets of Marion Steel," news release, April 18, 2005; and Nucor, "Nucor to Purchase Assets of Connecticut Steel," news release, March 21, 2007.

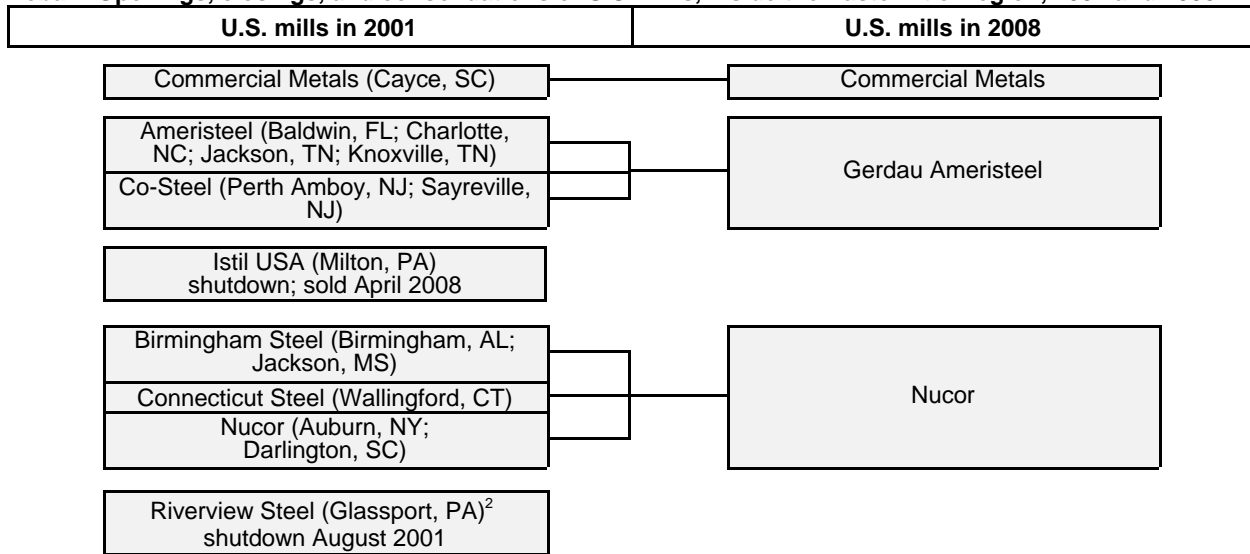
⁷⁷ Gerdau Ameristeel, "Gerdau Ameristeel Announces Completion of Acquisition of Chaparral Steel Company," press release, September 14, 2007.

⁷⁸ Bob DiCianni, Manager of Marketing, ArcelorMittal USA, cited in "U.S. Steel Restructures," *Metal Bulletin*, August 1, 2008.

⁷⁹ Charles Bradford, Metals Analyst and Principal, Bradford Research/Soleil Securities, cited in "U.S. Steel Restructures," *Metal Bulletin*, August 1, 2008.

Figure I-1

Rebar: Openings, closings, and consolidations of U.S. mills, inside the Eastern-tier region, 2001 and 2008



¹ Representative of the Milton, PA, Chamber of Commerce, staff telephone interview, November 5, 2008.

² Subsequently reopened as Allegheny Rebar Inc., but was shutdown and out of business by late 2005. Representative of the Borough of Glassport, PA, staff telephone interview, November 12, 2008.

Note.— Bayou Steel (acquired by Arcelor Mittal in June 2008) previously produced nonalloy-steel rebar at its minimill in Harriman, TN. North American Stainless (Ghent, KY) expanded production into stainless long-products, including rebar, in May 2003. Universal Stainless and Alloy Products acquired former Empire Specialty Steel (Dunkirk, NY) that produced stainless steel rebar. However, Universal's current website does not specifically mention stainless steel rebar among its available products.

Source: Compiled from information submitted in response to Commission questionnaires; Staff Report, January 24, 2003 (INV-AA-005), p. I-15; and Staff Report, September 25, 2008 (INV-FF-122), pp. I-34, and III-3 to III-4.

Figure I-2
Rebar: Openings, closings, and consolidations of U.S. mills, outside the Eastern-tier region, 2001 and 2008



¹ Slater Steel acquired this mill from Auburn Steel in September 2002, and subsequently sold it to Nucor in June 2003.

Note.—Slater Steel's stainless-steel bar mill in Fort Wayne, IN, was acquired by Valbruna Stainless (Italy) in February 2004, and renamed it "Valbruna Slater Steel." Valbruna Slater Steel produces stainless and nickel alloy steel round bars. The web page of Valbruna Stainless offers stainless steel rebar but does not specify from its mills in Fort Wayne, IN, or home-country Italy.

Source: Compiled from information submitted in response to Commission questionnaires; *Staff Report*, January 23, 2003, (INV-AA-005), p. I-16; and *Staff Report*, September 25, 2008 (INV-FF-122), pp. I-35, and III-2 to III-3.

U.S. Importers

Twenty-eight U.S. importers provided data in response to the Commission's questionnaires. These companies account for a substantial share of rebar imports from all sources (ranging from 53.0 to 83.6 percent during 2002-07). One importer replied that it did not import rebar from any country during the review period. Five were not able to be contacted by Commission staff. Importers were concentrated in New York and Florida within the specified region, and in Texas outside the region. Eighteen importers reported data for imports from Turkey: ***. Among these U.S. importers, the firm with the most imports of rebar from subject Turkish producers was ***, with over *** short tons imported in 2007. *** was the largest importer of rebar from current nonsubject Turkish producers, with over *** short tons imported in 2007.⁸⁰ As indicated in the table, many U.S. importers are part of larger independent steel trading enterprises.⁸¹ Other U.S. importers, however, are directly affiliated with steel

⁸⁰ Current subject Turkish producers include all Turkish rebar producers except Colakoglu, Diler, ICDAS, and Habas. Commerce revoked the antidumping duty order with respect to these companies in November 2005 (ICDAS), November 2007 (Colakoglu and Diler), and November 2008 (Habas), respectively.

⁸¹ For example, Aceminor is described as "international distributors of steel and raw materials. Our network of offices provides services for all aspects of international steel trading, including marketing, logistics, finance and after sales support. We act as an entirely independent trading house. We are proud of our reputation in the industry as a dependable business partner." *Aceminor Corporate Website*, found at <http://www.aceminor.com/>, retrieved on November 14, 2008. Similarly, CCC (now an integral element of Coutinho & Ferrostaal), characterized itself as

(including rebar) production operations. Included in this latter category are several Turkish producers that ***.⁸² Table 1-10 presents a summary of information regarding U.S. importers of rebar from all sources.

Table I-10
Rebar: Importers, source of imports, headquarters, and parent company

Firm	Source of imports	Headquarters	Import share ¹	Parent company
Aceminor USA LLC	***	Eatontown, NJ	***	None
ArcelorMittal International America, LLC	***	Chicago, IL	***	ArcelorMittal S.A., Luxembourg ***%
Cargill, Inc.	***	Minnetonka, MN	***	None
Commercial Metals Co. (CMC)	***	Irving, TX	***	None, but related to CMC Dallas Trading, Irving, TX, also owned by CMC
Corus International Trading Ltd.	***	Schaumburg, IL	***	Tata Steel, Inc., Mumbai, India ***%
Coutinho & Ferrostaal GmbH & Co. KG ²	***	Hamburg, Germany (ports of entry inside the region)	***	Coutinho Caro & Co.***%, Ferrostaal Metals Holding, Rosularia ***% Vermogenverwaltungsgess-elschaft ***%. All firms located in Hamburg, Germany.
Coutinho & Ferrostaal, Inc.	***	Houston, TX	***	Man Ferrostaal, Essen, Germany ***%, Villacero, Monterrey, Mexico ***%, MPC, Hamburg, Germany ***
Dantzer, Inc.	***	Miami Lakes, FL	***	None
Dantzer Steel, Inc.	***	Miami Lakes, FL	***	None

Table continued on next page.

“one of the leading independent international steel trading companies with a world-wide network of subsidiaries, representative offices and agencies.” *Welcome to CCC Steel*, found at <http://www.ccc-steel.de/>, retrieved on November 14, 2008. Stemcor describes its principal business as “the international distribution of steel and raw materials.” It notes that it was “founded in 1951 and the knowledge base and global infrastructure we have built up since then have helped to make us one of the leading providers of marketing, finance and logistics services to the steel industry. Today we have a turnover of over \$5 billion and employ nearly 1,000 people across all our operating units.” *Stemcor, Every Step in Steel*, found at http://www.stemcor.com/Every_Step_in_Steel.php, retrieved on November 14, 2008.

⁸² See, e.g., hearing transcript, pp. 227-229 (Ekinci). The foreign trade manager for Ekinciler elaborated that while his company sells through traders it also maintains contact directly with end users in the United States. Mr. Ekinci distinguished Ekinciler’s steel transactions by observing that they take place on a CFR basis. *Ibid.*, p. 228. “CFR” is the incoterm for “cost and freight” (the seller pays the costs and freight to the port).

Table I-10—Continued

Rebar: Importers, source of imports, headquarters, and parent company

Firm	Source of imports	Headquarters	Import share ¹	Parent company
Dongkuk International Inc.	***	Torrance, CA	***	Dongkuk Steel Mill ****%, Union Steel Manufacturing Co. ****%. Firms located in Seoul, Korea.
Duferco Steel, Inc.	***	Matawan, NJ	***	Nina Finance, Luxembourg ****%
Ekinçiler Demir ve Celik Sanayi ve Ticaret A.S. ²	***	Istanbul, Turkey	***	None
Elof Hansson, Inc.	***	Elmsford, NY	***	Elof Hansson AB, Sweden ****%
G&J Import-Export, Inc.	***	Miami, FL	***	None
Gerdau Ameristeel USA	***	Tampa, FL	***	Gerdau SA, Porto Alegre, Brazil ****%
Intermetal-International Metal LLC	***	Miami, FL	***	None
Izmir Demir Celik Sanayi A.S. ²	***	Izmir, Turkey	***	None
Kaptan Demir Celik Endustrisi ve Ticaret A.S. ²	***	Istanbul, Turkey	***	None
Macsteel International USA Corp.	***	White Plains, NY	***	Macsteel International Holdings, BV, Amsterdam, The Netherlands ****%
Metal One America, Inc.	***	Rosemont, IL	***	Metal One Holding, Rosemont, IL ****%
Mitsui & Co. USA, Inc.	***	New York, NY	***	Mitsui & Co. Ltd., Tokyo, Japan ****%
Noble Americas Corp.	***	Stamford, CT	***	Noble Resource SA, Lausanne, Switzerland ****%
Normex Steel, Inc.	***	Brownsville, TX	***	Corporacion Aceros Normex, SA de CV, San Luis Potosi, Mexico ****%
Novosteel USA, Inc.	***	Los Angeles, CA	***	Harris Steel, Charlotte, NC ****%
Pollan Trade, Inc.	***	New York, NY	***	None
S&P Steel Products & Services, Inc.	***	Laredo, TX	***	VI Industries, Inc., Wilmington, DE ****%
SEBA International, Ltd.	***	Houston, TX	***	None
Stemcor USA, Inc.	***	New York, NY	***	Stemcor Holdings, Ltd., London, England ****%
Thyssen Krupp Materials NA, Inc.	***	Southfield, MI	***	TKUSA, Inc., Troy, MI ****%
VA Intertrading AG	***	Houston, TX	***	VA Intertrading AG, Linz, Austria ****%
Weyerhaeuser Co.	***	Federal Way, WA	***	None

¹ Shares of subject and total rebar imports from Turkey into the United States in 2007 (in percent).

² Firms are not U.S. importers but acted as importers of record for rebar brought into the United States during the period for which data were collected.

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

U.S. Purchasers

Questionnaire responses were received from 12 unrelated purchasers and six other (related) purchasers -- ***.⁸³ Among the unrelated purchasers, five function solely as reinforcing bar fabricators, three are solely steel distributors, one is a trading company, one acts as both a steel distributor and a reinforcing bar fabricator, one is a manufacturer of ground control for the mining and tunneling industry, and one acts as both a steel distributor and a building material dealer. Of the related purchasers, three serve solely as reinforcing bar fabricators, one serves as a wholesaler without distribution, one serves as both a steel distributor and a steel service center, and one serves as both a contractor and a reinforcing bar fabricator.

APPARENT U.S. CONSUMPTION AND MARKET SHARES

Tables I-11 through I-15 present apparent U.S. consumption and market shares during the period for which data were collected. On a national basis, apparent consumption generally increased during the period for which data were collected, with a slight decrease in 2007 from the peak quantity in 2006. Regional apparent consumption trends were similar to national trends, with quantity peaking in 2006 and then decreasing modestly in the following year. With respect to regional considerations for market share, non-regional producers continued to maintain a higher level of shipments than regional producers for the national market. Importer market share fluctuated during this period, from a low point in 2003 (when a U.S. safeguard action on rebar was in effect) to a high point in 2006. Subject imports from Turkey followed a similar trend, both regionally and nationally, as did imports by the now-excluded Turkish exporters, though the latter exhibited greater variability than the former in 2006. Lastly, subject imports from Turkey generally accounted for *** percent or less of the regional and national markets, reaching a low in 2003 and then peaking in 2006.⁸⁴ ⁸⁵ Shipments by U.S. producers to Puerto Rico have been less than imports from Turkey into the island, as shown in the tabulation below (quantities in short tons).

* * * * *

⁸³ The six purchasers are ***.

⁸⁴ *Certain Steel Concrete Reinforcing Bars from Turkey: Final Results of the Expedited Sunset Review of the Antidumping Order*, 73 FR 24535, May 5, 2008. *Certain Steel Concrete Reinforcing Bars from Turkey: Final Results of Administrative Review and Determination to Revoke in Part*, 73 FR 66218, November 7, 2008

⁸⁵ However, the quantity of subject imports from Turkey *** between January-June 2007 and January-June 2008, *** excluded imports from Turkey ***.

Table I-11

Rebar: U.S. shipments of domestic product, U.S. imports, by sources, and apparent consumption, total United States, 2002-07, January-June 2007, and January-June 2008

Item	Calendar year						January-June	
	2002	2003	2004	2005	2006	2007	2007	2008
	<i>Quantity (short tons)</i>							
Shipments by regional producers	***	***	***	***	***	***	***	***
Shipments by non-regional producers	***	***	***	***	***	***	***	***
U.S. imports from--								
Turkey (included in AD order)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08)	***	***	***	***	***	***	***	***
All other	1,042,066	896,616	1,203,165	934,819	1,348,441	1,405,793	846,390	411,360
Total U.S. imports	1,276,191	1,019,007	1,916,854	1,424,389	2,587,418	1,860,854	1,144,294	665,188
Apparent consumption	7,785,129	8,842,363	8,980,845	9,191,047	10,373,740	10,101,524	5,389,154	5,335,323
	<i>Value (\$1,000)</i>							
Shipments by regional producers	***	***	***	***	***	***	***	***
Shipments by non-regional producers	***	***	***	***	***	***	***	***
U.S. imports from--								
Turkey (included in AD order)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08)	***	***	***	***	***	***	***	***
All other	233,527	250,272	542,089	393,035	600,255	752,592	419,933	285,094
Total U.S. imports	285,636	285,549	904,826	606,542	1,142,533	996,278	571,633	456,743
Apparent consumption	1,989,472	2,501,049	4,055,557	4,308,637	5,208,982	5,772,062	2,986,975	3,760,411
Note.--Because of rounding, figures may not add to totals shown.								
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.								

Table I-12

Rebar: U.S. shipments of domestic product, U.S. imports, by sources, and apparent consumption, within and outside the Eastern-tier region, 2002-07, January-June 2007, and January-June 2008

* * * * *

Table I-13

Rebar: Apparent consumption and market shares for the total United States, 2002-07, January-June 2007, and January-June 2008

Item	Calendar year						January-June	
	2002	2003	2004	2005	2006	2007	2007	2008
Quantity (short tons)								
Apparent consumption	7,785,129	8,842,363	8,980,845	9,191,047	10,373,740	10,101,524	5,389,154	5,335,323
Value (\$1,000)								
Apparent consumption	1,989,472	2,501,049	4,055,557	4,308,637	5,208,982	5,772,062	2,986,975	3,760,411
Share of quantity (percent)								
Shipments by regional producers	***	***	***	***	***	***	***	***
Shipments by non-regional producers	***	***	***	***	***	***	***	***
U.S. imports from--								
Turkey (included in AD order)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08)	***	***	***	***	***	***	***	***
All other	13.4	10.1	13.4	10.2	13.0	13.9	15.7	7.7
Total U.S. imports	16.4	11.5	21.3	15.5	24.9	18.4	21.2	12.5
Share of value (percent)								
Shipments by regional producers	***	***	***	***	***	***	***	***
Shipments by non-regional producers	***	***	***	***	***	***	***	***
U.S. imports from--								
Turkey (included in AD order)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08)	***	***	***	***	***	***	***	***

Table continued on next page.

Table I-13—Continued

Rebar: Apparent consumption and market shares for the total United States, 2002-07, January-June 2007, and January-June 2008

Item	Calendar year						January-June	
	2002	2003	2004	2005	2006	2007	2007	2008
Share of value (percent)								
All other	11.7	10.0	13.4	9.1	11.5	13.0	14.1	7.6
Total U.S. imports	14.4	11.4	22.3	14.1	21.9	17.3	19.1	12.1
Note.—Because of rounding, figures may not add to totals shown.								
Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.								

Table I-14

Rebar: Apparent consumption and market shares within the Eastern-tier region, 2002-07, January-June 2007, and January-June 2008

* * * * *

Table I-15

Rebar: Apparent consumption and market shares outside the Eastern-tier region, 2002-07, January-June 2007, and January-June 2008

* * * * *

REGIONAL INDUSTRY CONSIDERATIONS

Domestic and respondent interested parties asserted in their posthearing briefs that this review should be conducted on a national basis in light of recent consolidation in the U.S. rebar industry.⁸⁶ Domestic producers voiced support for conducting the review on a national basis, but also stated that if the Commission were to find for a regional industry, Texas should be included.⁸⁷ When questioned in the hearing, counsel for the domestic producers stated that given the additional resources required to reconstruct the region to include Texas, they would not pursue this approach.⁸⁸ The following tabulation presents data considerations regarding the original region and an expanded region that includes Texas.

* * * * *

⁸⁶ Respondent interested parties' posthearing brief, Exhibit 4, pp. 29-32. Domestic interested parties' posthearing brief, Exhibit 1-J, pp. 1-10.

⁸⁷ Domestic interested parties' posthearing brief, Exhibit 1-J, pp. 9-10.

⁸⁸ Hearing transcript, pp. 45-47 (Price).

PART II: CONDITIONS OF COMPETITION IN THE U.S. MARKET

MARKET CHARACTERISTICS

The share of U.S. producers' U.S. shipments to locations within the Eastern-tier region increased from *** percent in 2002 to *** percent in 2007, while the share of subject Turkish imports to locations within the region decreased from *** percent in 2002 to *** percent in 2007. The three U.S. producers of rebar inside the region accounted for over *** of the quantity of rebar consumed inside the region in 2007, and the four largest producers nationally accounted for nearly *** percent of rebar consumed nationally.

For producer shipments within the region, about *** percent were distances less than 100 miles from the producing mill, about *** percent were between 101 to 250 miles, about *** percent were between 251 and 500 miles, and about *** percent were over 500 miles. For shipments of subject Turkish imports within the region, about *** percent were less than 100 miles from the firms and about *** percent were over 500 miles. For producer shipments nationally, about 23.9 percent were less than 100 miles from the producing mill, about 34.6 percent were between 101 to 250 miles, about 20.0 percent were between 251 and 500 miles, and about 21.5 percent were over 500 miles.¹ For importer shipments nationally nearly *** percent of subject imports from Turkey were shipped less than 100 miles from the firms and *** percent were shipped more than 500 miles.

The reported lead times for delivery of U.S.-produced and imported rebar from subject and nonsubject countries vary widely. In the case of producers, if the item is held in inventory, delivery ranges from two to seven days. For non-inventory orders (which account for the majority of producer sales), the lead times range from 25 to 60 days for both inside and outside of the region. For responding importers of rebar, non-inventory orders (which constitute the bulk of sales) have lead times ranging from 20 to 150 days. If the item is held in inventory, delivery is reported to be made in one day.

While some manufactured rebar is used in construction applications with no further processing, a large share is also sold to fabricators that process the rebar further before it is finally used in construction applications. The larger U.S. producers (Nucor, Gerdau-Ameristeel, and CMC) all have acquired firms that operate as fabricators and/or distributors.² These purchasing firms obtain the rebar for fabrication or distribution from their parent companies and in some cases from other producers and import suppliers.³ Respondent interested parties contend that vertical integration permits U.S. rebar producers to withstand a price squeeze for raw materials (because they maintain their own scrap supplies) and to generate a captive market for their rebar (since they own so many downstream rebar fabricators).⁴ Domestic interested parties contend that the U.S. industry is not insulated from price and demand trends by consolidation or integration because of the adverse effects on the industry, including effects on shipments, capacity utilization, and employment.⁵

¹ Shipments over 250 miles were not limited to large producers. Although two small producers (***) made *** shipments over 250 miles during 2007, the next two smallest producers (***) sent more than *** of their shipments over 500 miles.

² For example, *see* "Consolidation of steel rising in western US," American Metal Markets, February 14, 2008, found at http://amm.com/2008-02-14_22-11-17.html, retrieved on February 15, 2008. *See also* hearing transcript, pp. 113-117 (Stone, Hilton, Kerkvliet).

³ Hearing transcript, p. 40 (Stone); pp. 69-70 (Hilton).

⁴ Respondent interested parties' prehearing brief, pp. 3-4.

⁵ Domestic interested parties' prehearing brief, exhibit 1, A, Vulnerability of U.S. Industry, pp. 6-7.

CHANNELS OF DISTRIBUTION

U.S. producers and importers generally sell to the same categories of customers, but the proportions vary (see table II-1). During 2002-07, producers were more likely to sell to end users or to firms that function both as end users and distributors rather than those that function solely as distributors. For the entire United States, 43.5 percent of U.S. producer sales went to distributor/end users, 35.7 percent went to end users, and 20.9 percent went to distributors during 2007. For importers of subject rebar from Turkey, *** percent of sales in the entire United States went to distributors and *** percent went to end users in 2007. Within the region, *** percent of U.S. producer shipments went to distributor/end users, *** percent to end users, and *** percent went to distributors. For importers of subject Turkish rebar, about *** percent of sales within the region went to distributors and the remaining *** percent of sales within the region went to end users.⁶

Table II-1

Rebar: Channels of distribution for U.S. producers' and U.S. importers' U.S. shipments of rebar, 2002-07, January-June 2007, and January-June 2008

* * * * *

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

Domestic Industry

Based on available information, U.S. rebar producers, both within the region and nationally, have the ability to respond to changes in demand with moderate changes in the quantity shipped to the U.S. market. Supply responsiveness is enhanced by the availability of unused capacity, the ability to shift production, and the existence of some inventories, and is constrained by a limited ability to use alternative markets.

Industry capacity

The capacity utilization rate within the region increased from *** percent in 2002 to *** percent in 2007. Nationally, the capacity utilization rate rose from 77.0 percent in 2002 to 83.5 percent in 2007. This level of capacity utilization indicates that U.S. producers still have some unused capacity with which they could increase production of rebar in the event of a price change.

Inventory levels

The ratio of inventories to U.S. shipments for producers located within the region decreased from *** percent in 2002 to *** percent in 2007. The ratio of inventories to U.S. shipments for all producers decreased from *** percent in 2002 to *** percent in 2007. These data indicate that U.S. producers have some ability to use inventories as a means of increasing shipments of rebar to the U.S. market.

⁶ Similarly, sales by importers of nonsubject Turkish rebar and rebar from other sources were also mostly to distributors.

Alternative markets

U.S. producers indicated that their ability to shift sales of rebar between the U.S. market and alternative country markets is limited.⁷ Several producers indicated that factors that limit their ability to shift sales to other markets are the location of the U.S. mills and competition from other countries' exports to alternative markets.

Exports of rebar, as a share of total shipments, for producers within the region increased from *** percent in 2002 to *** percent in 2007. Exports of rebar, as a share of total shipments, for all U.S. producers decreased from *** percent in 2002 to *** percent in 2004, but then increased back to *** percent in 2008. These data and questionnaire responses indicate that U.S. producers have a limited ability to divert shipments of rebar to or from alternative markets in response to price changes.

Production alternatives

Six of nine responding producers indicated that they are able to switch production between rebar and other products (such as wire rod or merchant bar) in response to a relative change in the price of rebar vis-a-vis the price of other products, using the same equipment and labor. Two producers indicated that switching would be costly, while one producer indicated that the cost of switching to other products would be nominal. Therefore, U.S. producers do have an ability to shift production in response to a price change.

Subject Imports

Based on available information, exporters of Turkish rebar have the ability to respond to changes in demand with moderate changes in the quantity shipped to the U.S. market. Supply responsiveness is enhanced by the ability to divert shipments from alternate markets, by the availability of unused capacity and some inventories, but is limited by an inability to use production alternatives.

Two of 17 responding purchasers indicated that their firm purchased rebar from subject sources before 2002. One of these two purchasers indicated that it decreased purchases from subject sources because of the antidumping duty order and the other indicated that it changed the pattern of its purchases because currently Turkey is not competitive with domestic suppliers.

Industry capacity

In aggregate, the three responding Turkish producers increased capacity from *** short tons in 2002 to *** short tons in 2007. Capacity utilization rates for these Turkish producers increased irregularly from *** percent in 2002 to *** percent in 2007.⁸ Production and capacity data compiled by *** suggest that the average capacity utilization rate in Turkey's broader rebar industry is approximately *** percent.⁹ This level of capacity utilization indicates that Turkish producers have some capacity with which they could increase production of rebar in the event of a price change.

⁷ In addition to responses to the producers questionnaire, see e.g., hearing transcript, p. 32 (Kerkvliet).

⁸ Based on data provided by respondent interested parties, responding subject Turkish producers represent about *** percent of subject Turkish capacity. Respondent interested parties' posthearing brief, exhibit 4. *See* part IV for a further discussion.

⁹ ***.

Inventory levels

The ratio of inventories to total shipments for Turkish producers increased from *** percent in 2002 to *** percent in 2007. Between 2002 and 2007 period, the industry's ratio of inventories to total shipments has ranged between *** percent and *** percent annually. These data indicate that Turkish producers have some ability to use inventories as a means of increasing shipments of rebar to the U.S. market.

Alternative markets

Most of the rebar produced in Turkey goes to markets other than the United States. Shipments of rebar to markets other than the United States as a share of total shipments decreased from *** percent in 2002 to *** percent in 2007. During 2002-07, home market sales and internal consumption/transfers, as a share of total shipments, fluctuated, increasing from *** percent in 2002 to *** percent in 2007. These data indicate that Turkish producers have an ability to divert shipments of rebar from alternative markets in response to price changes.

Production alternatives

All three responding Turkish producers indicated that they are not able to switch production between rebar and other products in response to a relative change in the price of rebar vis-a-vis the price of other products, using the same equipment and labor. Therefore, the responding Turkish producers do not have an ability to shift production in response to a price change.

Nonsubject Imports

Five of seven responding U.S. producers and eight of 20 responding importers indicated that the availability of nonsubject imported rebar has changed since 2002. Most importers and one of four responding producers indicated that the availability of nonsubject imports of rebar has decreased due to increased world demand, antidumping measures in the United States, the weak U.S. dollar, and higher overseas transportation costs. Two of four responding producers indicated that the availability of nonsubject imports of rebar has increased since 2007, with one producer indicating that prices in the U.S. market are attractive and another indicating that there has been shift in product mix toward longer sizes of rebar.

One of 16 responding purchasers indicated that it increased purchases from nonsubject countries because of the antidumping duty order; six responding purchasers indicated that their firms did not purchase from nonsubject sources before or after the antidumping duty order; five responding purchasers indicated that their pattern of purchasing is unchanged since 2002; and four responding purchasers indicated that their pattern of purchases of rebar from nonsubject countries changed for reasons other than the order.

U.S. Demand

Based on the available information, it is likely that changes in the price level of rebar will result in a small change in the quantity of rebar demanded. The main contributing factors to the small degree of responsiveness of demand is the low responsiveness of the price of rebar to changes in the prices of substitute products and the fact that rebar represents a low share of the cost of final end-use products.

Demand Characteristics

Major end-use products requiring rebar include roads and bridges, commercial and industrial construction, residential construction, and public construction. Purchasers typically require smaller sizes of rebar (#3 and #4, as well as #5) for residential construction applications and larger sizes for commercial construction applications.¹⁰ CMC Steel Group indicates that nonresidential construction accounts for a larger share of rebar use than residential construction.¹¹ Ten of 18 responding purchasers indicated that the market for rebar is subject to business cycles. Several purchasers reported that the level of construction activity slows during winter months due to inclement weather, resulting in a reduced demand for rebar.

Three of five responding producers, five of 16 responding importers, and seven of 12 responding purchasers indicated that since 2002, demand within the region has increased. Two importers and one purchaser indicated that demand increased and then decreased. Two producers, three importers, and one purchaser indicated that demand had decreased. Six importers and three purchasers indicated that demand had not changed within the region. Firms stating that demand had increased frequently attributed the increase to a strong economy, low interest rates, and a high level of construction activity.

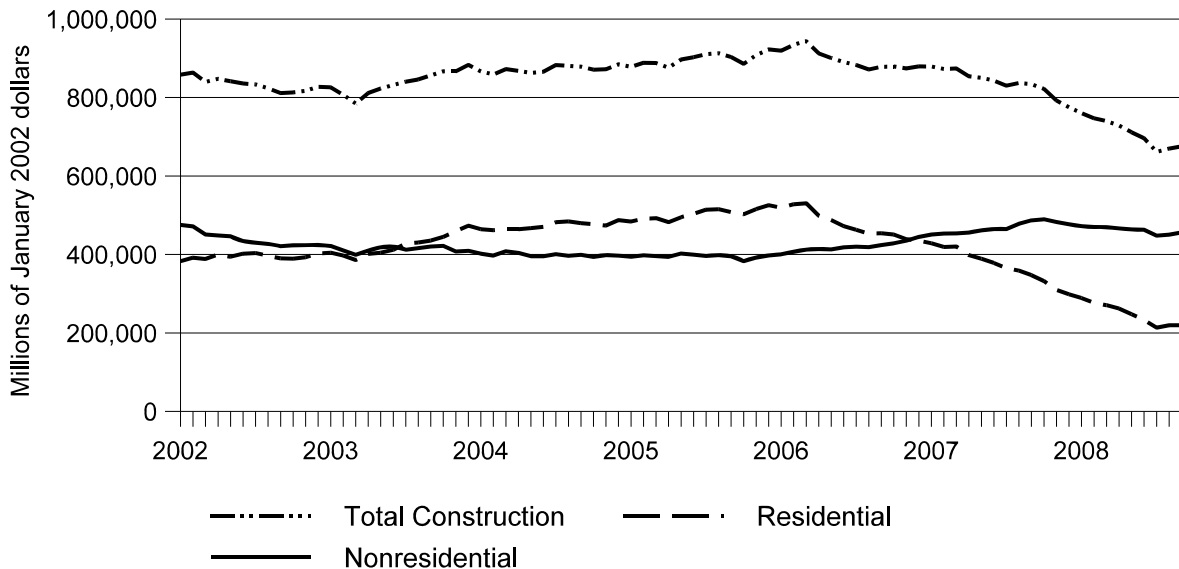
Two of four responding producers, seven of 17 responding importers, and 13 of 16 responding purchasers indicated that since 2002 demand within the entire U.S. market has increased. One producer and one of two responding Turkish producers indicated that demand increased and then decreased. Five importers and three purchasers indicated that demand had not changed within the U.S. market. One producer and one importer characterized demand as having “no change/decreased.” Two importers and one responding Turkish producer reported that demand has decreased.

The real values of residential, non-residential, and total construction during January 2002-September 2008 are shown in figure II-1. The real value of total construction increased by 10 percent between January 2002 and March 2006 but then decreased by 28 percent between March 2006 and September 2008, resulting in an overall decline of 21 percent. The real value of residential construction decreased by 43 percent between January 2002 and September 2008, increasing by 39 percent between January 2002 and March 2006 but then decreasing by 59 percent between March 2006 and September 2008. The real value of nonresidential construction decreased by 4 percent between January 2002 and September 2008, decreasing by 13 percent between January 2002 and March 2006 and then increasing by 11 percent between March 2006 and September 2008.

¹⁰ Hearing transcript, p. 152 (Kerkvliet).

¹¹ In 2007, Jim Fritch, Executive Vice President of CMC Steel Group, testified that nonresidential construction spending tends to be a “bigger driver” of demand for rebar than residential construction spending. Hearing transcript, *Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Investigation Nos. 731-TA-873-875, 877-880, and 882 (Review)*, May 10, 2007, pp. 74-75 (Fritch).

Figure II-1
Construction spending: Total, residential, and nonresidential construction spending in the United States, seasonally adjusted annual rate, deflated by the producer price index, monthly, January 2002-September 2008



Note.- Expenditures on private residential improvements to rental, vacant, and seasonal properties are not included in the construction spending data. Expenditures are deflated by the producer price index for intermediate goods (seasonally adjusted).

Source: U.S. Census Bureau, Manufacturing, Mining and Construction Statistics, Construction Spending. <http://www.census.gov/const/www/c30index.html#>, and Bureau of Labor Statistics (retrieved November 4, 2008).

In 2007, a Nucor official testified that a decline in residential construction spending is likely to lead to a decline in nonresidential construction spending within six to nine months.¹² More recently, domestic interested parties indicated that nonresidential construction trends generally follow those in residential construction after about one year.¹³ However, while residential construction started to decline in March 2006, real seasonally adjusted nonresidential construction fluctuated between March 2006 and September 2008 increasing by 11 percent.¹⁴

In their prehearing and posthearing briefs, domestic interested parties provided forecasts of construction spending from McGraw Hill and the Portland Cement Association.¹⁵ McGraw Hill forecasts a decline in the nominal value of total construction contracts of 12 and 7 percent in 2008 and 2009

¹² Hearing transcript, *Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Investigation Nos. 731-TA-873-875, 877-880, and 882 (Review)*, May 10, 2007, p. 56 (Parrish).

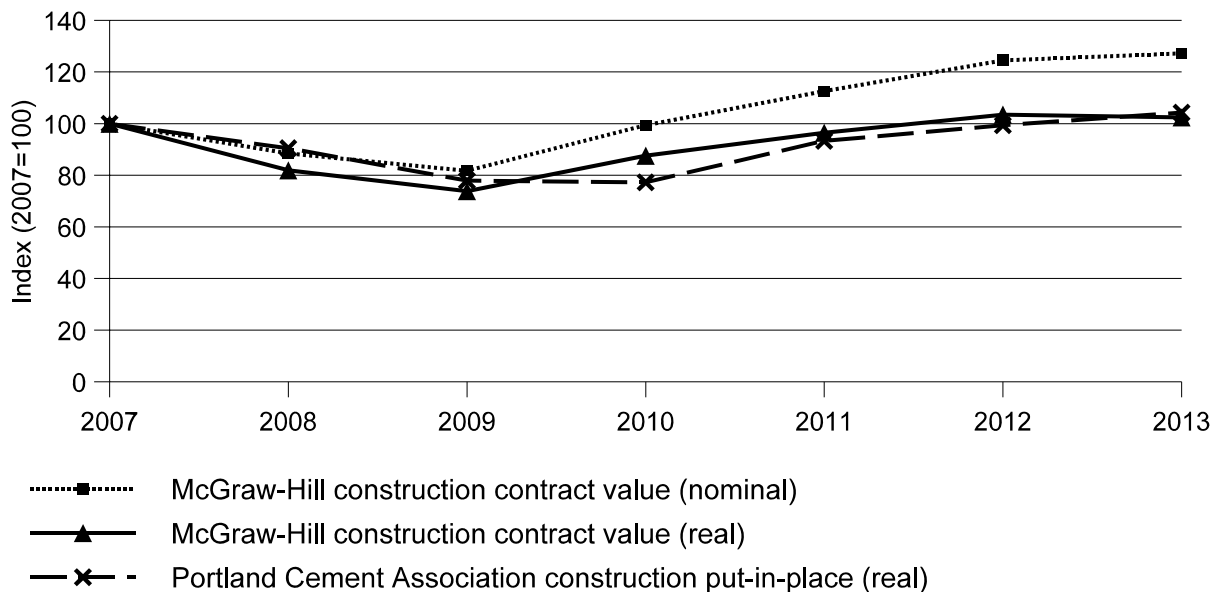
¹³ Hearing transcript, p. 47 (Morici).

¹⁴ As suggested by domestic interested parties at the hearing, construction spending is adjusted for inflation. Hearing transcript, pp. 47-48 (Morici).

¹⁵ Domestic interested parties' prehearing brief, exhibits 3 and 4, and domestic interested parties' posthearing brief, p. 12 and exhibit 27.

respectively, and increases of 22, 13, 11, and 2 percent in 2010, 2011, 2012, and 2013 respectively (see figure II-2).¹⁶

Figure II-2
Construction spending: Indices of forecasts for construction contract value and construction put in place in the United States, 2007-13



Source: McGraw Hill, Construction Market Forecasting Service, *The Next Five Years, Fall 2008 Report*; Portland Cement Association, *U.S. Cement and Construction Forecast, Summer 2008*, U.S. Forecast Tables, Summer 2008, “Frangos, Alex, “Construction Industry Braces for Contraction ,” *Wall Street Journal*, October 23, 2008.

Adjusting for inflation, McGraw Hill forecasts that the real value of construction contracts will fall by 16 and 10 percent in 2008 and 2009 respectively, increase by 19, 10, 7 percent in 2010, 2011, and 2012 respectively, and then decrease by 1 percent in 2013.¹⁷ The Portland Cement Association forecasts that the real value of construction put-in-place will decline by 9.5 percent, 13.9 percent, and 0.8 percent in 2008, 2009, and 2010 respectively, but then increase by 20.7, 6.5, and 4.9 percent in 2011, 2012, and 2013, respectively.¹⁸

¹⁶ According to an article in the *Wall Street Journal* on October 23, 2008, McGraw Hill revised its forecast of total construction value down to 515 billion dollars compared to the 560.7 billion dollars reported in its Fall 2008 report released in September 2008. The data in the text and figure II-2 include the revised forecast for 2009 reported in the *Wall Street Journal* and data for 2007 and forecasts for 2008, 2010, 2011, 2012, and 2013 from the Fall 2008 report. *Construction Market Forecasting Service, McGraw-Hill Construction, The Next Five Years, Fall 2008 Report*, released September 2008, p. T-2 and Frangos, Alex, “Construction Industry Braces for Contraction ,” *Wall Street Journal*, October 23, 2008.

¹⁷ Construction Market Forecasting Service, McGraw-Hill Construction, Fall 2008 Report, released September 2008, p. T-3.

¹⁸ The data for 2008, 2009, 2010 are based on Portland Cement Association, *U.S. Cement and Construction Forecast, Fall 2008* and data for 2011, 2012, and 2013 are based on U.S. Portland Cement Association, *U.S. Cement and Construction Forecast, Summer 2008*, U.S. Forecast Tables, Summer 2008.

Four of five responding producers, 14 of 15 responding importers, 15 of 16 responding purchasers, and *** responding Turkish producers indicated that since 2002 demand outside the U.S. market has increased. One producer indicated that demand increased and then decreased. One importer and one purchaser indicated that demand had not changed outside the U.S. market. Responding firms primarily attributed higher demand to increased construction and economic growth worldwide, particularly in Asia and the Middle East. *** Turkish producers indicated that demand in their home market has increased since 2002.

Domestic interested parties indicate that “the demand bubble” has burst in the Middle East, Turkey's largest export market and that exports to Europe, Turkey's second-largest market, have practically disappeared.¹⁹ Also, CMC, indicated that orders for two of its mills in eastern Europe have dropped dramatically.²⁰ However, respondent interested parties indicate that Middle East markets have remained, and will continue to be, very attractive to Turkish producers; and that demand in the Turkish and other regional markets is not significantly impacted by credit crisis.²¹

Six of eight responding producers, four of 18 responding importers, and eight of 15 responding purchasers anticipate some future changes in rebar demand in the United States or the rest of the world. Some firms indicated that it was difficult to predict the anticipated changes. Several firms expected demand to fall in 2008 and 2009, before increasing in 2010.

Substitute Products

Seven of eight responding producers, nine of 23 responding importers, and seven of 18 responding purchasers reported that there are substitutes for rebar. Reported substitute products include wire mesh, PC strand, structural steel, and composite fiberglass. Several producers indicated that decisions to use mesh occur in the design phase and are not driven by short term pricing changes. One of seven responding producers, one of 16 responding importers, and 3 of 11 responding purchasers reported that the price of substitutes can affect rebar prices. One producer (***) indicated that changes in the price of steel mesh, steel fiber, and plastic fiber affect the price of rebar with lags ranging from 30 to 60 days.

Cost Share

Three purchasers reported the cost of rebar, as a percentage of final end-use products, to be 5 percent or less, while another three purchasers indicated that the cost share was between 60 to 80 percent. However, it is generally believed that rebar generally accounts for a small share of the cost of final end-use products.²²

¹⁹ Domestic interested parties' posthearing brief, p. 5.

²⁰ Hearing transcript, pp. 83-84 (Hilton).

²¹ Respondent interested parties' posthearing brief, pp. 5-9.

²² *See Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Investigation Nos. 731-TA-873-875, 877-880, and 882 (Review)*, USITC Publication 3933, June 2007, p. II-10.

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported rebar depends upon such factors as relative prices, quality (e.g., grade standards, reliability of supply, defect rates, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.). Based on available data, staff believes that there is a high degree of substitutability between domestically-produced rebar and rebar imported from Turkey.

Factors Affecting Purchasing Decisions

Purchasers reported considering a variety of factors to be important when purchasing rebar. Information obtained from their responses indicates that availability, price, and quality are all important factors.

As indicated in table II-2, price was named by 10 of 18 responding purchasers as the number one factor generally considered in deciding from whom to purchase rebar, and as the number two factor by five purchasers and the number three factor by two other responding purchasers. Also, as indicated in table II-3, all responding purchasers indicated that price was a “very important” factor in their purchase decisions for rebar. Thirteen of 18 responding purchasers indicated that the lowest-priced rebar “usually” will win a sale, two reported “always,” two reported “sometimes,” and one reported “never.”

Table II-2
Rebar: Ranking of factors used in purchasing decisions, as reported by unrelated U.S. purchasers

Factor	Number of firms reporting		
	Number one factor	Number two factor	Number three factor
Availability	2	7	4
Price	10	5	2
Quality ¹	4	1	2
Other ²	2	4	7
¹ Including one response of “ASTM standards met.” ² Other factors include delivery terms, delivery time, product range, “terms”, timely delivery, traditional supplier, and relationship. Source: Compiled from data submitted in response to Commission questionnaires.			

Table II-3**Rebar: Importance of factors used in purchasing decisions, as reported by U.S. purchasers**

Factor	Number of firms reporting		
	Very important	Somewhat important	Not important
Availability	18	0	0
Price	18	0	0
Quality meets industry standards	17	1	0
Reliability of supply	17	1	0
Delivery time	15	3	0
Product consistency	13	4	1
Extension of credit	13	3	2
Delivery terms	11	7	0
Discounts offered	10	4	4
US transportation costs	8	7	3
Packaging	6	12	0
Product range	6	12	0
Technical support/service	5	9	4
Minimum quantity requirements	3	8	7
Quality exceeds industry standards	3	3	12
Not a competitor	1	0	0

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

Quality was named by four of 18 responding purchasers as the number one factor generally considered in deciding from whom to purchase rebar, and as the number two factor by one purchaser and the number three factor by two other responding purchaser. Also, as indicated in table II-3, all but one responding purchaser indicated that quality meeting industry standards was a “very important” factor in their purchase decisions for rebar. However, only three of 18 responding purchasers indicated that quality exceeding industry standards as being a “very important” factor in their purchase decisions. Many purchasers defined the quality of rebar as meeting ASTM standards.

Thirteen of 18 responding purchasers reported that they require their suppliers to become certified or pre-qualified for at least some of their purchases. One of 18 responding purchasers indicated that since 2002, certain domestic or foreign producers failed in their attempts to certify or qualify their rebar or have lost their approved status. *** indicated that ***.

All responding purchasers indicated that availability was a “very important” factor in their purchasing decisions for rebar. Two of 18 responding purchasers reported that availability was the number one factor in their purchasing decisions; availability was identified as the number two factor by seven purchasers and the number three factor by four other responding purchasers.

Fifteen of the 18 responding purchasers reported that buying a product that is produced in the United States is an important factor in their firm’s purchases of rebar. In the case of domestic purchases required by law, 13 firms reported that “Buy American” provisions apply to their purchases with 12 firms reporting these provision applied to between 2 and 100 percent of their purchases. Three of these 12

firms reported that 50 percent or more of their purchases were within this category, while the other nine firms said that they accounted for 25 percent or less of total purchases. Two of six purchasers that reported making purchases exclusively from within the region and all five purchasers that reported making purchases both inside and outside the region reported that “Buy American” provisions applied to at least some of their purchases. Six firms reported that between 2 and 70 percent of their purchases are from domestic sources due to customer requirements. Five purchasers stated that they buy between 20 and 100 percent of their rebar from domestic sources for other reasons such as better availability, shorter lead times, less exposure to price changes, and generally cleaner (less rusty) product.

Comparisons of Domestic Products and Subject Imports

Five of six responding U.S. producers, 15 of 20 responding importers, and 13 of 15 responding purchasers reported that rebar produced in the United States and imported from Turkey are always interchangeable (table II-4). One producer, five importers, and one purchaser reported that rebar produced in the United States and imported from Turkey are frequently interchangeable and one purchaser reported that they are sometimes interchangeable with substitution limited by product application since sometimes commercial construction projects approve the use of imports on their projects.

Table II-4
Rebar: Perceived degree of interchangeability of products produced in the United States and other countries¹

Country comparison	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of U.S. purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. Turkey	5	1	0	0	15	5	0	0	13	1	1	0
U.S. vs. Nonsubject	5	1	0	0	15	5	0	0	9	1	0	0
Turkey vs. Nonsubject	5	1	0	0	15	5	0	0	9	1	0	0

¹ Producers, importers, and purchasers were asked if rebar produced in the United States and in other countries is used interchangeably.

Note.--“A” = Always, “F” = Frequently, “S” = Sometimes, “N” = Never.

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

As indicated in table II-5, four of seven responding producers and two of 19 responding importers indicated that differences other than price between rebar produced in the United States and imported from Turkey were never a significant factor in their firm’s sales of the products. In addition, one of seven responding producers and 13 of 19 responding importers indicated that differences other than price between rebar produced in the United States and imported from Turkey were sometimes a significant factor in their firm’s sales of the products.

Table II-5**Rebar: Differences other than price between products from different sources¹**

Country comparison	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
U.S. vs. Turkey	2	0	1	4	1	3	13	2
U.S. vs. Nonsubject	2	0	1	4	1	3	10	2
Turkey vs. Nonsubject	2	0	1	4	1	3	13	1

¹ Producers and importers were asked if differences other than price between rebar produced in the United States and in other countries are a significant factor in their firms' sales of rebar.

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

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

One importer (***) indicated that availability and quality are sometimes important factors and that customers in the United States would choose the better quality product and earlier arrival when the price is the same. Another importer (***) indicated that lead time affects the price volatility risk for a distributor and distance affects the transport cost of rebar. A third importer (***) indicated that the customer generally perceives that imported products are of a lower quality than domestically produced rebar, that because of production and shipment delays the perception is that delivery times are not as reliable, and that foreign mills generally offer a limited production range and tech support. One domestic producer (***) indicated that differences in the rebar production process, such as the use of water or air for cooling, affect prices.

Purchasers were also asked to compare rebar produced in the United States and Turkey on the basis of different purchasing factors (table II-6). The U.S. product was ranked superior by all purchasers in delivery time and reliability of supply, by all but one purchaser in terms of availability and technical support/service, and all but two purchasers for delivery terms and product range. The U.S.-produced product was ranked superior by a majority of purchasers for extension of credit and the Turkish product was ranked superior by a majority of purchasers for having a lower price. At least one-half of purchasers ranked the U.S. and Turkish rebar comparable for all other characteristics provided in the question.

Table II-6
Rebar: Comparisons between U.S.-produced products and imports from Turkey as reported by unrelated U.S. purchasers

Factor	Number of firms reporting		
	U.S. superior	Comparable	U.S. inferior
Availability	9	1	0
Delivery terms	8	2	0
Delivery time	10	0	0
Discounts offered	4	5	1
Extension of credit	6	4	0
Lower price ¹	0	3	7
Lower U.S. transport costs	5	5	0
Minimum quantity requirements	4	5	1
Packaging	3	7	0
Product consistency	3	7	0
Product range	8	2	0
Quality exceeds industry standards	2	8	0
Quality meets industry standards	2	8	0
Reliability of supply	10	0	0
Technical support/service	9	1	0

¹ A rating of superior means that the price is generally lower. For example, if a firm reports "U.S. superior," this means that it rates the U.S. price generally lower than the Turkish price.

Note: Includes responses comparing U.S. product to all other countries.

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

Comparisons of Domestic Products and Nonsubject Imports

Five of six responding U.S. producers, 15 of 20 responding importers, and nine of 10 responding purchasers reported that rebar produced in the United States and imported from nonsubject countries are always interchangeable (table II-4). One producer, five importers, and one purchaser reported that rebar produced in the United States and imported from nonsubject countries are frequently interchangeable.

As indicated in table II-5, four of seven responding producers and two of 16 responding importers indicated that differences other than price between rebar produced in the United States and imported from nonsubject countries were "never" a significant factor in their firm's sales of the products. In addition, one of seven responding producers and 10 of 16 responding importers indicated that differences other than price between rebar produced in the United States and imported from nonsubject countries were "sometimes" a significant factor in their firm's sales of the products.

In addition to these comparisons, purchasers compared the rebar produced in the United States with that from individual nonsubject countries, with differing combinations of nonsubject countries, or with all imports as a group in the characteristics described earlier. Countries specifically mentioned in one or more of the comparisons were Canada, Japan, Mexico, and Taiwan. The U.S. product was consistently ranked superior by a majority of purchasers in terms of availability, delivery terms, delivery time, extension of credit, product range, reliability of supply, and technical support. Nonsubject imports were generally ranked superior by purchasers in terms of having a lower price.

Comparisons of Subject Imports and Nonsubject Imports

Five of six responding U.S. producers, 15 of 20 responding importers, and nine of 10 responding purchasers reported that rebar imported from Turkey and nonsubject countries are always interchangeable (table II-4). One producer, five importers, and one purchaser reported that rebar imported from Turkey and nonsubject countries are frequently interchangeable.

As indicated in table II-5, four of seven responding producers and one of 18 responding importers indicated that differences other than price between rebar imported from Turkey and nonsubject countries were never a significant factor in their firm's sales of the products. In addition, one of seven responding producers and 13 of 18 responding importers indicated that differences other than price between rebar imported from Turkey and nonsubject countries were sometimes a significant factor in their firm's sales of the products.

ELASTICITY ESTIMATES

U.S. Supply Elasticity²³

The domestic supply elasticity for rebar measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of rebar. This elasticity depends upon such factors as the level of excess capacity, the availability of alternate markets for U.S.-produced rebar, inventory levels, and the producers' ability to shift to the manufacture of other products. The earlier analysis of these factors indicates that the U.S. industry has some flexibility in adjusting supply in response to price change. Therefore, this elasticity is likely to range between 5 and 10.

U.S. Demand Elasticity

The U.S. demand elasticity for rebar measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of rebar. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products, as well as the component share of rebar in the final cost of end-use products in which it is used. Because of the low responsiveness of the price of rebar to changes in the prices of substitute products and low share of the cost of final end-use products, it is likely that the aggregate demand for rebar is moderately inelastic, with values ranging between -0.5 and -1.0.

Substitution Elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported rebar.²⁴ Product differentiation, in turn, depends upon such factors as quality and conditions of sale (availability, delivery, etc.). Based on available information indicating that the domestic and imported products from Turkey can frequently be used interchangeably, the elasticity of substitution between U.S.-produced rebar and imported rebar is likely to be in the range of 3 to 5.

²³ A supply function is not defined in the case of a non-competitive market.

²⁴ The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like product to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject imports (or vice versa) when prices change.

PART III: CONDITION OF THE U.S. INDUSTRY

BACKGROUND

The information in this section of the report was compiled from responses to the Commission's questionnaires and from secondary sources. Twenty-nine mills owned by nine firms, which together account for almost all of the known U.S. production of rebar during the period for which data were collected, supplied information on their operations. Table III-1 summarizes important industry events that have taken place within and outside the specified region since the original investigations.¹ This table contains information pertaining to rebar production facilities and does not include upstream or downstream rebar activities, such as the acquisition by original petitioner Ameristeel of Brouker Rebar Co. and Milton Rebar Coating, Inc. in 1999; Nucor's \$1 billion acquisition of rebar fabricator Harris Steel in 2007;² Nucor's \$1.4 billion acquisition of scrap metal producer David J. Joseph in 2008;³ or Nucor's \$185 million acquisition of rebar fabricator Ambassador Steel in the third quarter of 2008.⁴

Of the two firms comprising the petitioning coalition in the original investigation (Florida Steel Corp., subsequently renamed "Ameristeel," and New Jersey Steel Corp.), New Jersey Steel ultimately became part of Gerdau Ameristeel through Co-Steel's acquisition of New Jersey Steel in 1997 and the subsequent merger of Ameristeel, Co-Steel, Courtice Steel, and Gerdau MRM Steel in 2002. Three domestic interested parties participating in the first review, CMC, Gerdau Ameristeel, and Nucor, are again participating in the current review.

¹ For the purposes of this review, and consistent with the Commission's definition in the original investigation, data are presented for a specified region (the so-called "Eastern Tier" which comprises Puerto Rico, the District of Columbia, and 22 contiguous states: Alabama, Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, and West Virginia).

² "Nucor Bets on Finished Steel." *The Wall Street Journal*. January 3, 2007.

³ "Nucor to acquire David J. Joseph Company." *Reuters*. February 8, 2008.

⁴ Nucor has identified enhanced earnings power, increased profit opportunities without additional capacity, and decreased threat of import competition as reasons for upstream and downstream integration. Presentation given at Nucor Key Banc Capital Markets Conference, September 11, 2008, found at "http://media.corporate-ir.net/media_files/irol/10/107115/KeyBancConference.ppt," retrieved on November 13, 2008.

Table III-1
Rebar: Survey of industry events, within and outside the specified region, since 1996

Month/Year	Company	Description of event (acquisition, expansion, bankruptcy, merger, shutdown)
Events within the specified region		
December 1996	Birmingham Steel Corp.	Acquisition: Birmingham acquired the melt shop and bar rolling mill of Atlantic Steel Industries, Cartersville, GA. Atlantic Steel was identified as a U.S. rebar producer in the original investigation.
November 1997	Co-Steel Inc.	Acquisition: Co-Steel acquired rebar producer New Jersey Steel Corp., Sayreville, NJ, one of the original petitioners.
August 1999	Gerdau S.A.	Acquisition: Gerdau S.A. acquired rebar producer Florida-based rebar producer Ameristeel Corp.
April 2001	Nucor Corp.	Acquisition: Nucor acquired the rebar, merchant-quality bar, and light-section mini-mill in Auburn, NY, from Auburn Steel Co. Inc.
June 2001	Empire Specialty Steel Inc.	Closure: The stainless and alloy rebar and merchant-quality bar rolling mill (no melt-shop capacity) in Dunkirk, NY, was subsequently re-opened after the February 2002 sale to Universal Stainless and Alloy Projects Inc.
July 2001	International Steel & Tube Industries (Istil USA)	Acquisition: Istil USA acquired Susquehanna Steel Corp.'s previously shuttered rebar, merchant-quality bar, and light-section mini-mill in Milton, PA. The mill is currently idle.
August 2001	Riverview Steel Corp.	Bankruptcy and shutdown: Riverview entered Ch. 11 bankruptcy protection and shut down rebar production at its rolling mill (no melt-shop capacity) in Glassport, PA. The rolling mill was subsequently re-started under the name Allegheny Rebar, Inc., which filed for bankruptcy in 2004 following several OSHA violations and fines.
February 2002	Universal Stainless & Alloy Inc.	Acquisition and restart: Universal acquired the stainless and alloy rebar and merchant-quality bar rolling mill (no melt-shop capacity) in Dunkirk, NY, from Empire Specialty Steel Inc., which was restarted in March 2002.
June 2002	Birmingham Steel Corp.	Bankruptcy: Rebar and merchant-quality bar mills subsequently acquired by Nucor Corp. in December 2002, including those in Birmingham, AL, and Jackson, MS. Birmingham exits the domestic rebar industry.
October 2002	Gerdau Ameristeel U.S. Inc. and Co-Steel Inc.	Merger: Gerdau Ameristeel acquired the rebar and merchant-quality bar mini-mill in Sayreville, NJ, through its merger with Canadian-based Co-Steel.
May 2003	North American Stainless Inc.	Expansion: Stainless flat-products producer North American Stainless expands production to stainless long products, including stainless rebar.
May 2006	Nucor Corp.	Acquisition: Nucor acquired Connecticut Steel Corp. and its mini-mill in Wallingford, CT, which produces coiled rebar.
May 2006	Nucor Corp.	Upgrade and restart: Upgraded and restarted the Jackson, MS, rebar, merchant-quality bar and light-section mini-mill previously acquired from bankrupt Birmingham Steel Corp.

Table continued on next page.

Table III-1--Continued

Rebar: Survey of industry events, within and outside the specified region, since 1996

Month/Year	Company	Description of event (acquisition, expansion, bankruptcy, merger, shutdown)
June 2008	Steel Works Rebar Fabricators LLC	Start-up: Steel Works announced that it will build a rebar mill (180,000 short tons annual capacity with melt-shop capacity) in Medley, FL. It is expected to take two years to complete.
June 2008	ArcelorMittal S.A.	Acquisition: ArcelorMittal signed deal to acquire structural steel producer Bayou Steel Corp., which can produce rebar at its Harriman, TN rolling mill.
October 2008	EcoSteel Recycling LLC./Steel Development Co.	Start-up: A new firm, Steel Development Co. LLC (SDCO) broke ground on a new rebar "mico-mill" in Amory MS, with projected output capacity of 300,000 short tons annually. The micro-mill utilizes new continuous bar production technology that eliminates the need for reheating furnaces to bring billets up to rolling temperature. Preliminary work is also underway for three or four more micro-mills in various other regions of the United States.
Events outside the specified region		
February 2001	Auburn Steel Co. Inc.	Closure: The rebar and merchant-quality bar mini-mill in Lemont, IL, was subsequently acquired by Slater Steel Corp. in September 2002.
December 2001	Sheffield Steel Corp.	Emergence from bankruptcy: Rebar, merchant-quality bar, and special quality bar produced at its mini-mill in Sand Springs, OK.
June 2002	Birmingham Steel Corp.	Bankruptcy: Rebar and merchant-quality bar mills subsequently acquired by Nucor Corp. in December 2002, including those in Kankakee, IL. Birmingham exits the domestic rebar industry.
September 2002	Steel Dynamics, Inc.	Acquisition and upgrade: Steel Dynamics, previously without rebar production capacity, resolved litigation with Nucor Steel for purchasing Qualitech Steel SBQ and began converting the special-quality bar mini-mill in Pittsboro, IN, to also produce rebar and other merchant-quality bar.
September 2002	Slater Steel Corp.	Acquisition and restart: Slater Steel acquired Auburn Steel Co. Inc.'s, previously shuttered rebar and merchant-quality bar mini-mill in Lemont, IL, at which rolling operations were restarted in December 2002 with billets provided by other Slater Steel facilities in both the United States and Canada. The melt-shop equipment was dismantled and redistributed among its other facilities.
November 2002	Gerdau Ameristeel U.S. Inc.	Acquisition: Gerdau Ameristeel acquired North Star Steel's rebar minimills in Wilton, IA; St. Paul, MN; and West Vidor, TX; after the latter's parent company, Cargill Corp., decided to exit the domestic long-rolled steel industry.
December 2002	Nucor Corp.	Acquisition: Nucor acquired the remaining rebar and merchant-quality bar mini-mills of bankrupt Birmingham Steel Corp., including those in Kankakee, IL and Seattle, WA.
March 2003	Nucor Corp.	Acquisition: Nucor acquired the wire rod and rebar mini-mill in Kingman, AZ, from North Star Steel Inc., where the melt shop was idled since 2000 due to high electricity costs. In July 2004, the melt-shop equipment was dismantled and redistributed among other Nucor locations, after unsuccessful attempts to negotiate favorable electric power contracts. Otherwise, the reheating, rolling, and finishing facilities remain intact.

Table continued on next page.

Table III-1--Continued

Rebar: Survey of industry events, within and outside the specified region, since 1996

Month/Year	Company	Description of event (acquisition, expansion, bankruptcy, merger, shutdown)
June 2003	Slater Steel Corp.	Bankruptcy: Carbon and alloy rebar and merchant-quality bar mini-mill in Lemont, IL, subsequently sold to Nucor Corp. in January 2004. Stainless merchant-quality bar mill in Fort Wayne, IN, sold to Valbruna Stainless Inc. in February 2004 and subsequently restarted in July 2004.
January 2004	Nucor Corp.	Acquisition: Nucor acquired the previously idled rebar, merchant-quality bar, and special-quality bar rolling mill (no melt-shop capacity) at Lemont, IL, from bankrupt Slater Steel Corp.
February 2004	Valbruna Stainless Inc.	Acquisition and restart: Valbruna acquired the stainless and alloy rebar, merchant-quality bar, and light-section mini-mill in Fort Wayne, IN, from bankrupt Slater Steel Corp., which was subsequently restarted July 2004.
November 2004	Gerdau Ameristeel U.S. Inc.	Acquisition: Gerdau Ameristeel acquired the remaining long-product mini-mills of North Star Steel, Inc., including the ones in Wilton, IA, and St. Paul, MN. North Star Steel exited the domestic rebar industry.
June 2005	Nucor Corp.	Acquisition: Nucor acquired Marion Steel Co. and its rebar and merchant-quality bar mini-mill in Marion, OH.
June 2006	Gerdau Ameristeel U.S. Inc.	Acquisition: Gerdau Ameristeel acquired Sheffield Steel Corp., including its rebar, merchant-quality bar, and special-quality bar mini-mill in Sand Springs, OK.
November 2006	Evrax Group	Acquisition: Evrax Group acquired Oregon Steel Mills, whose holdings included Rocky Mountain Steel Mill in Pueblo, CO, a rebar producer.
March 2007	Commercial Metals Co.	Foreign acquisition: Commercial Metals increased its control of CMC Zwiercie S.A. to 99 percent by purchasing the 26.8-percent stake owned by the Polish Ministry of State Treasury. Remaining shares are small holdings of numerous individuals.
April 2007	Border Steel, Inc.	Foreign acquisition: Luxembourg-based ArcelorMittal acquired Border Steel, Vinton, TX, along with production facilities in Mexico, owned by Mexican long-products producer Sicartsa from the Mexican parent company Grupo Villacero.
September 2007	Gerdau Ameristeel U.S. Inc.	Acquisition: Gerdau Ameristeel acquired long-products producer Chaparral, which can produce rebar at its Midlothian, TX, mini-mill.
June 2008	Commercial Metals Co.	Expansion: CMC announced that it is building a 300,000 ton-per-year rebar mill (with melt-shop capacity) in Mesa, AZ. The new "micro-mill" is expected to start rebar production in 2009.
August 2008	Nucor Corp.	Restart: Nucor announced the restart of its wire rod and rebar mini-mill in Kingman, AZ, that was acquired from North Star Steel Inc. in 2003. The restart was expected to occur in the second quarter of 2009, but according to hearing testimony this has now been put on hold. ¹

¹ Hearing transcript, p. 100 (Stone).

Source: *Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 877-880, and 882 (Review)*, USITC Publication 3933, July 2007; *American Metal Market*, various issues; *Metal Bulletin*, various issues; company websites; other articles, various issues; and hearing testimony.

U.S. PRODUCERS' CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

As demonstrated in table III-2 below, rebar capacity grew steadily during the 2002-07 period, with the exception of a decline in 2004, and peaked in 2007, both within the region and at a national level. Production followed a similar growth trajectory, with a large increase in production in 2003, attributable mainly to non-regional *** mills. Capacity utilization followed a general upward trend from 2002 to 2005, but declined in 2006 and 2007. Regional producers experienced higher levels of capacity utilization than non-regional producers for each year of this period, but the gap generally shrank from 2002 to 2007. Regional and national levels of rebar capacity and production were higher in January-June 2008 than in January-June 2007, and capacity utilization levels were higher in the first half of 2008 than in any other portion of the period for which data were collected.⁵

Table III-2

Rebar: U.S. producers' production capacity, production, and capacity utilization, by mill location, 2002-07, January-June 2007, and January-June 2008

Item	Calendar year						January-June	
	2002	2003	2004	2005	2006	2007	2007	2008
Mills inside Eastern-tier region:								
Capacity (<i>short tons</i>)	***	***	***	***	***	***	***	***
Production (<i>short tons</i>)	***	***	***	***	***	***	***	***
Capacity utilization (<i>percent</i>)	***	***	***	***	***	***	***	***
Mills outside Eastern-tier region:								
Capacity (<i>short tons</i>)	***	***	***	***	***	***	***	***
Production (<i>short tons</i>)	***	***	***	***	***	***	***	***
Capacity utilization (<i>percent</i>)	***	***	***	***	***	***	***	***
All U.S. producers:								
Capacity (<i>short tons</i>)	8,694,794	9,110,611	8,843,716	9,150,565	9,450,718	10,043,896	5,242,381	5,318,428
Production (<i>short tons</i>)	6,693,497	7,846,342	7,428,309	7,878,434	8,077,288	8,383,464	4,401,736	4,743,265
Capacity utilization (<i>percent</i>)	77.0	86.1	84.0	86.1	85.5	83.5	84.0	89.2
Source: Compiled from data submitted in response to Commission questionnaires.								

⁵ In response to Commission requests made during the October 16, 2008 hearing held for this review, the domestic industry provided up-to-date production and capacity data for the third quarter 2007 and 2008 periods. U.S. rebar capacity was largely unchanged in the third quarter of 2008; within-region production was *** short tons in the third quarter of 2008, however, compared to *** short tons in 2007, with a capacity utilization rate of *** percent (compared to *** percent in 2007). Outside the region, production reached *** short tons in the third quarter of 2008, up from *** short tons in the third quarter of 2007, resulting in a capacity utilization rate of *** percent, compared to *** percent for the third quarter of 2007. Nationally, production levels were 2,144,379 short tons in the third quarter of 2008, compared to 1,967,802 short tons in the third quarter of 2007, while capacity utilization was 82.5 percent, compared to 75.8 percent in the preceding year.

Anticipated Changes in Existing Operations

The Commission requested that domestic producers provide a copy of their company business plans or other internal documents that describe, discuss, or analyze expected future market conditions for rebar. ArcelorMittal Vinton, CMC, Gerdau, Nucor, and TAMCO provided company business plans or other internal documents concerning rebar as part of their questionnaire responses. In their business plans, ***. ***.

The Commission also asked domestic producers to report anticipated changes in the character of their operations relating to the production of rebar. Four domestic producers reported that they do not anticipate any operational changes, while five domestic producers provided a variety of responses detailing such anticipated changes which are presented in table III-3.

Table III-3
Rebar: Anticipated changes in the character of U.S. operations

* * * * *

While the above producer responses identify various investments and expansions based upon feedback provided to the Commission in response to questionnaires, more recent information presents a somewhat different picture of anticipated changes in the industry. For example, ***.⁶ Also, in its most recent earnings statements CMC predicted declining prices in the coming months to result in lower volumes in most segments and production adjusting to meet demand.⁷

Constraints on Capacity

The Commission asked domestic producers to report constraints on their capacity to produce rebar. The firms provided the information presented in table III-4 regarding their constraints on capacity.

Table III-4
Rebar: U.S. producers' constraints on capacity

* * * * *

Alternative Products

The Commission asked domestic producers to report production of other or downstream products on the same equipment and machinery, and /or using the same production and related workers employed to produce rebar. Table III-5 presents the production shares of straight and coiled rebar, as well as those of other products produced on the same production equipment used to produce rebar.

Table III-5
Rebar: U.S. producers' production of other products on the same equipment used to produce rebar, 2007

* * * * *

⁶ Domestic interested parties' posthearing brief, p. 13.

⁷ "Commercial Metals Company reports \$0.55 EPS for fourth quarter including a record \$0.78 EPS LIFO expense; operational results exceeded expectations." Found at http://media.corporate-ir.net/media_files/irol/10/101401/Q408_Release.pdf, retrieved on November 4, 2008.

**U.S. PRODUCERS' DOMESTIC SHIPMENTS, COMPANY TRANSFERS,
AND EXPORT SHIPMENTS**

Shipments by U.S. Mills Throughout the United States

Data on domestic producers' shipments of rebar are presented in table III-6. The quantity of shipments fluctuated greatly during 2002-05, and then increased in each year for the remainder of the period. While quantity was marked by increases and decreases during much of the period, the total value of shipments rose every year during that same period. The rising average unit values, which reached their highest point in January-June 2008, are consistent with high raw material prices seen in rebar production in recent years.^{8 9}

Table III-6

Rebar: Total U.S. producers' shipments, by types, 2002-07, January-June 2007, and January-June 2008

Item	Calendar year						January-June	
	2002	2003	2004	2005	2006	2007	2007	2008
Quantity (short tons)								
U.S. shipments:								
Commercial shipments to--								
Inside the region	***	***	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms--								
Inside the region	***	***	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Subtotal, U.S. shipments	6,508,938	7,823,356	7,063,991	7,766,658	7,786,322	8,240,670	4,244,860	4,670,134
Export shipments	***	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***	***

Table continued on next page.

⁸ ***. *Steelmakers Sing as Prices Achieve Escape Velocity*, American Metal Market, June 2008, p. 10.

⁹ In response to Commission requests made during the October 16, 2008 hearing held for this review, the domestic industry provided up-to-date shipment data for the third quarter 2007 and 2008 periods. Shipments by mills throughout the United States were 1.8 million short tons in the third quarter of 2008, compared to nearly 2.0 million short tons in the third quarter of 2007. However, the average unit values of such shipments were \$905 per short ton in the third quarter of 2008, compared to \$592 per short ton in the third quarter of 2007. Accordingly, shipment values in the third quarter of 2008 were nearly \$1.7 billion, compared to \$1.2 billion in the third quarter of 2007.

Table III-6--Continued

Rebar: Total U.S. producers' shipments, by types, 2002-07, January-June 2007, and January-June 2008

Item	Calendar year						January-June	
	2002	2003	2004	2005	2006	2007	2007	2008
<i>Value (\$1,000)</i>								
U.S. shipments:								
Commercial shipments to--								
Inside the region	***	***	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms--								
Inside the region	***	***	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***
Subtotal, U.S. shipments	1,703,836	2,215,500	3,150,730	3,702,094	4,066,449	4,775,784	2,415,343	3,303,668
Export shipments	***	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***	***
<i>Unit value (dollars per short ton)</i>								
U.S. shipments:								
Commercial shipments to--								
Inside the region	***	***	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***	***	***
Average	***	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***	***
Transfers to related firms--								
Inside the region	***	***	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***	***	***
Average	***	***	***	***	***	***	***	***
Average, U.S. shipments	262	283	446	477	522	580	569	707
Export shipments	***	***	***	***	***	***	***	***
Average, all shipments	***	***	***	***	***	***	***	***

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

Shipments by U.S. Mills Within the Eastern-Tier Region

Data on domestic producers' shipments of rebar from mills within the specified region are presented in table III-7. As shown in the table, the changes in shipment quantity and value within the

region largely coincide with nationwide trends. There was no internal consumption reported within the region during the period for which data were collected.¹⁰

Table III-7

Rebar: U.S. regional producers' shipments, by types, 2002-07, January-June 2007, and January-June 2008

* * * * *

Shipments by U.S. Mills Outside the Eastern-Tier Region

Data on domestic producers' shipments of rebar from mills outside the specified region are presented in table III-8. As shown in the table, the changes in shipment quantity and value within the region largely coincide with nationwide trends. Average unit values for total shipments from mills outside the region were generally about three to six percent higher than unit values of total shipments within the region during the period for which data were collected.¹¹

Table III-8

Rebar: U.S. non-regional producers' shipments, by types, 2002-07, January-June 2007, and January-June 2008

* * * * *

U.S. PRODUCERS' INVENTORIES

Data on domestic producers' end-of-period inventories of rebar nationwide and by region are presented in table III-9. Nationwide inventory levels fluctuated somewhat throughout the period and the 2008 interim period saw an inventory draw-down at several facilities, many of which were located outside the region. These facilities included ***, which saw their rebar inventories in June 2008 fall to about *** of the levels from June 2007.¹²

¹⁰ In response to Commission requests made during the October 16, 2008 hearing held for this review, the domestic industry provided up-to-date shipment data for the third quarter 2007 and 2008 periods. U.S. shipments by regional producers were *** short tons in the third quarter of 2008, compared to *** short tons in the third quarter of 2007. However, the average unit values of such shipments were \$*** per short ton in the third quarter of 2008, compared to \$*** per short ton in the third quarter of 2007. Accordingly, shipment values in the third quarter of 2008 were \$***, compared to \$*** in the third quarter of 2007.

¹¹ In response to Commission requests made during the October 16, 2008 hearing held for this review, the domestic industry provided up-to-date shipment data for the third quarter 2007 and 2008 periods. U.S. shipments by nonregional producers were *** short tons lower in the third quarter of 2008 than in the third quarter of 2007. However, the average unit values of such shipments were \$*** per short ton in the third quarter of 2008, compared to \$*** per short ton in the third quarter of 2007. Accordingly, shipment values in the third quarter of 2008 were \$***, compared to \$*** in the third quarter of 2007.

¹² In response to Commission requests made during the October 16, 2008 hearing held for this review, the domestic industry provided up-to-date end-of-period inventory data for the third quarter 2007 and 2008 periods. Throughout the United States and on a regional basis, rebar inventories were higher in the third quarter 2008 than in the third quarter of 2007. The ratio of inventories to total shipments during this period was higher in 2008 than in 2007 as well, reaching *** percent for regional producers (compared to *** percent); *** percent for nonregional producers (compared to *** percent), and *** percent nationally (compared to *** percent).

Table III-9

Rebar: U.S. producers' end-of-period inventories, by mill location, 2002-07, January-June 2007, and January-June 2008

Item	Calendar year						January-June	
	2002	2003	2004	2005	2006	2007	2007	2008
Mills inside the Eastern-tier region:								
Inventories (<i>short tons</i>)	***	***	***	***	***	***	***	***
Ratio to production (<i>percent</i>)	***	***	***	***	***	***	***	***
Ratio to U.S. shipments (<i>percent</i>)	***	***	***	***	***	***	***	***
Ratio to total shipments (<i>percent</i>)	***	***	***	***	***	***	***	***
Mills outside the Eastern-tier region:								
Inventories (<i>short tons</i>)	***	***	***	***	***	***	***	***
Ratio to production (<i>percent</i>)	***	***	***	***	***	***	***	***
Ratio to U.S. shipments (<i>percent</i>)	***	***	***	***	***	***	***	***
Ratio to total shipments (<i>percent</i>)	***	***	***	***	***	***	***	***
Total United States:								
Inventories (<i>short tons</i>)	627,556	453,005	646,918	551,444	634,304	535,725	671,364	499,740
Ratio to production (<i>percent</i>)	9.4	5.8	8.7	7.0	7.9	6.4	7.6	5.3
Ratio to U.S. shipments (<i>percent</i>)	9.6	5.8	9.2	7.1	8.1	6.5	7.9	5.4
Ratio to total shipments (<i>percent</i>)	***	***	***	***	***	***	***	***
Note.- Ratios were calculated using data from firms that provided both inventory data and production/shipment data. January-June ratios were calculated using annualized production or shipment data. Source: Compiled from data submitted in response to Commission questionnaires.								

U.S. PRODUCERS' IMPORTS AND PURCHASES

U.S. producers did not purchase rebar, other than direct imports or purchases made through subsidiaries, during this period. Information on subsidiaries of certain U.S. producers that have purchased rebar during this period can be found in Part II of this report. U.S. producers likewise did not import rebar from Turkey during the period for which data were collected. CMC has been *** importer of rebar from *** and identified steel producers in a variety of foreign locations¹³ as suppliers. The only other U.S. producer to import during this period was Gerdau Ameristeel, which imported *** of rebar (***) from *** in ***.¹⁴

¹³ Sources were located in the following countries: ***.

¹⁴ Compiled from data submitted in response to Commission questionnaires.

U.S. PRODUCERS' EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table III-10 presents data on U.S. producers' employment, wages, and productivity during the review period. The number of production-related workers ("PRWs") employed was relatively steady early in the period (2002-03), declined in 2004, then generally increased through the end of the period. The increase in PRWs outside the region in 2005 can be largely attributed to ***.¹⁵ Hourly wages increased in virtually every year both nationally and on a regional basis, with workers inside the region receiving consistently higher wages than those outside the region. Productivity also generally increased nationwide, with mills inside the region consistently generating higher levels of output per worker than those outside the region. Additionally, unit labor costs nationwide generally increased during the period despite declining inside the region during 2007.

Testimony by Mr. Louis Miller, employee at Nucor's Birmingham mill, illustrates the relationship between production levels and employee compensation. According to Mr. Miller's testimony, two-thirds of his salary comes from production bonuses. Mr. Miller also cited profit sharing as a means of further supplementing his wages as a production worker.¹⁶ Similarly to Nucor's production-based compensation, CMC has provided production employees with an 11 percent bonus the past three years and profit sharing benefits equal to more than 20 percent of pay in recent years. These compensation packages by CMC would be jeopardized by poor financial performance by CMC.^{17 18}

¹⁵ Staff telephone interview with ***.

¹⁶ Hearing transcript, pp. 42-44 (Miller). Given the domestic industry's expectations of lower production levels in the future, Mr. Miller voiced concerns about future income levels. Ibid.

¹⁷ Hearing transcript, p. 108 (Hilton).

¹⁸ In response to Commission requests made during the October 16, 2008 hearing held for this review, the domestic industry provided up-to-date employment data for the third quarter 2007 and 2008 periods. Both nationally and on a regional basis, the number of PRWs and hours worked increased modestly in the 2008 period compared to the 2007 period. Total wages paid, hourly wage rates, and productivity all increased both nationally and on a regional basis in the third quarter of 2008 compared to the same period in 2007. Unit labor costs increased on a national basis, with an increase in these costs within the region more than offsetting a decrease outside of the region.

Table III-10

Rebar: U.S. producers' employment-related indicators, by mill location, 2002-07, January-June 2007, and January-June 2008

Item	Calendar year						January-June	
	2002	2003	2004	2005	2006	2007	2007	2008
Mills inside the Eastern-tier region:								
PRWs (number)	***	***	***	***	***	***	***	***
Hours worked (1,000 hours)	***	***	***	***	***	***	***	***
Wages paid to PRWs (\$1,000)	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***
Productivity (tons per 1,000 hours)	***	***	***	***	***	***	***	***
Unit labor costs (per short ton)	***	***	***	***	***	***	***	***
Mills outside the Eastern-tier region:								
PRWs (number)	***	***	***	***	***	***	***	***
Hours worked (1,000 hours)	***	***	***	***	***	***	***	***
Wages paid to PRWs (\$1,000)	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***
Productivity (tons per 1,000 hours)	***	***	***	***	***	***	***	***
Unit labor costs (per short ton)	***	***	***	***	***	***	***	***
Total United States:								
PRWs (number)	4,313	4,440	4,289	4,721	4,750	4,849	4,833	4,892
Hours worked (1,000 hours)	8,921	9,820	9,124	9,465	9,524	10,097	5,141	5,524
Wages paid to PRWs (\$1,000)	225,646	249,559	252,597	283,567	300,611	326,501	168,949	177,991
Hourly wages	\$25.29	\$25.41	\$27.68	\$29.96	\$31.56	\$32.34	\$32.87	\$32.22
Productivity (tons per 1,000 hours)	750.3	799.0	814.2	832.4	848.1	830.3	856.3	858.7
Unit labor costs (per short ton)	\$33.71	\$31.81	\$34.00	\$35.99	\$37.22	\$38.95	\$38.38	\$37.52
Source: Compiled from data submitted in response to Commission questionnaires.								

FINANCIAL EXPERIENCE OF U.S. PRODUCERS

Background

Nine U.S. producers¹⁹ provided mill-by-mill financial data on their operations producing rebar both inside (11 mills) and outside (18 mills) the Eastern-tier region. There were considerable amounts of non-commercial sales (defined as internal consumption and transfers to related parties combined)²⁰ in every period. With respect to Eastern-tier region mills, approximately *** percent of total (commercial and non-commercial combined) sales quantities every period were non-commercial. With respect to mills outside the Eastern-tier region, approximately *** percent of total sales quantities during 2002 to 2006 were non-commercial; this share increased to *** percent in 2007 and then *** percent in interim 2008.

Nationwide, the average unit sales value for non-commercial sales was *** percent of the unit sales value for commercial sales during 2005-07, and was *** percent during interim 2008. *** reason for the divergence in prices in the later periods was “***.”²¹ ***²² *** reason for the divergence in prices was “***.”²³

Operations on Rebar Within the Eastern-Tier Region

Income-and-loss data for the 11 mills within the Eastern-tier region are presented in table III-11. In summary, net sales values and all levels of profitability generally increased by substantial amounts throughout the full-year periods; comparing January-June 2008 data to January-June 2007 data, while net sales values again increased by a substantial amount, profitability declined.

Net sales quantities increased irregularly during the full-year periods, and were approximately *** percent higher in 2007 than in 2002. The increase in net sales values during the same time period – *** percent – was much more pronounced. While sales values increased by substantial amounts in every period, both on an absolute- and percentage-basis, the increase in 2004 was particularly large. The driving force behind the increases in sales values was the increase in per-unit sales values. From 2002 to 2007, unit sales values increased by \$*** per short ton,²⁴ from \$*** to \$*** per ton, with approximately *** of the increase occurring in 2004. At the same time, per-unit operating costs were also increasing, mostly raw materials (\$*** per ton) and other factory costs (\$*** per ton).

The increase in raw materials cost is tied to increases in the price of scrap (see figure V-1). With regard to increases in other factory costs, *** reported that nearly all of its consumable production costs have increased significantly, with alloys and electrodes *** in the last year, and that increases in alloy costs alone have added approximately \$*** per ton.²⁵ *** reported that the increase is due in part to

¹⁹ The producers and the number of their respective mills both inside and outside of the region are AB Steel (one outside), ArcelorMittal Vinton (one outside), Cascade (one outside), CMC (one inside and two outside), Gerdau (six inside and five outside), Nucor (four inside and five outside), Rocky Mountain (one outside), SDI (one outside), and TAMCO (one outside). The fiscal year end for all mills was December 31 except for Cascade (August 31); CMC Arkansas, CMC South Carolina, and CMC Texas (August 31); Gerdau Sand Springs for 2002 through 2005 (April 30); and, TAMCO (November 30).

²⁰ The vast majority of non-commercial sales were transfers to related parties; such sales accounted for *** percent, respectively, of 2007 non-commercial sales quantities inside the Eastern-tier region, outside the Eastern-tier region, and in total.

²¹ ***.

²² E-mail from ***, September 17, 2008.

²³ E-mail from ***, September 16, 2008.

²⁴ All references to tons in this financial section are short tons.

²⁵ E-mail from ***, September 17, 2008.

general inflationary pressures on production inputs as well as the development of an enhanced management infrastructure at the mills.²⁶

Table III-11

Rebar: Results of operations of U.S. producers in the Eastern-tier region, fiscal years 2002-07, January-June 2007, and January-June 2008

* * * * *

From 2004 on, all levels and measures of profitability increased in every annual period as the aforementioned increase in unit sales values exceeded the increase in unit operating costs (cost of goods sold and SG&A expenses combined) by \$*** per ton in 2004, \$*** per ton in 2005, \$*** per ton in 2006, and \$*** per ton in 2007.

Comparing interim 2008 data to interim 2007 data, even though net sales values were higher, this time by *** percent, profitability was *** lower on an absolute and per-unit basis as higher per-unit raw materials costs (\$*** per ton) and per-unit other factory costs (\$*** per ton) more than negated the \$*** per ton higher sales values. When measured as a share of net sales value, the lower profitability was much more pronounced. As a share of net sales value, gross profits were *** percentage points lower and operating income was *** percentage points lower, a reflection of small decreases in the absolute levels of profitability and large increases in the absolute level of net sales.²⁷

When asked to comment on the reasons the U.S. market experienced increasing prices and profitability through 2007 and then declining profitability in the first half of 2008, *** replied “The US rebar market stayed strong through the end of 2007 due to generally good conditions inside the US, while scrap prices remained low. In 2008, major increases in the price of scrap coincided with a weakening in the construction market.”²⁸ *** response was “Generally the increase in scrap prices

²⁶ E-mail from ***, September 16, 2008.

²⁷ At the Commission’s hearing on October 16, 2008, Commissioners requested additional data for more recent periods. Hearing transcript, p. 48 (Lane); p. 89 (Okun); and pp. 247-248 (Okun). Pursuant to the requests, all 29 mills provided financial data for the periods July-September 2007 and 2008. Operating margins (operating income as a percent of net sales) for July-September 2007 and 2008 were as follows: for mills inside the region, *** and *** percent; for mills outside the region, *** and *** percent; and, for all mills, 21.8 and 15.9 percent. Thus, the operating margins for the July-September periods were quite similar to the operating margins for the January-June periods presented in tables III-11, III-12, and III-13. Unit sales values (***) during July-September 2008 were approximately \$300 per ton higher than during July-September 2007, and approximately \$190 per ton higher than during January-June 2008. These large increases in unit sales values were largely driven by increases in unit raw materials costs (approximate increases of \$250 per ton from July-September 2007 to July-September 2008 and \$130 per ton from January-June 2008 to July-September 2008), and, to a smaller extent, by increases in unit direct labor costs and other factory costs. Approximately two-thirds of the mills (***) reported higher absolute levels of operating income and higher per-unit operating income, but lower operating margins. No mills reported operating losses during July-September 2008, as opposed to one during July-September 2007. July-September 2008 sales quantities were moderately lower than July-September 2007 sales quantities, while sales values were substantially higher, the result of the aforementioned large increase in unit sales values.

While profitability by month was not gathered, shipment quantity and value data (which was the same as sales data) for July, August, and September 2008 was reported by 25 of the 29 mills. These mills accounted for approximately *** percent of the total shipment quantity and values data during the July-September 2008 period. The data indicated large month-to-month decreases in sales quantities and values for mills inside the region, outside the region, and in total. These decreases ranged from between 19 and 22 percent from July 2008 to August 2008, and from between 10 and 17 percent from August 2008 to September 2008. As comparable 2007 data was not reported, it is not clear if the month-to-month declines were specific to 2008 or if similar declines occurred in 2007.

²⁸ E-mail from ***, September 17, 2008.

experienced has outpaced the increase in selling prices in certain situations. As to the *** mill specifically, additional significant costs have been incurred with regard to the ***.’²⁹

Operations on Rebar Outside of the Eastern-Tier Region

Income-and-loss data for the 18 mills outside of the Eastern-tier region are presented in table III-12. In summary, the results were much like those for mills within the Eastern-tier region, except that the income margins (gross or operating profits as a share of net income) were higher (typically by *** to *** percentage points) than those reported by mills inside the Eastern-tier region in every period. From 2002 to 2007, very large increases in net sales quantities (*** percent) and unit sales values (\$*** per ton, from \$*** to \$*** per ton) resulted in sales values almost ***. From 2004 through 2007, increases in unit sales values exceeded increases in unit operating costs from period to period, resulting in increases, ***, in all levels and most measures of profitability.

Comparing interim 2008 data to interim 2007 data, *** increases in net sales quantities (*** percent) and per-unit sales values (*** percent, from \$*** to \$*** per ton) fueled a *** increase in net sales values, from \$*** to \$***. All levels of profitability increased on an absolute basis, but decreased on a per-unit basis as increases in per-unit costs (principally raw materials) were *** higher than the increase in per-unit sales values. As with the mills operating within the Eastern-tier region, the decrease in gross and operating profits as a share of net sales value was ***.

Table III-12

Rebar: Results of operations of U.S. producers outside the Eastern-tier region, fiscal years 2002-07, January-June 2007, and January-June 2008

* * * * *

With the exception of ***, average unit sales values for the mills outside of the Eastern-tier region were *** than those for the mills within the Eastern-tier region. At the same time, with the exception of the ***, average unit operating costs for the mills outside of the Eastern-tier region were *** than those for the mills within the Eastern-tier region. This combination of *** and *** resulted in the mills outside of the Eastern-tier region reporting *** than those within the Eastern-tier region ***.

Operations on Rebar both Inside and Outside of the Eastern-Tier Region

Income-and-loss data for the 29 mills operating both inside and outside of the Eastern-tier region are presented in table III-13. As discussed above, the financial results for mills inside and outside the Eastern-tier region were generally similar. Given that the sales quantities and values of the mills outside of the Eastern-tier region were *** to *** percent higher than the sales quantities and values of the mills inside the Eastern-tier region in every period, it follows that the combined financial results of the mills operating both inside and outside the Eastern-tier are closer to the results of the mills operating outside of the Eastern-tier region.

Selected mill-by-mill financial data are presented in table III-14 and appendix F. The individual mill results mirrored the overall results – from 2002 to 2007, approximately two-thirds of the mills reported increases in sales quantities, while every or almost every mill reported increases in sales values, the absolute level of operating income, operating income as a share of net sales, the per-unit value of net sales, and the per-unit value of cost of goods sold. Comparing interim 2008 to interim 2007 data, while increases in sales quantities (23 mills) and the absolute level of operating income (22 mills) were widespread, and increases in sales values and the per-unit values of net sales and cost of goods sold were virtually across the board, 20 mills reported decreases in operating income as a share of net sales. All but

²⁹ E-mail from ***, September 16, 2008.

four of the mills reported double digit operating margins in interim 2008 as opposed to all but five in interim 2007.

Table III-13

Rebar: Results of operations of U.S. producers both inside and outside the Eastern-tier region,¹ fiscal years 2002-07, January-June 2007, and January-June 2008

Item	Fiscal years ending						January-June	
	2002	2003	2004	2005	2006	2007	2007	2008
	<i>Quantity (short tons)</i>							
Net sales								
Commercial ²	***	***	***	***	***	***	***	***
Non-commercial ³	***	***	***	***	***	***	***	***
Total	6,644,330	7,936,020	7,289,004	7,886,361	8,085,904	8,452,738	4,373,882	4,841,373
	<i>Value (\$1,000)</i>							
Net sales								
Commercial ²	***	***	***	***	***	***	***	***
Non-commercial ³	***	***	***	***	***	***	***	***
Total	1,741,718	2,236,068	3,153,898	3,720,516	4,184,161	4,883,493	2,486,606	3,416,584
Cost of goods sold								
Raw materials	718,847	1,030,254	1,522,039	1,644,625	1,825,522	2,245,236	1,145,874	1,894,515
Direct labor	184,298	223,924	205,853	238,941	256,622	281,169	150,856	159,080
Other factory costs	684,967	811,525	840,788	1,038,385	1,073,784	1,169,318	600,804	726,309
Total COGS	1,588,112	2,065,703	2,568,680	2,921,951	3,155,928	3,695,723	1,897,534	2,779,904
Gross profit	153,606	170,365	585,218	798,565	1,028,233	1,187,770	589,072	636,680
SG&A expenses	83,111	117,962	135,589	187,616	198,593	182,778	91,125	107,229
Operating income	70,495	52,403	449,629	610,949	829,640	1,004,992	497,947	529,451
Other expense or (income) ⁴	37,987	44,785	40,264	15,448	2,822	20,845	(5,479)	28,573
Net income	32,508	7,618	409,365	595,501	826,818	984,147	503,426	500,878
Depreciation above	91,582	103,373	101,786	109,173	113,816	124,170	60,994	67,058
Cash flow	124,090	110,991	511,151	704,674	940,634	1,108,317	564,420	567,936

Table continued on next page.

Table III-13--Continued

Rebar: Results of operations of U.S. producers both inside and outside the Eastern-tier region,¹ fiscal years 2002-07, January-June 2007, and January-June 2008

Item	Fiscal years ending						January-June	
	2002	2003	2004	2005	2006	2007	2007	2008
	Number of mills reporting							
Operating losses	9	13	3	4	3	1	1	1
Data	28	28	28	29	29	29	29	29
	Ratio to net sales (<i>percent</i>)							
Cost of goods sold								
Raw materials	41.3	46.1	48.3	44.2	43.6	46.0	46.1	55.5
Direct labor	10.6	10.0	6.5	6.4	6.1	5.8	6.1	4.7
Other factory costs	39.3	36.3	26.7	27.9	25.7	23.9	24.2	21.3
Total COGS	91.2	92.4	81.4	78.5	75.4	75.7	76.3	81.4
Gross profit	8.8	7.6	18.6	21.5	24.6	24.3	23.7	18.6
SG&A expenses	4.8	5.3	4.3	5.0	4.7	3.7	3.7	3.1
Operating income	4.0	2.3	14.3	16.4	19.8	20.6	20.0	15.5
	Unit value (<i>per short ton</i>)							
Net sales:								
Commercial ²	\$263	\$284	\$444	\$477	\$522	\$582	\$573	\$720
Non-commercial ³	255	266	381	445	497	563	547	659
Average	262	282	433	472	517	578	569	706
Cost of goods sold								
Raw materials	108	130	209	209	226	266	262	391
Direct labor	28	28	28	30	32	33	34	33
Other factory costs	103	102	115	132	133	138	137	150
Total COGS	239	260	352	371	390	437	434	574
Gross profit	23	21	80	101	127	141	135	132
SG&A expenses	13	15	19	24	25	22	21	22
Operating income	11	7	62	77	103	119	114	109
<p>¹ The mills are AB Steel, ArcelorMittal, Cascade, CMC Arkansas, CMC South Carolina, CMC Texas, Gerdau Beaumont, Gerdau Charlotte, Gerdau Jackson, Gerdau Jacksonville, Gerdau Knoxville, Gerdau Midlothian, Gerdau Perth Amboy, Gerdau Sand Springs, Gerdau Sayreville, Gerdau St. Paul, Gerdau Wilton, Nucor Auburn, Nucor Birmingham, Nucor Jackson, Nucor Kankakee, Nucor Marion, Nucor Plymouth, Nucor Seattle, Nucor South Carolina, Nucor Texas, Rocky Mountain, SDI, and TAMCO.</p> <p>² Commercial sales are commercial domestic and commercial export sales.</p> <p>³ Non-commercial sales are internal transfers and related party transfers combined.</p> <p>⁴ Interest expense, all other expense, CDSOA income, and all other income combined.</p>								
Source: Compiled from data submitted in response to Commission questionnaires.								

Table III-14

Rebar: Selected financial data of U.S. producers both inside and outside the Eastern-tier region on a mill-by-mill basis, fiscal years 2002-07, January-June 2007, and January-June 2008

* * * * *

From 2005 on, the *** were mills for which rebar constituted a minority of the production on their shared production equipment (the majority of production in these mills was typically ***).

Some producers have released the results on their overall operations (including long, flat-rolled, scrap, and manufactured products) for their most recent quarter. Nucor, whose sales of rebar accounted for *** percent of its overall sales in fiscal year 2007, reported an overall operating margin of 16.7 percent in the third quarter (July-September) of 2008, up from 14.3 percent the first half of 2008 and 15.4 percent in fiscal year 2007, but down from 19.5 percent in fiscal year 2006. At the same time, Nucor stated: "Entering the fourth quarter, the global economy has been negatively impacted by the crisis in the financial markets."³⁰

CMC, whose sales of rebar accounted for *** percent of its overall sales in fiscal year 2007, reported an overall operating margin of 3.2 percent in the fourth quarter (June-August) of 2008, less than the 6.6 percent during the same period in 2007 and down from 6.9 percent in fiscal year 2007. At the same time, CMC stated: "The turmoil in global financial markets, the uncertainty of the effects of government intervention, the imminent change in the U.S. administration and a loss of confidence by both consumers and investors clouds our outlook."³¹

Gerdau Ameristeel, whose sales of rebar accounted for *** percent of its overall sales in fiscal year 2007, reported an overall operating margin of 19.8 percent in the third quarter (July-September) of 2008, more than the 13.7 percent during the same period in 2007 and the 14.1 percent in fiscal year 2007. Along with the release of its third quarter financial results, Gerdau Ameristeel stated: "The results from the third quarter of 2008 represent our fourth successive quarter in which we have delivered increased net earnings to our shareholders from our balanced long product portfolio of rebar, merchant, structural and wire rod products. Our recent acquisitions further strengthened both our downstream rebar fabrication business, which represents an outlet for a significant portion of our mill rebar production, and our upstream raw materials scrap procurement group, which has increased our captive scrap sourcing to approximately 40%. We will use our proven methodologies to integrate these operations into our existing business, in an effort to capture the synergies that these opportunities present.

We expect shipment volume in the fourth quarter to be reduced from the levels of the third quarter. As we enter this period of economic uncertainty we will remain focused on driving productivity and cost improvement initiatives as we have done over the past several years. Our balance sheet is strong with good liquidity and with no significant scheduled debt repayments until 2011. With decreasing scrap costs and shipment volumes, we anticipate a significant reduction in the investment of working capital as we match production to customer demand, which should further enhance our liquidity position in the fourth quarter."³²

Based upon American Metal Market (AMM) data, the Chicago average consumer price for No. 1 heavy melt scrap peaked at \$460 per short ton during May-August 2008 and has since fallen sharply to \$80 per short ton by the middle of November.³³ The price decline has been steep, and it may be possible that prices are artificially low to discourage an influx of scrap offers.³⁴ The decline in AMM scrap prices is in line with the decrease in AMM rebar (grade 60, number 5) prices, which peaked at \$1,056 per short

³⁰ Nucor October 16, 2008 press release.

³¹ CMC's October 30, 2008 press release.

³² Gerdau Ameristeel's November 5, 2008 press release.

³³ See EDIS document number 314009.

³⁴ "Ferrous scrap's fall to "silly" level ignites concern," American Metal Market, October 29, 2008.

ton during August-September 2008 and then declined to \$676 by the middle of November.³⁵ The correlation between scrap prices and rebar prices is not surprising, given that scrap prices are widely known, and are often part of a surcharge mechanism.³⁶

The variance analyses showing the effects of prices and volume on the producers' commercial and non-commercial operations, and of costs and volume on their total cost, are shown in table III-15. Separate analyses in abbreviated form are presented for operations inside the Eastern-tier region, operations outside the Eastern-tier region, and combined operations both inside and outside the Eastern-tier region. The results of the full-year analyses for all three groups of mills are essentially the same -- increases in operating income from 2002 to 2007 were the result of increases in per-unit prices (positive price variance) that were in excess of increases in per-unit operating costs (negative cost/expense variance). The results of the January-June 2007 to 2008 analysis for the mills inside the Eastern-tier region indicate that the operating income decreased because increases in per-unit operating costs (negative cost/expense variance) were larger than increases in per-unit prices (positive price variance); the results of the analyses for mills outside the Eastern-tier region and all mills combined indicate that the operating income increased because increases in per-unit prices (positive price variance) and increased volume (positive volume variance) more than offset increases in per-unit operating costs (negative cost/expense variance).

Table III-15
Rebar: Variance analysis of the operations of U.S. producers, fiscal years 2002-07, January-June 2007, and January-June 2008

Item	Between fiscal years						Jan-June
	2002-07	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
	Value (\$1,000)						
Mills within the Eastern-tier region							
Total net sales variance	***	***	***	***	***	***	***
Total COGS variance	***	***	***	***	***	***	***
Gross profit variance	***	***	***	***	***	***	***
Total SG&A variance	***	***	***	***	***	***	***
Op. income variance	***	***	***	***	***	***	***
Summarized as:	***	***	***	***	***	***	***
Price variance	***	***	***	***	***	***	***
Cost/expense variance	***	***	***	***	***	***	***
Volume variance	***	***	***	***	***	***	***

Table continued on next page.

³⁵ See EDIS document number 314009.

³⁶ See, e.g., "Passing the buck: the trouble with surcharges," American Metal Market, October 15, 2008. See also "Ferrous scrap flow dives as pricing bottom sinks," American Metal Market, November 3, 2008.

Table III-15--Continued

Rebar: Variance analysis of the operations of U.S. producers, fiscal years 2002-07, January-June 2007, and January-June 2008

Item	Between fiscal years						Jan-June
	2002-07	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Value (\$1,000)							
Mills outside of the Eastern-tier region:							
Total net sales variance	***	***	***	***	***	***	***
Total COGS variance	***	***	***	***	***	***	***
Gross profit variance	***	***	***	***	***	***	***
Total SG&A variance	***	***	***	***	***	***	***
Op. income variance	***	***	***	***	***	***	***
Summarized as:	***	***	***	***	***	***	***
Price variance	***	***	***	***	***	***	***
Cost/expense variance	***	***	***	***	***	***	***
Volume variance	***	***	***	***	***	***	***
All mills, whether inside or outside of the Eastern-tier region:							
Total net sales variance	3,141,775	494,350	917,830	566,618	463,645	699,332	929,978
Total COGS variance	(2,107,611)	(477,591)	(502,977)	(353,271)	(233,977)	(539,795)	(882,370)
Gross profit variance	1,034,164	16,759	414,853	213,347	229,668	159,537	47,608
Total SG&A variance	(99,667)	(34,851)	(17,627)	(52,027)	(10,977)	15,815	(16,104)
Op. income variance	934,497	(18,092)	397,226	161,320	218,691	175,352	31,504
Summarized as:							
Price variance	2,667,726	155,752	1,100,134	308,146	369,507	509,509	664,204
Cost/expense variance	(1,752,416)	(187,548)	(698,636)	(183,675)	(166,275)	(371,795)	(685,921)
Volume variance	19,187	13,705	(4,272)	36,849	15,458	37,638	53,222
¹ The data in this table are derived from the data in tables III-12, III-13, and III-14. Note.--Unfavorable variances are shown in parentheses; all others are favorable. Source: Compiled from data submitted in response to Commission questionnaires.							

Capital Expenditures and Research and Development Expenses

The individual mills' capital expenditures are presented in table III-16. Aggregate capital expenditures from January 2002 to June 2008 for mills inside the Eastern-tier region (\$***) approximated expenditures for mills outside of the Eastern-tier region (\$***). Gerdau and Nucor provided details on their larger expenditures, as follows (in millions of dollars):

Gerdau Jacksonville: ***

Gerdau Knoxville: ***

Gerda Sayreville: ***

Nucor Auburn: ***

Nucor Birmingham: ***

Nucor Kankakee: ***

Nucor South Carolina: ***

Nucor Texas: ***

***.

Table III-16

Rebar: Capital expenditures of U.S. producers both inside and outside the Eastern-tier region on a mill-by-mill basis, fiscal years 2002-07, January-June 2007, and January-June 2008

* * * * *

Assets and Return on Investment

Data on the domestic producers' assets and their return on investment (defined as operating income divided by total assets) are presented in table III-17. With one exception, the value of total assets increased for mills both inside and outside of the Eastern-tier region in every period. Nationwide, while there were large increases in the original cost (\$344 million) and book value (\$171 million) of property, plant, and equipment, approximately 80 percent of the \$1.07 billion increase in total assets was the result of increases in current assets (mostly cash, accounts receivable, and inventory). Return on assets followed the same trends as operating income.

Table III-17

Rebar: Value of U.S. producers' assets and their return on assets, both inside and outside the Eastern-tier region, fiscal years 2002-07

Item	As of the end of fiscal year					
	2002	2003	2004	2005	2006	2007
Value (\$1,000)						
Mills within the Eastern-tier region:						
Total current assets ¹	***	***	***	***	***	***
PP&E at cost	***	***	***	***	***	***
PP&E – book value	***	***	***	***	***	***
Other non-current assets	***	***	***	***	***	***
Total assets	***	***	***	***	***	***
Operating income	***	***	***	***	***	***
Ratio of operating income to total assets (<i>percent</i>)						
Return on assets	***	***	***	***	***	***
Value (\$1,000)						
Mills outside the Eastern-tier region:						
Total current assets ¹	***	***	***	***	***	***
PP&E at cost	***	***	***	***	***	***
PP&E – book value	***	***	***	***	***	***
Other non-current assets	***	***	***	***	***	***
Total assets	***	***	***	***	***	***
Operating income	***	***	***	***	***	***
Ratio of operating income to total assets (<i>percent</i>)						
Return on assets	***	***	***	***	***	***
Value (\$1,000)						
All mills in and out of the region:						
Total current assets ¹	475,820	551,108	827,238	1,153,751	1,089,869	1,334,315
PP&E at cost	1,701,051	1,683,636	1,669,759	1,871,346	1,963,520	2,044,596
PP&E – book value	957,633	984,901	939,036	1,056,698	1,081,143	1,128,512
Other non-current assets	61,081	60,703	59,262	67,453	106,210	103,895
Total assets	1,494,534	1,596,712	1,825,536	2,277,902	2,277,222	2,566,722
Operating income	70,495	52,403	449,629	610,949	829,640	1,004,992
Ratio of operating income to total assets (<i>percent</i>)						
Return on assets	4.7	3.3	24.6	26.8	36.4	39.2
¹ Cash and equivalents, accounts receivable, inventories, and other current assets combined.						
Source: Compiled from data submitted in response to Commission questionnaires.						

PART IV: U.S. IMPORTS AND THE FOREIGN INDUSTRY

U.S. IMPORTS

The data in this section are from Department of Commerce official statistics and importers' questionnaires, which accounted for 73.8 percent of imports of rebar from Turkey and 83.6 percent of total imports of rebar in 2006, the year in which importer coverage was the highest. Table IV-1 presents data on total imports of rebar into the United States during the period for which data were collected. Tables IV-2 and IV-3 present similar data on imports into and outside of the Eastern-tier region.

Both subject and nonsubject imports into the United States fluctuated during the period for which data were collected, with noticeable increases in 2004 and 2006. This trend was present on both a national and regional basis. ***,¹ ***. According to responding foreign producers, as well as importers such as ***, the general decline in U.S. imports from Turkey can be partially attributed to increases in demand in regions such as the Middle East in recent years. Other market participants, such as ***, see declines in global demand for rebar going forward.² The "Global Market" section in part IV presents additional details on rebar demand in various regional markets.

¹ *** response to the Commission's foreign producer questionnaire, section II-2.

² With respect to the U.S. market, official Commerce statistics for U.S. imports indicate that regional (Eastern Tier) imports from Turkey (subject and nonsubject) were 34,920 short tons in July-September 2008 compared to 39,898 short tons in July-September 2007, while comparable non-regional imports from Turkey were 5,462 short tons, down from 94,669 short tons. For all other countries combined, regional imports were 37,065 short tons in July-September 2008 compared to 46,762 short tons in July-September 2007, while comparable non-regional imports were 151,481 short tons, down from 352,138 short tons. With respect to non-U.S. markets, see also American Metal Market, "Colakoglu cuts billet and rebar production" (October 21, 2008); "Turkish rebar export prices continue to plummet" (October 23, 2008); "Global credit crisis slows down Turkish rebar buying" (October 30, 2008), "Russia and Ukrainian mills slash billet offers to Turkey by \$50" (October 31, 2008), and "CIS exporters turn to North African market" (November 10, 2008) citing tighter credit, pockets of slowing regional demand, instances of relatively high inventories, and September religious observances, as reasons for consumption levels retreating from recent highs.

Table IV-1

Rebar: Total U.S. imports, by sources, 2002-07, January-June 2007, and January-June 2008

Item	Calendar year						January-June	
	2002	2003	2004	2005	2006	2007	2007	2008
Quantity (short tons)								
U.S. imports from--								
Turkey (included in AD order)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05) ¹	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07) ²	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08) ³	***	***	***	***	***	***	***	***
All other	1,042,066	896,616	1,203,165	934,819	1,348,441	1,405,793	846,390	411,360
Total (excluded/nonsubject)	***	***	***	***	***	***	***	***
Total U.S. imports	1,276,191	1,019,007	1,916,854	1,424,389	2,587,418	1,860,854	1,144,294	665,189
Value (\$1,000)⁴								
U.S. imports from--								
Turkey (included in AD order)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05) ¹	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07) ²	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08) ³	***	***	***	***	***	***	***	***
All other	233,527	250,272	542,089	393,035	600,255	752,592	419,933	285,094
Total (excluded/nonsubject)	***	***	***	***	***	***	***	***
Total U.S. imports	285,636	285,549	904,826	606,542	1,142,533	996,278	571,633	456,743
Unit value (dollars per short ton)								
U.S. imports from--								
Turkey (included in AD order)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05) ¹	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07) ²	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08) ³	***	***	***	***	***	***	***	***
All other	224	279	451	420	445	535	496	693
Total (excluded/nonsubject)	***	***	***	***	***	***	***	***
Total U.S. imports	224	280	472	426	442	535	500	687

Table continued on next page.

Table IV-1--Continued

Rebar: Total U.S. imports, by sources, 2002-07, January-June 2007, and January-June 2008

Item	Calendar year						January-June	
	2002	2003	2004	2005	2006	2007	2007	2008
Share of quantity (percent)								
U.S. imports from--								
Turkey (included in AD order)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05) ¹	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07) ²	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08) ³	***	***	***	***	***	***	***	***
All other	81.7	88.0	62.8	65.6	52.1	75.5	74.0	61.8
Total (excluded/nonsubject)	***	***	***	***	***	***	***	***
Total U.S. imports	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Share of value (percent)								
U.S. imports from--								
Turkey (included in AD order)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05) ¹	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07) ²	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08) ³	***	***	***	***	***	***	***	***
All other	81.8	87.6	59.9	64.8	52.5	75.5	73.5	62.4
Total (excluded/nonsubject)	***	***	***	***	***	***	***	***
Total U.S. imports	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
¹ Imports of rebar produced by ICDAS. ² Imports of rebar produced by Colakoglu and Diler. ³ Imports of rebar produced by Habas. ⁴ Landed, duty paid. ⁵ Not applicable. Note.-The ratios of subject imports to total U.S. production are were follows: 2002 - *** percent; 2003 - *** percent; 2004 - *** percent; 2005 - *** percent; 2006 - *** percent; 2007 - *** percent; Jan.-June 2007 - *** percent; Jan.-June 2008 - *** percent. Note.-Because of rounding, figures may not add to totals shown. Source: Compiled from Department of Commerce official statistics.								

Table IV-2

Rebar: U.S. imports into the region, by sources, 2002-07, January-June 2007, and January-June 2008

Item	Calendar year						January-June	
	2002	2003	2004	2005	2006	2007	2007	2008
Quantity (short tons)								
U.S. imports from--								
Turkey (included in AD order)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05) ¹	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07) ²	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08) ³	***	***	***	***	***	***	***	***
All other	534,887	400,302	422,401	342,200	372,158	338,104	258,435	46,566
Total (excluded/nonsubject)	***	***	***	***	***	***	***	***
Total U.S. imports	712,091	459,276	800,246	667,355	1,087,536	518,576	387,942	107,332
Value (\$1,000)⁴								
U.S. imports from--								
Turkey (included in AD order)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05) ¹	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07) ²	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08) ³	***	***	***	***	***	***	***	***
All other	118,997	111,185	187,033	145,266	170,144	170,259	124,813	32,390
Total (excluded/nonsubject)	***	***	***	***	***	***	***	***
Total U.S. imports	158,313	128,420	369,331	286,267	487,001	266,540	190,883	75,141
Unit value (dollars per short ton)								
U.S. imports from--								
Turkey (included in AD order)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05) ¹	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07) ²	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08) ³	***	***	***	***	***	***	***	***
All other	222	278	443	425	457	504	483	696
Total (excluded/nonsubject)	***	***	***	***	***	***	***	***
Total U.S. imports	222	280	462	429	448	514	492	700

Table continued on following page.

Table IV-2--Continued

Rebar: U.S. imports into the region, by sources, 2002-07, January-June 2007, and January-June 2008

Item	Calendar year						January-June	
	2002	2003	2004	2005	2006	2007	2007	2008
Share of quantity (percent)								
U.S. imports from--								
Turkey (included in AD order)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05) ¹	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07) ²	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08) ³	***	***	***	***	***	***	***	***
All other	75.1	87.2	52.8	51.3	34.2	65.2	66.6	43.4
Total (excluded/nonsubject)	***	***	***	***	***	***	***	***
Total U.S. imports	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Share of value (percent)								
U.S. imports from--								
Turkey (included in AD order)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05) ¹	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07) ²	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08) ³	***	***	***	***	***	***	***	***
All other	75.2	86.6	50.6	50.7	34.9	63.9	65.4	43.1
Total (excluded/nonsubject)	***	***	***	***	***	***	***	***
Total U.S. imports	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
¹ Imports of rebar produced by ICDAS. ² Imports of rebar produced by Colakoglu and Diler. ³ Imports of rebar produced by Habas. ⁴ Landed, duty paid. ⁵ Not applicable.								
Note.-The ratios of subject imports into the region to U.S. production within the region were as follows: 2002 - *** percent; 2003 - *** percent; 2004 - *** percent; 2005 - *** percent; 2006 - *** percent; 2007 - *** percent; Jan.-June 2007 - *** percent; Jan.-June 2008 - *** percent.								
Note.-Because of rounding, figures may not add to totals shown.								
Source: Compiled from Department of Commerce official statistics.								

Table IV-3

Rebar: U.S. imports outside the region, by sources, 2002-07, January-June 2007, and January-June 2008

Item	Calendar year						January-June	
	2002	2003	2004	2005	2006	2007	2007	2008
Quantity (short tons)								
U.S. imports from--								
Turkey (included in AD order)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05) ¹	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07) ²	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08) ³	***	***	***	***	***	***	***	***
All other	507,179	496,314	780,764	592,619	976,283	1,067,689	587,955	364,794
Total (excluded/nonsubject)	***	***	***	***	***	***	***	***
Total U.S. imports	564,101	559,731	1,116,608	757,034	1,499,883	1,342,278	756,352	557,858
Value (\$1,000)⁴								
U.S. imports from--								
Turkey (included in AD order)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05) ¹	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07) ²	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08) ³	***	***	***	***	***	***	***	***
All other	114,530	139,088	355,055	247,769	430,111	582,334	295,120	252,704
Total (excluded/nonsubject)	***	***	***	***	***	***	***	***
Total U.S. imports	127,324	157,129	535,496	320,276	655,532	729,738	380,750	381,602
Unit value (dollars per short ton)								
U.S. imports from--								
Turkey (included in AD order)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05) ¹	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07) ²	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08) ³	***	***	***	***	***	***	***	***
All other	226	280	455	418	441	545	502	693
Total (excluded/nonsubject)	***	***	***	***	***	***	***	***
Total U.S. imports	226	281	480	423	437	544	503	684

Table continued on next page.

Table IV-3--Continued

Rebar: U.S. imports outside the region, by sources, 2002-07, January-June 2007, and January-June 2008

Item	Calendar year						January-June	
	2002	2003	2004	2005	2006	2007	2007	2008
Share of quantity (percent)								
U.S. imports from--								
Turkey (included in AD order)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05) ¹	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07) ²	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08) ³	***	***	***	***	***	***	***	***
All other	89.9	88.7	69.9	78.3	65.1	79.5	77.7	65.4
Total (excluded/nonsubject)	***	***	***	***	***	***	***	***
Total U.S. imports	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Share of value (percent)								
U.S. imports from--								
Turkey (included in AD order)	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05) ¹	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07) ²	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08) ³	***	***	***	***	***	***	***	***
All other	90.0	88.5	66.3	77.4	65.6	79.8	77.5	66.2
Total (excluded/nonsubject)	***	***	***	***	***	***	***	***
Total U.S. imports	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
¹ Imports of rebar produced by ICDAS. ² Imports of rebar produced by Colakoglu and Diler. ³ Imports of rebar produced by Habas. ⁴ Landed, duty paid. ⁵ Not applicable.								
Note.--The ratios of subject imports outside the region to U.S. production outside the region were as follows: 2002 - *** percent; 2003 - *** percent; 2004 - *** percent; 2005 - *** percent; 2006 - *** percent; 2007 - *** percent; Jan.-June 2007 - *** percent; Jan.-June 2008 - *** percent.								
Note.--Because of rounding, figures may not add to totals shown.								
Source: Compiled from Department of Commerce official statistics.								

Leading Nonsubject Sources of Imports

During the period for which data were collected, the United States imported rebar from many countries in addition to Turkey.³ The leading nonsubject suppliers are shown in table IV-4. The total quantity of rebar imports from nonsubject countries fluctuated during 2002-07, but increased in both 2006 and 2007. In the most recent data period, January-June 2008, the quantity of imports was lower than the same period in 2007, but imports from one country, Mexico, were more than twice as high. Average unit values for rebar imports from nonsubject countries were much higher in 2007 than in 2002, and peaked in 2008.

Table IV-4
Rebar: U.S. imports by leading nonsubject sources, 2002-07, January-June 2007, and January-June 2008

Item	Calendar year						January-June	
	2002	2003	2004	2005	2006	2007	2007	2008
Quantity (short tons)								
Brazil	97,654	95,766	57,692	132,591	79,030	120,392	91,733	13
Bulgaria	26,994	60,049	204,753	54,724	88,466	0	0	0
Canada	1,006	3,086	2,795	29,795	40,225	29,924	23,794	5,476
Dominican Republic	71,710	69,394	104,378	46,007	95,403	76,990	57,327	33,377
Egypt	88,867	147,397	17,450	0	48,465	4,216	4,216	0
Germany	91,901	36,576	74,107	95,530	64,901	3,982	2,737	2,333
Japan	280,297	36,731	199,413	166,048	222,170	159,109	93,478	78,270
Malaysia	20,953	0	0	14	29,933	102,859	82,671	0
Mexico	165,396	253,962	259,889	251,386	170,453	333,706	142,724	288,901
Romania	30,776	70,663	86,991	55,586	33,179	0	0	0
Taiwan	1,058	0	51,678	40,812	332,397	369,567	202,061	33
All other	165,455	122,993	144,017	62,326	143,818	205,047	145,649	2,956
Total	1,042,066	896,616	1,203,165	934,819	1,348,441	1,405,793	846,390	411,360

Table continued on next page.

³ As discussed in Part I of this report, U.S. imports of rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine are subject to antidumping duty orders.

Table IV-4--Continued

Rebar: U.S. imports by leading nonsubject sources, 2002-07, January-June 2007, and January-June 2008

Item	Calendar year						January-June	
	2002	2003	2004	2005	2006	2007	2007	2008
Value (1,000 dollars)¹								
Brazil	21,540	26,324	23,413	52,378	37,035	60,210	44,432	16
Bulgaria	5,747	17,357	80,561	22,672	39,305	0	0	0
Canada	446	903	1,581	12,954	19,525	14,697	11,513	3,514
Dominican Republic	17,947	21,259	41,970	21,515	46,810	41,965	29,786	23,653
Egypt	20,347	40,788	26,367	0	22,821	1,950	1,950	0
Germany	19,931	10,588	54,191	40,825	29,064	3,830	2,545	2,434
Japan	58,603	11,432	86,898	69,358	94,472	79,546	44,309	51,438
Malaysia	4,498	0	0	10	13,895	48,978	38,107	0
Mexico	38,886	69,600	105,881	106,086	74,182	202,301	75,825	202,773
Romania	7,403	18,865	36,395	24,194	12,493	0	0	0
Taiwan	241	0	26,159	16,643	145,437	195,413	100,983	34
All other	37,937	33,157	58,673	26,398	65,216	103,702	70,482	1,231
Total	233,527	250,272	542,089	393,035	600,255	752,592	419,933	285,094
Unit value (dollars per short ton)								
Brazil	221	275	406	395	469	500	484	1,194
Bulgaria	213	289	393	414	444	(²)	(²)	(²)
Canada	443	293	566	435	485	491	484	642
Dominican Republic	250	306	402	468	491	545	520	709
Egypt	229	277	1,511	(²)	471	463	463	(²)
Germany	217	289	731	427	448	962	930	1,043
Japan	209	311	436	418	425	500	474	657
Malaysia	215	(²)	(²)	734	464	476	461	(²)
Mexico	235	274	407	422	435	606	531	702
Romania	241	267	418	435	377	(²)	(²)	(²)
Taiwan	228	(²)	506	408	438	529	500	1,041
All other	229	270	407	424	453	506	484	416
Average	224	279	451	420	445	535	496	693
¹ Landed, duty-paid ² Not applicable.								
Note.- During 2002-03, U.S. imports of rebar from Germany, Japan, Malaysia, and Taiwan were subject to the measures of the U.S. safeguard action on rebar and certain other steel products.								
Source: Compiled from official Commerce statistics under HTS subheadings 7213.10.0000 and 7214.20.0000.								

U.S. IMPORTERS' INVENTORIES

Table IV-5 presents U.S. importers' inventories during the period for which data were collected.

Table IV-5

Rebar: U.S. importers' reported end-of-period inventories of imports and ratio of inventories to imports and to U.S. importers' U.S. shipments, by sources, 2002-07, January-June 2007, and January-June 2008

Item	Calendar year						January-June	
	2002	2003	2004	2005	2006	2007	2007	2008
Imports from Turkey (still included in the AD order):								
Inventories (<i>short tons</i>)	***	***	***	***	***	***	***	***
Ratio to imports (<i>percent</i>)	***	***	***	***	***	***	***	***
Ratio to U.S. shipments (<i>percent</i>)	***	***	***	***	***	***	***	***
Imports from Turkey (excluded from the AD order as of 11/08/05): ¹								
Inventories (<i>short tons</i>)	***	***	***	***	***	***	***	***
Ratio to imports (<i>percent</i>)	***	***	***	***	***	***	***	***
Ratio to U.S. shipments (<i>percent</i>)	***	***	***	***	***	***	***	***
Imports from Turkey (excluded from the AD order as of 11/06/07): ²								
Inventories (<i>short tons</i>)	***	***	***	***	***	***	***	***
Ratio to imports (<i>percent</i>)	***	***	***	***	***	***	***	***
Ratio to U.S. shipments (<i>percent</i>)	***	***	***	***	***	***	***	***
Imports from Turkey (excluded from the AD order as of 11/07/08): ³								
Inventories (<i>short tons</i>)	***	***	***	***	***	***	***	***
Ratio to imports (<i>percent</i>)	***	***	***	***	***	***	***	***
Ratio to U.S. shipments (<i>percent</i>)	***	***	***	***	***	***	***	***
Imports from all other sources:								
Inventories (<i>short tons</i>)	5,257	7,662	27,065	3,994	11,150	6,408	7,960	463
Ratio to imports (<i>percent</i>)	1.1	1.3	2.4	0.6	0.9	0.7	0.7	0.1
Ratio to U.S. shipments (<i>percent</i>)	1.1	1.3	2.5	0.6	1.0	0.8	0.8	0.2
Imports from all sources:								
Inventories (<i>short tons</i>)	5,257	7,662	44,200	3,994	19,887	13,220	14,772	12,909
Ratio to imports (<i>percent</i>)	0.8	1.2	2.8	0.4	0.9	1.1	0.9	1.8
Ratio to U.S. shipments (<i>percent</i>)	0.8	1.2	2.9	0.4	1.0	1.2	0.9	2.0
¹ Imports from ICDAS. ² Imports from Colakoglu and Diler. ³ Imports from Habas.								
Note.- Ratios were calculated using data from firms that provided both inventory data and imports/U.S. shipment data. January-June ratios were calculated using annualized import or shipment data.								
Source: Compiled from data submitted in response to Commission questionnaires.								

THE INDUSTRY IN TURKEY

Overview

Foreign producer questionnaires were sent to 33 firms in Turkey identified during the course of this review. Thirteen Turkish producers are known to have been active in the industry during the period. Five firms responded to the Commission's questionnaire; three firms reported production of the subject merchandise accounting for about *** percent of total rebar production in Turkey in 2007.^{4 5} Twenty-eight firms did not respond to the Commission's questionnaire.⁶ Only three respondent interested parties, Ekinciler Demir ve Celik Sanayi A.S ("Ekinciler"), Izmir Demir Celik Sanayi A.S. ("Izmir"), and Kaptan Demir Celik Endustrisi ve Ticaret A.S. ("Kaptan"), reported exports of rebar to the United States during 2007; these firms accounted for *** of rebar imported from subject Turkish producers into the United States in 2007, according to official import statistics.⁷ These three firms also reported that they exported *** rebar to the United States during the most recent period for which supplemental data were collected (third quarter 2008).⁸

When the original investigation for the antidumping duty order was conducted, the 16 Turkish producers/exporters supplying questionnaire responses to the Commission had a combined rebar production capacity of approximately 5 million metric tons and exports to the United States of approximately 153,000 metric tons. Of those 16 companies, four have since been revoked from the antidumping duty order. These four companies represented *** percent of Turkish rebar capacity and *** percent of Turkish rebar exports to the United States in 1996.⁹ In 2007 these same companies represented *** percent of Turkish rebar capacity.

Rebar Operations

Information on the rebar operations of the three Turkish firms providing data in response to Commission questionnaires is found in table IV-6. During the period for which data were collected, rebar production capacity of these firms *** and capacity utilization was over *** percent in each year, over *** percent in 2007, and reportedly at *** in the January-June 2008 period. The increased capacity can be attributed to ***.¹⁰ Total shipments by these firms increased *** in this same period. Home market sales increased in each year of the period, with the only decrease coming during the first six months of 2008.¹¹ Total exports increased along a similar trajectory to total shipments. The export markets that saw the largest shipment increases from these firms were ***, particularly during 2006 for *** and 2007 for ***. This shift in shipments from *** was attributed to a change in marketing efforts as a result of more

⁴ Estimates of Turkish rebar production and capacity vary amongst sources. According to the Substantive Response to the Commission's Notice of Institution filed by the Istanbul Minerals and Metals Exporters Association ("IMMEA"), estimated overall Turkish rebar production was 24.3 million short tons in 2007, although this production figure is overstated as it includes all long products. According to the respondent interested parties' posthearing brief, overall Turkish rebar capacity was 17.6 million short tons. See Exhibit 4, p. 18 and Exhibit 4.M. According to ***, Turkey produced *** short tons of rebar and *** short tons of wire rod in 2007. ***.

⁵ Responding firms were: Asil Celik Sanayi ve Ticaret A.S., Ege Celik Endustrisi San. ve Ticaret A.S., Ekinciler, Izmir, and Kaptan.

⁶ Non-responding firms were ***.

⁷ ***.

⁸ Respondent interested parties' posthearing brief, p. 2.

⁹ *Steel Concrete Reinforcing Bars from Turkey, Inv. No. 731-TA-745 (Final)*, Staff Report, March 18, 1997, p. VII-5.

¹⁰ Ekinciler, Izmir, and Kaptan questionnaire responses, section II-2.

¹¹ ***.

favorable pricing in ***.¹² Of the Middle Eastern countries included in the Asian region, the main export markets identified by Turkish producers in their questionnaire responses have been ***.¹³ None of the responding firms identified any barriers to rebar imports in any countries other than the United States.¹⁴

Table IV-6

Rebar: Turkish production capacity, production, shipments, and inventories, 2002-07, January-June 2007, and January-June 2008

* * * * *

In response to Commission requests made during the October 16, 2008 hearing held for this review, the Turkish industry provided up-to-date production and capacity data for the third quarter 2007 and 2008 periods. Capacity increased *** in the third quarter of 2008 compared to the third quarter 2007, while production increased by *** and inventories decreased by nearly an equivalent amount. This increase in production while capacity remained relatively unchanged led to capacity utilization of nearly *** percent. In terms of exports, the quantity exported in the third quarter of 2008 was *** that of the same period in 2007, and on a value basis exports were *** greater in the 2008 period. A large portion of the increased imports can be attributed to higher exports from Turkey to the Middle East, where rebar unit values were higher than in all other markets. These exports to the Middle East offset a decline in Turkish exports to all other export markets.

Product Mix

Two of the three Turkish producers providing responses to questionnaires, Ekinciler, and Izmir, *** rebar. *** produces merchant bar in addition to rebar.¹⁵ The product mix in 2007 for *** was approximately *** short tons of merchant bar and *** short tons of rebar.

GLOBAL MARKET

Production

Global production of rebar has grown substantially in recent years. According to the International Iron and Steel Institute (IISI), global rebar production increased by 49 percent between 2003 and 2006.¹⁶ Regional production quantities compiled by IISI are presented in table IV-7.¹⁷

¹² Respondent interested parties' posthearing brief, exhibit 4, pp. 2-3.

¹³ Ekinciler, Izmir, and Kaptan questionnaire responses, section II-16.

¹⁴ The Canadian International Trade Tribunal found that only the United States maintains antidumping duty or countervailing measures duty measures against Turkish rebar. Singapore's and Egypt's findings covering imports from Turkey were revoked in 2003 and 2004, respectively. There are no safeguards in place against Turkish rebar. *See Certain Concrete Reinforcing Bar*, Expiry Review No. RR-2004-001, Order issued January 11, 2005; Reasons issued January 26, 2005.

¹⁵ *** questionnaire response and e-mail from ***, October 2, 2008.

¹⁶ The percentage growth of global rebar production could not be calculated over the entire 5-year period, as China did not report in 2002.

¹⁷ Similarly, the regional and global totals understate actual output as certain major producers (e.g., Japan, Russia, Turkey, and Ukraine) did not report to the IISI during this period.

Table IV-7
Rebar: Global and regional production, 2002–06

Region	2002	2003	2004	2005	2006
	Quantity (thousands of short tons)				
North America	10,787	11,912	12,839	12,037	11,640
South America	3,311	2,884	3,445	3,347	3,287
Europe ¹	16,566	18,868	20,430	20,710	17,635
CIS (Russia and Ukraine)	(²)	(²)	(²)	(²)	(²)
Asia ³	12,077	56,725	75,452	88,973	102,611
Africa and Middle East	3,558	4,083	4,149	4,743	5,623
Total	46,299	94,471	116,315	129,810	140,796
¹ Turkey not reported for 2002–06. ² Not reported. ³ China not reported for 2002 and Japan not reported for 2002–06. Note.--Original data published in metric tons, which were converted to short tons by multiplying by 1.1023. Because of rounding, figures may not add to the totals shown. Source: IISI, "Table 20, Production of Concrete Reinforcing Bars," <i>Steel Statistical Yearbook 2007</i> . Brussels: IISI (2007).					

In addition to the public data published by IISI, *** compiles annual production data for major rebar-producing regions. According to this source,¹⁸ global production of rebar increased by *** percent during the five years between 1997 and 2001, and by *** percent during the six years between 2002 and 2007. In terms of volume, East and Southeast Asia accounted for the greatest production increases in both periods, and is forecast to lead global production in the coming years as well. Overall, global production is forecast to increase by *** percent during the five years between 2008 and 2012. In terms of the rate of increase in production levels, production increased (or is projected to increase) most substantially in East and Southeast Asia during each of the periods 1997–2001; 2002–07; and 2008–2012. Data compiled by *** on historical, current, and projected global production of rebar are presented in tables IV-8 through IV-10.

Table IV-8
Rebar: Global and regional production, 1997-2001

* * * * *

Table IV-9
Rebar: Global and regional production, 2002–07

* * * * *

Table IV-10
Rebar: Forecast of global and regional production, 2008–12

* * * * *

¹⁸ ***.

Production Capacity

*** also publishes annual rebar production capacity data for long-rolled steel producers¹⁹ worldwide. According to this source,²⁰ global long-rolled steel capacity increased by *** percent between 2006 and 2007. In terms of volume, East and Southeast Asia accounted for the greatest shares of *** percent of global capacity in 2006 and 2007, respectively, and the largest increase (of *** percent) over this two-year period, and is anticipated to lead global capacity in the coming years as well. Overall, global long-rolled steel capacity is anticipated to increase by *** percent during the five years between 2008 and 2012. In terms of the rate of increase, the world's greatest capacity growth is anticipated in the Middle East (excluding Turkey) and Latin America (excluding Mexico), but East and Southeast Asia is anticipated to retain the largest production capacity (*** percent of the global total in 2012) in the coming years. Data compiled by *** on historical, current, and anticipated global production capacities of rebar is presented in table IV-11.

Table IV-11
Rebar: Historic and anticipated production capacities of rebar producers, 2006-12

* * * * *

Consumption

Data compiled by *** on historical, current, and forecast global consumption of rebar are presented in tables IV-12 through IV-14.²¹ Worldwide consumption of rebar increased by *** percent during the five-year period between 1997 and 2001, as consumption in North America and Europe grew more rapidly in percentage terms (but not absolute terms) than consumption in East and Southeast Asia and "other" world markets, while consumption in the Commonwealth of Independent States (CIS) declined.²² Worldwide consumption of rebar increased by *** percent during the six-year period between 2002 and 2007, paced by rapid consumption growth in the CIS in percentage terms, and in East and Southeast Asia in absolute terms. Global consumption of rebar is forecast to continue to grow in the coming years, with the most rapid increase during the five-year period between 2008 and 2012 forecast for East and Southeast Asia and "other" world markets.²³

Table IV-12
Rebar: Global and regional consumption, 1997-01

* * * * *

¹⁹ Because those steel mills that produce both rebar and other long-rolled steel mill products (e.g., hot-rolled bars, light structural shapes, and rods) on the same equipment can allocate portions of their mill's rolling schedules, to varying degrees, to the production of rebar versus the other long-rolled products.

²⁰ ***.

²¹ ***.

²² During 1997-98, the Asian Financial Crisis rippled through many East and Southeast Asian economies. Subsequently, in 1998, Russia also experienced its own financial crisis. *Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, Inv. Nos. 731-TA-873-875, 877-880, and 882 (Review)*, USITC Publication 3933, July 2007, p. IV-49.

²³ See Part II of this report for the individual perspectives of U.S. producers, importers, and purchasers on demand in the United States and in other markets.

Table IV-13
Rebar: Global and regional consumption, 2002-07

* * * * *

Table IV-14
Rebar: Forecast of global and regional consumption, 2008-12

* * * * *

Prices

The Commission asked producers, importers, and purchasers to compare prices for rebar in U.S. and non-U.S. markets. Most domestic producers did not provide price comparisons, nor did most of the U.S. importers. Among domestic producers that did so, *** noted that trade publications cite U.S. prices as \$50–100 per short ton lower than those in Europe and the Middle East. *** noted that recent dollar weakness coupled with increased demand for rebar in the Middle East has resulted in some international prices surpassing those in the United States.

Among those U.S. importers that were able to compare U.S. and non-U.S. market prices, all reported that U.S. prices were slightly to moderately below non-U.S. market prices. *** responded that U.S. prices are approximately \$*** per metric ton (\$*** per short ton) below some overseas markets. *** noted that U.S. prices have been approximately *** percent lower than those in most other international markets. No U.S. importers reported that U.S. market prices are higher than non-U.S. market prices, although *** noted that worldwide prices have been declining and possibly moving lower than U.S. market prices.

Most (16 of 18) of the U.S. purchasers provided price-shift comparisons for rebar from the United States and from Turkey. Among those responding, six purchasers *** reported that the price of U.S.-produced rebar has changed relative to the price of imported rebar from Turkey and that the price of U.S.-produced rebar is now relatively lower than the price of imported rebar from Turkey. One purchaser *** reported that U.S. prices changed by the same amount as prices for imported rebar from Turkey, but that prices for U.S.-produced rebar are relatively higher than those for imported rebar from Turkey.

By contrast, among those reporting that prices of U.S.-produced rebar have changed relative to the price of imported rebar from Turkey, six purchasers *** noted that prices of U.S.-produced rebar are now higher than those of imported rebar from Turkey. One purchaser *** reported that prices of U.S.-produced rebar have changed relative to the price of imported rebar from Turkey and two purchasers *** reported that prices have changed by the same amount, although none of these purchasers specified whether U.S. prices are now higher or lower than those of imported rebar from Turkey.

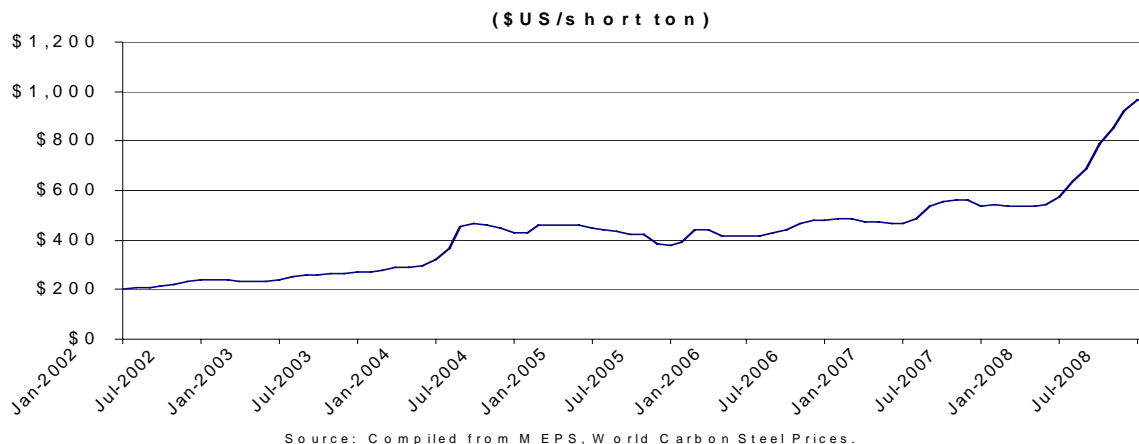
Published price data are available from several reputable sources, although often such data are available by subscription only and cannot be reproduced without the consent of the publisher. These data are collected based on different product categories, timing, commercial considerations, and so may not be directly comparable with each other. Moreover, such data are distinct from the pricing data presented in Part V of this report, which are collected directly from U.S. producers and U.S. importers according to precise product definitions.

As reported by MEPS, between 2002 and 2007 world rebar prices increased by 136 percent from an annual average of \$226 per short ton in 2002 to an annual average of \$533 per short ton in 2007.²⁴ Since 2007, world rebar prices continued to increase, reaching a high of \$969 per short ton in July 2008,

²⁴ Original data are published in metric tons, and were converted to short tons by multiplying by 1.1023 (1 metric ton = 1.1023 short tons). World prices as reported by MEPS are an arithmetic average of the low transaction values identified in the EU, Asia, and North America, converted to U.S. dollars. MEPS, *World Carbon Steel Product Prices*, found at <http://www.meps.co.uk>, retrieved November 5, 2008. This pricing series is available to the public and its use is unrestricted. Annual averages are an arithmetic average of monthly prices during January–December.

or an increase of 372 percent since January 2002. Figure IV-1 presents the average world price of rebar during January 2002 to August 2008.

Figure IV-1
Rebar: Average world price per short ton for rebar, January 2002–August 2008



Country-specific transaction prices for rebar are also compiled by MEPS,²⁵ and show monthly price fluctuations across major producing and consuming countries. Table IV-15 presents monthly average negotiated transaction prices for rebar in the United States and in various other markets. Negotiated transaction prices in the United States fell in the months following January 2005, but recovered in September 2005 to values exceeding those at the beginning of the year. Beginning in 2006, U.S. monthly average negotiated transaction prices increased steadily, increased substantially in 2008 to peak in August, then decreased markedly in September and October. Overall, U.S. monthly average transaction prices for rebar more than doubled to \$*** per short ton between January 2005 and August 2008. These prices subsequently declined by *** percent between August 2008 and October 2008. Rebar prices in China, Spain, and the EU experienced similar increasing trends between January 2005 and August, with subsequent declines in September and October 2008. Overall, monthly average transaction prices for rebar were highest in the EU and the United States, and consistently lowest in China, between January 2005 and October 2008.

Table IV-15
Rebar: Negotiated monthly average transaction prices (ex-mill) by country and region, September 2005–October 2008

* * * * *

In addition, both *** and *** compile separate country- and region-specific monthly prices for rebar. According to the data compiled by ***, prices have increased markedly in each market since 2002 (table IV-16). Overall, prices in the United States were consistently *** than those in Europe (with the exception of the United Kingdom) between 2002 and 2006. Beginning in mid-2006, prices began to diverge, and were consistently *** in Europe than in the United States. Beginning in 2008, prices were frequently *** in Europe and Asia (with the exception of China), than in the United States, with some reversal of roles in August through October 2008. In November 2008, the latest month for which pricing data are available, prices were *** in the United States. Prices were consistently *** in China during the period.

²⁵ MEPS, *International Steel Review*, January 2005–October 2008 issues.

Although covering a much shorter time period, data compiled by *** show that prices in the Middle East were consistently *** among those countries shown in table IV-17. Turkish export and domestic prices were consistently *** than those in the United States and Europe between March 2008 and August 2008. However, in September 2008, prices began to decrease across all regions. By October 2008, prices were *** in the United States.

Table IV-16

Rebar: Prices for rebar, by country or by region, and by month, January 2002-October 2008

* * * * *

Table IV-17

Rebar: Average monthly negotiated transaction prices for rebar, by country, September 2007-September 2008

* * * * *

Additional Global Supply and Demand Factors

Prior to third-quarter 2008, economic growth in global regions pursuing infrastructure development (e.g., North Africa, the Middle East, northern Europe, Russia, China, India, and certain other parts of Asia) has been a principal factor underlying strong global demand for rebar. However, peaking raw-material costs, coupled with a global financial downturn negatively affecting the ability to obtain favorable credit, declining residential housing demand, and declining construction-related activity subsequently dampened demand for rebar in several regions throughout the world. By late October, representatives of major rebar trading firms reportedly considered the global market outlook as “negative and uncertain,” as prices declined markedly from July 2008 peaks and stockpiles accumulated, and saw a need for prices to bottom out before buyers would return to the market in Europe, Middle East, and North Africa (all substantial regional markets for Turkish rebar), and the CIS.²⁶

In North America, weakening residential construction activity reportedly has affected U.S. demand for rebar.²⁷ In addition, some non-residential construction projects have been postponed on the heels of slowing residential construction activity, although industry observers considered the market to remain solid, at least in the short-term, for non-residential construction, including that for highways, bridges, and reinforced concrete buildings.²⁸ Nevertheless, U.S. rebar producers cut their prices for fall delivery, in part due to weakening demand prospects anticipated through the last quarter of the year.²⁹ Likewise, Canadian producers anticipate that steady sales for the fall will subsequently weaken toward the end of the year, despite currently satisfactory mill output, imports, and inventories.³⁰

In Europe, demand for rebar varies regionally, and has been affected generally by weakening construction-related activity, despite rising rebar transaction prices as a result of increasing raw material costs and tight domestic supply because of low import levels. In the Czech Republic and Slovakia, rebar

²⁶ Stacy Irish, “Rebar Traders ‘Uncertain’ About Short-Term Market Outlook,” *AMM.com*, October 20, 2008; and Stacy Irish, “Rebar Producers and Traders Need to be ‘Patient and Weather the Storm,’” *AMM.com*, October 21, 2008.

²⁷ MEPS, *International Steel Review*, March 2008, p. 7.

²⁸ MEPS, *International Steel Review*, July 2008 and August 2008; and Corinna Petry, “Buyers Fear Bar Market Has Rough Road Ahead,” *American Metal Market*, July 21, 2008.

²⁹ MEPS, *International Steel Review*, September 2008, p. 8. See also Nucor letter to customers dated November 5, 2008, reducing the base price for rebar and eliminating the raw material surcharge.

³⁰ MEPS, *International Steel Review*, October 2008, p. 8.

demand benefitted from strong domestic infrastructure- and construction-related activity.³¹ Sales volumes by Czech and Slovak rebar mills remained steady through the summer at rising prices,³² but domestic prices subsequently turned down, albeit not as dramatically as those in neighboring countries.³³ In Poland, import competition with weakening domestic demand reportedly compelled Polish mills to offer rebar at discounted prices as the domestic market is considered oversupplied.³⁴ Demand for rebar in Spain has suffered from a slowdown in construction activity during the summer as a result of over-investment in residential construction. Spanish property developers are reportedly reluctant to commence new building projects while facing rising steel construction costs, lack of available credit, and rising mortgage interest rates, all the while trying to sell existing homes that have already been built.³⁵ Reportedly, Spanish mills were increasingly looking during summer 2008 to export opportunities in North Africa, mainly Algeria, where construction-related activity was characterized at that time as “booming.”³⁶ However, more recently, rebar producers scaled back their output in Western Europe in response to continuously deteriorating domestic demand and prices, and negative market sentiment that considers prices are to fall further as long as ferrous scrap prices continue to decline.³⁷

In the Middle East and North Africa, particularly in Algeria, Egypt, Saudi Arabia, and the United Arab Emirates (UAE, particularly in Dubai), residential and non-residential concrete construction activity appeared robust. However, in summer 2008, demand for rebar in the Middle East began to diminish as rebar distributors continued to work off inventories imported from Southeast Asian (particularly Chinese) producers.³⁸ As a result, Turkey, one of the main exporters of rebar to the Middle East, has reportedly reduced prices to compete against Chinese mills and to entice Middle Eastern buyers back into the market.³⁹ Libya, Egypt, Saudi Arabia, and the UAE even anticipated commissioning several new rolling mills over the next few years to help meet rising regional construction demand for rebar.⁴⁰ However, declining steel prices through the summer and fall led to rising stockpiles of unsold billet and rebar accumulating at Dubai’s port of Jebel Ali, previously imported (primarily from China, Russia, Turkey, and Ukraine) by traders and stockpilers when prices reached record levels. To disperse the accumulated dockside steel, port officials announced an increase of port charges for all steel products beginning in November and trade finance banks have recently resorted to auctioning off some of the steel as non-performing clients experienced lower prices and few buyers.⁴¹

³¹ MEPS, *International Steel Review*, July 2008, p. 8.

³² MEPS, *International Steel Review*, September 2008, p. 8.

³³ MEPS, *International Steel Review*, October 2008, p. 8.

³⁴ MEPS, *International Steel Review*, September 2008, p. 8; and October 2008, p. 8.

³⁵ ***; and “Credit Crunch Slows Down Southern EU Construction Sector,” *Metal Bulletin*, July 2, 2008.

³⁶ “Credit Crunch Slows Down Southern EU Construction Sector,” *Metal Bulletin*, July 2, 2008; and “EU Rebar and Wire Rod Mills Slash Offer Prices,” *Metal Bulletin*, July 23, 2008.

³⁷ MEPS, *International Steel Review*, October 2008, p. 8.

³⁸ “CIS Rebar Exporters Feel the Heat and Hold Back Offers,” *Metal Bulletin*, July 21, 2008; and “Turkish Rebar Mills Slash Export Prices by \$150,” *Metal Bulletin*, August 21, 2008.

³⁹ “Turkish Rebar Mills Slash Export Prices by \$150,” *Metal Bulletin*, August 21, 2008. As discussed in greater detail later in this section, certification requirements reportedly limit the applications for which rebar produced by most Chinese mills can be used in markets such as the UAE.

⁴⁰ For example, see “Ezz Steel Invests Adds 3 million TPY Rebar and Wire Rod Mill,” *Metal Bulletin*, May 15, 2008; “Lisco Plans to Double Rebar Output,” *Metal Bulletin*, August 11, 2008; and “ATG Commissions 1.35m TPY Bar Mill,” March 7, 2008.

⁴¹ Stacy Irish, “Jebel Ali Port Costs Soar as Stocks Pile Up,” *AMM.com*, October 28, 2008; and Stacy Irish, “Banks Hold Rebar Auctions in Jebel Ali as Clients Fail to Perform,” *AMM.com*, October 28, 2008.

Rebar prices in the UAE remained under pressure into November 2008,⁴² but the most recent market reports provide mixed indications of firming prices.⁴³

The parties differ as to the growth prospects for the Middle East, the major regional market for Turkish rebar. The domestic interested parties cite recent articles that speculative activity in real estate and rebar futures drove the rebar demand bubble in Dubai,⁴⁴ with subsequent UAE bank illiquidity due to the global credit crisis adversely impacting upon the residential and commercial construction sectors;⁴⁵ and that the region no longer provides a market for Turkish rebar with stalled demand, with accumulated stockpiles on the docks from speculative purchasing.⁴⁶ By contrast, the respondent interested parties claim that there is little indication for a dramatic decline of rebar demand or that ongoing construction projects will be abandoned,⁴⁷ but rather, construction activity continues uninterrupted.⁴⁸ After the seasonal summer downturn and an inventory correction, rebar demand has resumed in the Middle East.⁴⁹ An assessment by the International Monetary Fund (IMF) was cited by the respondent interested parties, that the current global financial situation had little impact on the region and that non-petroleum sectors such as construction and transportation are anticipated to grow by 6 percent in 2009.⁵⁰

In Turkey, domestic rebar demand reportedly weakened as a result of slowing construction-related activity during summer 2008 because of soaring domestic steel prices and the lack of available credit from banks.⁵¹ Domestic rebar producers have experienced escalating raw material costs until August 2008. A number of Turkish re-rollers reportedly ceased production temporarily as metal margins became untenable as a result of high billet prices.⁵² Subsequently, as rebar prices continued to retreat from summer peaks, steel traders were reportedly, in late October, more interested in drawing down accumulated stockpiles instead of purchasing more rebar, particularly as banks have scaled back credit lines. Further, although existing construction projects are still proceeding, contractors are reportedly hesitant to initiate new projects, even with lower rebar prices for November delivery, until the Turkish

⁴² “UAE: rebar prices go down amid zero demand,” *Metal Expert News*, October 31, 2008; “Drop of export quotations for Turkish longs decelerates,” *Metal Expert News*, November 3, 2008 (noting that regional prices were lower than quotations for the United States, reportedly due to the ongoing review and the level of prices offered by domestic (U.S.) producers).

⁴³ “Turkish longs producers being bullish,” *Metal Expert News*, November 12, 2008 (reporting higher export quotations for Turkish rebar but noting limited confirmed volume); *Metal Expert Weekly* (November 10, 2008), “Price growth for Turkish longs opposed by the buyers, but suppliers are insistent” (noting rising offer prices but a lack of buyer enthusiasm). *But see* “Saudi Arabia: rebar prices still tumble on thin demand,” *Metal Expert News*, November 18, 2008, and “Rebar quotations go down in Middle East,” *Metal Expert News*, November 20, 2008.

⁴⁴ Domestic Interested Parties’ posthearing brief, p. 5; Robert F. Worth, “Boomtown Feels Effects of a Global Crisis,” *New York Times*, October 5, 2008), provided as exhibit 34 to domestic interested parties’ posthearing brief; and ***, October 3, 2008, provided as exhibit 14 to domestic interested parties’ prehearing brief.

⁴⁵ Suzane Fenton, “Liquidity Squeeze Causing Panic and Confusion in Property Market,” *Gulf News*, October 14, 2008, provided as exhibit 35 domestic interested parties’ posthearing brief.

⁴⁶ Domestic Interested Parties’ posthearing brief, p. 5.

⁴⁷ Respondent interested parties’ posthearing brief, p. 5.

⁴⁸ “Sharjah Construction Carries on as Usual,” *Gulf News* (from The Financial Times Ltd.), October 21, 2008; Caryle Murphy, “In Global Crisis, Oil Insulates the Gulf,” *Christian Science Monitor*, October 16, 2008; AFX UK Focus, “Gulf Arab Governments to Boost Spending Despite Turmoil,” October 20, 2008; “Al-Naboodah Laing O’Rourke Starts Work on Al-Dubawi,” *Middle East Business Intelligence*, October 20, 2008; all provided as exhibit 5 to respondent interested parties’ posthearing brief.

⁴⁹ Respondent interested parties’ posthearing brief, p. 5.

⁵⁰ IMF, *World Economic Outlook*, October 2008, p. 77, provided as exhibit 4.O to respondent interested parties’ posthearing brief.

⁵¹ “Credit Crunch Plagues Turkish Construction Sector,” *Metal Bulletin*, July 18, 2008; and “Turkish Domestic Rebar Continues Downward Trend,” *Metal Bulletin*, August 29, 2008.

⁵² “Turkish Rebar Re-rollers Cut Output as Margins Fall,” *Metal Bulletin*, May 8, 2008.

economy starts to stabilize.⁵³ By contrast, the Turkish producers provided news reports of continued investments in Turkey's construction sector and major infrastructure projects that are underway, despite the economic slowdown, notably a nuclear power plant, new railway lines, and offshore pipelines.⁵⁴

East Asian and Southeast Asian rebar buyers previously experienced similar price increases as rebar suppliers passed on higher raw material costs to customers. In China, domestic demand was reportedly weak as a result of a ban on construction-related activity due to the 2008 Olympic Summer Games. Chinese rebar producers have reportedly taken advantage of rising price differences between domestic and international markets to help increase exports, particularly to Hong Kong and Korea.⁵⁵ Tightening of credit availability in China subsequently restrained steel purchases by the construction industry.⁵⁶ Chinese demand could weaken further and steelmakers' inventories rise due to reduced export sales abroad,⁵⁷ leading to steep declines for rebar prices since mid-September.⁵⁸ By late October, Chinese rebar mills began following Baosteel's lead in cutting their list prices, reportedly in hope of encouraging demand.⁵⁹ Sales in Taiwan weakened with the onset of the summer rainy season⁶⁰ and orders almost ceased in August, as customers anticipated that declining prices will fall even further.⁶¹ By contrast, growing construction demand in Korea has reportedly led to shortages of rebar.⁶² Nevertheless, Korean rebar prices are static and import volumes have declined due to a weaker currency.⁶³ In Japan, rebar demand has been forecasted to decline substantially in the latter half of 2008 and the first half of 2009.⁶⁴ Hence, Japanese mills reportedly planned substantial output cut-backs during summer 2008 to control rebar inventories as planned construction projects are being postponed or cancelled.⁶⁵ Production cutbacks enabled Japanese rebar mills to maintain prices relatively unchanged for September delivery.⁶⁶

With respect to trade, annual exports of carbon steel rebar in straight lengths and in coils are compiled for reporting countries by Global Trade Information Services ("GTIS"). As shown in table IV-18, between 2002 and 2007, worldwide imports of rebar increased by 75 percent to 19.5 million short tons. Top import markets include the United States, Algeria, Spain, and Korea. As shown in table IV-19, top exporters include China, Turkey, and Ukraine.

⁵³ Stacy Irish, "Global Credit Crisis Slows Down Turkish Rebar Buying," *AMM.com*, October 30, 2008.

⁵⁴ Respondent interested parties' posthearing brief, p. 9; "Agaoglu Starts Sales for Last Phase of My World," *Turkish Daily News*, October 11, 2008; "Swiss Viatrans Becomes Partner to the Consortium," *Turkish Daily News*, September 19, 2008; "Russian Nuclear Power Plant Builder to Sign Agreement on Plant in Turkey Before November 2009," *World News Connection*, September 25, 2008; "Baku-Tbilisi-Kars Railroad Construction Activities Proceeding as Scheduled," Organization of Asia Pacific News Agencies, October 16, 2008; and "Turkey Hopes to Finish Cyprus Water Pipeline by 2009," Frances Press Market Wire, September 26, 2008; all provided as exhibit 12 to respondent interested parties' posthearing brief.

⁵⁵ "China Rebar Exports Up 61 Percent in July," *Metal Bulletin*, August 22, 2008.

⁵⁶ MEPS, *International Steel Review*, August 2008, p. 8.

⁵⁷ MEPS, *International Steel Review*, September 2008, p. 8.

⁵⁸ MEPS, *International Steel Review*, October 2008, p. 8.

⁵⁹ Linda Lin, "Chinese Mills Follow Baosteel's Price Cut," *AMM.com*, October 22, 2008. In November 2008, however, China's State Council announced a \$586 billion stimulus package for public sector projects, although the impact on the property sector is less certain, according to some analysts. Linda Lin, "Beijing's intentions 'loud and clear' with \$586 bn stimulus," *AMM.com*, November 10, 2008.

⁶⁰ MEPS, *International Steel Review*, August 2008, p. 8.

⁶¹ MEPS, *International Steel Review*, September 2008, p. 8.

⁶² MEPS, *International Steel Review*, August 2008, p. 8.

⁶³ MEPS, *International Steel Review*, October 2008, p. 8.

⁶⁴ MEPS, *International Steel Review*, June 2008, p. 7.

⁶⁵ MEPS, *International Steel Review*, August 2008, p. 8.

⁶⁶ MEPS, *International Steel Review*, September 2008, p. 8.

Table IV-18
Rebar: Reported worldwide imports, 2002-07

Reporting country	2002	2003	2004	2005	2006	2007
	Quantity (short tons)					
United States	1,275,810	1,019,074	1,932,287	1,416,835	2,590,729	1,856,638
Top import markets:						
Algeria	1,050,246	1,189,760	1,098,735	1,357,340	2,370,686	1,758,808
Spain	836,393	789,592	851,622	1,108,052	1,462,542	1,468,028
South Korea	386,342	1,089,848	805,674	953,938	1,043,912	1,431,010
Hong Kong	1,047,088	1,218,486	935,223	924,940	961,389	1,164,578
Russia	69,466	50,122	311,832	424,832	619,521	985,724
Portugal	638,267	488,899	541,602	444,678	627,044	672,177
Kazakhstan	(¹)	(¹)	209,713	156,765	239,894	598,781
Canada	400,640	361,950	476,335	493,491	686,627	585,523
Poland	84,535	22,828	29,160	71,433	188,623	507,836
Bulgaria	93,860	134,723	213,738	307,779	300,009	452,161
All other	5,263,336	6,635,982	6,487,037	6,231,106	7,587,449	8,077,573
Total	11,145,983	13,001,263	13,892,957	13,891,188	18,678,425	19,558,838
	Value (\$1,000)					
United States	253,268	255,675	832,072	548,477	1,062,175	924,228
Top import markets:						
Algeria	203,546	314,226	415,418	530,800	802,861	982,189
Spain	197,808	237,532	389,712	474,256	727,206	831,574
South Korea	75,156	284,731	323,042	358,675	376,788	637,526
Hong Kong	201,388	293,848	332,076	334,203	341,778	538,383
Russia	11,403	12,575	100,953	153,078	276,861	485,322
Portugal	147,642	147,906	248,213	187,641	303,813	351,909
Kazakhstan	(¹)	(¹)	89,899	57,807	101,665	338,514
Canada	87,553	101,699	192,339	211,213	303,936	351,305
Poland	17,138	6,060	14,147	27,413	95,147	304,967
Bulgaria	15,799	32,905	90,276	121,739	134,408	241,817
All other	1,192,478	1,894,357	2,805,984	2,579,328	3,587,006	4,622,098
Total	2,403,176	3,581,514	5,834,131	5,584,630	8,113,645	10,609,832
	Unit value (dollars per short ton)					
United States	199	251	431	387	410	498
Top import markets:						
Algeria	194	264	378	391	339	558
Spain	237	301	458	428	497	566
South Korea	195	261	401	376	361	446
Hong Kong	192	241	355	361	356	462
Russia	164	251	324	360	447	492
Portugal	231	303	458	422	485	524
Kazakhstan	(¹)	(¹)	429	369	424	565
Canada	219	281	404	428	443	600
Poland	203	265	485	384	504	601
Bulgaria	168	244	422	396	448	535
All other	227	285	433	414	473	572
Average	216	275	420	402	434	542

¹ Not reported.

Note.--Includes the following HS subheadings: 7213.10 and 7214.20. The United Arab Emirates (UAE) does not report imports to GTIS. However, according to Turkey's reported exports as reported by GTIS, Turkey exported over 3.4 million short tons of rebar to the UAE in 2007, making the UAE the top import market for rebar that year.

Source: Global Trade Information Services, Global Trade Atlas online database, accessed September 24, 2008.

Table IV-19
Rebar: Reported worldwide exports, 2002-07

Reporting country	2002	2003	2004	2005	2006	2007
Quantity (short tons)						
United States	169,136	280,448	249,681	282,332	303,695	337,047
Top exporters:						
China	430,505	816,043	1,284,637	1,924,284	4,121,309	6,512,661
Turkey ¹	4,112,588	4,432,740	5,324,005	6,115,609	5,592,967	6,493,377
Ukraine	3,228,546	3,426,333	3,296,903	3,009,666	3,323,299	3,308,487
Italy	709,651	751,277	636,722	762,933	1,379,516	1,519,152
Germany	799,669	851,569	1,099,613	1,322,419	1,245,085	1,339,493
Portugal	493,564	462,832	323,404	564,909	704,304	758,323
Spain	532,791	510,990	541,816	490,515	316,406	753,748
Latvia	609,005	625,597	638,373	685,397	672,264	713,144
Brazil	302,304	712,499	512,093	903,446	768,247	632,370
France	652,150	700,491	587,885	623,367	571,275	627,656
All other	4,484,833	5,677,554	5,906,660	5,432,512	5,823,148	6,660,406
Total	16,524,742	19,248,371	20,401,792	22,117,389	24,821,514	29,655,865
Value (\$1,000)						
United States	49,926	88,285	110,308	141,251	162,559	212,049
Top exporters:						
China	87,221	190,537	452,523	671,096	1,432,944	2,684,848
Turkey ¹	765,812	1,031,604	2,031,134	2,222,179	2,283,578	3,196,528
Ukraine	514,260	718,639	945,362	969,126	1,210,778	1,514,987
Italy	157,008	223,186	274,277	302,053	665,966	859,596
Germany	193,386	269,361	509,479	558,210	619,631	820,465
Portugal	122,187	139,823	144,605	249,548	362,304	425,981
Spain	121,997	147,700	238,364	202,187	160,241	421,258
Latvia	109,110	148,094	248,354	249,982	317,032	410,335
Brazil	55,856	163,613	163,651	309,914	311,488	297,585
France	141,206	198,919	253,368	235,684	271,240	342,978
All other	925,317	1,442,668	2,195,478	2,115,566	2,543,101	3,486,412
Total	3,243,286	4,762,429	7,566,903	8,226,797	10,340,863	14,673,023
Unit value (dollars per short ton)						
United States	295	315	442	500	535	629
Top exporters:						
China	203	233	352	349	348	412
Turkey ¹	186	233	382	363	408	492
Ukraine	159	210	287	322	364	458
Italy	221	297	431	396	483	566
Germany	242	316	463	422	498	613
Portugal	248	302	447	442	514	562
Spain	229	289	440	412	506	559
Latvia	179	237	389	365	472	575
Brazil	185	230	320	343	405	471
France	217	284	431	378	475	546
All other	206	254	372	389	437	523
Average	196	247	371	372	417	495

¹ Because Turkey suppresses certain export data reported to GTIS for purposes of business confidentiality, Turkey's reported worldwide exports are therefore incomplete and likely understated.

Note.--Includes the following HS subheadings: 7213.10 and 7214.20.

Source: Global Trade Information Services, Global Trade Atlas online database, accessed September 24, 2008.

According to a Turkish producer's representative, rebar from Turkey is the most widely utilized in the Middle East, particularly in the UAE. Turkish rebar sales to the Middle East were not adversely impacted by Chinese rebar exports, as Chinese producers supply only small quantities due to their lack of the required product certification, and cannot consistently provide enough certified rebar for the life of a construction project.⁶⁷ In Middle Eastern markets, the majority of projects reportedly require certification that the rebar meets the requirements of the United Kingdom's UK CARES product standards.⁶⁸ Purchasers in the UAE reportedly demand this certification for high-quality, new "blue" rebar⁶⁹ and will not accept any rust or low-quality rebar.⁷⁰ This same Turkish producer claimed that its rebar has market recognition in the UAE and has longstanding relationships and the reputation among UAE traders as a reliable supplier of a quality product.⁷¹ The Turkish industry produces rebar to the standards specified in their export markets. One Turkish producer claims to have the necessary certifications to sell its rebar into the various European markets where countries have their own product certification standards.⁷² Likewise, a representative of a domestic producer noted that Turkish producers have been producing rebar to ASTM specifications for years.⁷³ A Turkish producer's representative noted the greater expense and production time necessary to meet the U.S. specifications over the British ones due to differences in chemistry and production requirements.^{74 75}

Consolidation Among Global Producers

The trend of consolidation in the steel industry has encompassed U.S. firms (see Part III) and foreign firms that manufacture rebar. In addition to purely domestic (U.S.) transactions discussed previously, Canadian-based Gerdau Ameristeel acquired the rebar and merchant-quality bar mini-mill in Sayerville, NJ, through its merger with Canadian-based Co-Steel in October 2002 (see table III-1 in Part III). Border Steel, along with other long-products facilities owned by Mexican producer Sicartsa, were acquired by Luxembourg-based ArcelorMittal from Sicartsa's Mexican parent company, Grupo Villacero, when Border's parent company Sicartsa was purchased from Mexico-based Villacero in April 2007.⁷⁶ CMC acquired Polish producer Huta Zawiercie S.A. in December 2003 (renamed CMC-Zawiercie or CMCZ).

⁶⁷ Hearing transcript, p. 183 (Sukan).

⁶⁸ Ibid., p. 182.

⁶⁹ Ibid., pp. 182 and 212.

⁷⁰ Ibid., p. 182.

⁷¹ Ibid., pp. 182-183.

⁷² Hearing transcript, pp. 213-214 (Ekinci).

⁷³ Hearing transcript, p. 28 (Kerkvliet).

⁷⁴ Hearing transcript, p. 262 (Ekinci).

⁷⁵ Mechanical property requirements of ASTM and British Standard for rebar are presented in table I-5.

⁷⁶ Phillip Price, "ArcelorMittal finalizes purchase of long products maker Sicartsa," *American Metal Market*, April 23, 2007.

PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICING

Raw Material Costs

Raw material costs make up an important part of the final cost of rebar. These costs accounted for approximately *** percent of the total cost of goods sold for U.S. producers within the specified region during 2007 and about 60.8 percent of the cost of goods sold for all U.S. producers. Raw material costs per short ton of rebar produced in the specified region increased from an average of \$*** per short ton in 2002 to \$*** per short ton in 2007. They also increased irregularly for all U.S. producers from an average of \$108 per short ton in 2002 to \$266 in 2007. Steel scrap is the primary component of raw material costs. The monthly average price of ferrous steel scrap increased from \$63 per short ton in January 2002 to \$406 per short ton in August 2008, or about 564 percent, but then fell to \$168 per short ton in October 2008, or about 60 percent (see figure V-1).¹ When asked to discuss the effects of changes in raw material costs on pricing since 2002, most responding firms indicated that fluctuations in these costs have affected prices of rebar during this period.

Transportation Costs to the U.S. Market

Ocean transportation costs for rebar shipped from Turkey accounted for about 9.8 percent for shipments to ports within the region and 8.8 percent for shipments to all U.S. ports in 2007. Figure V-2 show quarterly variations in transportation costs to the U.S. market between January 2002 and August 2008. These estimates are derived from official import data and represent the transportation and other charges on imports valued on a c.i.f. basis, as compared with customs value.² Domestic interested parties indicate that overseas transportation costs have been falling because a proxy for freight costs, the Baltic Dry index, has decreased by 87 percent between May 20, 2008 and October 20, 2008, but to the prior average level.³ Domestic interested parties cite forecasts that indicate that the index is unlikely to return to previous levels “anytime soon” and predicted that the index will stay within the 1000-2000 range for the next 18 months to two years, with the possibility of decreasing below that range thereafter due to a glut of new ships coming online.⁴ The index fluctuated widely between 2002 and 2008.

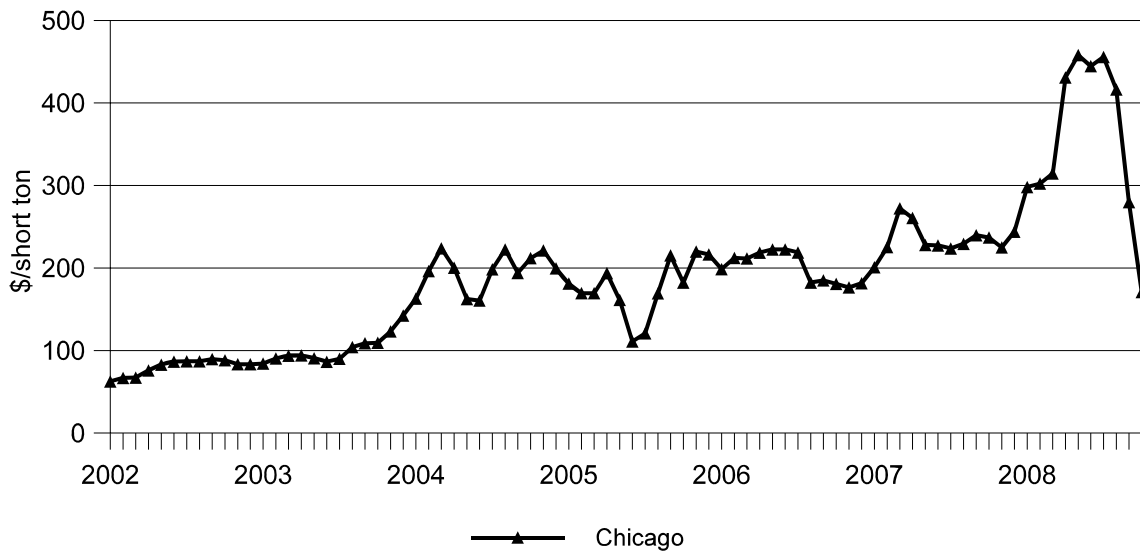
¹ The market price has continued to fall in November. The daily price of scrap was \$80 per short ton on November 10, 2008. The degree to which domestic producers source their scrap requirements internally or through affiliated suppliers varied by producer and mill locations. Two of five responding producers reported purchasing scrap from affiliates during 2007. *** reported sourcing *** percent of its scrap for its *** mill from affiliated suppliers in 2007 and *** reported sourcing *** and *** percent of its scrap requirements for its mills in ***, respectively in 2007. *** reported sourcing none of its scrap from affiliated suppliers. Four of five responding producers reported sourcing scrap internally. *** reported sourcing all of its scrap internally, *** reported sourcing *** percent of its scrap internally. *** reported sourcing from *** to *** percent of its scrap internally for its various mills. *** reported sourcing *** to *** percent of its scrap internally for its various mills, and *** reported sourcing *** percent of its scrap internally. *** reported sourcing none of its scrap internally. Domestic interested parties' posthearing submission, Response to Chairman Aranoff's Request for Information on Scrap Generated by Affiliated Companies, October 30, 2008.

² Rebar is classified under HTS subheadings and statistical reporting numbers 7214.20.00 and 7228.30.80.50.

³ Domestic interested parties's posthearing brief, exhibit 1, H, freight costs, pp. 1-2.

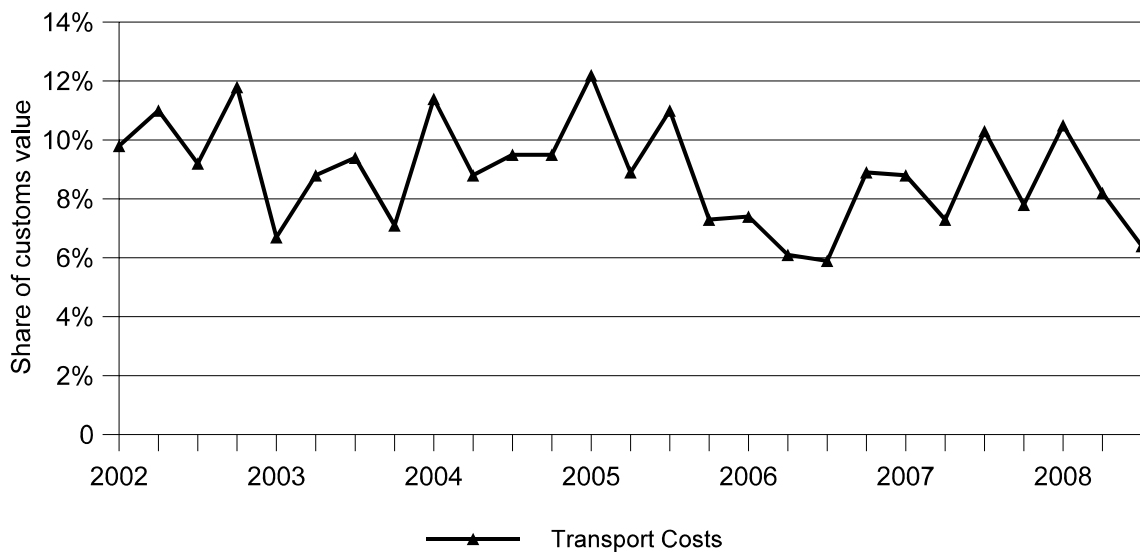
⁴ Ibid.

Figure V-1
Ferrous scrap prices: No. 1 heavy melt, Chicago average consumer price, monthly, January 2002-October 2008



Source: American Metal Market LLC, accessed October 30, 2008.

Figure V-2
Rebar: Overseas transportation costs for imports from Turkey as a share of customs value, by quarters, January 2002- August 2008



Note.-- Transportation costs for the third quarter of 2008 are based on data from July and August 2008

Source: USITC dataweb, accessed November 5, 2008.

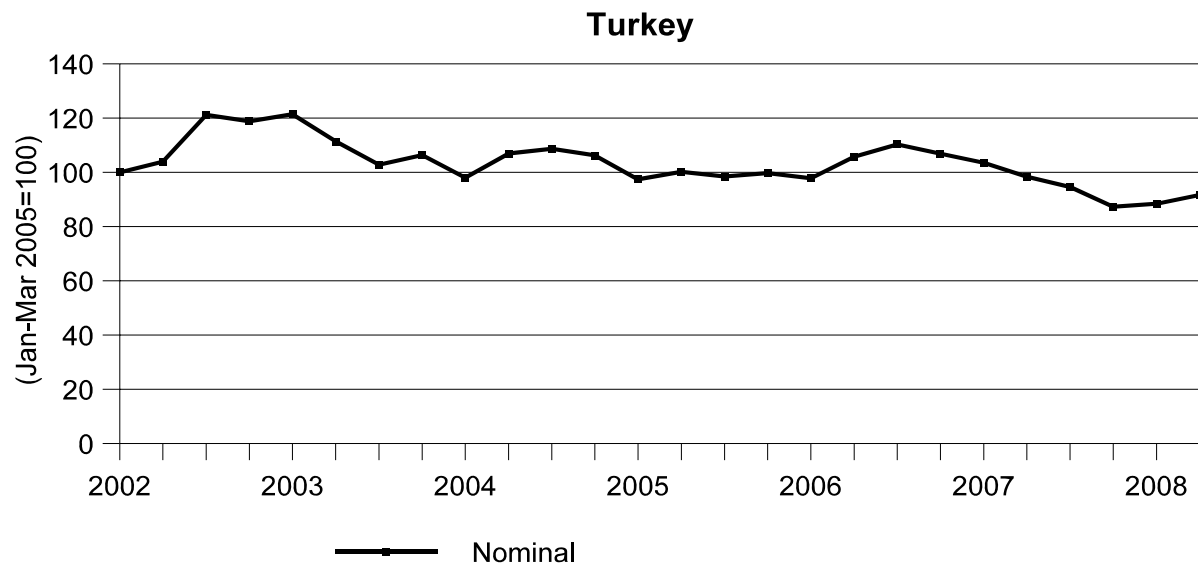
U.S. Inland Transportation Costs

The U.S.-inland transportation costs of rebar vary from firm to firm as a percentage of the total delivered price. Among U.S. producers that made estimates, these costs generally range from 3 percent to 5 percent of the delivered price. Four of eight responding producers and one of twenty responding importers reported using freight equalization in the rates charged for delivered rebar. The four producers (***) indicated that they equalize freight on about *** percent of their shipment respectively and the one importer (***) indicated that it equalizes freight on *** percent of its shipments. Among importers of rebar that provided useable estimates, the inland transportation costs ranged from 5 to 15 percent of the delivered price.

Exchange Rates

Figure V-3 presents nominal exchange rate data for Turkey on a quarterly basis. The nominal exchange rate data were available for January 2002 through July 2007. The data show that the nominal exchange rate of the Turkish lira depreciated by about 8 percent relative to the dollar during the entire period.

Figure V-3
Exchange rates: Indexes of the nominal and real exchange rates of the currency of Turkey in relation to the U.S. dollar, by quarters, January 2002-July 2008



Source: International Monetary Fund, *International Financial Statistics* online, <http://imfstatistics.org/imf>, retrieved October 29, 2008.

PRICING PRACTICES

Among eight responding producers, three reported that prices are always negotiated on a transaction-by-transaction or market price basis, three stated that they always use a set price list, one indicated that it follows announcements by major suppliers, and the other firm reported that prices are determined by a combination of transaction-by-transaction negotiations and set price lists. Among importers, 19 of 21 firms reported that prices are determined on a transaction-by-transaction or market price basis and two importers indicated that they used contracts.

Among seven responding producers, two generally quote on an f.o.b. basis, three generally quote delivered prices, and two quote on both bases. Among importers, 20 firms reported that they quote f.o.b. prices and one reported quoting both f.o.b. and delivered prices. The shipping point for the importer's f.o.b. quotes included foreign ports, port of arrival, certain U.S. port cities, and loaded trucks.

Of the five responding producers, three said they offer annual volume discounts, one said that it offers quantity discounts, and one said that it offers discounts based upon market conditions. Nineteen of 22 responding importers indicated that they offer no discounts. One importer reported offering both annual volume and quantity discounts, one reported offering annual volume discounts, and one reported offering early payment discounts.

Five of seven responding producers and all responding importers reported making all of its sales of rebar on a spot basis.⁵ One of the two remaining producers reported making 95 percent of its sales on a spot basis and 5 percent on a short term contract basis, while the other producer reported making 5 percent of its sales on a spot basis, 90 percent on a short term contract basis, and 5 percent on a long term contract basis. Five of six producers and 14 of 22 importers reported that the prices that they charge are established centrally at the corporate level. One importer *** reported that price for shipments larger than 1,000 tons are approved centrally at the corporate level and prices for smaller volumes are set at specific locations with guidance and floor prices previously approved. The remaining responding producers and importers indicated that the prices they charge are established at specific locations. In addition, two importers (***) that did not respond to the question indicated that they determine prices on a transaction by transaction basis, which likely indicates that the prices are determined in a decentralized manner at specific locations.

PRICE DATA

The Commission requested U.S. producers and importers to provide quarterly data for the total quantity and f.o.b. value of rebar shipped to unrelated customers in the U.S. market during January 2002-June 2008. Data were requested for sales within the specified region and for sales outside the specified region. Pricing data were requested for the following products.

Product 1.--ASTM A615, #3, grade 60 stock rebar, straight or coiled

Product 2.--ASTM A615, #4, grade 60 stock rebar, straight or coiled

Product 3.--ASTM A615, #5, grade 60 stock rebar, straight or coiled

Product 4.--ASTM A615, #6, grade 60 stock rebar, straight or coiled

Eight U.S. producers of rebar, 9 importers of rebar from Turkish subject sources, and 12 importers of rebar from Turkish nonsubject sources provided usable price data.⁶ Four U.S. producers reported prices for both inside and outside the specified region and four reported sales only outside the region. Four importers reported sales of subject imports only within the specified region, three reported sales both inside and outside of the region, and one reported sales only outside of the region. During 2007, U.S. producers' sales of the products inside the region accounted for *** percent of total U.S. producers' commercial shipments into the region. U.S. producers' national sales of the products accounted for 62 percent of total producers' U.S. commercial shipments nationally. Sales within the region of the three products imported from subject Turkish sources accounted for virtually all subject

⁵ One importer (***) reported that it makes short term contracts with an average duration of *** days, but did not indicate what share of its sales were made on this basis.

⁶ Data from sales of *** were not used since this importer indicated that ***.

Turkish rebar sold in the region during 2007, and national sales accounted for about *** percent of U.S. subject imports from Turkey entering during 2007.

Price Trends

Quarterly weighted-average quarterly f.o.b. prices for sales inside the region are shown in tables V-1a through V-4a and figure V- 4. Data for sales to all U.S. customers (both inside and outside the region) are shown in tables V-1b to V-4b and figure V-4. U.S. producer prices import prices for all four products generally increased during the period. Publicly available price data also suggest that these price levels continued into the third quarter of 2008 and started to decrease in October 2008 (see part IV), and that some of these price changes were characterized as decreases in raw material surcharges.

Table V-1a

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 sold to customers within the specified region, and margins of underselling/(overselling), by quarters, January 2002-June 2008

* * * * *

Table V-1b

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 1¹ sold to U.S. customers, and margins of underselling/(overselling), by quarters, January 2002-June 2008

Period	United States		Turkey (subject)			Turkey (nonsubject) ²	
	Price (per ton)	Quantity (tons)	Price (per ton)	Quantity (tons)	Margin (percent)	Price (per ton)	Quantity (tons)
2002:							
Jan.-Mar.	\$304	24,534	-	-	-	\$***	***
Apr.-June	305	27,570	-	-	-	***	***
July-Sept.	329	28,750	-	-	-	***	***
Oct.-Dec.	305	27,484	-	-	-	-	-
2003:							
Jan.-Mar.	300	48,910	-	-	-	-	-
Apr.-June	325	52,225	\$***	***	***	-	-
July-Sept.	334	49,324	-	-	-	***	***
Oct.-Dec.	356	33,858	-	-	-	***	***
2004:							
Jan.-Mar.	407	39,917	-	-	-	***	***
Apr.-June	499	35,786	***	***	***	***	***
July-Sept.	542	36,252	***	***	***	***	***
Oct.-Dec.	556	34,837	***	***	***	***	***

Table continued on next page.

Table V-1b--Continued

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 1¹ sold to U.S. customers, and margins of underselling/(overselling), by quarters, January 2002-June 2008

Period	United States		Turkey (subject)			Turkey (nonsubject) ²	
	Price (per ton)	Quantity (tons)	Price (per ton)	Quantity (tons)	Margin (percent)	Price (per ton)	Quantity (tons)
2005:							
Jan.-Mar.	\$531	46,896	***	***	***	***	***
Apr.-June	522	45,357	***	***	***	***	***
July-Sept.	514	50,538	***	***	***	***	***
Oct.-Dec.	528	45,692	***	***	***	***	***
2006:							
Jan.-Mar.	537	44,327	***	***	***	***	***
Apr.-June	581	47,303	***	***	***	***	***
July-Sept.	608	36,678	***	***	***	***	***
Oct.-Dec.	586	30,708	***	***	***	***	***
2007:							
Jan.-Mar.	584	50,374	-	-	-	***	***
Apr.-June	638	34,979	***	***	***	***	***
July-Sept.	634	42,556	***	***	***	***	***
Oct.-Dec.	619	47,605	***	***	***	***	***
2008:							
Jan.-Mar.	688	56,472	***	***	***	***	***
Apr.-June	824	49,375	***	***	***	***	***

¹ ASTM A615, #3, grade 60 stock rebar, straight or coiled.
² Includes imports from ICDAS that were excluded from the AD order as of November 08, 2005, imports from Colakoglu and Diler that were excluded from the AD order as of November 6, 2007, and imports from Habas that were excluded from the order as of November 7, 2008.

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

Table V-2a

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 sold to customers within the specified region, and margins of underselling/(overselling), by quarters, January 2002-June 2008

* * * * *

Table V-2b

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 2¹ sold to U.S. customers, and margins of underselling/(overselling), by quarters, January 2002-June 2008

Period	United States		Turkey (subject)			Turkey (nonsubject) ²	
	Price (per ton)	Quantity (tons)	Price (per ton)	Quantity (tons)	Margin (percent)	Price (per ton)	Quantity (tons)
2002:							
Jan.-Mar.	\$268	193,014	-	-	-	\$***	***
Apr.-June	271	215,272	-	-	-	***	***
July-Sept.	273	215,707	-	-	-	***	***
Oct.-Dec.	271	195,824	-	-	-	-	-
2003:							
Jan.-Mar.	269	266,007	-	-	-	-	-
Apr.-June	292	270,172	\$***	***	***	-	-
July-Sept.	303	279,537	-	-	-	-	-
Oct.-Dec.	324	264,041	-	-	-	***	***
2004:							
Jan.-Mar.	365	301,924	-	-	-	***	***
Apr.-June	477	274,008	***	***	***	***	***
July-Sept.	519	281,390	***	***	***	***	***
Oct.-Dec.	526	203,063	***	***	***	***	***
2005:							
Jan.-Mar.	477	286,179	***	***	***	***	***
Apr.-June	474	314,683	***	***	***	***	***
July-Sept.	475	333,993	***	***	***	***	***
Oct.-Dec.	501	293,662	***	***	***	***	***
2006:							
Jan.-Mar.	506	296,875	***	***	***	***	***
Apr.-June	526	347,713	***	***	***	***	***
July-Sept.	560	297,986	***	***	***	***	***
Oct.-Dec.	543	244,799	***	***	***	***	***
2007:							
Jan.-Mar.	552	385,524	-	-	-	***	***
Apr.-June	615	293,435	***	***	***	***	***
July-Sept.	612	299,055	***	***	***	***	***
Oct.-Dec.	597	334,439	***	***	***	***	***
2008:							
Jan.-Mar.	654	373,341	***	***	***	***	***
Apr.-June	796	394,416	***	***	***	***	***

¹ ASTM A615, #4, grade 60 stock rebar, straight or coiled.

² Includes imports from ICDAS that were excluded from the AD order as of November 08, 2005, imports from Colakoglu and Diler that were excluded from the AD order as of November 6, 2007, and imports from Habas that were excluded from the order as of November 7, 2008.

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

Table V-3a

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 sold to customers within the specified region, and margins of underselling/(overselling), by quarters, January 2002-June 2008

* * * * *

Table V-3b

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 3¹ sold to U.S. customers, and margins of underselling/(overselling), by quarters, January 2002-June 2008

Period	United States		Turkey (subject)			Turkey (nonsubject) ²	
	Price (per ton)	Quantity (tons)	Price (per ton)	Quantity (tons)	Margin (percent)	Price (per ton)	Quantity (tons)
2002:							
Jan.-Mar.	\$259	285,498	-	-	-	\$***	***
Apr.-June	263	306,429	-	-	-	***	***
July-Sept.	264	294,206	-	-	-	***	***
Oct.-Dec.	262	288,546	-	-	-	-	-
2003:							
Jan.-Mar.	260	374,830	-	-	-	-	-
Apr.-June	285	376,183	\$***	***	***	-	-
July-Sept.	296	402,200	-	-	-	-	-
Oct.-Dec.	316	402,496	-	-	-	***	***
2004:							
Jan.-Mar.	377	392,517	-	-	-	-	-
Apr.-June	472	388,252	***	***	***	***	***
July-Sept.	506	362,226	***	***	***	***	***
Oct.-Dec.	503	301,647	***	***	***	***	***
2005:							
Jan.-Mar.	471	402,224	***	***	***	***	***
Apr.-June	468	415,159	***	***	***	***	***
July-Sept.	468	445,408	***	***	***	***	***
Oct.-Dec.	497	367,477	***	***	***	***	***
2006:							
Jan.-Mar.	501	390,800	***	***	***	***	***
Apr.-June	519	431,893	***	***	***	***	***
July-Sept.	549	393,996	***	***	***	***	***
Oct.-Dec.	536	347,531	***	***	***	***	***
2007:							
Jan.-Mar.	550	491,684	-	-	-	***	***
Apr.-June	610	369,984	***	***	***	***	***
July-Sept.	613	400,303	***	***	***	***	***
Oct.-Dec.	595	411,402	***	***	***	***	***

Table continued on next page.

Table V-3b--Continued

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 3¹ sold to U.S. customers, and margins of underselling/(overselling), by quarters, January 2002-June 2008

Period	United States		Turkey (subject)			Turkey (nonsubject) ²	
	Price (per ton)	Quantity (tons)	Price (per ton)	Quantity (tons)	Margin (percent)	Price (per ton)	Quantity (tons)
2008:							
Jan.-Mar.	\$648	457,940	***	***	***	***	***
Apr.-June	801	463,899	***	***	***	***	***

¹ ASTM A615, #5, grade 60 stock rebar, straight or coiled.
² Includes imports from ICDAS that were excluded from the AD order as of November 08, 2005, imports from Colakoglu and Diler that were excluded from the AD order as of November 6, 2007, and imports from Habas that were excluded from the AD order as of November 7, 2008.

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

Table V-4a

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 sold to customers within the specified region, and margins of underselling/(overselling), by quarters, January 2002-June 2008

* * * * *

Table V-4b

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 4¹ sold to U.S. customers, and margins of underselling/(overselling), by quarters, January 2002-June 2008

Period	United States		Turkey (subject)			Turkey (nonsubject) ²	
	Price (per ton)	Quantity (tons)	Price (per ton)	Quantity (tons)	Margin (percent)	Price (per ton)	Quantity (tons)
2002:							
Jan.-Mar.	\$258	154,025	-	-	-	\$***	***
Apr.-June	261	149,246	-	-	-	***	***
July-Sept.	252	156,004	-	-	-	***	***
Oct.-Dec.	260	137,629	-	-	-	-	-
2003:							
Jan.-Mar.	257	184,711	-	-	-	-	-
Apr.-June	278	185,737	\$***	***	***	-	-
July-Sept.	287	200,232	-	-	-	-	-
Oct.-Dec.	306	194,628	-	-	-	***	***
2004:							
Jan.-Mar.	367	197,248	-	-	-	-	-
Apr.-June	454	171,688	***	***	***	***	***
July-Sept.	497	183,691	***	***	***	***	***
Oct.-Dec.	498	146,904	***	***	***	***	***

Table continued on next page.

Table V-4b--Continued

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 4¹ sold to U.S. customers, and margins of underselling/(overselling), by quarters, January 2002-June 2008

Period	United States		Turkey (subject)			Turkey (nonsubject) ²	
	Price (per ton)	Quantity (tons)	Price (per ton)	Quantity (tons)	Margin (percent)	Price (per ton)	Quantity (tons)
2005:							
Jan.-Mar.	\$471	191,461	***	***	***	***	***
Apr.-June	466	209,955	***	***	***	***	***
July-Sept.	466	232,113	***	***	***	***	***
Oct.-Dec.	501	192,510	***	***	***	***	***
2006:							
Jan.-Mar.	502	224,273	***	***	***	***	***
Apr.-June	521	231,469	***	***	***	***	***
July-Sept.	548	232,219	***	***	***	***	***
Oct.-Dec.	536	213,941	***	***	***	***	***
2007:							
Jan.-Mar.	549	272,137	-	-	-	***	***
Apr.-June	606	235,192	***	***	***	***	***
July-Sept.	610	237,701	***	***	***	***	***
Oct.-Dec.	599	271,992	***	***	***	***	***
2008:							
Jan.-Mar.	646	268,319	***	***	***	***	***
Apr.-June	782	285,663	***	***	***	***	***

¹ ASTM A615, #6, grade 60 stock rebar, straight or coiled.
² Includes imports from ICDAS that were excluded from the AD order as of November 08, 2005, imports from Colakoglu and Diler that were excluded from the AD order as of November 6, 2007, and imports from Habas that were excluded from the AD order as November 4, 2008.

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

Figure V-4

Rebar: Weighted-average quarterly f.o.b. prices of products 1-4 sold to customers within the specified region and nationally, January 2002-June 2008

* * * * *

Price Comparisons

For sales of products 1-4 within the region, subject imports from Turkey were priced lower than U.S.-produced product in 48 of 67 instances, with an average margin of underselling of 10.7 percent. In 19 instances, prices of subject imports from Turkey were higher, with an average margin of overselling of 15.1 percent. Margins of underselling ranged from 0.6 percent to 23.5 percent, and margins of overselling ranged from 1.2 percent to 60.6 percent.

For all U.S. sales of products 1-4, subject imports from Turkey were priced lower than U.S.-produced product in 53 of 68 instances, with an average margin of underselling of 10.5 percent. In 15 instances, prices of subject imports from Turkey were higher, with an average margin of overselling of 17.3 percent. Margins of underselling ranged from less than 0.1 percent to 26.1 percent, and margins of overselling ranged from 0.7 percent to 58.1 percent. Table V-5 presents the instances and ranges of margins of under/overselling from the original investigation and the first review.

Table V-5

Rebar: Instances and ranges of margins of under/overselling from the original investigation and the first review, January 1994-September 2002

	Underselling		Overselling	
	Number of instances	Range (percent)	Number of instances	Range (percent)
Original investigation:¹				
Within the specified region except Puerto Rico	13	0.1 to 12.8	9	0.1 to 7.5
Puerto Rico	10	2.0 to 12.8	4	0.7 to 3.6
First review:²				
Within the specified region	15	0.6 to 26.6	7	0.2 to 9.5
Outside the specified region	14	0.6 to 33.3	8	0.1 to 17.3
¹ Price data for the original investigation were for the period January 1994 to December 1996. ² Price data for the first review were for the period January 1997 to September 2002.				
Source: Confidential record of original investigation and first review.				

APPENDIX A

***FEDERAL REGISTER* NOTICES
AND THE COMMISSION'S STATEMENT ON ADEQUACY**

on steel concrete reinforcing bar (“rebar”) from Turkey.

SUMMARY: The Commission hereby gives notice that it has instituted a review pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty order on rebar from Turkey would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission;¹ to be assured of consideration, the deadline for responses is March 24, 2008. Comments on the adequacy of responses may be filed with the Commission by April 15, 2008. For further information concerning the conduct of this review and rules of general application, consult the Commission’s Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

EFFECTIVE DATE: February 1, 2008.

FOR FURTHER INFORMATION CONTACT:

Mary Messer (202–205–3193), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission’s TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for this review may be viewed on the Commission’s electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background.—On April 17, 1997, the Department of Commerce issued an antidumping duty order on imports of rebar from Turkey (62 FR 18748). Following five-year reviews by Commerce and the Commission, effective March 26, 2003, Commerce issued a continuation of the

antidumping duty order on imports of rebar from Turkey (68 FR 14579). The Commission is now conducting a second review to determine whether revocation of the order would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct a full review or an expedited review. The Commission’s determination in any expedited review will be based on the facts available, which may include information provided in response to this notice.

Definitions.—The following definitions apply to this review:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year review, as defined by the Department of Commerce.

(2) The *Subject Country* in this review is Turkey.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise*. In its original determination and its full five-year review determination, the Commission defined the *Domestic Like Product* as all rebar coextensive with Commerce’s scope.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product*, or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion of the total domestic production of the product. In its original determination and its full five-year review determination, the Commission found that “appropriate circumstances” existed to conduct a regional industry analysis and defined the *Domestic Industry* as all domestic producers of rebar within the Eastern Tier region.²

(5) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the *Subject Merchandise* into the United States from a foreign manufacturer or through its selling agent.

Participation in the review and public service list.—Persons, including industrial users of the *Subject Merchandise* and, if the merchandise is

² The Eastern Tier Region is comprised of the following: Maine, New Hampshire, Connecticut, Massachusetts, Rhode Island, Vermont, New Jersey, New York, Pennsylvania, Delaware, Florida, Georgia, Louisiana, Maryland, North Carolina, South Carolina, Virginia, West Virginia, Alabama, Kentucky, Mississippi, Tennessee, the District of Columbia, and Puerto Rico.

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731–TA–745 (Second Review)]

Steel Concrete Reinforcing Bar From Turkey

AGENCY: United States International Trade Commission.

ACTION: Institution of a five-year review concerning the antidumping duty order

¹ No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117–0016/USITC No. 08–5–179, expiration date June 30, 2008. Public reporting burden for the request is estimated to average 10 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

sold at the retail level, representative consumer organizations, wishing to participate in the review as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the review.

Former Commission employees who are seeking to appear in Commission five-year reviews are reminded that they are required, pursuant to 19 CFR 201.15, to seek Commission approval if the matter in which they are seeking to appear was pending in any manner or form during their Commission employment. The Commission is seeking guidance as to whether a second transition five-year review is the "same particular matter" as the underlying original investigation for purposes of 19 CFR 201.15 and 18 U.S.C. 207, the post employment statute for Federal employees. Former employees may seek informal advice from Commission ethics officials with respect to this and the related issue of whether the employee's participation was "personal and substantial." However, any informal consultation will not relieve former employees of the obligation to seek approval to appear from the Commission under its rule 201.15. For ethics advice, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202-205-3088.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in this review available to authorized applicants under the APO issued in the review, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the review. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification.—Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with this review must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise

specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

Written submissions.—Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is March 24, 2008. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct an expedited or full review. The deadline for filing such comments is April 15, 2008. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the review you do not need to serve your response).

Inability to provide requested information.—Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determination in the review.

Information to be Provided in Response to this Notice of Institution: As used below, the term "firm" includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address if available) and name, telephone number, fax number, and E-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the *Domestic Like Product*, a U.S. union or worker group, a U.S. importer of the *Subject Merchandise*, a foreign producer or exporter of the *Subject Merchandise*, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in this review by providing information requested by the Commission.

(4) A statement of the likely effects of the antidumping duty order on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry*.

(5) A list of all known and currently operating U.S. producers of the *Domestic Like Product*. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in the *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries after 2001.

(7) If you are a U.S. producer of the *Domestic Like Product*, provide the following information on your firm's operations on that product during calendar year 2007 (report quantity data in short tons and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the *Domestic Like Product* accounted for by your firm's(s') production;

(b) The quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s); and

(c) The quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2007 (report quantity data in short tons and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from the *Subject Country* accounted for by your firm's(s') imports;

(b) The quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. commercial shipments of *Subject Merchandise* imported from the *Subject Country*; and

(c) The quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from the *Subject Country*.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country*, provide the following information on your firm's(s') operations on that product during calendar year 2007 (report quantity data in short tons and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in the *Subject Country* accounted for by your firm's(s') production; and

(b) The quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from the *Subject Country* accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have

occurred in the United States or in the market for the *Subject Merchandise* in the *Subject Country* after 2001, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in the *Subject Country*, and such merchandise from other countries.

(11) (OPTIONAL) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry*; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

By order of the Commission.

Issued: January 28, 2008.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E8-1734 Filed 1-31-08; 8:45 am]

BILLING CODE 7020-02-P

SUMMARY: On February 1, 2008, the Department of Commerce (the Department) initiated a sunset review of the antidumping duty order on certain steel concrete reinforcing bars (rebar) from Turkey pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act). The Department conducted an expedited (120-day) sunset review of this order. As a result of this sunset review, the Department finds that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping. The dumping margins are identified in the *Final Results of Review* section of this notice.

EFFECTIVE DATE: May 5, 2008.

FOR FURTHER INFORMATION: Irina Itkin or Brandon Farlander, AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0656 or (202) 482-0182, respectively.

SUPPLEMENTARY INFORMATION:

Background

On February 1, 2008, the Department published the notice of initiation of the second sunset review of the antidumping duty order on rebar from Turkey pursuant to section 751(c) of the Act. See *Initiation of Five-year ("Sunset") Reviews*, 73 FR 6128 (Feb. 1, 2008). The Department received the Notice of Intent to Participate from Nucor Corporation, CMC Steel Group, and Gerdau Ameristeel, Inc. (collectively "the domestic interested parties"), within the deadline specified in 19 CFR 351.218(d)(1)(i) (Sunset Regulations). The domestic interested parties claimed interested party status under section 771(9)(C) of the Act, as manufacturers of a domestic-like product in the United States.

We received complete substantive responses from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). We received no responses from respondent interested parties with respect to the order covered by this sunset review. As a result, pursuant to section 751(c)(4)(A) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), the Department

conducted an expedited (120-day) sunset review of this order.

Scope of the Order

The product covered by this order is all stock deformed steel concrete reinforcing bars sold in straight lengths and coils. This includes all hot-rolled deformed rebar rolled from billet steel, rail steel, axle steel, or low-alloy steel. It excludes (i) plain round rebar, (ii) rebar that a processor has further worked or fabricated, and (iii) all coated rebar. Deformed rebar is currently classifiable under subheadings 7213.10.000 and 7214.20.000 of the *Harmonized Tariff Schedule of the United States* (HTSUS). The HTSUS subheadings are provided for convenience and customs purposes. The written description of the scope of this proceeding is dispositive.

Analysis of Comments Received

All issues raised in this review are addressed in the "Issues and Decision Memorandum for the Expedited Sunset Review of the Antidumping Duty Order on Certain Steel Concrete Reinforcing Bars from Turkey; Final Results" (Decision Memo) from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to David M. Spooner, Assistant Secretary for Import Administration, dated DATE 2008, which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margins likely to prevail if the order were to be revoked. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum which is on file in the Central Records Unit, room 1117 of the main Commerce building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>, under the heading "April 2008." The paper copy and electronic version of the Decision Memo are identical in content.

Final Results of Review

We determine that revocation of the antidumping duty order on rebar from Turkey would be likely to lead to continuation or recurrence of dumping at the following weighted-average percentage margins:

DEPARTMENT OF COMMERCE

International Trade Administration

(A-489-807)

Certain Steel Concrete Reinforcing Bars from Turkey; Final Results of the Expedited Sunset Review of the Antidumping Duty Order

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

Manufacturers/Exporters/Producers	Weighted Average Margin (percent)
Colakoglu Metalurji A.S. Ekinciler Demir Celik A.S.	Revoked ¹ 18.68
Habas Sinai Ve Tibbi Gazlar Istihsal Endustrisi A.S.	18.54
Izmir Demir Celik Sanayi A.S.	41.80
Izmir Metalurji Fabrikasi Turk A.S.	30.16
All Others	16.06 ²

¹ See *Certain Steel Concrete Reinforcing Bars From Turkey; Final Results of Anti-dumping Duty Administrative Review and New Shipper Review and Determination to Revoke in Part*, 72 FR 62630, 62631 (Nov. 6, 2007).

² On November 8, 2005, and November 6, 2007, respectively, ICDAS Celik Enerji Tersane ve Ulasim Sanayi, A.S. (ICDAS) and Diler Demir Celik Endustrisi ve Ticaret A.S./Diler Dis Ticaret A.S./Yazici Demir Celik Sanayi ve Turizm Ticaret A.S. were revoked from the order. We have a request pending before the Court of International Trade to reinstate ICDAS in the order.

This notice also serves as the only reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective orders is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: April 29, 2008.

David M. Spooner,
*Assistant Secretary for Import
Administration.*

[FR Doc. E8-9851 Filed 5-2-08; 8:45 am]

BILLING CODE 3510-DS-S

review pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) to determine whether revocation of the antidumping duty order on steel concrete reinforcing bar from Turkey would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. A schedule for the review will be established and announced at a later date. For further information concerning the conduct of this review and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

EFFECTIVE DATE: May 6, 2008.

FOR FURTHER INFORMATION CONTACT:

Mary Messer (202-205-3193), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION: On May 6, 2008, the Commission determined that it should proceed to a full review in the subject five-year review pursuant to section 751(c)(5) of the Act. The Commission found that both the domestic and respondent interested party group responses to its notice of institution (73 FR 6206, February 1, 2008) were adequate. A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's Web site.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: May 9, 2008.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E8-10765 Filed 5-13-08; 8:45 am]

BILLING CODE 7020-02-P

**INTERNATIONAL TRADE
COMMISSION**

[Investigation No. 731-TA-745 (Second Review)]

**Steel Concrete Reinforcing Bar From
Turkey**

AGENCY: United States International Trade Commission.

ACTION: Notice of Commission determination to conduct a full five-year review concerning the antidumping duty order on steel concrete reinforcing bar from Turkey.

SUMMARY: The Commission hereby gives notice that it will proceed with a full

**INTERNATIONAL TRADE
COMMISSION****[Inv. No. 731-TA-745 (Second Review)]****Steel Concrete Reinforcing Bar From
Turkey****AGENCY:** United States International
Trade Commission.**ACTION:** Scheduling of a full five-year
review concerning the antidumping
duty order on steel concrete reinforcing
bar from Turkey.

SUMMARY: The Commission hereby gives
notice of the scheduling of a full review
pursuant to section 751(c)(5) of the
Tariff Act of 1930 (19 U.S.C. 1675(c)(5))
(the Act) to determine whether
revocation of the antidumping duty
order on steel concrete reinforcing bar
from Turkey would be likely to lead to
continuation or recurrence of material
injury within a reasonably foreseeable
time. For further information
concerning the conduct of this review
and rules of general application, consult
the Commission's Rules of Practice and
Procedure, part 201, subparts A through
E (19 CFR part 201), and part 207,
subparts A, D, E, and F (19 CFR part
207).**EFFECTIVE DATE:** June 5, 2008.

FOR FURTHER INFORMATION CONTACT:

Joshua Kaplan (202-205-3184), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<http://www.usitc.gov>). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

SUPPLEMENTARY INFORMATION:

Background.—On May 6, 2008, the Commission determined that responses to its notice of institution of the subject five-year review were such that a full review pursuant to section 751(c)(5) of the Act should proceed (73 FR 27847, May 14, 2008). A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements are available from the Office of the Secretary and at the Commission's Web site.

Participation in the review and public service list.—Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in this review as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of the review need not file an additional notice of appearance. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the review.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in this review available to authorized applicants under the APO issued in the review, provided that the application is made by 45 days after publication of this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the review. A party

granted access to BPI following publication of the Commission's notice of institution of the review need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff report.—The prehearing staff report in the review will be placed in the nonpublic record on September 25, 2008, and a public version will be issued thereafter, pursuant to section 207.64 of the Commission's rules.

Hearing.—The Commission will hold a hearing in connection with the review beginning at 9:30 a.m. on October 16, 2008, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before October 8, 2008. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on October 14, 2008, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), 207.24, and 207.66 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 business days prior to the date of the hearing.

Written submissions.—Each party to the review may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.65 of the Commission's rules; the deadline for filing is October 6, 2008. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.67 of the Commission's rules. The deadline for filing posthearing briefs is October 27, 2008; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the review may submit a written statement of information pertinent to the subject of the review on or before October 27, 2008. On November 21, 2008, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or

before November 25, 2008, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II (C) of the Commission's Handbook on Electronic Filing Procedures, 67 FR 68168, 68173 (November 8, 2002).

Additional written submissions to the Commission, including requests pursuant to section 201.12 of the Commission's rules, shall not be accepted unless good cause is shown for accepting such submissions, or unless the submission is pursuant to a specific request by a Commissioner or Commission staff.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the review must be served on all other parties to the review (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: This review is being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

By order of the Commission.

Issued: June 6, 2008.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. E8-13049 Filed 6-10-08; 8:45 am]

BILLING CODE 7020-02-P

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY

in

Steel Concrete Reinforcing Bar From Turkey
Inv. No. 731-TA-745 (Second Review)

On May 6, 2008, the Commission determined that it should conduct a full review in the subject five-year review pursuant to section 751(c)(5) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(5).

The Commission received responses to its notice of institution from: (i) Commercial Metals Co., Gerdau Ameristeel, and Nucor Corp., domestic producers of steel concrete reinforcing bars (“rebar”); and (ii) Ekinciler Demir ve Celik Sanayi A.S., Izmir Demir Celik Sanayi A.S., and Kaptan Demir Celik Endustrisi ve Ticaret A.S., all producers and exports of rebar in Turkey.¹

The Commission determined that the responses received from the three domestic producers of rebar were individually adequate. The record indicates that these producers accounted for the majority of domestic production in the Eastern Tier region and in the United States as a whole in 2007.² With respect to respondent interested parties, the Commission received individually adequate responses from three producers of Turkish rebar. These producers accounted for a substantial portion of rebar production in Turkey in 2007.³ The Commission also determined that both the domestic and respondent interested party group responses to the notice of institution were adequate and voted to conduct a full review.

A record of the Commissioners’ votes is available from the Office of the Secretary and the Commission’s web site (<http://www.usitc.gov>).

¹ The Commission also received a response from Istanbul Minerals and Metal Exporters’ Association (“IMMIB”), a foreign business association whose membership includes, among others, Turkish producers and exporters of the subject merchandise. IMMIB, however, is not an interested party because a majority of its members are not producers, exporters or of the subject merchandise. See 19 U.S.C. § 1677(9)(A).

² In the original investigation and first five-year review, the Commission defined a regional domestic industry consisting of domestic producers in the Eastern Tier region. The Eastern-Tier region consists of Alabama, Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, and West Virginia, plus Puerto Rico and the District of Columbia.

³ The new information submitted by respondent interested parties in their joint comments on adequacy, specifically Attachment A, was disregarded. See 19 C.F.R. § 207.62 (b)(2).

APPENDIX B
HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject: Steel Concrete Reinforcing Bar from Turkey
Inv. Nos.: 731-TA-745 (Second Review)
Date and Time: October 16, 2008 - 9:30 a.m.

Sessions were held in connection with this investigation in the Main Hearing Room, 500 E Street, SW, Washington, D.C.

OPENING REMARKS:

In Support of Continuation of Order (**Alan H. Price**,
Wiley Rein LLP)

In Opposition to Continuation of Order (**Matthew M. Nolan**,
Arent Fox LLP)

In Support of Continuation of Antidumping Duty Order:

Wiley Rein LLP
Washington, D.C.
on behalf of

Nucor Corporation
Gerdau Ameristeel, Inc.
Commercial Metals Company

Bob Stone, Director, Sales and Marketing,
Bar Mills Group, Nucor Corporation

Jim Kerkvliet, Vice President, Commercial Sales,
Gerdau Ameristeel, Inc.

Avery Hilton, Executive Vice President - Mills,
Commercial Metals Company

Professor Peter Morici, Professor of Economics,
University of Maryland

**In Support of Continuation of
Antidumping Duty Order (continued):**

Louis Miller, Production Line Worker, Nucor Birmingham

Alan H. Price)
John R. Shane) – OF COUNSEL
Daniel B. Pickard)

**In Opposition to Continuation of
Antidumping Duty Order:**

Arent Fox LLP
Washington, D.C.
on behalf of

Ekinciler Demir ve Celik Sanayi, A.S. (“Ekinciler”)
Kaptan Demir Endustrisi ve Ticaret, A.S. (“Kaptan”)
Izmir Demir Celik Sanayi A.S. (“IDC”)
Istanbul Minerals and Metals Exporters’ Association (“IMMIB”)

Omur Sukan, General Manger, Ekinciler

Ali Ekinci, Foreign Trade Manger, Ekinciler

Ilker Ulu, Assistant Reporter, Research and
Development Department, IMMIB

Matthew M. Nolan)
Myles S. Getlan) – OF COUNSEL
Diana Dimitriuc Quaia)

REBUTTAL/CLOSING REMARKS:

In Support of Continuation of Order (**Daniel B. Pickard**,
Wiley Rein LLP)

In Opposition to Continuation of Order (**Myles S. Getlan**,
Arent Fox LLP)

APPENDIX C
SUMMARY DATA

Table C-1
Rebar: Summary data concerning the total U.S. market, 2002-07, January-June 2007, and January-June 2008

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent except where noted)

Item	Reported data							Period changes							
	2002	2003	2004	2005	2006	2007	January-June		2002-07	2002-03	2003-04	2004-05	2005-06	2006-07	Jan.-June 2007-08
							2007	2008							
U.S. consumption quantity:															
Amount	7,785,129	8,842,363	8,980,845	9,191,047	10,373,740	10,101,524	5,389,154	5,335,323	29.8	13.6	1.6	2.3	12.9	-2.6	-1.0
U.S. producers' share (1):															
Producers within region	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Producers outside region	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total U.S. producers	83.6	88.5	78.7	84.5	75.1	81.6	78.8	87.5	-2.0	4.9	-9.8	5.8	-9.4	6.5	8.8
Importers' share (1):															
Turkey (subject to the AD order)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	13.4	10.1	13.4	10.2	13.0	13.9	15.7	7.7	0.5	-3.2	3.3	-3.2	2.8	0.9	-8.0
Total imports	16.4	11.5	21.3	15.5	24.9	18.4	21.2	12.5	2.0	-4.9	9.8	-5.8	9.4	-6.5	-8.8
U.S. consumption value:															
Amount	1,989,472	2,501,049	4,055,557	4,308,637	5,208,982	5,772,062	2,986,975	3,760,411	190.1	25.7	62.2	6.2	20.9	10.8	25.9
U.S. producers' share (1):															
Producers within region	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Producers outside region	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total U.S. producers	85.6	88.6	77.7	85.9	78.1	82.7	80.9	87.9	-2.9	2.9	-10.9	8.2	-7.9	4.7	7.0
Importers' share (1):															
Turkey (subject to the AD order)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	11.7	10.0	13.4	9.1	11.5	13.0	14.1	7.6	1.3	-1.7	3.4	-4.2	2.4	1.5	-6.5
Total imports	14.4	11.4	22.3	14.1	21.9	17.3	19.1	12.1	2.9	-2.9	10.9	-8.2	7.9	-4.7	-7.0
U.S. imports from:															
Turkey (subject to the AD order):															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05):															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07):															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08):															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources:															
Quantity	1,042,066	896,616	1,203,165	934,819	1,348,441	1,405,793	846,390	411,360	34.9	-14.0	34.2	-22.3	44.2	4.3	-51.4
Value	233,527	250,272	542,089	393,035	600,255	752,592	419,933	285,094	222.3	7.2	116.6	-27.5	52.7	25.4	-32.1
Unit value	\$224	\$279	\$451	\$420	\$445	\$535	\$496	\$693	138.9	24.6	61.4	-6.7	5.9	20.3	39.7
Ending inventory quantity	5,257	7,662	27,065	3,994	11,150	6,408	7,960	463	21.9	45.7	253.2	-85.2	179.2	-42.5	-94.2
All sources:															
Quantity	1,276,191	1,019,007	1,916,854	1,424,389	2,587,418	1,860,854	1,144,294	665,189	45.8	-20.2	88.1	-25.7	81.7	-28.1	-41.9
Value	285,636	285,549	904,826	606,542	1,142,533	996,278	571,633	456,743	248.8	-0.0	216.9	-33.0	88.4	-12.8	-20.1
Unit value	\$224	\$280	\$472	\$426	\$442	\$535	\$500	\$687	139.2	25.2	68.5	-9.8	3.7	21.2	37.5
Ending inventory quantity	5,257	7,662	44,200	3,994	19,887	13,220	14,772	12,909	151.5	45.7	476.9	-91.0	397.9	-33.5	-12.6
U.S. producers:															
Average capacity quantity	8,694,794	9,110,611	8,843,716	9,150,565	9,450,718	10,043,896	5,242,381	5,318,428	15.5	4.8	-2.9	3.5	3.3	6.3	1.5
Production quantity	6,693,497	7,846,342	7,428,309	7,878,434	8,077,288	8,383,464	4,401,736	4,743,265	25.2	17.2	-5.3	6.1	2.5	3.8	7.8
Capacity utilization (1)	77.0	86.1	84.0	86.1	85.5	83.5	84.0	89.2	6.5	9.1	-2.1	2.1	-0.6	-2.0	5.2
U.S. shipments:															
Quantity	6,508,938	7,823,356	7,063,991	7,766,658	7,786,322	8,240,670	4,244,860	4,670,134	26.6	20.2	-9.7	9.9	0.3	5.8	10.0
Value	1,703,836	2,215,500	3,150,730	3,702,094	4,066,449	4,775,784	2,415,343	3,303,668	180.3	30.0	42.2	17.5	9.8	17.4	36.8
Unit value	\$262	\$283	\$446	\$477	\$522	\$580	\$569	\$707	121.4	8.2	57.5	6.9	9.6	11.0	24.3
Export shipments:															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	627,556	453,005	646,918	551,444	634,304	535,725	688,612	497,949	-14.6	-27.8	42.8	-14.8	15.0	-15.5	-27.7
Inventories/total shipments (1)															
Production workers	4,313	4,440	4,289	4,721	4,750	4,849	4,833	4,892	12.4	2.9	-3.4	10.1	0.6	2.1	1.2
Hours worked (1,000s)	8,921	9,820	9,124	9,465	9,525	10,097	5,141	5,524	13.2	10.1	-7.1	3.7	0.6	6.0	7.4
Wages paid (\$1,000s)	225,646	249,559	252,597	283,567	300,611	326,501	168,949	177,991	44.7	10.6	1.2	12.3	6.0	8.6	5.4
Hourly wages	\$25.29	\$25.41	\$27.68	\$29.96	\$31.56	\$32.34	\$32.87	\$32.22	27.8	0.5	8.9	8.2	5.3	2.5	-2.0
Productivity (tons/1,000 hours)	750.3	799.0	814.2	832.4	848.1	830.3	856.3	858.7	10.7	6.5	1.9	2.2	1.9	-2.1	0.3
Unit labor costs	\$33.71	\$31.81	\$34.00	\$35.99	\$37.22	\$38.95	\$38.38	\$37.52	15.5	-5.7	6.9	5.8	3.4	4.6	-2.2
Net sales:															
Quantity	6,644,330	7,936,020	7,289,004	7,886,361	8,085,904	8,452,738	4,373,882	4,841,373	27.2	19.4	-8.2	8.2	2.5	4.5	10.7
Value	1,741,718	2,236,068	3,153,898	3,720,516	4,184,161	4,883,493	2,486,605	3,416,585	180.4	28.4	41.0	18.0	12.5	16.7	37.4
Unit value	\$262	\$282	\$433	\$472	\$517	\$578	\$569	\$706	120.4	7.5	53.6	9.0	9.7	11.6	24.1
Cost of goods sold (COGS)	1,588,112	2,065,704	2,568,679	2,921,951	3,155,928	3,695,722	1,897,534	2,779,905	132.7	30.1	24.3	13.8	8.0	17.1	46.5
Gross profit or (loss)	153,606	170,364	585,219	798,565	1,028,233	1,187,771	589,071	636,680	673.3	10.9	243.5	36.5	28.8	15.5	8.1
SG&A expenses	83,111	117,962	135,589	187,616	198,593	182,778	91,125	107,229	119.9	41.9	14.9	38.4	5.9	-8.0	17.7
Operating income or (loss)	70,495	52,402	449,630	610,949	829,640	1,004,993	497,946	529,451	1325.6	-25.7	758.0	35.9	35.8	21.1	6.3
Capital expenditures	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit COGS	\$239	\$260	\$352	\$371	\$390	\$437	\$434	\$574	82.9	8.9	35.4	5.1	5.3	12.0	32.4
Unit SG&A expenses	\$13	\$15	\$19	\$24	\$25	\$22	\$21	\$22	72.9	18.8	25.1	27.9	3.2	-12.0	6.3
Unit operating income or (loss)	\$11	\$7	\$62	\$77	\$103	\$119	\$114	\$109	1020.6	-37.8	834.2	25.6	32.4	15.9	-3.9
COGS/sales (1)	91.2	92.4	81.4	78.5	75.4	75.7	76.3	81.4	-15.5	1.2	-10.9	-2.9	-3.1	0.3	5.1
Operating income or (loss)/sales (1)	4.0	2.3	14.3	16.4	19.8	20.6	20.0	15.5	16.5	-1.7	11.9	2.2	3.4	0.8	-4.5

(1) "Reported data" are in percent and "period changes" are in percentage points.
 (2) Not applicable.

Note1.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Note2.--ICDAS Celik excluded as of 11/08/05; Colakoglu and Diler excluded as of 11/06/07; Habas excluded as of 11/07/08; all other producers in Turkey remain subject to the AD order.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table C-2
Rebar: Summary data concerning the U.S. market within the region, 2002-07, January-June 2007, and January-June 2008

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent except where noted)

Item	Reported data							Period changes							
	2002	2003	2004	2005	2006	2007	January-June		2002-07	2002-03	2003-04	2004-05	2005-06	2006-07	Jan.-June 2007-08
							2007	2008							
U.S. consumption quantity:															
Amount	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. producers' share (1):															
Producers within region	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Producers outside region	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total U.S. producers	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Importers' share (1):															
Turkey (subject to the AD order)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. consumption value:															
Amount	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. producers' share (1):															
Producers within region	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Producers outside region	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total U.S. producers	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Importers' share (1):															
Turkey (subject to the AD order)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. imports into the region from:															
Turkey (subject to the AD order):															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05):															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07):															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08):															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources:															
Quantity	534,887	400,302	422,401	342,200	372,158	338,104	258,435	46,566	-36.8	-25.2	5.5	-19.0	8.8	-9.2	-82.0
Value	118,997	111,185	187,033	145,266	170,144	170,259	124,813	32,390	43.1	-6.6	68.2	-22.3	17.1	0.1	-74.0
Unit value	\$222	\$278	\$443	\$425	\$457	\$504	\$483	\$696	126.4	24.8	59.4	-4.1	7.7	10.1	44.0
All sources:															
Quantity	712,091	459,276	800,246	667,355	1,087,536	518,576	387,942	107,331	-27.2	-35.5	74.2	-16.6	63.0	-52.3	-72.3
Value	158,313	128,420	369,331	286,267	487,001	266,540	190,883	75,141	68.4	-18.9	187.6	-22.5	70.1	-45.3	-60.6
Unit value	\$222	\$280	\$462	\$429	\$448	\$514	\$492	\$700	131.2	25.8	65.1	-7.1	4.4	14.8	42.3
U.S. regional producers:															
Average capacity quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. shipments within the region:															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. shipments outside the region:															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Export shipments:															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000s)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Productivity (tons/1,000 hours)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Net sales:															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. outside producers:															
U.S. shipments into the region:															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***

(1) *Reported data* are in percent and *period changes* are in percentage points.
(2) Not available/not applicable.

Note1.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown.
Unit values and shares are calculated from the unrounded figures.
Note2.--ICDAS Celik excluded as of 11/08/05; Colakoglu and Diler excluded as of 11/06/07; Habas excluded as of 11/07/08; all other producers in Turkey remain subject to the AD order.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table C-3

Rebar: Summary data concerning the U.S. market outside the region, 2002-07, January-June 2007, and January-June 2008

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent except where noted)

Item	Reported data							Period changes							
	2002	2003	2004	2005	2006	2007	January-June		2002-07	2002-03	2003-04	2004-05	2005-06	2006-07	Jan.-June 2007-08
							2007	2008							
U.S. consumption quantity:															
Amount	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. producers' share (1):															
Producers within region	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Producers outside region	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total U.S. producers	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Importers' share (1):															
Turkey (subject to the AD order)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. consumption value:															
Amount	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. producers' share (1):															
Producers within region	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Producers outside region	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total U.S. producers	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Importers' share (1):															
Turkey (subject to the AD order)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. imports outside the region from:															
Turkey (subject to the AD order):															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05)															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07):															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08):															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources:															
Quantity	507,179	496,314	780,764	592,619	976,283	1,067,689	587,955	364,794	110.5	-2.1	57.3	-24.1	64.7	9.4	-38.0
Value	114,530	139,088	355,055	247,769	430,111	582,334	295,120	252,704	408.5	21.4	155.3	-30.2	73.6	35.4	-14.4
Unit value	\$226	\$280	\$455	\$418	\$441	\$545	\$502	\$693	141.5	24.1	62.3	-8.1	5.4	23.8	38.0
All sources:															
Quantity	564,101	559,731	1,116,608	757,034	1,499,883	1,342,278	756,352	557,858	138.0	-0.8	99.5	-32.2	98.1	-10.5	-26.2
Value	127,324	157,129	535,496	320,276	655,532	729,738	380,750	381,602	473.1	23.4	240.8	-40.2	104.7	11.3	0.2
Unit value	\$226	\$281	\$480	\$423	\$437	\$544	\$503	\$684	140.9	24.4	70.8	-11.8	3.3	24.4	35.9
U.S. outside region producers':															
Average capacity quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. shipments within the region:															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. shipments outside the region:															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Export shipments:															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Production workers:															
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000s)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Productivity (tons/1,000 hours)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Net sales:															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. regional producers':															
U.S. shipments outside the region:															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Not available/not applicable.

Note1.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Note2.--ICDAS Celik excluded as of 11/08/05; Colakoglu and Diler excluded as of 11/06/07; Habas excluded as of 11/07/08; all other producers in Turkey remain subject to the AD order.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table C-4

Rebar: Summary data concerning the U.S. market within the region (including Texas within the region), 2002-07, January-June 2007, and January-June 2008

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent except where noted)

Item	Reported data							Period changes						Jan.-June 2007-08	
	2002	2003	2004	2005	2006	2007	January-June		2002-07	2002-03	2003-04	2004-05	2005-06		2006-07
							2007	2008							
U.S. consumption quantity:															
Amount	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. producers' share (1):															
Producers within region	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Producers outside region	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total U.S. producers	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Importers' share (1):															
Turkey (subject to the AD order) ..	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05) ..	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07) ..	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08) ..	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. consumption value:															
Amount	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. producers' share (1):															
Producers within region	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Producers outside region	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total U.S. producers	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Importers' share (1):															
Turkey (subject to the AD order) ..	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05) ..	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07) ..	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08) ..	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. imports into the region from:															
Turkey (subject to the AD order):															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/08/05):															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/06/07):															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Turkey (excluded as of 11/07/08):															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
All other sources:															
Quantity	963,315	832,302	935,732	734,904	871,589	997,503	595,328	297,974	3.5	-13.6	12.4	-21.5	18.6	14.4	-49.9
Value	214,637	229,828	417,965	308,617	391,207	539,705	294,953	210,146	151.5	7.1	81.9	-26.2	26.8	38.0	-28.8
Unit value	\$223	\$276	\$447	\$420	\$449	\$541	\$495	\$705	142.8	23.9	61.8	-6.0	6.9	20.5	42.3
All sources:															
Quantity	1,197,441	943,104	1,623,280	1,224,450	2,110,559	1,452,564	893,232	551,803	21.3	-21.2	72.1	-24.6	72.4	-31.2	-38.2
Value	266,746	261,903	767,215	522,107	933,477	783,391	446,653	381,795	193.7	-1.8	192.9	-31.9	78.8	-16.1	-14.5
Unit value	\$223	\$278	\$473	\$426	\$442	\$539	\$500	\$692	142.1	24.7	70.2	-9.8	3.7	21.9	38.4
U.S. regional producers':															
Average capacity quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. shipments within the region:															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. shipments outside the region:															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Export shipments:															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Wages paid (\$1,000s)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Productivity (tons/1,000 hours)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Net sales:															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
U.S. outside producers':															
U.S. shipments into the region:															
Quantity	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Not available/not applicable.

Note1.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown.
Unit values and shares are calculated from the unrounded figures.

Note2.--ICDAS Celik excluded as of 11/08/05; Colakoglu and Diler excluded as of 11/06/07; Habas excluded as of 11/07/08; all other producers in Turkey remain subject to the AD order.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

APPENDIX D

**COMMENTS BY U.S. PRODUCERS, IMPORTERS,
PURCHASERS, AND FOREIGN PRODUCERS
REGARDING THE EFFECTS OF THE ORDER AND
THE LIKELY EFFECTS OF REVOCATION**

U.S. PRODUCERS' COMMENTS REGARDING THE EFFECTS OF THE ANTIDUMPING DUTY ORDER AND THE LIKELY EFFECTS OF REVOCATION

The Commission requested producers to describe any anticipated changes in the character of their operations or organization relating to the production of rebar in the future if the antidumping duty order covering imports of rebar from Turkey were revoked (Question II-8). *. Their responses are as follows:**

Producers Inside the Eastern-Tier Region (II-8a):

“We anticipate that revocation of antidumping order on Turkey would lead to increased levels of imported rebar in the U.S. market, driving down U.S. prices. Depressed prices, especially in a market characterized by volatile raw material costs (witness scrap prices over the last several years), would yield depressed profit margins and unacceptable returns on investments. If imports surged in at below-market prices, demand for domestic rebar would decline even further. In order to keep inventories in check, domestic producers would have to lower production. Since steel production is capital-intensive and profitability is largely tied to capacity utilization, reducing production is not an attractive option. Production cutbacks would result in layoffs and the potential idling of equipment, which would lead to reduced tax bases in communities in which we operate.”

“The region specified has been a major destination market for Turkish rebar imports. If the order was revoked we would likely place the investment in the *** and *** facilities on hold. In addition, we would rationalize production capacity to meet reduced demand by layoffs and reduced schedules.”

(Same as response to Question II-7) “If the order was revoked, we would expect significant further Turkish imports. The orders have kept a large number of Turkish exporters out of the market, but revocation would permit these companies to re-enter the market in a big way. The resulting import levels would cause every one of our rebar-producing mills to slash production and prices drastically. This would reduce shipments, capacity utilization, revenues and profits. Our workers, whose compensation is tied to productivity and production levels, would suffer as shift levels dropped and production levels fell. It would also be hard to justify any further investment in our facilities.”

Producers Outside the Eastern-Tier Region (II-8b):

“Yes. Termination of the orders on rebar would likely result in an immediate and large increase in imports from Turkey. We would expect that producers from Turkey would aggressively price their products in the U.S. market to grab market share - as Turkey has done before. The effects on our company, and the domestic industry in general, would be devastating. Prices in the U.S. market would be forced down. We would expect to see declines in our production, shipments, and profits. Our workers would also suffer as a result of likely declines in shifts and in wages. Finally, the effects of increased imports would make it harder to justify the investments necessary to maintain and increase productivity.”

“As noted above, pending permitting issues, construction of our *** in *** will begin in ***. The project was approved under the assumption that rebar imports would remain controlled and fairly priced in the market. Revocation of the antidumping duty orders would be detrimental to the market for the reasons previously stated and would jeopardize the success of this investment.

Back in the mid-1990's, we performed a similar analysis in the Southeastern U.S. to determine the viability of constructing a new rolling mill at our plant in ***. Unanticipated surging steel imports during the late 1990's and early 2000's undercut pricing on long products to their lowest levels in decades and led to negative returns on that investment. We have only recently, in ***, achieved profitability measurements that were originally projected to have been achievable in ***.”

“Turkish rebar imports would have a negative impact on the market in general. If the order was revoked it would make it difficult to run any of our facilities at full capacity. We would be forced to rationalize production capacity to meet reduced demand by layoffs and reduced working hours. The reduced earning would make it extremely difficult to pay for capital investments required for environmental compliance and sustainability.”

“Please see the response to Question II-7b.”

“We would evaluate monthly and cut back rebar production when financing. It makes sound business sense to produce more wire rod. Both products produced on same mill, we would lower availability.”

“We believe that if the order is ended, significantly increased imports of rebar from Turkey will occur, destabilizing supply in the U.S. market and driving prices down.”

The Commission requested producers to describe the significance of the existing antidumping duty order covering imports of rebar from Turkey in terms of its effect on their firms’ production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits cash flow, capital expenditures, research and development expenditures, and asset values. (Question II-9). *.**

Producers Inside the Eastern-Tier Region (II-9a):

“Our financial results prior to the enactment of antidumping duties were abysmal. The United States enjoyed its longest period of peace-time economic growth during the late 1990's. Consumer construction spending and public infrastructure development were at all-time highs, and we were at the peak of economic and steel consumption cycles. Yet the domestic industry was unable to fully participate in the benefits of such an upturn because unfairly dumped foreign steel undercut pricing in the market and eroded profit margins. The implementation of the antidumping orders contributed to a more level playing field between domestic and foreign producers. As the U.S. economy moved out of recession and into expansion during the current decade, our mills achieved record shipments and production. Market pricing based on fair competition and supply and demand has allowed all domestic producers to increase selling

prices alongside increases in raw material and processing costs. As a result, our mills' combined income before taxes attributable to rebar has imported from *** results in our fiscal year *** to a \$*** profit in our fiscal year ***. These profits have been shared with our employees through bonuses and profit-sharing distributions. These results are consistent with expectations when one is operating during the economic high times in a cyclical industry like steel manufacturing. As mentioned before, our improved operating performance has given our management and board of directors the confidence to move forward on a number of major capital investments.”

“The impact of the dumping order allowed *** to execute a business strategy of capital investment and select strategic acquisitions, which has made the company and the industry healthier. Today, *** has reasonable earnings and balance sheet. We are in a position to continue serving our customers. If the order is revoked it will have a negative impact on the profitability of the rebar segment of our business, earnings, and willingness to invest into this segment. Please see section III for further information on our financial performance.”

“The order on rebar from Turkey has created some market stability, which has permitted us to make investments in rebar production, as described above. *** has been able to increase its rebar production, although pricing levels and shipments are being held down by continued imports whose effects are made worse by a weakening construction sector.”

Producers Outside the Eastern-Tier Region (II-9b):

“Currently, no effect.”

“The standing duty order is significant and has enabled *** to continue servicing the *** sector of the United States. In addition and during the period of investigation, Turkey originated rebar imports continued to rise, especially within the specified region. Turkey's principal port of entry for the subject goods is Houston, Texas, which is ***. Had it not been for the standing duty order, the specified region as defined within this questionnaire would have unequivocally included the state of *** and possibly other *** states.”

“The AD orders on rebar have largely removed unfairly traded subject imports from the U.S. market and have provided the stability necessary for *** to benefit from the upturn in the U.S. economy. After three years of meager operating profits at the beginning of the period of review, we have seen profits improve significantly in the last three years, due in large part to the stability and level playing field created by the AD orders. Removal of the order on Turkey – a large producer with excess supply, would jeopardize all of these gains.”

“See response to Question II-9a.”

“The impact of the dumping order allowed *** to execute a business strategy of capital investment and select strategic acquisitions, which has made the company and the industry healthier. Today, *** has reasonable earnings and balance sheet. We are in a position to continue serving our customers. If the order is revoked it will have a negative impact on the profitability of the rebar segment of our business, earnings, and willingness to invest into this segment. Please see section III for further information on our financial performance.”

“Please see the response to Question II-9a.”

“It’s a supply/demand situation. More tons they send in reduces production demand in U.S. This will reflect all of the items you mention in the question in a negative way.”

“We believe that the anti-dumping order has been a significant factor in keeping domestic steel prices at levels in which *** and the domestic industry can remain profitable and reinvest in manufacturing equipment. The recent slowdown in domestic residential construction would make revocation of the order extremely problematic for continuing profitability in the domestic industry.”

The Commission requested producers to describe any anticipated changes in their production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values relating to the production of rebar in the future if the existing antidumping duty order was revoked. (Question II-10). *.**

Producers Inside the Eastern-Tier Region (II-10a):

“As mentioned in question II-8, we believe revocation of the antidumping duty orders would prompt Turkish producers to resume significant exports at low prices. Such action would lower domestic prices to unacceptable levels and rob domestic producers of market share on the basis of unfair competition. A drop in selling prices and shipment volumes would result in a disproportionate reduction to our collective mills’ operating profit. Given the history of steel pricing during past period of dumping, we would expect steel prices and shipment volumes to fall significantly, with a corresponding larger drip in operating margins. Reduced profitability would hamper our abilities to modernize and enhance our operations. Additionally it would jeopardize construction of *** facilities in addition to our facility to be constructed in ***.”

“Please see the response to Question II-8a.”

“If the order on Turkish rebar were revoked, we would expect a sharp influx of imports from Turkish producers that have been kept out of the market by high dumping margins. Turkish companies would, as they did before the order, use aggressive pricing and massive volumes to take market share from U.S.

producers. ***'s rebar production, capacity utilization, shipments, and prices would fall sharply, and it would be hard to justify any increased capacity or investment in rebar production. We would expect drastically lower production, shipment, employment, revenues, profits, and capital expenditures, as well as higher inventories.”

Producers Outside the Eastern-Tier Region (II-10b):

“The revocation of the standing antidumping duty order on Turkey originated rebar would ultimately have a significant impact upon the non-specified region, as the bulk of rebar originating from Turkey is predominantly entered through *** and the ease of market penetration within the *** sector of the United States (of which *** has and continues to serve) would unequivocally lead to the inundation of unfairly traded rebar within this non-specified marketplace ultimately compromising production, shipments, revenues and employment.

“As noted above, the termination of the orders would result in an immediate and significant increase in imports of rebar from Turkey. Turkey would price aggressively to capture market share - at the expense of *** and other domestic producers. The result will be a decline in prices. As prices fall, production, shipments, and revenues will also decline. Moreover, the AD orders maintain American jobs. Increased imported rebar availability in domestic markets will result in a significant loss of family-wage jobs. In addition, the industry’s long-term production markets would be compromised because disaffected workers would permanently leave the industry creating a skilled worker shortage necessary for the continued vitality of the steel rebar industry.”

“See response to Question II-10a.”

“Please see the response to Question II-8b.”

“Please see the answer to Question II-10a above.”

“See II-8b & II-9b.”

“We would expect that there would be an over-supply of rebar that would drive prices down. This would result in significantly reduced profits, which would strain cash flow and cause the company to scale back investment plans.”

**U.S. IMPORTERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE
ANTIDUMPING DUTY ORDER AND THE LIKELY
EFFECTS OF REVOCATION**

The Commission requested importers to describe any anticipated changes in the character of their operations or organization relating to the importation of rebar in the future if the existing antidumping duty order on rebar from Turkey were to be revoked (Question II-4). *. Their responses are as follows:**

Importers inside the Eastern-Tier Region:

Importers outside the Eastern-Tier Region:

“We anticipate that a revocation of antidumping orders from Turkey would lead to increased levels of imported steel in the U.S. market. Additional volumes would only lead to lower prices. Depressed prices, especially in a market characterized by volatile raw material costs (witness scrap prices over the last four years), would yield depressed profit margins and unacceptable returns on investments. If imports surge at below-market prices, demand for domestic rebar would decline. In order to keep inventories in check, domestic producers would have to lower production. Since steel production is capital-intensive and profitability is largely tied to capacity utilization, reducing production is not an attractive option. Production cutbacks would result in layoffs and the potential idling of equipment, which would lead to reduced tax bases in the communities in which we operate.”

“Our business is spot contracts. So if Turkey were opened up for rebar, market conditions might present some opportunities.”

The Commission requested importers to describe the significance of the existing antidumping duty order covering imports of rebar from Turkey in terms of its effect on the firm's imports, U.S. shipments of imports, and inventories (Supplemental Question 1). *. Their responses are as follows:**

Importers inside the Eastern-Tier Region:

“The existing antidumping order effects (sic) who we buy from in Turkey. We buy from the mills that have no dumping on them so we avoid the issue. We generally don't keep inventory on hand so we are not affected. We can't compare it to previous years as we were not in business.”

“The current anti-dumping inventory is having no effect. Turkish steel is more expensive than American production. Secondly they are selling most of their production into the middle east at much higher margins.”

“We don't have way to compare before and after imposition of antidumping (duties). From what I understand the two producers in turkey we imported from in last 5 years didn't have antidumping. So I don't think it affected us at all. If they did have antidumping (duties), we probably would have had to follow market trends and import from Brazil, or Mexico or Venezuela since we weren't selling anyway into mainland US.”

“The impact of the dumping order allowed *** to execute a business strategy of capital investment and select strategic acquisitions, which has made the company and the industry healthier. Today, *** has reasonable earnings and balance sheet. We are in a position to continue serving our customers. If the order is revoked, Turkish imports are poised to enter the market in significant quantities at low prices. Turkish producers have kept selling in the U.S. market despite the orders, and are familiar with this market. Further, demand for Turkish rebar in Europe and the Middle East is dropping. As a result, Turkish producers have already started to lower their import quotes for the U.S. market. The surge of imports that will enter the market if the order is revoked will have a negative impact on the profitability of the rebar segment of our business, earnings, and willingness to invest into this segment.”

“Our firm will proceed with great caution on doing business with mills/companies in Turkey that carry a dumping order. Our tonnage from Turkey has been lowered significantly due to these cases.”

“Turkey was not a significant source for us before the order. In all cases, our business depends upon relationships with suppliers or agents for the suppliers. So, while the order has eliminated any activity on Turkish rebar, it was never significant.”

“The existing antidumping duty order has impacted our imports from Turkey by forcing us to not buy rebar from Turkey from mills that are affected by the dumping order or who will not sell to us on a "Duty Paid" basis. We cannot afford to be the importer of record. Due to the retro active nature of the order we can not calculate or control our risks for over a year from the date of import.”

“The major Turkish player for the USA market remains to be ICDAS. ICDAS duty has been revoked in the past and they are capitalizing by exporting the majority of Turkish rebar which arrived to the USA market. The other mills not yet revoked are Diler, Colakoglu, Ekinciler, and Habas which already have a presence in the USA maket but not as large as ICDAS.”

Importers outside the Eastern-Tier Region:

“Because of change in corporate structure, *** no longer imports rebar from Turkey, nor does it expect to do so in the future.”

“The anti-dumping (duty) has had little significance in relation to our rebar bookings from Turkey as well as other traders especially in 2008 as Turkish mills elected to ship their tons to higher priced rebar markets.

Especially into Middle East countries. Over last three years we have elected to take opportunities from Turkish mills that presented themselves but have found from *** side that we have had better relationships, support, and quality that fit with our US opportunities from Asian countries like Taiwan, Thailand, Japan, and Singapore.”

“Our financial results prior to the enactment of antidumping duties were abysmal. The United States enjoyed its longest period of peace-time economic growth during the late 1990's. Consumer construction spending and public infrastructure development were at all-time highs, and we were at the peak of economic and steel consumption cycles. Yet the domestic industry was unable to fully participate in the benefits of such an upturn because unfairly dumped foreign steel undercut pricing in the market and eroded profit margins.

The implementation of the antidumping orders contributed to a more level playing field between domestic and foreign producers. As the U.S. economy moved out of recession and into expansion during the current decade, our mills achieved record shipments and production. Market pricing based on fair competition and supply and demand has allowed all domestic producers to increase selling prices alongside increases in raw material and processing costs.

Demand for rebar outside of the United States is now slowing down. We have started to see Turkish import offers at ever-falling prices. The global demand slowdown will encourage Turkish producers, who have maintained sales in the U.S. despite the presence of the order, to export significant quantities of rebar at low prices in order to keep their mills running.

As noted in response to Question II-6, we have imported limited quantities of rebar in the past because of the low prices available. However, large influxes of imported rebar, such as would occur were the order on Turkish rebar revoked, would have a devastating consequence on our company as a whole.”

“Turkey remains an important supplier country for rebar for the US market, and has been over the years utilized by the domestic industry to cover the short fall in US production. The existing AD order limits the available number of suppliers that can economically support the domestic market; currently only three Turkish producers comprise this group. The company’s structure, as well as, the personnel directly involved with this product has changed significantly so a comparison of before and after the imposition of the order is really not possible.” As steel traders one of the primary responsibilities to our customers is to provide them with the best, quality and availability, selection of producers especially when the domestic market is tight and they find themselves on allocation from the domestic producers. To this end we hope that the status of these three producers remain consistent, and that the supply of their product to the US market continues; it would also be of significant assistance to the domestic industry if the mills currently shut out of the market could return.”

“We have no idea of it because we don't have to plan to do business with rebar.”

“As Turkish mills rarely ship rebar to the West Coast, the main geographic location of our sales activities for rebar, the existing AD order has had little impact on our imports, shipments, and inventories. Our participation in the importation of Turkish rebar prior has been relatively minor in terms of tonnage over the years as reflected in our response to the questionnaire.”

“AD imposed duties on Turkey have made our Mexico imports of rebar easier and more predictable. Because of Turkey being such a large "Player" over the past few years, most other offshore/foreign import sources have been measured by the Turkish alternative. The slowdown of Turkish imports post AD order allowed us to regain a competitive edge in the marketplace as we were better able to serve our customers by the simple fact that we could justify "Stocking" rebar products for prompt shipments to our customers.”

“Our business began in ***, and so we did not have any import operations prior to the order. We import rebar only against firm enquiries from our customers, and have not imported rebar from Turkey, although we have purchased small quantities of Turkish product from other importers.”

“Since Turkey prices have been much higher than U.S. prices last year, Anti-Dumping had no effect as we buy domestic only.”

“Antidumping order covering imports of rebar from Turkey has not has any effects on *** imports activities. *** rebar import activities began after this order entered into force.”

“Turkey was not a significant source for us before the order. In all cases, our business depends upon relationships with suppliers or agents for the suppliers. So, while the order has eliminated any activity on Turkish rebar, it was never significant.”

“The impacts of the current antidumping duty on Turkey has had little to no effect on our shipments of imports or inventories.”

The Commission requested importers to identify any changes in its imports, U.S. shipments of imports, or inventories of rebar in the future if the antidumping duty order on rebar from Turkey were to be revoked (Supplemental Question 2). *. Their responses are as follows:**

Importers inside the Eastern-Tier Region:

“No. I feel the US prices due the exchange rates, and our sources of scrap will make the US a net exporter of steel for the 5 years.”

“If the antidumping duty were revoked I really can't say with certainty how it would affect us since I believe that the two companies we imported from didn't have antidumping (duties). If I were to use common sense, since we, and most importers in *** are importing from Turkey, Dominican Rep and Brazil anyway, if antidumping were removed from producers in Turkey that have this imposed, I would guess that turkey, or these producers will take market share from Brazil and Venezuela.”

“Turkish rebar imports would have a negative impact on the market in general. If the order was revoked it would make it difficult to run any of our facilities at full capacity. We would be forced to rationalize production capacity to meet reduced demand by layoffs and reduced working hours. The reduced earning would make it extremely difficult to pay for capital investments required for environmental compliance and sustainability.

As noted in our response to Question II-6, our only import activities during the period under review related to a small batch of rebar brought in from our *** facility for a trial rolling run in ***. Although we would not plan to increase imports in any way if the order was revoked, we believe that revocation would lead to an influx of imports in general, which would have significant negative impacts both for our business and for the communities in which our rebar mills are located.”

“Yes: The timeline would be very difficult to explain. With the global demand for rebar being very strong from the developing countries, I do not see the USA market attractive to the Turkish mills. The USA consumption market for rebar is very small compared to the global market. Our business plans would not change.”

“Most likely no due to the explanation in #1 above. If we were to develop business, it would all depend upon prevailing market conditions since all of our business is short-term in nature.”

“Yes. If Turkish duty is revoked for all mills then we would expect a large presence in the USA market with many more offerings by all the mills. This would allow more supply being offered into a market with weak demand. Going into 2009, world rebar demand is also very weak whereby Turkey will have an overcapacity of bar to offer to all world markets including the USA.”

Importers outside the Eastern-Tier Region:

“No - Many of the Turkish mills today are selling in the USA today on a duty paid basis and thus the removal of the order will have little impact on our business.”

“We believe revocation of the antidumping duty orders would prompt Turkish producers to resume significant exports at low prices. Such action would lower domestic prices to unacceptable levels and rob domestic producers of market share on the basis of unfair competition. A drop in selling prices and shipment volumes would result in a disproportionate reduction to our collective mills’ operating profit. Given the history of steel pricing during past periods of dumping, we would expect steel prices and shipment volumes to fall significantly, with a correspondingly larger drop in operating margins, reduced profitability would hamper our abilities to modernize and enhance our operations. Additionally, it would jeopardize ***.

Again, demand for rebar outside of the United States is now slowing down. We have started to see Turkish import offers at ever-falling prices. The global demand slowdown will encourage Turkish producers, who have maintained sales in the U.S. despite the presence of the order, to export significant quantities of rebar at low prices in order to keep their mills running.

As noted above, we have imported limited quantities of rebar in the past because of the low pricing available. An influx of low-priced imports from Turkey might force us to increase our import purchases,

but this would have devastating consequences on our workers, our mills, and our overall profitability.”

“No, we would not anticipate any significant changes in the structure of our traditional business model; however, revoking the current AD order would provide more quality supply options to offer to the domestic marketplace.”

“We would have to watch the Turkish mills reaction to the revocation of the AD orders and modify our import strategies accordingly. I would suspect that as in the past, it would force us to reduce US "Stocks" of speculative unsold inventories to minimize price swing risks and concentrate on selling spot orders of the 30-45 day delivery terms variety. I would further offer that rebar being such a pure commodity vs. other higher value added steel products, is inherently susceptible to wild swings in price, up or down but particularly on the downside. This is due to the fact that just about any modern mini-mill in the world can quickly convert its production to US rebar specs and ship its unsold/excess production to the US market. It has been my observation that rebar price competitiveness is more a function of the exporting country's currency value vis a vis the US dollar than just about any other factor.

As far as our Company is concerned, we believe that due to mill consolidation in Mexico having affected our supplier of choice, we will no longer be an importer of Mexican rebar for the foreseeable future.”

“Yes. As noted in our purchasers questionnaire response (Question III-35), we believe there would be increased imports of Turkish product at low prices into the U.S. if the orders were revoked. Rebar demand in many of Turkey’s principle export markets is down, and global prices for rebar are also falling. We anticipate that as Turkish imports into the U.S. market increased in general, we would also be likely to increase our imports of this product.”

“Most likely no due to the explanation in #1 above. If we were to develop business, it would all depend upon prevailing market conditions since all of our business is short-term in nature.”

**U.S. PURCHASERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE
ANTIDUMPING DUTY ORDER AND THE LIKELY EFFECTS OF REVOCATION**

The Commission requested U.S. purchasers to describe any potential effects on (1) the future activities of your firm and (2) the U.S. market as a whole if the antidumping duty order covering imports of rebar from Turkey were revoked. (Question III-35). The following are quotations from the responses of purchasers.

- (1) *Activities of your firm:* "Won't change our activities, we will continue to favor domestic supply but buy from other sources when supply limits."
- (2) *Entire U.S. market:* "May invite more to participate on the distribution market which is crowded already."

- (1) *Activities of your firm:* "Pricing would change and availability of product would change."
- (2) *Entire U.S. market:* "Pricing would change and availability of product would change."

- (1) *Activities of your firm:* "If prices from Turkey manufacturers are lower and if the brokers we buy from have product from such Turkey manufacturers, we might buy Turkey sourced product that is at a lower price. We are not aware of whether the prices charged by Turkey manufacturers are higher or lower than the current market prices."
- (2) *Entire U.S. market:* "We don't know."

- (1) *Activities of your firm:* "Will not change."
- (2) *Entire U.S. market:* "Will not change."

- (1) *Activities of your firm:* "Revocation of the orders would reduce prices to levels that generate unacceptable profit margins, and potentially negative margins, as low-priced imports flooded the market from Turkey and other countries. The end result of this scenario is a return to the layoffs, bankruptcies, and damage to the domestic industry witnessed from the late 1990s through the early 2000s."
- (2) *Entire U.S. market:* "We anticipate that a revocation of antidumping orders from the subject country would lead to increased levels of imported steel in the US market. With import levels from nonsubject countries already at record levels, additional volumes would only lead to lower prices. This is not a problem for foreign producers, many of whom are subsidized by their home governments and have little incentive to achieve acceptable profits. Domestic producers who have to answer to stockholders and bondholders do not enjoy this luxury. Depressed prices, especially in a market characterized by volatile raw material costs (witness scrap prices over the last four years), would yield depressed profit margins and unacceptable returns on investments. If imports surge at below-market prices, demand for domestic rebar would decline. In order to keep inventories in check, domestic producers would have to lower production. Since steel production is capital intensive and profitability is largely tied to capacity utilization, reducing production is not an attractive option. Production cutbacks would result in layoffs and the potential idling of equipment, which would lead to reduced tax bases in the communities in which we operate."

- (1) *Activities of your firm:* "The improvements experienced by our fabrication operations such as higher prices and improved profitability are attributable in large part to the reduction in dumped imports following the imposition of the AD order. Removing

dumped imports improved market conditions by reducing unfair competition with fabrication operations purchasing low priced imports. This, in turn, created the conditions that permitted the industry to finally enjoy the benefits of record construction demand between 2003 -2006. However, with demand now in decline, particularly in residential construction, it is extremely important that the order remain in place. Without the protection of the order, Turkey will once again send its sizable excess production into the U.S. market at unfair prices. There are plenty of rebar distributors in the U.S. that are more than willing to purchase this dumped product.”

(2) *Entire U.S. market:* Same as above.

(1) *Activities of your firm:* “The US market is attractively priced and has an independent and open distribution system. Turkey is the largest exporter of to the US. If the order is lifted, Turkey will direct further significant volumes of rebar to the US market, disrupting the market, and driving prices down, just as they have done before.”

(2) *Entire U.S. market:* Same as above.

(1) *Activities of your firm:* “The US market is attractively priced and has an independent and open distribution system. Turkey is the largest exporter of to the US. If the order is lifted, Turkey will direct further significant volumes of rebar to the US market, disrupting the market, and driving prices down, just as they have done before.

(2) *Entire U.S. market:* Same as above.

(1) *Activities of your firm:* “This action will affect current and future pricing in the US.

(2) *Entire U.S. market:* “If raw materials continue to go offshore and duty orders go into effect, small manufacturing will no longer exist in the US.”

(1) *Activities of your firm:* “Do not believe it will affect our firm.”

(2) *Entire U.S. market:* “Do not believe it will affect US market as a whole.”

(1) *Activities of your firm:* “Revocating antidumping could possibly lower our cost from mills.”

(2) *Entire U.S. market:* Same as above.

(1) *Activities of your firm:* “Unchanged.”

(2) *Entire U.S. market:* “Increase in imports.”

(1) *Activities of your firm:* “We will be forced to compete with fabricators who buy less expensive rebar from Turkey.”

(2) *Entire U.S. market:* “Rebar suppliers from Turkey will likely flood the market with cheap rebar forcing everyone to go with the cheapest product available.”

(1) *Activities of your firm:* “Believe that as long as the world market can consume Turkish rebar production and the suit is in effect, there will be little impact on the US rebar market. If the order is rescinded/eliminated and the demand worldwide falls significantly. I think the Turks will do what is necessary to keep their mills running at full production and will sell in the U.S. at what ever level is required. (this has been their history).”

- (2) *Entire U.S. market:* “Very disturbing to the market. The other thing with the Turks is their capacity in rebar- "huge" can have a dramatic impact "quickly.”

- (1) *Activities of your firm:* “None.”
(2) *Entire U.S. market:* “Unknown.”

- (1) *Activities of your firm:* “Imports to stabilize domestic pricing.”
(2) *Entire U.S. market:* “Imports would moderate the current upward spiral.”

- (1) *Activities of your firm:* “Not much if any, for several years.”
(2) *Entire U.S. market:* “Same as above.”

- (1) *Activities of your firm:* “No effects.”
(2) *Entire U.S. market:* “No effects.”

**FOREIGN PRODUCERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE
ANTIDUMPING DUTY ORDER AND THE LIKELY EFFECTS OF REVOCATION**

The Commission requested foreign producers to describe any anticipated changes in the character of their operations or organization relating to the production of rebar in the future if the antidumping duty order on rebar from Turkey were to be revoked (Question II-4). Their responses are as follows:

“The Middle East market is an important market for *** and the company’s production and sales reflect the demand for rebar in this market. Request for rebar from the Middle East has been growing in the last year; *** noted an important amount of consumption of rebar in this market since the beginning of 2008. The market prices for selling rebar in the Middle East are high, and the level of rebar consumption is very high. Considering the large number of significant construction, infrastructure, and overall development projects in the Middle East, all of which require rebar, we expect the high consumption to last another 10 years. Therefore, revocation of the U.S. antidumping order will not affect ***’s production or sales to the U.S.”

“We do not anticipate any changes in the character of ***’s operations or organization if the antidumping duty order on rebar from Turkey were to be revoked.”

“Definitely no. For the last year and a half the Middle East market in particular has been very active and demand is getting stronger day by day. In 2007, the U.A.E. alone purchased from Turkey around *** tons of rebar. This year, in 2008, our estimation is that around *** tons will be coming to this region from Turkish manufacturers alone. Apart from the U.A.E., also Qatar, Kuwait, Bahrain, and Saudi Arabia are countries where demand is very strong. Furthermore, countries on the Black Sea like Bulgaria, Romania, and others have become a potential client since construction is booming in these regions after they have entered the European Union. For all these reasons, revocation of the antidumping duty order will not mean any changes in the character of our organization.”

The Commission requested foreign producers to identify export markets other than the United States that have been developed or where sales of rebar have increased as a result of the antidumping duty order on rebar from Turkey (Question II-13). Their responses are as follows:

“*** is active in several export markets which were developed based on international economic factors such as growing economies, market size. These factors are not dependent on the U.S. antidumping duty order. ***’s sales vary by market in accordance with existing and expected projects in various countries and the projects’ consumption rates of rebar. ***’s presence in these markets is mostly shaped according to the countries’ development projects. For example, currently Dubai Emirate has a huge supply need for rebar which we expect to last another few years; next year, in Adu Dhabi Emirate new projects are expected to launce for the construction of 450 towers and 7,500 villas. Therefore, even if the antidumping duty for *** were zero, we would not be selling to the US., as demand is stronger in the Middle East market.”

“Several export markets have been developed by *** over a long period of time and not necessarily in response to the US antidumping duty order. *** has a very good reputation and export volume in Middle East, Europe, and Far East markets. We did not change our sales because of antidumping duty order in the U.S.A. but since other producers were supplying to the U.S.A. market, there was a shortage in other markets and we supplied to these markets. *** has been focusing additional efforts to increase its presence in the Middle East and Asia, currently its main export markets. In Europe, Turkey is engaged in discussions with the E.U. regarding Turkey’s accession to the E.U. Turkey’s entry in the E.U. would offer direct access to the E.U. market for steel products, under the same conditions as having access to its domestic market and boost exports to the E.U.”

The Commission requested foreign producers to describe the significance of the existing antidumping duty order covering imports of rebar from Turkey in terms of its effect on their firm’s production capacity, production, home market shipments, exports to the United States and other markets, and inventories (Question II-14). Their responses are as follows:

“There is no effect. *** is producing at full capacity and we have already sold the full capacity for the next months.”

“The antidumping duty order has no significance in our company’s operations. Even companies having no antidumping duty are not exporting to USA because demand is strong in other markets geographically more convenient to Turkey, such as Middle East countries and Asian countries.”

“Generally, the antidumping duty order does not affect ***. We always work with full capacity and we try to see it to our domestic market and export countries. We have a very strong domestic market due to the geographical position of our mill. Apart from the domestic market, we are one of the regular and biggest suppliers in the U.A.E. market. Therefore, we don’t foresee any difficulties in selling our full production.”

The Commission requested foreign producers to describe any anticipated changes in their production capacity, production, home market shipments, exports to the United States and other markets, or inventories relating to the production of rebar in the future if the existing antidumping duty order was revoked (Question II-15). Their responses are as follows:

“In case of revocation of the antidumping duty order *** does not anticipate that any changes will take place in its production and sales activity.”

“We have no intention to increase our production capacity if we are revoked.”

“No.”

APPENDIX E
MILL-SPECIFIC TRADE DATA¹

¹ The contents of Appendix E are being withheld from the public version of the report, as the information in this appendix in its current form could reveal business proprietary information.

APPENDIX F
MILL-SPECIFIC FINANCIAL DATA¹

¹ The contents of Appendix F are being withheld from the public version of the report, as the information in this appendix in its current form could reveal business proprietary information.

