Prestressed Concrete Steel Wire Strand from China

Investigation Nos. 701-TA-464 and 731-TA-1160 (Final)

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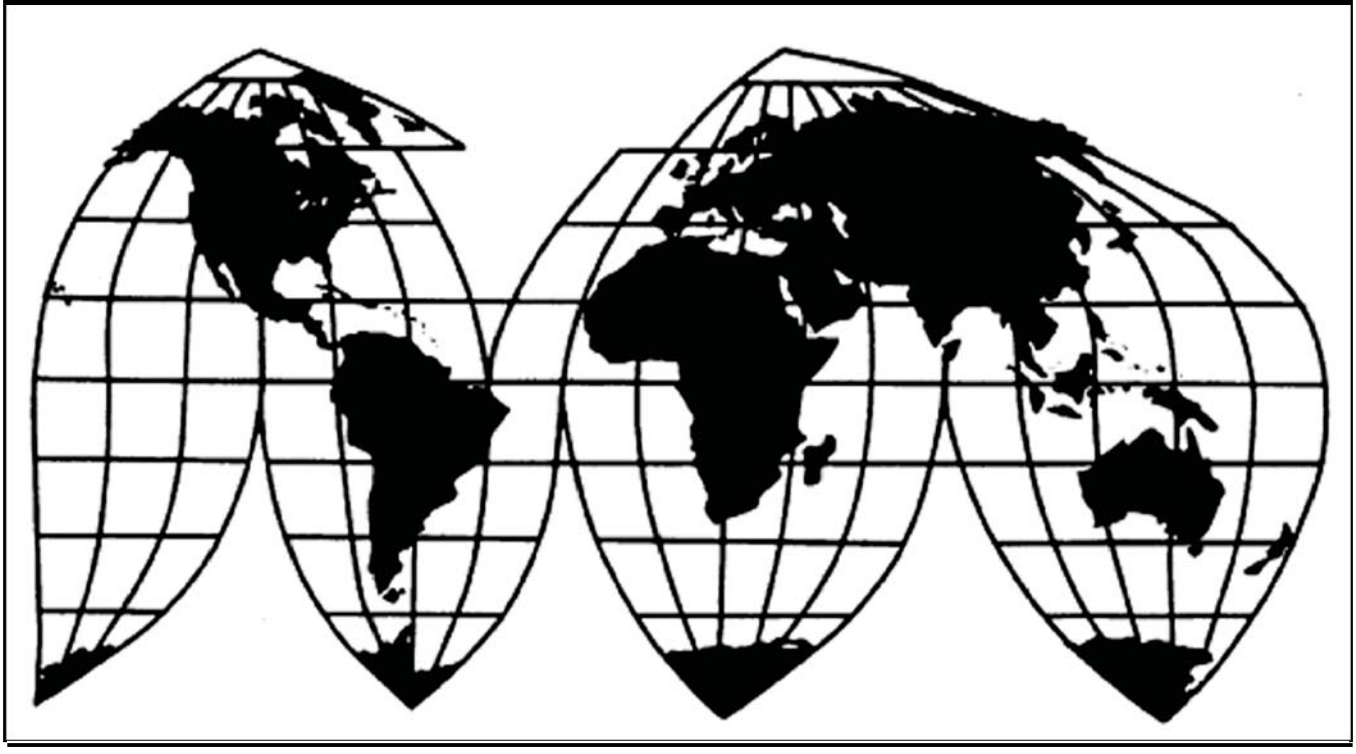
U.S. International Trade Commission



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Note.–Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-464 and 731-TA-1160 (Final)

PRESTRESSED CONCRETE STEEL WIRE STRAND FROM CHINA

DETERMINATIONS

On the basis of the record[1] developed in the subject investigations, the United States International Trade Commission (Commission) determines, pursuant to sections 705(b) and 735(b) of the Tariff Act of 1930 (19 U.S.C. §§ 1671d(b) and 1673d(b)) (the Act), that an industry in the United States is materially injured by reason of imports from China of prestressed concrete steel wire strand (PC strand), provided for in subheading 7312.10.30 of the Harmonized Tariff Schedule of the United States, that have been found by the Department of Commerce (Commerce) to be subsidized by the Government of China and that have been found by Commerce to be sold in the United States at less than fair value (LTFV).

BACKGROUND

The Commission instituted these investigations effective May 27, 2009, following receipt of a petition filed with the Commission and Commerce by American Spring Wire Corp. (Bedford Heights, OH); Insteel Wire Products Co. (Mt. Airy, NC); and Sumiden Wire Products Corp. (Dickson, TN). The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by Commerce that imports of PC strand from China were being subsidized and sold at LTFV within the meaning of sections 703(b) and 733(b) of the Act (19 U.S.C. §§ 1671b(b) and 1673b(b)). Notice of the scheduling of the final phase of the Commission's investigations and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of February 23, 2010 (75 FR 8113). The hearing was held in Washington, DC, on May 6, 2010, 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)).

VIEWS OF THE COMMISSION

Based on the record in the final phase of these investigations, we find that the domestic industry producing prestressed concrete steel wire strand ("PC strand") is materially injured by reason of imports of PC strand from China that the U.S. Department of Commerce ("Commerce") has found to be subsidized by the Government of China and sold in the United States at less than fair value.

I. BACKGROUND

The petition in these investigations was filed on May 27, 2009, by domestic producers American Spring Wire Corp. ("American"), Insteel Wire Products Co. ("Insteel"), and Sumiden Wire Products Corp. ("Sumiden") (collectively, "Petitioners"). Petitioners participated in the final phase of these investigations. No respondent participated as a party in the final phase of these investigations. Importers accounting for most U.S. shipments of subject merchandise responded to the Commission's questionnaire, but there was no response from foreign producers in the final phase of these investigations.

The Commission has conducted several previous antidumping and countervailing duty investigations and five-year reviews concerning PC strand. There are currently antidumping duty orders on imports of PC strand from Brazil, India, Japan, Korea, Mexico, and Thailand, and a countervailing duty order on imports of PC strand from India.[1]

II. DOMESTIC LIKE PRODUCT

A. In General

In determining whether an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the "domestic like product" and the "industry."[2] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Tariff Act"), defines the relevant domestic industry as the "producers as a {w}hole 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."[3] In turn, the Tariff Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation . . ."[4]

The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[5] No single factor is dispositive, and the Commission

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[1] See Confidential Staff Report ("CR") and Public Staff Report ("PR") at Table I-1 and CR/PR at I-6. The Commission recently completed five-year reviews of the outstanding antidumping and countervailing duty orders, and determined that revocation of those orders would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand, 701-TA-432 and 731-TA-1024-1028 (Review) and AA1921-188 (Third Review), USITC Pub. 4114 (Nov. 2009) ("2009 Sunset Review Report").

[2] 19 U.S.C. § 1677(4)(A).

[3] 19 U.S.C. § 1677(4)(A).

[4] 19 U.S.C. § 1677(10).

[5] See, e.g., Cleo, Inc. v. United States, 501 F.3d 1291, 1299 (Fed. Cir. 2007); NEC Corp. v. Department of

(continued...)

may consider other factors it deems relevant based on the facts of a particular investigation.[6] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[7] Although the Commission must accept the determination of Commerce as to the scope of the imported merchandise that is subsidized or sold at less than fair value,[8] the Commission determines what domestic product is like the imported articles Commerce has identified.[9] The Commission must base its domestic like product determination on the record in these investigations. The Commission is not bound by prior determinations, even those pertaining to the same imported products, but may draw upon previous determinations in addressing pertinent domestic like product issues.[10]

B. Product Description

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

> steel wire strand, other than of stainless steel, which is suitable for use in, but not limited to, prestressed concrete (both pre-tensioned and post-tensioned) applications. The scope of this investigation encompasses all types and diameters of PC strand whether uncoated (uncovered) or coated (covered) by any substance, including but not limited to, grease, plastic sheath, or epoxy. This merchandise includes, but is not limited to, PC strand produced to the American Society for Testing and Materials (ASTM) A-416 specification, or comparable

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

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

[7] Nippon, 19 CIT at 455; Torrington, 747 F. Supp. at 748-49; see also S. Rep. No. 96-249 at 90-91 (1979) (Congress has indicated that the like product standard should not be interpreted in "such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not 'like' each other, nor should the definition of 'like product' be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.").

[8] See, e.g., USEC, Inc. v. United States, 34 Fed. Appx. 725, 730 (Fed. Cir. 2002) ("The ITC may not modify the class or kind of imported merchandise examined by Commerce."); Algoma Steel Corp. v. United States, 688 F. Supp. 639, 644 (Ct. Int'l Trade 1988), aff'd, 865 F.3d 240 (Fed. Cir.), cert. denied, 492 U.S. 919 (1989).

[9] Hosiden Corp. v. Advanced Display Mfrs., 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); Cleo, 501 F.3d at 1298 n.1 ("Commerce's {scope} finding does not control the Commission's {like product} determination."); Torrington, 747 F. Supp. at 748-52 (affirming the Commission's determination defining six like products in investigations where Commerce found five classes or kinds).

[10] See, e.g., Acciai Speciali Terni S.p.A. v. United States, 118 F. Supp. 2d 1298, 1304-05 (Ct. Int'l Trade 2000); Nippon, 19 CIT at 455; Asociacion Colombiana de Exportadores de Flores v. United States, 693 F. Supp. 1165, 1169 n.5 (Ct. Int'l Trade 1988); Citrosuco Paulista, S.A. v. United States, 704 F. Supp. 1075, 1087-88 (Ct. Int'l Trade 1988).

domestic or foreign specifications. PC strand made from galvanized wire is excluded from the scope if the zinc and/or zinc oxide coating meets or exceeds the 0.40 oz./ft^2 standard set forth in ASTM-A-475.[11]

PC strand is produced from hot-rolled, high-carbon steel wire rod which, after cleaning and descaling, is drawn into wire, fabricated into multi-wire strand, and thermally stress-relieved. PC strand is used to compress concrete structural members to improve their ability to withstand loads. The PC strand is tensioned either prior to the pouring of concrete (pre-tensioning) or after the pouring of the concrete (post-tensioning). Typical applications for prestressed concrete in which PC strand is used include bridge decks, bridge girders, pilings, precast concrete panels and structural supports, roof trusses, floor supports, and certain concrete foundations.[12]

C. Petitioners' Arguments

Petitioners urge the Commission to define the domestic like product as coextensive with the scope of these investigations. At the outset, they note that this is the definition that the Commission has used in previous investigations and reviews for PC strand, and they assert that no significant changes have occurred to the production of PC strand, the nature of the product, or its uses, that would warrant a different definition here.[13]

First, Petitioners argue all PC strand shares the same basic characteristics of a seven-wire strand, and that much PC strand is of the same dimension (½ inch) and grade (270K), and is a low-relaxation product. To the extent that there are different types of PC strand, these are variations of a single product, according to Petitioners. All PC strand has the same general use, which is to impart compressive forces to concrete.[14] Second, Petitioners argue that PC strand is produced in accordance with ASTM specifications for various types of the product. Within each type, PC strand is interchangeable.[15] Third, almost all PC strand is sold in the same channel of distribution, namely directly to end users.[16] Fourth, all PC strand is made using the same facilities, employees, and the same basic manufacturing process, according to Petitioners.[17] Fifth, Petitioners maintain that domestic producers and customers perceive PC strand as a single discrete product, and they do not perceive other products to be substitutable for PC strand.[18] Finally, all types of PC strand are sold "within a reasonable range of prices," according to Petitioners.[19]

D. Analysis

Physical Characteristics and Uses. All PC strand shares the same basic physical characteristics. It is made from hot-rolled, high-carbon steel wire rod which is drawn into wire and fabricated into multi-

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[11] 75 Fed. Reg. 28557, 28558 (May 21, 2010) (final countervailing duty determination) and 75 Fed. Reg. 28560, 28561 (May 21, 2010) (final antidumping duty determination).

[12] CR/PR at I-3.

[13] Petitioners' Prehearing Brief at 4.

[14] Petitioners' Prehearing Brief at 6.

[15] Petitioners' Prehearing Brief at 6 and Hearing Tr. at 11 (Selhorst).

[16] Petitioners' Prehearing Brief at 7.

[17] Id.

[18] Id.

[19] Id.

wire strand. There are some variations in physical characteristics of the product, based on the configuration of wires used (the most common PC strand configuration consists of six wires wound helically around a single wire core); the grade (there are generally three grades: 250, 270, and 300, corresponding to the minimum strength of the product in thousands of pounds per square inch); the diameter; whether the product is "low-relaxation" (the predominant form) or "stress-relieved" strand (a custom made form); whether the wire is "indented" or not; and whether it is coated after it is produced, either with plastic or epoxy (most PC strand sold by domestic producers is uncoated).[20]

All PC strand is used for the same general purpose of imparting compressive forces to concrete. Concrete is prestressed in one of two ways, by pre-tensioning or by post-tensioning. In pre-tensioning, the PC strand is tensioned by a calibrated tensioning apparatus, and the concrete is then poured around the PC strand. The tension is released after the concrete has cured, and the tensile force of the strand induces a compressive force. The PC strand is installed in this application uncovered because it is the bond between the cured concrete and the PC strand that holds the concrete in compression.[21]

For post-tensioning, there is no bond between the PC strand and the cured concrete. The PC strand is tensioned using a calibrated tensioning apparatus after the concrete has cured, and tension is maintained by installing permanent mechanical anchors that remain in place after the tensioning apparatus is removed.[22]

Interchangeability. PC strand is interchangeable within each physical size, configuration, and grade.[23]

Channel of Distribution. All of the domestic industry's U.S. shipments of PC strand were made directly to converters or other end users.[24]

Manufacturing Facilities, Production Processes, and Employees. There is no information in the record to contradict Petitioners' assertion that all PC strand is made using the same facilities, employees, and the same basic manufacturing process,[25] except that plastic coating of PC strand is generally done by post-tensioners, not by the PC strand producers.[26]

Producer and Customer Perceptions. There is no information in the record to contradict Petitioners' assertion that domestic producers and customers perceive PC strand as a single discrete product.[27]

Price. Most PC strand is sold uncoated. Epoxy or plastic coating adds a price premium to PC strand. The two domestic producers that provide epoxy-coating reported that the bare strand accounts for only approximately *** percent of the total value of the coated strand.[28] None of the domestic PC strand producers plastic-coat the product, although one producer has a small amount of PC strand plastic-coated ***.[29] This producer indicated that the bare strand accounts for approximately *** percent of the total value of the coated strand. Otherwise, any plastic coating of PC strand is done by domestic purchasers of

[20] CR at I-11-I-15, PR at I-10-I-12.

[21] CR at I-12-I-13, PR at I-10.

[22] CR at I-13, PR at I-11.

[23] CR at I-14, PR at I-11.

[24] CR/PR at II-3.

[25] Petitioners' Prehearing Brief at 7.

[26] CR at III-7, PR at III-4.

[27] Petitioners' Prehearing Brief at 57.

[28] CR at III-7, PR at III-4.

[29] CR at III-7, PR at III-4.

bare strand.[30] One major purchaser indicated that the coating amounts to about 20 percent of the total cost of the covered strand.[31]

Conclusion. All PC strand shares the same basic physical characteristics in that it consists of a multi-wire strand, made from high-carbon steel wire rod. All PC strand is used for the same general purpose: imparting compressive force to concrete. All PC strand that has the same physical dimensions and configuration, and it is interchangeable within each grade. Almost all domestically produced PC strand is sold in the same channel of distribution, namely directly to end users. It appears that all PC strand is made using the same types of facilities and employees and basic manufacturing process, and that producers and customers perceive PC strand to be a single, discrete product. Although there can be significant price differences between coated and uncoated PC strand, most domestically produced strand is sold uncoated. In light of the foregoing, we define a single like product in a manner that is co-extensive with the scope of the investigations, as the Commission has done in previous investigations involving PC strand.

III. DOMESTIC INDUSTRY

The domestic industry is defined as the domestic "producers as a {w}hole 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."[32] 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. Based on our definition of the domestic like product, we define the domestic industry as all domestic producers of PC strand.

A. Related Parties

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to 19 U.S.C. § 1677(4)(B). Subsection 1677(4)(B) allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.[33] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation. In these investigations, one domestic producer, Insteel, is a related party because it directly imported subject PC strand during the period examined.

1. Petitioners' Arguments

Petitioners maintain that appropriate circumstances do not exist to exclude domestic producer Insteel from the domestic industry. Petitioners note that Insteel imported *** of PC strand from China towards the beginning of the period examined, but has not done so since 2007, and that the ratio of

[30] CR at III-7, PR at III-4.

[31] CR at III-7, PR at III-4-III-5.

[32] 19 U.S.C. § 1677(4)(A).

[33] 19 U.S.C. § 1677(4)(B).

imports to domestic production was minor. Insteel's interests lie in domestic production, as evidenced by its role as a petitioner. The company did not benefit financially from its importations, according to Petitioners.[34]

2. Analysis

Insteel, one of the petitioners,[35] accounted for *** percent of domestic production in 2009.[36] Its imports of the subject merchandise were equivalent to *** percent of its production in ***, the only period in which it imported the subject merchandise.[37] The company explained that it made these importations pursuant to a short-lived pilot program designed to determine whether it could profitably import and resell PC strand from China.[38]

We find that appropriate circumstances do not exist to exclude Insteel from the domestic industry. It is the *** domestic producer and a petitioner, and the levels of its imports relative to its domestic production ***. Its reason for importing was to supplement its domestic production, and it abandoned its experiment with reselling imported product well before the filing of the petition in these investigations.[39] Accordingly, we find that Insteel's primary interests lie in domestic production rather than in the importation of subject merchandise. Any benefit that it derived from importing the subject merchandise is unlikely to skew the data for the industry overall.[40]

B. Conclusion

We define the domestic industry to include all domestic producers of PC strand during the period examined, namely, American, Insteel, Rettco, Strand-Tech, Sumiden, and EMC.[41] (EMC produced PC strand during the very early part of the period examined, but ceased production very early in 2007.)

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[34] Petitioners' Prehearing Brief at 8-9.

[35] Id.

[36] CR/PR at Table III-1.

[37] CR/PR at Table III-7.

[38] CR at III-17, PR at III-10.

[39] CR at III-17, PR at III-10.

[40] CR/PR at Table VI-2.

[41] One of the firms producing PC strand, Rettco, produces the product under a toll arrangement with another firm, MMI Products, Inc., whereby MMI provides Rettco with the raw material and pays a conversion fee for Rettco to produce finished PC strand, which MMI then sells. We treat Rettco, the toller, and not MMI, the tollee, as the domestic producer, as it is Rettco that engages in the production activity. While toll producers that engage in sufficient production related activity are included in the domestic industry, tollees "that merely supply raw materials and pay a fabrication fee" are not. See Certain Welded Large Diameter Line Pipe from Japan, Inv. No. 731-TA-919 (Final), USITC Pub. 3464 (November 2001) at 10, n.53. See also, e.g., Ferrovanadium from China and South Africa, Inv. Nos. 731-TA-986 and 987 (Preliminary), USITC Pub. 3484 (January 2002) at 7 & n.35.

IV. MATERIAL INJURY BY REASON OF IMPORTS OF SUBJECT MERCHANDISE FROM CHINA[42]

A. Legal Standards

In the final phase of antidumping and countervailing duty investigations, the Commission determines whether an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.[43] In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.[44] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[45] In assessing whether the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[46] No single factor is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[47]

Although the statute requires the Commission to determine whether the domestic industry is "materially injured by reason of" unfairly traded imports,[48] it does not define the phrase "by reason of," indicating that this aspect of the injury analysis is left to the Commission's reasonable exercise of its discretion.[49] In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the "by reason of" standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.[50]

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[42] In these investigations, subject imports accounted for more than 3 percent of the volume of PC strand imported into the United States from all sources in the most recent 12-month period for which data are available preceding the filing of the petition. CR at IV-15; PR at IV-6. Thus, we find that subject imports are not negligible under 19 U.S.C. § 1677(24).

[43] 19 U.S.C. §§ 1671d(b), 1673d(b).

[44] 19 U.S.C. § 1677(7)(B)(i). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each {such} factor ... and explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B).

[45] 19 U.S.C. § 1677(7)(A).

[46] 19 U.S.C. § 1677(7)(C)(iii).

[47] 19 U.S.C. § 1677(7)(C)(iii).

[48] 19 U.S.C. §§ 1671d(a), 1673d(a).

[49] Angus Chemical Co. v. United States, 140 F.3d 1478, 1484-85 (Fed. Cir. 1998) ("{T}he statute does not 'compel the commissioners' to employ {a particular methodology}."), aff'd, 944 F. Supp. 943, 951 (Ct. Int'l Trade 1996).

[50] The Federal Circuit, in addressing the causation standard of the statute, observed that "{a}s long as its effects are not merely incidental, tangential, or trivial, the foreign product sold at less than fair value meets the causation requirement." Nippon Steel Corp. v. USITC, 345 F.3d 1379, 1384 (Fed. Cir. 2003). This was further ratified in Mittal Steel Point Lisas Ltd. v. United States, 542 F.3d 867, 873 (Fed. Cir. 2008), where the Federal Circuit, quoting Gerald Metals, Inc. v. United States, 132 F.3d 716, 722 (Fed. Cir. 1997), stated that "this court requires evidence in the record 'to show that the harm occurred "by reason of" the LTFV imports, not by reason of a minimal or

(continued...)

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include non-subject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.[51] In performing its examination, however, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.[52] Nor does the "by reason of" standard require that unfairly traded imports be the "principal" cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as non-subject imports, which may be contributing to overall injury to an industry.[53] It is clear that the existence of injury caused by other factors does not compel a negative determination.[54]

Assessment of whether material injury to the domestic industry is "by reason of" subject imports "does not require the Commission to address the causation issue in any particular way" as long as "the injury to the domestic industry can reasonably be attributed to the subject imports" and the Commission

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[50] (...continued)
tangential contribution to material harm caused by LTFV goods.'" See also Nippon Steel Corp. v. United States, 458 F.3d 1345, 1357 (Fed. Cir. 2006); Taiwan Semiconductor Industry Ass'n v. USITC, 266 F.3d 1339, 1345 (Fed. Cir. 2001).

[51] Statement of Administrative Action ("SAA") on Uruguay Round Agreements Act ("URAA"), H.R. Rep. 103-316, Vol. I at 851-52 (1994) ("{T}he Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports."); S. Rep. 96-249 at 75 (1979) (the Commission "will consider information which indicates that harm is caused by factors other than less-than-fair-value imports."); H.R. Rep. 96-317 at 47 (1979) ("in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;" those factors include "the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry"); accord Mittal Steel, 542 F.3d at 877.

[52] SAA at 851-52 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports."); Taiwan Semiconductor Industry Ass'n v. USITC, 266 F.3d 1339, 1345 (Fed. Cir. 2001) ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports ... . Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports." (emphasis in original)); Asociacion de Productores de Salmon y Trucha de Chile AG v. United States, 180 F. Supp. 2d 1360, 1375 (Ct. Int'l Trade 2002) ("{t}he Commission is not required to isolate the effects of subject imports from other factors contributing to injury" or make "bright-line distinctions" between the effects of subject imports and other causes.); see also Softwood Lumber from Canada, Invs. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 100-01 (Dec. 2003) (Commission recognized that "{i}f an alleged other factor is found not to have or threaten to have injurious effects to the domestic industry, i.e., it is not an 'other causal factor,' then there is nothing to further examine regarding attribution to injury"), citing Gerald Metals, Inc. v. United States, 132 F.3d 716, 722 (Fed. Cir. 1997) (the statute "does not suggest that an importer of LTFV goods can escape countervailing duties by finding some tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.").

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

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

"ensure{s} that it is not attributing injury from other sources to the subject imports."[55] [56] Indeed, the Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[57]

The Federal Circuit's decisions in Gerald Metals, Bratsk, and Mittal Steel all involved cases where the relevant "other factor" was the presence in the market of significant volumes of price-competitive non-subject imports. The Commission interpreted the Federal Circuit's guidance in Bratsk as requiring it to apply a particular additional methodology following its finding of material injury in cases involving commodity products and a significant market presence of price-competitive non-subject imports.[58] The additional "replacement/benefit" test looked at whether non-subject imports might have replaced subject imports without any benefit to the U.S. industry. The Commission applied that specific additional test in subsequent cases, including the Carbon and Certain Alloy Steel Wire Rod from Trinidad and Tobago determination that underlies the Mittal Steel litigation.

Mittal Steel clarifies that the Commission's interpretation of Bratsk was too rigid and makes clear that the Federal Circuit does not require the Commission to apply an additional test nor any one specific methodology; instead, the court requires the Commission to have "evidence in the record" to "show that the harm occurred 'by reason of' the LTFV imports," and requires that the Commission not attribute injury from non-subject imports or other factors to subject imports.[59] Accordingly, we do not consider ourselves required to apply the replacement/benefit test that was included in Commission opinions subsequent to Bratsk.

The progression of Gerald Metals, Bratsk, and Mittal Steel clarifies that, in cases involving commodity products where price-competitive non-subject imports are a significant factor in the U.S.

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[55] Mittal Steel, 542 F.3d at 877-78; see also id. at 873 ("While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured 'by reason of' subject imports, the Commission is not required to follow a single methodology for making that determination ... {and has} broad discretion with respect to its choice of methodology.") citing United States Steel Group v. United States, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75.

[56] Commissioner Pinkert does not join this paragraph or the following four paragraphs. He points out that the Federal Circuit, in Bratsk, 444 F.3d 1369, and Mittal, held that the Commission is required, in certain circumstances relating to present material injury, to undertake a particular kind of analysis of non-subject imports, albeit without reliance upon presumptions or rigid formulas. Mittal explains as follows:

> What Bratsk held is that "where commodity products are at issue and fairly traded, price-competitive, non-subject imports are in the market," the Commission would not fulfill its obligation to consider an important aspect of the problem if it failed to consider whether non-subject or non-LTFV imports would have replaced LTFV subject imports during the period of investigation without a continuing benefit to the domestic industry. 444 F.3d at 1369. Under those circumstances, Bratsk requires the Commission to consider whether replacement of the LTFV subject imports might have occurred during the period of investigation, and it requires the Commission to provide an explanation of its conclusion with respect to that factor.

542 F.3d at 878.

[57] Nucor Corp. v. United States, 414 F.3d 1331, 1336, 1341 (Fed. Cir. 2005); see also Mittal Steel, 542 F.3d at 879 ("Bratsk did not read into the antidumping statute a Procrustean formula for determining whether a domestic injury was 'by reason' of subject imports.").

[58] Mittal Steel, 542 F.3d at 875-79.

[59] Mittal Steel, 542 F.3d at 873 (quoting from Gerald Metals, 132 F.3d at 722), 875-79 & n.2 (recognizing the Commission's alternative interpretation of Bratsk as a reminder to conduct a non-attribution analysis).

market, the Court will require the Commission to give full consideration, with adequate explanation, to non-attribution issues when it performs its causation analysis.[60] [61]

The question of whether the material injury threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.[62] Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[63]

B. Conditions of Competition

The following conditions of competition inform our analysis in the final phase of these investigations.

1. Demand Conditions

Demand for PC strand is derived from demand for prestressed concrete. In turn, demand for prestressed concrete is tied to demand for construction projects, particularly infrastructure projects, commercial and institutional construction, large housing projects, and single-family housing.[64] Producers and importers reported that demand had decreased or fluctuated since the beginning of the period examined.[65] Producers and importers reporting fluctuations in demand often described increasing demand in commercial and residential construction applications during the first half of 2008, followed by sharply declining demand in these sectors since then.[66] Construction activity generally remained strong until late 2008, when it became clear that private residential activity would fall well below the level seen at the end of the prior year.[67]

Apparent U.S. consumption of PC strand declined by 48.1 percent in the 2007-09 period, falling from 980.5 million pounds to 508.6 million pounds.[68] Most of this decline occurred from 2008 to 2009, when apparent consumption fell precipitously from 942.7 million pounds to 508.6 million pounds, due to

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[60] Commissioner Lane also refers to her dissenting views in Polyethylene Terephthalate Film, Sheet, and Strip from Brazil, China, Thailand, and the United Arab Emirates, Invs. Nos. 731-TA-1131 to 1134 (Final), USITC Pub. 4040 (Oct. 2008), for further discussion of Mittal Steel.

[61] To that end, after the Federal Circuit issued its decision in Bratsk, the Commission began to present published information or send out information requests in final phase investigations to producers in non-subject countries that accounted for substantial shares of U.S. imports of subject merchandise (if, in fact, there were large non-subject import suppliers). In order to provide a more complete record for the Commission's causation analysis, these requests typically seek information on capacity, production, and shipments of the product under investigation in the major source countries that export to the United States. The Commission plans to continue utilizing published or requested information in final phase investigations in which there are substantial levels of non-subject imports.

[62] We provide in our respective discussions of volume, price effects, and impact a full analysis of other factors alleged to have caused any material injury experienced by the domestic industry.

[63] Mittal Steel, 542 F.3d at 873; Nippon Steel Corp., 458 F.3d at 1350, citing U.S. Steel Group, 96 F.3d at 1357; S. Rep. 96-249 at 75 ("The determination of the ITC with respect to causation is ... complex and difficult, and is a matter for the judgment of the ITC.").

[64] CR at II-9, PR at II-6.

[65] CR at II-12, PR at II-8.

[66] CR at II-12, PR at II-8.

[67] CR/PR at Figure II-2.

[68] CR/PR at Table C-1.

the economic downturn and because end users were drawing down their inventories rather than making new purchases.[69]

Most of the subject imports were sold for post-tension applications, while the domestic product was sold mostly for pre-tension applications.[70] The predominant end uses of post-tensioned PC strand are in slab-on-grade construction and in buildings for floors with moderate to long spans and moderate floor loads such as in parking garages and residential buildings.[71] Pre-tensioned concrete components may be used in balconies, lintels, floor slabs, beams, or foundation piles.

Buy America(n) provisions are much more prevalent with respect to sales of PC strand to pre-tension customers.[72] "Buy America" requirements apply to iron and steel products such as PC strand and their coatings that are purchased for the Federal-aid highway construction program. Under "Buy America," Federal-aid funds may not be obligated for a project unless iron and steel products used in such projects are manufactured in the United States (with limited exceptions based on the product cost or its share of the original contract value). In addition, under an alternate-bid procedure, foreign-source materials may be used if the total project bid using foreign-source materials is 25 percent less than the lowest total bid using domestic materials. "Buy American" is a separate and distinct program from "Buy America." The Buy American Act, which covers specified products, requires the Federal Government to purchase domestic goods and services unless the head of the agency involved in the procurement has determined that the prices of the domestic suppliers are "unreasonable" or that their purchase would be "inconsistent with the public interest."[73]

In 2007 and 2008, 28.6 percent and 33.9 percent respectively of total U.S. shipments of PC strand were subject to Buy America(n) restrictions; in 2009, the figure was 49.5 percent.[74] The increase in the proportion of the market subject to Buy America(n) restrictions in 2009 appears to have been aberrational when compared to the proportion of the market that the Commission has previously found to be subject to Buy America(n) restrictions in the 2000-2008 period.[75] The Petitioners attribute this increase to a temporary decline in demand for PC strand in the commercial market in 2009.[76]

Demand for PC strand is seasonal in that PC strand is a construction material, and more construction occurs during warmer weather than during the winter. Thus, demand for PC strand is generally higher in the April-September period than in October-March.[77]

2. Supply Conditions

The domestic industry is the largest source of supply in the U.S. market, accounting for more than half of U.S. consumption by quantity over the period of investigation.[78] There were five domestic

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[69] E.g., Hearing Tr. at 36-37, 69-70, 123-126 (Johnson, Suncoast Post-Tension).

[70] CR/PR at II-1 and Table II-1.

[71] CR at I-12-I-13, PR at I-10-I-11.

[72] See CR/PR at Table III-5.

[73] CR at II-16 n.21, PR at II-10 n.21.

[74] CR/PR at Table C-2.

[75] Petitioners' Prehearing Brief at 19-20.

[76] Petitioners' Prehearing Brief at 20.

[77] CR at II-11, PR at II-7.

[78] The domestic industry's market share was 59.4 percent in 2007, 56.2 percent in 2008, and 78.0 percent in 2009. CR/PR at Table C-1. There is some indication in the record that the domestic industry may have been affected by

(continued...)

producers of PC strand at the end of the period examined and one additional producer ceased production in early 2007.[79] The market share of subject imports was 36.1 percent in 2007, 40.5 percent in 2008, and 7.2 percent in 2009.[80] There are believed to be 30 or more producers of PC strand in China.[81] Nonsubject imports declined from 2007 to 2008, but increased in 2009 to a level higher than the 2007 level.[82] The principal sources of nonsubject imports in 2009 were Canada, Portugal, Italy, South Africa, Taiwan, and Spain.[83] As discussed earlier, a number of nonsubject suppliers of PC strand are currently subject to antidumping and/or countervailing duties in the United States.[84]

3. Substitutability

The record indicates that there is a high degree of substitutability between PC strand from domestic and other sources (subject to the proviso regarding "Buy America(n)" restrictions, discussed below), and that price is an important consideration in purchasing decisions. Most responding producers and importers reported that subject imports are "always" used interchangeably with the domestic like product.[85] When asked whether differences other than price are significant in their sales of PC strand, all producers responded "never." Most importers responded "sometimes" or "never" to this question, though a significant minority of importers reported that differences other than price are "always" or "frequently" significant to purchasers choosing between subject imports and the domestic like product.[86] However, the substitutability between domestically produced and imported PC strand is reduced somewhat by end-use markets for the products that are subject to "Buy America(n)" provisions.

C. Volume of the Subject Imports

Section 771(7)(C)(i) of the Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[87]

As noted above, apparent consumption of PC strand fell precipitously towards the end of the period examined, declining from 942.7 million pounds in 2008 to 508.6 million pounds in 2009, or by 46 percent. We evaluate the data on the volume of subject imports in the context of this sharp decline in 2009.

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[78] (...continued)
shortages of steel wire rod (the principal raw material used to make PC strand) for a time in 2008, but such constraints appear to have been short-lived. CR at II-5, PR at II-4, and CR III-8, PR at III-5.

[79] CR at III-1-III-2, PR at III-1.

[80] CR/PR at Table C-1.

[81] CR at VII-3, PR at VII-1.

[82] CR/PR at Table IV-2. Nonsubject imports' market share fell from 4.5 percent of apparent U.S. consumption in 2007 to 3.3 percent in 2008, and then rose to 14.8 percent in 2009. CR/PR at Table IV-7.

[83] CR/PR at Tables II-2 and IV-5.

[84] CR/PR at Table I-1.

[85] CR/PR at Table II-5.

[86] CR/PR at Table II-6.

[87] 19 U.S.C. § 1677(7)(C)(i).

The volume of subject imports was 353.9 million pounds in 2007, 381.7 million pounds in 2008, and 36.6 million pounds in 2009.[88] The market share of subject imports was 36.1 percent in 2007, 40.5 percent in 2008, and 7.2 percent in 2009.[89] The much lower level of subject imports in 2009 coincides with a sharp decline in demand in that year.

The record in the final phase of these investigations, however, shows that the presence of subject imports in the U.S. market in 2009 was more significant than the absolute volumes of subject imports suggest. This was because of a substantial buildup of inventories of PC strand from China by U.S. importers and purchasers in 2008 that had to be worked off before purchasers resumed buying PC strand. U.S. importers' end-of-period inventories of PC strand from China were 31.7 million pounds at the end of 2007, 51.5 million pounds at the end of 2008, and 15.0 million pounds at the end of 2009.[90]

Although we do not have precise data on inventories of PC strand from China held by U.S. purchasers, there is information on the record indicating that these inventories were substantial. The largest purchaser of PC strand in the United States testified at the hearing in these investigations that it began increasing its purchases of PC strand from China in early 2008, as demand seemed to be strong. In mid-2008, as demand began to decline, its inventories of Chinese PC strand grew dramatically, rising to about 35 million pounds. The purchaser largely ceased ordering new PC strand until inventories were worked off in the first and second quarters of 2009. This purchaser testified that other U.S. purchasers had similar experiences with a build up of Chinese PC strand in inventory in the same period.[91]

In short, because of the drawdown of these substantial inventories of subject merchandise by importers and purchasers in the first half of 2009, subject imports played a more significant role in the U.S. market in that period than the data on import volume and market share in 2009 seem to suggest.

The lower level of subject imports in 2009 also corresponds to the filing of the petition underlying these investigations in May 2009. An examination of monthly import data for 2009 shows that subject imports dropped sharply after July 2009, two months after the petition was filed, and remained at very low monthly levels for the rest of the year.[92] The filing of the petition also affected the pricing data in these investigations for the second half of 2009. There is evidence in the record that prices stabilized after the filing of the petition, and even increased slightly in the fourth quarter of 2009.[93] The record also shows that the condition of the domestic industry improved in the second half of 2009 as compared with the first half of the year, as evidenced by improvement in a number of the domestic

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[88] CR/PR at Table C-1.

[89] CR/PR at Table C-1. The ratio of subject imports to domestic production measured by quantity was 58.8 percent in 2007, 68.3 percent in 2008, and 9.2 percent in 2009. CR/PR at Table IV-8.

[90] CR/PR at Table VII-7. The Commission did not receive end-of-period inventory data from all U.S. importers of the subject merchandise. The importers that responded to the Commission's questionnaire accounted for 83.4 percent of total U.S. imports from China in 2009. CR/PR at Table IV-1. Thus, to the extent that non-reporting importers also held inventories, the data may be understated.

[91] Hearing Tr. at 36-37, 69-70, 123-126 (Johnson, Suncoast Post-Tension). The record also indicates that in this period, when demand dropped precipitously and importers and purchasers largely stopped placing new orders until they could work off excess inventories, Chinese PC strand producers often shipped product to the United States before they had purchasers and then offered merchandise at very low prices to increase sales and reduce inventories. Petitioners' Prehearing Brief at 11 and Exhibit 2.

[92] CR/PR at Table IV-5.

[93] CR/PR at Tables V-1 and V-2, and Hearing Tr. at 90 (Feitler, Sumiden Wire Products Corp.) and 91 (Sehorst, American Spring Wire Corp.).

industry's performance indicators in the second half of 2009 as compared with the first half.[94] Consequently, we accord less weight to the data for the second half of 2009, as we deem the decline in imports as well as the improvements in prices and in the domestic industry's condition in that period to be related in part to the pendency of the investigations.[95]

As detailed above, the volume and market share of subject imports was large and increasing in 2007 and 2008. Because we give less weight to the data for the second half of 2009, we examine the volume of subject imports for the first half of 2009 separately. The volume of subject imports was 31.6 million pounds in the first half of 2009, as compared with 215.5 million pounds in the first half of 2008,[96] and the market share of subject imports was 13.8 percent in the first half of 2009, as compared with 38.6 percent in the first half of 2008.[97] We recognize that the volume and market share of subject imports was substantially lower in the first half of 2009 than in the first half of 2008, but, as explained above, the presence of subject imports was in fact more significant than these data suggest because of a substantial buildup of inventories of PC strand from China by U.S. importers and purchasers. We conclude that subject import volume is significant, both in absolute terms and relative to consumption and production in the United States.

D. Price Effects of the Subject Imports

> Section 771(C)(ii) of the Act provides that, in evaluating the price effects of subject imports, the Commission shall consider whether – (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[98]

As noted above, the record indicates that there is a high degree of substitutability between PC strand from domestic and other sources, so long as it is not subject to "Buy America(n)" restrictions, and that price is an important consideration in purchasing decisions.

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[94] The domestic industry's production in the second half of 2009 was 223.3 million pounds, as compared with 172.4 million pounds in the first half of the year. Capacity utilization was 48.9 percent in the second half of 2009, as compared with 37.8 percent in the first half of the year. Shipments were 213.5 million pounds in the second half of 2009, as compared with 183.0 million pounds in the first half of the year. Net sales were 201.6 million pounds in the second half of 2009, as compared with 188.2 million pounds in the first half of the year. Operating income was $3.8 million in the second half of 2009, as compared with a loss of $7.5 million in the first half of the year. The ratio of operating income to net sales was 3.4 percent in the second half of 2009, as compared with negative 7.5 percent in the first half of the year. Petitioners' Posthearing Brief at Exhibit 3.

[95] 19 U.S.C. § 1677(7)(I) provides, in relevant part, that "[t]he Commission shall consider whether any change in the volume, price effects, or impact of imports of the subject merchandise since the filing of the petition in an investigation under part I or II of this subtitle is related to the pendency of the investigation and, if so, the Commission may reduce the weight accorded to the data for the period after the filing of the petition in making its determination of material injury . . . ."

[96] 2009 Sunset Review Report at Table IV-1.

[97] 2009 Sunset Review Report at Tables I-12 and IV-1, and CR/PR at Tables IV-6 and IV-7. The ratio of subject imports to domestic production measured by quantity was 18.3 percent in the first half of 2009, as compared with 65.8 percent in the first half of 2008. 2009 Sunset Review Report at Tables III-3 and IV-1.

[98] 19 U.S.C. § 1677(7)(C)(ii).

The Commission collected quarterly pricing data for two PC strand items. Product 1 was ½ inch, grade 270, low relaxation, uncovered PC strand sold for pre-tensioned applications. Product 2 was the same product, but sold for post-tensioned applications. Usable pricing data were provided by five domestic producers, accounting for 57.8 percent of domestic producers' shipments during 2009, and 15 importers, accounting for virtually all shipments of subject imports in that year.[99] There was widespread underselling by the subject imports. Subject imports undersold the domestic like product in 19 of 24 quarterly pricing comparisons by margins ranging from *** percent to *** percent.[100] We note that most of the underselling by subject imports (12 of the 19 instances) occurred with respect to the PC strand sold in pre-tensioned applications (Product 1), the end use market dominated by the domestic industry.[101] Moreover, the quarters in which there was overselling by subject imports (all with respect to Product 2) occurred mostly in 2007,[102] indicating that underselling intensified in 2008, as the volume and market share of subject imports grew.[103] Accordingly, we find subject import underselling of the domestic like product to be significant.

Of lost sales allegations totaling $***, the Commission was able to confirm allegations totaling $***.[104] Of lost revenue allegations totaling $***, the Commission was able to confirm allegations totaling $***.[105]

The prices of both the Chinese and domestic products fluctuated in a narrow range in 2007, before increasing sharply in 2008, through the second quarter of that year in the case of the domestic product, and the third quarter of that year in the case of the subject imports, and then declining sharply until the fourth quarter of 2009, when they increased slightly.[106] We find that subject import underselling prevented domestic price increases that otherwise would have occurred to a significant degree. On a per unit basis, the domestic industry's cost of goods sold (COGS) increased during 2007 to 2009 largely as a result of an increase in per unit raw material costs.[107] The industry was unable to increase the unit value of its net sales sufficiently to offset rising costs.[108] As a result, the domestic industry's COGS as a ratio to net sales increased from 81.4 percent in 2007 to 85.4 percent in 2008 and 95.4 percent in 2009, resulting in a cost-price squeeze.[109] [110] While the fall in demand contributed to the increase in the domestic

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[99] CR at V-4, PR at V-3.

[100] CR/PR at Table V-5.

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

[102] CR/PR at Table V-3.

[103] The only other instance of overselling by the subject imports appears to have resulted from a difference in the timing of price trends for U.S.-produced and imported Product 2. CR at V-13 n.9, PR at V-7 n.9.

[104] See CR/PR at Table V-6 and CR at V-13 and PR at V-8.

[105] CR/PR at Table V-7.

[106] CR/PR at Tables V-1 and V-2.

[107] The unit COGS was $375 per 1,000 pounds in 2007, $513 per 1,000 pounds in 2008, and $516 per 1,000 pounds in 2009. The unit cost of raw materials was $287 per 1,000 pounds in 2007, $426 per 1,000 pounds in 2008, and $370 per 1,000 pounds in 2009. The decrease in raw material costs from 2008 to 2009 was exceeded by an increase in other factory unit costs, which rose from $65 in 2008 to $125 in 2009. CR/PR at Table VI-1.

[108] The unit value of net sales was $461 per 1,000 pounds in 2007, $600 per 1,000 pounds in 2008, and $541 per 1,000 pounds in 2009.

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

[110] As noted above, in order to reach an affirmative price suppression finding, the statute requires that the effect of subject imports is to prevent price increases, which otherwise would have occurred, to a significant degree.

(continued...)

industry's COGS ratio in 2009, that ratio increased from 2007 to 2008 while demand generally remained strong. Accordingly, we attribute the COGS increase to the effect of subject imports in material part, despite the presence of an additional cause arising in 2009. Thus, for much of the period examined, the domestic industry was unable to raise its prices to cover increases in costs due to the presence of subject imports.

Further evidence of adverse price effects by subject imports throughout the period examined, and particularly in early 2009, was provided by a large U.S. purchaser of the subject merchandise[111] and by importers.[112]

As noted above, we accord less weight to the data for the second half of 2009 as we deem the improvements in prices in that period to be related in part to the pendency of the investigations. Accordingly, we also examine the price effects of subject imports without including the data for the second half of 2009 (i.e., for the period from 2007 through the first half of 2009). In this period, subject imports undersold the domestic like product in 15 of 20 quarterly pricing comparisons by margins ranging from *** percent to *** percent.[113] Of lost sales allegations totaling $***, the Commission was able to confirm allegations totaling $***,[114] and of lost revenue allegations totaling $***, the Commission was able to confirm allegations totaling $***.[115] The domestic industry's COGS as a ratio to net sales was 100.9 percent in the first half of 2009, as compared with 80.4 in the first half of 2008.[116]

For the foregoing reasons, we find that there has been significant underselling by the subject imports and that such imports suppressed domestic prices to a significant degree. Accordingly, we find that subject imports have had significant adverse effects on domestic prices.

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[110] (...continued)
Commissioner Shara L. Aranoff notes that the domestic industry experienced a rise in its COGS/net sales ratio from 2007 to 2008, despite the facts that demand for PC strand was generally strong (CR/PR at Table C-1), there were some temporary shortages in 2008 (CR at II-5, PR at II-4), and purchasers were building inventory (Hearing Tr. at 36-37, 69-70, 123-26 (Johnson, Suncoast Post-Tension)). Based on these market conditions, the domestic industry should have been able to pass on cost increases to purchasers by way of higher prices from 2007 to 2008. Because the domestic industry was unable to raise prices sufficiently to offset the increase in COGS from 2007 to 2008, even though demand for PC strand was strong and moderately price inelastic, Commissioner Aranoff finds that subject imports prevented price increases that otherwise would have occurred to a significant degree. Beginning in late 2008, demand for PC strand began to fall, and the domestic industry continued to experience an increase in the COGS/net sales ratio. Although demand was falling during the first half of 2009, demand generally is not sensitive to changes in price, given that there are no economically viable substitutes for PC strand and that PC strand represents only a small cost component of the end product in its primary use in the construction of buildings, parking garages, bridges, and other large structures. CR at I-12, PR at I-10. Moreover, once a construction project has been initiated, demand for PC strand to complete that structure would be very unlikely to change significantly in reaction to a change in price, given the size of the overall investment. Accordingly, Commissioner Aranoff finds that the domestic industry should have been able to pass on at least some increases in price even in 2009. She finds that the significant volume of lower-priced subject imports prevented price increases for domestic PC strand, which otherwise would have occurred, to a significant degree.

[111] This purchaser testified that many Chinese producers, with large excess capacity, were offering huge amounts of subject merchandise at ever decreasing prices, thereby creating chaos in the U.S. market. Conference Tr. at 35 (Johnson, Suncoast Post-Tension).

[112] Petitioners' Prehearing Brief at Exhibits 2 and 3.

[113] CR/PR at Tables V-2 and V-3.

[114] See CR/PR at Table V-6 and CR at V-13 and PR at V-8.

[115] CR/PR at Table V-7.

[116] 2009 Sunset Review Report at Table C-1.

E. Impact of the Subject Imports on the Domestic Industry[117]

Section 771(7)(C)(iii) of the Act provides that the Commission, in examining the impact of the subject imports on the domestic industry, "shall evaluate all relevant economic factors which have a bearing on the state of the industry."[118] These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[119]

We find that subject imports had a significant adverse impact on the domestic industry in 2008 and 2009. The domestic industry experienced declines in most statutory performance indicators in those years, with precipitous declines in 2009. Production, capacity utilization, shipments, employment, and capital expenditures/research and development all fell.[120] The domestic industry's market share declined from 2007 to 2008, but then recovered sharply in 2009, as the market share of subject imports declined.[121] Production capacity was fairly constant, but productivity declined.[122] Domestic industry end-of-period inventories rose between 2007 and 2008, and then declined in 2009 on an absolute basis. As a ratio of

[117] In its final determinations of sales at LTFV, Commerce found the following weighted-average dumping margins: 42.97 percent for Wuxi Jinyang Metal Products Co., 175.94 percent for Xinhua Metal and Fasten Group Import and Export, and 193.55 percent for all others. CR/PR at Table I-3.

[118] 19 U.S.C. § 1677(7)(C)(iii); see also SAA at 851 and 885 ("In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.")

[119] 19 U.S.C. § 1677(7)(C)(iii); see also SAA at 851, 885; Live Cattle from Canada and Mexico, Inv. Nos. 701-TA-386, 731-TA-812-813 (Prelim.), USITC Pub. 3155 at 25 n.148 (Feb. 1999).

[120] Production was 601.7 million pounds in 2007, 558.9 million pounds in 2008, and 395.7 million pounds in 2009. Capacity utilization was 66.7 percent in 2007, 61.8 percent in 2008, and 43.8 percent in 2009. Domestic shipments were 582.8 million pounds in 2007, 530.0 million pounds in 2008, and 396.5 million pounds in 2009. Production related workers totaled 357 in 2007, 331 in 2008, and 258 in 2009. Hours worked totaled 771,000 in 2007, 715,000 in 2008, and 555,000 in 2009. CR/PR at Table C-1. Capital expenditures were $*** in 2007, $*** in 2008, and $*** in 2009. CR/PR at Table VI-4. Research and development spending was $*** in 2007, $*** in 2008, and $*** in 2009. Id.

[121] U.S. producers' share of apparent U.S. consumption was 59.4 percent in 2007, 56.2 percent in 2008, and 78.0 percent in 2009. CR/PR at Table C-1.

[122] Production capacity was 902.8 million pounds in 2007, and 903.8 million pounds in both 2008 and 2009. Productivity (pounds per hours) was 780.1 in 2007, 781.9 in 2008, and 712.5 in 2009. CR/PR at Table C-1.

total shipments, however, end-of-period inventories rose in both 2008 and 2009.[123] The domestic industry's financial results deteriorated and the industry experienced an operating loss in 2009.[124] [125]

As noted above, we accord less weight to the data for the second half of 2009 due to the effects of the pendency of the investigations. Accordingly, we also examine data for the first half of 2009 separately. Almost all of the statutory performance indicators for the domestic industry were lower in the first half of 2009 than in the first half of 2008.[126] The only exceptions were production capacity and market share.[127]

Based on all the foregoing trends, we find that there is a causal nexus between subject imports and the deteriorating condition of the domestic industry. This conclusion is based on the substantial presence and increase in subject import volume and market share in 2008, driven by pervasive subject import underselling, which had a significant adverse impact on the domestic industry in 2008. The adverse impact of subject imports continued into 2009, especially in the first half of the year. Even though the absolute volume of subject imports declined sharply in 2009, subject imports continued to have a disproportionately injurious effect in 2009 because of the large overhang of subject imports in inventory held by importers and purchasers in the early part of the year. Apparent consumption of PC strand fell sharply as importers and purchasers worked off their inventories. Moreover, as discussed

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[123] End-of-year inventories were 61.3 million pounds in 2007, 67.1 million pounds in 2008, and 57.6 million pounds in 2009. The ratio of inventories to total shipments was *** percent in 2007, *** percent in 2008 and *** percent in 2009. CR/PR at Table C-1.

[124] The domestic industry reported an operating income of $39.4 million in 2007 and $38.0 million in 2008, and a loss of $3.7 million in 2009. The domestic industry's ratio of operating income to net sales was 13.9 percent in 2007, 10.7 percent in 2008, and negative 1.8 percent in 2009. CR/PR at Table C-1. The industry's return on investment was 24.7 percent in 2007, 18.7 percent in 2008, and a negative 2.2 percent in 2009. CR/PR at Table VI-5.

[125] We recognize that inventory write-down costs by one domestic producer (Insteel) contributed to the domestic industry's poor financial performance in 2009. These inventory adjustments (which were required by Generally Accepted Accounting Principles) may have been, at least in part, related to the effects of subject imports, insofar as they resulted from the collapse in PC strand prices due to low-priced subject imports, and that the write-downs See Petitioners' Prehearing Brief at 49-51. Moreover, we note that, even without the effects of these inventory write-downs, the domestic industry would still have suffered sharply lower operating income in 2009. CR at VI–3 n.4, PR at VI-1 n.4.

[126] Production was 172.4 million pounds in the first half of 2009, as compared with 327.4 million pounds in the first half of 2008. Capacity utilization was 37.8 percent in the first half of 2009, as compared with 72.0 percent in the first half of 2008. Domestic producers' U.S. shipments were 183.0 million pounds in the first half of 2009, as compared with 325.5 million pounds in the first half of 2008. Production and related workers totaled 253 in the first half of 2009, as compared with 337 in the first half of 2008. Hours worked by production and related workers and productivity showed similar declines in the first half of 2009 relative to the first half of 2008. End-of-period inventories were 51.3 million pounds in the first half of 2009, as compared with 47.7 million pounds in the first half of 2008. The ratio of inventories to U.S. shipments was 28.0 percent in the first half of 2009, as compared with 14.6 percent in the first half of 2008. The domestic industry reported a loss of $7.5 million in the first half of 2009, as compared with an operating income of $30.4 million in the first half of 2008. The domestic industry's ratio of operating income to net sales was negative 7.5 percent in the first half of 2009, as compared with 15.9 percent in the first half of 2008. 2009 Sunset Review Report at Table C-1.

[127] Production capacity was 456.3 million pounds in the first half of 2009, as compared with 454.7 million pounds in the first half of 2008. U.S. producers' share of apparent U.S. consumption was 79.9 percent in the first half of 2009, as compared with 58.4 percent in the first half of 2008. 2009 Sunset Review Report at Table C-1.

above, even as the volume of subject imports declined, Chinese PC strand suppliers continued to offer large amounts of subject merchandise at continually lower prices.[128]

We have considered whether there are other factors that have had an impact on the domestic industry. We recognize that the decline in PC strand demand that became evident by late 2008 played a role in the domestic industry's worsening performance near the end of the period examined. But, the injurious effects of subject imports on the domestic industry in 2008 and 2009 are observable independently of the decline in demand. As noted above, the volume of subject imports increased in 2008 as compared with 2007, even as demand for PC strand fell. Consequently, the market share of subject imports rose from 36.1 percent in 2007 to 40.5 percent in 2008, as subject imports displaced mainly the shipments of U.S. producers, whose market share fell from 59.4 percent to 56.2 percent in this period.[129] As noted above, the injurious price effects of subject imports intensified from 2007 to 2008. Most of the domestic industry's trade, employment, and financial variables deteriorated from 2007 to 2008. The injurious effects of subject imports continued to be felt in the first half of 2009 due primarily to the large overhang of inventories held by importers and purchasers, which materially worsened the effects of declining demand for PC strand. Subject imports also continued to have direct effects on the domestic industry in the first half of 2009, as Chinese producers sought to make sales at ever-lower prices. Domestic producers continued to lose sales to subject imports in the first half of 2009.[130] In sum, we find that the decline in demand for PC strand that became evident in late 2008, due to the economic downturn, does not sever the causal link between subject imports and the injury suffered by the domestic industry, and we do not attribute to subject imports the effects of any adverse demand conditions.

We have also considered whether Buy America(n) provisions may have shielded the domestic industry from direct competition from subject imports in part of the domestic PC strand market. With the exception of 2009, the proportion of the U.S. market subject to Buy America(n) requirements has remained relatively stable at about one-third of the market.[131] In 2009, the share of the market accounted for by such requirements was 49.5 percent.[132] As noted above, this increase may have been attributable to a temporary decline in demand for PC strand in the commercial market in 2009.[133] In short, while Buy America(n) provisions may shield the domestic industry from direct competition with subject imports in a part of the domestic market, a substantial part of the market – about two thirds – is not shielded from such competition. Thus, we find that Buy America(n) provisions did not shield the domestic industry from injury from subject imports.

We have also considered the market dynamics underlying sales for pre-tensioning and post-tensioning applications, and the reasons why most of the subject imports were sold for post-tension applications, while the domestic product was sold mostly for pre-tension applications. Although the majority of the domestic industry's shipments have been for pre-tensioned applications, and subject imports have been sold mostly for post-tensioned applications, there is not a clear demarcation in the market. The same product is sold for both types of applications.[134] Subject imports also are sold for pre-

[128] Hearing Tr. at 35 (Johnson, Suncoast Post-Tension).

[129] CR/PR at Table C-1. Subject imports also displaced non-subject imports, whose market share fell from 4.5 percent in 2007 to 3.3 percent in 2008. Id.

[130] See CR/PR at Table V-6.

[131] Petitioners' Prehearing Brief at 19-20.

[132] Id.

[133] Petitioners' Prehearing Brief at 20.

[134] Hearing Tr. at 11 (Selhorst, American Spring Wire Corp.).

tensioned applications[135] and the domestic industry also sells PC strand for post-tensioned applications and has expressed an interest in increasing those sales.[136] The ability of imports to gain market share in post-tensioned applications may be due, in part, to the lower proportion of Buy America(n) sales in such uses and to the greater ability of importers to sell to larger customers in larger quantities.[137] Neither of these factors supports the view that the domestic industry has abandoned, is not interested in, or is unable to serve post-tensioned applications. All evidence is to the contrary. Thus, we find that the concentration of the domestic product and subject imports in sales for different applications has not prevented the subject imports from injuring the domestic industry.

Nonsubject imports played only a minor role in the U.S. market until 2009. The market share of nonsubject imports was 4.5 percent in 2007, 3.3 percent in 2008, and 14.8 percent in 2009.[138] Even though the market share of nonsubject rose substantially in 2009 as compared with 2008, we note that the prices of these imports were considerably higher than those of subject imports in 2009.[139] We have not attributed to subject imports any effects from nonsubject imports.[140]

CONCLUSION

For the foregoing reasons, and based on the record in the final phase of these investigations, we find that an industry in the United States is materially injured by reason of subject imports of PC strand from China that are sold in the United States at less than fair value and subsidized by the Government of China.

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[135] CR/PR at Table C-2.

[136] CR/PR at Table C-2 and CR at III-14, PR at III-8.

[137] Hearing Tr. at 12 (Selhorst, American Spring Wire Corp.).

[138] CR/PR at Table C-1. We note that a number of nonsubject countries are subject to existing antidumping and countervailing orders. See CR/PR at Table I-1.

[139] In 2009, the average unit value of nonsubject imports was $468 per 1,000 pounds, as compared with $378 per 1,000 pounds for subject imports. CR/PR at Table C-1.

[140] Commissioner Pinkert considers PC strand to be a commodity product for *Bratsk* purposes and finds that price-competitive, nonsubject imports had a significant presence in the U.S. market during the period under examination. He finds, however, that nonsubject imports would not have replaced the subject imports without benefit to the domestic industry had the subject imports exited the U.S. market during that period. He notes in this regard both the minor role that nonsubject imports played in the U.S. market relative to the subject imports and the fact that their average unit values were substantially higher than those of the subject imports in 2009 (the only year in which the U.S. market share of nonsubject imports exceeded 5.0 percent). CR/PR at Table C-1.

PART I: INTRODUCTION

BACKGROUND

These investigations result from a petition filed with the U.S. Department of Commerce ("Commerce") and the U.S. International Trade Commission ("USITC" or "Commission") by counsel on behalf of American Spring Wire Corp. ("American") (Bedford Heights, OH); Insteel Wire Products Co. ("Insteel") (Mt. Airy, NC); and Sumiden Wire Products Corp. ("Sumiden") (Dickson, TN), on May 27, 2009, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized and less-than-fair-value ("LTFV") imports of prestressed concrete steel wire strand ("PC strand")[1] from China. Information relating to the background of the investigations is provided below.[2]

Effective date	Action
May 27, 2009	Petition filed with Commerce and the Commission; institution of the Commission's investigations (74 FR 26731, June 3, 2009)
June 16, 2009	Commerce's notice of initiation of countervailing duty investigation (74 FR 29670, June 23, 2009)
June 23, 2009	Commerce's notice of initiation of antidumping duty investigation (74 FR 29665)
July 13, 2009	Commission's preliminary determinations transmitted to Commerce (74 FR 34872, July 17, 2009)
November 2, 2009	Commerce's preliminary countervailing duty determination (74 FR 56576)
December 23, 2009	Commerce's preliminary antidumping duty determination (74 FR 68232); scheduling of final phase of Commission investigations (75 FR 4104, January 26, 2010 (as revised, 75 FR 8113, February 23, 2010))
May 6, 2010	Commission's hearing[1]
May 21, 2010	Commerce's final countervailing duty determination (75 FR 28557) and Commerce's final antidumping duty determination (75 FR 28560)
June 10, 2010	Commission's vote
June 22, 2010	Commission's determinations transmitted to Commerce

[1] A list of witnesses that appeared at the hearing is presented in app. B.

[1] See the section entitled "The Subject Merchandise" in *Part I* of this report for a complete description of the merchandise subject to these investigations.

[2] *Federal Register* notices pertaining to the final phase of this proceeding are presented in app. A.

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory Criteria

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

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

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

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

Organization of the Report

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

U.S. MARKET SUMMARY

PC strand is steel strand produced from hot-rolled, high-carbon steel wire rod which, after cleaning and descaling, is drawn into wire, fabricated into multi-wire strand, and thermally stress-relieved. PC strand is used to compress concrete structural members to improve their ability to withstand loads. The PC strand is tensioned either prior to the pouring of concrete (pre-tensioning) or after the pouring of the concrete (post-tensioning) to impart compressive force to the concrete in which it is placed. Demand for PC strand is derived from demand for prestressed concrete which, in turn, is derived from demand for construction projects. Typical applications for prestressed concrete in which PC strand is used include bridge decks, bridge girders, pilings, precast concrete panels and structural supports, roof trusses, floor supports, and certain concrete foundations.

There are currently five U.S. producers of PC strand: American; Insteel; RettCo Steel, LLC ("RettCo")/MMI Products, Inc. ("MMI");[3] Strand-Tech Martin ("Strand-Tech"); and Sumiden.[4] *** is the largest domestic PC strand producer, accounting for *** percent of production of PC strand in the United States during 2009. The petitioners indicated that there are an estimated 30 or more producers of PC strand in China.[5] The largest nonsubject sources of PC strand imported into the United States during 2007-09 include Canada (Bekaert Canada Ltd. and Stelwire Ltd.); Italy (CB Trafilati Accial, Far SPA, Redaelli Tecnasud, Siderurgica Latina Martin, and Trafilati SPA); Korea (Dong-Il Steel Mfg. Co. Ltd., Kiswire Ltd., Manho Rope and Wire Ltd., and Youngheung Iron and Steel Co. Ltd.); Portugal (Fapricela Industria de Trefilaria SA); South Africa (Scaw Metal Group); Spain (Emesa Trefileria and Tycsa); and Taiwan (Chia Ta World Co., Ltd. and U-LEAD Industrial Corp.). At least 16 firms have imported PC strand from China since 2007. The four largest importers providing responses to the questionnaire in these investigations – *** – together accounted for more than two-thirds of total subject U.S. imports from China in 2009 as measured by official Commerce import statistics. The leading U.S. importer of PC strand from nonsubject countries is ***, which accounted for *** of total U.S. PC strand imports from nonsubject countries in 2009 as measured by official Commerce statistics. U.S. purchasers of PC strand

[3] RettCo (the "toller" or "toll producer") produces PC strand under a toll agreement with MMI (the "tollee"). MMI furnishes RettCo with wire rod, pays RettCo a conversion fee for producing finished PC strand, and sells the finished PC strand. The production, capacity, capacity utilization, and employment data presented in this report were submitted by toller RettCo and the shipment, inventory, pricing, and primary financial data were provided by MMI.

[4] PCS of America ("PCS") (Rosenberg, TX), formerly related to Mexican PC strand producer Aceros Camesa S.A. de C.V. ("Camesa"), and EMC (Phoenix, AR), formerly owned by Mexican PC strand producer Cablesa S.A. de C.V. ("Cablesa"), previously produced PC strand in the United States. PCS ceased U.S. production of PC strand by *** (i.e., prior to the period for which information was requested in the final phase of these investigations) and EMC ceased production by ***. *Email* from *** to Mary Messer, June 26, 2009; and petition, pp. 3-4.

[5] Petitioners' prehearing brief, p. 76.

are firms that typically either pre-tension or post-tension concrete structural components. Suncoast Post-tension is reportedly the largest purchaser of PC strand in the United States. Other leading U.S. purchasers include ***.

Apparent U.S. consumption of PC strand totaled 508.6 million pounds ($248.7 million) in 2009. U.S. producers' U.S. shipments of PC strand totaled 396.5 million pounds ($199.5 million) in 2009, and accounted for 78.0 percent of apparent U.S. consumption by quantity and 80.2 percent by value. U.S. imports from China totaled 36.6 million pounds ($13.8 million) in 2009 and accounted for 7.2 percent of apparent U.S. consumption by quantity and 5.6 percent by value. U.S. imports from nonsubject sources totaled 75.5 million pounds ($35.4 million) in 2009 and accounted for 14.8 percent of apparent U.S. consumption by quantity and 14.2 percent by value. Apparent U.S. consumption, on the basis of quantity and value, declined overall by 48.1 and 38.9 percent, respectively, from 2007 to 2009.

SUMMARY DATA AND DATA SOURCES

A summary of data collected in the investigations is presented in appendix C at table C-1. U.S. industry data are based on questionnaire responses of five firms that accounted for all U.S. production of PC strand during 2009.[6] U.S. imports presented in the body of this report are based on Commerce's official import statistics. Since there were no questionnaire responses received from producers of the subject merchandise in China during the final phase of these investigations, data presented in this report regarding the Chinese industry are based on four foreign producer questionnaire responses submitted during the preliminary phase of these investigations.[7]

PREVIOUS AND RELATED INVESTIGATIONS

Antidumping and Countervailing Duty Investigations and Reviews

The Commission has conducted several previous antidumping and countervailing duty investigations and five-year reviews concerning PC strand from 9 different countries. The earliest investigations concerning PC strand were conducted by the Commission in 1978. The Commission's domestic like product and domestic industry determinations in all PC strand investigations and reviews are similar in that the Commission has consistently found one domestic like product consisting of PC strand and one domestic industry consisting of all domestic producers of PC strand. Table I-1 presents information on previous and related Title VII investigations and five-year reviews concerning PC strand.

[6] There are currently five U.S. producers of PC strand: American, Insteel, RettCo/MMI, Strand-Tech, and Sumiden. The data presented in this report do not include the data of U.S. PC strand producer EMC that permanently ceased production during ***.

[7] Staff attempted numerous times to elicit responses from Chinese PC strand producers during the final phase of these investigations. The only communication received in response to the Commission's requests for information was an email correspondence from ***. *Email* to Mary Messer from ***, February 10, 2010.

Table I-1
PC strand: Previous Title VII investigations and five-year reviews

Investigations/Reviews		Dates		Domestic Like Product/Domestic Industry Determination	Outcome
Country	Number	Begin	End		
India	AA1921-182 (Final)	06/02/1978	08/25/1978	Under the then-applicable statutory provisions, the Commission made no domestic like product determination *per se* in its original determinations, but it essentially treated all PC strand as a single domestic like product. The Commission determined that it "considered the relevant domestic industry to consist of facilities in the United States devoted to the production of steel wire strand for prestressed concrete."	Commission negative final determination
Japan	AA1921-188 (Final)	08/29/1978	11/22/1978	The Commission's de facto domestic like product and domestic industry determinations in the original final investigation concerning PC strand from Japan were the same as its determinations in the final investigation concerning PC strand from India.	Commission affirmative final determination
	AA1921-188 (First Review)	09/01/1998	02/02/1999	The Commission found that the appropriate definition of the domestic like product in the expedited initial five-year review was the same as Commerce's scope: all steel wire strand, other than alloy steel, not galvanized, which has been stress-relieved and is suitable for use in prestressed concrete. It further determined that the appropriate domestic industry was all U.S. producers of PC strand.	Commission expedited initial review determination to continue order
	AA1921-188 (Second Review)	01/02/2004	06/07/2004	The Commission's domestic like product and domestic industry determinations in the expedited second five-year review was the same as its determinations in the expedited initial five-year review on PC strand from Japan.	Commission expedited second review determination to continue order
Spain	701-TA-164 (Final)	04/26/1982	08/23/1982	The Commission defined the domestic like product as "all wire strand of steel for prestressing concrete" and it defined the domestic industry as the producers of that domestic like product.	Commission negative final determination
Brazil	701-TA-152 (Final)	03/04/1982	03/14/1983	The Commission's domestic like product and domestic industry determinations in the original final investigations concerning PC strand from Brazil, France, and the United Kingdom were the same as its determinations in the final investigation concerning PC strand from Spain.	Commission negative final determinations
France	701-TA-153 (Final)		12/06/1982		
United Kingdom	731-TA-89 (Final)		02/02/1983		
Brazil, India, Korea, Mexico, and Thailand	701-TA-432 731-TA-1024-1028 (Final)	01/31/2003	01/21/2004	The Commission found the domestic like product to be all PC strand co-extensive with Commerce's scope: steel strand produced from wire of non-stainless, non-galvanized steel that is suitable for use in prestressed concrete (both pre-tensioned and post-tensioned) applications and that encompasses covered and uncovered strand and all types, grades, and diameters of prestressed concrete steel wire strand. The Commission found the domestic industry to be all producers of PC strand. The Commission also determined that plastic coating did not constitute sufficient production-related activity to qualify coaters as members of the domestic industry producing PC strand.	Commission affirmative final determinations
Brazil, India, Japan, Korea, Mexico, and Thailand	AA1921-188 (Third Review) 701-TA-432 731-TA-1024-1028 (Review)	12/01/2008	11/25/2009	The Commission's definition of the domestic like product was the same as its definition in the final investigations concerning the countervailing duty order on imports of PC strand from India and the antidumping duty orders on imports of PC strand from Brazil, India, Korea, Mexico, and Thailand. The Commission also noted that the description of the scope of these orders differed in a number of technical respects from that of the scope of the Japan finding, but found that these differences lacked significance. The Commission also found the domestic industry to include all producers of PC strand.	Commission full review determination to continue finding and orders

Source: Various Commission publications and *Federal Register* notices.

Safeguard Investigations

Following receipt of a request from the Office of the United States Trade Representative on June 22, 2001, the Commission instituted investigation No. TA-201-73, *Steel*, under section 202 of the Trade Act of 1974[8] to determine whether certain steel products, including PC strand,[9] 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.[10] 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.[11] 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.[12] On December 20, 2001, the Commission issued its determinations and remedy recommendations. The Commission made a negative determination with respect to the product grouping that included PC strand.[13]

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[8] 19 U.S.C. § 2252.

[9] Carbon and alloy steel strand, rope, cable, and cordage, a product category that included PC strand, were found to be a single 'like or directly competitive' product by Chairman Stephen Koplan, Vice Chairman Deanna Tanner Okun, and Commissioners Marcia E. Miller and Jennifer A. Hillman. Commissioner Lynn M. Bragg included PC strand in a broader wire product grouping that also included carbon and alloy steel wire as well as many downstream products. Commissioner Dennis M. Devaney included PC strand in an even broader product grouping that included all carbon and alloy steel long products. See, *e.g.*, *Steel, Inv. No. TA-201-73, Volume I: Determinations and Views of Commissioners*, USITC Publication 3479, December 2001, pp. 88-90, 273, and 312.

[10] *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.

[11] 19 U.S.C. § 2251.

[12] *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.

[13] *Steel; Import Investigations*, 66 FR 67304, December 28, 2001. Specifically, Chairman Stephen Koplan, Vice Chairman Deanna Tanner Okun, and Commissioners Marcia E. Miller and Jennifer A. Hillman made a negative determination with respect to carbon and alloy steel strand, rope, cable, and cordage, while Commissioners Lynn M. Bragg and Dennis M. Devaney dissented, having made affirmative determinations with respect to carbon and alloy steel wire products (Commissioner Bragg) and carbon and alloy steel long products (Commissioner Devaney).

NATURE AND EXTENT OF SUBSIDIES AND SALES AT LTFV

Subsidies

On May 21, 2010, Commerce published in the *Federal Register* its final determination of countervailable subsidies for producers and exporters of PC strand from China.[14] Commerce's final determination concerning the total estimated net countervailable subsidy rates for producers/exporters of the subject merchandise in China is summarized in table I-2.

Table I-2
PC strand: Commerce's final subsidy determination with respect to imports from China

Entity	Net subsidy rate (*percent ad valorem*)
Fasten Group Corp. ("Fasten Corp."), Fasten Group Import & Export Co., Ltd. ("Fasten I&E"), Jiangyin Hongsheng Co. Ltd. ("Hongsheng"), Jiangyin Fasten Steel ("Fasten Steel"), Jiangyin Hongyu Metal Products Co., Ltd. ("Hongyu Metal"), and Jiangyin Walsin Steel Cable Co., Ltd. ("Walsin") (collectively, the "Fasten Companies")	8.85
Xinhua Metal Products Co. ("Xinhua"), Xinyu Iron and Steel Joint Stock Ltd. Co. ("Xinyu"), and Xinyu Iron and Steel LLC ("Xingang") (collectively, the "Xinhua Companies")	45.85
All others	27.35
Source: 75 FR 28557, May 21, 2010.	

[14] *Pre-Stressed Concrete Steel Wire Strand from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 75 FR 28557, May 21, 2010. Commerce found the following 15 programs to be countervailable: Provision of Wire Rod for Less Than Adequate Remuneration ("LTAR"); Provision of Land Use Rights for LTAR to foreign invested enterprises ("FIEs") in Jiangxi and the City of Xinyu; Import Tariff and Value Added Tax Exemptions for FIES and Certain Domestic Enterprises Using Imported Equipment in Encouraged Industries; Subsidies for Development of Famous Export Brands and China World Top Brands at Central and Sub-Central Level; Implementing Measures on the Supporting Fund for Foreign Trade & Economic Development of Jiangxi Province; Circular on Issuance of Management Methods for Foreign Trade Development Support Fund; Export Grants Under Regulations for Export Product Research and Development Fund Management; Rebates for Export and Credit Insurance Fee; Income Tax Benefits for FIEs Based on Geographic Location; Two Free, Three Half Tax Exemptions for FIEs; Local Tax Exemptions and Reduction Programs for "Productive" FIEs; Federal Provision of Electricity for LTAR; Grants Under the Science and Technology Program of Jiangsu Province; Federal, Provincial, and Municipal Level Policy Lending to Producers of PC Strand; Income Tax Credits for Purchases of Domestically Produced Equipment by Domestically Owned Firms; and other various grant programs. *Issues and Decision Memorandum for Final Determination*, International Trade Administration, U.S. Department of Commerce, May 14, 2010.

Sales at LTFV

On May 21, 2010, Commerce published in the *Federal Register* its final determination of sales at LTFV with respect to imports from China.[15] Commerce's final dumping margins with respect to imports of PC strand from China are presented in table I-3.

Table I-3
PC strand: Commerce's final weighted-average LTFV margins with respect to imports from China

Exporter	Producer	Weighted-average margin (*percent*)
Wuxi Jinyang Metal Products Co.	Wuxi Jinyang Metal Products Co.	42.97
Xinhua Metal	Xinhua Metal	175.94
Fasten Group Import & Export	Jiangyin Fasten Steel Products Co., Ltd., Jiangyin Walsin Steel Cable Co., Ltd., and Jiangyin Hongyu Metal Products Co., Ltd.	175.94
All others		193.55
Source: 75 FR 28560, May 21, 2010.		

THE SUBJECT MERCHANDISE

Commerce's Scope

Commerce has defined the scope of these investigations as follows:

> For purposes of this investigation, PC strand is steel wire strand, other than of stainless steel, which is suitable for use in, but not limited to, pre-stressed concrete (both pre-tensioned and post-tensioned) applications. The scope of this investigation encompasses all types and diameters of PC strand whether uncoated (uncovered) or coated (covered) by any substance, including but not limited to, grease, plastic sheath, or epoxy. This merchandise includes, but is not limited to, PC strand produced to the American Society for Testing and Materials (ASTM) A–416 specification, or comparable domestic or foreign specifications. PC strand made from galvanized wire is excluded from the scope if the zinc and/or zinc oxide coating meets or exceeds the 0.40 oz./ft.^{2} standard set forth in ASTM–A–475.[16]

[15] *Prestressed Concrete Steel Wire Strand From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 75 FR 28560, May 21, 2010.

[16] *Pre-Stressed Concrete Steel Wire Strand from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 75 FR 28557, May 21, 2010. Although the scope language published in Commerce's final antidumping duty determination is worded differently than the scope language in Commerce's final countervailing duty determination, initiation notice, and the recently completed related five-year sunset reviews on PC strand, the definition is essentially the same. *Prestressed Concrete Steel Wire Strand From the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 75 FR 28560, May 21, 2010.

Tariff Treatment

PC stand is classifiable in the Harmonized Tariff Schedule of the United States ("HTSUS") under subheading 7312.10.30 and reported for statistical purposes under statistical reporting numbers 7312.10.3010 and 7312.10.3012. Table I-4 presents current tariff rates for PC strand.

Table I-4
PC strand: Tariff treatment, 2010

HTSUS provision			Column 1		
			General[1]	Special	Column 2[2]
Heading/ subheading	Stat. suffix	Article description	Rates *(percent ad valorem)*		
7312		Stranded wire, ropes, cables, plaited bands, slings and the like, of iron or steel, not electrically insulated:			
7312.10		Stranded wire, ropes and cables: Stranded wire:			
7312.10.30		Other {than of stainless steel}	Free	([3])	35%
		For prestressing concrete:			
	10	Covered with textile or other nonmetallic material			
	12	Other			

[1] Normal trade relations rate, formerly known as the most-favored-nation duty rate.
[2] Applies to imports from a small number of countries that do not enjoy normal trade relations duty status.
[3] Special rates not applicable when General rate is free.

Source: HTSUS (2010).

THE DOMESTIC LIKE PRODUCT

Description and Applications

PC strand consists of multiple steel wires wound together to produce a strong, flexible product that is used to strengthen concrete structures. PC strand is commonly available in three grades, in covered and uncovered form, and in several nominal diameters. The most common PC strand configuration consists of six wires wound helically around a single wire core.[17] U.S. producers typically manufacture PC strand in nominal diameters ranging from 0.25 to 0.70 inch and in three grade designations (250, 270, and 300) corresponding to the minimum ultimate strength of the product in thousands of pounds per square inch ("psi") based on tensile strength and cross-sectional surface area of the PC strand.[18]

PC strand is used in the construction of prestressed concrete structural components to introduce compression into the concrete.[19] This compression offsets or neutralizes forces within the concrete that occur when it is subjected to loads.[20] Typical applications of prestressed concrete include bridge decks, bridge girders, pilings, precast concrete panels and structural supports, roof trusses, floor supports, and certain concrete foundations.[21] One of the most widespread uses of prestressed concrete, however, is parking garages.[22]

PC strand may be pre-tensioned or post-tensioned.[23] Pre-tensioned PC strand is tensioned (pulled tightly and slightly elongated) using a calibrated tensioning apparatus, and concrete is cured around the PC strand.[24] After the concrete has cured, the tension is released and the tensile force of the strand induces a compressive force in the concrete. Pre-tensioned prestressed concrete depends upon the bond created between the concrete and the PC strand to hold the concrete in compression. Most pre-tensioned concrete elements are prefabricated in a factory and must be transported to the construction site.[25] Pre-tensioned concrete components may be used in balconies, lintels, floor slabs, beams or foundation piles.

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[17] Although the seven-wire PC strand is the most prevalent product in the industry, PC strand may also be produced with as few as three wires. Shemenski, Robert M. et al (eds.), *Ferrous Wire Handbook*, Guilford, CT: The Wire Association, 2008, pp. 922-923. While the majority of PC strand produced is one-half inch, 7-wire, low relaxation strand, according to petitioners, "all types, grade, and diameters of PC strand are produced in the United States." Hearing transcript, p. 11 (Selhorst); Petition, vol. I, p. 9.

[18] For example, grade 270 PC strand has a minimum ultimate strength of 270,000 psi. According to petitioners, one-half inch diameter grade 270 is the predominant size and grade used in the U.S. market. Petition, vol. I, pp. 9 and 14; conference transcript, p. 15 (Selhorst).

[19] Hearing transcript, p. 11 (Selhorst) and p. 58 (Johnson); conference transcript, p. 15 (Selhorst).

[20] Prestressed concrete may also contain reinforcing wire or wire fabric. Lankford, William T. et al (eds.), *The Making, Shaping, and Treating of Steel, 10th Edition*, Pittsburgh, PA: Association of Iron and Steel Engineers, 1984, pp. 1014-1015.

[21] Petition, vol. I, p. 10; hearing transcript, p. 60 (Johnson) and p. 100 (Wagner).

[22] Portland Cement Association Web site, http://www.cement.org/basics/concreteproducts_prestressed.asp, accessed March 26, 2010.

[23] PC strand may be sold to pre- and post-tensioners for the same purpose—to impart compressive forces into concrete so that it can withstand tensile forces without cracking. Hearing transcript, p. 11 (Selhorst) and pp. 58-59 (Johnson); conference transcript, p. 15 (Selhorst).

[24] Hearing transcript, p. 11 (Selhorst) and pp. 58-59 (Johnson); Petition, vol. I, p. 11.

[25] Hearing transcript, p. 11 (Selhorst) and pp. 58-59 (Johnson); conference transcript, p. 73 (Woltz).

For post-tensioned PC strand, there is no bond between the PC strand and the cured concrete. Instead, the PC strand is tensioned using a calibrated tensioning apparatus after the concrete has cured.[26] In post-tensioned prestressed concrete, tension is maintained by installing permanent mechanical anchors that remain in place after the tensioning apparatus is removed. Unlike pre-tensioning, which is largely performed at precast manufacturing facilities, post-tensioning takes place on the job site in cast-in-place applications.[27] The concrete component is cast in a way that allows PC strand to be installed so that it is protected from bonding with the concrete. Post-tensioning gives designers the flexibility to optimize material use by creating thinner concrete components.[28] The predominant end uses of post-tensioned PC strand are in slab-on-grade construction and in buildings for floors with moderate to long spans and moderate floor loads such as in parking garages and residential buildings.[29] Approximately *** percent of U.S. shipments of post-tensioned PC strand in 2008 were used in building construction applications (*** percent) and slab-on-grade (*** percent).[30]

Depending on the application, PC strand will be either uncoated or coated (with plastic or epoxy). For pre-tensioning applications, where the bond between the cured concrete and the PC strand holds the concrete in compression, the PC strand is installed uncoated. In contrast, post-tensioning applications may require uncoated or coated PC strand. Plastic-coated PC strand is lubricated with grease and encased in a plastic tube, whereas epoxy-coated PC strand is coated with epoxy.

There are two methods of post-tensioning PC strand in concrete members: internal and external. For internal post-tensioning applications, the PC strand is either (1) greased and plastic-coated (which keeps the concrete from bonding to the PC strand during the curing process) and concrete is cured around the coated PC strand or (2) plastic or metal ducts are cast into the concrete and uncoated PC strand is passed through each duct. If the duct method is used, after tensioning and anchoring, the ducts containing the PC strand are filled with grout to protect it from corrosion.[31] For external post-tensioning applications, coated PC strand or uncoated, galvanized PC strand may be used to protect against corrosion.[32] Whether it is used uncoated or coated, PC strand of various suppliers is generally interchangeable within each physical size, physical configuration, and grade.

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[26] Hearing transcript, p. 11 (Selhorst) and pp. 58-59 (Johnson); Petition, vol. I, p. 11.

[27] Hearing transcript, p. 58 (Johnson); conference transcript, p. 73 (Woltz).

[28] Portland Cement Association Web site, http://www.cement.org/buildings/post_tensioned_splash.asp, accessed March 26, 2010.

[29] Craig D. Olson and Laura N. Smith, "Building with Concrete: Post-tensioned Concrete for Today's Market," The Seattle Daily Journal of Commerce, May 9, 1997, http://www.djc.com/special/concrete97/10024302.htm, accessed April 6, 2010.

[30] Shares of shipments for Post-Tensioning Institute ("PTI") members only, estimates for non-member shipments are not available. "PTI Tonnage Report: Summary of Post-Tensioning Industry Shipments in North America 1972-2008," 2009, p. 1.

[31] Both the epoxy coated and the plastic coated product provide a corrosion barrier or protection against corrosion. *Prestressed Concrete Steel Wire Strand from Brazil, India, Korea, Mexico, and Thailand, Invs. Nos. 701-TA-432 and 731-TA-1024-1028 (Review) and AA1921-188 (Third Review)*, USITC Publication 4114, November 2009, p. I-26; Petition, vol. I, p. 11.

[32] Galvanized PC strand is rarely used in concrete. Galvanized PC strand is used mostly in perimeter railing such as on garage parking decks, or some other open structure to prevent pedestrians or cars from falling over the side or to prevent cars from damaging parking columns. Galvanized PC strand is used because it is a "very tough product and a very high tensioned product. Both the epoxy coated and the plastic coated product provide a corrosion barrier or protection against corrosion." *Prestressed Concrete Steel Wire Strand from Brazil, India, Korea, Mexico, and Thailand, Invs. Nos. 701-TA-432 and 731-TA-1024-1028 (Review) and AA1921-188 (Third Review)*, USITC Publication 4114, November 2009, p. I-27.

Manufacturing Process

PC strand is produced from hot-rolled, high-carbon steel wire rod[33] through a production process consisting of four distinct steps: drawing, stranding, stabilizing, and packaging. The drawing step begins with cleaning and descaling to remove dirt and mill scale from the hot-rolled, high-carbon steel wire rod before feeding it through the wire drawing dies. Cleaning and descaling can be accomplished chemically, using a strong acid, or mechanically, using abrasive methods.[34] The cleaned and descaled wire rod is then coated with zinc phosphate and pulled through a series of wire drawing dies to reduce its size. Depending on the finished size required, the rod may be drawn through up to nine dies. If indented wire is specified, the wire is indented, using carbide rollers, after the final size reduction.[35]

After drawing, the wire undergoes stranding. During the stranding process, wires are wound into a strand, helically and uniformly, by a stranding machine. The PC strand is then stabilized by removing residual mechanical stresses through thermal and possibly mechanical treatments. The extent of the stress relief determines the type of PC strand. Low-relaxation PC strand is subjected to simultaneous thermal and mechanical treatment after stranding, while "normal"-relaxation PC strand (commonly referred to as stressed-relieved PC strand) requires only thermal treatment.[36] Finally, if coating is required, the PC strand is either lubricated with grease and encased in a plastic tube, or coated with epoxy.[37]

The finished product is wound onto a drum, strapped into place with steel bands, and packaged as a coil. The coil may be covered with a protective material, such as plastic or burlap and is packaged such that the end user can place the coil directly onto a strand dispenser.[38] PC strand ready for shipment is labeled, either by stenciling or tagging.[39]

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[33] The American Society for Testing and Materials ("ASTM") specifies mechanical properties for finished PC strand, but does not specify the chemical composition of the wire used to make PC strand. ASTM Standard A416/A 416M-06, 2006, "Standard Specification for Steel Strand, Uncoated Seven-Wire for Prestressed Concrete," ASTM International, West Conshohocken, PA, 2009, Section 1, vol. 01.04, pp. 246-250; ASTM Standard A421/A 412M-05, 2005, "Standard Specification for Uncoated Stress-Relieved Steel Wire for Prestressed Concrete," West Conshohoken, PA: ASTM, 2009, Section 1, vol. 01.04, pp. 251-254; and ASTM Standard A910/A 910M-05, 2005, "Standard Specification for Uncoated, Weldless, 2- and 3-Wire Steel Strand for Prestressed Concrete," West Conshohoken, PA: ASTM, 2009, Section 1, vol. 01.04, pp. 514-517.

[34] ***.

[35] PC strand made from indented wire may be specified for certain pre-tensioning applications. The indentations in the wire enhance the bond between the cured concrete and the PC strand. Post-tensioning applications do not depend on the strand curing to the concrete but rather the use of anchors to compress the concrete.

[36] Low-relaxation strand is regarded as the standard type of PC strand and stress-relieved strand is not furnished unless specifically requested by a customer. See ASTM Standard A416/A 416M-06, 2006, "Standard Specification for Steel Strand, Uncoated Seven-Wire for Prestressed Concrete," ASTM International, West Conshohocken, PA, 2009, Section 1, vol. 01.04, pp. 246-250; and ASTM Standard A910/A 910M-05, 2005, "Standard Specification for Uncoated, Weldless, 2- and 3-Wire Steel Strand for Prestressed Concrete," West Conshohoken, PA: ASTM, 2009, Section 1, vol. 01.04, pp. 514-517.

[37] PC strand is coated or greased and covered to improve its resistance to corrosion. End users may purchase epoxy-coated PC strand to further enhance the corrosion resistance of the strand in applications where there is an abundance of moisture, such as in bridge and/or in other applications where the strand is exposed to the elements. Staff telephone interview, ***, June 29, 2009.

[38] Petition, vol. I, p. 10.

[39] PC strand packaged as a wrapped coil may be stenciled or have a label affixed. The label may include such information as producer, raw material source, and certifications (Buy America(n) compliant), etc. Petitioners state, however, that once this packaging is removed, PC strand coils manufactured by different producers and in different countries are indistinguishable. Hearing transcript, p. 149 (Luberda, Johnson, and Feitler).

DOMESTIC LIKE PRODUCT ISSUES

No issues with respect to domestic like product and domestic industry have been raised in these investigations concerning PC strand from China. In its determination in the preliminary phase of these investigations, the Commission defined a single domestic like product in a manner that was co-extensive with Commerce's scope of the investigations, as the Commission has done in previous investigations involving PC strand.[40] Petitioners proposed in both the preliminary and final phases of these investigations that the domestic like product and domestic industry should continue to be defined as they were by the Commission in its 2003-04 investigations and 2009 reviews concerning PC strand from Brazil, India, Korea, Mexico, and Thailand: all PC strand co-extensive with Commerce's scope and all U.S. producers of the domestic like product, excluding firms that solely coat PC strand.[41] Petitioners added that "{n}o significant changes have occurred to the production of the product, its nature, or its uses that warrant adoption of a different like product definition here."[42] The respondent that participated in the preliminary phase of these investigations indicated that it was in agreement with the petitioners with regard to the definitions of the domestic like product and domestic industry.[43]

[40] *Prestressed Concrete Steel Wire Strand from China: Investigation Nos. 701-TA-464 and 731-TA-1160 (Preliminary)*, USITC Publication 4086, July 2009, pp. 3-9.

[41] Petitioners' postconference brief, pp. 3-7; petitioners' prehearing brief, pp. 4-9.

[42] Petitioners' prehearing brief, p. 4.

[43] Conference transcript, p. 137 (Levinson). During the preliminary phase, there were two parties to the investigations: (1) American, Insteel, and Sumiden (domestic producers) and (2) Global Steel Sales Corp. (U.S. importer of subject merchandise). However, Global Steel Sales Corp. is not participating in the final phase of these investigations. In a letter dated February 9, 2010, counsel for Global Steel Sales Corp. withdrew the entry of appearance on behalf of his client.

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

U.S. MARKET CHARACTERISTICS

PC strand is used in the construction of prestressed concrete structural members, compressing the members to offset, or neutralize, forces which occur when they are subject to load. Typical applications for prestressed concrete include bridge decks, bridge girders, pilings, precast concrete panels and structural supports, roof trusses, floor supports, and certain concrete foundations.

PC strand is used to prestress concrete either before the concrete is cured (pre-tensioning) or after it is cured (post-tensioning). Most pre-tensioned concrete elements are prefabricated in a factory and must be transported to the construction site. Pre-tensioned components may be used in balconies, lintels, floor slabs, beams, or foundation piles. By contrast, post-tensioning takes place on the job site in cast-in-place applications.[1] The predominant end uses of post-tensioned PC strand are in buildings for floors with moderate-to-long spans and moderate floor loads such as in parking garages and residential buildings, and in slab-on-grade construction.[2]

U.S. shipments of PC strand by U.S. producers and importers for post-tension applications and pre-tension applications are shown in table II-1. During 2007-09, U.S. producers sold PC strand primarily for use in pre-tension applications, while the vast majority of imported Chinese PC strand and PC strand imported from all other countries was sold for post-tension applications. Overall, total U.S. shipments of PC strand for pre-tension applications accounted for an increasing share of the U.S. PC strand market during 2007-09 (figure II-1).

Figure II-1
PC strand: Total U.S. shipments of PC strand, by end use application, 2007-09

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[1] Conference transcript, pp. 15 (Selhorst) and 73 (Woltz).

[2] Craig D. Olson and Laura N. Smith, "Building with Concrete: Post-tensioned Concrete for Today's Market," The Seattle Daily Journal of Commerce, May 9, 1997, http://www.djc.com/special/concrete97/10024302.htm. The Post-Tensioning Institute reported that buildings (*** percent) and slab-on-grade construction (*** percent) accounted for the largest shares of PTI member tonnages to post-tensioners in 2008. Post-Tensioning Institute, *PTI Tonnage Report: Summary of Post-tensioning Industry Shipments in North America (1972-2008),* 2009, p. 1. These numbers indicate of shift in end uses from 2007, when buildings accounted for *** percent and slab-on-grade accounted for *** percent of PTI member tonnages to post-tensioners in 2007. Post-Tensioning Institute, *PTI Tonnage Report: Summary of Post-tensioning Industry Shipments in North America (1972-2007),* 2008, p. 1.

Table II-1
PC strand: U.S. producers' and importers' U.S. shipments, by sources and application, 2007-09

Item	Period		
	2007	2008	2009
Quantity (1,000 pounds)			
Domestic producers' U.S. shipments of PC strand to:			
Pre-tensioned applications	451,955	424,117	340,235
Post-tensioned applications	131,308	99,726	56,263
U.S. importers' U.S. shipments of PC strand from China to:			
Pre-tensioned applications	46,175	37,973	7,247
Post-tensioned applications	288,548	256,753	58,131
U.S. importers' U.S. shipments of PC strand from all other countries to:			
Pre-tensioned applications	5,493	3,804	7,498
Post-tensioned applications	13,359	10,791	28,928
Total U.S. shipments of PC strand:			
Pre-tensioned applications	503,623	465,894	354,980
Post-tensioned applications	433,215	367,270	143,322
Share of quantity (*in percent*)			
Domestic producers' U.S. shipments of PC strand to:			
Pre-tensioned applications	77.5	81.0	85.8
Post-tensioned applications	22.5	19.0	14.2
U.S. importers' U.S. shipments of PC strand from China to:			
Pre-tensioned applications	13.8	12.9	11.1
Post-tensioned applications	86.2	87.1	88.9
U.S. importers' U.S. shipments of PC strand from all other countries to:			
Pre-tensioned applications	29.1	26.1	20.6
Post-tensioned applications	70.9	73.9	79.4
Total U.S. shipments of PC strand:			
Pre-tensioned applications	53.8	55.9	71.2
Post-tensioned applications	46.2	44.1	28.8

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

CHANNELS OF DISTRIBUTION

U.S. producers sold PC strand only to end users (primarily pre-tensioners) during 2007-09. U.S. importers reported that U.S. shipments of imported Chinese PC strand were relatively evenly split between sales to end users and sales to distributors/converters, and were primarily used for post-tension applications. PC strand imported from all other countries was sold primarily to distributors/converters during 2007-09.[3]

SUPPLY AND DEMAND CONSIDERATIONS

Supply

U.S. Supply

Available information indicates that U.S. PC strand producers currently have the ability to respond to changes in demand with relatively large changes in the quantity of shipments of U.S.-produced PC strand to the U.S. market. The main contributing factors to the high degree of supply responsiveness are relatively low industry capacity utilization rates and relatively large inventory levels. However, U.S. producers and purchasers indicated that there have been periods during 2007-09 when U.S. producers have been either unwilling or unable to fully supply U.S. purchasers with PC strand.

Industry capacity

U.S. producers operated at relatively low levels of capacity utilization, particularly by the end of the period. U.S. producers' capacity to produce PC strand increased from 902.8 million pounds in 2007 to 903.8 million pounds in 2008 and 2009. However, U.S. producers' capacity utilization rates fell from 66.7 percent in 2007 to 61.8 percent in 2008, then declined sharply to 43.8 percent in 2009, as U.S. production fell by 29.2 percent in 2009.

Alternative markets

U.S. producers' export shipments accounted for a relatively small share of their total shipments during 2007-09. U.S. producers' export shipments, as a share of total shipments, fluctuated between *** percent and *** percent during 2007-09. Principal U.S. export markets include ***.

Inventory levels

U.S. producers' inventory levels, relative to shipments, increased over the period. The ratio of U.S. producers' inventories to total shipments grew from *** percent in 2007 to *** percent in 2009.

[3] Examination of the companies identified as distributors/convertors indicates a substantial overlap with companies identified as end users by U.S. producers.

Production alternatives

*** reported being able to switch production between PC strand and other products in response to a relative change in the price of PC strand, using the same equipment and labor. ***.

Supply constraints

Two of the five responding U.S. producers reported that there have been instances when they have refused, declined, or been unable to supply PC strand since January 1, 2007. ***.[4]

***.

Several purchasers reported instances when domestic producers either refused to sell them the amount of PC strand they needed, or were unable to fill orders.[5] One purchaser (***) reported that, in 2008, Chinese suppliers were late on deliveries, and that some of these orders were canceled.

Subject Imports from China

Based on available information, Chinese producers have the ability to respond to changes in demand with large changes in the quantity of shipments of PC strand to the U.S. market. The main contributing factors to the high degree of supply responsiveness are Chinese producers' demonstrated ability to add production capacity and the existence of substantial alternate markets. Chinese producers' high rates of capacity utilization during most of the period likely affected their ability to respond to changes in U.S. demand. The most recent data available, however, suggest that Chinese producers, like U.S. producers, experienced lower capacity utilization rates in 2009.

No Chinese producers responded to Commission foreign producers' questionnaires during the final phase of these investigations. The information contained in this section is based on data provided by four Chinese producers of PC strand during the preliminary investigations[6] and information provided by petitioners (see *Part VII* for more information regarding the industry in China).

Industry capacity

According to estimates provided in the questionnaire responses of Chinese PC strand producers received during the preliminary phase of these investigations, total 2008 production of PC strand in China is believed to have been approximately 5.1 billion pounds. Petitioners maintain that there are at least 30 producers of PC strand in China, and provided information in their prehearing brief indicating that total estimated Chinese PC strand capacity based on installed PC strand equipment is roughly 6.6 billion

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[4] As reported in the trade press, Insteel, "faced with a major maintenance outage by one of its rod suppliers last year after having been placed on controlled order entry by other domestic suppliers, looked overseas for relief," although the company reportedly paid "top-of-the-market" prices and saw the wire rod market "collapse" by the time the wire rod arrived. AMM, "Insteel gets caught in import squeeze," January 15, 2009.

[5] *** reported that "{t}wo domestic suppliers refused to sell the amount of strand we needed. As a result, we had to buy less strand from them. Remaining strand we had to buy from foreign suppliers." *** reported that *** declined to fill orders. *** reported that some suppliers were limited by lack of product from certain mills. *** reported that "U.S. manufacturers had issues with rising rod prices, which caused them to look for ways to back out of orders."

[6] Exports of PC strand to the United States by the four responding Chinese producers accounted for 19.1 percent of total U.S. imports of PC strand from China in 2008.

pounds as of March 2010.[7] To compare, aggregate reported capacity for European Union PC strand producers was approximately 2.1 billion pounds in 2007, and available data for Brazil, India, Japan, Korea, Mexico, and Thailand indicate that total 2008/09 capacity to produce PC strand in these six countries combined is estimated at approximately 1.3 billion pounds. Petitioners note that Chinese PC strand capacity of 6.6 billion pounds is 6.7 times larger than the peak apparent U.S. consumption level of 980 million pounds in 2007.[8]

The four responding Chinese producers reported an increase in capacity from 630.2 million pounds in 2006 to 908.3 million pounds in 2008. Reported capacity utilization was close to 100 percent during 2006-08 but was 74.0 percent in January-March 2008 and 84.5 percent in January-March 2009.[9]

Alternative markets

The four responding Chinese firms reported that more than two-thirds of their shipments were to the Chinese home market during 2006-08. Exports to the United States, as a share of total shipments, fell from 17.5 percent in 2006 to 8.6 percent in 2008, and accounted for only 0.9 percent of all shipments in January-March 2009. These firms reported exporting to a large number of other markets; such exports, as a share of total shipments, grew from 10.3 percent in 2006 to 23.4 percent in 2008. PC strand produced in China is currently subject to antidumping duties in the European Union, effective May 5, 2009 (see *Part VII* for more information regarding antidumping investigations in third-country markets).

Inventory levels

Inventories of PC strand in China reported by the four responding Chinese firms ranged from 3.6 to 6.8 percent of total shipments during 2006 to 2008, and reached 8.0 percent by March 2009. U.S. importers' end-of-period inventories of Chinese PC strand increased from 31.7 million pounds (equivalent to 9.4 percent of U.S. shipments of imports) in December 2007 to 51.5 million pounds (equivalent to 17.3 percent of U.S. shipments of imports) in 2008, but fell sharply to 15.0 million pounds (equivalent to 22.8 percent of U.S. shipments of imports) by December 2009.

Production alternatives

*** of the responding Chinese firms reported production of other products in addition to PC strand on the same equipment and machinery used in the production of PC strand in China.

Nonsubject Imports

There are at least 22 producers of PC strand in the countries that comprise the European Union. Overall European Union production was reported to be 2.1 billion pounds in 2007, and these facilities reportedly operated at 79 percent capacity utilization. In addition, the available data for Brazil, India, Japan, Korea, Mexico, and Thailand indicate that PC strand capacity and production in each of these countries is substantially smaller than that of China. Total 2008/09 capacity to produce PC strand by 23

[7] Petitioners' prehearing brief, p. 69 and exhibit 11.

[8] Petitioners' prehearing brief, p. 71.

[9] Rob Hendricks of Global Steel Sales Corp. acknowledged that "{t}he Chinese have all the capacity they need to supply all the strand that this market could possibly buy. That's a true statement. So do the Europeans. The Europeans are working at less than 50 percent. The whole world is in an economic crisis. Nobody is running their facilities anywhere near capacity." Conference transcript, p. 120 (Hendricks).

producers in these six countries combined is estimated at approximately 1.3 billion pounds (see *Part VII* for more information regarding the industry in nonsubject countries).

U.S. Demand

Based on available information, the overall demand for PC strand is likely to change moderately in response to changes in price. The relatively large cost share that PC strand accounts for in its end-use products, particularly in post-tensioned applications such as slabs-on-grade, suggests a higher demand elasticity.[10] However, the somewhat limited number of substitute products reduces the elasticity of demand for PC strand.

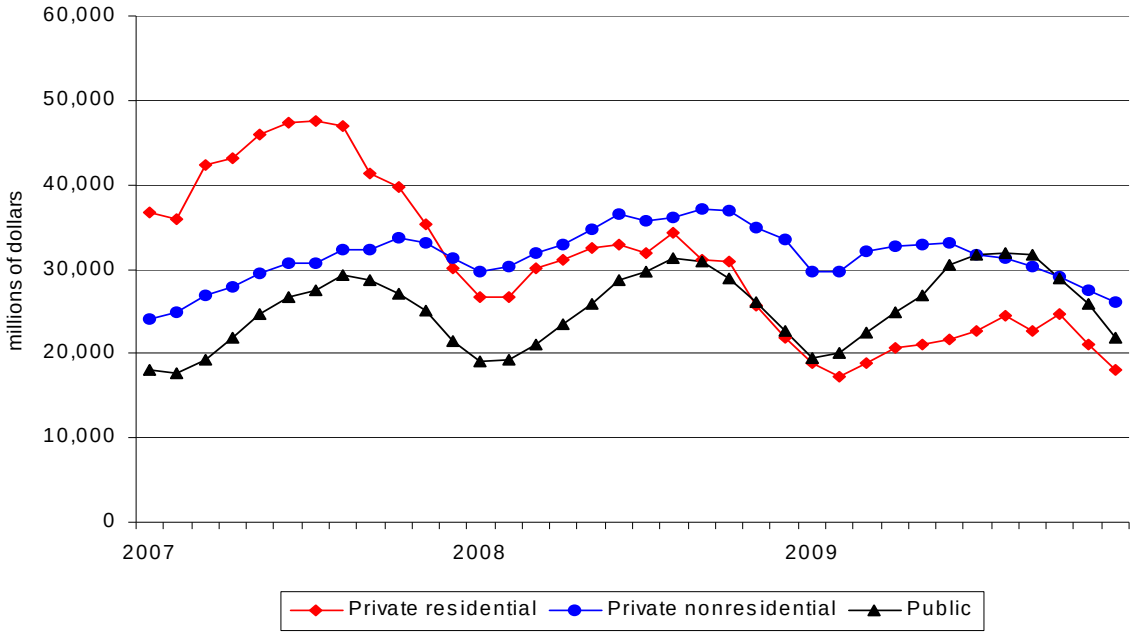
Demand Characteristics

PC strand is used in the construction of prestressed concrete structural members. Prestressed concrete members are used in the construction of buildings, bridges, parking decks and garages, highways, and slabs for residences. Therefore, demand for PC strand is derived from the demand for construction, particularly infrastructure projects, commercial and institutional construction, large housing projects, and single-family housing. Monthly values of public, private nonresidential, and private residential construction are shown in figure II-2. Cyclical monthly values of private residential construction trended downward sharply, from a peak of $47.7 billion in July 2007 to a low of $17.3 billion in February 2009. Monthly values for private nonresidential construction trended upward through 2007 and into mid-2008, but began trending downward over the second half of 2008 and continued downward through 2009. Cyclical trends for public construction were relatively stable during 2007-09.[11] Private residential construction reportedly uses more slabs-on-grade, a post-tensioned application, than public construction and private nonresidential construction. This suggests that the demand for post-tensioning applications has decreased at a greater rate than demand for pre-tensioning applications since 2007.

[10] Tim Johnson of Suncoast Post-tensioners, reported that "I'm losing, on a single family house where we are delivering a cable package, I'm losing business for $6 on a house. A house that you would buy for $200,000, I'm losing business for $6 on that cable package that's less than a half a cent a foot." Conference transcript, p. 79 (Johnson).

[11] In addition, the Architecture Billings Index ("ABI"), a leading indicator of U.S. construction activity, was 48.4 in April, up from 46.1 in March. Although this score still indicates a decline in demand for design services (any score below 50 indicates a decrease in billings), it is the highest score since January 2008 when revenue at architecture firms headed into recession. "It appears that the design and construction industry may be nearing an actual recovery phase," said American Institute of Architects' Chief Economist Kermit Baker. "The economic landscape is improving, although not across the board, but doing so at a gradual pace. It is quite possible that we will finally see positive business conditions in the foreseeable future." Regional ABI averages were: Northeast (51.0), Midwest (49.2), South (46.5), and West (44.7). ABI sector index breakdowns were: commercial/industrial (48.5), mixed practice (48.4), institutional (46.8), and multi-family residential (45.8). "ABI News and Graphs," *Architect Magazine*, May 19, 2010. http://www.architectmagazine.com/economic-conditions/abi-report.aspx

Figure II-2
Construction: Monthly values of construction put in place, by type, January 2007-December 2009



Source: U.S. Census Bureau, http://www.census.gov/const/www/totpage.html.

Business Cycles

Demand for PC strand is cyclical because it is a construction material, and demand for residential and non-residential construction is cyclical. Demand for PC strand is also seasonal because construction sites are more active during warmer weather months than during winter months, as can be seen in figure II-2. Therefore, U.S. demand for PC strand is generally higher during April-September than during October-March.[12]

Ten of 20 responding purchasers reported that the PC strand market is subject to business cycles or conditions of competition that are distinctive to PC strand. In general, these purchasers noted that demand for PC strand depends on demand for construction, which tends to follow general economic trends. Only 3 of 18 responding purchasers reported that the emergence of new markets for PC strand since 2003 affected PC strand business cycles. One purchaser, ***, maintained that world demand for materials increased through 2008, and that materials markets are more global now than they were in the past.

[12] Conference transcript, p. 74 (Johnson and Woltz).

Regional Demand for Post-Tensioned PC Strand

Data compiled by PTI indicate that U.S. shipments of PC strand for post-tensioning uses were ***.[13] Post-tensioning shipments of PC strand to ***. Post-tensioning shipments to ***.[14]

Consumption

Available data indicate that apparent U.S. consumption of PC strand fell sharply over the period, particularly in 2009. Apparent U.S. consumption of PC strand fell by 3.9 percent from 981 million pounds in 2007 to 943 million pounds in 2008, then fell sharply by 46.0 percent to 509 million pounds in 2009. Overall, apparent U.S. consumption of PC strand was 48.1 percent lower in 2009 than it was in 2007.

Demand Trends

When asked how the U.S. demand for PC strand had changed since January 1, 2007, four U.S. producers reported that U.S. demand had decreased and one reported that U.S. demand had fluctuated. Among the 19 responding importers, 9 reported that U.S. demand had fluctuated, 8 reported that U.S. demand had decreased, 1 reported that U.S. demand had increased, and 1 reported no change in demand. Firms that reported fluctuating U.S. demand for PC strand often cited increasing U.S. demand for commercial and residential construction during the first half of 2008, then sharply declining demand for commercial and residential construction since then due to the economic conditions in the United States.

Most (12) responding purchasers reported that U.S. demand for PC strand had decreased since January 2007, although four reported that U.S. demand had increased, two reported no change in demand, and one reported that U.S. demand had fluctuated. In general, purchasers reported that U.S. demand for PC strand was influenced by changes in the overall condition of the U.S. economy and by U.S. construction activity in particular.

Nine of twenty responding purchasers reported that their purchasing patterns for PC strand from domestic, subject, and nonsubject sources had changed since 2007. In general, responding purchasers cited declines in PC strand purchase volumes due to declines in the U.S. residential and commercial construction markets.

In general, responding purchasers reported that, since 2007, their purchases of imported Chinese PC strand either declined or fluctuated relative to their purchases of PC strand from other sources. One purchaser, ***, reported that its relative purchases of imported Chinese PC strand declined because more projects were requiring U.S.-made PC strand. In contrast, four of seven responding purchasers reported that their purchases of PC strand imported from nonsubject countries increased relative to their PC strand purchases from other sources since 2007. Purchasers that reported increased relative purchases of nonsubject-country PC strand cited the competitive prices of the nonsubject-country PC strand, the lack of availability of imported Chinese PC strand, and the void in the U.S. market caused by a lack of U.S. supply.

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[13] The PTI-defined regions differ from the regions used in USITC questionnaires. The PTI Rocky Mountain states and Southwest zone includes CO, KS, MT, ND, NE, NM, OK, SD, TX, and WY. The PTI West Coast zone includes AK, AZ, CA, HI, ID, NV, OR, UT, and WA. The PTI Southeast zone includes AL, AR, FL, GA, LA, MS, NC, SC, TN. The PTI Midwest zone includes IL, IN, IA, KY, MI, MN, MO, OH, and WI. The PTI Northeast zone includes CT, DE, MA, ME, MD, NH, NJ, NY, PA, RI, VT, VA, and WV. Post-Tensioning Institute, *PTI Tonnage Report: Summary of Post-tensioning Industry Shipments in North America (1972-2008)*, 2009, pp. 1 and 5.

[14] Ibid., p. 6.

Anticipated Demand

Federal spending on infrastructure is a factor that impacts U.S. demand for PC strand. On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009 (ARRA). ARRA is estimated by the Congressional Budget office to cost $787 billion over the 2009-2019 period.[15] For fiscal year 2009, ARRA provided $17.4 billion worth of federal funds to the U.S. Department of Transportation (DOT) through grants and cooperative agreements.[16] [17]

However, at the Commission hearing, domestic interested parties maintained that the U.S. PC strand industry is not currently benefitting from the stimulus package (ARRA). Domestic interested parties reported that a disproportionate share of the stimulus funding is going to "shovel ready" projects such as resurfacing and re-paving highways, which do not use PC strand. As a result, domestic interested parties contended that the stimulus funding was unlikely to have any effect on the U.S. PC strand industry in 2009, and only minimal effect in 2010.[18] [19]

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[15] OpenCongress Web site. http://www.opencongress.org/bill/111-h1/show (Accessed October 7, 2009).

[16] USAspending Web site. http://www.usaspending.gov/index.php (Accessed October 7, 2009).

[17] The top five DOT programs receiving ARRA funding in fiscal 2009 were the Highway Planning and Construction program ($12.6 billion), Federal Transit Formula Grants ($3.1 billion), the Airport Improvement program ($763 million), Federal Transit Capital Investment Grants ($656 million), and Formula Grants for Other Than Urbanized Areas ($313 million). The top five DOT recipients of ARRA funding in fiscal 2009 were the California Department of Transportation ($1.6 billion), the Florida Department of Transportation ($1.1 billion), the Texas State Department of Highways ($726 million), the New York State Department of Transportation ($650 million), and the Pennsylvania Department of Transportation ($604 million). USAspending Web site. http://www.usaspending.gov/index.php (Accessed October 7, 2009).

[18] Hearing transcript, p. 14 (Selhorst) and pp. 63-64 and 119-120 (Woltz). Other U.S. steel firms agreed with domestic interested parties' assessment. Patrick Mcfadden of Nucor stated "we don't think that steel is going to be seriously affected by the ARRA until the latter half of 2010 at the earliest." Robert Risser of the Concrete Reinforcing Steel Institute dubbed ARRA "the Asphalt Resurfacing Recovery Act." Stan Hasselbusch of L.B. Foster estimated that only $16 billion of the $270 billion in infrastructure spending will be spent on steel. AMM, "Steel is not Feeling One Bit Stimulated by Government: Experts, Execs," October 7, 2009. At the AMM State of Steel conference, Mario Longhi, president and CEO of Gerdau Ameristeel said "the federal stimulus package has been disappointing at best," citing a recent study that shows the only area where job growth occurred was in the government sector. Mr. Longhi maintained that only 7 percent of projects funded by the stimulus package are complete, and four of five projects are less than 50 percent complete or have not been started. All Business, "AMM State of Steel Conference: Steel Industry at Critical Inflection Point," January 27, 2010. http://www.allbusiness.com/economy-economic-indicators/economic-conditions-growth/13821072-1.html (Accessed April 16, 2010). See also petitioners' posthearing brief, exhibit 1, pp. 29-30.

[19] Insteel reported in its 10-Q for the period ending January 2, 2010, that "Our visibility for business conditions through the remainder of 2010 is clouded by the continued uncertainty regarding future global economic conditions and the impact of the measures that have been undertaken by the federal government to ease the tightening in the credit markets and stimulate the economy. We expect the ongoing weakness in nonresidential construction, our primary demand driver, to continue, particularly for commercial projects which have been the most severely impacted by the economic downturn. There continues to be uncertainty regarding the resolution of a new multi-year federal highway funding authorization. Although the additional infrastructure-related funding provided for under the American Recovery and Reinvestment Act is expected to increase during 2010, any favorable impact is likely to be mitigated by continued deterioration in the fiscal positions of state and local governments. We anticipate that residential construction will remain weak, which would continue to adversely affect shipments to customers that have greater exposure to the housing sector."

Substitute Products

No U.S. producers and only 3 of 19 responding importers reported substitutes for PC strand. The importers that reported substitute products cited rebar, concrete indented wire, steel fiber, and shredded steel as a possible substitute. All three importers that named rebar as a possible substitute also reported that changes in rebar prices did not affect prices for PC strand.[20]

Only 3 of 15 responding purchasers reported substitutes for PC strand, with all three citing rebar as a possible substitute product. Two purchasers that named rebar as a possible substitute reported that changes in rebar prices did not affect prices for PC strand, whereas one purchaser reported that increases in rebar prices have enabled PC strand producers to increase PC strand prices.

Cost Share

U.S. producers reported that the cost of PC strand accounts for 60-85 percent of the cost of end use applications such as post-tensioned slabs, elevated slabs, and bridge cables, compared to 10-20 percent for prestressed concrete bridge members and 12-25 percent for hollow core planks, piling girders, and double tees. U.S. importers of Chinese PC strand reported that PC strand accounts for 65-100 percent of the cost of end-use products for post-tensioning applications such as residential slabs, versus 25 percent for prestressed applications.

Purchasers reported a wide range of PC strand end-use products, including piling, post-tensioning cables, prestressed concrete beams, wall panels, double tees, bridge girders, precast planks, barrier cables, and residential and commercial concrete reinforcing. Cost share estimates varied widely, from 3-4 percent for prestressed concrete products such as wall panels to 70-100 percent for end-use products such as bridge girders and beams, barrier cable systems, and roof bolts.

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported PC strand depends upon such factors as quality (e.g., meeting or exceeding ASTM specifications, defect rates, etc.), and conditions of sale (e.g., "Buy America(n)" provisions, lead times between order and delivery dates, reliability of supply, availability, payment terms, product services, etc.). Based on available information, staff believes that, for PC strand made to the same ASTM specifications, there is a high degree of substitution between domestic PC strand and subject imports sold for end uses not subject to "Buy America(n)" provisions. However, the existence of substantial end-use markets subject to "Buy America(n)" provisions reduces the overall substitutability of PC strand in the U.S. market.[21]

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[20] Rebar is used to impart support, whereas PC strand imparts strength. In some cases, rebar and PC strand are used in conjunction in the production of construction members. Since rebar and PC strand typically are used for different purposes, they may not be direct substitutes.

[21] "Buy America" requirements apply to iron and steel products and their coatings that are purchased for the Federal-aid highway construction program (highways, bridges, transit systems, and terminals). Under "Buy America," Federal-aid funds may not be obligated for a project unless iron and steel products used in such projects are manufactured in the United States (with limited exceptions based on the product cost or its share of the original contract value). In addition, under an alternate-bid procedure, foreign-source materials may be used if the total project bid using foreign-source materials is 25 percent less than the lowest total bid using domestic materials. "Buy American" is a separate and distinct program from "Buy America," and has completely different rules. The Buy American Act, which covers specified products, requires the Federal Government to purchase domestic goods and services unless the head of the agency involved in the procurement has determined that the prices of the domestic suppliers are "unreasonable" or that their purchase would be "inconsistent with the public interest." U.S.

(continued...)

Factors Affecting Purchasing Decisions

Table II-2 summarizes the purchasers' responses concerning the top three factors they consider in their purchasing decisions. As indicated in the table, price was cited most frequently as the primary factor in buying decisions, followed by quality. Quality was the most frequently cited second factor and availability was the most frequently cited third factor.

Table II-2
PC strand: Ranking factors used in purchasing decisions by U.S. purchasers

Factor	Number of firms reporting		
	Number one factor	Number two factor	Number three factor
Price	10	5	5
Quality	7	8	2
Availability	1	4	7
Service	1	0	0
D0T approved	1	0	0
Credit/terms	0	1	1
Delivery	0	2	3
Traditional supplier	0	0	2

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

Purchasers were asked to rate the importance of 15 factors in their purchasing decision (table II-3). Seventeen purchasers rated "quality meets industry standards" and product consistency very important; 16 firms rated price very important; 15 firms rated availability and reliability of supply very important; 13 rated delivery time very important; and 11 rated delivery terms very important. In contrast, seven firms reported that minimum quantity requirements and product range were not important factors.

Purchasers were asked for a country-by-country comparison on the same 15 factors (table II-4). A majority of purchasers reported that U.S. PC strand was comparable to imported Chinese PC strand for all but 3 factors. Most purchasers reported that the U.S. delivery times were superior and half of the responding purchasers reported that U.S. product technical support was superior. Alternatively, most purchasers reported that Chinese prices were superior (lower). Most purchasers reported U.S. and nonsubject PC strand were comparable for 10 factors, although for availability, delivery terms, delivery time, and technical support most purchasers reported U.S. product was superior, while most purchasers reported that U.S. PC strand was inferior in terms of price (i.e., higher-priced). No purchasers compared Chinese PC strand with PC strand from nonsubject countries.

[21] (...continued)
Department of Transportation, Federal Highway Administration Web site, "Construction Program Guide: Buy America," http://www.fhwa.dot.gov/construction/cqit/buyam.cfm (accessed July 6, 2009) and U.S. Department of Transportation, Federal Highway Administration Memorandum, "Buy America Requirements (HHO-32)," dated, July 6, 1989, last modified July 27, 2007, http://www.fhwa.dot.gov/programadmin/contracts/070689.cfm (accessed July 6, 2009).

Table II-3
PC strand: Importance of purchase factors, as reported by U.S. purchasers

Factor	Very important	Somewhat important	Not important
	Number of firms responding		
Availability	15	3	0
Delivery terms	11	7	0
Delivery time	13	5	0
Discounts offered	7	10	1
Extension of credit	5	10	3
Minimum qty requirements	4	7	7
Packaging	8	9	1
Price	16	2	0
Product consistency	17	1	0
Product range	2	9	7
Quality meets industry standards	17	1	0
Quality exceeds industry standards	6	11	1
Reliability of supply	15	3	0
Technical support/service	7	11	0
U.S. transportation costs	8	9	1

Note.--Not all purchasers responded for each factor.

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

Table II-4
PC strand: Comparisons between U.S.-produced and subject and nonsubject countries as reported by U.S. purchasers

Factor	U.S. vs. China			U.S. vs. Nonsubject		
	S	C	I	S	C	I
Availability	3	7	0	5	4	0
Delivery terms	4	6	0	5	4	0
Delivery time	6	4	0	9	0	0
Discounts offered	1	7	2	2	7	0
Extension of credit	0	10	0	1	5	2
Minimum qty requirements	1	9	0	2	5	2
Packaging	1	9	0	3	5	1
Price	1	3	6	0	2	7
Product consistency	0	10	0	0	9	0
Product range	2	7	0	4	5	0
Quality meets industry standards	0	10	0	0	9	0
Quality exceeds industry standards	0	8	0	0	9	0
Reliability of supply	2	8	0	3	6	0
Technical support/service	5	4	1	7	2	0
U.S. transportation costs	3	5	0	2	5	2

Note.--S=first listed country's product is superior; C=both countries' products are comparable; I=first listed country's product is inferior. Data shown only for comparisons made by at least 3 purchasers. A rating of superior means that price/U.S. transportation cost is generally lower. For example, if a firm reported "U.S. superior," it meant that the price of U.S. product was generally lower than the price of the imported product.

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

When asked if certain grades/types/sizes of PC strand were available from only a single source, 16 of 20 responding purchasers answered "No." Purchasers were also asked if they or their customers ever specifically requested PC strand from one country over other possible sources. Ten of 19 responding purchasers reported that they sometimes specifically order U.S. PC strand, citing factors such as "Buy America(n)" provisions, preference for the quality and consistency of U.S. PC strand, the time required to develop additional sources, and a desire to support the domestic industry.

Twelve purchasers reported purchasing U.S. PC strand although comparable PC strand was available from another source at a lower price. Reasons cited include: "Buy America(n)" requirements; supplier diversification; desire to support the domestic industry; and U.S. quality, delivery, reliability, and qualification time. One purchaser (***) reported that there were times when it purchased imported Chinese PC strand at a higher price, because domestic suppliers were unwilling to fill its orders in 2008.

Asked whether or not they required their suppliers to become certified or qualified with respect to the quality, chemistry, strength, or other performance characteristics of the PC strand they purchase, 16 of 21 responding purchasers reported that they required certification/qualification for all of their PC strand purchases, and one purchaser required qualification/certification for 95 percent of its PC strand purchases. Cited qualification requirements include meeting ASTM, PTI, or Texas State standards. Other qualification factors cited by purchasers include PC strand meeting minimum quality standards,

availability, reliability, and price. Reported qualification times ranged from one day to one year, with seven of the nine responding purchasers reporting times ranging from one week to 3 months.

Characteristics purchasers consider when determining the quality of PC strand include meeting ASTM A416, state DOT, or project standards; packaging (e.g., weather protection and ease of access to material); quality consistency factors such as consistent elasticity, consistent cross sectional area, and absence of breaks, welds, splices, and rust; bond strength; modulus; and performance in the past or mill reputation.

Purchasers were asked if buying PC strand that is produced in the United States is an important factor in their firm's purchases of PC strand. Fourteen of 20 responding purchasers reported that buying U.S. product is an important factor. A majority of these purchasers (12) reported that they were required by law or regulation to purchase domestic product in certain instances (e.g., government purchases under "Buy America(n)" provisions). Purchasers reported share of their firm's PC strand purchases subject to "Buy America(n)" requirements varied widely (from 3 to 100 percent), with five purchasers reporting that at least 85 percent of their purchases were subject to "Buy America(n)" restrictions.

A substantial share of the U.S. PC strand market is subject to "Buy America(n)" restrictions. As a share of total apparent U.S. consumption, total U.S. shipments of PC strand (quantity basis) subject to "Buy America(n)" restrictions increased from 28.6 percent in 2007 to 33.9 percent in 2008, then increased sharply to 49.5 percent in 2009, as sales of PC strand for post-tension applications fell to a greater extent than sales of PC strand for pre-tension applications.[22] [23]

Comparison of Domestic Products, Chinese, and Nonsubject Imports

All 5 responding U.S. producers, 12 of 18 responding importers, and 8 of 10 responding purchasers indicated that U.S. and imported Chinese PC strand were "always" used interchangeably. All four responding U.S. producers, most importers, and most purchasers reported that U.S., imported Chinese, and nonsubject country PC strand were always interchangeable (table II-5). All five responding U.S. producers reported that non-price differences between U.S. and Chinese PC strand were never significant, and all four responding U.S. producers reported that non-price differences between U.S. and nonsubject country PC strand and between Chinese and nonsubject country PC strand were never significant. Alternatively, 5 of 17 responding importers reported that non-price differences between U.S. and imported Chinese PC strand were either "always" or "frequently" significant, and half of the responding importers reported that non-price differences between U.S. and nonsubject country PC strand and between imported Chinese and nonsubject country product were either "always" or "frequently" significant (table II-6).

[22] During 2007-09, more than *** of U.S. producers' total U.S. shipments of PC strand (quantity basis) were for pre-tensioned applications, almost *** percent of which were subject to "Buy America(n)" restrictions. Of the less than *** percent of U.S. producers' total shipments that were destined for post-tensioned applications during 2007-09, *** were subject to "Buy America(n) restrictions.

[23] For a more detailed discussion of U.S. producers' U.S. shipments see *Part III: Condition of the U.S. Industry.*

Table II-5
PC strand: Perceived interchangeability of products produced in the United States, in China, and in nonsubject countries, by country pairs[1]

Country pair	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. China	5	0	0	0	12	5	1	0	8	1	1	0
U.S. vs. nonsubject	4	0	0	0	8	2	2	0	8	0	2	0
China vs. nonsubject	4	0	0	0	9	0	0	0	6	0	2	0

[1] Producers and importers were asked if PC strand produced in the United States and in other countries are used interchangeably.

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

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

Table II-6
PC strand: Perceived significance of differences other than price between products produced in the United States, in China, and in nonsubject countries, by country pairs[1]

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. China	0	0	0	5	3	2	5	7
U.S. vs. nonsubject	0	0	0	4	2	4	1	5
China vs. nonsubject	0	0	0	4	2	2	0	4

[1] Producers and importers were asked if differences other than price between PC strand produced in the United States and in other countries were a significant factor in their sales of the products.

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

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

ELASTICITY ESTIMATES

U.S. Supply Elasticity

The domestic supply elasticity for PC strand measures the sensitivity of the quantity supplied by the U.S. producers to changes in the U.S. market price for PC strand. The elasticity of domestic supply depends on several factors, including the level of excess capacity, the existence of inventories, the availability of alternate markets for U.S.-produced PC strand, and the ability of U.S. producers to switch between production of PC strand and other products. Previous analysis of these factors indicates that the U.S. industry has the ability to substantially increase or decrease shipments to the U.S. market based on available excess capacity and inventory levels. An estimate in the range of 3 to 5 is suggested.

Petitioners did not comment on staff's U.S. supply elasticity estimate range.

U.S. Demand Elasticity

The U.S. demand elasticity for PC strand measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of PC strand. 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 PC strand in the final cost of end-products in which it is used. The lack of available substitute products suggests an inelastic demand. However, the relatively large component share of PC strand in the final cost of its end products indicates a more elastic demand. On balance, it is likely that the aggregate demand for PC strand is moderately inelastic, with values ranging from -0.5 to -1.0.

Petitioners did not comment on staff's U.S. demand elasticity estimate range.

Substitution Elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported PC strand. Product differentiation, in turn, depends upon such factors as quality and condition of sale (availability, delivery terms and time, product range, technical support/service, etc.). Based on available information indicating that price was the primary factor in purchasers' buying decision, and that the domestic and imported products can frequently be used interchangeably and were comparable with respect to most purchasing decision factors, staff believes that, for PC strand made to the same ASTM specifications, there is a high degree of substitution between domestic PC strand and subject imports sold for end uses not subject to "Buy America(n)" provisions. However, the substantial share of the U.S. PC strand market subject to "Buy America(n)" restrictions moderates the overall substitutability of domestic and imported PC strand in the U.S. market. On balance, it is likely that domestic and imported PC strand are moderately substitutable, with elasticity of substitution values ranging from 2 to 4.

Petitioners did not comment on staff's substitution elasticity estimate range. However, petitioners maintain that the "Buy America(n)" analysis should be focused on the share of the total U.S. PC strand market subject to "Buy America(n)" restrictions; characterize the declining percentages of U.S. shipments to non-"Buy America(n)" accounts as opposed to "Buy America(n)" accounts as an indication of injury caused by imports; and stress the existence of a spillover effect of prices of imports sold to non-"Buy America(n)" accounts on "Buy America(n)" account prices.[24]

Staff agrees with petitioners that the "Buy America(n)" analysis should be focused on the share of the total U.S. PC strand market subject to "Buy America(n)" restrictions, as opposed to the share of U.S. producers' U.S. shipments subject to "Buy America(n)" restrictions, and accordingly continues to base its analysis of "Buy America(n)" restrictions on the share of the total U.S. PC strand market subject to "Buy America(n)" restrictions.[25] While "Buy America(n) restrictions do not apply to the majority of the U.S. PC strand market, staff believes that the share of the market affected by these restrictions can be fairly and accurately characterized as "substantial."[26] While petitioners testified at the conference and the hearing concerning the spillover effect of non-"Buy America(n)" pricing,[27] Commission price data indicate that prices for PC strand sold for pre-tension applications (greater share subject to "Buy

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[24] Petitioners' prehearing brief, p. 23.

[25] "However, the substantial share of the U.S. PC strand market subject to "Buy America(n)" restrictions moderates the overall substitutability of domestic and imported PC strand in the U.S. market." *Prestressed Concrete Steel Wire Strand from China, Inv. Nos. 701-TA-464 and 731-TA-1160 (Final),* prehearing report, p. II-24.

[26] During 2007-09, the share of total apparent U.S. consumption of PC strand accounted for by U.S. shipments subject to "Buy America(n)" restrictions ranged from 28.6 percent to 49.5 percent. See also *Prestressed Concrete Steel Wire Strand from Brazil, India, Korea, Mexico, and Thailand, Inv. Nos. 701-TA-432 and 731-TA-1024-1028 (Final),* USITC Pub. 3663, January 2004, p. 14.

[27] Conference transcript, pp. 66-68 (Woltz, Johnson, and Selhorst). Hearing transcript, p. 66. (Woltz).

America(n)" restrictions) were consistently higher than prices for PC strand sold for post-tension applications (lesser share subject to "Buy America(n)" restrictions). At the hearing, petitioners acknowledged that one of the reasons for this price difference was that a higher percentage of PC strand sold for pre-tension applications was subject to "Buy America(n)" restrictions.[28] The enduring price differences between pre-tension and post-tension prices suggest that the spillover effect identified by the petitioners is moderate.

Based on the preceding considerations, staff believes that the prehearing report analysis of the impact of "Buy America(n)" on the elasticity of substitution is correct and does not need to be amended. For these reasons, staff believes that an elasticity of substitution estimate range of 2 to 4 is appropriate.

[28] Hearing transcript, p. 93 (Selhorst).

PART III: U.S. PRODUCERS' PRODUCTION, SHIPMENTS, AND EMPLOYMENT

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the nature of the subsidies and the margins of dumping was presented earlier in this report and information on the volume and pricing of imports of the subject merchandise is presented in *Part IV* and *Part V*. Information on the other factors specified is presented in this section and/or *Part VI* and (except as noted) is based on the questionnaire responses of domestic producers that accounted for all U.S. production of PC strand during 2009.

U.S. PRODUCERS

The Commission sent producer questionnaires to the petitioners (American, Insteel, and Sumiden) and to three additional firms (MMI, RettCo,[1] and Strand-Tech). Completed questionnaire responses were received from all domestic firms currently in operation. One domestic firm – PCS (Rosenberg, TX) – produced PC strand in the United States prior to the period for which information was collected in the final phase of these investigations and another domestic firm – EMC (Phoenix, AZ) – produced PC strand in the United States during ***. Although producer questionnaire responses were not completed by these two firms, certain information was provided to the Commission by related PC strand producers in Mexico.

PCS, formerly owned by *** and related to Mexican PC strand producer Camesa, began production of PC strand at the Rosenberg, TX, site in ***. Production and shipments at that facility ceased by ***. In 2007, the PC strand production equipment from the PCS Texas site was shipped to the related PC strand producer in Mexico (Camesa).[2] In testimony presented at the hearing for the recently completed five-year reviews concerning PC strand from Brazil, India, Japan, Korea, Mexico, and Thailand, Camesa explained that it shut down its Texas PC strand facility and shipped its PC strand lines to Mexico because it was faced with "growing capacity on the U.S. manufacturer side" and "the presence of China" in the United States.[3] Camesa, owned by WireCo World Group, currently operates a wire rope production facility at that former Rosenberg PC strand site.[4] Production and shipments in 2006 were estimated for PCS by Camesa as totalling *** pounds. There were no reported production and shipments of PC strand by PCS subsequent to 2006.[5]

EMC's Arizona facility, formerly owned by Mexican PC strand producer Cablesa,[6] began production of PC strand in ***. Production and shipments in 2006 were estimated for EMC by Deacero as ranging from approximately *** pounds. Production and shipments for 2007 were estimated as ranging from *** pounds. Production at that facility ceased early in 2007 when Cablesa's U.S. subsidiary defaulted on rent payments and the landlord seized the production equipment and premises. In

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[1] As indicated earlier in *Part I*, toll producer RettCo produces PC strand under a toll agreement with tollee MMI, whereas MMI furnishes RettCo with the raw material, pays RettCo a conversion fee for producing finished PC strand, and sells the finished PC strand.

[2] *Emails* from *** to Mary Messer, June 26, 2009 and June 30, 2009.

[3] *Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, Thailand, Investigation Nos. 701-TA-432 and 731-TA-1024-1028 (Review) and AA1921-188 (Third Review)*, hearing transcript, pp. 196-197 (Gomez).

[4] Camesa Web site, http://www.camesa.com.mx/indexi.htm, accessed June 30, 2009; and WireCo World Group Web site, http://www.wirecoworldgroup.com/Company/History-of-Growth, accessed June 30, 2009.

[5] *Emails* from *** to Mary Messer, June 26, 2009 and June 30, 2009.

[6] Cablesa has since been acquired by Deacero. Petition, exh. INJURY-4.

compliance with a judgment granted to the landlord, the production equipment at the Arizona facility was auctioned by the landlord in October 2007.[7]

Presented in table III-1 is a list of current domestic producers of PC strand and each company's position on the petition, production location(s), related and/or affiliated firm(s), and share of 2009 PC strand production. As indicated in table III-1, the current U.S. producers are not related to any foreign producers or U.S. importers of PC strand from China. However, two U.S. producers are related to foreign producers in nonsubject countries: ***. In addition, as discussed in greater detail below, one U.S. producer (Insteel) directly imported the subject merchandise from China during ***, but has not imported the subject merchandise since that time.[8] None of the domestic producers reported having produced PC strand in a foreign trade zone.

Table III-1
PC strand: U.S. producers, positions on the petition, U.S. production locations, related and/or affiliated firms, and shares of 2009 U.S. production

Firm	Position on petition	U.S. production location(s)	Related and/or affiliated firms	Share of 2009 production (*percent*)
American	Petitioner	Bedford Heights, OH Houston, TX	***	***
Insteel	Petitioner	Gallatin, TN Sanderson, FL	Wholly owned by Insteel Industries, Inc. (US)	***
MMI[1]	Support	Houston, TX	***	([2])
RettCo[1]	Support	Newnan, GA	***	***
Strand-Tech	Support	Summerville, SC	***	***
Sumiden	Petitioner	Dickson, TN Stockton, CA	***	***

[1] Tollee MMI has a contractual agreement with toll producer RettCo in which MMI supplies the raw materials, the conversion fee, and the sales force and RettCo converts the raw material to finished PC strand. *** of RettCo's production of PC strand is produced for MMI under this tolling arrangement.
[2] Not applicable.

Source: Compiled from data submitted in response to Commission questionnaires; petition, p. 4; conference transcript, pp. 14 (Selhorst) and 25 (Cornelius).

[7] Petition, exh. INJURY-4; conference transcript, p. 90 (Woltz, Johnson); *emails* from *** to Mary Messer, June 26, 2009 and June 30, 2009; and *Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand, Investigation Nos. 701-TA-432 and 731-TA-1024-1028 (Review) and AA1921-188 (Third Review)*, USITC Publication 4114, November 2009, p. III-2.

[8] Conference transcript, pp. 79-80 (Woltz); and AMM, "Insteel nixes pilot program to import wire products from China," October 22, 2007.

U.S. CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

U.S. producers' capacity, production, and capacity utilization data for PC strand are presented in table III-2.[9] These data show a 0.1-percent increase in capacity from 2007 to 2008 and no change in capacity thereafter. U.S. producers reported a 34.2-percent decline in production during 2007-09, as their capacity utilization fell by 22.9 percentage points over this period. The petitioners argued that by 2009, when the domestic producers' aggregate capacity utilization fell to 43.8 percent, there was enough domestic PC strand capacity to supply nearly twice the entire level of domestic demand for PC strand.[10]

Table III-2
PC strand: U.S. capacity, production, and capacity utilization, 2007-09[1]

Item	Calendar year		
	2007	2008	2009
Capacity (*1,000 pounds*)	902,782	903,795	903,795
Production (*1,000 pounds*)	601,717	558,885	395,658
Capacity utilization (*percent*)	66.7	61.8	43.8

[1] Capacity (production capability) data is based on operating 168 hours per week and 48.6 to 52 weeks per year.

Note.--The aggregate data presented in the table are for toll producer RettCo and producers American, Insteel, Strand-Tech, and Sumiden. The data presented do not include the following estimated data for EMC, the domestic PC strand facility that was shuttered during early 2007: *** pounds of capacity and *** pounds of production in 2007.

Source: Compiled from data submitted in response to Commission questionnaires; petition, pp. 3-4 and exh. INJURY-4; *emails* from *** to Mary Messer, June 26, 2009, and June 30, 2009.

As previously noted, there was an overall annual decline in PC strand production from 2007 to 2009; however, the domestic PC strand industry experienced an increase in PC strand production in the last six months of 2009 as compared with the first six months of that year. During the first half of 2009, the domestic industry produced 172.4 million pounds of PC strand. During the last half of 2009, aggregate U.S. production of PC strand was calculated to be 223.3 million pounds, up by 29.5 percent over the first half of the year.[11]

Although two domestic producers (*** and ***) reported capacity increases in the year prior to the period for which data were collected in the final phase of these investigations,[12] only one domestic PC strand producer (***) reported an increase in its capacity to produce since 2007. ***.

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[9] The aggregate data presented for capacity, production, and capacity utilization are for toll producer RettCo and producers American, Insteel, Strand-Tech, and Sumiden.

[10] Petitioners' prehearing brief, p. 16.

[11] Calculated from table III-2 and questionnaire responses provided by domestic producers in the recently completed five-year review concerning PC strand from Brazil, India, Japan, Korea, Mexico, and Thailand. *Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand: Investigation Nos. 701-TA-432 and 731-TA-1024-1028 (Review) and AA1921-188 (Third Review),* USITC Publication 4114, November 2009, table III-3.

[12] ***. Insteel's capacity increase of 70 million pounds from 2006 to 2007 was explained by the company's expansion of its Tennessee PC strand facility. The company indicated that at that time it added a production line and it incorporated new technology into its production process. Conference transcript, pp. 84-85 (Woltz).

The 2007 capacity and production data presented in table III-2, however, do not include the data of EMC, the domestic PC strand facility in Arizona that was closed in early 2007. Estimated capacity and production of PC strand at this firm for 2007 was approximately *** pounds and *** pounds, respectively.[13] If these estimates are included in the aggregate data, the annual capacity data would show an overall ***-percent decrease in capacity during 2007-09, a ***-percent decline in production, and a *** percentage point decline in capacity utilization.

The domestic PC strand producers were asked in Commission questionnaires to describe the constraints that set the limit on their production capacity for PC strand. Four of the five producers indicated that the stranding operations machinery was the production constraint at their facilities. One producer indicated that it was specifically the cleaning/pickling operation that was the production constraint for its production facility. None of the U.S. producers of PC strand reported the production of other products on the same equipment and machinery and using the same production and related workers employed in the production of PC strand. Likewise, no U.S. producer reported the ability to switch production between PC strand and other products in response to a relative change in the price of PC strand vis-a-vis the price of other products, using the same equipment and labor.

In the Commission's questionnaire, U.S. producers were asked if they had experienced any plant openings, relocations, expansions, acquisitions, consolidations, closures, or prolonged shutdowns because of strikes or equipment failure; curtailment of production because of shortages of materials; or any other change in the character of their operations or organization relating to the production of PC strand since January 1, 2007. *** reported such changes; their responses to this inquiry are presented in table III-3.

Table III-3
PC strand: U.S. producers' comments concerning changes in the character of operations

* * * * * * *

Two domestic producers, Insteel and Sumiden, reported that they epoxy-coat bare PC strand at their U.S. PC strand facilities. These two U.S. producers are the only domestic firms that manufacture the epoxy-coated PC strand, using an epoxy-coating process technology for which Insteel holds the patent. The epoxy-coating line uses a proprietary technology that is technically sophisticated. These firms indicated that bare PC strand accounts for approximately *** percent of the total value of this highly specialized epoxy-coated strand product. Insteel and Sumiden indicated that the epoxy-coated strand accounts for a very small share of the companies' overall sales.[14]

Insteel also reported that it periodically will *** cover bare PC strand with grease and plastic for unbonded post-tensioned applications but that this strand product accounts for a very small share of the company's overall sales.[15] Otherwise, none of the domestic PC strand producers grease and cover bare PC strand in-house and none perform post-tensioning services. In fact, conference testimony given during the preliminary phase of these investigations revealed that these services are largely performed by domestic purchasers of bare strand.[16] Insteel indicated in its questionnaire response in the final phase of these investigations that bare PC strand accounts for approximately *** percent of the total value of the polyethylene-covered strand product. Suncoast, a domestic purchaser of PC strand that greases and covers bare PC strand with plastic, indicated that the incremental cost of the greased and plastic-covered

[13] Petition, pp. 3-4 and exh. INJURY-4 and *emails* from *** to Mary Messer, June 26, 2009, and June 30, 2009.

[14] Conference transcript, pp. 54-55 (Woltz and Cornelius).

[15] Conference transcript, p. 54 (Woltz).

[16] Conference transcript, p. 91 (Selhorst).

strand is approximately 4 to 4.5 cents per foot, which based on the price of bare PC strand at that time, amounted to about 20 percent of the total cost to produce the covered strand.[17]

Insteel was the only domestic PC strand producer that reported the production of indented PC strand.[18] The company indicated that it produces the indented PC strand by mechanically deforming the wire during the cold drawing process prior to stranding. Following the production of the indented wire, it is stranded, stabilized, and packaged using the same processes and equipment that are used to produce smooth PC strand. Insteel indicated that since the indented strand is not produced from "unprocessed" PC strand, the percentage of value represented by unprocessed PC strand is not relevant.

U.S. PRODUCERS' RAW MATERIAL SUPPLY

High-carbon wire rod is the primary raw material input into the production of PC strand. U.S. shipments of wire rod (by volume) peaked in July 2008, but had decreased by 74 percent by December 2008. While shipments have increased nearly 102 percent since December 2008, March 2010 shipments remained nearly 40 percent below 2008 levels.[19] Moreover, citing worsening demand in the first quarter of 2009, U.S. wire rod producers reportedly cut production capacity and shuttered production facilities.[20] PC strand producers reported that while during 2008 there were some wire rod supply constraints the wire rod supply has since been readily available.[21]

Downstream producers of other wire rod products, however, claim that the decline in wire rod production is limiting the availability of high-carbon wire rod and that some wire rod producers have put their customers on allocation or controlled order entry.[22] Controlled order entry of PC strand producers

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[17] Conference transcript, pp. 61 and 92 (Johnson).

[18] PC strand made from indented wire may be specified for certain pre-tensioning applications. The indentations in the wire enhance the bond between the cured concrete and the PC strand.

[19] American Iron and Steel Institute, "Shipments of Steel Mill Products, Carbon (AIS-10C)," Monthly report, January 2007-September 2007; American Iron and Steel Institute, "Net Shipments of Steel Mill Products, All Grades Including Carbon, Alloy, and Stainless (AIS-10)," Monthly report, October 2007-March 2010.

[20] AMM, "ArcelorMittal halting S.C. rod mill, buyers warn of shortage," May 13, 2009; AMM, "Output cuts widen as mills react to slowdown," October 3, 2008; AMM, "Raw material costs, tight supply driving long products market," April 28, 2008; AMM, "Sivaco slates $150/ton hike, complains of allocations," April 15, 2008; and AMM, "Wire rod tightness hints at mart 'allocation' shift," January 31, 2008.

[21] Timothy Selhorst, President, American Spring Wire Corporation, reported that the supply of high-carbon wire rod during 2008 and 2009 has been "plentiful." Howard Woltz, President, Insteel Wire Products Co., reported, however, that "there certainly was a period of time in Insteel's experience where wire rod was tight for a few months. We did see sharply escalating prices in scrap that flowed through to rod. We were on allocation from our suppliers for a period of time. That situation resolved itself relatively quickly...The condition today is obvious ample internal capacity and ample raw material supply." Conference transcript, pp. 80-81 (Woltz and Selhorst). As reported in the trade press, Insteel, "faced with a major maintenance outage by one of its rod suppliers last year after having been placed on controlled order entry by other domestic suppliers, looked overseas for relief," although the company reportedly paid "top-of-the-market" prices and saw the wire rod market "collapse" by the time the wire rod arrived. AMM, "Insteel gets caught in import squeeze," January 15, 2009.

[22] AMM, "ArcelorMittal halting S.C. rod mill, buyers warn of shortage," May 13, 2009; AMM, "Output cuts widen as mills react to slowdown," October 3, 2008; AMM, "Raw material costs, tight supply driving long products market," April 28, 2008; AMM, "Sivaco slates $150/ton hike, complains of allocations," April 15, 2008; AMM, "Wire rod tightness hints at mart 'allocation' shift," January 31, 2008; AMM, "Wire rode prices on dual track in March," March 8, 2008; "Nucor, Keystone set to hike wire rod products in April," March 9, 2010; AMM, "Evraz boosting wire rod prices Feb 1," January 12, 2010; AMM, "Wire rod tags pegged to increase in January," December 3, 2009.

was last reported in 2008.[23] Downstream products producers further claim that an extended shutdown, limiting the supply of this important raw material, may cause greater strain in an industry that consumes wire rod faster than it is produced.[24]

U.S. PRODUCERS' SHIPMENTS

Data on U.S. producers' shipments of PC strand are presented in table III-4.[25] The domestic commercial market accounted for all of the U.S. producers' U.S. shipments of PC strand and for more than 95 percent of the U.S. producers' total shipments of PC strand throughout 2007-09. Export shipments, which accounted for less than 5 percent of the U.S. producers' total shipments of PC strand throughout the entire period, were made by ***. The U.S. producers' export markets during 2007-09 included ***. Domestic producers' U.S. shipments and export shipments of PC strand fell, in terms of quantity, in each year from 2007 to 2009.

As is similar to the trend in the domestic industry's production data, the aggregate domestic PC strand industry experienced an increase in U.S. shipments of PC strand in the last six months of 2009 as compared with the first six months of 2009. During the first half of 2009, the domestic industry shipped 183.0 million pounds ($97.9 million) of PC strand to the U.S. market. During the last half of 2009, the domestic industry's U.S. shipments of PC strand were calculated to be 213.5 million pounds ($101.6 million), up by 16.6 percent (in terms of quantity) over the first half of the year.[26] The unit value of U.S. producers' U.S. shipments increased from $460 per 1,000 pounds in 2007 to $630 per 1,000 pounds in 2008, but fell to $503 per 1,000 pounds in 2009.[27] The unit value of exports exhibited a similar annual trend during 2007-09.

Presented in table III-5 are data provided by domestic PC strand producers on their U.S. shipments, by type of application (i.e., bare/coated and pre-tensioned/post-tensioned) and restriction (i.e., "Buy America(n)"). These data reveal that, during 2007-09, more than *** percent of U.S. producers' total U.S. shipments of PC strand were for pre-tensioned applications on the basis of quantity, the majority of which were subject to "Buy America(n)" restrictions. Of the less than *** percent of U.S. producers' total U.S. shipments that were destined for post-tensioned applications during 2007-09, less than *** were subject to "Buy America(n)" restrictions during 2007 and slightly more than *** were subject to "Buy America(n)" restrictions during 2008-09. In the aggregate, slightly less than one-half of the quantity of U.S. producers' total U.S. shipments were subject to "Buy America(n)" restrictions during 2007. The aggregate share of U.S. producers' total U.S. shipments subject to "Buy America(n)" restrictions rose to almost two-thirds by 2009.

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[23] Conference transcript, p. 81 (Woltz).

[24] AMM, "ArcelorMittal halting S.C. rod mill, buyers warn of shortage," May 13, 2009; AMM, "Output cuts widen as mills react to slowdown," October 3, 2008.

[25] The aggregate data presented for U.S. producers' shipments are for tollee MMI and producers American, Insteel, Strand-Tech, and Sumiden.

[26] Calculated from table III-4 and questionnaire responses provided by domestic producers in the recently completed five-year review concerning PC strand from Brazil, India, Japan, Korea, Mexico, and Thailand. *Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand: Investigation Nos. 701-TA-432 and 731-TA-1024-1028 (Review) and AA1921-188 (Third Review),* USITC Publication 4114, November 2009, table III-4.

[27] The calculated unit value of U.S. producers' U.S. shipments was $550 per 1,000 pounds during the first half of 2008, $756 per 1,000 pounds in the second half of 2008, $535 per 1,000 pounds during the first half of 2009, and $476 per 1,000 pounds in the second half of 2009. Ibid.

Table III-4
PC strand: U.S. producers' shipments, by types, 2007-09[1]

Item	Calendar year		
	2007	2008	2009
	Quantity (*1,000 pounds*)		
U.S. commercial shipments	582,800	529,973	396,498
Export shipments[2]	***	***	***
Total shipments	***	***	***
	Value (*1,000 dollars*)		
U.S. commercial shipments	268,344	333,721	199,547
Export shipments[2]	***	***	***
Total shipments	***	***	***
	Unit value (*per 1,000 pounds*)		
U.S. commercial shipments	$460	$630	$503
Export shipments[2]	***	***	***
Total shipments	***	***	***
	Share of quantity (*percent*)		
U.S. commercial shipments	***	***	***
Export shipments[2]	***	***	***
Total shipments	100.0	100.0	100.0

[1] U.S. producers reported no transfers to related firms and no internal consumption of the PC strand they produced.
[2] Principal export markets include ***.

Note.--The aggregate data presented are for tollee MMI and producers American, Insteel, Strand-Tech, and Sumiden.

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

Table III-5
PC strand: U.S. producers' U.S. shipments, by type of application and restriction, 2007-09

* * * * * * *

The petitioners argued that the increase in "Buy America(n)" shipments as a share of the U.S. market in 2009 was an "aberration" and that such shipments are not expanding. They explained that the U.S. market for PC strand fell substantially in 2009 and that, although "Buy America(n)" sales also fell, such sales accounted for a bigger share of the market.[28] They also argued that federal spending on infrastructure through the American Recovery and Reinvestment Act ("ARRA") has not benefitted the PC strand industry and "very little benefit for the PC strand industry is expected from such programs in 2010."[29] They claimed that the largest decline in U.S. producers's shipments occurred in sales to non-Buy America(n) post-tensioning customers "where subject imports are most heavily concentrated."[30]

The U.S. producers' data provided also show a shift away from serving customers using the PC strand in post-tensioned applications in favor of pre-tensioning customers. In 2007, *** percent of the domestic producers' U.S. shipments were for pre-tensioned applications. By 2009, this share increased to *** percent of total U.S. shipments by domestic producers. This shift is highlighted by the corporate decision in the third quarter of 2007 by Insteel, ***, to "minimize {its} participation in slab-on-grade post-tension market due to pricing deterioration resulting from low-priced Chinese import competition and ongoing weakness in housing-related demand."[31] Insteel explained that, in the past, its post-tensioner customers had traditionally been some of the company's largest customers but that it had "lost a tremendous amount of business with post-tensioners over the last three years, virtually all of it to Chinese strand."[32] Domestic producer American also indicated that it has had difficulty making sales of PC strand to the large post-tensioned customers because of stiff price competition with the Chinese product.[33] Regardless, Insteel noted that it continues to monitor the environment for post-tensioned applications and wants to "do business with Suncoast and with the other customers in the post-tensioned business from which we had been forced out."[34]

U.S. PRODUCERS' INVENTORIES

Due to the seasonality of PC strand sales in the U.S. market, a substantial portion of domestic PC strand is manufactured by U.S. producers to particular specifications for stocking in inventory during the winter months when demand is lower in order to support anticipated sales in excess of capacity during the summer months. Often, however, domestic PC strand producers manufacture PC strand in response to a particular customer's order during the summer months when demand for the product is higher. The petitioners indicated that their PC strand inventory does not distinguish between product destined for post-tensioned or pre-tensioned applications.[35]

The petitioners reported that, during the period examined in the final phase of these investigations, they "were forced to inventory an increasing percentage of their product" and that these "{i}ncreasing inventories reflect an inability to sell product into the market."[36] Data collected in these

[28] Hearing transcript, p. 14 (Selhorst).

[29] Petitioners' prehearing brief, p. 15.

[30] Ibid., p. 45.

[31] Insteel Industries Inc., "Investor Presentation," June 2009, p. 8.

[32] Conference transcript, pp. 23 and 76-77 (Woltz).

[33] Conference transcript, p. 79 (Napoli).

[34] Conference transcript, p. 78 (Wagner).

[35] Conference transcript, p. 56 (Selhorst).

[36] Petitioners' prehearing brief, p. 46.

investigations on domestic producers' end-of-period inventories of PC strand are presented in table III-6.[37]

Table III-6
PC strand: U.S. producers' end-of-period inventories, 2007-09

Item	Calendar year		
	2007	2008	2009
Inventories (*1,000 pounds*)	61,262	67,081	57,644
Ratio to production (*percent*)	10.2	12.0	14.6
Ratio to U.S. shipments (*percent*)	10.5	12.7	14.5
Ratio to total shipments (*percent*)	***	***	***

Note.--The aggregate inventory data and aggregate shipment data used in the calculations of ratios to U.S. and total shipments are for tollee MMI and producers American, Insteel, Strand-Tech, and Sumiden. The aggregate production data used in the calculations of ratios to production are for toller RettCo and producers American, Insteel, Strand-Tech, and Sumiden.

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

As shown in table III-6, U.S. producers' inventories increased (in terms of quantity) by 9.5 percent from 61.3 million pounds at year-end 2007 to 67.1 million pounds at year-end 2008, but fell by 14.1 percent to 57.6 million pounds in 2009. However, U.S. producers' inventories as a ratio to production and U.S. shipments increased throughout the period examined in the final phase of these investigations. As a ratio to U.S. production and shipments, U.S. producers' inventories increased from 10.2 percent and 10.5 percent in 2007 to 14.6 percent and 14.5 percent in 2009, respectively. Typical of the seasonality of PC strand sales and U.S. producers' inventory stocks,[38] aggregate inventories held by U.S. producers on June 30, 2008 (47.7 million pounds) and June 30, 2009 (51.3 million pounds) were lower than reported year-end inventories.[39] *** alone accounted for *** of the inventories held at the end of calendar year 2009 and *** together accounted for *** percent of the inventories held at that time.

U.S. PRODUCERS' IMPORTS AND PURCHASES

U.S. producers' imports and purchases of PC strand are presented in table III-7. As shown, one U.S. producer (Insteel) directly imported the subject merchandise from China during 2007. Domestic producer *** directly imported and domestically purchased PC strand produced in ***.

[37] The aggregate data presented for U.S. producers' inventories are for tollee MMI and producers American, Insteel, Strand-Tech, and Sumiden.

[38] Conference transcript, p. 56 (Selhorst).

[39] Calculated from table III-6 and questionnaire responses provided by domestic producers in the recently completed five-year review concerning PC strand from Brazil, India, Japan, Korea, Mexico, and Thailand. *Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand: Investigation Nos. 701-TA-432 and 731-TA-1024-1028 (Review) and AA1921-188 (Third Review),* USITC Publication 4114, November 2009, table III-6.

Table III-7
PC strand: U.S. producers' imports and purchases, 2007-09

* * * * * * *

Insteel's direct imports of PC strand from China during 2007 accounted for *** percent of the firm's U.S. production of PC strand during that year. Insteel indicated that it made the decision to import PC strand from China beginning in 2006 when it found that it could not compete with the low-priced Chinese imports. The company developed a pilot program to determine whether it could import PC strand from China and profitably distribute the product to its longstanding customer base. However, Insteel indicated that the pilot program was abandoned after only a couple of import deliveries because Chinese PC strand prices continued to fall and the imported material in transit was worth less when it arrived in the United States than it was when it was initially purchased.[40] In direct conference testimony, Insteel explained that

> in fact the pilot program wound up being about half the size that we originally envisioned it just due to the mess that was in the market and our quick realization that we couldn't add value and we couldn't reduce prices fast enough to keep up with what was happening from the real Chinese importers.[41]
>
> ***.

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

The U.S. producers' aggregate employment data for PC strand are presented in table III-8.[42] Each domestic PC strand producer reported an overall decline in the number of production and related workers during the period examined in the final phase of these investigations. In the aggregate, U.S. PC strand producers reported a decline of 27.7 percent in the number of production and related workers employed in the manufacture of PC strand during 2007-09. Likewise, the number of hours worked by these employees, as well as the total wages paid and productivity, fell overall during the same time period. In contrast, hourly wages and unit labor costs increased overall during 2007-09.

The domestic producers testified that the decline in their sales and shipments and the resulting reductions in production led to the permanent layoff of many U.S. workers manufacturing PC strand. The petitioners further argued that these declines in sales and shipments were due to "imports from China that consistently undercut our prices."[43] In addition, press reports indicate and preliminary phase conference testimony confirms that certain job losses in the PC strand industry were explained by investments in technology improvements by the domestic producers and the general downturn in the economy. In particular, 15 jobs were eliminated at Insteel's PC strand operations in Sanderson, FL, in November 2008, as that facility underwent a substantial investment program to upgrade its 1970s production technology.

[40] Conference transcript, pp. 77-80 (Woltz).

[41] Conference transcript, p. 80 (Woltz).

[42] The aggregate data presented for U.S. producers' employment-related indicators are for toller RettCo and producers American, Insteel, Strand-Tech, and Sumiden.

[43] Conference transcript, pp. 26, 31 (Cornelius), and 40 (Beck); petitioners' prehearing brief, p. 46.

Table III-8
PC strand: U.S. producers' employment-related data, 2007-09

Item	Calendar year		
	2007	2008	2009
Production and related workers (PRWs)	357	331	258
Hours worked by PRWs (*1,000 hours*)	771	715	555
Hours worked per PRW	2,161	2,160	2,152
Wages paid to PRWs (*1,000 dollars*)	14,145	13,264	10,907
Hourly wages	$18.34	$18.56	$19.64
Productivity (*pounds produced per hour*)	780.1	781.9	712.5
Unit labor costs (*per 1,000 pounds*)	$23.51	$23.73	$27.57

Note.--The aggregate data presented are for toller RettCo and producers American, Insteel, Strand-Tech, and Sumiden.

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

Such improvements in the process technology led to a less labor-intensive manufacturing process. Insteel reported that those jobs were originally scheduled for elimination in 2009 but the layoffs were accelerated because of the immediate downturn in the market conditions. Insteel also carried out the expansion and the total upgrade of its facility in Gallatin, TN, with internally developed proprietary technology. Insteel reported that capital investment projects at both facilities resulted in significant gains in productivity and labor utilization. The company further indicated that it expected the increase in the number of jobs at its Tennessee facility to offset the job losses at its Florida facility; however, the company explained that by the time the new investments were operational, the company was forced to cut back on production and employment at both facilities because of the "injury suffered as a result of competition from low-priced imports from China as well as declining demand."[44] Insteel added that the two capital investment projects at its Florida and Tennessee facilities represented approximately $20 million and increased its PC strand capacity by approximately 35,000 tons per year.[45] Petitioners emphasized that the loss of jobs at other domestic production facilities were not associated with investment upgrades but were a direct result of declining sales and profits caused by unfair import competition in an already weak market.[46] In fact, domestic producers American and Sumiden reported capital investments for equipment upgrades but neither firm reported significant changes in their work force as a result of any of the capital improvements.[47]

[44] AMM, "Insteel laying off 15 at PC strand plant," November 13, 2008; conference transcript, pp. 84-85 (Woltz); and petitioners' prehearing brief, p. 47.

[45] AMM, "Insteel laying off 15 at PC strand plant," November 13, 2008; and conference transcript, pp. 84-85 (Woltz).

[46] Petitioners' prehearing brief, p. 47.

[47] Conference transcript, p. 85 (Selhorst and Cornelius).

PART IV: U.S. IMPORTS, APPARENT CONSUMPTION, AND MARKET SHARES

U.S. IMPORTERS

Importer questionnaires were sent to 58 firms believed to be importers of subject PC strand, as well as to all U.S. producers of PC strand.[1] Usable questionnaire responses were received from 23 companies, representing 83.4 percent of total imports from China and at least 64.7 percent of total imports from all other countries combined during 2009 under HTS statistical reporting numbers 7312.10.3010 and 7312.10.3012.[2] Table IV-1 lists all responding U.S. importers of PC strand from China and other sources, their locations, and their shares of U.S. imports in 2009.[3] As the table illustrates, ***, the four largest importers providing responses to the Commission's questionnaire in these investigations, accounted for *** percent of total subject U.S. imports from China in 2009 and *** percent of total U.S. imports from all countries as measured by official Commerce import statistics.

U.S. IMPORTS

During 2001, there were no reported U.S. imports of PC strand from China. By 2003 (i.e., the year before antidumping and countervailing duty orders concerning PC strand from Brazil, India, Korea, Mexico, and Thailand entered into effect), U.S. imports of PC strand from China amounted to 38.5 million pounds and accounted for 15.9 percent of total U.S. PC strand imports on the basis of quantity. In the following year, when imports from Brazil, India, Korea, Mexico, and Thailand declined by almost 100 million pounds in the aggregate, U.S. imports from China increased further by more than 100 million pounds. By that time, China accounted for almost one-half of the total quantity of U.S. imports of PC strand. The second largest supplier of PC strand to the U.S. market during 2004 was Taiwan, representing 8.4 percent of total U.S. imports in that year. PC strand imports from China continued to increase in terms of quantity from 2004 levels to a historical high of 391.4 million pounds in 2006. China accounted for 80.7 percent of total U.S. imports during 2006.

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[1] The Commission sent questionnaires to those firms identified in the petition, along with U.S. firms that, based on a review of data provided by U.S. Customs and Border Protection ("Customs"), may have imported at least 50 metric tons under HTS statistical reporting numbers 7312.10.3010 and 7312.10.3012 in any one year since 2007.

[2] The questionnaire coverage for U.S. imports from nonsubject countries is likely to be somewhat higher because official imports statistics are believed to include merchandise that does not meet the definition of PC strand, especially for product originating in Mexico. *Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand: Investigation Nos. 701-TA-432 and 731-TA-1024-1028 (Review) and AA1921-188 (Third Review)*, USITC Publication 4114, November 2009, p. IV-1, fn. 2. The questionnaire coverage for U.S. imports from nonsubject countries is calculated to be 70.2 percent of the total imports from all nonsubject countries (other than Mexico) during 2009.

[3] Global Steel Sales, a U.S. importer of the subject merchandise and a party that actively participated in these investigations during the preliminary phase by responding to the Commission's questionnaire, filing a brief, and presenting conference testimony, refused to complete and return the Commission's questionnaire during the final phase of these investigations. Mr. Rob Hendricks at Global Steel Sales indicated "***." Email to Mary Messer from Rob Hendricks, President, Global Steel Sales, March 24, 2010.

Table IV-1
PC strand: U.S. importers, U.S. locations, major source(s) of imports, and shares of official imports in 2009

Firm	Location(s)	Major source(s) of imports	Share of 2009 official import statistics *(percent)*		
			China	Other	Total
A.G. Royce Metal Marketing (dba Concrete Reinforcing Products)[1]	Sunrise, FL	***	***	***	***
ArcelorMittal International LLC	Chicago, IL	***	***[2]	***	***[2]
Bekaert Canada	Surrey, BC, Canada	***	***	***	***
BlueLinx Corp.	Atlanta, GA	***	***	***	([3])
Cementhai SCTUSA, Inc.	Torrance, CA	***	***[2]	***	***[2]
Corus America, Inc.	Schaumberg, IL	***	***	***	***
Crispin Co. (The)	Houston, TX	***	***	***	***
Davis Wire Corp.	Irwindale, CA Kent, WA	***	***[2]	***	***[2]
Dywidag Systems International	Bolingbrook, IL	***	***	***	***
Freyssinet, Inc.	Aurora, IL Norcross, GA Sterling, VA	***	***	***[2]	***[2]
Insteel Wire Products Co.	Mount Airy, NC	***	***[2]	***	***[2]
Nedri Spanstaal	Venlo, Netherlands	***	***	***	***
Nucor Steel Birmingham, Inc.	Birmingham, AL	***	***	***	***
OM Industrial Products Corp.	Houston, TX	***	***	***	***
Pacific Coast Steel	San Diego, CA	***	***[2]	***	***[2]
Precision Sure-Lock	Dallas, TX	***	***	***[2]	***[2]
SLM USA LLC	Summerville, SC	***	***	***[2]	***
Stemcor USA, Inc.	New York, NY	***	***[2]	***	***
Strand-Tech Martin, Inc.	Summerville, SC	***	***[2]	***[2]	***[2]
Tata, Inc.	New York, NY	***	***[2]	***	***[2]
Tree Island Wire (USA)	Walnut, CA	***	***	***	***
Westco Systems Inc.	San Francisco, CA	***	***	***	***
Wireco WorldGroup	Kansas City, MO	***	***[2]	***	***[2]
Total, all companies			***	***	***

[1] ***.
[2] ***.
[3] ***.

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

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce import statistics.

Table IV-2 presents data for U.S. imports of PC strand from China, primary nonsubject sources, and all other sources combined for 2007 to 2009. Because Commission questionnaire import data coverage from subject and nonsubject sources was less than complete, the import data presented in this report are based on official import statistics of Commerce.

U.S. imports from China accounted for a relatively large and increasing share of the total quantity of U.S. imports of PC strand from 2007 to 2008. By 2008, China accounted for more than 90 percent of total U.S. PC strand imports; however, in 2009, China accounted for less than one-third of total U.S. imports. The quantity of U.S. imports from China increased by 7.8 percent from 353.9 million pounds in 2007 to 381.7 million pounds in 2008, but fell by 90.4 percent to 36.6 million pounds in 2009. The unit values of PC strand imports from China, which increased from $327 per 1,000 pounds in 2007 to $509 per 1,000 pounds in 2008, fell to $378 per 1,000 pounds in 2009.

The petitioners argued that the decline in U.S. imports of PC strand in 2009 occurred primarily for the following reasons: "(1) a huge inventory overhang of Chinese PC strand built in 2008 that lasted well into 2009 and continued to take domestic sales; (2) a significant decline in demand from late 2008 through early 2009 that occurred as a result of the general economic collapse; and (3) the filing of the trade cases, which led to the reduction in imports of Chinese PC strand in the second half of 2009 as companies sought to avoid duty liability for demonstrated unfair trading practices."[4] The petitioners described the build up of inventories of the Chinese product by purchasers in the United States in late 2008 and early 2009 as "massive" and asserted that U.S. purchasers simply stopped purchasing all PC strand, regardless of the origin, to consume their existing inventories.[5] They also indicated that "a huge portion" of the PC strand being consumed by purchasers in the United States during 2009 was Chinese PC strand that had been built up in inventories by purchasers in 2008.[6]

By contrast, U.S. imports from nonsubject sources accounted for a relatively small and declining share of the total quantity of U.S. imports of PC strand from 2007 to 2008. By 2008, nonsubject sources accounted for only 7.5 percent of total U.S. PC strand imports. However, by 2009, nonsubject sources accounted for more than two-thirds of the total quantity. Canada, Portugal, and Italy were the largest nonsubject sources of U.S. imports of PC strand during 2009, accounting for almost one-third of the total quantity of U.S. PC strand imports in that year. The quantity of U.S. imports from countries other than China fell from 2007 to 2008, but increased in 2009 to a level that was 72.5 percent higher than the level for 2007. The unit values of PC strand imports from nonsubject sources increased from 2007 to 2008 but fell in 2009 to a level that was below that reported in 2007. With the exception of imports from South Africa during 2008 and 2009, the unit values of PC strand imports from major nonsubject sources were consistently higher than the unit values of PC strand imported from China. The unit values of nonsubject imports from major sources ranged from $486 to $1,002 per 1,000 pounds in 2008 and from $349 to $648 per 1,000 pounds in 2009.

U.S. importers provided data concerning their U.S. shipments of PC strand by type of application (i.e., bare/coated and pre-tensioned/post-tensioned). These data, presented in tables IV-3 (China) and IV-4 (nonsubject countries), reveal that, during 2007-09, more than 85 percent of the quantity of subject importers' total U.S. shipments of PC strand was for post-tensioned applications and less than 15 percent was bare strand for pre-tensioned applications. The data provided by nonsubject importers indicate that, during 2007-09, approximately three-fourths of the quantity of nonsubject importers' total U.S. shipments of PC strand was bare strand for post-tensioned applications and approximately one-fourth was bare strand for pre-tensioned applications. The data also show that very little coated PC strand is imported into the United States.

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[4] Petitioners' prehearing brief, pp. 30-31.

[5] Conference transcript, p. 23 (Woltz) and petitioners' prehearing brief, pp. 10-11 and 31.

[6] Petitioners' prehearing brief, pp. 12 and 14.

Table IV-2
PC strand: U.S. imports, by sources, 2007-09

Source	Calendar year		
	2007	2008	2009
	Quantity (*1,000 pounds*)		
China	353,937	381,652	36,591
Nonsubject sources:			
Canada	15,725	11,312	12,605
Italy	5,245	3,574	10,303
Japan	1,952	1,380	0
Korea	2,831	3,325	462
Mexico	2,283	1,514	5,870
Portugal	3,864	7,223	12,187
South Africa	2,800	957	8,165
Spain	0	348	8,651
Taiwan	1,659	0	8,064
Other nonsubject sources[1]	7,406	1,454	9,210
Total nonsubject sources	43,766	31,089	75,515
Total U.S. imports	397,703	412,741	112,107
	Value (*1,000 dollars*)[2]		
China	115,843	194,276	13,816
Nonsubject sources:			
Canada	9,023	8,365	8,171
Italy	3,345	2,668	5,037
Japan	1,343	916	0
Korea	1,399	2,201	276
Mexico	1,036	885	2,541
Portugal	1,776	4,166	4,876
South Africa	1,002	465	2,846
Spain	0	349	3,402
Taiwan	731	0	3,231
Other nonsubject sources[1]	3,328	1,757	4,994
Total nonsubject sources	22,982	21,771	35,375
Total U.S. imports	138,825	216,047	49,191

Table continued on following page.

Table IV-2--*Continued*
PC strand: U.S. imports, by sources, 2007-09

Source	Calendar year		
	2007	2008	2009
	Unit value (*per 1,000 pounds*)[2]		
China	$327	$509	$378
Nonsubject sources:			
Canada	574	739	648
Italy	638	746	489
Japan	688	663	([3])
Korea	494	662	597
Mexico	454	584	433
Portugal	460	577	400
South Africa	358	486	349
Spain	([3])	1,002	393
Taiwan	441	([3])	401
Other nonsubject sources[1]	449	1,208	542
Average, nonsubject sources	525	700	468
Average, all U.S. imports	349	523	439
	Share of quantity (*percent*)		
China	89.0	92.5	32.6
Nonsubject sources:			
Canada	4.0	2.7	11.2
Italy	1.3	0.9	9.2
Japan	0.5	0.3	0.0
Korea	0.7	0.8	0.4
Mexico	0.6	0.4	5.2
Portugal	1.0	1.8	10.9
South Africa	0.7	0.2	7.3
Spain	0.0	0.1	7.7
Taiwan	0.4	0.0	7.2
Other nonsubject sources[1]	1.9	0.4	8.2
Total nonsubject sources	11.0	7.5	67.4
Total U.S. imports	100.0	100.0	100.0

Table continued on following page.

Table IV-2--*Continued*
PC strand: U.S. imports, by sources, 2007-09

Source	Calendar year		
	2007	2008	2009
	Share of value (*percent*)		
China	83.4	89.9	28.1
Nonsubject sources:			
Canada	6.5	3.9	16.6
Italy	2.4	1.2	10.2
Japan	1.0	0.4	0.0
Korea	1.0	1.0	0.6
Mexico	0.7	0.4	5.2
Portugal	1.3	1.9	9.9
South Africa	0.7	0.2	5.8
Spain	0.0	0.2	6.9
Taiwan	0.5	0.0	6.6
Other nonsubject sources[1]	2.4	0.8	10.2
Total nonsubject sources	16.6	10.1	71.9
Total U.S. imports	100.0	100.0	100.0

[1] Other nonsubject sources include Argentina, Austria, Belgium, Colombia, Germany, Hungary, India, Malaysia, Netherlands, Panama, Saudi Arabia, Switzerland, Thailand, Turkey, and the United Kingdom.
[2] Landed, U.S. port of entry, duty-paid.
[3] Not applicable.

Note.–The official import statistics presented are believed to include an amount of merchandise that does not meet the definition of PC strand, especially with respect to U.S. imports from Mexico. *Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand: Investigation Nos. 701-TA-432 and 731-TA-1024-1028 (Review) and AA1921-188 (Third Review)*, USITC Publication 4114, November 2009, p. IV-1, fn. 2.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table IV-3
PC strand: U.S. shipments of U.S. imports from China, by application, 2007-09

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Table IV-4
PC strand: U.S. shipments of U.S. imports from nonsubject sources, by application, 2007-09

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The petitioners explained that U.S. imports have historically had a greater presence with respect to post-tensioned accounts in the U.S. market because the post-tensioners are typically the largest volume customers. They added that the domestic producers would also "prefer" to make sales to these large-volume major accounts (such as the post-tensioners) "but have been increasingly unable to do so due precisely to competition from low-price imports."[7]

A review of monthly import data for January 2007 through December 2009 indicates that imports of PC strand from China and Canada entered the United States in each month of the entire period for which data were collected (table IV-5). These data also illustrate the seasonality of the product–that is, lower quantities of PC strand were imported into the United States during the off-peak months from November to February of each calendar year.

As the monthly import data also show, U.S. imports of PC strand from China fell substantially in the final months of 2008 and again in the second half of 2009. As previously indicated, the petitioners argued that U.S. importers largely stopped importing PC strand from China in the months following the filing of the petition on May 27, 2009, and that the decline "reflects the effect of the case filing and not an independent decision by China to withdraw from the U.S. market."[8] The petitioners also suggested that the actual presence of Chinese PC strand in the U.S. market during 2009 was greater than the official import statistics reported because, subsequent to the filing of the petition, "Chinese producers developed schemes to circumvent any duties imposed by transshipping PC strand through third countries and claiming those countries as the origin of the product."[9]

CRITICAL CIRCUMSTANCES

No "critical circumstances" were alleged by the petitioners in these investigations.

NEGLIGIBILITY

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.[10] Negligible imports are generally defined in the Tariff Act of 1930, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then imports from such countries are deemed not to be negligible.[11] The petition in these investigations was filed on May 27, 2009. For the most recent 12-month period for which data are available that precedes the filing of the petition (May 2008-April 2009), imports of PC strand from China accounted for 91.2 percent of total imports of PC strand by quantity.

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[7] Hearing transcript, pp. 12-13 (Selhorst), p. 19 (Woltz), and petitioners' prehearing brief, p. 25.

[8] Petitioners' prehearing brief, pp. 10, 33, and 56-57.

[9] Ibid., p. 57.

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

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

Table IV-5
PC strand: Monthly U.S. imports, by sources, January 2007-December 2009

Country	2007												
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
	Quantity (*1,000 pounds*)												
Argentina	0	0	0	0	0	0	220	0	220	0	0	0	440
Austria	0	0	0	0	0	0	0	0	0	0	42	0	42
Belgium	0	0	81	0	0	0	0	0	0	0	0	0	81
Canada	1,198	1,081	1,408	1,063	1,540	1,330	1,519	1,160	1,441	1,422	1,020	1,543	15,725
China	20,206	13,086	28,911	30,822	53,950	38,256	50,968	20,140	28,688	34,986	15,929	17,994	353,937
Colombia	0	0	0	0	0	0	0	0	0	0	0	0	0
Germany	0	0	0	0	0	0	0	0	0	0	344	0	344
Hungary	0	0	0	0	0	0	0	0	0	0	0	0	0
India	0	235	0	0	0	0	0	0	0	0	0	0	235
Italy	1,607	663	383	683	118	86	246	747	204	115	307	86	5,245
Japan	325	0	0	244	407	0	0	488	163	163	163	0	1,952
Korea	164	207	0	1,103	0	88	522	44	138	126	217	223	2,831
Malaysia	0	863	0	451	1,022	1,320	540	0	0	0	0	0	4,196
Mexico	369	0	0	0	180	357	81	262	42	131	250	610	2,283
Netherlands	0	0	0	0	0	0	0	0	0	0	0	0	0
Panama	0	0	0	0	0	0	0	0	0	94	0	0	94
Portugal	871	317	753	0	542	105	108	112	0	411	599	45	3,864
Saudi Arabia	0	0	0	0	0	0	0	0	0	0	0	0	0
South Africa	281	39	0	477	567	0	487	476	0	0	473	0	2,800
Spain	0	0	0	0	0	0	0	0	0	0	0	0	0
Switzerland	0	1	1,349	0	24	0	48	0	0	23	0	0	1,446
Taiwan	468	253	0	0	526	0	123	83	206	0	0	0	1,659
Thailand	0	0	0	0	0	0	0	0	0	0	0	0	0
Turkey	0	0	0	0	0	0	0	0	0	0	0	0	0
United Kingdom	36	35	0	0	70	0	0	107	34	0	140	106	528
Total	25,526	16,781	32,885	34,843	58,947	41,542	54,863	23,618	31,136	37,471	19,485	20,607	397,703

Table continued on following page.

Table IV-5--*Continued*
PC strand: Monthly U.S. imports, by sources, January 2007-December 2009

Country	2008												
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
	Quantity (*1,000 pounds*)												
Argentina	0	0	0	0	0	0	0	0	0	0	0	0	0
Austria	0	0	0	0	0	0	0	0	0	0	0	0	0
Belgium	0	0	0	0	0	0	577	0	0	0	0	0	577
Canada	759	989	895	1,018	1,193	830	1,055	1,001	1,017	1,244	292	1,019	11,312
China	30,644	23,502	37,123	31,574	41,874	50,736	38,649	49,660	23,818	39,644	9,583	4,844	381,652
Colombia	0	0	0	0	0	0	0	0	0	0	0	0	0
Germany	0	0	0	0	0	0	6	0	0	0	0	0	6
Hungary	0	0	0	0	0	0	0	0	0	0	0	0	0
India	0	0	0	0	0	0	0	48	0	0	0	161	209
Italy	0	322	0	776	915	227	238	669	172	0	0	256	3,574
Japan	407	4	0	407	203	203	157	0	0	0	0	0	1,380
Korea	138	120	404	506	122	372	169	226	435	111	525	198	3,325
Malaysia	0	0	0	0	0	0	0	0	0	0	0	0	0
Mexico	0	117	281	361	0	0	0	0	0	0	308	446	1,514
Netherlands	0	0	0	0	0	0	0	0	0	0	0	0	0
Panama	0	0	0	0	0	0	0	0	0	0	0	0	0
Portugal	324	1,273	2,046	1,094	270	112	1,505	104	342	155	0	0	7,223
Saudi Arabia	0	0	0	0	0	0	0	0	0	0	0	0	0
South Africa	0	0	0	0	0	0	479	0	0	0	0	479	957
Spain	0	0	0	0	0	0	0	0	193	0	155	0	348
Switzerland	0	0	42	0	40	0	0	40	42	18	0	81	262
Taiwan	0	0	0	0	0	0	0	0	0	0	0	0	0
Thailand	0	0	0	0	0	0	0	0	0	0	0	0	0
Turkey	0	0	0	0	0	0	0	0	0	0	0	0	0
United Kingdom	0	0	105	0	0	0	0	6	0	181	107	0	400
Total	32,271	26,326	40,896	35,736	44,616	52,480	42,836	51,753	26,019	41,353	10,971	7,484	412,741

Table continued on following page.

Table IV-5--*Continued*
PC strand: Monthly U.S. imports, by sources, January 2007-December 2009

Country	2009												
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
	Quantity (*1,000 pounds*)												
Argentina	0	0	0	0	0	114	0	0	0	0	0	0	114
Austria	0	0	0	0	0	0	0	0	0	0	0	0	0
Belgium	0	0	0	0	0	0	0	0	0	0	0	0	0
Canada	671	1,008	1,157	1,544	1,239	1,625	1,203	605	410	1,506	874	763	12,605
China	6,094	2,924	3,165	1,861	5,429	12,135	2,936	720	749	127	282	169	36,591
Colombia	0	0	0	0	0	0	0	0	0	220	643	0	863
Germany	0	0	2	0	0	82	0	0	0	0	0	0	83
Hungary	0	0	0	0	0	0	0	0	0	255	128	0	383
India	0	0	0	0	0	0	0	0	0	0	0	0	0
Italy	43	85	43	342	0	650	1,213	1,083	1,219	2,663	1,543	1,419	10,303
Japan	0	0	0	0	0	0	0	0	0	0	0	0	0
Korea	0	86	0	0	0	0	0	0	155	221	0	0	462
Malaysia	0	0	0	0	0	0	0	233	810	971	1,081	1,663	4,757
Mexico	0	158	534	156	706	659	915	1,259	710	772	0	0	5,870
Netherlands	35	252	0	302	0	0	297	0	0	0	0	84	969
Panama	0	0	0	0	0	0	0	0	0	0	0	0	0
Portugal	0	0	0	851	297	691	449	1,558	2,152	2,401	3,101	687	12,187
Saudi Arabia[1]	0	0	0	0	0	0	0	633	0	0	0	0	633
South Africa	0	0	0	0	0	0	2,012	2,080	2,467	0	1,606	0	8,165
Spain	0	0	0	294	0	0	0	557	1,393	1,181	2,992	2,233	8,651
Switzerland	39	0	41	72	38	16	0	0	0	0	0	0	206
Taiwan	0	0	0	0	665	0	601	1,281	1,542	2,158	467	1,350	8,064
Thailand	0	0	0	0	0	0	0	0	0	0	52	53	106
Turkey	0	0	0	0	0	0	0	0	132	440	0	440	1,012
United Kingdom	0	0	1	0	0	0	2	10	35	0	36	0	83
Total	6,883	4,513	4,942	5,424	8,373	15,972	9,627	10,019	11,773	12,915	12,805	8,862	112,107

[1] One shipment of merchandise from Saudi Arabia was reported during July 2009. The foreign manufacturer of these U.S. imports from ***.

Source: Compiled from official statistics of the U.S. Department of Commerce.

APPARENT U.S. CONSUMPTION

Data concerning apparent U.S. consumption of PC strand during the period for which information was requested are shown in table IV-6 and figure IV-1. Apparent U.S. consumption of PC strand, as shown in table IV-6, is based on U.S. producers' U.S. shipments of PC strand and subject imports as compiled from official U.S. import statistics of Commerce.

Table IV-6
PC strand: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 2007-09

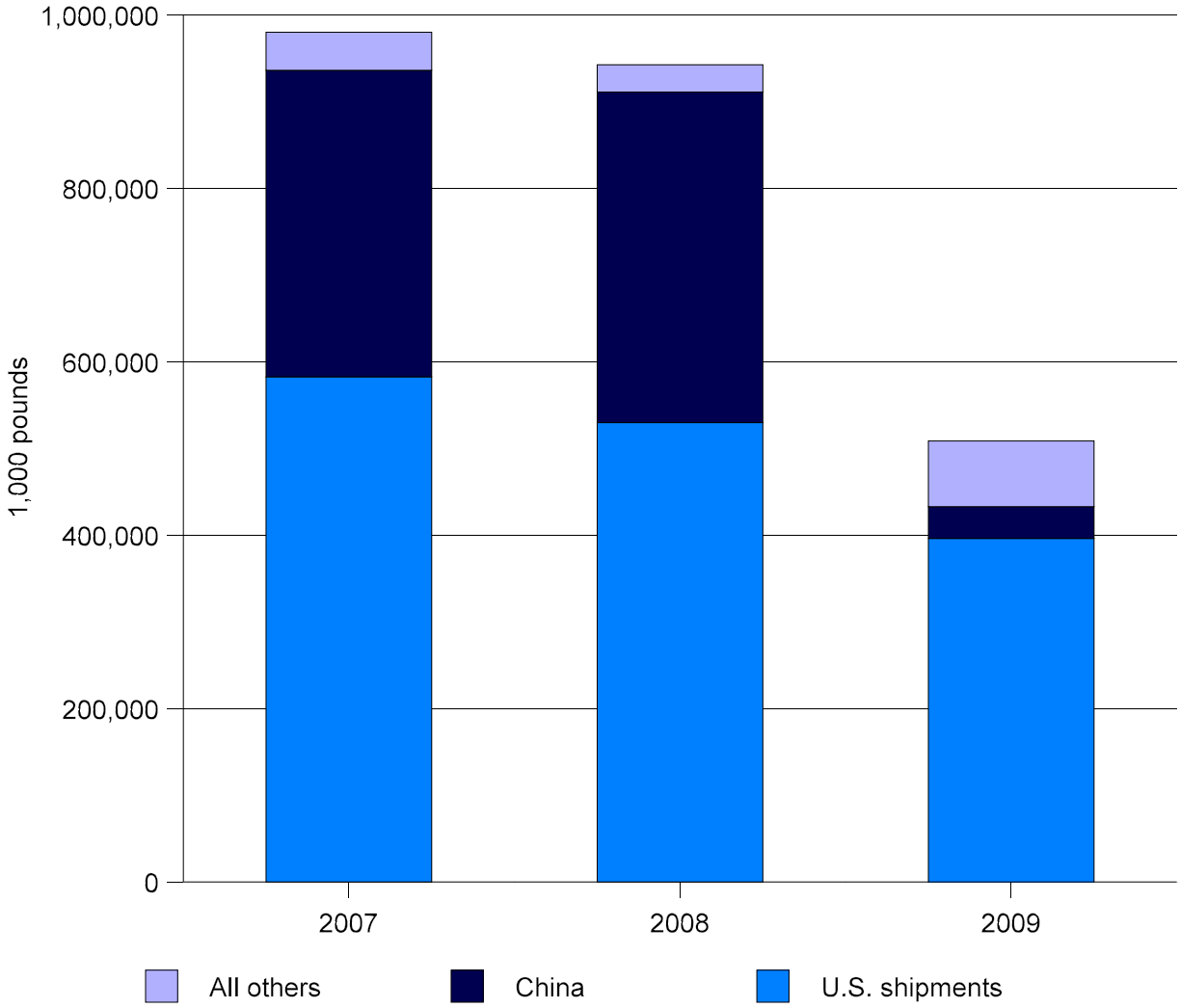
Item	Calendar year		
	2007	2008	2009
	Quantity (*1,000 pounds*)		
U.S. producers' U.S. shipments	582,800	529,973	396,498
U.S. imports from–			
China	353,937	381,652	36,591
Nonsubject countries[1]	43,766	31,089	75,515
Total U.S. imports	397,703	412,741	112,107
Apparent U.S. consumption	980,503	942,714	508,605
	Value (*1,000 dollars*)		
U.S. producers' U.S. shipments	268,344	333,721	199,547
U.S. imports from--			
China	115,843	194,276	13,816
Nonsubject countries[1]	22,982	21,771	35,375
Total U.S. imports	138,825	216,047	49,191
Apparent U.S. consumption	407,169	549,768	248,738

[1] Major nonsubject countries include Canada, Italy, Japan, Korea, Mexico, Portugal, South Africa, Spain, and Taiwan.

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

Source: Compiled from data submitted in response to Commission questionnaires and from official import statistics of the U.S. Department of Commerce.

Figure IV-1
PC strand: Apparent U.S. consumption, by sources, 2007-09



Source: Table IV-6.

The demand for PC strand is derived from demand for prestressed concrete which, in turn, is derived from demand in the construction industry. In terms of quantity, U.S. consumption of PC strand fell by 48.1 percent from 2007 to 2009. The petitioners reported that although the demand for many end uses of PC strand remained relatively steady from 2006 to late 2008, the demand for slab-on-grade fabrication connected to residential construction has declined and the use and need for PC strand associated with it has likewise declined since 2006, which was the peak year for U.S. residential construction. They also pointed out that apparent U.S. consumption of PC strand as a whole actually increased during late 2007 and early 2008 because of increased purchasing of PC strand in anticipation of increases in steel prices. However, after the severe market downturn intensified in late 2008, apparent U.S. consumption of PC strand fell markedly into 2009. The petitioners indicated that no improvements in U.S. demand for PC strand are expected in 2010 and that "demand for PC strand appears as if it will remain weak and is uncertain at best."[12]

In terms of value, apparent U.S. consumption increased by 35.0 percent from 2007 to 2008, which reflects the increasing unit values of imported and domestically produced PC strand during the same time period. These increases are somewhat reflective of the increase in the cost of the primary raw material (wire rod), which accounts for the vast majority of the cost of producing the product. The cost of wire rod for the domestic producers of PC strand doubled from late 2007 to August 2008.[13] However, apparent U.S. consumption, in terms of value, fell in 2009 to a level well below that reported during 2007.

U.S. MARKET SHARES

U.S. market share data are presented in table IV-7. The U.S. producers' share of the domestic market fell slightly from 59.4 percent in 2007 to 56.2 percent in 2008, but increased to 78.0 percent during 2009. The share of the U.S. market held by subject imports of PC strand from China increased from 36.1 percent in 2007 to 40.5 percent in 2008. However, the share of the U.S. market held by U.S. imports from China during 2009 (7.2 percent) was much lower than the shares held in the previous two annual periods. The petitioners pointed out that while the share of the U.S. market held by U.S. imports of PC strand from China fell in 2009, "a huge portion of the PC strand actually being consumed by Suncoast and other purchasers in the market in 2009 was Chinese PC strand from the inventory built in 2008."[14]

U.S. importers and producers provided data concerning their U.S. shipments of PC strand for pre- and post-tensioned applications and U.S. shipments that were subject to "Buy America(n)" restrictions. These data (presented separately in appendix C, table C-2) show that the share of apparent U.S. consumption held by U.S. shipments subject to "Buy America(n)" restrictions was *** percent in 2007, *** percent in 2008, and *** percent in 2009. The petitioners argued that the increase in the "Buy America(n)" shipments as a share of apparent U.S. consumption in 2009 "does not reflect growth in Buy America sales, but rather reflects the decline in demand for PC strand generally in the commercial market in 2009."[15] They added that the decline in demand for non-Buy America sales during 2009 was "aberrational" and that once the demand for PC strand recovers, the share of the market held by "Buy America(n) sales will once again return to roughly 30 percent.[16]

[12] Conference transcript, pp. 96-97 (Selhorst and Feitler) and petitioners' prehearing brief, pp. 10 and 14-16.
[13] Conference transcript, pp. 69-70 (Selhorst).
[14] Petitioners' prehearing brief, pp. 12 and 32.
[15] Petitioners' prehearing brief, p. 20.
[16] Ibid.

Table IV-7
PC strand: U.S. consumption and market shares, 2007-09

Item	Calendar year		
	2007	2008	2009
	Quantity (*1,000 pounds*)		
Apparent U.S. consumption	980,503	942,714	508,605
	Value (*1,000 dollars*)		
Apparent U.S. consumption	407,169	549,768	248,738
	Share of quantity (*percent*)		
U.S. producers' U.S. shipments	59.4	56.2	78.0
U.S. imports from--			
China	36.1	40.5	7.2
Nonsubject countries[1]	4.5	3.3	14.8
All countries	40.6	43.8	22.0
	Share of value (*percent*)		
U.S. producers' U.S. shipments	65.9	60.7	80.2
U.S. imports from--			
China	28.5	35.3	5.6
Nonsubject countries[1]	5.6	4.0	14.2
All countries	34.1	39.3	19.8

[1] Major nonsubject countries include Canada, Italy, Japan, Korea, Mexico, Portugal, South Africa, Spain, and Taiwan.

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

Source: Compiled from data submitted in response to Commission questionnaires and from offical Commerce statistics.

RATIO OF IMPORTS TO U.S. PRODUCTION

Information concerning the ratio of imports to U.S. production of PC strand is presented in table IV-8. Subject imports were equivalent to 58.8 percent of U.S. production during 2007. This level increased to 68.3 percent during 2008. However, U.S. imports of PC strand from China were equivalent to only 9.2 percent of production during 2009.

Table IV-8
PC strand: U.S. production, U.S. imports, and ratios of imports to U.S. production, 2007-09

Item	Calendar year		
	2007	2008	2009
	Quantity (*1,000 pounds*)		
U.S. production	601,717	558,885	395,658
Imports from:			
China	353,937	381,652	36,591
Nonsubject countries[1]	43,766	31,089	75,515
Total imports	397,703	412,741	112,107
	Ratio of U.S. imports to production (*percent*)		
Imports from:			
China	58.8	68.3	9.2
Nonsubject countries[1]	7.3	5.6	19.1
Total imports	66.1	73.9	28.3

[1] Major nonsubject countries include Canada, Italy, Japan, Korea, Mexico, Portugal, South Africa, Spain, and Taiwan.

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

Source: Compiled from official statistics of the U.S. Department of Commerce and data submitted in response to Commission questionnaires.

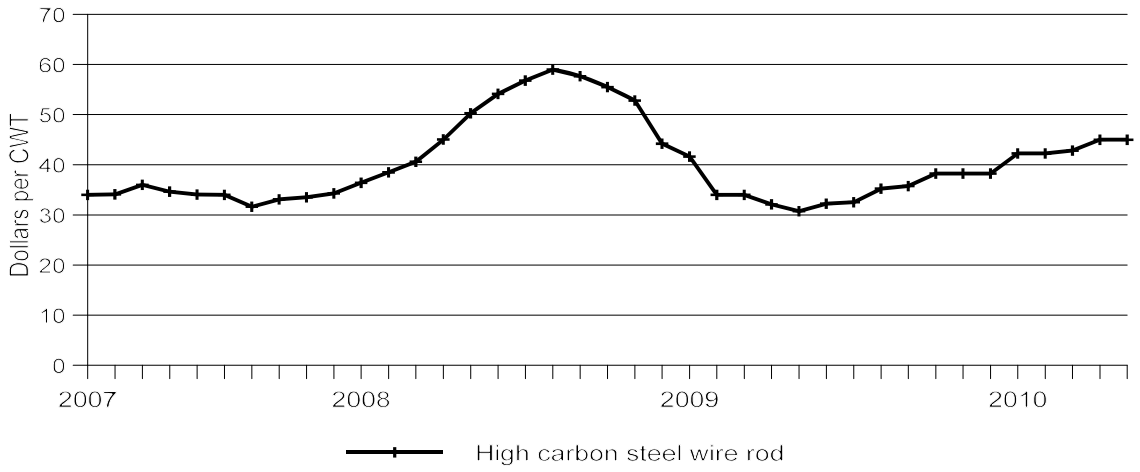
PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Material Costs

Raw materials costs accounted for between 72 and 83 percent of U.S. producers' costs of goods sold during 2007-09. The cost of steel wire rod in turn accounts for a substantial share of the total cost of producing PC strand.[1] U.S. producers reported in their questionnaire responses that steel wire rod prices have been volatile (increasing in late 2007 and 2008, then declining in late 2008) and have affected the price of PC strand in the U.S. market. As shown in figure V-1, high carbon steel wire rod prices nearly doubled from the latter part of 2007 through August 2008, dropped to close to their 2007 levels in 2009, then increased through the first quarter of 2010.

Figure V-1
High carbon steel wire rod: Average wholesale spot price, by month, March 2007-March 2010



Source: American Metal Market, www.amm.com, retrieved May 17, 2010.

[1] *** reported that wire rod is the primary raw material in PC strand production. *** also reported that wire rod is the primary raw material used to make PC strand, estimating that wire rod costs represent over *** percent of the total cost to make PC strand. Insteel reported in its 10-Q for the period ending January 2, 2010, that "following an extended decline that began in September 2008, prices for our primary raw material, hot-rolled steel wire rod, appear to have bottomed out and are expected to trend higher due to the recent escalation in scrap costs for wire rod producers and the reductions in domestic wire rod capacity that occurred during 2009. The magnitude of the increase and the impact on prices and margins for our products is uncertain at this time."

U.S. Inland Transportation Costs

U.S. producers reported that U.S. inland transportation costs ranged from 4 to 6 percent of the total delivered cost of PC strand, while importers reported transportation costs ranging from 2 to 15 percent, with 13 of the 16 responding importers reporting transportation costs accounting for 5 percent or less. All U.S. producers and 16 of 23 responding importers reported selling on a delivered basis, and all U.S. producers and most responding importers also reported arranging transportation to their customers' locations. Three U.S. producers reported that 90 to 95 percent of their sales were within 101 to 1,000 miles of their storage or production facilities; the other responding U.S. producer reported selling 30 percent within 100 miles and 65 percent within 101 to 1,000 miles. Nearly all imports are reportedly sold within 1,000 miles of the importers' storage facilities, with 13 of 18 responding importers reporting that at least 50 percent of shipments were within 100 miles of their storage facilities. Firms reported selling to the following regions (table V-1):

Table V-1
PC strand: Geographic market areas in the United States served by domestic producers and importers of strand from subject and nonsubject sources

	U.S. producers	Importers (China)
Northeast[1]	5	5
Midwest[2]	5	7
Southeast[3]	5	9
Central Southwest[4]	5	12
Mountains[5]	3	11
Pacific Coast[6]	2	13
Other[7]	2	3

[1] – CT, ME, MA, NH, NJ, NY, PA, RI, and VT.
[2] – IL, IN, IA, KS, MI, MN, MO, NE, ND, OH, SD, and WI.
[3] – AL, DE, DC, FL, GA, KY, MD, MS, NC, SC, TN, VA, and WV.
[4] – AR, LA, OK, and TX.
[5] – AZ, CO, ID, MT, NV, NM, UT, and WY.
[6] – CA, OR, and WA.
[7] – All other markets in the United States not previously listed, including AK, HI, PR, VI, among others.

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

PRICING PRACTICES

Pricing Methods

While all U.S. producers reported selling on a transaction-by-transaction basis, one U.S. producer also uses set price lists, one also uses contracts, and one uses "other" methods of price setting. Three U.S. producers reported that most (85 to 100 percent) of their 2009 sales were on a short-term contract basis; one reported that nearly all (*** percent) of its sales were on a spot basis; and one sold *** percent on long term contracts, *** percent short-term contracts, and *** percent spot sales. U.S. producers' short-term contracts' durations range from one to three months. Four of the five producers reported that prices and quantities are fixed while one reported that prices can be renegotiated during the contract. One of the five responding U.S. producers reported that its short-term contracts have a meet-or-release provision.

Most importers (16 of 19) reported transaction-by-transaction sales and 5 reported contract sales.[2] Thirteen of the 16 responding importers reported 1- to 3-month contracts, with the other firms reporting contract durations of up to 12 months. Eleven of the 12 responding importers reported that contracts typically fix both price and quantity.[3]

Sales Terms and Discounts

Two U.S. producers reported quantity discounts and annual total volume discounts, two reported no discount policy, and one reported early payment discounts.[4] Fifteen of 19 responding importers reported no discount policies, with two reporting quantity discounts and one reporting annual volume discounts. However, Suncoast reported that, as the largest purchaser in the United States, it expects prices commensurate with its purchase volumes.[5] Most firms sell net 30 days, although a few offer a small discount such as one-half percent for early payment.

PRICE DATA

The Commission requested U.S. producers and importers of PC strand to provide quarterly data for the total quantity and value of PC strand shipped to unrelated U.S. customers during 2007-09. The products for which pricing data were requested are as follows:

Product 1.--½ inch, grade 270 (270,000 PSI), low relaxation, uncovered prestressed concrete stand sold for pre-tensioned applications.

Product 2.--½ inch, grade 270 (270,000 PSI), low relaxation, uncovered prestressed concrete stand sold for post-tensioned applications.

Five U.S. producers and 15 importers of PC strand from China provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters. Nonsubject and combined product 1 and product 2 price data are shown in appendix D. Pricing data reported by these firms accounted for 57.8 percent of U.S. producers' shipments of PC strand and virtually all U.S. shipments of subject imports from China in 2009.

Price Trends

Price data for products 1 and 2 are shown in tables V-2 and V-3 and figure V-2. A summary of price trends is shown in table V-4.

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[2] Two firms reported both transaction-by-transaction and contract sales.

[3] The other importer reported that contracts fix price and require a minimum quantity.

[4] ***.

[5] At the Commission's conference, Tim Johnson of Suncoast Post-tensioners testified that "...I would like pricing that's commensurate with my volume. You know, if I go to buy 10 cars instead of one car, I expect a better price. So me being the biggest purchaser in the market, I expect to have a price commensurate with that." Conference transcript, p. 44 (Johnson).

Table V-2
PC strand: Weighted-average f.o.b. prices and quantities of domestic and imported product 1[1] and margins of underselling/(overselling), by quarters, 2007-09

	United States		China		
	Price (*per lineal foot*)	**Quantity *(1,000 lineal feet)***	**Price (*per lineal foot*)**	**Quantity *(1,000 lineal feet)***	**Margin (*percent*)**
2007:					
Jan.-Mar.	$254	101,556	$201	13,704	20.8
Apr.-June	252	112,694	***	***	***
July-Sept.	246	104,863	***	***	***
Oct.-Dec.	241	110,640	***	***	***
2008:					
Jan.-Mar.	251	122,934	***	***	***
Apr.-June	346	136,478	***	***	***
July-Sept.	417	107,670	***	***	***
Oct.-Dec.	382	57,342	***	***	***
2009:					
Jan.-Mar.	302	69,502	***	***	***
Apr.-June	265	92,220	***	***	***
July-Sept.	250	95,684	***	***	***
Oct.-Dec.	256	94,641	***	***	***

[1] Product 1: ½ inch, grade 270 (270,000 PSI), low relaxation, uncovered prestressed concrete strand sold for pre-tensioned applications.

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

Table V-3
PC strand: Weighted-average f.o.b. prices and quantities of domestic and imported product 2[1] and margins of underselling/(overselling), by quarters, 2007-09

	United States		China		
	Price (*per lineal foot*)	Quantity *(1,000 lineal feet)*	Price (*per lineal foot*)	Quantity *(1,000 lineal feet)*	Margin (*percent*)
2007:					
Jan.-Mar.	$181	47,632	$186	113,816	(2.6)
Apr.-June	180	61,028	184	157,830	(2.2)
July-Sept.	182	51,890	182	137,088	(0.2)
Oct.-Dec.	187	39,243	191	76,752	(2.2)
2008:					
Jan.-Mar.	226	52,327	213	157,819	5.6
Apr.-June	302	25,304	252	175,197	16.4
July-Sept.	317	10,431	310	138,670	2.4
Oct.-Dec.	238	5,243	351	46,704	(47.8)
2009:					
Jan.-Mar.	***	***	222	18,757	***
Apr.-June	218	11,636	203	63,913	7.0
July-Sept.	207	15,289	***	***	***
Oct.-Dec.	223	17,411	***	***	***

[1] Product 2: ½ inch, grade 270 (270,000 PSI), low relaxation, uncovered prestressed concrete strand sold for post-tensioned applications.

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

Figure V-2
PC strand: Weighted-average prices and quantities of domestic and imported products 1 and 2, by quarters, 2007-09

* * * * * * *

Table V-4
PC strand: Summary of weighted-average f.o.b. prices for products 1 and 2 from the United States and China

Item	Number of quarters	Low price (*per 1,000 ft*)	High price (*per 1,000 ft*)	Change in price[1] (*percent*)
Product 1				
United States	12	$241	$417	0.5
China	12	***	***	***
Product 2				
United States	12	180	317	23.0
China	12	182	351	***

[1] Percentage change from the first quarter in which price data were available to the last quarter in which price data were available, based on unrounded data.

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

U.S.-produced and imported Chinese products 1 and 2 showed generally similar trends during the period for which data were collected, with prices relatively stable during 2007, increasing substantially during the first three quarters of 2008, and generally declining thereafter. However, prices for U.S. product 1 tended to be more volatile than prices for imported Chinese product 1 during 2008.[6] Furthermore, price declines for U.S. products 1 and 2 in the fourth quarter of 2008 were followed by price declines by imported Chinese products 1 and 2 in the first quarter of 2009. The substantial price increases for U.S.-produced and imported Chinese products 1 and 2 in 2008 coincided with substantial increases in steel wire rod prices, as shown earlier in figure V-1.[7]

As discussed previously, steel wire rod accounts for a substantial share of raw material costs in the production of PC strand, and U.S. producers have reported that changes in steel wire rod prices have affected prices for PC strand. As shown in figure V-3, the substantial price increases in 2008 and subsequent price declines at the end of 2008 and the first half of 2009 for U.S. products 1 and 2 occurred together with similar increases and declines in steel wire rod prices.[8]

Figure V-3
PC strand: Indexes of average U.S. wire rod prices and weighted-average prices of U.S. products 1 and 2, by quarters, January 2007-September 2009

* * * * * * *

[6] ***.

[7] The price trends for aggregated product 1 and product 2 price data were similar to price trends for the separate product 1 and product 2 price series (appendix D). Prices for aggregated U.S. products 1 and 2 were higher than prices for aggregated imported Chinese products 1 and 2 in all 12 quarters, by margins ranging from 4.2 percent to 25.0 percent.

[8] The correlation coefficient for U.S. product 1 prices and U.S. wire rod prices was 0.95 and for U.S. product 2 prices and U.S. wire rod prices was 0.87 (correlation coefficients range from 0-1). However, correlation does not imply causation, as other factors (e.g., demand factors) may be influencing both variables.

Prices for U.S. product 1 were consistently higher than prices for U.S. product 2, particularly during the third and fourth quarters of 2008 (figure V-4). Prices for imported Chinese product 1 were also higher than prices for imported Chinese product 2 in every quarter during 2007-09, although the price differences were relatively smaller. On average, prices for U.S. product 1 were 28.9 percent higher than prices for U.S. product 2 and prices for imported Chinese product 1 and were 10.0 percent higher than prices for imported Chinese product 2 during 2007-09.

Figure V-4
PC strand: Weighted-average prices of domestic products 1 and 2 and imported Chinese products 1 and 2, by quarters, 2007-09

* * * * * * *

Ten purchasers identified firms they considered to be price leaders in the PC strand market since 2007. Most responding purchasers identified U.S. producers as price leaders, Insteel in particular (identified by 7 firms). *** maintained that *** is typically the leader for PC strand price increases, and the importers *** and *** seem to be the low price leaders for imported Chinese PC strand. The pricing data in tables V-2 and V-3, and figure V-2 appear to indicate that prices for imported Chinese products 1 and 2 fell sharply in the first quarter of 2009, after prices for U.S.-produced products 1 and 2 had already started to decline from peak levels.

Price Comparisons

Margins of underselling and overselling for the period are presented in table V-5. As can be seen from the table, prices for imported Chinese product 1 were below those for U.S. product 1 in all 12 instances, and margins of underselling ranged from *** to *** percent. Prices for imported Chinese product 2 were priced below those for U.S. product 2 in 7 of 12 instances, with margins of underselling ranging from *** to *** percent. In the remaining 5 instances, prices for imported Chinese product 2 were between 0.2 and 47.8 percent above prices for U.S. product 2.[9] Overall, prices for PC strand imported from China were below those for U.S.-produced PC strand in 19 of 24 instances and margins of underselling ranged from *** to *** percent. In the remaining 5 instances, prices for PC strand from China were between 0.2 and 47.8 percent above prices for the domestic product.

Table V-5
PC strand: Instances of underselling/overselling and the range and average of margins, 2007-09

	Underselling			Overselling		
	Number of instances	Range (*percent*)	Average margin (*percent*)	Number of instances	Range (*percent*)	Average margin (*percent*)
Product 1	12	***	***	0	-	-
Product 2	7	***	***	5	0.2 to 47.8	11.0
Total	19	***	***	5	0.2 to 47.8	11.0

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

[9] ***.

LOST SALES AND LOST REVENUES

The Commission requested U.S. producers of PC strand to report any instances of lost sales or revenues they experienced due to competition from imports of PC strand from China during January 2006-February 2010. In the petition, the three petitioning firms provided *** lost sales allegations totaling $*** involving *** lineal feet of PC strand and *** lost revenues allegations totaling $*** involving *** lineal feet of PC strand.[10] During the final phase of these investigations, two of the petitioning firms (***) also reported an additional *** lost sales allegations totaling $*** involving *** lineal feet and 2 lost revenues allegations totaling $*** involving *** lineal feet that had occurred since the preliminary investigation. Staff contacted all *** purchasers listed in the allegations.[11] A summary of the information obtained follows (tables V-6 and V-7).

Table V-6
PC strand: U.S. producers' lost sales allegations

* * * * * * *

Table V-7
PC strand: U.S. producers' lost revenue allegations

* * * * * * *

In addition to questions regarding the specific allegations, these purchasers were also asked if their firm had switched from U.S.-produced to Chinese PC strand since January 2006, and if so, if price was the reason. *** responding firms reported that they had switched from U.S.-produced PC strand to Chinese PC strand because of price, *** reported that it switched for reasons other than price, and *** reported that they had not switched to Chinese PC strand. When asked if, since January 2006, U.S. producers had reduced their prices of PC strand to compete with prices of PC strand imported from China, *** responded "yes" and *** responded "no."

* * * * * * *

[10] ***.

[11] A number of the allegations involved multiple locations for a given purchaser.

PART VI: FINANCIAL EXPERIENCE OF THE U.S. PRODUCERS

BACKGROUND

Six U.S. firms provided usable financial data on their operations on PC strand.[1] These data are believed to account for the vast majority of U.S. operations on PC strand since 2007. No firms reported internal consumption or transfers to related firms. MMI and RettCo reported a tolling arrangement in which MMI is the tollee and RettCo is the toller for all of MMI's sales of PC strand.[2] All firms reported a fiscal year end of December 31 except American, which reported a fiscal year end of September 30, and Insteel, which reported a fiscal year end of the last Saturday closest to the end of September.

OPERATIONS ON PC STRAND

Income-and-loss data for U.S. firms on their operations on PC strand are presented in table VI-1, while selected financial data, by firm, are presented in table VI-2. The domestic industry experienced a decline in operating income from 2007 to 2008, followed by an operating loss in 2009. Both total net sales quantity and value declined from 2007 to 2009; however, net sales quantity declined continually while net sales value declined irregularly during this time. The per-unit cost of goods sold ("COGS") increased from 2007 to 2008 due to increased raw material costs, rising at a rate similar to per-unit revenue during this time. From 2008 to 2009, a decline in per-unit raw material costs essentially offset an increase in per-unit other factory costs; however, per-unit revenue also declined during this time and resulted in the reported operating loss in 2009.

While each of the five reporting firms reported a decline in its operating margin from 2007 to 2009, several firms had a relatively larger impact on the aggregate results presented in table VI-1.[3] Insteel, which represented approximately *** percent of aggregate net sales quantities and values in 2009, reported inventory adjustments ***. While such adjustments ***, the *** adjustment in 2009 represented nearly *** percent of the firm's reported COGS in that period.[4]

---

[1] The U.S. firms are American, Insteel, MMI, RettCo, Strand-Tech, and Sumiden.

[2] MMI's financial data are included in this section of the report to present industry profitability for the PC strand produced and sold through the RettCo/MMI tolling arrangement. MMI's net sales quantities and values align with the shipment data reported in table III-4 and in appendix C, and MMI's reported operating costs include all costs associated with the reported sales, including raw material costs and selling expenses, as well as RettCo's production costs which are captured in MMI's reported tolling fees. Consolidated operating income margins are presented as a companion calculation in the statistical note of table VI-1.

[3] From 2007 to 2009, all five firms reported decreases in net sales quantities, with *** firms reporting declines in excess of *** percent. Four of the five firms also reported declines in net sales values during this time. All five firms reported that the absolute value of their operating profits decreased by *** or more, and all five firms reported decreases of *** percentage points or more in the ratio of their operating profits to their net sales.

[4] Insteel reported inventory adjustments ***. E-mail correspondence from ***, June 19, 2009 and e-mail correspondence from ***, March 31, 2010. Such inventory adjustments correspond to public information on Insteel's overall operations. *See* Insteel's Form 10-K, November 9, 2009, pp. 16-17 and hearing transcript for *PC Strand from Brazil, India, Japan, Korea, Mexico, and Thailand, Inv. Nos. 701-TA-432 and 731-TA-1024-28 (Review) and AA1921-188 (Third Review)*, September 30, 2009, pp. 99-101.

Table VI-1
PC strand: Results of operations of U.S. producers, 2007-09

Item	Fiscal year		
	2007	2008	2009
	Quantity (*1,000 pounds*)		
Total net sales	613,704	589,793	389,834
	Value (*$1,000*)		
Total net sales	283,088	354,082	210,951
COGS	230,394	302,334	201,246
Gross profit/(loss)	52,694	51,748	9,705
SG&A expenses	13,317	13,795	13,437
Operating income/(loss)	39,377	37,953	(3,732)
Interest expense	3,193	1,820	1,599
Other income/(expense)	821	1,406	373
Net income/(loss)	37,005	37,539	(4,958)
Depreciation	7,602	8,550	8,474
Cash flow	44,607	46,089	3,516
	Ratio to net sales (*percent*)		
COGS:			
Raw materials	62.1	70.9	68.3
Direct labor	4.5	3.5	3.9
Other factory costs	14.7	10.9	23.2
Total COGS	81.4	85.4	95.4
Gross profit/(loss)	18.6	14.6	4.6
SG&A expenses	4.7	3.9	6.4
Operating income/(loss)	13.9	10.7	(1.8)
Net income/(loss)	13.1	10.6	(2.4)
	Unit value (*per 1,000 pounds*)		
Total net sales	$461	$600	$541
COGS:			
Raw materials	287	426	370
Direct labor	21	21	21
Other factory costs	68	65	125
Total COGS	375	513	516
Gross profit/(loss)	86	88	25
SG&A expenses	22	23	34
Operating income/(loss)	64	64	(10)
Net income/(loss)	60	64	(13)
	Number of firms reporting		
Operating losses	0	1	3
Data	5	5	5

Table continued on next page.

Table VI-1-- *Continued*
PC strand: Results of operations of U.S. producers, 2007-09

Note.-- MMI's financial data are included in this section of the report to present industry profitability for the PC strand produced and sold through the RettCo/MMI tolling arrangement. MMI's net sales quantities and values align with the shipment data reported in table III-4 and appendix C, and MMI's reported operating costs include all costs associated with the reported sales, including raw material costs and selling expenses, as well as RettCo's production costs which are captured in MMI's reported tolling fees. If COGS are adjusted by the amount of operating income reported for RettCo's toller operations, operating income margins for 2007-09 would be ***, ***, and *** percent, respectively. This adjustment removes reported toller profitability from the overall operations on PC strand and presents industry profitability on a consolidated basis.

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

Table VI-2
PC strand: Results of operations of U.S. producers, by firm, 2007-09

* * * * * * *

In its normal course of business, Insteel records the carrying value of its PC strand inventories at the lower of cost or market. This analysis compares the current selling price for PC strand relative to the sum of (1) the carrying value of wire rod, (2) the cost to convert wire rod to finished PC strand, and (3) applicable selling expenses. When the sum of these costs exceeds current selling prices, Insteel's inventory values must be adjusted downward. Insteel performs this analysis and makes any necessary adjustments ***.

Selling prices for finished PC strand declined markedly in late 2008 and early 2009, which U.S. producers assert was due to low-priced imports from China.[5] ***. Insteel stated that the firm's accounting treatment of inventory carrying values was not discretionary and was in accordance with Generally Accepted Accounting Principles (GAAP). The firm's registered public accounting firm concurs with Insteel's valuation methodology.[6] [7]

***, which represented approximately *** percent of aggregate net sales quantities and values in 2009, stated that ***.[8]

[5] At the hearing, Petitioners testified that the U.S. producers' 2008 financial results were augmented by the use of lower cost wire rod from inventory during a period of price increases for both wire rod and PC strand. As wire rod prices began to fall, U.S. producers would have experienced better profitability in 2009, despite the use of higher cost wire rod from inventory, had they not been forced to lower their selling prices due to competition from imports of PC strand from China. There is no mechanism in the PC strand market that automatically adjusts the price of PC strand on the basis of the cost of wire rod. Hearing transcript, pp. 127-129 (Selhorst).

[6] E-mail correspondence from ***, April 7, 2010.

[7] Both Insteel and the overall PC strand industry experienced an improvement in operating income in the last six months of 2009 as compared to the first six months of 2009. During the first six months of 2009, the overall industry and Insteel *** reported operating margins of negative 7.5 and *** percent, respectively. In contrast, during the last six months of 2009, the overall industry and Insteel *** reported operating margins of 3.4 and *** percent, respectively. Calculated from tables VI-1 and VI-2 in this section of the report and aggregated questionnaire responses for PC Strand from Brazil, India, Japan, Korea, Mexico, and Thailand, Inv. Nos. 701-TA-432 and 731-TA-1024-28 (Review) and AA1921-188 (Third Review). Staff notes that two firms have fiscal years ending on or near September 30, which makes these calculations imprecise. However, they correspond to public statements made during the hearing, and may serve as a useful gauge of trends in the PC strand industry during 2009.

[8] E-mail correspondence from ***, July 1, 2009, and August 31, 2009. ***. E-mail correspondence from ***, August 31, 2009, and May 16, 2010.

VARIANCE ANALYSIS

A variance analysis for PC strand is presented in table VI-3. The information for the variance analysis is derived from table VI-1. The analysis shows that the decline in operating income from 2007 to 2009 is primarily attributable to the higher unfavorable net cost/expense variance despite a favorable price variance (that is, costs/expenses rose to a greater extent than prices).[9] [10]

CAPITAL EXPENDITURES AND RESEARCH AND DEVELOPMENT EXPENSES

The responding firms' aggregate data on capital expenditures and research and development ("R&D") expenses are shown in table VI-4. Four firms provided capital expenditure data, while only two firms provided data on R&D expenses. Capital expenditures for PC strand irregularly declined from 2007 to 2009. Insteel accounted for more than *** percent of total capital expenditures ***, and Sumiden accounted for more than *** percent of total reported R&D expenses ***. Insteel's capital expenditures primarily reflect ***,[11] while Sumiden's R&D expenses primarily reflect ***.[12]

[9] The analysis also shows that from 2007 to 2008, increases in prices (a positive variance) essentially offset increases in costs/expenses (a negative variance), resulting in a relatively small change in the industry's operating income. In contrast, the decline in operating income from 2008 to 2009 reflects the combined effect of decreases in prices and volume (both negative variances), and an increase in costs/expenses (a negative variance).

[10] A variance analysis is calculated in three parts: sales variance, cost of sales variance, and SG&A expense variance. Each part consists of a price variance or a cost variance and a volume variance. The sales or cost variance is calculated as the change in unit price times the new volume, while the volume variance is calculated as the change in volume times the old unit price. Summarized at the bottom of the table, the price variance is from sales; the cost/expense variance is the sum of those items from COGS and SG&A variances, respectively; and the volume variance is the sum of the volume variance lines under price and cost/expense variance. The net volume component is generally smaller than the price variance and the net cost/expense variance. The volume variance is relatively low because the negative volume variance for sales is moderated by the positive volume variance for costs/expenses (in other words, a decline in volume leads to overall lower costs/expenses, and thus a positive volume variance).

[11] E-mail correspondence from ***, June 22 and 23, 2009, and March 31, 2010. *See also* conference transcript, p. 84 (Woltz). In the firm's 2008 annual report, Insteel reported the completion of a capital investment program in 2008 and stated the following. "During 2008, we completed extensive upgrades at our Florida PC strand facility, including the installation of new wire drawing and stranding equipment together with the reconfiguration of the operation. This project represents the last component of our three-year, $45.4 million capital investment program under which we have added two new engineered structural mesh ("ESM") production lines, reconfigured and expanded our PC strand facilities, and upgraded and expanded our standard welded wire reinforcing capabilities.... With the completion of the program behind us, we expect a significant drop-off in capital expenditures, with maintenance-related outlays expected to total less than $5.0 million in 2009." Insteel's 2008 annual report, p. 2. In the firm's 2009 annual report, Insteel stated the following. "From 2006 to 2008, we invested $45.4 million in our facilities...These projects provide dual benefits in the form of operating cost reductions together with additional capacity that can be ramped up as market conditions improve. Although the unprecedented collapse in demand that we experienced over the past year has negated any contribution from the incremental capacity that was added, we have achieved sizable improvements in efficiencies and productivity as we have shifted volume over to the new equipment." Insteel's 2009 annual report, p. 6.

[12] E-mail correspondence from ***, June 22 and 23, 2009, and March 31, 2010.

Table VI-3
PC strand: Variance analysis on operations of U.S. producers, 2007-09

Item	Between fiscal years		
	2007-09	2007-08	2008-09
	Value (*$1,000*)		
Total net sales:			
Price variance	31,129	82,024	(23,086)
Volume variance	(103,266)	(11,030)	(120,045)
Total net sales variance	(72,137)	70,994	(143,131)
Cost of sales:			
Cost variance	(54,896)	(80,917)	(1,413)
Volume variance	84,044	8,977	102,501
Total cost variance	29,148	(71,940)	101,088
Gross profit variance	(42,989)	(946)	(42,043)
SG&A expenses:			
Expense variance	(4,978)	(997)	(4,319)
Volume variance	4,858	519	4,677
Total SG&A variance	(120)	(478)	358
Operating income variance	(43,109)	(1,424)	(41,685)
Summarized as:			
Price variance	31,129	82,024	(23,086)
Net cost/expense variance	(59,874)	(81,913)	(5,732)
Net volume variance	(14,364)	(1,534)	(12,867)

Note.-- Unfavorable variances are shown in parentheses; all others are favorable.

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

Table VI-4
PC strand: Capital expenditures and research and development expenses of U.S. producers, 2007-09

* * * * * * *

ASSETS AND RETURN ON INVESTMENT

The Commission's questionnaire requested data on assets used in the production, warehousing, and sale of PC strand to compute return on investment ("ROI"). Data on the U.S. producers' total assets and their ROI are presented in table VI-5. From 2007 to 2009, the total assets for PC strand irregularly increased from $159.2 million in 2007 to $167.3 million in 2009, and the ROI declined from 24.7 percent in 2007 to negative 2.2 percent in 2009. Much of the change in the value of current assets relates to changes in the selling prices and inventory values for PC strand.

Table VI-5
PC strand: Asset values and return on investment of U.S. producers, 2007-09

Item	Fiscal year		
	2007	2008	2009
Value of assets:	**Value (*$1,000*)**		
Current assets:			
Cash and equivalents	8,154	15,262	20,632
Accounts receivable, net	35,722	42,804	24,108
Inventories	41,047	73,013	52,491
Other	2,166	1,652	7,340
Total current assets	87,089	132,731	104,571
Property, plant and equipment:			
Original cost	133,761	142,408	142,899
Less: accumulated depreciation	64,151	74,759	82,018
Equals: book value	69,611	67,648	60,882
Other non-current assets	2,526	2,287	1,834
Total assets	159,226	202,666	167,287
Operating income or (loss)	39,377	37,953	(3,732)
	Share *(percent)*		
Return on investment	24.7	18.7	(2.2)

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

CAPITAL AND INVESTMENT

The Commission requested U.S. producers to describe any actual or potential negative effects since January 1, 2007, on their return on investment, growth, investment, ability to raise capital, existing development and production efforts, or the scale of capital investments as a result of imports of PC Strand from China. Their responses are as follows:

Actual Negative Effects

* * * * * * *

Anticipated Negative Effects

* * * * * * *

PART VII: THREAT CONSIDERATIONS AND INFORMATION ON NONSUBJECT COUNTRIES

The Commission analyzes a number of factors in making threat determinations (see 19 U.S.C. § 1677(7)(F)(i)). Information on the dumping margins and the nature of the subsidies was presented earlier in this report; information on the volume and pricing of imports of the subject merchandise is presented in *Part IV* and *Part V*; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in *Part VI*. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries.

OVERVIEW

According to *Global Trade Atlas*, the United States was the world's largest importer of stranded wire, ropes, cables, and cordage, of iron or steel, during 2007-09, accounting for almost one-fifth of recorded total global imports (table VII-1).[1] In contrast, China was the world's leading exporter during that same time period. China's exports increased by over 27 percent from 2007 to 2008, exceeding 2.3 billion pounds in 2008. China's exports accounted for 30 percent of the world's exports in 2007 and 36 percent in 2008. However, China's exports, which fell in 2009 to a level 29 percent below that reported in 2007, accounted for a smaller share (25 percent) of the world's exports in 2009. China's net trade surplus reached nearly 2.2 billion pounds in 2008, but fell in 2009 to 1.1 billion pounds, a level below that reported in 2007 (1.7 billion pounds).

There are five producers of PC strand in the United States and an estimated 30 or more producers of PC strand in China.[2] Other sizeable producers of PC strand in other countries include the following: Austria (Voestalpine Austria Draht GMBH); Brazil (ArcelorMittal Belgo); Canada (Bekaert, Stelwire Ltd., Titan Steel and Wire, and ArcelorMittal); Colombia (Empresa Colombiana de Cables SA); Germany (DWK Drahtwerk Koln GmbH); India (Tata Steel, Usha Martin Industries, Indore Wire Co., and Ramsarup Lohh Udyog Ltd.); Italy (CB Trafilati Accial, Far SPA, Italcables SPA, Redaelli Tecnasud, Siderurgica Latina Martin, and Trafilati SPA); Japan (Shinko Wire Co., Suzuki Metal Co., Tokyo Rope Mfg. Co., and Tesac Corp.); Korea (Dong-Il Steel Mfg. Co., Kiswire, Manho Rope and Wire, and Youngheung Iron and Steel Co.); Malaysia (Kiswire); Mexico (Camesa and Deacero); Netherlands (Nedri Spanstaal, BV); Portugal (Fapricela Industria de Trefilaria SA, Socitrel, and Tycsa–Trenzas y Cables de Acero PSC SL); Russia (Severstal Metiz); South Africa (Scaw Metals Group); Spain (Emesa Trefileria and Tycsa); Taiwan (Chia Ta World Co., Ltd. and U-LEAD Industrial Corp.); Thailand (Bangkok Steel Wire Co., Siam Wire Industry Co., Thai Wire Products Public Co., The Siam Industrial Wire Co., and

[1] The global trade data presented are derived from *Global Trade Atlas*, HTS 7312.10. The products covered under this six-digit HTS classification include all stranded wire, ropes, cables, and cordage, of iron or steel, which have not been electrically insulated. The subject PC strand is included in the data presented, as are many other products. Other products included in the data are stranded wire, ropes, cables, and cordage (including tire cord), of stainless steel or which have been brass plated or galvanized. The *Global Trade Atlas* data presented exclude the data for Malaysia because these data are not consistent with other data reported.

[2] In their petition, the petitioners provided the names and contact information for 22 producers of PC strand in China. In their prehearing brief in the final phase of these investigations indicated that there are 30 or more PC strand producers in China. Petition, exh. General-4; petitioners' prehearing brief, p. 76 and exh. 11.

Table VII-1
PC strand and related products: World exports, imports, and trade balance of stranded wire, ropes, cables, and cordage, of iron or steel, by country, 2007-09

Country	Calendar year		
	2007	2008	2009
	Quantity (*1,000 pounds*)		
Exports from:			
China	1,823,793	2,323,358	1,288,423
Thailand	200,227	211,702	745,667
Korea	657,297	638,859	536,679
Spain	425,508	432,842	287,074
Italy	349,605	366,204	275,712
Germany	245,491	260,081	219,931
United States	156,586	180,970	147,079
Japan	195,795	168,022	130,211
Hungary	141,696	138,299	121,057
France	201,421	165,235	107,545
All other countries	1,594,534	1,599,613	1,267,879
Total	5,991,953	6,485,185	5,127,256
Imports into:			
China	131,359	130,610	156,882
Thailand	36,451	53,347	53,091
Korea	258,201	285,735	211,787
Spain	225,938	230,013	127,470
Italy	133,850	143,381	99,154
Germany	367,707	391,744	299,188
United States	1,045,989	1,064,161	616,219
Japan	160,082	166,371	145,532
Hungary	19,083	18,025	10,659
France	219,677	221,902	158,559
All other countries	2,641,585	2,740,095	2,106,939
Total	5,239,924	5,445,383	3,985,481
Trade balance:			
China	1,692,433	2,192,747	1,131,540
Thailand	163,777	158,355	692,576
Korea	399,095	353,124	324,892
Spain	199,569	202,830	159,604
Italy	215,755	222,823	176,558
Germany	(122,216)	(131,663)	(79,258)
United States	(889,403)	(883,191)	(469,140)
Japan	35,713	1,652	(15,321)
Hungary	122,613	120,274	110,398
France	(18,256)	(56,667)	(51,017)
All other countries	(1,047,051)	(1,140,482)	(839,060)

Note.--Positive numbers presented for “trade balance” show net exports and numbers in parentheses presented for “trade balance” show net imports. Countries presented separately are based on the top ten exporting countries to the world in 2009.

Source: Global Trade Atlas, HTS 7312.10 (all stranded wire, ropes, cables, and cordage, of iron or steel, which have not been electrically insulated), excluding data for Malaysia, retrieved April 20, 2010.

Thai Special Wire Co.); Turkey (Celik Halat ve Tel Sanayii AS); and the United Kingdom (Bridon International and Carrington Wire Ltd.).[3]

There is no comprehensive source for capacity and/or production data for all countries producing PC strand throughout the world; however, such data for China and several nonsubject sources have been submitted into the record of these investigations and are presented, as follows. As previously indicated, there are believed to be 30 or more producers of PC strand in China.[4] According to estimates provided in the questionnaire responses of Chinese PC strand producers received during the preliminary phase of these investigations, total 2008 production of PC strand in China is believed to have been approximately 5.1 billion pounds. The petitioners indicated that, based on ***, the capacity to produce PC strand in China is currently roughly 6.6 billion pounds.[5] To compare, there are a total of at least 22 producers of PC strand in the countries that comprise the European Union. Overall European Union production was reported to be 2.1 billion pounds in 2007. With aggregate reported capacity for European Union PC strand producers at approximately 2.7 billion pounds, these facilities were reported to be operating at 79 percent capacity utilization.[6] In addition, available data for Brazil, India, Japan, Korea, Mexico, and Thailand reveal that PC strand capacity and production in each of these six countries is substantially smaller than that in China. Total 2008/09 capacity to produce PC strand by 23 producers in these six countries combined is estimated at approximately 1.3 billion pounds: Brazil (*** pounds); India (*** pounds); Japan (*** pounds); Korea (*** pounds); Mexico (*** pounds); and Thailand (*** pounds).[7] Capacity utilization for PC strand facilities in these six countries ranged from 43.6 to 87.2 percent during 2008 and from 17.4 to 84.0 percent during the first half of 2009: Brazil (***); India (***); Japan (***); Korea (***); Mexico (***); and Thailand (***).[8]

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[3] There are currently antidumping and/or countervailing duty orders in place in the United States concerning PC strand producers in six of the countries listed (Brazil, India, Japan, Korea, Mexico, and Thailand). These countries currently ship little or no PC strand to the United States. According to official import statistics, there were no imports of PC strand into the United States from Brazil, India, and Japan during 2009 and, according to the record in the recently completed reviews concerning these six countries, Camesa and Deacero, the only PC strand producers in Mexico, reportedly have not exported the subject merchandise to the United States in several years. *Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand, Investigation Nos. 701-TA-432 and 731-TA-1024-1028 (Review) and AA1921-188 (Third Review)*, USITC Publication 4114, November 2009, p. IV-1. U.S. imports of PC strand from Korea and Thailand combined during 2009 accounted for only 0.5 percent of total U.S. imports of PC strand.

[4] Petition, exh. General-4; petitioners' prehearing brief, p. 76 and exh. 11.

[5] Petitioners' prehearing brief, pp. 69-70.

[6] Commission Regulation (EC) No 1129/2008 of 14 November 2008, *Official Journal of the European Union*, November 15, 2008, L 306/5.

[7] *Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand, Inv. Nos. 701-TA-432 and 73l-TA-1024-1028 (Review) and AA1921-188 (Third Review)*, USITC Publication 4114, November 2009, table IV-9; questionnaire responses submitted in the reviews concerning Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand (Inv. Nos. 701-TA-432 and 73l-TA-1024-1028 (Review) and AA1921-188 (Third Review); and domestic producers' prehearing brief submitted in Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand (Inv. Nos. 701-TA-432 and 73l-TA-1024-1028 (Review) and AA1921-188 (Third Review), exh. 5 (used in these investigations with permission from domestic parties, *staff telephone conversation* with ***, on April 22, 2010).

[8] Production and capacity utilization information presented were obtained for all companies in Brazil and Mexico; however, less than complete coverage was available for India (*** percent of PC strand production in India), Japan (*** percent of PC strand production in Japan); Korea (*** percent of PC strand production in Korea); and Thailand (*** percent of PC strand production in Thailand). *Ibid.*

THE INDUSTRY IN CHINA

The petitioners indicated that there are currently are 30 or more producers of PC strand in China.[9] The Commission sent foreign producer questionnaires to all firms identified in the petition as possible producers/exporters of PC strand in China.[10] Despite numerous attempts by staff to elicit responses from producers of PC strand in China, no questionnaire responses were received from producers of the subject merchandise in China during the final phase of these investigations.[11] Data presented in this section of the report regarding the Chinese industry are, therefore, based on the foreign producer questionnaire responses received by the Commission during its preliminary phase of these investigations.

The petitioners argued that, because of the lack of cooperation from the Chinese in providing questionnaire responses, the Commission should exercise its discretion in these investigations and apply adverse inferences in reaching its decision.[12] The petitioners stated that they

> . . . believe that the failure on the part of the Chinese producers in this investigation to respond to requests for information is similarly a "strategic choice" to deprive the Commission of information that likely would not support respondents' case, not an inability to do so (as evidenced by their cooperation at the preliminary stage of this case and before Commerce). Under these facts, the deliberate refusal of the Chinese producers should not inure to their benefit. Instead, consistent with the statute, this behavior should lead to the Commission's adoption of adverse inferences when selecting among the facts available in reaching a final determination.[13]

Four PC strand producers in China provided responses to the Commission's request for information during the preliminary phase of the investigations. The names of these firms, along with their shares of reported production and subject exports to the United States (by quantity), are presented in table VII-2. According to estimates provided in the questionnaire responses, the responding Chinese producers believe that total production of PC strand in China amounted to about 5.1 billion pounds during 2008, of which they accounted for about 17 percent in the aggregate. As previously indicated, the petitioners estimated that the current capacity to produce PC strand in China is approximately 6.6 billion pounds, or nearly 13 times larger than 2009 apparent U.S. consumption of PC strand.[14] The four Chinese producers that responded to the Commission's questionnaire in the preliminary phase of the investigations also reported that together they exported 72.7 million pounds of PC strand to the United States, which accounted for 19.1 percent of official Commerce import statistics (381.7 million pounds) in 2008.

Table VII-2
PC strand: Reporting manufacturers/exporters in China, and quantities and shares of reported production and exports to the United States, 2008

* * * * * * *

[9] Petitioners' prehearing brief, p. 76 and exh. 11.

[10] The petitioners provided a list of 22 producers of PC strand in China in their petition. Petition, exh. General-4. In addition, staff requested through U.S. counsel that parties to Commerce's investigations respond to the Commission's questionnaires.

[11] The only communication received in response to the Commission's requests for information was an email correspondence from ***. *Email* to Mary Messer from ***, February 10, 2010.

[12] Petitioners' prehearing brief, p. 68.

[13] Ibid., p. 67.

[14] Ibid., p. 71.

The Commission asked the Chinese producers to indicate whether they or any related firm producers, have the capability to produce, or have any plans to produce PC strand in the United States or other countries. ***.

The Commission also asked the Chinese firms to estimate the shares of their total sales that were represented by sales of PC strand; firms' estimates ranged from *** percent to *** percent of total company sales in their most recent fiscal year. *** firms reported production of other products in addition to PC strand on the same equipment and machinery used in the production of PC strand in China.

In response to a question concerning changes in the character of operations concerning the production of PC strand since January 1, 2006, *** responding producers in China reported *** plant openings or closings, relocations, acquisitions, changes in ownership, consolidations, prolonged shutdowns, importation curtailments, or revised labor agreements. *** responding Chinese producers reported plant expansions in relation to their production of PC strand. Company responses concerning the changes in the character of their PC strand operations in China are presented in table VII-3.

Table VII-3
PC strand: Chinese producers' comments concerning changes in the character of operations

* * * * * * *

Data provided by the four Chinese PC strand producers responding to the Commission's questionnaire concerning capacity, production, inventories, and shipments are presented in table VII-4. The reported aggregate capacity of these four firms to produce PC strand in China increased from 2006 to 2008, with their PC strand operations operating at levels close to or at full capacity. However, during the first quarter of 2009, capacity utilization reported at 84.5 percent was substantially lower than calendar year 2008 but higher than the first quarter of that same year.

The petitioners argued that the relatively high rates of capacity utilization "bear no relation to, and should not be cited as the basis of, current capacity utilization rates in China."[15] They indicated that there is currently an oversupply of PC strand in China because of the continual expansion of capacity to produce PC strand in China, coupled with the collapse of the global economy and the overall decline in demand for PC strand in both the home and export markets, including major European export markets that have imposed duties on Chinese PC strand. The petitioners estimated that the Chinese PC strand industry currently has 4.4 billion pounds of excess capacity and is currently operating at a capacity utilization rate of 33 percent.[16] In addition, the petitioners claimed that Chinese producers of PC strand are increasingly attempting to arrange unlawful plans to evade the preliminary duties associated with these investigations. They have asserted that the Chinese PC strand producers have been proposing a plan called "carry trade," whereby the producers in China export PC strand to a third country (e.g., Malaysia, Hong Kong, Vietnam, Indonesia, and Taiwan) where the merchandise is relabeled and/or repackaged with the third country identified as the country of origin. The relabeled/repackaged merchandise would then be exported to the United States accompanied by false documents in to avoid any antidumping duties.[17]

[15] Ibid., 79.

[16] Ibid., pp. 79-81.

[17] Ibid., p. 84 and 89.

Table VII-4
PC strand: China production capacity, production, shipments, and inventories, 2006-08, January-March 2008, and January-March 2009

	2006	2007	2008	January-March 2008	January-March 2009
			Quantity (*1,000 pounds*)		
Capacity[1]	630,219	768,246	908,336	218,816	240,863
Production	614,377	769,354	878,650	162,011	203,628
End of period inventories	31,504	27,974	57,857	31,278	63,538
Shipments:					
Internal consumption	0	0	0	0	0
Home market	441,801	524,502	577,378	104,427	173,091
Exports to--					
The United States	106,839	99,032	72,735	23,998	1,714
European Union[2]	14,646	20,712	21,121	5,321	2,000
All other markets[3]	48,567	128,639	177,532	24,959	21,141
Total exports	170,052	248,383	271,388	54,279	24,855
Total shipments	611,853	772,884	848,766	158,706	197,947
			Ratios and shares (*percent*)		
Capacity utilization	97.5	100.1	96.7	74.0	84.5
Inventories to production	5.1	3.6	6.6	4.8	7.8
Inventories to total shipments	5.1	3.6	6.8	4.9	8.0
Share of total quantity of shipments:					
Internal consumption	0.0	0.0	0.0	0.0	0.0
Home market	72.2	67.9	68.0	65.8	87.4
Exports to--					
The United States[2]	17.5	12.8	8.6	15.1	0.9
European Union[3]	2.4	2.7	2.5	3.4	1.0
All other markets	7.9	16.6	20.9	15.7	10.7
All export markets	27.8	32.1	32.0	34.2	12.6

[1] Reported capacity is based on operating from 156 to 168 hours per week, 49 to 50 weeks per year.
[2] Principal European Union export markets include Austria, Czech Republic, Estonia, Finland, Hungary, Italy, Lithuania, Portugal, Spain, Sweden, and the United Kingdom.
[3] Principal other export markets include Africa, Australia, Brazil, Canada, Chile, Cuba, Hong Kong, Israel, Korea, Japan, Malaysia, Middle East, Central and South America, New Zealand, Norway, Panama, Singapore, Southeast Asia, Thailand, United Arab Emirates, and Vietnam.

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

Source: Compiled from data submitted in response to Commission questionnaires issued in the preliminary phase of these investigations.

Producers of PC strand in China reported no internal consumption of the product from 2006 to 2008. The Chinese producers' largest commercial market for PC strand was the home market, accounting for almost three-fourths of total shipments during 2006 and slightly more than two-thirds of total shipments during 2007-08. Such shipments were noticeably higher during the first quarter of 2009 than in the first quarter of 2008. PC strand exports to the United States, which was the largest export market for the Chinese PC strand during 2006, fell from 2006 to 2008. Exports to the United States accounted for 17.5 percent of total shipments during 2006, 12.8 percent during 2007, and 8.6 percent during 2008. During the first quarter of 2009, the Chinese producers' exports to the United States were only 0.9 percent of their total company shipments.

Three of the four responding Chinese producers provided projected capacity data for calendar years 2009 and 2010. Two of those producers (***) reported no capacity changes and one (***) reported a ***-percent *** in capacity of *** pounds from 2008 to 2010. One of the four responding Chinese producers (***) also provided projected home market shipment data and export shipment data for exports to countries other than the United States and the European Union for calendar year 2009. This company projected an increase in sales to the home market and a decline in exports to these other markets. Another of the four responding Chinese producers (***) provided complete projections for calendar years 2009-10. *** projected a ***-percent decline in production of *** pounds from 2008 to 2009 and a ***-percent increase of *** pounds in 2010. The company's projected home market shipments are expected to increase overall by *** percent from *** pounds in 2008 to *** pounds in 2010 and exports to the United States are expected to fall by *** percent from *** pounds in 2008 to *** pounds in 2009 but climb by *** percent to *** pounds in 2010. The company, which reported shipments of *** pounds of PC strand to the European Union in 2008, reported that it *** PC strand to the European Union during 2009-10. Inventories held by *** are expected to increase by *** percent from *** pounds in 2008 to *** pounds in 2010.

The producers in China provided explanations for their reported projections. Their explanations are presented in table VII-5.

Table VII-5
PC strand: Chinese producers' explanations for reported projections

* * * * * * *

According to *Global Trade Atlas*, China's top export market for stranded wire, ropes, cables, and cordage, of iron or steel, during 2007-09 was the United States (table VII-6).[18] Even though China's exports fell for most of its top ten export markets from 2007 to 2009, the largest decline in China's exports was to the United States. In 2009, China's exports to the United States fell to a level that remained 25 million pounds above the level reported for Korea (China's second largest export market).

[18] The global trade data presented are derived from *Global Trade Atlas*, HTS 7312.10. The products covered under this six-digit HTS classification include all stranded wire, ropes, cables, and cordage, of iron or steel, which have not been electrically insulated. The subject PC strand is included in the data presented, as are many other products. Other products included in the data are stranded wire, ropes, cables, and cordage (including tire cord), of stainless steel or which have been brass plated or galvanized.

Table VII-6
PC strand and related products: China's exports of stranded wire, ropes, cables, and cordage, of iron or steel, by market, 2007-09

Country	Calendar year		
	2007	2008	2009
	Quantity (*1,000 pounds*)		
China's exports to:			
United States	525,600	555,653	187,922
Korea	210,773	242,325	162,925
Vietnam	60,746	59,663	88,210
United Arab Emirates	80,424	210,117	77,653
Japan	41,809	63,446	53,930
Singapore	48,262	77,454	40,888
Iran	24,711	37,983	38,161
Indonesia	44,776	67,902	35,843
Brazil	30,829	40,333	34,366
India	48,967	66,006	32,610
All other countries	706,896	902,476	535,914
Total	1,823,793	2,323,358	1,288,423
	Value (*1,000 dollars*)		
China's exports to:			
United States	210,694	329,598	144,551
Korea	111,975	158,901	92,616
Vietnam	23,019	30,832	36,872
United Arab Emirates	26,664	112,995	28,635
Japan	26,403	53,078	49,243
Singapore	17,506	43,318	20,726
Iran	8,967	22,532	17,158
Indonesia	18,927	33,829	16,241
Brazil	14,661	28,446	19,995
India	26,030	42,360	25,217
All other countries	346,482	596,605	319,693
Total	831,328	1,452,493	770,947
	Unit value (*per 1,000 pounds*)		
China's exports to:			
United States	$401	$593	$769
Korea	531	656	568
Vietnam	379	517	418
United Arab Emirates	332	538	369
Japan	632	837	913
Singapore	363	559	507
Iran	363	593	450
Indonesia	423	498	453
Brazil	476	705	582
India	532	642	773
All other countries	490	661	597
Total	456	625	598

Note.--Countries presented separately are based on China's top ten export markets in 2009.

Source: Global Trade Atlas, HTS 7312.10 (all stranded wire, ropes, cables, and cordage, of iron or steel, which have not been electrically insulated), retrieved April 20, 2010.

U.S. INVENTORIES OF PC STRAND

Data collected in these investigations on U.S. importers' end-of-period inventories of PC strand are presented in table VII-7.[19] Nine U.S. importers reported holding inventories of PC strand imported from China during the period for which data were collected in the final phase of these investigations. U.S. importers' inventories of Chinese PC strand (based on quantity and as a share of imports and U.S. shipments of imports) increased from 2007 to 2008. Between 2007 and 2008, U.S. importers' inventories of PC strand from China increased by 19.7 million pounds. The quantity of inventories of the imported Chinese product fell by 36.4 million pounds between 2008 and 2009 but its share of imports and U.S. shipments of imports increased. The inventories of PC strand imports from nonsubject sources followed the opposite trend as the imports from these other sources fell by 464,000 pounds from 2007 to 2008 and increased by 10.4 million pounds between 2008 and 2009.

Table VII-7
PC strand: U.S. importers' end-of-period inventories of imports, by source, 2007-09

Item	Calendar year		
	2007	2008	2009
China:			
Inventories (*1,000 pounds*)	31,725	51,461	15,019
Ratio of inventories to imports (*percent*)	10.4	16.2	49.2
Ratio to U.S. shipments of imports (*percent*)	9.4	17.3	22.8
Other sources:			
Inventories (*1,000 pounds*)	***	***	***
Ratio of inventories to imports (*percent*)	***	***	***
Ratio to U.S. shipments of imports (*percent*)	***	***	***
All sources:			
Inventories (*1,000 pounds*)	***	***	***
Ratio of inventories to imports (*percent*)	***	***	***
Ratio to U.S. shipments of imports (*percent*)	***	***	***

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

The petitioners contended that there was a "massive" build up of inventories of the Chinese product in the United States in 2008, especially by purchasers. They indicated that both importers and purchasers in the United States were buying and stockpiling "huge quantities" of PC strand from China in anticipation of an increase in demand for the product. They argued that this excess inventory, coupled with the severe market downturn and the decline in demand for PC strand, "artificially suppressed" U.S. imports of PC strand from China during late 2008 and 2009. In fact, the petitioners argued that the presence of subject imports in the U.S. market was much higher than the official import statistics show because of these "massive" amounts of purchaser inventory overhang.[20]

[19] *** of the four PC strand producers in China that provided questionnaire responses in the preliminary phase of these investigations reported maintaining inventories of PC strand in the United States.

[20] Conference transcript, p. 23 (Woltz and Cornelius); and petitioners' prehearing brief, pp. 10-14, 31, 54-55.

U.S. IMPORTERS' CURRENT ORDERS

The Commission requested importers to indicate whether they imported or arranged for the importation of PC strand from China for delivery after December 31, 2009. The following seven U.S. importers reported that they had placed import orders for PC strand for delivery into the United States after December 31, 2008: ***. All seven U.S. importers reported such imports for delivery during the first quarter of 2010 and four of the seven (***) reported imports for delivery during the second quarter of 2010. *** reported imports for delivery after the second quarter of 2010 and *** reported imports of subject merchandise from China after December 31, 2009. Aggregate data reported by these U.S. importers concerning their orders of PC strand are presented in table VII-8. According to first quarter 2010 official import statistics, U.S. imports of PC strand from China amounted to 346,333 pounds ($140,507) and U.S. imports of PC strand from all nonsubject countries amounted to 39.5 million pounds ($18.0 million).

Table VII-8
PC strand: U.S. importers' orders for PC strand imports after December 31, 2009

Country of origin	2010		
	January-March	April-June	July-September
	Quantity (*1,000 pounds*)		
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Total	24,633	17,199	***

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

ANTIDUMPING INVESTIGATIONS IN THIRD-COUNTRY MARKETS

PC strand produced in China is currently subject to antidumping duties in the European Union. On May 5, 2009, the Council of the European Union imposed definitive antidumping duties on imports of pre- and post-stressing wires and wire strands of non-alloy steel from China.[21] The weighted-average dumping margins are presented in table VII-9.

The petitioners argued that, given the size of the antidumping duties imposed in 2009, exports of Chinese PC strand to the European Union are expected to decline in 2010. They further argued that the imposition of the European Union antidumping duty order will essentially encourage the Chinese producers of PC strand to redirect the exports of their product from the European Union to the United States and that this redirection to the U.S. market "would have a large and devastating impact on the domestic industry."[22]

Table VII-9
PC strand: European Union antidumping duties on PC strand from China

Company	Dumping margin (*in percent*)	Injury elimination margin (*in percent*)	Definitive anti-dumping duties rate (*in percent*)
Kiswire Qingdao Ltd. (Qingdao)	26.8	0.0	0.0
Ossen MaanShan Steel Wire and Cable Co. Ltd (Maanshan) and Ossen Liujiang Steel Wire Cable Co. Ltd. (Liujiang)	49.8	31.1	31.1
Country-wide level	50.0	46.2	46.2

Source: Council Regulation (EC) No 383/2009 of 5 May 2009, *Official Journal of the European Union*, May 13, 2009, L 118/1.

[21] Council Regulation (EC) No 383/2009 of 5 May 2009, *Official Journal of the European Union*, May 13, 2009, L 118/1.

[22] Petition, p. 32; and petitioners' prehearing brief, p. 86.

APPENDIX A

FEDERAL REGISTER NOTICES

components thereof that infringe one or more of claims 15 and 23–27 of U.S. Patent No. 6,292,218, and whether an industry in the United States exists as required by subsection (a)(2) of section 337;

(2) For the purpose of the investigation so instituted, the following are hereby named as parties upon which this notice of investigation shall be served:

(a) The complainant is: Eastman Kodak Company, 343 State Street, Rochester, NY 14650.

(b) The respondents are the following entities alleged to be in violation of section 337, and are the parties upon which the complaint is to be served:

Research In Motion, Ltd., 295 Phillip Street, Waterloo, Ontario, Canada N2L 3W8;

Research In Motion Corporation, 122 West John Carpenter Parkway, Suite 430, Irving, TX 75039;

Apple Inc., 1 Infinite Loop, Cupertino, CA 95014.

(c) The Commission investigative attorney, party to this investigation, is Vu Q. Bui, Esq., Office of Unfair Import Investigations, U.S. International Trade Commission, 500 E Street, SW., Suite 401, Washington, DC 20436; and

(3) For the investigation so instituted, the Honorable Paul J. Luckern, Chief Administrative Law Judge, U.S. International Trade Commission, shall designate the presiding Administrative Law Judge.

Responses to the complaint and the notice of investigation must be submitted by the named respondents in accordance with section 210.13 of the Commission's Rules of Practice and Procedure, 19 CFR 210.13. Pursuant to 19 CFR 201.16(d)–(e) and 210.13(a), such responses will be considered by the Commission if received not later than 20 days after the date of service by the Commission of the complaint and the notice of investigation. Extensions of time for submitting responses to the complaint and the notice of investigation will not be granted unless good cause therefor is shown.

Failure of a respondent to file a timely response to each allegation in the complaint and in this notice may be deemed to constitute a waiver of the right to appear and contest the allegations of the complaint and this notice, and to authorize the administrative law judge and the Commission, without further notice to the respondent, to find the facts to be as alleged in the complaint and this notice and to enter an initial determination and a final determination containing such findings, and may result in the issuance of an exclusion order or a cease and desist order or both directed against the respondent.

By order of the Commission.

Issued: February 17, 2010.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 2010–3426 Filed 2–22–10; 8:45 am]

BILLING CODE P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701–TA–464 and 731–TA–1160 (Final)]

Prestressed Concrete Steel Wire Strand From China

AGENCY: United States International Trade Commission.

ACTION: Revised schedule for the subject investigations.

DATES: *Effective Date:* February 16, 2010.

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 these investigations may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov.*

SUPPLEMENTARY INFORMATION: Effective December 23, 2009, the Commission established a schedule for the conduct of the final phase of the subject investigations (75 FR 4104, January 26, 2010). On January 28, 2010, the Commission was notified by the petitioners of a substantial conflict with respect to their ability to participate in the hearing. Accordingly, at the request of the petitioners and absent any argument to the contrary, the Commission is revising its schedule.

The Commission's new schedule for the investigations is as follows: requests to appear at the hearing must be filed with the Secretary to the Commission not later than April 30, 2010; the prehearing conference will be held at the U.S. International Trade Commission Building at 9:30 a.m. on May 4, 2010; the prehearing staff report will be placed in the nonpublic record on April 22, 2010; the deadline for filing prehearing briefs is April 29; the hearing will be held at the U.S. International Trade Commission Building at 9:30 a.m. on May 6, 2010; the deadline for filing posthearing briefs is May 14, 2010; the Commission will make its final release of information on June 2, 2010; and final party comments are due on June 4, 2010.

For further information concerning these investigations see the Commission's notice cited above and the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and C (19 CFR part 207).

Authority: These investigations are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.21 of the Commission's rules.

Issued: February 17, 2010.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 2010–3425 Filed 2–22–10; 8:45 am]

BILLING CODE P

INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 701–TA–474 and 731–TA–1176 (Preliminary)]

Drill Pipe From China

AGENCY: United States International Trade Commission.

ACTION: Revised schedule for the subject antidumping and countervailing duty investigations.

DATES: *Effective Date:* February 16, 2010.

FOR FURTHER INFORMATION CONTACT: Angela M.W. Newell (202–708–5409), 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 at 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 these reviews may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov*

submission and not considered during the selection process.

Timeframe for Recruitment and Applications

Mission recruitment will be conducted in an open and public manner, including publication in the **Federal Register**, posting on the Commerce Department trade mission calendar (*www.ita.doc.gov/doctm/tmcal.html*) and other Internet Web sites, press releases to general and trade media, direct mail, notices by industry trade associations and other multiplier groups, and publicity at industry meetings, symposia, conferences, and trade shows. Recruitment for the mission will begin immediately and conclude no later than August 2, 2010. Applications received after that date will be considered only if space and scheduling constraints permit.

Contacts

U.S. Commercial Service in Mexico City:

Aliza Totayo, Commercial Officer, T: +52 (55) 5140–2635, *Aliza.Totayo@mail.doc.gov;*

Juan Carlos Prieto, Commercial Specialist, T: +52 (55) 5140–2634, *JuanCarlos.Prieto@mail.doc.gov.*

Natalia Susak,

Global Trade Programs, Commercial Service Trade Missions Program.

[FR Doc. 2010–12207 Filed 5–20–10; 8:45 am]

BILLING CODE 3510–FP–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–549–502)]

Circular Welded Carbon Steel Pipes and Tubes From Thailand: Extension of Time Limit for Final Results of Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

DATES: *Effective Date:* May 21, 2010.

FOR FURTHER INFORMATION CONTACT: Jacqueline Arrowsmith, AD/CVD Operations, Office 6, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington DC 20230; telephone: (202) 482–5255.

SUPPLEMENTARY INFORMATION:

Background

On April 13, 2010, the Department of Commerce (the Department) published the preliminary results of the administrative review of the antidumping duty order on circular welded carbon steel pipes and tubes from Thailand. *See Circular Welded Carbon Steel Pipes and Tubes from Thailand: Preliminary Results and Rescission, in Part, of Antidumping Duty Administrative Review,* 75 FR 18788 (April 13, 2010) (*Preliminary Results*). This administrative review covers the period March 1, 2008 through February 28, 2009. This review covers one producer/exporter of the subject merchandise to the United States, Saha Thai Steel Pipe (Public) Company, Ltd.

Extension of Time Limit for Final Results

Pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.213(h)(1), the Department shall issue final results in an administrative review of an antidumping duty order within 120 days after the date on which notice of the preliminary results is published in the **Federal Register**. However, if the Department determines that it is not practicable to complete the review within the time limits, section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(2) allow the Department to extend the 120-day period up to a 180-day period.

Pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(2), we determine that it is not practicable to complete the results of this review within the original time limit. The Department requested comments from interested parties on the effect, if any, of the application of the quarterly cost methodology on the Department's level of trade analysis. In particular, the Department requested that parties comment on whether the quarterly cost approach requires an evaluation on a quarterly basis of the pattern of price differences and how any such differences should be analyzed for purposes of determining whether a level of trade adjustment is warranted. Consequently, the Department needs additional time to consider comments that were filed by the parties and to develop an appropriate analytical approach.

In accordance with section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(2), the Department has decided to extend the time limit for the final results from 120 days to 180 days, making the new due date for the final results, October 10, 2010. However, October 10, 2010 falls on a Sunday, and Monday, October 11, 2010 is a federal holiday. It is the Department's long-standing practice to issue a determination the next business day when the statutory deadline falls on a weekend, federal holiday, or any other day when the Department is closed. *See Notice of Clarification: Application of* "*Next Business Day*" *Rule for Administrative Determination Deadlines Pursuant to the Tariff Act of 1930, As Amended,* 70 FR 24533 (May 10, 2005). Accordingly, the deadline for the completion of the final results is now October 12, 2010, the first business day following the 180-day period.

This notice is issued and published in accordance with sections 751(a)(3)(A) and 777(i)(1) of the Act.

Dated: May 14, 2010.

John M. Andersen,

Acting Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations.

[FR Doc. 2010–12305 Filed 5–20–10; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[C–570–946]

Pre–Stressed Concrete Steel Wire Strand from the People's Republic of China: Final Affirmative Countervailing Duty Determination

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (the Department) determines that countervailable subsidies are being provided to producers and exporters of pre–stressed concrete steel wire strand from the People's Republic of China (the PRC). For information on the estimated subsidy rates, see the "Suspension of Liquidation" section of this notice.

EFFECTIVE DATE: May 21, 2010.

FOR FURTHER INFORMATION CONTACT: Robert Copyak, AD/CVD Operations, Office 3, Operations, Import Administration, U.S. Department of Commerce, Room 4014, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–2209.

SUPPLEMENTARY INFORMATION:

Background

This investigation covers 61 programs and the following producers/exporters: Fasten Group Import & Export Co., Ltd. (Fasten I&E), Fasten Group Corporation (Fasten Corp.), Jiangyin Fasten Steel (Fasten Steel), Jiangyin Hongyu Metal Products Co., Ltd. (Hongyu Metal), Jiangyin Walsin Steel Cable Co., Ltd. (Walsin) and Jiangyin Hongsheng Co., Ltd. (Hongsheng) (collectively, the

Fasten Companies) and Xinhua Metal Products Company (Xinhua), Xinyu Iron and Steel Joint Stock Limited Company (Xinyu), and Xinyu Iron and Steel Limited Liability Company (Xingang) (collectively, the Xinhua Companies). The petitioners in this investigation are American Spring Wire Corp., Insteel Wire Products Company, and Sumiden Wire Products Corp. (collectively, the petitioners).

Period of Investigation

The period of investigation (the POI) for which we are measuring subsidies is January 1, 2008, through December 31, 2008, which corresponds to the PRC's most recently completed fiscal year. *See* 19 CFR 351.204(b)(2).

Case History

The following events have occurred since the Department announced the Preliminary Determination on October 27, 2009. *See Pre–Stressed Concrete Steel Wire Strand from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination*, 74 FR 56756 (November 2, 2009) (*Preliminary Determination*).

From November 3, 2009, through December 23, 2009, we issued supplemental questionnaires to Government of the PRC (the GOC), the Fasten Companies, and the Xinhua Companies. From November 9, 2009, through January 25, 2010, the GOC, the Fasten Companies, and the Xinhua Companies submitted supplemental questionnaire responses. On October 28, 2009, petitioners requested that the Department align the due date of the final determination of the countervailing duty (CVD) investigation with the due date of the final determination in the companion antidumping (AD) investigation. On November 13, 2009, the Department aligned the due date of the final determination in the CVD investigation with the due date of the final determination in the AD investigation. *See Pre–Stressed Concrete Steel Wire Strand from the People's Republic of China: Alignment of Final Countervailing Duty Determination with Final Antidumping Duty Determination*, 74 FR 59960 (November 19, 2009). On November 20, 2009, the Xinhua Companies submitted a request for a public hearing. From November 23, 2009, through January 22, 2010, we issued verification outlines to the Fasten Companies, the GOC, and the Xinhua Companies. From January 14, 2010, through February 3, 2010, verifiers from the Department conducted verification of the questionnaire responses submitted by the Fasten Companies, the Xinhua Companies, and the GOC. From February 23, 2010, through March 9, 2010, we issued verification reports for the GOC, the Fasten Companies, and the Xinhua Companies. On March 16 and March 24, interested parties submitted their case and rebuttal briefs. On April 14, 2010, the Department placed on the record of the investigation publicly available information concerning the provision of wire rod for less than adequate remuneration (LTAR) program. *See* Memorandum to the File from Eric B. Greynolds, Program Manager, Office 3, Operations (April 14, 2010) (New Information Memorandum). On April 21 and 26, 2010, interested parties submitted comments and clarifying information concerning the information the Department placed on the record.

As explained in the memorandum from the Deputy Assistant Secretary for Import Administration, the Department has exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from February 5, through February 12, 2010. Thus, all deadlines in this segment of the proceeding have been extended by seven days. The revised deadline for this CVD investigation is now May 14, 2010. *See* Memorandum to the Record from Ronald K Lorentzen, Deputy Assistant Secretary for Import Administration, regarding "Tolling of Administrative Deadlines As a Result of the Government Closure During the Recent Snowstorm," dated February 12, 2010."

Scope of Investigation

For purposes of this investigation, PC strand is steel wire strand, other than of stainless steel, which is suitable for use in, but not limited to, pre–stressed concrete (both pre–tensioned and post–tensioned) applications. The scope of this investigation encompasses all types and diameters of PC strand whether uncoated (uncovered) or coated (covered) by any substance, including but not limited to, grease, plastic sheath, or epoxy. This merchandise includes, but is not limited to, PC strand produced to the American Society for Testing and Materials (ASTM) A–416 specification, or comparable domestic or foreign specifications. PC strand made from galvanized wire is excluded from the scope if the zinc and/or zinc oxide coating meets or exceeds the 0.40 oz./ft^2 standard set forth in ASTM–A–475.

The PC strand subject to this investigation is currently classifiable under subheadings 7312.10.3010 and 7312.10.3012 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

Injury Test

Because the PRC is a "Subsidies Agreement Country" within the meaning of section 701(b) of the Act, the International Trade Commission (the ITC) is required to determine whether imports of the subject merchandise from the PRC materially injure, or threaten material injury to, a U.S. industry. On July 17, 2009, the ITC published its preliminary determination finding that there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of imports from the PRC of the subject merchandise. *See* Pre–Stressed Concrete Steel Wire Strand from China, Investigation Nos. 701–TA–464 and 731–TA–1160 (Preliminary), 74 FR 34782 (July 17, 2009).

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the Decision Memorandum. Attached to this notice as an Appendix is a list of the issues that parties raised and to which we have responded in the Decision Memorandum. Parties can find a complete discussion of all issues raised in this investigation and the corresponding recommendations in this public memorandum, which is on file in the Department's Central Records Unit. In addition, a complete version of the Decision Memorandum can be accessed directly on the Internet at http://ia.ita.doc.gov/frn/. The paper copy and electronic version of the Decision Memorandum are identical in content.

Suspension of Liquidation

In accordance with section 705(c)(1)(B)(i)(I) of the Act, we have calculated an individual rate for the companies under investigation: the Fasten Companies and the Xinhua Companies. Sections 703(d) and 705(c)(5)(A) of the Act state that for companies not investigated, we will determine an all–others rate by weighting the individual company subsidy rate of each of the companies investigated by each company's exports of the subject merchandise to the United States. The all–others rate may not include zero and *de minimis* net subsidy rates, or any rates based solely on the facts available.

Notwithstanding the language of section 705(c)(1)(B)(i)(I) of the Act, we have not calculated the all–others rate by weight averaging the rates of the Fasten Companies and the Xinhua

Companies because doing so risks disclosure of proprietary information. Therefore, for the all–others rate, we have calculated a simple average of the two responding firms' rates.

Producer/Exporter	Subsidy Rate
Fasten Group Corporation (Fasten Corp.), Fasten Group Import & Export Co., Ltd. (Fasten I&E), Jiangyin Hongsheng Co. Ltd. (Hongsheng), Jiangyin Fasten Steel (Fasten Steel), Jiangyin Hongyu Metal Products Co., Ltd. (Hongyu Metal), and Jiangyin Walsin Steel Cable Co., Ltd. (Walsin) (Collectively, the Fasten Companies)	8.85 percent ad valorem
Xinhua Metal Products Company (Xinhua), Xinyu Iron and Steel Joint Stock Limited Company (Xinyu), and Xinyu Iron and Steel Limited Liability Company (Xingang) (Collectively the Xinhua Companies)	45.85 percent ad valorem
All Others	27.35 percent ad valorem

As a result of our *Preliminary Determination* and pursuant to section 703(d) of the Act, we instructed the U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of subject merchandise from the PRC which were entered or withdrawn from warehouse, for consumption on or after November 2, 2009, the date of the publication of the *Preliminary Determination* in the **Federal Register**. In accordance with sections 703(d) of the Act, we issued instructions to CBP to discontinue the suspension of liquidation for countervailing duty purposes for subject merchandise entered, or withdrawn from warehouse, on or after March 2, 2010, but to continue the suspension of liquidation of all entries from November 2, 2010, through March 1, 2010.

We will issue a CVD order and reinstate the suspension of liquidation under section 706(a) of the Act if the ITC issues a final affirmative injury determination, and will require a cash deposit of estimated countervailing duties for such entries of merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

ITC Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non–privileged and non–proprietary information related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an APO, without the written consent of the Assistant Secretary for Import Administration.

Return or Destruction of Proprietary Information

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

This determination is published pursuant to sections 705(d) and 777(i) of the Act.

Dated: May 14, 2010.

Ronald K. Lorentzen,

Deputy Assistant Secretary for Import Administration.

APPENDIX

List of Comments and Issues in the Decision Memorandum

Comment 1: Whether the Imposition of Countervailing Duties on the Same Imports that are Subject to Commerce's NME AD Methodology is Contrary to Law

Comment 2: Whether the Simultaneous Application of CVD Market Benchmarks and the AD Surrogate Value Methodology Unlawfully Double–Counts the Remedy for Domestic Subsidies

Comment 3: Whether the Department May Place the Burden on Respondents to "Prove" the Double–Counting of Remedies

Comment 4: Whether the Department's Application of a December 11, 2001 "Cut–Off" Date for Examining Alleged Subsidies Is Appropriate

Comment 5: Whether the GOC Failed to Cooperate in Providing Ownership Information for Producer A in a Manner that Warrants the Application of AFA

Comment 6: Whether the GOC Failed to Cooperate in Providing Ownership Information for Producer B in a Manner that Warrants the Application of AFA

Comment 7: Whether Record Evidence Demonstrates that Producer A is a GOC Authority

Comment 8: Whether Record Evidence Demonstrates that Producer B is a GOC Authority

Comment 9: Whether the GOC Failed to Indicate Whether Certain Wire Rod Suppliers Were Producers or Trading Companies

Comment 10: Whether SOEs and Firms Majority–Owned by the GOC Constitute Government Authorities

Comment 11: Whether Private Resellers of Wire Rod Should Be Treated as Government Authorities

Comment 12: Whether the Provision of Wire Rod to PC Strand Producers is Specific

Comment 13: Whether the Benchmark for the Wire Rod for LTAR Program Should Reflect All Delivery Charges, Including Shipping and Insurance Costs

Comment 14: Whether the Department Should Include Wire Rod Prices from the CRU Monitor and AMM Monitor in the LTAR Benchmark

Comment 15: Whether to Use an In–Country Benchmark to Measure Benefits Under the Provision of Wire Rod for LTAR Program

Comment 16: Whether Benefits Under the Provision of Wire Rod Program Should Be Attributed to Sales of Fasten I&E and Hongshen

Comment 17: Whether the Wire Rod Sold for LTAR Should be Attributed Only to Sales of Wire Rod

Comment 18: Whether the Department Committed a Ministerial Error for the Fasten and the Xinhua Companies Under the Provision of Wire Rod for LTAR Program And Whether the Department Should Correct the GOC Verification Report for Alleged Errors

Comment 19: Whether the Department Erred By Including Intra–Company Sales in the Denominator Used in the Net Subsidy Calculation of the Wire Rod for LTAR Program
Comment 20: The Suitability of the Benchmark Used to Calculate Benefits Under the Policy Lending Program
Comment 21: Whether GOC Policy Lending Is Specific
Comment 22: Whether Chinese Banks are Government Authorities
Comment 23: Whether The Department Should Apply AFA Available to Unverifiable Information Provided by Xinhua

Comment 24: Whether the Department Should Investigate the PRC's Alleged Undervaluation of its Currency and Find that it Constitutes a Countervailable Export Subsidy
*Comment 25:*Whether Provision of Land by Municipal and Provincial Governments to Respondents Was Countervailable

*Comment 26:*Whether the Provision of Electricity Is Not Countervailable Because the Program Provides General Infrastructure Which Does Not Constitute a Financial Contribution, Co 27, 45

[FR Doc. 2010–12292 Filed 5–20–10; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

[A–570–945]

Prestressed Concrete Steel Wire Strand From the People's Republic of China: Final Determination of Sales at Less Than Fair Value

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

DATES: *Effective Date:* May 21, 2010.

SUMMARY: On December 23, 2009, the Department of Commerce (the "Department") published its notice of preliminary determination of sales at less than fair value ("LTFV") in the antidumping investigation of prestressed concrete steel strand ("PC strand") from the People's Republic of China ("PRC").[1] The period of investigation ("POI") is October 1, 2008, through March 31, 2009. We invited interested parties to comment on our preliminary determination. Based on our analysis of the comments received, we have made changes to our margin calculations for the respondents. We determine that PC strand from the PRC is being, or is likely to be, sold in the United States at LTFV as provided in section 735 of the Tariff Act of 1930, as amended ("the Act"). The estimated margins of sales at LTFV are shown in the "Final Determination Margins" section of this notice.

FOR FURTHER INFORMATION CONTACT: Alan Ray or Alexis Polovina, AD/CVD Operations, Office 9, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington DC 20230; telephone: (202) 482–5403 or (202) 482–3927, respectively.

SUPPLEMENTARY INFORMATION:

Case History

The Department published its *Preliminary Determination* on December 23, 2009. Between January 18, 2010, and January 27, 2010, the Department conducted verifications of Wuxi Jinyang Metal Products Co., Ltd. ("WJMP") and Xinhua Metal Products Co., Ltd. ("Xinhua Metal"). *See* the "Verification" section below for additional information.

Upon the March 2, 2010, release of the verification reports,[2] we invited parties to comment on the *Preliminary Determination.* On March 15, 2010, we received case briefs from Petitioners,[3] Xinhua Metal, WJMP, and the separate-rate applicant Fasten Group Import & Export Co. Ltd. ("Fasten I&E"). On March 22, 2010, we received rebuttal briefs from Petitioners, Xinhua Metal, WJMP, and the Government of China ("GOC"). The Department held the public hearing on March 31, 2010.

Tolling of Administrative Deadlines

As explained in the memorandum from the Deputy Assistant Secretary for Import Administration, the Department has exercised its discretion to toll deadlines for the duration of the closure of the Federal Government from February 5, through February 12, 2010. Thus, all deadlines in this segment of the proceeding have been extended by seven days. The revised deadline for this final determination is now May 14, 2010. *See* Memorandum to the Record from Ronald Lorentzen, DAS for Import Administration, "Tolling of Administrative Deadlines As a Result of the Government Closure During the Recent Snowstorm," dated February 12, 2010.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the "Investigation of Prestressed Concrete Steel Strand From the People's Republic of China: Issues and Decision Memorandum" ("Issues and Decision Memorandum"), dated concurrently with this notice and which is hereby adopted by this notice. A list of the issues which parties raised and to which we respond in the Issues and Decision Memorandum is attached to this notice as Appendix I. The Issues and Decision Memorandum is a public document and is on file in the Central Records Unit ("CRU"), Room 1117, and is accessible on the World Wide Web at *http://trade.gov/ia/index.asp.* The paper copy and electronic version of the memorandum are identical in content.

Changes Since the Preliminary Determination

Based on our analysis of information on the record of this investigation, we have made changes to the margin calculations for the final determination. For the final determination, we have calculated surrogate financial ratios using the fiscal year 2008–2009 financial statements of Rajratan Global Wire Ltd. *See* Issues and Decision Memorandum at Comment 1. Additionally, unlike in the *Preliminary Determination,* where World Trade Atlas ("WTA") data was available for only the first five months of the POI, for the final determination, WTA data covering the full POI is available. Therefore, for surrogate values calculated for the final determination derived from WTA data, we have relied on WTA data covering the full POI. *See* Memorandum to the File, from Alan Ray, Case Analyst, through Alex Villanueva, Program Manager, Prestressed Concrete Steel Wire Strand from the People's Republic of China: Placing Additional Surrogate Value Data on the Record, dated January 11, 2010; Memorandum to the File from Alexis Polovina, Case Analyst, through Alex

[1] *See Prestressed Concrete Steel Wire Strand From the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value,* 74 FR 68232 (December 23, 2009) ("*Preliminary Determination*").

[2] Memorandum to the File, from Alexis Polovina, Case Analyst, through Alex Villanueva, Program Manager, Verification of the Sales and Processing Response of Xinhua Metal Products Co., Ltd. in the Antidumping Duty Investigation of Prestressed Concrete Steel Wire Strand From the People's Republic of China ("PRC"), dated March 2, 2010 ("Xinhua Metal Verification Report"); Memorandum to the File, from Alan Ray, Case Analyst, through Alex Villanueva, Program Manager, Verification of the Sales and Processing Response of Wuxi Jinyang Metal Products Co., Ltd. in the Antidumping Duty Investigation of Prestressed Concrete Steel Wire Strand From the People's Republic of China ("PRC"), dated March 2, 2010 ("WJMP Verification Report").

[3] American Spring Wire Corp., Insteel Wire Products Company, and Sumiden Wire Products Corp., (collectively, "Petitioners").

Villanueva, Program Manager, AD/CVD Operations, Office 9: Prestressed Concrete Steel Wire Strand from the People's Republic of China: Surrogate Values for the Final Determination, dated May 14, 2010 ("Final Surrogate Value Memo").

In addition, we have made some company-specific changes since the *Preliminary Determination.* Specifically, for the final determination, we have applied partial facts available to Xinhua Metal's wire rod usage pursuant to section 776(a)(2)(D). *See* Issues and Decision Memorandum at Comment 2. Regarding WJMP, for the final determination, we have decided not to value movement expenses between the pickling plant and the main factory as a factor of production. Additionally, lime used by WJMP to neutralize water is being considered as part of factory overhead. We have revalued the surrogate values for steel belt and coal consumed by WJMP. *See* Issues and Decision Memorandum at Comment 3. Finally, we have applied partial FA to WJMP's drawbench consumption factor.

Scope of Investigation

The scope of this investigation consists of PC strand, produced from wire of non-stainless, non-galvanized steel, which is suitable for use in prestressed concrete (both pre-tensioned and post-tensioned) applications. The product definition encompasses covered and uncovered strand and all types, grades, and diameters of PC strand. PC strand is normally sold in the United States in sizes ranging from 0.25 inches to 0.70 inches in diameter. PC strand made from galvanized wire is only excluded from the scope if the zinc and/or zinc oxide coating meets or exceeds the 0.40 oz./ft standard set forth in ASTM–A–475. The PC strand subject to this investigation is currently classifiable under subheadings 7312.10.3010 and 7312.10.3012 of the Harmonized Tariff Schedule of the United States ("HTSUS"). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this investigation is dispositive.

Affiliation

In the *Preliminary Determination,* the Department determined that, based on the evidence on the record in this investigation including evidence presented in WJMP's questionnaire responses, WJMP is affiliated with Corus America, Inc. ("CAI"). CAI was involved in WJMP's sales process pursuant to sections 771(33)(E), (F) and (G) of the Act, based on ownership and common control. *See Preliminary Determination,* 74 FR at 68234–35.

No other information has been placed on the record since the *Preliminary Determination* to contradict the above information upon which we based our finding that these companies are affiliated. Therefore, for the final determination, we continue to find that WJMP and CAI are affiliated.

Use of Facts Available

Section 776(a)(2) of the Act provides that if an interested party: (A) Withholds information that has been requested by the Department; (B) fails to provide such information in a timely manner or in the form or manner requested, subject to subsections 782(c)(1) and (e) of the Act; (C) significantly impedes a determination under the antidumping statute; or (D) provides such information but the information cannot be verified, the Department shall, subject to subsection 782(d) of the Act, use facts otherwise available in reaching the applicable determination.

Section 782(c)(1) of the Act provides that if an interested party "promptly after receiving a request from {the Department} for information, notifies {the Department} that such party is unable to submit the information in the requested form and manner, together with a full explanation and suggested alternative form in which such party is able to submit the information," the Department may modify the requirements to avoid imposing an unreasonable burden on that party.

Section 782(d) of the Act provides that, if the Department determines that a response to a request for information does not comply with the request, the Department will inform the person submitting the response of the nature of the deficiency and shall, to the extent practicable, provide that person the opportunity to remedy or explain the deficiency. If that person submits further information that continues to be unsatisfactory, or this information is not submitted within the applicable time limits, the Department may, subject to section 782(e), disregard all or part of the original and subsequent responses, as appropriate.

Section 782(e) of the Act states that the Department shall not decline to consider information deemed "deficient" under section 782(d) if: (1) The information is submitted by the established deadline; (2) the information can be verified; (3) the information is not so incomplete that it cannot serve as a reliable basis for reaching the applicable determination; (4) the interested party has demonstrated that it acted to the best of its ability; and (5) the information can be used without undue difficulties.

Furthermore, section 776(b) of the Act states that if the administering authority finds that an interested party has not acted to the best of its ability to comply with a request for information, the administering authority may, in reaching its determination, use an inference that is adverse to that party. The adverse inference may be based upon: (1) The petition, (2) a final determination in the investigation under this title, (3) any previous review under section 751 or determination under section 753, or (4) any other information placed on the record.

Xinhua Metal

Pursuant to sections 776(a)(2)(D) of the Act, we are applying partial facts otherwise available to Xinhua Metal because the Department finds that the information necessary to calculate an accurate and otherwise reliable margin is not available on the record with respect to a portion of Xinhua Metal's wire rod usage. On November 2, 2009, Xinhua Metal stated in their supplemental questionnaire response that that "Xinhua Metal does not weigh the wire rod after it has been de-scaled and cut. The best demonstration of yield loss is the FOP for wire rod."[4] However, at verification and after an analysis of the actual data reported for wire rod usage and subtracting the by-products offsets from the wire rod usage rate, the wire rod usage rate was less than 1 kilogram for 1 kilogram of PC strand produced by Xinhua Metal. Although Xinhua Metal does collect many of its wire rod by-products, it is not possible to produce 1 kilogram of PC strand from less than 1 kilogram of wire rod input. Therefore, the information supplied by Xinhua Metal could not be verified, and we are applying FA, pursuant to 776(a)(2)(D) of the Act to Xinhua Metal's wire rod usage.

For the final determination, the Department will use a simple average of information from the petition and WJMP, to add a yield loss to Xinhua Metal's POI wire rod usage. *See* Issues and Decision Memorandum at Comment 2.

WJMP

Pursuant to section 776(a) of the Act, we are applying partial facts otherwise available to WJMP because the Department finds that the information necessary to calculate an accurate and

[4] *See* Xinhua Metal's 1st Supplemental D Questionnaire response at 5, dated November 2, 2009.

otherwise reliable margin is not available on the record with respect to WJMP's consumption of drawbench factor of production ("FOP"). At verification, the Department found that WJMP was consuming drawbench as a factor to produce PC strand.[5] Because WJMP could have reported drawbench, as it was used in the same production process step as the drawing lubricants, a factor that was reported by WJMP, and WJMP could have easily identified it by reviewing the raw materials account, we determine that WJMP did not act to the best of its ability and that we will apply an adverse inference, pursuant to section 776(b) of the Act. As an adverse inference, the Department will use the highest monthly consumption factor for drawing lubricants as the consumption factor for drawbench and value drawbench using the surrogate value for drawing lubricants.[6] The Department is using drawing lubricants as a surrogate factor and value for drawbench because it is used in the same stage of the production process, which represents the best information available on the record.

Verification

As provided in section 782(i) of the Act, we conducted verification of the information submitted by WJMP and Xinhua Metal for use in our final determination. *See* Xinhua Metal Verification Report; WJMP Verification Report. We used standard verification procedures, including examination of relevant accounting and production records, as well as original source documents provided by Respondents.

Surrogate Country

In the *Preliminary Determination,* we stated that we selected India as the appropriate surrogate country to use in this investigation for the following reasons: (1) It is a significant producer of comparable merchandise; (2) it is at a similar level of economic development pursuant to 773(c)(4) of the Act; and (3) we have reliable data from India that we can use to value the factors of production. *See Preliminary Determination,* 74 FR at 68234. For the final determination, we received no comments and made no changes to our findings with respect to the selection of a surrogate country.

[5] *See* WJMP Verification Report at 2, dated March 3, 2010.

[6] *See* Memorandum to the File from Alan Ray, Case Analyst, through Alex Villanueva, Program Manager, Analysis of the Final Determination of the Antidumping Duty Investigation of Prestressed Concrete Steel Wire Strand ("PC strand"): Wuxi Jinyang Metal Products Co., Ltd. ("WJMP"), dated May 14, 2010.

Separate Rates

In proceedings involving non-market-economy ("NME") countries, the Department begins with a rebuttable presumption that all companies within the country are subject to government control and, thus, should be assigned a single antidumping duty deposit rate. It is the Department's policy to assign all exporters of merchandise subject to an investigation in an NME country this single rate unless an exporter can demonstrate that it is sufficiently independent so as to be entitled to a separate rate. *See Final Determination of Sales at Less Than Fair Value: Sparklers From the People's Republic of China,* 56 FR 20588 (May 6, 1991) ("*Sparklers*"), as amplified by *Notice of Final Determination of Sales at Less Than Fair Value: Silicon Carbide From the People's Republic of China,* 59 FR 22585 (May 2, 1994) ("*Silicon Carbide*"), and 19 CFR 351.107(d). In the *Preliminary Determination,* we found that Xinhua Metal, WJMP, and the separate-rate applicant, Fasten I&E, demonstrated their eligibility for, and were hence assigned, separate-rate status. No party has commented on the eligibility of these companies for separate rate status. *See Preliminary Determination,* 74 FR at 68235–36. For the final determination, we continue to find that the evidence placed on the record of this investigation by these companies demonstrates both a *de jure* and *de facto* absence of government control with respect to their exports of the merchandise under investigation. Thus, we continue to find that they are eligible for separate-rate status.

As indicated in the *Preliminary Determination,* Liaonin TongDa Building Material Industry Co., Ltd. ("Tongda") did not respond to the supplemental questionnaire, Silvery Dragon PC Steel Products Group Co., Ltd. ("Silvery Dragon Steel") stated that it would not participate as a mandatory respondent, and Tianjin Shengte filed a deficient Section A questionnaire and failed to respond to the Department's request for more information. *See Preliminary Determination,* 74 FR at 68240. We preliminarily found that Tongda, Silvery Dragon Steel, and Tianjin Shengte were not eligible for separate rates. For this final determination, we continue to find that Tongda, Silvery Dragon Steel, and Tianjin Shengte are not eligible for separate rates.

The PRC-Wide Rate

In the *Preliminary Determination* we treated PRC exporters/producers that did not respond to the Department's request for information as part of the PRC-wide entity because they did not demonstrate that they operate free of government control. *See Preliminary Determination,* 74 FR at 68236–37. No additional information has been placed on the record with respect to these entities after the *Preliminary Determination.* The PRC-wide entity has not provided the Department with the requested information; therefore, pursuant to section 776(a)(2)(A) of the Act, the Department continues to find that the use of FA is appropriate to determine the PRC-wide rate. Section 776(b) of the Act provides that, in selecting from among the facts otherwise available, the Department may employ an adverse inference if an interested party fails to cooperate by not acting to the best of its ability to comply with requests for information. *See* Statement of Administrative Action accompanying the URAA, H.R. Rep. No. 103–316, vol. 1, at 870 (1994) ("SAA"). We find that, because the PRC-wide entity did not respond to our request for information, it has failed to cooperate to the best of its ability. Therefore, the Department finds that, in selecting from among the facts otherwise available, an adverse inference is appropriate for the PRC-wide entity. Because we begin with the presumption that all companies within a NME country are subject to government control and because only the companies listed under the "Final Determination Margins" section below have overcome that presumption, we are applying a single antidumping rate—the PRC-wide rate—to all other exporters of subject merchandise from the PRC. Such companies did not demonstrate entitlement to a separate rate. *See, e.g., Synthetic Indigo From the People's Republic of China: Notice of Final Determination of Sales at Less Than Fair Value,* 65 FR 25706, 25707 (May 3, 2000). The PRC-wide rate applies to all entries of subject merchandise except for entries from Xinhua Metal, WJMP, and Fasten I&E, which are listed in the "Final Determination Margins" section below.

Corroboration

Section 776(c) of the Act provides that, when the Department relies on secondary information rather than on information obtained in the course of an investigation as FA, it must, to the extent practicable, corroborate that information from independent sources reasonably at its disposal. Secondary information is described in the SAA as "information derived from the petition that gave rise to the investigation or review, the final determination concerning subject merchandise, or any

previous review under section 751 concerning the subject merchandise."[7] The SAA provides that to "corroborate" means simply that the Department will satisfy itself that the secondary information to be used has probative value.[8] The SAA also states that independent sources used to corroborate may include, for example, published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation.[9] To corroborate secondary information, the Department will, to the extent practicable, examine the reliability and relevance of the information used.[10] As total adverse facts available ("AFA") the Department preliminarily selected the rate of 193.55 percent from the Petition. In the *Preliminary Determination,* we preliminarily found that the rate of 193.55 percent is corroborated within the meaning of section 776(c) of the Act. *See Preliminary Determination,* 74 FR at 68237. Because no parties commented on the selection of the PRC-wide rate, we continue to find that the margin of 193.55 percent has probative value. Accordingly, we find that the rate of 193.55 percent is corroborated within the meaning of section 776(c) of the Act.

Final Determination Margins

We determine that the following percentage weighted-average margins exist for the following entities for the POI:

Exporter	Producer	Weighted-average margin
WJMP	WJMP	42.97
Xinhua Metal	Xinhua Metal	175.94
Fasten I&E	Jiangyin Fasten Steel Products Co., Ltd., Jiangyin Walsin Steel Cable Co., Ltd.	175.94
	Jiangyin Hongyu Metal Products Co., Ltd.	
PRC-wide Entity*		193.55

*This rate also applies to Tianjin Shengte, Silvery Dragon Steel, and Tongda.

Disclosure

We will disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

Pursuant to section 735(c)(1)(B) of the Act, we will instruct U.S. Customs and Border Protection ("CBP") to continue to suspend liquidation of all entries of subject merchandise from the PRC entered, or withdrawn from warehouse, for consumption on or after December 23, 2009, the date of publication of the *Preliminary Determination.* CBP shall continue to require a cash deposit or the posting of a bond equal to the estimated amount by which the normal value exceeds the U.S. price as shown above. These instructions suspending liquidation will remain in effect until further notice.

Additionally, the Department determined in its final determination for the companion countervailing duty ("CVD") investigation that Xinhua Metal's merchandise benefited from export subsidies. Therefore, we will instruct CBP to require a cash deposit or posting of a bond equal to the weighted-average amount by which normal value exceeds U.S. price for Xinhua Metal, as indicated above, minus the amount determined to constitute an export subsidy. *See, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Carbazole Violet Pigment 23 from India,* 69 FR 67306, 67307 (November 17, 2004).

With respect to WJMP, the voluntary respondent in this proceeding, the Department did not individually examine its exports of merchandise under investigation in the final determination for the companion CVD investigation. As a result, WJMP is captured under the "All Others" rate, which is an average of the companies examined in final determination for the companion CVD investigation. Therefore, we will instruct CBP to require a cash deposit or posting of a bond equal to the weighted-average amount by which normal value exceeds U.S. price for WJMP, indicated above, minus the amount determined to constitute an export subsidy in the "All Others" rate.

With respect to Fasten Group I&E, the separate rate company, we note that the rate applied in this proceeding as a separate rate is derived from the calculated rate received by Xinhua Metal. Therefore, because Xinhua Metal received export subsidies in final determination for the companion countervailing duty investigation, we will instruct CBP to require a cash deposit or posting of a bond equal to the weighted-average amount by which normal value exceeds U.S. price for Xinhua Metal, as indicated above, minus the amount determined to constitute an export subsidy.

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission ("ITC") of our final determination of sales at LTFV. As our final determination is affirmative, in accordance with section 735(b)(2) of the Act, within 45 days the ITC will determine whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports or sales (or the likelihood of sales) for importation of the subject merchandise. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Notification Regarding APO

This notice also serves as a reminder to the parties subject to administrative

[7] SAA at 870.

[8] *Id.*

[9] *Id.*

[10] *See Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, From Japan; Preliminary Results of Antidumping Duty Administrative Reviews and Partial Termination of Administrative Reviews,* 61 FR 57391, 57392 (November 6, 1996), unchanged in *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From Japan, and Tapered Roller Bearings, Four Inches or Less in Outside Diameter, and Components Thereof, From Japan; Final Results of Antidumping Duty Administrative Reviews and Termination in Part,* 62 FR 11825 (March 13, 1997).

protective order ("APO") of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This determination and notice are issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: May 14, 2010.

Ronald K. Lorentzen,

Deputy Assistant Secretary for Import Administration.

Appendix I

Comment 1: Surrogate Values

A. Financial Ratios
B. Wire Rod
C. By-product Offset for Scrap Tie Wire

Comment 2: Xinhua Metal

A. Adverse Facts Available ("AFA")
B. Foreign Brokerage and Handling
C. PRC Domestic Insurance

Comment 3: WJMP

A. AFA
B. Treatment of Certain Factors as Factory Overhead
C. Valuation of Coal
D. Valuation of Seals—Steel Belts

Comment 4: Fasten Group I&E's Separate Rate

Comment 5: Surrogate-Value Based Methodology

[FR Doc. 2010–12310 Filed 5–20–10; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

RIN 0648–XW26

Fisheries of the Northeast Region; Pacific Region

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notification of determination of overfishing or an overfished condition.

SUMMARY: This action serves as a notice that NMFS, on behalf of the Secretary of Commerce (Secretary), has determined that in the Northeast Region, Gulf of Maine/Georges Bank pollock, Gulf of Maine/Georges Bank windowpane and Northwestern Atlantic Coast witch flounder are subject to overfishing and are in an overfished condition. Also, in the Northeast Region, Southern New England/Mid-Atlantic windowpane is subject to overfishing and Georges Bank winter flounder is in an overfished condition. In addition, in the Pacific Region, the fall Chinook salmon stock in the Sacramento River has been determined to be in an overfished condition.

NMFS notifies the appropriate fishery management council (Council) whenever it determines that; overfishing is occurring, a stock is in an overfished condition, or a stock is approaching an overfished condition. If a Council has been notified that a stock is in an overfished condition the Council must, within 2 years, prepare and implement an FMP amendment or proposed regulations to rebuild the affected stock.

FOR FURTHER INFORMATION CONTACT: Mark Nelson, (301) 713–2341.

SUPPLEMENTARY INFORMATION: Pursuant to sections 304(e)(2) and (e)(7) of the Magnuson-Stevens Fishery Conservation and Management Act (Magnuson-Stevens Act), 16 U.S.C. 1854(e)(2) and (e)(7), and implementing regulations at 50 CFR 600.310(e)(2), NMFS, on behalf of the Secretary, notifies Councils whenever it determines; a stock or stock complex is approaching an overfished condition, a stock or stock complex is overfished, or existing action taken to prevent previously identified overfishing or rebuilding a previously identified overfished stock or stock complex has not resulted in adequate progress. NMFS also notifies Councils when it determines a stock or stock complex is subject to overfishing.

For a fishery determined to be overfished or approaching an overfished condition, NMFS also requests that the appropriate Council, or the Secretary, for fisheries under section 302(a)(3) of the Magnuson-Stevens Act, take action to end or prevent overfishing in the fishery and to implement conservation and management measures to rebuild overfished stocks. Councils (or the Secretary) receiving notification that a fishery is overfished must, within 2 years of notification, implement a rebuilding plan, through an FMP Amendment or proposed regulations, which ends overfishing immediately and provides for rebuilding the fishery in accordance with 16 U.S.C. 1854(e)(3)-(4) as implemented by 50 CFR 600.310(j)(2)(ii). Councils receiving a notice that a fishery is approaching an overfished condition must prepare and implement, within two years, an FMP amendment or proposed regulations to prevent overfishing from occurring. When developing rebuilding plans Councils (or the Secretary), in addition to rebuilding the fishery within the shortest time possible in accordance with 16 U.S.C. 1854(e)(4) and 50 CFR 600.310(j)(2)(ii), must ensure that such actions address the requirements to amend the FMP for each affected stock or stock complex to establish a mechanism for specifying and actually specify Annual Catch Limits (ACLs) and Accountability Measures (AMs) to prevent overfishing in accordance with 16 U.S.C. 1853(a)(15) and 50 CFR 600.310(j)(2)(i).

On August 4, 2008, NMFS published the Report of the 3rd Groundfish Assessment Review Meeting (GARM III) which showed that Gulf of Maine/Georges Bank pollock, Gulf of Maine/Georges Bank windowpane and Northwestern Atlantic Coast witch flounder are subject to overfishing and are in an overfished condition. In addition, GARM III showed that Southern New England/Mid-Atlantic windowpane is subject to overfishing and Georges Bank winter flounder is in an overfished condition. The New England Fishery Management Council (NEFMC) was notified on September 2, 2008, of the results of the GARM III. However, official status changes could not be made at the time because GARM III also recommended changes in the status determination criteria (SDC) contained in the Multispecies FMP, which required an FMP amendment before the status determinations could be changed. These changes occurred in January 2010.

On March 2, 2010, NMFS informed the Pacific Fisheries Management Council that the Sacramento River Fall Chinook salmon stock failed to meet the escapement goal for the third consecutive year, which has triggered an overfished status determination.

As noted above, within 2 years of notification of an overfished determination, the respective Council (or the Secretary) must adopt and implement a rebuilding plan, through an FMP Amendment or proposed implementing regulations, which ends overfishing immediately and provides for rebuilding of the stock. In addition, for the fisheries experiencing overfishing, the responsible Councils must propose, and NMFS must adopt, effective ACLs and AMs to end overfishing.

Dated: May 14, 2010.

Emily H. Menashes,

Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service.

[FR Doc. 2010–12282 Filed 5–20–10; 8:45 am]

BILLING CODE 3510–22–S

APPENDIX B

HEARING CALENDAR

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject: Prestressed Concrete Steel Wire Strand from China

Inv. Nos.: 701-TA-464 and 731-TA-1160 (Final)

Date and Time: May 6, 2010 - 9:30 a.m.

Sessions were held in connection with these investigations in the Main Hearing Room (room 101), 500 E Street, S.W., Washington, D.C.

OPENING REMARKS:

Petitioners (**Paul C. Rosenthal**, Kelley Drye & Warren LLP)

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

Kelley Drye & Warren LLP
Washington, D.C.
on behalf of

Petitioners

Howard Woltz, III, President and CEO, Insteel Wire Products Co.

Timothy Selhorst, President and CEO, American Spring Wire Corp.

Jon Cornelius, General Manager, PC Strand Division, Sumiden Wire Products Corp.

Timothy Johnson, Chief Operating Officer, Suncoast Post-Tension Ltd.

In Support of the Imposition of
Antidumping and Countervailing Duty Orders (continued):

Jeff Feitler, Vice President of Sales and Marketing, Sumiden Wire Products Corp.

Joseph Napoli, Products Sales Manager, American Spring Wire Corp.

Richard Wagner, Vice President and General Manager, Insteel Wire Products Co.

Gina Beck, Economic Consultant, Georgetown Economic Consulting Services

Paul C. Rosenthal)
Kathleen W. Cannon) – OF COUNSEL
R. Alan Luberda)

CLOSING REMARKS:

Petitioners (**Kathleen W. Cannon**, Kelley Drye & Warren LLP)

APPENDIX C

SUMMARY DATA

Table C-1
PC strand: Summary data concerning the U.S. market, 2007-09
(Quantity=1,000 pounds, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per 1,000 pounds; (period changes=percent, except where noted)

	Reported data			Period changes		
Item	2007	2008	2009	2007-09	2007-08	2008-09
U.S. consumption quantity:						
Amount	980,503	942,714	508,605	-48.1	-3.9	-46.0
Producers' share (1)	59.4	56.2	78.0	18.5	-3.2	21.7
Importers' share (1):						
China	36.1	40.5	7.2	-28.9	4.4	-33.3
All other countries	4.5	3.3	14.8	10.4	-1.2	11.5
Total imports	40.6	43.8	22.0	-18.5	3.2	-21.7
U.S. consumption value:						
Amount	407,169	549,768	248,738	-38.9	35.0	-54.8
Producers' share (1)	65.9	60.7	80.2	14.3	-5.2	19.5
Importers' share (1):						
China	28.5	35.3	5.6	-22.9	6.9	-29.8
All other countries	5.6	4.0	14.2	8.6	-1.7	10.3
Total imports	34.1	39.3	19.8	-14.3	5.2	-19.5
U.S. imports (2) from:						
China:						
Quantity	353,937	381,652	36,591	-89.7	7.8	-90.4
Value	115,843	194,276	13,816	-88.1	67.7	-92.9
Unit value	$327	$509	$378	15.4	55.5	-25.8
Ending inventory quantity	31,725	51,461	15,019	-52.7	62.2	-70.8
All other countries:						
Quantity	43,766	31,089	75,515	72.5	-29.0	142.9
Value	22,982	21,771	35,375	53.9	-5.3	62.5
Unit value	$525	$700	$468	-10.8	33.4	-33.1
Ending inventory quantity	***	***	***	***	***	***
All sources:						
Quantity	397,703	412,741	112,107	-71.8	3.8	-72.8
Value	138,825	216,047	49,191	-64.6	55.6	-77.2
Unit value	$349	$523	$439	25.7	50.0	-16.2
Ending inventory quantity	***	***	***	***	***	***
U.S. producers':						
Average capacity quantity	902,782	903,795	903,795	0.1	0.1	0.0
Production quantity	601,717	558,885	395,658	-34.2	-7.1	-29.2
Capacity utilization (1)	66.7	61.8	43.8	-22.9	-4.8	-18.1
U.S. shipments:						
Quantity	582,800	529,973	396,498	-32.0	-9.1	-25.2
Value	268,344	333,721	199,547	-25.6	24.4	-40.2
Unit value	$460	$630	$503	9.3	36.8	-20.1
Export shipments:						
Quantity	***	***	***	***	***	***
Value	***	***	***	***	***	***
Unit value	***	***	***	***	***	***
Ending inventory quantity	61,262	67,081	57,644	-5.9	9.5	-14.1
Inventories/total shipments (1)	***	***	***	***	***	***
Production workers	357	331	258	-27.7	-7.3	-22.1
Hours worked (1,000s)	771	715	555	-28.0	-7.3	-22.3
Wages paid ($1,000s)	14,145	13,264	10,907	-22.9	-6.2	-17.8
Hourly wages	$18.34	$18.56	$19.64	7.1	1.2	5.8
Productivity (pounds per hour)	780.1	781.9	712.5	-8.7	0.2	-8.9
Unit labor costs	$23.51	$23.73	$27.57	17.3	1.0	16.2
Net sales:						
Quantity	613,704	589,793	389,834	-36.5	-3.9	-33.9
Value	283,088	354,082	210,951	-25.5	25.1	-40.4
Unit value	$461	$600	$541	17.3	30.1	-9.9
Cost of goods sold (COGS)	230,394	302,334	201,246	-12.7	31.2	-33.4
Gross profit or (loss)	52,694	51,748	9,705	-81.6	-1.8	-81.2
SG&A expenses	13,317	13,795	13,437	0.9	3.6	-2.6
Operating income or (loss)	39,377	37,953	(3,732)	(3)	-3.6	(3)
Capital expenditures	***	***	***	***	***	***
Unit COGS	$375	$513	$516	37.5	36.5	0.7
Unit SG&A expenses	$22	$23	$34	58.8	7.8	47.4
Unit operating income or (loss)	$64	$64	($10)	(3)	0.3	(3)
COGS/sales (1)	81.4	85.4	95.4	14.0	4.0	10.0
Operating income or (loss)/ sales (1)	13.9	10.7	(1.8)	-15.7	-3.2	-12.5

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Import quantities and values compiled from official Commerce statistics.
(3) Not meaningful.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year b
Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table C-2
PC strand: U.S. shipments of domestic product, U.S. shipments of imported product, total consumption and shares, by sources and by applications, 2007-09

Item	Calendar year		
	2007	2008	2009
	Pre-tensioned applications		
	Quantity (*1,000 pounds*)		
U.S. producers' U.S. shipments:			
Subject to "Buy America(n)" restrictions	***	***	***
Not subject to "Buy America(n)" restrictions	***	***	***
Total, U.S. producers' U.S. shipments	***	***	***
U.S. importers' U.S. shipments:			
China	***	***	***
Nonsubject countries	***	***	***
All countries	***	***	***
Total	***	***	***
	Share of quantity (*percent*)		
U.S. producers' U.S. shipments:			
Subject to "Buy America(n)" restrictions	51.5	55.7	65.2
Not subject to "Buy America(n)" restrictions	37.4	34.9	30.6
Total, U.S. producers' U.S. shipments	88.9	90.6	95.8
U.S. importers' U.S. shipments:			
China	10.1	8.5	2.0
Nonsubject countries	0.9	0.9	2.2
All countries	11.1	9.4	4.2
Total	100.0	100.0	100.0

Table continued on following page.

Table C-2--*Continued*
PC strand: U.S. shipments of domestic product, U.S. shipments of imported product, total consumption and shares, by sources and by applications, 2007-09

Item	Calendar year		
	2007	2008	2009
	Post-tensioned applications		
	Quantity (*1,000 pounds*)		
U.S. producers' U.S. shipments:			
Subject to "Buy America(n)" restrictions	***	***	***
Not subject to "Buy America(n)" restrictions	***	***	***
Total, U.S. producers' U.S. shipments	***	***	***
U.S. importers' U.S. shipments:			
China	***	***	***
Nonsubject countries	***	***	***
All countries	***	***	***
Total	***	***	***
	Share of quantity (*percent*)		
U.S. producers' U.S. shipments:			
Subject to "Buy America(n)" restrictions	4.9	9.5	15.4
Not subject to "Buy America(n)" restrictions	17.5	13.8	21.7
Total, U.S. producers' U.S. shipments	22.4	23.3	37.1
U.S. importers' U.S. shipments:			
China	74.1	73.6	42.1
Nonsubject countries	3.6	3.1	20.8
All countries	77.6	76.7	62.9
Total	100.0	100.0	100.0

Table continued on following page.

Table C-2--*Continued*
PC strand: U.S. shipments of domestic product, U.S. shipments of imported product, total consumption and shares, by sources and by applications, 2007-09

Item	Calendar year		
	2007	2008	2009
	Total		
	Quantity (*1,000 pounds*)		
U.S. producers' U.S. shipments:			
Subject to "Buy America(n)" restrictions	***	***	***
Not subject to "Buy America(n)" restrictions	***	***	***
Total, U.S. producers' U.S. shipments	***	***	***
U.S. importers' U.S. shipments:			
China	***	***	***
Nonsubject countries	***	***	***
All countries	***	***	***
Total	***	***	***
	Share of quantity (*percent*)		
U.S. producers' U.S. shipments:			
Subject to "Buy America(n)" restrictions	28.6	33.9	49.5
Not subject to "Buy America(n)" restrictions	33.6	28.9	30.0
Total, U.S. producers' U.S. shipments	62.3	62.9	79.6
U.S. importers' U.S. shipments:			
China	35.7	35.4	13.1
Nonsubject countries	2.0	1.8	7.3
All countries	37.7	37.1	20.4
Total	100.0	100.0	100.0

Note.--Total consumption data presented in this table do not equal total apparent U.S. consumption data presented elsewhere in this report due to inconsistencies reported by domestic producers within individual questionnaire responses and because apparent consumption presented elsewhere was calculated using official import statistics rather than questionnaire responses.

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

APPENDIX D

NONSUBJECT COUNTRY AND AGGREGATED PRICE DATA

Nonsubject Price Comparisons

Reported prices for imported Malaysian products 1 and 2 were higher than prices for U.S.-produced and imported Chinese products 1 and 2 in all four instances. Prices for the two products from Spain were generally lower than prices for the corresponding domestic products but generally higher than prices for the corresponding Chinese products. Imported Canadian product 2 was priced lower than both the domestic and imported Chinese product 2 in the one available comparison. Prices for the two products from Taiwan were generally lower than prices for the corresponding domestic products, but were always above the prices for the corresponding Chinese products. Prices for product 1 from the Netherlands were always higher than prices for both the domestic and imported Chinese product 1. Prices for both products from South Africa were generally lower than prices for the corresponding domestic products, but were generally higher than prices for the corresponding imported Chinese products (table D-1). Price data for U.S.-produced, imported Chinese, and imported nonsubject products 1 and 2 are shown in figure D-1.[1]

Table D-1
PC strand: Number of quarterly price comparisons of imported nonsubject and U.S. products 1 and 2, and of imported nonsubject and Chinese products 1 and 2

Nonsubject Countries	United States		China	
	Higher[1]	Lower	Higher[1]	Lower
Canada	0	1	0	1
Malaysia	4	0	4	0
Netherlands	3	0	3	0
South Africa	4	10	11	3
Spain	1	4	3	2
Taiwan	1	2	3	0
Total	13	17	24	6

[1] "Higher" signifies that the price of the nonsubject country's product was higher than the U.S. or Chinese price.

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

Figure D-1
PC strand: Weighted-average prices and quantities of domestic and imported products 1 and 2, by quarters, 2007-09

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[1] Figure D-1 only includes price data for country data series that include three or more data points.

Table D-2
PC strand: Weighted-average f.o.b. prices and quantities of domestic and imported products 1 and 2 (combined) and margins of underselling/(overselling), by quarters, January 2007-December 2009

	United States		China		
	Price (*per lineal foot*)	**Quantity *(1,000 lineal feet)***	**Price (*per lineal foot*)**	**Quantity *(1,000 lineal feet)***	**Margin (*percent*)**
2007: Jan.-Mar.	$231	149,188	$188	127,521	18.8
Apr.-June	227	173,722	***	***	***
July-Sept.	225	156,753	***	***	***
Oct.-Dec.	227	149,883	***	***	***
2008: Jan.-Mar.	244	175,261	***	***	***
Apr.-June	339	161,782	***	***	***
July-Sept.	409	118,101	***	***	***
Oct.-Dec.	370	62,585	***	***	***
2009: Jan.-Mar.	***	***	***	***	***
Apr.-June	260	103,856	***	***	***
July-Sept.	244	110,973	***	***	***
Oct.-Dec.	250	112,052	***	***	***

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