

# **Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine**

Investigation Nos. 731-TA-873-875,  
877-880, and 882 (Review)

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# U.S. International Trade Commission

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---

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---

### *Staff assigned*

Olympia Hand, *Investigator*  
Karl Tsuji, *Industry Analyst*  
Clark Workman, *Economist*  
David Boyland, *Accountant*  
Gracemary Roth-Roffy, *Attorney*  
Patrick Gallagher, *Attorney*  
Steven Hudgens, *Statistician*  
Gabriel Ellenberger, *Research Assistant*

Douglas E. Corkran, *Supervisory Investigator*

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

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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



## VIEWS OF THE COMMISSION

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the antidumping duty orders on steel concrete reinforcing bars (“rebar”) from Belarus, China, Indonesia, Moldova, Latvia, Poland, and Ukraine would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>1 2 3</sup> We also determine that revocation of the antidumping duty order on rebar from Korea would not be likely to lead to the continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>4</sup>

### I. BACKGROUND

In 2001, in a series of staggered investigations, the Commission determined that an industry in the United States was materially injured by reason of imports of rebar from Belarus, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine and that an industry in the United States was threatened with material injury by reason of imports of rebar from China.<sup>5 6</sup> Following the Commission’s determinations,

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<sup>1</sup> Chairman Daniel R. Pearson dissenting with respect to the antidumping duty orders on Belarus, Latvia, Moldova, Poland, and Ukraine. See Separate and Dissenting Views of Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun Regarding Cumulation; Separate and Dissenting Views of Chairman Daniel R. Pearson, Vice Chairman Shara L. Aranoff, and Commissioner Deanna Tanner Okun Regarding Latvia and Poland; Separate and Dissenting Views of Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun Regarding Belarus, China, Indonesia, and Moldova; Separate and Dissenting Views of Chairman Daniel R. Pearson Regarding Ukraine. Chairman Pearson joins the Commission’s views in Sections I (Background), II (Domestic Like Product and Industry), IV. A, B, C, E (Legal Standards, Findings in Original Investigations, Conditions of Competition and the Business Cycle, and Material Injury With Respect to Korea).

<sup>2</sup> Vice Chairman Shara L. Aranoff dissenting with respect to the antidumping duty orders on Poland and Latvia. See Separate and Dissenting Views of Chairman Daniel R. Pearson, Vice Chairman Shara L. Aranoff, and Commissioner Deanna Tanner Okun Regarding Latvia and Poland. For Vice Chairman Aranoff’s views regarding cumulation for Latvia and Poland see Separate and Dissenting Views of Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun Regarding Cumulation. See also Separate and Concurring Views of Vice Chairman Shara L. Aranoff Regarding Belarus, China, Indonesia, Moldova, and Ukraine. Vice Chairman Aranoff joins Sections I, II, III. A, B, C, D. 1, IV. A, B, C & E.

<sup>3</sup> Commissioner Deanna Tanner Okun dissenting with respect to the orders on Belarus, Latvia, Moldova, and Poland. See Separate and Dissenting Views of Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun Regarding Cumulation; Separate and Dissenting Views of Chairman Daniel R. Pearson, Vice Chairman Shara L. Aranoff, and Commissioner Deanna Tanner Okun Regarding Latvia and Poland; Separate and Dissenting Views of Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun Regarding Belarus, China, Indonesia, and Moldova; Separate Views of Commissioner Deanna Tanner Okun Regarding Ukraine. Commissioner Okun joins the Commission’s views in Sections I (Background), II (Domestic Like Product and Industry), IV. A, B, C, E (Legal Standards, Findings in Original Investigations, Conditions of Competition and the Business Cycle, and Material Injury With Respect to Korea).

<sup>4</sup> Commissioners Charlotte R. Lane and Dean A. Pinkert dissenting with respect to the antidumping duty order on subject imports from Korea. They do not join section III. D. 1 or IV. E.

<sup>5</sup> Chairman Koplman and Vice Chairman Okun determined that a regional industry producing rebar was materially injured by reason of subject imports from Belarus, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine and threatened with material injury with respect to subject imports from China. Commissioners Miller, Hillman, and Devaney determined that a national industry was materially injured by reason of subject imports from Belarus, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine and threatened with material injury by reason of subject imports from China. Commissioner Bragg determined that a regional industry was materially injured by reason of

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the Department of Commerce (“Commerce”) issued antidumping duty orders on imports from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine.

The Commission instituted these reviews of the outstanding orders on August 1, 2006. The Commission received a joint response from the Rebar Trade Action Coalition (“RTAC”), a trade association comprised of domestic producers Nucor Corp. (“Nucor”), Commercial Metals Company (“CMC”), and Gerdau Ameristeel Corp. (“Gerdau”), as well as two other domestic producers, Cascade Steel Inc. (“Cascade”) and TAMCO Steel (“TAMCO”) (collectively “domestic interested parties”). The Commission also received responses from Republican Unitary Enterprise Byelorussian Steel Works (“BMZ”), the sole producer of rebar in Belarus; Joint Stock Co. Liepajas Metalurgs (“LM”), the sole producer of rebar in Latvia; JSCC Moldova Steel Works (“MSW”), the sole producer of rebar in Moldova; and Mittal Steel Kryviy Rih (“Mittal”), a producer and exporter of rebar in Ukraine.

Although the Commission found that the domestic interested parties group response to the notice of institution was inadequate in these reviews<sup>7</sup> and that the respondent interested parties group responses from China, Indonesia, Korea, and Poland were inadequate, it nevertheless found on September 5, 2006, that other circumstances warranted conducting full reviews.<sup>8</sup>

In these reviews, the data collected by the Commission are believed to represent all or virtually all rebar production operations in the United States. Foreign industry coverage, based on 2006 production, is estimated to be complete for Belarus, Latvia, and Moldova;<sup>9</sup> up to \*\*\* percent for Ukraine;<sup>10</sup> \*\*\* percent for Korea;<sup>11</sup> and \*\*\* percent for Poland.<sup>12</sup> No subject producers in China or Indonesia responded to the questionnaires.<sup>13</sup>

The RTAC, Cascade, and TAMCO submitted a joint brief and presented testimony at the hearing. BMZ, LM, Hyundai Steel Company (“Hyundai”) (a Korean producer of rebar), MSW, and Mittal submitted briefs; LM, Hyundai, and Mittal also presented testimony at the hearing.

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<sup>5</sup> (...continued)

subject imports from all seven countries. See Certain Steel Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine, Inv. Nos. 731-TA-875, 880, and 882 (Final), USITC Pub. 3425 (May 2001); (“USITC Pub. 3425”); Certain Steel Concrete Reinforcing Bars from Belarus, China, Korea, Latvia, and Moldova, Inv. Nos. 731-TA-873-874 and 877-879 (Final), USITC Pub. No. 3440 (July 2001).

<sup>6</sup> In its preliminary determinations, the Commission conducted a regional industry analysis as proposed by the petitioners. In so doing, the Commission found that subject imports from Japan were not sufficiently concentrated in the region and, therefore, rendered a negative determination as to those imports. The Commission also found that imports from Austria, Russia, and Venezuela were negligible. See Certain Steel Concrete Reinforcing Bars from Austria, Belarus, China, Indonesia, Poland, Ukraine and Venezuela, Inv. Nos. 731-TA-872-883 (Preliminary), USITC Pub. 3343 (Aug. 2000). Petitioners appealed the Commission’s negative determination with respect to Japan to the Court of International Trade, but the appeal was dismissed as untimely. Their second attempt to appeal the negative determination was dismissed for lack of jurisdiction. Rebar Trade Coalition v. United States, 25 C.I.T. 393, 394 (2000) (discussing both dismissals).

<sup>7</sup> Domestic producers failed to provide individual production or association data in their joint response as required by the notice of institution and Commission Rule 207.62(a) and did not respond to a subsequent request by the Commission to remedy this deficiency. The Commission, therefore, determined that the domestic interested party individual responses and group response were inadequate. Commission Statement on Adequacy at Confidential Staff Report (“CR”) at App. A, Public Staff Report (“PR”) at App. A.

<sup>8</sup> Commission Statement of Adequacy at CR at App. A, PR at App. A.

<sup>9</sup> CR at IV-20, PR at IV-15 (Belarus), CR at IV-42, PR at IV-28 (Latvia), CR at IV-51, PR at IV-33 (Moldova).

<sup>10</sup> CR at IV-68, PR at IV-41.

<sup>11</sup> CR at IV-33, PR at IV-22.

<sup>12</sup> CR at IV-58 (based on 2005 production), PR at IV-36.

<sup>13</sup> CR at IV-25, PR at 16 (China), CR at IV-31, IV-21 (Indonesia).

## II. DOMESTIC LIKE PRODUCT AND INDUSTRY

### A. Domestic Like Product

In making its determination under section 751(c), the Commission defines the “domestic like product” and the “industry.”<sup>14</sup> The Act defines the “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”<sup>15</sup> The Commission’s practice in five-year reviews is to look to the like product definition from the original determination and any previous reviews and consider whether the record indicates any reason to revisit that definition.<sup>16</sup>

The subject merchandise as defined by Commerce consists of:

all steel concrete reinforcing bars (rebar) sold in straight lengths. Specifically excluded are plain rounds (i.e., non-deformed or smooth bars) and rebar that has been further processed through bending or coating.<sup>17</sup>

The subject merchandise is hot-rolled deformed rebar, designed specifically to enhance the tensile and shear stress strength of concrete structures.<sup>18</sup> Rebar is sold to customers in various forms or stages of fabrication,<sup>19</sup> but only stock deformed rebar, which is not further processed, is subject to the antidumping duty orders.<sup>20</sup>

In the original investigations, the Commission determined that the domestic like product consisted of rebar coextensive with Commerce’s scope.<sup>21</sup> The only parties that addressed the issue of domestic like product in these reviews were the domestic interested parties, LM, and Mittal. None of these parties advocated any change in the like product definition the Commission adopted during the original investigations.<sup>22</sup>

The record here contains no information that would warrant a reconsideration of the domestic like product definition. In light of this, and absent argument by any party for a different definition of the domestic like product, we define the domestic like product as rebar corresponding to Commerce’s scope.

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<sup>14</sup> 19 U.S.C. § 1677(4)(A).

<sup>15</sup> 19 U.S.C. § 1677(10). See Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), aff’d, 938 F.2d 1278 (Fed. Cir. 1991). See also S. Rep. No. 249, 96<sup>th</sup> Cong., 1<sup>st</sup> Sess. 90-91 (1979).

<sup>16</sup> See Stainless Steel Sheet and Strip from France, Germany, Italy, Japan, Korea, Mexico, Taiwan and the United Kingdom, Inv. Nos. 701-TA-381-382 (Review) and 731-TA-797-804 (Review), USITC Pub. 3788 at 6 (July 2005); Crawfish Tail Meat from China, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); Steel Concrete Reinforcing Bar from Turkey, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

<sup>17</sup> CR at I-21, PR at I-19.

<sup>18</sup> CR at I-22, PR at I-19.

<sup>19</sup> CR at I-21 and I-23 n.33, PR at I-20 n.33.

<sup>20</sup> See 71 Fed. Reg. 70509, 70510 (Dec. 5, 2006).

<sup>21</sup> USITC Pub. 3425 at 5.

<sup>22</sup> Domestic Interested Parties’ Response to the Notice of Institution at 35; LM’s Response to the Notice of Institution at 8; and Mittal’s Response to the Notice of Institution at 11.

## **B. Domestic Industry and Related Parties**

Section 771(4)(A) of the Act defines the relevant domestic industry as the “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product.”<sup>23</sup> Consistent with our domestic like product determination, as discussed below, we find one domestic industry consisting of all domestic producers of rebar.

Below, we consider two issues with respect to the definition of the domestic industry: (1) whether appropriate circumstances exist to conduct a regional industry analysis; and (2) whether appropriate circumstances exist to exclude any related party.

### **1. Regional Industry Analysis**

#### **a. General Considerations**

Section 752(a)(8) of the Act permits use of a regional industry analysis in a five-year review. Specifically, the Act provides that in five-year reviews, the Commission may revisit its original regional industry determination and may base its likely injury determination on the original regional industry, another regional industry, or the United States industry as a whole.<sup>24</sup> Section 1677(4)(C), 19 U.S.C. § 1677(4)(C), provides that:

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

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<sup>23</sup> 19 U.S.C. § 1677(4)(A). In defining the domestic industry, the Commission’s general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market, provided that adequate production-related activity is conducted in the United States. See United States Steel Group v. United States, 873 F. Supp. 673, 682-83 (Ct. Int’l Trade 1994), aff’d, 96 F.3d 1352 (Fed. Cir. 1996).

<sup>24</sup> The statute states that in a five-year review involving a regional industry:

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

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

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

Id. at 887-888.

(i) the producers within such market sell all or almost all of their production of the like product in question in that market, and

(ii) the demand in that market is not supplied, to any substantial degree, by producers of the product in question located elsewhere in the United States.

In such appropriate circumstances, material injury, the threat of material injury, or material retardation of the establishment of an industry may be found to exist with respect to an industry even if the domestic industry as a whole, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of that product, is not injured, if there is a concentration of dumped imports or imports of merchandise benefitting from a countervailable subsidy into such an isolated market and if the producers of all, or almost all, of the production within that market are being materially injured or threatened by material injury, or if the establishment of an industry is being materially retarded, by reason of the dumped imports or imports of merchandise benefitting from a countervailable subsidy. The term “regional industry” means the domestic producers within a region who are treated as a separate industry under this subparagraph.<sup>25 26</sup>

In determining whether appropriate circumstances exist to conduct a regional industry analysis in a five-year review, the Commission takes into account any effect that the order or suspension agreement may have had on the marketing and distribution patterns for the subject product in analyzing whether the market isolation and import concentration criteria are likely to be satisfied in the event of revocation or termination.<sup>27</sup> The Commission also takes into account any prior regional industry definition, any product

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<sup>25</sup> 19 U.S.C. § 1677(4)(C). The URAA added the definition of “regional industry” in the last sentence and made technical language changes. These URAA changes to the regional industry provisions were not intended to affect substantive Commission practice. The URAA also amended the statute to require that Commerce “to the maximum extent possible, direct that duties be assessed only on the subject merchandise of the specific exporters or producers that exported the subject merchandise for sale in the region concerned during the period of investigation.” 19 U.S.C. § 1673e(d). Therefore, Commerce will “exclude from the [antidumping duty] order, to the ‘maximum extent possible,’ those exporters or producers that did not export for sale in the region during the period of investigation.” SAA at 859 and 860.

<sup>26</sup> The Court of International Trade has described the steps taken by the Commission in a regional industry analysis as follows:

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

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

<sup>27</sup> SAA at 888. The SAA specifically states:

(continued...)

characteristics that lend themselves to a regional market, and whether any changes in the isolation of the region or import concentration are related to the imposition of the order or acceptance of the suspension agreement.<sup>28</sup> As discussed in detail below, the Commission finds that appropriate circumstances do not exist to conduct a regional industry analysis in these reviews.

## **b. Background**

In the original investigations, the Commission was evenly divided as to whether appropriate circumstances existed to conduct a regional industry analysis. Chairman Koplán, Vice Chairman Okun, and Commissioner Bragg found that such appropriate circumstances existed. Specifically, they found that, while transportation costs accounted for a moderate percentage of the total cost of the product, rebar had a low value-to-weight ratio which appeared to restrict the geographical area in which rebar could be competitively sold. They noted that shipments of domestic rebar were concentrated within 250 miles of the producing mill. These three Commissioners defined the region as the 30-state region originally proposed by petitioners.<sup>29</sup>

Commissioners Miller, Hillman, and Devaney, while noting that the statutory market isolation criteria appeared to be met, found that appropriate circumstances did not exist to conduct a material injury analysis on a regional industry basis. These Commissioners found that the proposed region, consisting of 30 states, was not otherwise an isolated market that warranted treatment as a regional industry based on several factors. First, they noted that the proposed region encompassed over one-half of the United States and accounted for nearly 70 percent of apparent consumption. Second, they emphasized that the assertion that the rebar market was an “isolated” market was undermined by the remarkably similar trends in prices for domestic rebar inside and outside the region, as reflected in U.S. producers’ average unit values (“AUVs”). Finally, they noted that while rebar is a low value-to-weight product, this characteristic did

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<sup>27</sup> (...continued)

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

Id.

<sup>28</sup> SAA at 888. The SAA states:

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

<sup>29</sup> USITC Pub. 3425 at 8. The region defined by Chairman Koplán, Vice Chairman Okun and Commissioner Bragg included Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Delaware, Virginia, Maryland, West Virginia, North Carolina, South Carolina, Georgia, Florida, Mississippi, Alabama, Tennessee, Kentucky, Ohio, Indiana, Illinois, Wisconsin, Michigan, Missouri, Arkansas, Louisiana, Texas, the District of Columbia, and Puerto Rico. Id.

not appear to restrict the geographical area to which rebar can be transported, given that 13.0 percent of U.S. shipments were transported over 500 miles.<sup>30</sup>

**c. Appropriate Circumstances**

**i. Arguments of the Parties**

The domestic interested parties argue that a regional industry analysis is appropriate and that the Commission should define a 30-state region as was proposed by petitioners in the original investigations. Specifically, they emphasize that rebar is a low value-to-weight product with relatively high transportation costs, which necessarily renders the area in which the product is sold isolated and insular. They note that the majority of domestic shipments were within 250 miles of the manufacturing plant and that the majority of importer shipments within the region were shipped within 100 miles. According to domestic producers, the 30-state region meets the requisite statutory criteria in that regional producers ship the vast majority of their rebar production within the region and regional demand is not supplied to any substantial degree from domestic producers outside the region. Moreover, they point out that to the extent that subject imports entered the region during the period of review, they were concentrated in the region.<sup>31</sup>

Of the respondent interested parties, only Mittal has addressed whether the Commission should proceed on a regional or national basis, arguing that the Commission should proceed on a national basis. Without addressing the market isolation criteria, Mittal maintains that, as a result of consolidation in the rebar industry, the U.S. industry no longer has distinct geographical markets in which producers within such markets sell all or almost all of their production. Mittal emphasizes that the clear implication of the recent consolidation of the rebar industry is that a domestic producer will act nationally, rather than regionally, in the best interests of the company as a whole.<sup>32</sup>

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<sup>30</sup> USITC Pub. 3425 at 23.

<sup>31</sup> Domestic Interested Parties' Prehearing Brief at 18-19 and Posthearing Brief Ex. E at 7.

<sup>32</sup> Mittal's Prehearing Brief at 27.

## ii. Analysis<sup>33</sup>

As noted above, in determining whether to conduct its injury analysis on a regional or national basis, the Commission must take into account characteristics that naturally lead to the formation of a regional market, such as low value-to-weight ratio, fungibility, and high transportation costs. Rebar is a highly fungible product and has a relatively low value-to-weight ratio. However, the value-to-weight ratio was substantially higher during the period of review than during the original investigations. Reported AUVs for domestic shipments inside the proposed region and outside the proposed region were \$514 and \$541 per short ton in 2006, respectively, compared to \$\*\*\* and \$\*\*\* per short ton in 2000.<sup>34</sup> In the original investigations, domestic producers reported that transportation costs accounted for between 5 percent and 10 percent of the total cost of rebar.<sup>35</sup> In these reviews, domestic producers' transportation costs ranged from 4 percent to 10 percent of the total cost of rebar.<sup>36</sup>

Neither rebar's value-to-weight ratio nor transportation costs appear to make the areas in which rebar is marketed necessarily isolated and insular. In both the original investigations and these reviews, a substantial portion of rebar shipments were made at relatively long distances from the plant or port of entry. In the original investigations, U.S. producers reported that 24.2 percent of shipments were within 251 to 500 miles, and 13 percent were at distances over 500 miles. At the same time, importers reported that 7.6 percent of shipments were within 251 to 500 miles, and 9.1 percent were at distances over 500 miles.<sup>37</sup> In these reviews, 21 percent of U.S. producers' shipments were within 251 to 500 miles, and 16

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<sup>33</sup> Commissioner Okun does not join the following analysis. As noted above, Commissioner Okun found in the original investigations that appropriate circumstances existed to conduct a regional industry analysis. USITC Pub. 3425 at 6-11. Pursuant to 19 U.S.C. § 1675a(a)(8) and its legislative history, she has reviewed whether a regional industry analysis would be appropriate in these reviews if the orders were revoked. While she concurs with the data presented in the following section, she does not reach the same conclusions as her colleagues. Importantly, very little has changed with the relevant data between the original investigations and the current reviews. While AUVs have risen for subject merchandise, so too have prices for all steel products, and rebar remains a relatively inexpensive steel product. Transportation costs have risen proportionately with the cost of rebar and its ratio to the total cost of rebar has remained consistent between the original investigations and the current reviews. Moreover, the shipping distances of domestic rebar have not changed significantly since the original investigations. Finally, while the 30-state region is large, it is contiguous and the manufacturing facilities of domestic rebar producers are spread throughout the region in a manner to supply local demand without having to ship long distances.

In these reviews, however, she has revisited her original regional industry determination. Although she still concludes that the market isolation criteria likely would be met, she has determined that appropriate circumstances are not likely to exist to conduct her analysis on a regional industry basis if the orders were revoked. She determines that the statutory requirement of concentration of imports within the pertinent region likely would no longer be satisfied if the orders were revoked, particularly with respect to imports from China. China has the largest rebar industry in the world, which dwarfs its nearest competitor. If the order were revoked and imports from China reentered the U.S. market, they likely would do so on a national basis. Moreover, the likely volume of imports from China likely would affect the import trends (ratio of imports to consumption in the region) of other subject producers. Therefore, for purposes of these reviews, she considers whether revocation of the antidumping duty orders on rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine would be likely to lead to continuation or recurrence of material injury to an industry in the United States on a national industry basis.

<sup>34</sup> CR/PR at Tables C-2 and C-3; 2001 Staff Report at Tables C-1 and C-2.

<sup>35</sup> 2001 Staff Report at V-2.

<sup>36</sup> CR/PR at V-2. In these reviews, regional producers' reported transportation costs accounted for 4 to 8 percent of the total cost of rebar, and non-regional producers' reported transportation costs accounted for 5 to 10 percent of the total rebar cost. CR/PR at V-2.

<sup>37</sup> 2001 Staff Report at V-2-3.



percent were at distances over 500 miles. Importers reported that 11 percent of their shipments were within 251 to 500 miles, and 18 percent were at distances over 500 miles.<sup>38</sup>

The domestic interested parties are correct that regional producers currently ship the vast majority of their rebar production within the region and that regional demand is not supplied to any substantial degree from domestic producers outside the region. This is not necessarily the result of the existence of an isolated or insulated market, however, but a function of the large geographic area included in the proposed region, which encompasses over 70 percent of both apparent U.S. consumption and U.S. production.<sup>39</sup>

The domestic interested parties are also correct that subject imports were concentrated in the region during the original investigations and continue to be so during the period covered by these reviews. Nevertheless, although during the original investigations domestic producers outside the region faced less direct competition from subject imports than did producers within the region, domestic producers inside and outside the region both showed very similar operating and financial trends.<sup>40</sup> Furthermore, domestic producers outside the region are likely to face more direct competition from subject imports and particularly imports from China if the orders under review were revoked. The volume of Chinese imports was relatively modest during the original investigations. As discussed later, however, China currently has substantially more rebar production and capacity than any other country in the world. Due to geographic proximity, the western portion of the United States is likely a more natural market for Chinese producers. Accordingly, we conclude that if the orders are revoked, the imports are likely to increase to areas outside as well as inside the proposed region, such that imports are not likely to be concentrated in the region.

For the reasons stated above, we find that appropriate circumstances do not exist to conduct a regional industry analysis.<sup>41</sup>

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<sup>38</sup> CR/PR at V-2-3. A comparison of the distances of shipments from the plant/port of entry within the proposed region and outside the proposed region also reveals that neither transportation costs nor the value-to-weight ratio restrict the area in which rebar is sold. Within the proposed region, producers reported that 21 percent of shipments were within 251 to 500 miles and 6 percent were at distances over 500 miles. Importers reported that 13 percent of shipments were within 251 to 500 miles and 6 percent were at distances over 500 miles. Outside the region, where transportation costs were slightly higher, domestic producers reported 22 percent of shipments were within 251 to 500 miles, and 33 percent were at distances over 500 miles. At the same time, although import shipments outside the region were relatively small, importers reported that 80 percent were at distances over 500 miles. CR/PR at V-2-3.

<sup>39</sup> The Commission generally has applied a regional industry analysis in instances where the proposed region accounted for smaller percentages of apparent U.S. consumption. See, e.g., Gray Portland Cement and Cement Clinker From Japan, Mexico, and Venezuela, Inv. Nos. 303-TA-21 (Review) and 731-TA-451, 461, and 519 (Review), USITC Pub. 3361 at Tables C-1, C-4 (Oct. 2000); Certain Steel Wire Nails From the Republic of Korea, Inv. No. 731-TA-26 (Final), USITC Pub. 1088 at 10 (Aug. 1980) (10-state region accounted for approximately 20 percent of total domestic consumption).

<sup>40</sup> USITC Pub. 3425 at 21-22, 29-30; Confidential Opinion at 46-51, 65-67.

<sup>41</sup> We note that the Commission recently found that appropriate circumstances existed to conduct a regional industry analysis in Concrete Reinforcing Bars From Turkey, Inv. 731-TA-745 (Review), USITC Pub. 3577 (Feb. 2003) (“Rebar from Turkey”). In that review, the proposed region did not encompass as great a geographical area (the region accounted for less than a third of the United States and 20 states as opposed to 30) and accounted for roughly 20 percent of total apparent U.S. consumption. In Rebar from Turkey, as here, a considerable portion of regional producers’ shipments in the original investigations were made at distances over 500 miles. In that review, however, transportation costs were a higher component of the total cost of rebar. Specifically, U.S. producers reported inland transportation costs generally ranging from 6 to 20 percent of the delivered price for sales within the region and from 5 to 15 percent for sales outside the region. Among importers of rebar from Turkey, the costs ranged from 2 to 18 percent of the delivered price for sales within the region, and from 12 to 18 percent outside the

(continued...)

## 2. Related Parties

There is a question concerning whether appropriate circumstances exist to exclude Border Steel Inc.<sup>42</sup> and CMC<sup>43</sup> from the domestic industry pursuant to section 771(4)(B) of the Act.<sup>44</sup> No party argues for exclusion, and we do not find that exclusion of either company is appropriate.<sup>45</sup>

Therefore, consistent with our definition of domestic like product and for the reasons discussed above, we define the domestic industry as all domestic producers of rebar.

### III. CUMULATION<sup>46</sup>

#### A. Framework and Background

Section 752(a) of the Act provides that:

the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in

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<sup>41</sup> (...continued)

region. *Id.* at 8. The Commission also found that the industry engaged in the practice of freight equalization, making transportation costs an important component of rebar sales by domestic producers. There is no specific evidence in these reviews that the domestic industry currently engages in a similar practice. *Id.* at 8-9.

<sup>42</sup> Arcelor Mittal acquired Border Steel in April 2007 as part of its acquisition of Border's parent company, Mexican producer Sicartsa. Arcelor Mittal owns the Ukrainian subject producer, Mittal, and a Polish subject producer, Arcelor Huta Warszawa, which is scheduled to bring rebar capacity on-line in late 2007. It also owns Arcelor International Steel America, LLC, which imports subject merchandise from China, Latvia, and Poland. Mittal argued that it has no intention of shipping from its Ukraine facility to the United States and endangering the commercial positions of Arcelor's North American facilities. According to Mittal, future exports from Ukraine into North America would be coordinated through its regional marketing office in Dubai and then through Arcelor Mittal in Chicago. CR/PR at Table I-11; Mittal's Prehearing Brief at 4-5.

<sup>43</sup> CMC acquired 71 percent of the former Huta Zawiercie (now CMC Zawiercie ("CMCZ")), a Polish subject producer, in late 2003, and increased its share of ownership to 99 percent in 2007. CR at IV-62, PR at IV-36.

<sup>44</sup> 19 U.S.C. § 1677(4)(B).

<sup>45</sup> Border Steel is a \*\*\* producer of rebar, and it \*\*\*. CR/PR at Table I-11. Arcelor Mittal acquired Border Steel in April 2007, and thus none of the data collected for Border Steel during the review period pertains to a period during which it was under Arcelor Mittal's control. Regardless of whether Border Steel's ties to subject producers and an importer through its parent company would likely serve to shield it from the effects of subject imports should the orders be revoked, the data in the record was not affected by these new relationships and thus are not subject to exclusion.

There is no evidence on the record suggesting that CMC's ties to CMCZ would shield it from the effects of subject imports if the orders were to be revoked. To the contrary, CMC \*\*\*. CR/PR at Table I-11. Moreover, we note that CMCZ currently accounts for an estimated \*\*\* percent of rebar production in Poland, a share that is likely to diminish in light of growing production capability by other Polish producers. CR at IV-58-63, PR at IV-36-38.

<sup>46</sup> Chairman Pearson and Commissioner Okun do not join this section. For a discussion of their cumulation analysis, *see* Separate and Dissenting Views of Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun Regarding Cumulation.

which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.<sup>47</sup>

Cumulation is therefore discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(i) of the Act.<sup>48</sup> Because of the prospective nature of five-year reviews and the Commission's discretion with respect to cumulation, we consider significant conditions of competition that are likely to prevail with respect to each subject country if the orders under review are terminated.<sup>49 50</sup>

The Commission may exercise its discretion to cumulate, however, only if the reviews are initiated on the same day and the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market. The Commission generally has considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product.<sup>51</sup> Only a "reasonable overlap" of competition is required.<sup>52</sup> In five-year reviews, the relevant inquiry is whether there likely would be competition after revocation of the orders, even if none currently exists.

The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.<sup>53</sup> We note that neither the statute nor the SAA provides specific guidance on what factors the Commission is to consider in determining

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<sup>47</sup> 19 U.S.C. § 1675a(a)(7).

<sup>48</sup> 19 U.S.C. § 1677(7)(G)(i).

<sup>49</sup> See, e.g., Allegheny Ludlum Corp. v. United States, Slip Op. 06-188 at 17 (Ct. Int'l Trade Dec. 22, 2006) (recognizing the wide latitude the Commission has in selecting the type of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews).

<sup>50</sup> Where, in a five-year review, Commissioners Lane and Pinkert do not find that the subject imports are likely to have no discernible adverse impact on the domestic industry and find that such imports would be likely to compete with each other and the domestic like product in the U.S. market, they cumulate such imports unless there is a condition or propensity – not merely a trend – that is likely to persist for a reasonably foreseeable time and that significantly limits competition such that cumulation is not warranted.

<sup>51</sup> The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are: (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions; (2) the presence of sales or offers to sell in the same geographic markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and (4) whether the imports are simultaneously present in the market. See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), aff'd, Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898 (Ct. Int'l Trade 1988), aff'd, 859 F.2d 915 (Fed. Cir. 1988); Mukand Ltd. v. United States, 937 F. Supp. 910, 915 (Ct. Int'l Trade 1996).

<sup>52</sup> See Mukand, 937 F. Supp. at 916; Wieland Werke, AG v. United States, 718 F. Supp. 50, 52 (Ct. Int'l Trade 1989) ("Completely overlapping markets are not required."); United States Steel Group, 873 F. Supp. at 685. We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. See, e.g., Live Cattle from Canada and Mexico, Inv. Nos. 701-TA-386 (Prelim.) and 731-TA-812-813 (Prelim.), USITC Pub. 3155 at 15 (Feb. 1999), aff'd, Ranchers-Cattlemen Action Legal Foundation v. United States, 74 F. Supp. 2d 1353 (Ct. Int'l Trade 1999); Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan, Inv. Nos. 731-TA-761-762 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

<sup>53</sup> 19 U.S.C. § 1675a(a)(7).

that imports “are likely to have no discernible adverse impact” on the domestic industry.<sup>54</sup> With respect to this provision, the Commission, however, generally considers the likely volume of the subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked.

In the original investigations, five of the six Commissioners cumulated subject imports from Belarus, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, but did not cumulate subject imports from China.<sup>55</sup> With respect to subject imports from the countries other than China, all six Commissioners found that rebar is a highly fungible product because all rebar produced, sold, or used in the United States meets certain common requirements, such as ASTM standards. They also noted that the majority of producers, importers, and purchasers viewed rebar to be interchangeable regardless of origin. In addition, they found that domestic and imported rebar was sold to both distributors and fabricators. Chairman Koplun, Vice Chairman Okun, and Commissioner Bragg also found that the geographic overlap requirement was satisfied because domestic rebar was sold in the region and that subject imports were sold or marketed throughout the region. Commissioners Miller, Hillman, and Devaney found that domestic rebar and subject imports competed within a majority of the states. All six Commissioners found that the domestically produced product and subject imports from all sources were simultaneously present in the regional or national market.<sup>56</sup>

In the original investigations, five of the six Commissioners found that subject imports from China were negligible for present material injury purposes. They found, however, that subject imports from China would imminently account for more than 3 percent of all imports of rebar sold into the region/U.S. market. Although they found that rebar from China was interchangeable with domestically produced rebar and rebar from the other subject countries and that it competed against both domestic and imported rebar, they declined to exercise their discretion to cumulate subject imports from China with imports from the other subject countries for purposes of their analysis of threat of material injury. Specifically, they found the volume and price trends exhibited by subject imports from China and other subject imports to be significantly different. In so doing, they noted that the volume and U.S. market share of subject imports from China rose sharply over the period examined, while the volumes of subject imports from the other countries fluctuated. At the same time, they found that, although all subject imports undersold the domestic like product, the margins of underselling by Chinese subject imports were significantly higher.<sup>57</sup>

The statutory threshold for cumulation is satisfied in these reviews, because all reviews were initiated on the same day (August 1, 2006).<sup>58</sup> The remainder of our analysis of cumulation is set forth below.

## **B. Likelihood of No Discernible Adverse Impact<sup>59</sup>**

We do not find that subject imports of rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine would likely have no discernible adverse impact on the domestic industry if the antidumping duty orders were revoked.

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<sup>54</sup> SAA, H.R. Rep. No. 103-316, vol. I (1994).

<sup>55</sup> Commissioner Bragg cumulated subject imports from all subject countries. USITC Pub. 3425 at 14 n. 62.

<sup>56</sup> USITC Pub. 3425 at 16, 25.

<sup>57</sup> USITC Pub. 3440 at 7-9; 10-14.

<sup>58</sup> 71 Fed. Reg. 43443 (Aug. 1, 2006).

<sup>59</sup> Chairman Pearson dissenting with respect to subject imports from Korea.

In these reviews, each subject country has significant capacity to produce subject merchandise in appreciable volumes.<sup>60</sup> The rebar industries in all of the subject countries export a large percentage of their production, or, in the case of China, Korea, and Poland, substantial volumes.<sup>61</sup> Moreover, rebar producers in each subject country have ready access to the U.S. market. Prior to the imposition of the antidumping duty orders, subject imports from each country were present in the U.S. market, and we find that subject imports from each country are likely to have at least some presence in the U.S. market upon revocation of the orders.

Rebar manufactured in each of the subject countries does not differ from the types of rebar produced in the United States<sup>62</sup> and is substitutable for, and competitive with, domestically produced rebar.<sup>63</sup> Competition is likely to be priced-based in light of the reported importance of price in purchasing decisions.<sup>64</sup> Moreover, rebar producers in each subject country undersold U.S. producers during the original investigation period.<sup>65</sup>

Based on these considerations, we do not find that subject imports from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine would likely have no discernible adverse impact on the domestic industry if the orders were revoked.

### C. Likely Reasonable Overlap of Competition

With regard to likely overlap of competition, the relevant inquiry is whether there would likely be competition in the event of revocation even if there are no current imports from a subject country.<sup>66</sup> Only a “reasonable overlap” of competition is required.<sup>67</sup> As noted above, the Commission generally has considered whether subject imports would likely compete with each other and with the domestic like product with reference to four factors: (1) fungibility; (2) sales or offers in the same geographic markets; (3) common or similar channels of distribution; and (4) simultaneous presence in the U.S. market.

*Fungibility.* Rebar is a highly fungible product, with domestically produced product and imported product being readily interchangeable. Virtually all rebar produced, sold, or used in the United States meets certain common standards, such as ASTM specifications and state and local building codes, which dictate minimum requirements for chemical composition, tensile strength, yield strength, and elongation tolerances.<sup>68</sup> Both domestically produced rebar and subject rebar are available in sizes #3 to #18 and are usually sold in lengths of 20, 40, or 60 feet.<sup>69</sup> In the original investigations, all U.S. producers and a majority of importers considered domestic rebar and imported rebar to be interchangeable

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<sup>60</sup> CR/PR at Table IV-9 (Belarus 2006 production capacity of \*\*\* short tons); CR/PR at Table IV-12 (China 2006 production capacity of \*\*\* short tons); CR/PR at Table IV-16 (Korea 2006 production capacity of \*\*\* short tons); CR/PR at Table IV-21 (Latvia 2006 production capacity of \*\*\* short tons); CR/PR at Table IV-25 (Moldova 2006 production capacity of \*\*\* short tons); INV-EE-068, CR/PR Table IV-37 (Indonesia 2006 production capacity of \*\*\* short tons); CR/PR at Table IV-30 (Poland 2006 production capacity of \*\*\* short tons); and CR/PR at Table IV-37 (Ukraine 2006 production capacity of \*\*\* short tons).

<sup>61</sup> See e.g., CR/PR at Tables IV-9 (Belarus); IV-14 (China); IV-15 (Indonesia); IV-16 (Korea); IV-21 (Latvia); IV-25 (Moldova); IV-28 (Poland); and IV-33 (Ukraine).

<sup>62</sup> CR at I-21-27, PR at I-19-23.

<sup>63</sup> See, e.g., CR/PR at Table II-6.

<sup>64</sup> See, e.g., CR/PR at Table II-4.

<sup>65</sup> See e.g., CR at V-30, PR at V-14; and 2001 Staff Report at Table G-5.

<sup>66</sup> See generally Cheffline Corp. v. United States, 219 F. Supp. 2d 1313, 1314 (Ct. Int’l Trade 2002).

<sup>67</sup> See Mukand Ltd. v. United States, 937 F. Supp. 910, 917 (Ct. Int’l Trade 1996).

<sup>68</sup> CR at I-23, PR at I-20.

<sup>69</sup> CR/PR at Tables I-8, I-9.

regardless of the country of origin.<sup>70</sup> In these reviews, a majority of domestic producers and a majority of responding importers and purchasers reported that domestic and imported rebar were generally viewed as interchangeable.<sup>71</sup>

Mittal argues that subject imports and the domestic product are not fungible because imported rebar is concentrated in sizes #3 through #5, while the domestic like product is concentrated in sizes #4 through #6.<sup>72</sup> Mittal's argument concedes some overlap in sizes between imported and domestic rebar. Moreover, the record indicates that both domestic and subject imported rebar are sold in the U.S. market in virtually all sizes.<sup>73</sup>

Mittal further argues that there is an insufficient overlap of competition between the domestic like product and subject imports because domestic production of rebar was greater in the 60 foot and greater range, while imports were more prominent in the 20-40 foot range.<sup>74</sup> While more domestic rebar was produced in the 60 foot length and more imports were in the 20-40 foot range, both domestic and imported rebar were sold in all lengths during the review period.<sup>75</sup>

Finally, citing to the prehearing staff report, Mittal argues that there is only a limited overlap of competition with respect to rebar from Ukraine because certain importers and purchasers perceived imports from Ukraine as being "never" or only "sometimes" interchangeable with rebar from other subject countries.<sup>76</sup> Mittal's argument, however, appears to be based on a misreading of the prehearing report. The record indicates that the overwhelming majority of producers, importers, and purchasers reported that subject imports from Ukraine are "always" or "frequently" interchangeable with the domestic like product and other subject imports.<sup>77</sup>

*Channels of Distribution.* In the original investigations, domestically produced rebar and imported rebar were sold to both distributors and fabricators. In these reviews, domestically produced rebar and imported rebar continued to be sold to the same categories of customers. Roughly one-half of domestic rebar was sold to firms that function as both end users and distributors, with the remainder going to end users and distributors. Although limited in volume, subject imports were mostly sold to distributors.<sup>78</sup>

Mittal argues that because most subject imports, unlike the domestic like product, were sold to distributors, there is limited competition between the domestic like product and subject imports. The record, however, indicates that while more domestically produced rebar was sold to distributors/end users or fabricators in 2006, 20.7 percent of domestically produced rebar was sold to distributors.<sup>79</sup> In any event, in a five-year review, the proper focus is on the subject imports' likely post-revocation behavior, and the composition of current imports, which are affected by the discipline of the antidumping orders, is not necessarily indicative of likely post-revocation behavior. In the original investigations, almost all purchasers reported buying both domestic and imported rebar.<sup>80</sup>

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<sup>70</sup> USITC Pub. 3425 at 15.

<sup>71</sup> CR/PR at Table II-6.

<sup>72</sup> Mittal's Prehearing Brief at 7.

<sup>73</sup> CR/PR at Table I-8.

<sup>74</sup> Mittal's Prehearing Brief at 6.

<sup>75</sup> CR/PR at Table I-9.

<sup>76</sup> Mittal's Prehearing Brief at 7-8.

<sup>77</sup> CR/PR at Table II-6.

<sup>78</sup> CR/PR at Table II-1.

<sup>79</sup> CR/PR at Table II-1

<sup>80</sup> USITC Pub. 3425 at 15.

Finally, Mittal contends that the domestic product and subject imports have very different channels of distribution because a substantial portion of rebar purchases are subject to “Buy American” provisions. Six responding firms reported that “Buy American” provisions apply to 50 or more percent of their purchases, while the other 12 firms reported that they applied to 40 percent or less of total purchases. Four responding firms reported that their domestic purchases were not covered by “Buy American” provisions.<sup>81</sup> Thus, the majority of purchases are not covered by “Buy American” provisions.

*Geographic Overlap and Simultaneous Presence in the Market.* As noted above, the Commission found these factors to be satisfied in the original investigations. Since imposition of the orders, imports of rebar from subject countries, with the exception of Latvia, have been virtually non-existent and/or sporadic. Those subject imports that entered the United States during the period of review, however, did so throughout most of the country. In the original investigations, subject imports were sold or marketed in a majority of the states.<sup>82</sup> There is no indication that upon revocation, there would not again be geographic overlap and simultaneous presence in the market.

On balance, we find that subject imports from each country would be highly fungible, move in the same channels of distribution, and compete in the same geographic markets during the same periods. We, therefore, conclude that there likely would be a reasonable overlap of competition among subject imports and between subject imports and the domestic like product in the event of revocation.

#### **D. Other Considerations<sup>83</sup>**

##### **1. Korea**

Based on our review of the record, we find that subject imports from Korea would not be likely to compete under similar conditions of competition as subject imports from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine. We consequently do not exercise our discretion to cumulate subject imports from Korea with those from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine.<sup>84</sup>

During the period of review, Korean rebar was sold almost exclusively in the home market, with only a small share of production exported, mainly to other Asian markets.<sup>85</sup> Based on data from \*\*\* and the World Trade Atlas, total rebar exports from Korea, as a share of Korean production, ranged between

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<sup>81</sup> CR at II-19-20, PR at II-13-14.

<sup>82</sup> CR at IV-15, PR at IV-11, CR/PR at Table IV-5.

<sup>83</sup> Commissioners Lane and Pinkert do not join in this analysis of other considerations except as noted in fn 96. Where, in a five-year review, they do not find that the subject imports are likely to have no discernible adverse impact on the domestic industry and find that such imports would be likely to compete with each other and with the domestic like product in the U.S. market, they cumulate such imports unless there is a condition or propensity – not merely a trend – that is likely to persist for a reasonably foreseeable time and that significantly limits competition such that cumulation is not warranted.

In these reviews, they find there is no such condition or propensity. Rebar, regardless of the source, is a fungible product that sells primarily on the basis of price. Global sales are typically made on a spot basis by traders who seek the most advantageous price, and thus all subject exporters participate in a common market. Finally, any differences in export orientation do not appear to be structural in nature, and each subject country exports significant volumes of rebar and has demonstrated an ability to shift among markets. Therefore, Commissioners Lane and Pinkert exercise their discretion to cumulate the subject imports.

<sup>84</sup> Domestic interested parties argued that the Commission should not cumulate subject imports from Korea with subject imports from the other subject countries because they do not believe that imports of Korean rebar would have a discernable adverse impact if the antidumping duty order on rebar from Korea were revoked. See e.g., Domestic Interested Parties’ Prehearing Brief at 19-20. As discussed earlier, we do not make such a finding.

<sup>85</sup> CR/PR at Tables IV-18 and IV-20.

\*\*\* percent and \*\*\* percent over the period of review.<sup>86</sup> In fact, Korea has been a net importer since 2002, and is projected to remain so for at least the next several years.<sup>87</sup> Rebar producers in the other subject countries, with the exception of China, export substantial portions of their production<sup>88</sup> with exports from several subject countries near or exceeding \*\*\* percent of total shipments.<sup>89</sup> While China's exports account for a much smaller share of production than the other subject countries, it nonetheless exported significant quantities of rebar during the period of review.<sup>90</sup> In addition, there are differences in capacity trends. The capacity of the Korean rebar industry fluctuated in a relatively narrow range during the period of review, and was \*\*\* percent lower in 2006 than it was in 2001.<sup>91</sup> The available data for the other subject countries, by contrast, show that production capacity has either increased or remained steady over the period of review.<sup>92</sup> Finally, although the Korean rebar industry operates at very high capacity utilization rates,<sup>93</sup> the Korean producers could not meet home market demand over the period of review, which does not appear to be the case for producers in other subject countries.<sup>94</sup> Based on these differences, we find that subject imports from Korea and those from the other subject countries are likely to compete in the U.S. market under different conditions of competition if the orders are revoked.

Accordingly, we have determined to exercise our discretion not to cumulate subject imports from Korea with imports from any other subject country.<sup>95</sup>

## 2. Other Countries<sup>96</sup>

Mittal argues that the Commission should exercise its discretion and not cumulate subject imports from Ukraine with other subject imports due to Mittal's corporate affiliation with a U.S. producer of rebar.<sup>97</sup> In this regard, Mittal cites Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom, Inv. Nos. AA1921-197 (Second Review); 701-TA-319, 320, 325-327, 348, and 350 (Second Review; and 731-TA-573-574, 576, 578, 582-587, 612, and 614-618 (Second Review), USITC Pub. 3899 (January 2007) ("CTL Plate"). In CTL Plate, the Commission declined to cumulate subject imports from Romania with other countries because, inter alia, of the significant changes the Romanian CTL plate industry had undergone since the original investigation, including the facts that the Romanian

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<sup>86</sup> Calculated from CR/PR at Tables IV-18 and IV-20. For Hyundai, the sole Korean producer to respond to the Commission's questionnaire, rebar exports accounted for less than \*\*\* percent of total shipments over the period of review, except in 2005 when the share was \*\*\* percent. CR/PR at Table IV-17.

<sup>87</sup> CR/PR at Tables IV-18 and IV-19.

<sup>88</sup> See CR/PR at Tables IV-11 (China); IV-15 (Indonesia); IV-21 (Latvia); IV-28 (Poland).

<sup>89</sup> See CR/PR at Tables IV-9 (Belarus); IV-25 (Moldova); IV-21 (Latvia) and IV-33 (Ukraine).

<sup>90</sup> During the review period, rebar exports from Korea ranged from 13,316 short tons in 2003 to 474,175 short tons in 2005. China's exports ranged from 387,606 short tons in 2002 to 3.7 million short tons in 2006. CR/PR at Table IV-48.

<sup>91</sup> CR/PR at Table IV-18.

<sup>92</sup> CR/PR at Tables IV-10 (Belarus); IV-12 (China - no data for 2001-04 data, capacity increased from 2005 to 2006); IV-22 (Latvia); IV-26 (Moldova); IV-29 (Poland), IV-33 (Ukraine - Mittal).

<sup>93</sup> CR/PR at Table IV-16 (capacity utilization rate of \*\*\* percent in 2006, an \*\*\* from 2000).

<sup>94</sup> CR/PR at Table IV-18 (Korea became a net importer of rebar in 2002).

<sup>95</sup> As noted in footnote 2 above, Vice Chairman Aranoff does not join sections III. D. 2 and IV. D of these views.

<sup>96</sup> Commissioners Lane and Pinkert join in this analysis only with respect to the Commission's response to the arguments set forth by Mittal and LM.

<sup>97</sup> Mittal's Prehearing Brief at 8-11; Posthearing Brief at 13-15.



producer was no longer state-owned and, at the time of the review, was part of a corporate group that included a major U.S. producer of CTL plate.<sup>98</sup>

The circumstances in these reviews differ markedly from CTL Plate. In CTL Plate, the sole Romanian producer was affiliated with a major U.S. producer capable of servicing a large portion of the U.S. market. Here, although Mittal accounts for a large share of Ukraine rebar production, it is not the only rebar producer in Ukraine.<sup>99</sup> Moreover, unlike the Romanian producer, Mittal is affiliated through its parent company Arcelor-Mittal with a \*\*\* U.S. rebar producer, Border Steel, located in the western portion of Texas.<sup>100</sup> Mittal argues that Arcelor will make shipping decisions that are in the best interests of its U.S. affiliate.<sup>101</sup> However, while Arcelor may exercise prudence in making its decisions with respect to the \*\*\* portion of the U.S. market supplied by Border Steel, the same is unlikely to be true for the remainder of the U.S. market. Finally, regardless of whether Mittal is part of a global corporate group, Mittal itself \*\*\*.<sup>102</sup>

LM argues that Latvia's accession to the EU in 2004 is a condition of competition that warrants a decision not to cumulate Latvian imports with those of non-EU subject countries.<sup>103</sup> However, Latvia continues to export substantial volumes of rebar to non-EU countries; in 2006, \*\*\* percent of Latvia's rebar shipments were to countries outside the EU. In fact, the share of Latvia's rebar shipments that were exported to the EU was similar in both 2003 (pre-accession) and in 2006 (\*\*\* percent and \*\*\* percent, respectively).<sup>104</sup> LM projects that the EU will account for similar shares of its total shipments in 2007 and 2008. Moreover, Algeria and Russia were Latvia's fourth and sixth largest export markets, respectively, in 2006, and exports to those two markets increased significantly in 2006.<sup>105</sup> Finally, while U.S. imports of rebar from Latvia declined after 2004, this appears at least in part to be due to a change in practice, in late 2004, by U.S. Customs and Border Protection that resulted in antidumping duties being assessed on rebar imports from Latvia.<sup>106</sup>

With respect to the other subject countries, Commissioner Williamson does not find sufficient reasons on the record not to exercise his discretion to cumulate. While Commissioner Williamson notes that some differences exist among the industries in Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine, in light of substantial similarities among them and the similar conditions under which subject imports of rebar from those countries would likely compete in the U.S. market upon revocation, he exercises his discretion to cumulate these countries. In particular, as discussed below in conditions of competition, rebar is a highly fungible, commodity-type product, and the record, including that from the original investigations, indicates that rebar from all seven countries would likely compete directly with each other and with domestic product in the U.S. market upon revocation. Moreover, as discussed below

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<sup>98</sup> CTL Plate, USITC Pub. 3899, at 50-51 (Commissioners Koplán and Lane dissenting).

<sup>99</sup> CR at IV-68, PR at IV-43.

<sup>100</sup> CR/PR at Table I-11.

<sup>101</sup> Hearing Transcript at 287-288.

<sup>102</sup> CR/PR at Table IV-33.

<sup>103</sup> E.g., LM's Prehearing Brief at 9-10.

<sup>104</sup> CR/PR at Table IV-22.

<sup>105</sup> CR/PR at Table IV-23 (exports to Algeria increased from 23,647 short tons in 2005 to 73,470 short tons in 2006; exports to Russia increased from 7,320 short tons in 2005 to 45,791 short tons in 2006).

<sup>106</sup> CR/PR at IV-5. From September 2003 until late 2004, virtually all rebar from Latvia entered the United States under an HTS subheading that was not at the time considered to be subject to antidumping duties. In late 2004, Customs informed the importer that this subheading was indeed subject to antidumping duties, and the importer began paying deposits on its imports. The volume of subject imports from Latvia rose from 50,522 short tons in 2003 to 121,881 short tons in 2004, then dropped to 36,646 short tons in 2005 and zero in 2006. CR/PR at Table IV-1.

in conditions of competition, competition in the U.S. market is highly price-based. The record indicates that each of these seven countries exports significant volumes of rebar, and subject producers in each country have demonstrated an ability to shift exports among markets.<sup>107</sup>

Thus, Commissioner Williamson finds that subject imports from each of the subject countries would be likely to compete under similar conditions of competition if the orders were revoked, and he exercises his discretion to cumulate subject imports from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine.

#### **IV. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE ANTIDUMPING DUTY ORDERS ARE REVOKED**

##### **A. Legal Standards**

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur; and (2) the Commission makes a determination that revocation of the antidumping duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”<sup>108</sup> The SAA states that “under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”<sup>109</sup> Thus, the likelihood standard is prospective in nature.<sup>110</sup> The U.S. Court of International Trade has found that “likely,” as used in the sunset review

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<sup>107</sup> See CR/PR at Tables IV-10, IV-14, IV-23, IV-26, IV-31, and IV-35.

<sup>108</sup> 19 U.S.C. § 1675a(a).

<sup>109</sup> SAA, H.R. Rep. No. 103-316, vol. I, at 883-84 (1994). The SAA states that “[t]he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” SAA at 883.

<sup>110</sup> While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued [sic] prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>111 112 113</sup>

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”<sup>114</sup> According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”<sup>115</sup>

Although the standard in a five-year review is not the same as the standard applied in an original antidumping duty investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”<sup>116</sup> It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the orders are revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>117 118 119</sup>

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<sup>111</sup> See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), aff’d without opinion, 05-1019 (Fed. Cir. Aug. 3, 2005); Nippon Steel Corp. v. United States, Slip Op. 02-153 at 7-8 (Ct. Int’l Trade Dec. 24, 2002) (same); Usinor Industeel, S.A. v. United States, Slip Op. 02-152 at 4 n.3 & 5-6 n.6 (Ct. Int’l Trade Dec. 20, 2002) (“more likely than not” standard is “consistent with the court’s opinion”; “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); Indorama Chemicals (Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int’l Trade Sept. 4, 2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); Usinor v. United States, Slip Op. 02-70 at 43-44 (Ct. Int’l Trade July 19, 2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

<sup>112</sup> For a complete statement of Commissioner Okun’s interpretation of the likely standard, see Additional Views of Vice Chairman Deanna Tanner Okun Concerning the “Likely” Standard in Certain Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe from Argentina, Brazil, Germany, and Italy, Inv. Nos. 701-TA-362 (Review) and 731-TA-707-710 (Review) (Remand), USITC Pub. 3754 (Feb. 2005).

<sup>113</sup> Commissioner Lane notes that, consistent with her views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004), she does not concur with the U.S. Court of International Trade’s interpretation of “likely,” but she will apply the Court’s standard in these reviews and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses this issue.

<sup>114</sup> 19 U.S.C. § 1675a(a)(5).

<sup>115</sup> SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” Id.

<sup>116</sup> 19 U.S.C. § 1675a(a)(1).

<sup>117</sup> 19 U.S.C. § 1675a(a)(1). There have been no duty absorption findings by Commerce with respect to the orders under review. CR at I-17 n.25, PR at I-15 n.25. The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

<sup>118</sup> 19 U.S.C. § 1677e(a) authorizes the Commission to use the “facts otherwise available” in reaching a determination when: (1) necessary information is not on the record or (2) an interested party or other person withholds information requested by the agency, fails to provide such information in the time, form, or manner

(continued...)

In evaluating the likely volume of imports of subject merchandise if the antidumping duty orders are revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>120</sup> In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.<sup>121</sup>

In evaluating the likely price effects of subject imports if the antidumping duty orders are revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to domestic like products and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.<sup>122</sup>

In evaluating the likely impact of imports of subject merchandise if the antidumping orders are revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.<sup>123</sup> All relevant economic factors are to be considered within the context of the business cycle

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<sup>118</sup> (...continued)

requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to section 781(i) of the Act. 19 U.S.C. § 1677e(a). The verification requirements in section 781(i) are applicable only to Commerce. 19 U.S.C. § 1677m(i). See Titanium Metals Corp. v. United States, 155 F. Supp. 2d 750, 765 (Ct. Int'l Trade 2002) (“the ITC correctly responds that Congress has not required the Commission to conduct verification procedures for the evidence before it, or provided a minimum standard by which to measure the thoroughness of Commission investigations.”).

<sup>119</sup> Commissioner Okun notes that the statute authorizes the Commission to take adverse inferences in five-year reviews, but such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination. See 19 U.S.C. § 1677e. She generally gives credence to the facts supplied by the participating parties and certified by them as true, but bases her decision on the evidence as a whole, and does not automatically accept participating parties’ suggested interpretations of the record evidence. Regardless of the level of participation and the interpretations urged by participating parties, the Commission is obligated to consider all evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. “In general, the Commission makes determinations by weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most persuasive.” SAA at 869.

<sup>120</sup> 19 U.S.C. § 1675a(a)(2).

<sup>121</sup> 19 U.S.C. § 1675a(a)(2)(A)-(D).

<sup>122</sup> 19 U.S.C. § 1675a(a)(3). The SAA states that “[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

<sup>123</sup> 19 U.S.C. § 1675a(a)(4).

and the conditions of competition that are distinctive to the industry.<sup>124</sup> As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order at issue and whether the industry is vulnerable to material injury if the orders are revoked.<sup>125</sup>

In these reviews, the parties have raised arguments regarding the amount of likely change in impact factors pertaining to the domestic industry's condition such as shipments, employment, and profitability that is necessary to constitute "likelihood of continuation or recurrence of material injury."<sup>126</sup> Our examination of the amount and type of likely impact necessary to justify our determinations has been guided by the provisions of the statute, legislative history, and case law.

We find that, within certain general legal parameters, the issue is one of fact that is within our discretion to weigh. The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."<sup>127</sup> The SAA for the URAA, the source of the five-year review provisions of the Act, does not specifically address the question of the amount of change in industry conditions necessary to support an affirmative determination. It indicates that in certain circumstances, such as when the industry is in very poor condition, very little change in condition may be necessary.<sup>128</sup> It also expressly states that "a separate determination regarding current material injury is not necessary."<sup>129</sup> Similarly, the legislative history of the "material injury" standard applicable to original investigations indicates that the Commission must evaluate impact in the context of overall market conditions, rather than by reference to fixed quantitative standards:

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<sup>124</sup> 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that "the Commission may consider the magnitude of the margin of dumping" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887.

Commerce conducted expedited sunset reviews of the orders on Belarus, China, Indonesia, Korea, Moldova, and Poland. With respect to the antidumping duty order on subject imports from Belarus, Commerce found likely a country-wide rate of 114.53 percent. With respect to the antidumping duty order on China, Commerce found a likely margin of 133.00 percent both country-wide and for Lawiu Steel Group. With respect to the antidumping duty order on subject imports from Indonesia, Commerce found likely margins of 71.01 percent for eight named exporters and 60.46 percent for all others. With respect to the antidumping duty order on subject imports from Korea, Commerce found likely margins of 102.28 percent for Hanbo Iron & Steel and 22.89 percent for Dongkuk Steel Mill, Korea Iron & Steel Co., and all others. With respect to the antidumping duty order on Moldova, Commerce found a likely country-wide rate of 232.86 percent. With respect to the antidumping duty order on Poland, Commerce found a likely margin of 52.07 percent for Stalexport and 47.13 percent for all others. 71 Fed. Reg. 9732 (Dec. 5, 2006).

Commerce conducted full reviews for the antidumping duty order on subject imports from Latvia and Ukraine. With respect to the antidumping duty order on Latvia, Commerce found likely margins of 17.21 percent for LM and all others. 72 Fed. Reg. 1676 (Apr. 5, 2007). With respect to the antidumping duty order on Ukraine, Commerce found a Ukraine-wide/all others rate of 41.69 percent. 72 Fed. Reg. 9732 (Mar. 5, 2007).

<sup>125</sup> The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission "considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." SAA at 885.

<sup>126</sup> See e.g. Domestic Interested Parties' Prehearing Brief at 5-12; LM's Posthearing Brief at 8-9.

<sup>127</sup> 19 U.S.C. § 1677(7)(A).

<sup>128</sup> SAA, H. R. Rep. 103-316, vol. I at 884 (1994).

<sup>129</sup> SAA, H.R. Rep. 103-316, vol. I at 884.

It is expected that in its investigation the Commission will continue to focus on the conditions of trade, competition, and development regarding the industry concerned. For one industry, an apparently small volume of imports may have a significant impact on the market; for another, the same volume might not be significant.<sup>130</sup>

Moreover, the statute emphasizes that “[t]he presence or absence of any factor which the Commission is required to consider. . . shall not necessarily give decisive guidance” to the Commission in making determinations in either five-year reviews or original investigations.<sup>131</sup>

The case law has also emphasized the lack of fixed standards as to what amount of change in industry condition is necessary to constitute “material injury.” The Federal Circuit has explained that:

In the end, of course, the factual conclusions of each commissioner will drive the legal conclusion he or she reaches, namely whether the requisite injury has been shown. The invitation to employ such diversity in methodologies is inherent in the statutes themselves, given the variety of the considerations to be undertaken and the lack of any Congressionally mandated procedure for assessment of the statutory tests.<sup>132</sup>

The Federal Circuit subsequently observed that in original investigations, “one cannot dispose of the case without taking into account the entire condition of the industry, both its economic condition *per se*, and the overall competitive condition including imports.”<sup>133</sup> Because any determination concerning impact or likely impact requires a factual analysis of many discrete factors, none of which is necessarily dispositive,<sup>134</sup> the weight given to any individual factor is a discretionary decision for each Commissioner.

In light of these authorities, our determinations in these reviews have not been based on whether some fixed level of change in the domestic industry’s condition is likely upon revocation of the orders under review. Instead, we examine all pertinent conditions of competition and trade in determining whether the likely impact of subject imports will meet the statutory standard of materiality.

## **B. Findings in the Original Investigations**

### **1. Conditions of Competition and the Business Cycle**

In the original determinations, all six Commissioners found the following conditions of competition relevant to their analysis: (1) rebar is primarily used for the reinforcement of concrete structures, and demand for rebar is tied to construction trends; (2) there are at best limited substitutes for rebar; (3) rebar is generally regarded as a commodity product, and rebar of the same grade and dimensions is generally interchangeable regardless of origin; (4) rebar is produced to standard specifications; (5) price is an important factor in purchasing decisions; (6) differing rebar sizes and lengths tend to predominate in different uses; (7) both domestic and imported rebar sales in the U.S. market primarily take place through distributors, service centers, and fabricators; (8) reported transportation costs for domestic rebar shipments ranged from 5 percent to 10 percent of the total cost of

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<sup>130</sup> S. Rep. 96-249 at 88 (1979); accord, H.R. Rep. 96-317 at 46 (1979).

<sup>131</sup> 19 U.S.C. §§ 1675a(a)(5), 1677(7)(E)(ii), 1677(7)(F)(ii).

<sup>132</sup> United States Steel Group v. United States, 96 F.3d 1352, 1362 (Fed. Cir. 1996).

<sup>133</sup> Angus Chemical Co. v. United States, 140 F.3d 1478, 1485 (Fed. Cir. 1998). The domestic industry’s “economic condition *per se*” is also relevant in five-year reviews; the SAA instructs the Commission to consider, among other factors, whether the industry is in a “weakened state” and therefore vulnerable to material injury. SAA at 885.

<sup>134</sup> See 19 U.S.C. §§ 1675a(a)(4), 1677(7)(C)(iii).

rebar, and inland transportation costs for subject imports ranged from 1.5 percent to 18.0 percent of the total cost; (9) shipments of rebar were concentrated within 250 miles of the producing mill or port of entry; and (10) while imports of rebar are generally excluded from federal and state projects subject to “Buy American” laws, domestic suppliers typically charge the same prices for all products.<sup>135</sup> In addition, for both the national and regional markets, apparent consumption rose from 1998 to 1999, and then declined slightly in 2000.<sup>136</sup>

## **2. Volume**

In the original determinations, five of the six Commissioners found that the volume of cumulated subject imports from Belarus, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine in the region/nation was significant. They noted that the volume of cumulated imports and subject import market share increased from 1998 to 1999 but decreased in 2000. They attributed the fact that the volume and market share of subject imports declined significantly during the latter half of 2000 to the filing of the petitions in June of that year.<sup>137</sup>

In finding that Chinese subject imports threatened the regional industry with material injury, Chairman Koplan and Vice Chairman Okun noted that although Chinese subject imports only began to enter the regional market in 1999, Chinese subject imports penetrated the U.S. market very rapidly, increasing their share of the regional market. In finding that subject imports from China threatened the domestic industry, Commissioners Miller, Hillman, and Devaney similarly found that Chinese subject imports penetrated the U.S. market very rapidly.<sup>138</sup>

## **3. Price Effects**

In the original investigations, the six Commissioners found that the cumulated subject imports depressed or suppressed prices for the domestic like product in the regional/national market to a significant degree. In so doing, they found that rebar was a commodity product and that price was an important factor in purchasing decisions. They noted that subject imports undersold the domestic product in virtually all price comparisons, with margins ranging from \*\*\* percent to \*\*\* percent.<sup>139</sup> They further noted that AUVs for subject imports were much lower than AUVs for the domestic like product. Moreover, they found that, although prices for both the domestic like product and subject imports declined over the period of investigation, the decline in domestic prices exceeded the decrease in raw material costs for the same period. Finally, they found that several confirmed lost sales and lost revenue allegations were due to the lower prices of the subject imports.<sup>140</sup>

With respect to China, the Commissioners found that subject imports from China undersold the domestic like product in the region/nation in all quarterly price comparisons. They found that Chinese subject imports’ AUVs were lower than AUVs for the domestic product sold in the region/nation.<sup>141</sup>

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<sup>135</sup> USITC Pub. 3425 at 18-19, and 27.

<sup>136</sup> USITC Pub. 3425 at 19, 27; Confidential Opinion at 24, 38.

<sup>137</sup> USITC Pub. 325 at 19-20, 27-28; Confidential Opinion at 27-29, 38-39.

<sup>138</sup> USITC Pub. 3440 at 8, 12.

<sup>139</sup> USITC Pub. 3425 at 20, 28; Confidential Opinion at 28, 40, citing to 2000 Staff Report at Tables V-6 and V-7.

<sup>140</sup> USITC Pub. 3425 at 20-21, 28-29; Confidential Opinion at 27-28, 40-41.

<sup>141</sup> USITC Pub. 3440 at 8, 13.

#### 4. Impact

In the original investigations, all six Commissioners found the regional/national industry was materially injured by reason of cumulated subject imports due to the volume of imports, their relatively high market penetration, the effect of the dumped imports on prices, and the effect of dumped imports on the condition of the regional or national industry.<sup>142</sup> The Commission found that, despite increased consumption and U.S. shipments, the domestic industry lost market share, its sales values fell over the period examined due to a drop in unit values, and operating income, operating margin, and capital expenditures fell significantly.<sup>143</sup> The Commission linked these marked declines in key financial indicators to price declines caused by the subject imports.<sup>144</sup>

##### C. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>145</sup>

The following conditions of competition are relevant to our determinations in these reviews.

*U.S. Demand.* As was the case in the original investigations, demand for rebar depends upon the level of construction activity in the United States, which in turn generally depends on the health of the U.S. economy.<sup>146</sup> Major end-use products requiring rebar include roads and bridges, commercial and industrial construction, and public construction.<sup>147</sup> Rebar accounts for a relatively small percentage of the total cost of end-use products.<sup>148</sup> While there are reported substitutes for rebar, actual substitution is limited by end use.<sup>149</sup>

The United States is the fourth largest market for rebar in the world.<sup>150</sup> Apparent U.S. consumption of rebar increased almost every year during the period of review, with the sharpest increase occurring between 2005 and 2006. Apparent U.S. consumption was 7.7 million short tons in 2001, 7.4 million short tons in 2002, 8.4 million short tons in 2003, 8.7 million short tons in 2004, 8.9 million short tons in 2005, and 9.9 million short tons in 2006.<sup>151</sup> From 2001 to 2006, apparent U.S. consumption grew by over 2.2 million short tons, an increase of 27.7 percent.<sup>152</sup> Explanations offered for the increase in demand during the review period included a strong economy and strong market demand due to residential and nonresidential construction activity.<sup>153</sup>

While the parties agree that demand for rebar in the United States has been at very high levels, the parties disagree as to whether demand for rebar in the United States will continue to grow over the next one to two years. The domestic interested parties project that demand will soften due to the recent

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<sup>142</sup> USITC Pub. 3425 at 21-23, 29-30, Confidential Opinion at 29-30, 41-42.

<sup>143</sup> USITC Pub. 3425 at 21-23, 29-30.

<sup>144</sup> USITC Pub. 3425 at 21, 29.

<sup>145</sup> 19 U.S.C. § 1675a(a)(4).

<sup>146</sup> USITC Pub. 3425 at 20.

<sup>147</sup> CR/PR at II-1, CR at II-11, PR at II-8.

<sup>148</sup> CR at II-15, PR at II-10.

<sup>149</sup> CR at II-14, PR at II-10.

<sup>150</sup> Domestic Interested Parties’ Posthearing Brief at Ex. I.

<sup>151</sup> CR/PR at Table C-1.

<sup>152</sup> CR/PR at Table C-1.

<sup>153</sup> CR at II-11, PR at II-8.



decline in residential construction, which they argue will lead to a decline in the nonresidential construction spending within six to nine months.<sup>154</sup> In contrast, respondent interested parties assert that U.S. demand will continue to grow over the next few years. Although respondents acknowledge that residential construction declined slightly in 2007, they disagree that this decline will also occur in the nonresidential construction sector. They emphasize that the decline in residential construction is due to subprime lending difficulties, not to the overall health of the U.S. economy.<sup>155</sup>

The record indicates that U.S. demand is likely to remain fairly steady for the foreseeable future. Although domestic producers argue that the decline in residential construction is likely to be followed within six to nine months by a decline in nonresidential construction, that predicted decline in nonresidential construction is not apparent at this time. The record shows that spending for residential construction declined in April 2006 and continued to decrease in most months through April 2007. On a year-to-year basis, residential construction spending was 14.1 percent lower in April 2007 than in April 2006.<sup>156</sup> In contrast, spending for nonresidential construction, the largest segment of the rebar market, increased in most months from January 2006 to April 2007. On a year-to-year basis, nonresidential construction spending increased by 12.7 percent between April 2006 and April 2007.<sup>157</sup> Moreover, various trade publications and public statements by domestic industry officials indicate that nonresidential construction generally is expected to remain very strong within the reasonable foreseeable future.<sup>158</sup> Accordingly, while there may be occasional fluctuations, we find that overall demand for rebar will likely remain fairly steady for the reasonably foreseeable future.

*Global Demand.* Global consumption of rebar increased by \*\*\* percent between 2001 and 2006, primarily due to rapid consumption growth in East and Southeast Asia, followed by the Commonwealth of Independent States (“C.I.S.”) countries and Europe.<sup>159</sup> According to published trade data, global consumption of rebar is forecast to increase within the reasonably foreseeable future,<sup>160</sup> driven especially by demand in East and Southeast Asia and “other world” markets.<sup>161</sup>

Consistent with published data on demand, four of seven U.S. producers, 11 of 17 importers, and 21 of 22 purchasers reported increases in demand. Factors cited for the growth in demand were a strong global economy accompanied by increased construction worldwide. Brazil, China, India, and Russia were cited as countries where the demand for rebar has grown rapidly.<sup>162</sup>

*Supply.* Throughout the period of review, the domestic industry was the largest supplier of rebar to the U.S. market, although its share of apparent U.S. consumption fluctuated. The domestic industry’s share was 77.6 percent in 2001, 88.1 percent in 2003, 77.2 percent in 2004, 83.6 percent in 2005, and 75.1 percent in 2006.<sup>163</sup>

Since the original investigations, there have been several consolidations and acquisitions in the domestic industry. As a result, eight firms now own and operate the twenty-five U.S. rebar mills,

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<sup>154</sup> Hearing Transcript at 72-76.

<sup>155</sup> LM’s Posthearing Brief at 3-5, Mittal’s Prehearing Brief at 12.

<sup>156</sup> CR at II-13, PR at II-8.

<sup>157</sup> CR at II-13, PR at II-8-II-9.

<sup>158</sup> MSW’s Posthearing Brief at 5-10, Attachments 1, 2, 4, and 6; CR at IV-92-93.

<sup>159</sup> CR at IV-82, PR at IV-50.

<sup>160</sup> CR at IV-82, PR at IV-50.

<sup>161</sup> CR at IV-82, PR at IV-50.

<sup>162</sup> CR at II-15, PR at II-8.

<sup>163</sup> CR/PR at Table I-1.

compared to 14 firms in the original investigations.<sup>164</sup> Rebar producers located in nonsubject countries now have ownership interests in three U.S. firms. Gerdau's parent company is owned by Gerdau, S.A., located in Brazil; Border Steel was acquired by Luxembourg-based Arcelor Mittal from its Mexican parent company Grupo Villacero, in 2007; and TAMCO is \*\*\* owned by Tokyo Steel Manufacturing Co., a Japanese producer.<sup>165</sup> During the period of review, U.S. producers' production capacity increased every year, with the exception of a small decline in 2004.<sup>166</sup> U.S. producers' rebar production followed a similar trend.<sup>167</sup> U.S. producers' capacity utilization peaked at 90.1 percent in 2005, but was noticeably higher in the latter part of the period (2003-06), as production increased at a much greater rate than capacity.<sup>168</sup> Domestic producers report that they will begin or have begun adding capacity to their existing mills in 2007.<sup>169</sup>

Nonsubject imports were the next largest supplier to the U.S. rebar market after the domestic industry. Nonsubject imports' share of apparent U.S. consumption declined from 20.1 percent in 2001 to 16.0 percent in 2002 and 11.3 percent in 2003. Nonsubject imports' share increased to 21.4 percent in 2004, decreased to 15.9 percent in 2005, and increased to 24.9 percent in 2006.<sup>170</sup> Turkey, which is also subject to an antidumping duty order, was the largest individual source of nonsubject imports. In 2006, the quantity from other nonsubject sources combined was roughly equal to the quantity from Turkey. Turkey was responsible for the bulk of the increase in nonsubject import volume over the latter portion of the period of review, as imports of Turkish rebar increased from 206,540 short tons in 2002 to 1.2 million short tons in 2006.<sup>171</sup>

Subject imports' share of the U.S. market ranged from a high of 2.3 percent in 2001 to less than 0.1 percent in 2006. During the period of review, Latvia was the predominant supplier of subject rebar imports to the U.S. market. The annual market penetration of each individual subject country other than Latvia has been under one percent since 2002.<sup>172</sup> Exports of rebar to the United States are predominantly arranged and transported by global trading companies,<sup>173</sup> which generally sell on the spot market and seek to maximize prices by selling into the most advantageous market.<sup>174 175</sup>

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<sup>164</sup> CR/PR at III-1; 2001 Confidential Staff Report at III-1.

<sup>165</sup> CR at I-34, PR at I-28.

<sup>166</sup> U.S. production capacity for rebar increased from 7.9 million short tons in 2001 to 8.0 million short tons in 2002 and 8.4 million short tons in 2003. In 2004, U.S. rebar production capacity declined slightly to 8.1 million short tons, but increased to 8.4 million short tons in 2005 and 8.6 million short tons in 2006. CR/PR at Table III-2.

<sup>167</sup> U.S. rebar production increased from 6.1 million short tons in 2001 to 6.4 million short tons in 2002 and 7.5 million short tons in 2003. In 2004, U.S. rebar production declined to 7.1 million short tons, but increased to 7.5 million short tons in 2005 and 7.7 million short tons in 2006. CR/PR at Table III-2.

<sup>168</sup> CR/PR at Table III-2.

<sup>169</sup> CR at III-7-III-8, PR at III-5.

<sup>170</sup> CR/PR at Table I-20-21.

<sup>171</sup> CR/PR at Table IV-3.

<sup>172</sup> CR/PR at Table I-15.

<sup>173</sup> CR/PR at Table I-12.

<sup>174</sup> As an economic consultant testified on behalf of the respondents, "with respect to traders, they are indeed interested in maximizing their profit and the price" and "whether it is the trader or the internal trading company, they're looking for profitability and they will follow, I think the relative prices . . . ." Hearing Transcript at 287 (Button). As this witness testified, even where a foreign supplier (such as Mittal and its affiliate Arcelor Mittal) has an in-house trading operation, it makes spot sales at the most advantageous prices like other traders. Hearing Transcript at 286-87. Another respondent witness similarly testified that "trading houses live by differentials. They find a market that is particularly appealing and they sell steel into it to maximize their profits." Hearing Transcript at (continued...)

During the period of review, there were a number of trade remedy measures in place in the U.S. market that may have contributed to fluctuations in U.S. import levels. Since April 1997, there has been an antidumping duty order on imports of rebar from Turkey.<sup>176</sup> In addition, in 2001, certain steel products, including rebar, were the subject of a global safeguards investigation under section 202 of the Trade Act of 1974.<sup>177</sup> As a result of the Commission's affirmative determinations in that investigation, the President imposed an additional *ad valorem* tariff on imports of rebar, including all the subject countries in these reviews. The remedy resulting from this proceeding with respect to rebar was the imposition of an additional tariff of 15 percent for the period of March 20, 2002 through March 19, 2003, an additional tariff of 12 percent for the period of March 20, 2003 through March 19, 2004, and an additional tariff of 9 percent for the period of March 20, 2004 through March 19, 2005.<sup>178</sup> The safeguard duties, however, were terminated on December 4, 2003.<sup>179</sup>

*Interchangeability.* Rebar is a highly fungible, commodity product, and rebar of the same grade and dimensions is generally interchangeable regardless of country of origin. Rebar generally is manufactured to conform with ASTM standards.<sup>180</sup> Both domestic rebar and foreign produced rebar are sold in common sizes and lengths.<sup>181</sup> The majority of domestic producers, importers, and purchasers reported that domestic and imported rebar are always or frequently used interchangeably.<sup>182</sup>

Differing rebar sizes and lengths tend to predominate in different uses. Small rebar sizes (sizes #3-#5) tend to be used in light construction applications (e.g. residences, swimming pools, patios, and walkways). All sizes and lengths are used in heavy construction (e.g. high rise buildings, commercial facilities, industrial structures, bridges, roads, etc.), but larger sizes (sizes #6 and above) and longer lengths (e.g. 60 feet ) are exclusively used in heavy construction applications. Rebar is thus sold in a continuum of sizes, and there generally is an overlap in the sizes of subject imports and the domestic product sold in the U.S. market.<sup>183</sup>

Although imports of rebar are generally excluded from federal and state projects subject to "Buy American" laws, the record indicates that a majority of rebar purchasers have no "Buy American" or domestic preference policies.<sup>184</sup> It does indicate, however, that domestic suppliers charge the same prices for all products, regardless of any "Buy American" or domestic preference policies.<sup>185</sup>

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<sup>174</sup> (...continued)

<sup>291</sup> (Phelps). As an official for one of the domestic producers explained, traders "are just speculating, looking for the best price they will get to bring it in and then move it after that . . . ." Hearing Transcript at 90 (Parrish). See also Hearing Transcript at 89-90 (Koch).

<sup>175</sup> Chairman Pearson and Commissioner Okun do not join this statement as they do not find it a significant condition of competition.

<sup>176</sup> 62 Fed. Reg. 18748 (Apr. 1997). This order is based on a regional industry finding by the Commission. Concrete Reinforcing Bars From Turkey, Inv. 731-TA-745 (Final), USITC Pub. 3034 (April 17, 1997).

<sup>177</sup> Steel, Inv. No. TA-201-73, USITC Pub. 3479 (Dec. 2001).

<sup>178</sup> See 67 Fed. Reg. 10553, 10589 (Mar. 7, 2002).

<sup>179</sup> CR at I-13, PR at I-12.

<sup>180</sup> CR at I-23-II-25, PR at I-20-I-21.

<sup>181</sup> CR at I-24-II-25, PR at I-20-I-21.

<sup>182</sup> CR/PR at Table II-6.

<sup>183</sup> CR at II-25-II-26, PR at II-20-II-21

<sup>184</sup> CR at II-19-II-20, PR at II-14.

<sup>185</sup> Domestic Interested Parties' Prehearing Brief at 24.

*Other Factors.* Price was cited by a majority of purchasers to be the most important factor in purchasing decisions. Other factors cited included availability, delivery/service, and quality.<sup>186</sup>

As was true at the time of the original investigations, raw material costs are an important part of the final cost of rebar. Raw material costs increased from 43.0 percent of the cost of goods sold in 2001 to 61.6 percent in 2003, before declining to 58.2 percent in 2005, and then increasing to 59.5 percent in 2006. Steel scrap is the primary component in raw material costs. The cost of steel scrap rose overall from \$68 per ton in January 2001 to \$251 per ton in March 2004. From March 2004 through the end of 2006, steel scrap prices fluctuated widely, although they remained substantially higher than in 2001-2003. Steel scrap prices increased in the first months of 2007, reaching a high of \$305 per short ton in March 2007.<sup>187</sup>

**D. Revocation of the Antidumping Duty Orders on Cumulated Subject Imports from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine Would Be Likely To Lead To Continuation or Recurrence of Material Injury<sup>188 189 190</sup>**

**1. Likely Volume of Subject Imports**

During the period examined in these reviews, the volume and market share of subject imports fell dramatically as a result of imposition of the orders. The volume of cumulated subject imports declined from 179,061 short tons in 2001 to 48,746 short tons in 2002 and 50,522 short tons in 2003, then rose to 129,352 short tons in 2004. The volume of subject imports declined in 2005 to 42,222 short tons and then declined further to just 133 short tons in 2006. The market share of subject imports followed a similar trend, decreasing from 2.3 percent in 2001 to 0.7 percent in 2002 and 0.6 percent in 2003, and then increasing to 1.5 percent in 2004, before falling to 0.5 percent in 2005. As subject imports were virtually nonexistent in the U.S. market in 2006, subject market share was less than 0.05 percent.<sup>191 192</sup>

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<sup>186</sup> CR/PR at Table II-5

<sup>187</sup> CR/PR at V-1, and Figure V-1.

<sup>188</sup> Chairman Pearson does not join this section. *See* Separate and Dissenting Views of Chairman Daniel R. Pearson, Vice Chairman Shara L. Aranoff, and Commissioner Deanna Tanner Okun Regarding Latvia and Poland; Separate and Dissenting Views of Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun Regarding Belarus, China, Indonesia, and Moldova; Separate and Dissenting Views of Chairman Daniel R. Pearson Regarding Ukraine.

<sup>189</sup> Commissioner Okun does not join this section. *See* Separate and Dissenting Views of Chairman Daniel R. Pearson, Vice Chairman Shara L. Aranoff, and Commissioner Deanna Tanner Okun Regarding Latvia and Poland; Separate and Dissenting Views of Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun Regarding Belarus, China, Indonesia, and Moldova; Separate Views of Commissioner Deanna Tanner Okun Regarding Ukraine.

<sup>190</sup> As discussed above, Commissioner Williamson does not cumulate Korea with the other subject countries, and reaches a negative determination with respect to Korea. He joins the following discussion, except his analysis covers only Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine. He does not join in the Korea-specific elements of the following discussion.

<sup>191</sup> CR/PR at Table I-1. As stated in the conditions of competition section, Latvia was the predominant supplier of subject imports during the review period. *Id.*

<sup>192</sup> Commissioner Williamson notes that cumulated subject imports from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine were 57,622 short tons in 2001, 48,746 short tons in 2002, 50,522 short tons in 2003, 129,352 short tons in 2004, 36,706 short tons in 2005, and 133 short tons in 2006. Subject import market share was 0.8 percent in 2001, 0.7 percent in 2002, 0.6 percent in 2003, 1.5 percent in 2004, 0.4 percent in 2005, and less than

(continued...)

In these reviews, the failure of certain subject foreign producers to provide requested data has prevented assembling a single consistent and comprehensive set of capacity data for subject foreign producers of rebar. The Commission received a questionnaire response from BMZ, the sole rebar producer in Belarus; LM, the sole producer of rebar in Latvia; MSW, the sole producer of rebar in Moldova; and Mittal, representing over \*\*\* percent of rebar production in Ukraine. With respect to Korea, the Commission received a response from one subject producer, Hyundai, which accounted for only \*\*\* percent of Korean rebar production in 2006.<sup>193</sup> With respect to Poland, the Commission received an incomplete response from CMCZ, which accounted for only \*\*\* percent of Polish rebar production in 2005.<sup>194</sup> The Commission did not receive questionnaire responses from any subject producer in China or Indonesia.<sup>195</sup> Therefore, in assessing subject producer capacity, production, capacity utilization and shipment patterns, we rely on questionnaire data, as well as available public data.

According to data received from subject producers in Belarus, Latvia, Moldova, and Ukraine, their combined capacity to produce rebar has increased substantially since the original investigations. The combined production capacity in these countries was \*\*\* short tons in 2006, which is equivalent to \*\*\* percent of apparent U.S. consumption and \*\*\* percent of U.S. production for the same year.<sup>196</sup> The subject producers in Belarus, Latvia, Moldova, and Ukraine also reported relatively high capacity utilization rates throughout the period examined in these reviews. BMZ's capacity utilization rates ranged between a low of \*\*\* percent in 2002 and a high of \*\*\* percent in 2001.<sup>197</sup> LM's capacity utilization rates ranged between a low of \*\*\* percent in 2001 and a high of \*\*\* percent in 2006.<sup>198</sup> MSW's capacity utilization rates ranged between a low of \*\*\* percent in 2002 and a high of \*\*\* percent in 2005.<sup>199</sup> Mittal's capacity utilization rates were reported to be over \*\*\* in 2001, 2002, 2003, and 2006, and over \*\*\* percent in 2004 and 2005.<sup>200</sup>

Based on Hyundai's questionnaire response and published trade data, Korean production capacity increased from 9.7 million short tons in 2000 to \*\*\* short tons in 2006.<sup>201</sup> Korean production capacity in 2006 was equivalent to \*\*\* percent of apparent U.S. consumption and \*\*\* percent of U.S. production for the same year. Based on published trade data, capacity utilization rates for the Korean rebar industry ranged between \*\*\* percent and \*\*\* percent from 2001 to 2005. In 2006, capacity utilization was \*\*\* percent.<sup>202</sup> Hyundai's reported capacity utilization rates \*\*\* over the period of review, \*\*\* from \*\*\* percent in 2001 to \*\*\* percent in 2003, then \*\*\* to \*\*\* percent in 2004 and \*\*\* percent in 2005. In 2006, Hyundai's reported capacity utilization rate was \*\*\* percent.<sup>203</sup>

As noted above, only one Polish subject producer, CMCZ, responded to the Commission's questionnaire response, and it only provided data for 2004-06. According to CMCZ's questionnaire

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<sup>192</sup> (...continued)

0.05 percent in 2006. CR/PR at Table I-1.

<sup>193</sup> CR at IV-33, PR at IV-22.

<sup>194</sup> CR at IV-58, PR at IV-35.

<sup>195</sup> See generally CR at IV-20-78, PR at IV-16-IV-47 for foreign industry coverage.

<sup>196</sup> CR/PR at Tables IV-10, IV-22, IV-29, IV-33, and C-1.

<sup>197</sup> CR/PR at Table IV-10

<sup>198</sup> CR/PR at Table IV-22.

<sup>199</sup> CR/PR at Table IV-26.

<sup>200</sup> CR/PR at Table IV-33.

<sup>201</sup> CR/PR at Table IV-16.

<sup>202</sup> CR/PR at Table IV-18 and C-1.

<sup>203</sup> CR/PR at Table IV-17.

response, its production capacity increased from \*\*\* short tons in 2004 to \*\*\* short tons in 2006.<sup>204</sup> CMCZ's reported capacity utilization rates fluctuated, but declined overall from \*\*\* percent in 2001 to \*\*\* percent in 2006.<sup>205</sup> According to published trade data, the total capacity for the Polish rebar industry was approximately \*\*\* short tons in 2006, which is equivalent to \*\*\* percent of apparent U.S. consumption and \*\*\* percent of U.S. production. Additionally, Polish rebar capacity is expected to increase within the foreseeable future. The Celsa group acquired Huta Ostrowiec in 2003 and planned to modernize its facilities to increase total steel production. Finally, Arcelor is bringing a new mill on line in Poland which is expected to have \*\*\* short tons of rebar production by late 2007.<sup>206</sup>

According to the \*\*\*, Chinese rebar production capacity increased from \*\*\* short tons in 2005 to \*\*\* short tons in 2006. Rebar production in China also increased from \*\*\* short tons in 2005 to \*\*\* short tons in 2006, indicating \*\*\* percent capacity utilization in 2005 and \*\*\* percent capacity utilization in 2006.<sup>207</sup> Total Chinese capacity in 2006 was equivalent to \*\*\* percent of apparent U.S. consumption and \*\*\* percent of U.S. production for the same year. Unused Chinese capacity in 2006 of \*\*\* short tons is equivalent to \*\*\* percent of apparent U.S. consumption and \*\*\* percent of U.S. production for the same year. Chinese capacity is likely to increase over the next several years, as Chinese production is projected to increase by \*\*\* percent of its 2006 level by 2011.<sup>208</sup>

With respect to Indonesian subject producers, which did not participate in these reviews, \*\*\* estimates Indonesian rebar capacity is to be over \*\*\* short tons.<sup>209</sup> Indonesia's capacity is approximately equivalent to \*\*\* percent of apparent U.S. consumption and \*\*\* percent of U.S. production in 2006.<sup>210</sup>

We note that the reported capacity utilization rates in the subject countries are relatively high but show some unused capacity, particularly with respect to China and on a cumulated basis. In addition to this unused capacity, subject foreign producers likely would be able to increase significantly their shipments to the United States within the reasonably foreseeable future by shifting shipments from other export markets. Subject countries rely in large measure on export markets and have demonstrated their ability to shift sales with relative ease from their home markets to export markets and between export markets.<sup>211</sup> Each of the countries, with the exception of China and Korea, currently exports a sizeable portion of its rebar production. While China's and Korea's exports as a share of production are smaller than the other subject countries, each nonetheless exported significant quantities of rebar during the period of review.<sup>212</sup> Additionally, the record indicates that China's exports as a share of production have grown rapidly over the period of review, from 1.2 percent in 2000 to \*\*\* percent in 2006.<sup>213</sup> Although there are no available data with respect to Indonesia, exports from all other subject countries totaled \*\*\*

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<sup>204</sup> CR/PR at Table IV-29.

<sup>205</sup> CR/PR at Table IV-29.

<sup>206</sup> CR at IV-62-63, PR at IV-36-37, and CR/PR at C-1.

<sup>207</sup> CR/PR at Table IV-12.

<sup>208</sup> CR/PR at Tables IV-13 and C-1.

<sup>209</sup> CR at IV-31, PR at IV-21.

<sup>210</sup> CR/PR at Tables IV-15 and C-1. During the original investigations, the Commission identified 13 firms that produced rebar in Indonesia, but only one returned a completed questionnaire to the Commission. The responding producer accounted for approximately \*\*\* percent of total production of rebar in Indonesia in 2000. Its reported production capacity was \*\*\* short tons in 2000. CR at IV-31, PR at IV-21.

<sup>211</sup> CR/PR at Tables IV-10 (Belarus), IV-14 (China), IV-20 (Korea), IV-22 (Latvia), IV-26 (Moldova), IV-31 (Poland), and IV-35 (Ukraine). There is no available information with respect to Indonesia.

<sup>212</sup> During the review period, exports from Korea ranged from 13,316 short tons in 2003 to 474,175 short tons in 2005. China's exports ranged from 387,606 short tons in 2002 to 3.7 million in 2006. CR/PR at Table IV-48.

<sup>213</sup> CR/PR at Table IV-11.

short tons in 2006,<sup>214</sup> which is equivalent to \*\*\* percent of apparent U.S. consumption and \*\*\* percent of U.S. production for the same year.<sup>215 216</sup>

The attractiveness of the U.S. market due to its large size, steady demand, and high prices would provide an incentive to shift exports to the United States in the event of revocation of the orders. Because rebar is a highly fungible, commodity product, AUV data in these reviews provide a reasonable basis for price comparisons. The record indicates that AUVs in the United States were higher than in the subject countries (except for Poland) during the period of review.<sup>217</sup> Moreover, AUV data collected in these reviews indicate that subject producers' export shipment AUVs were significantly lower than domestic producers' commercial shipment AUVs. This substantial price gap indicates that the attractive, easily accessible U.S. market would be faced with a significant volume of low-priced subject imports following revocation.<sup>218</sup>

We note that certain published trade data indicate that prices in a few markets, in particular the EU, Russia, and the Middle East, were reportedly higher in some instances than prices in the United States.<sup>219</sup> U.S. prices, however, are significantly higher in comparison with other important world markets such as China and the Far East.<sup>220</sup> Furthermore, the attractiveness of the U.S. market is underscored by the actions of global trading companies, which, as discussed in the conditions of competition section, seek to maximize prices by selling into the most advantageous markets. During the period of review, global trading companies facilitated entry into the U.S. market a sizeable amount of nonsubject imports, including imports from a number of EU members, Russia, and Egypt, notwithstanding reportedly higher prices in the EU, Russia, and the Middle East.<sup>221</sup>

In addition, subject imports would be able to penetrate the U.S. market with relative ease if the orders were revoked. Much of the imported product would likely be sold to distributors and fabricators, which in turn would allow imports to be easily distributed to end users throughout the United States.

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<sup>214</sup> Calculated from CR/PR at Tables IV-48, IV-10 (Belarus), IV-26 (Moldova).

<sup>215</sup> Calculated from CR/PR Tables IV-10, IV-26, IV-48 and C-1.

<sup>216</sup> Commissioner Williamson notes that in 2006 total exports for Belarus, China, Latvia, Moldova, Poland and Ukraine were \*\*\* short tons, equivalent to \*\*\* percent of apparent U.S. consumption and \*\*\* percent of U.S. production. CR/PR at Tables IV-10, IV-26, IV-48, and C-1.

<sup>217</sup> Reported AUVs in the United States and subject countries in 2006 were as follows: United States \$522, Belarus \$\*\*\*, Korea \$\*\*\*, Latvia \$\*\*\*, Moldova \$\*\*\*, Poland \$\*\*\*, and Ukraine \$\*\*\*. CR/PR at Tables C-1, IV-10, IV-17, IV-22, IV-26, IV-29, IV-33. According to \*\*\*, in 2006, U.S. prices for rebar ranged from \$\*\*\* to \$\*\*\*, while Chinese prices for rebar ranged from \$\*\*\* to \$\*\*\* per short ton and Korean prices ranged from \$\*\*\* to \$\*\*\*. CR/PR at Table IV-46. There are no available pricing data for the Indonesian rebar market.

<sup>218</sup> We recognize that AUV comparisons do not constitute direct price comparisons. Moreover, we are aware that the valuation of export shipments excludes transportation and other charges necessary to make direct comparisons between U.S. producers' sales in the United States and export shipments by those subject countries that provided complete shipment data. Nonetheless, the sheer magnitude of the differences in AUVs between U.S. producers' U.S. shipments and subject producers' average export shipments (including modest volumes exported to the United States) is striking: \$\*\*\* per short ton in 2001; \$\*\*\* per short ton in 2002; \$\*\*\* per short ton in 2003; \$\*\*\* per short ton in 2004; \$\*\*\* per short ton in 2005; and \$\*\*\* per short ton in 2006. Calculated from Table C-1 (U.S. producers' U.S. shipments) and Tables IV-10, IV-22, IV-26, and IV-33 (total export shipments from Belarus, Latvia, Moldova, and Ukraine, respectively).

<sup>219</sup> CR/ PR at Table IV-47.

<sup>220</sup> CR/ PR at Tables IV-46 and IV-47.

<sup>221</sup> CR/PR at Table I-12, Table IV-3.

Because distributors buy for inventory, subject producers likely would be able to sell various grades and sizes of rebar in larger amounts than if they sold directly to end users for a particular job. Indeed, \*\*\*.<sup>222</sup>

Given subject producers' reliance on export markets, their substantial cumulated export volumes, the substantial increase in cumulated subject exports to the United States in the original investigations, cumulated subject producers' substantial capacity, and the attractiveness and accessibility of the U.S. market, subject imports to the United States likely would increase significantly following revocation of the antidumping duty orders. Consequently, based on the record in these reviews, we conclude that the volume of cumulated subject imports likely would increase to a significant level and regain significant U.S. market share if the orders were revoked.

## 2. Likely Price Effects

As discussed above, rebar is a highly fungible, commodity product for which price is the most important factor in purchasing decisions. Moreover, price is generally set on a transaction by transaction basis,<sup>223</sup> and the domestic like product and subject imports are viewed as highly interchangeable.<sup>224</sup> As discussed in the conditions of competition, sales of imports to the U.S. market are arranged by global trading companies that sell on a spot basis and are "looking for the best price to bring it [rebar] into" the most advantageous markets.<sup>225</sup>

Prices for domestic rebar increased substantially for all products between 2001 to 2006, with the largest increases in price occurring in 2004.<sup>226</sup> This increase reflects the effects of the antidumping duty orders, as subject import volumes were very low throughout the period of review.

We find that the significantly increased volumes of cumulated subject imports following revocation of the orders would likely have significant negative price effects on the domestic like product. In these reviews, price comparisons between the domestic product and subject product are limited largely due to the diminished volumes of subject imports following imposition of the orders.<sup>227</sup> Some pricing data were reported for imports from Korea and Latvia, although no sales from these countries were reported in 2006. With respect to Korea, the data show that the Korean product undersold the domestic like product in almost all possible comparisons.<sup>228</sup> With respect to Latvia, the data show that the Latvian product oversold the domestic product in most available price comparisons.<sup>229</sup> The record indicates that the AUVs for U.S. shipments of imported rebar from Korea were lower than domestic AUVs and that the AUVs for U.S. shipments of subject imports from Latvia were generally higher than domestic AUVs.<sup>230</sup> Given the low volume of subject imports and the restraining effects of the orders, we place little weight on these price comparisons, which are likely not indicative of prices after revocation of the orders.

As an indicator of current relative prices, the record indicates that export shipment AUVs of producers in Belarus, Latvia, Moldova, and Ukraine were significantly lower than U.S. producers'

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<sup>222</sup> \*\*\* Questionnaire Response at II-16c.

<sup>223</sup> CR/PR at V-3.

<sup>224</sup> CR/PR at Table II-6.

<sup>225</sup> Hearing Transcript at 90 (Parrish).

<sup>226</sup> CR/PR at Tables V-1-V-12.

<sup>227</sup> CR/PR at Table I-1.

<sup>228</sup> CR/PR at Tables V-13.

<sup>229</sup> CR/PR at Tables V-13.

<sup>230</sup> CR/PR at Tables I-1, IV-17 and IV-22.



commercial shipment AUVs.<sup>231</sup> Questionnaire responses show that domestic producers' AUVs for shipments throughout the entire U.S. market were \$522 per short ton, while the average AUV for rebar shipped by subject producers to non-U.S. markets in 2006 averaged \$\*\*\* per short ton.<sup>232</sup> The price gap was at its highest level in 2006, at \$\*\*\* per short ton. A similar price gap was present throughout the review period and the original investigation.<sup>233</sup> This substantial price gap indicates a likelihood of underselling by subject imports following revocation. There is an incentive for subject producers to ship to the U.S. market, because subject producers likely would be able to receive a higher price in the U.S. market relative to many third-country markets, even as they undersold the U.S. product to increase sales.

In light of the importance of price in the market, the fungible nature of the product, the negative price effects of low-priced imports in the original investigations, the pervasive underselling by subject imports during the original investigations, and the incentive for subject producers to make sales and to obtain market share in the relatively high-priced, large, stable, and accessible U.S. market, we find it likely that, if the orders were revoked, significant volumes of cumulated subject imports would significantly undersell the domestic like product to gain market share and would have significant depressing or suppressing effects on the prices of the domestic like product within a reasonably foreseeable time.

### **3. Likely Impact of the Subject Imports on the Domestic Industry**

Immediately following the imposition of the orders, an improvement in the condition of the domestic industry was inhibited, in part, by a decrease in demand from 2000 to 2002. U.S. shipments decreased slightly from 6.3 million short tons in 2000 to 6.0 million short tons in 2001, but then increased to 6.1 million tons in 2002.<sup>234</sup> Domestic production decreased from 6.4 million short tons in 2000 to 6.1 million short tons in 2001, and then increased to 6.4 million tons in 2002.<sup>235</sup> Employment levels likewise decreased between 2000 and 2002.<sup>236</sup> On the other hand, capacity utilization increased steadily from 76.8 percent in 2000 to 79.5 percent in 2002.<sup>237</sup> Net sales, in terms of quantity, decreased from 6.5 million in 2000 to 6.2 million in 2001, and then increased to 6.4 million in 2002.<sup>238</sup> The domestic industry's operating profits grew from \$45 million in 2000 to \$110 million in 2001 but dropped to \$66 million in 2002.<sup>239</sup> The domestic industry's operating income margin improved from 2.5 percent in 2000 to 6.6 percent in 2001, but declined to 4.0 percent in 2002.<sup>240</sup>

With the orders in effect, the domestic industry's condition improved substantially after 2003, as U.S. demand increased dramatically and U.S. prices rose sharply.<sup>241</sup> From 2003 to 2006, the domestic

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<sup>231</sup> Similar data are not available for China and Indonesia. The Commission obtained only partial AUV data with respect to the Korean and Polish industries.

<sup>232</sup> CR/PR at Tables I-1, IV-10, IV-22, IV-26 and IV-33.

<sup>233</sup> CR/PR at Tables I-1, IV-10, IV-22, IV-26 and IV-33.

<sup>234</sup> CR/PR at Table I-1.

<sup>235</sup> CR/PR at Table I-1.

<sup>236</sup> CR/PR at Table I-1.

<sup>237</sup> CR/PR at Table I-1.

<sup>238</sup> CR/PR at Table I-1.

<sup>239</sup> CR/PR at Table I-1.

<sup>240</sup> CR/PR at Table I-1.

<sup>241</sup> CR/PR at Table I-1.

industry generally experienced high levels of productivity, net sales, and workers employed.<sup>242</sup> Capacity utilization rates fluctuated, but remained near 90 percent.<sup>243</sup> The unit values of U.S. shipments of rebar rose from \$282 per short ton in 2003 to \$522 per short ton in 2006.<sup>244</sup>

Although the domestic industry's raw material prices increased significantly over the period of review, the unit values of U.S. shipments of rebar were able to outpace these increases in costs. The domestic industry's profitability increased in tandem with the rise in prices, as operating profits increased from \$66 million in 2003 to \$828 million in 2006.<sup>245</sup> The domestic industry's operating margins also increased from 3.1 percent in 2003 to 20.7 percent in 2006.<sup>246</sup> At the same time, the domestic industry's capital expenditures increased from \$70 million in 2003 to \$146 million in 2006.<sup>247</sup>

Given the domestic industry's performance at the end of the period of review, we do not find that the domestic industry is currently in a vulnerable or weakened state as contemplated by the statute. We note that the domestic industry's profitability at the end of the period of review can be attributed to the sharp increase in demand and prices and to the existence of the antidumping duty orders.

The industry's continued healthy performance, however, is linked to the continuation of the antidumping duty orders. As discussed earlier in the conditions of competition, demand is anticipated to remain steady within the foreseeable future. While prices have risen sharply, this is primarily due to the increase in raw material costs.<sup>248</sup> For the reasons discussed above, we find that revocation of the antidumping duty orders would likely lead to significant increases in the volume of cumulated subject imports at prices that would undersell the domestic like product and significantly suppress or depress U.S. prices. Despite high costs, the domestic industry would be forced to lower prices in order to compete with the increased volume of low-priced imports if the orders were revoked. Thus, if the orders were revoked, the domestic industry's profitability would likely decline significantly due to an injurious cost-price squeeze.

The likely price and volume declines also would have a significant adverse impact on the production, shipments, market share, sales, and revenue levels of the domestic industry. This reduction in the industry's production, sales, and revenue levels would have a direct adverse impact on the industry's profitability as well as its ability to raise capital and make and maintain necessary capital investments. In addition, we find it likely that revocation of the orders would result in employment declines for domestic firms.

In light of the foregoing, we conclude that if the antidumping duty orders are revoked, cumulated subject imports from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine would enter the U.S. market in such increased quantities and at such price levels as to cause price suppression or depression, thus causing significant adverse impact on the domestic industry within a reasonably foreseeable time.<sup>249</sup>

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<sup>242</sup> CR/PR at Table I-1.

<sup>243</sup> CR/PR at Table I-1.

<sup>244</sup> CR/PR at Table I-1.

<sup>245</sup> CR/PR at Table I-1.

<sup>246</sup> CR/PR at Table I-1.

<sup>247</sup> CR/PR at Table III-12.

<sup>248</sup> CR/PR at V-1, and Figure V-1.

<sup>249</sup> Commissioner Williamson does not join this conclusion with respect to Korea.

**E. Revocation of the Antidumping Duty Order on Subject Imports from Korea Is Not Likely To Lead to Continuation or Recurrence of Material Injury to the Domestic Rebar Industry<sup>250</sup>**

**1. Likely Volume of Subject Imports**

Subject imports from Korea declined steadily during the original investigation, from 527,080 short tons in 1998 to 263,601 short tons in 2000.<sup>251</sup> Korea's export pattern in the original investigation appears to have been affected by the Asian financial crisis, which resulted in a decline in demand for rebar in the previously expanding Asian markets. The disruption in the Asian markets particularly affected producers in countries such as Korea, which experienced suppressed home market demand in 1998 and 1999, with improved home market shipments in 2000.<sup>252</sup> After the order was imposed, subject imports from Korea fell to 118,469 short tons in 2001 and then remained out of the U.S. market with the exception of a shipment in 2005 of 5,516 short tons.<sup>253</sup>

In these current five year reviews, several factors support our conclusion that the volume of subject imports from Korea would likely not be significant if the order were revoked. Since the original period of investigation, the Korean industry has eliminated capacity and Korea has become a net importer of rebar. Thus, the Korean industry has limited motivation to increase exports to the United States either by shifting shipments from its home market or from its modest exports that primarily serve the local Asian market. Moreover, demand in Asia has grown significantly and is projected to remain strong.

The Korean rebar industry is composed of seven or eight producers, of which the largest, Hyundai Steel Co. ("Hyundai"), submitted a foreign producer's questionnaire response, participated at the hearing, and filed briefs.<sup>254</sup> Specifically, Korean production capacity, while large, has decreased over the period of review. Korean rebar production capacity decreased during the period of review from \*\*\* short tons to \*\*\* short tons.<sup>255</sup> This reduction in capacity is due in part to Hyundai's acquisition of Hanbo Steel during the period of review and shutting down \*\*\* short tons of capacity at one facility and \*\*\*.<sup>256</sup> Moreover, based on published trade data, capacity utilization of the Korean rebar industry was high throughout the period of review.<sup>257</sup> Between 2001 and 2005 capacity utilization ranged between \*\*\* percent and \*\*\* percent; in 2006, it was \*\*\* percent.<sup>258</sup> Additionally, Hyundai reported its capacity utilization rates \*\*\* at high levels over the period of review, \*\*\* from \*\*\* percent in 2001 to \*\*\* percent in 2003, then \*\*\* to \*\*\* percent in 2004, and \*\*\* percent in 2005. In 2006, Hyundai's reported capacity utilization rate was \*\*\* percent.<sup>259</sup> The record indicates that Korean rebar producers could not meet home

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<sup>250</sup> We note that domestic interested parties do not believe that imports of Korean rebar would have a discernible adverse impact if the antidumping duty order on rebar from Korea were revoked. See e.g., Domestic Interested Parties Prehearing Brief at 50-51.

<sup>251</sup> CR/PR at Table I-1.

<sup>252</sup> See, e.g., Memorandum INV-Y-087 at Tables VII-4 and VII-5. See also CR at IV-37, PR at IV-23-24 (During the Asian financial crisis, Korean \*\*\*).

<sup>253</sup> CR/PR at Table I-1.

<sup>254</sup> CR at IV-33, PR at IV-22. Hyundai accounted for \*\*\* percent of Korean production in 2006.

<sup>255</sup> CR/PR at Table IV-18.

<sup>256</sup> CR at IV-37, PR at IV-23.

<sup>257</sup> CR/PR at Table IV-18.

<sup>258</sup> Calculated from CR/PR Table IV-18.

<sup>259</sup> CR/PR at Table IV-17.

market demand over the period of review, notwithstanding their very high capacity utilization rates. Korea has been a net importer of rebar since 2002.<sup>260</sup>

While the record lacks information concerning anticipated capacity expansions, the record indicates that Korea's production is projected to increase over the next several years, from \*\*\* short tons in 2006 to \*\*\* short tons in 2009.<sup>261</sup> However, Korea's consumption is anticipated to increase to an even greater extent. \*\*\* projects that Korea will remain a significant net importer in the reasonably foreseeable future.<sup>262</sup>

As we noted in our respective analyses of whether to cumulate Korea with the other subject countries, most of Korea's shipments serve its home market. While Korean subject producers exported during the period of review, exports from Korea accounted for only \*\*\* percent of the Korean industry's production in 2006.<sup>263</sup> To the extent that Korea exports rebar, it is focused primarily on supplying the markets in Southeast Asia and in the Pacific.<sup>264</sup> As the record indicates, rebar demand is likely to increase, particularly in Southeast Asia. As such, Korean subject producers would likely continue to dedicate a substantial portion of their modest exports to countries in that region if the order were revoked.<sup>265</sup>

There were no reported inventories of rebar from Korea present in the U.S. market during the period of review.<sup>266</sup> Inventories of the subject merchandise in Korea were at low levels relative to shipments throughout the period of review. The ratio of inventories to shipments in 2006 was \*\*\* percent, below the 2004 period peak of \*\*\* percent.<sup>267</sup>

In addition to the limited capability of the Korean rebar producers to resume shipping to the United States in significant quantities, there is little incentive for the Korean producers to do so. As noted above, the Korean home market is flourishing. At the same time, average unit values for rebar in Korea and the United States are comparable, making it unlikely that Korean producers would divert their shipments from their home market to take advantage of prices in the U.S. market.<sup>268</sup> The potential for product shifting appears insignificant. For example, Hyundai reported that it \*\*\* to switch production between rebar and other products, using the same equipment and labor, in response to price changes for rebar.<sup>269</sup> Furthermore, Korean exports of rebar are not subject to tariff or non-tariff barriers in any country other than the United States.<sup>270</sup> These facts inhibit the ability and limit the motivation of the Korean producers to divert to the United States rebar currently sold in other markets.

For the reasons stated above, even if there is an increase in subject imports upon revocation, numerous factors militate against a conclusion that the increase will be significant. These include limited unused capacity in the Korean industry, a home market focus by the Korean industry, limited motivation to increase exports by shifting shipments from other customers, and likely continued strong demand in Korea and other traditional markets. Accordingly, we conclude that any likely increase in subject imports

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<sup>260</sup> CR/PR at Table IV-18.

<sup>261</sup> CR/PR at Tables IV-16 and IV-19.

<sup>262</sup> CR/PR at Table IV-19.

<sup>263</sup> CR/PR at Table IV-16.

<sup>264</sup> CR/PR at Tables IV-17 (Hyundai exported \*\*\* percent of its shipments to Asia in 2006) and IV-20.

<sup>265</sup> CR at IV-82, PR at IV-49 (2007-2011 global consumption expected to increase in East and South East Asia, and other world markets).

<sup>266</sup> CR/PR at Table IV-8.

<sup>267</sup> CR/PR at Table IV-17.

<sup>268</sup> CR/PR at Tables I-1 and IV-17.

<sup>269</sup> CR at IV-42, PR at IV-24; and Hyundai Questionnaire Response at 10 (Question II-10).

<sup>270</sup> CR at IV-34-38, PR at IV-23.

from Korea will not be significant either in absolute terms or relative to production or consumption in the United States.

## 2. Likely Price Effects of Subject Imports

In the original investigations, rebar from Korea undersold the domestic like product in all or most comparisons.<sup>271</sup> As subject imports from Korea were largely absent throughout the period of review, available pricing data are limited.<sup>272</sup> Subject imports from Korea undersold the domestic like product in 8 of 10 possible comparisons during the period of review.<sup>273</sup> The reported underselling was for sales of the Korean product in 2001, however, while the reported overselling occurred in the latter part of the period of review.<sup>274</sup>

As during the original investigations, we continue to find that domestically produced and imported rebar are generally substitutable, and that price is an important factor in purchasing decisions.<sup>275</sup> However, we find that the price effects from the subject imports from Korea likely will not be significant both based on our finding that the volume of subject imports from Korea likely will not be significant and because we find no incentive for producers in Korea to price aggressively any volumes they do sell or offer to sell in the U.S. market.

According to the pricing data collected in these reviews, U.S. prices of rebar fluctuated within a generally limited range from 2001 through 2003. Substantial price increases began in the first quarter of 2004, rising by 32 percent to 43 percent, for the four products for which data were collected. According to these data, the U.S. industry's prices for these products doubled or nearly doubled over the period of review.<sup>276</sup>

Although the single largest increase in consumption occurred earlier in the review period, from 2002 to 2003, consumption remained strong throughout the period, buoyed by strong construction activity in the U.S. market, especially in major rebar-using projects such as roads, bridges and nonresidential construction.<sup>277</sup> Prices also were heavily influenced by the increases in raw material costs, particularly steel scrap, that occurred in early 2004, when scrap prices rose to \$251 per ton, compared to \$68 per ton in January 2001. Scrap prices fluctuated after 2004, but generally remained strong, peaking at \$305 per ton in March 2007.<sup>278</sup>

As we noted in our discussion of conditions of competition, demand in the U.S. market is likely to remain fairly steady for the reasonably foreseeable future. Nonresidential construction generally is expected to remain very strong.<sup>279</sup> The record also indicates that global demand is likely to remain strong and growing in the reasonably foreseeable future.<sup>280</sup> We do not find that prices in the U.S. market offer an incentive to the Korean industry to shift product to this market, particularly given the strong demand and prices in the Korean home market. Average unit values for rebar in Korea and the United States are

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<sup>271</sup> Memorandum INV-Y-087 at Tables V-6 and V-7.

<sup>272</sup> CR at V-10, PR at V-13. The Commission collected quarterly pricing data on four rebar products. Data were received from domestic producers, and from importers of subject rebar from Korea and Latvia.

<sup>273</sup> CR/PR at Table V-13.

<sup>274</sup> CR/PR at Tables V-1 through V-12.

<sup>275</sup> CR/PR at Tables II-4 and II-6.

<sup>276</sup> See, e.g., CR/PR at Tables V-1, V-4, V-7, and V-10.

<sup>277</sup> CR at II-11, PR at II-8.

<sup>278</sup> CR at V-1, PR at V-1.

<sup>279</sup> MSW's Posthearing Brief at 5-10, Attachments 1, 2, 4, and 6; CR at IV-92-93, PR at IV-51-52.

<sup>280</sup> CR/PR at Table IV-44.

comparable. Moreover, changes in prices in other world markets did not cause the Korean industry to change its home market focus, as the percentage of total shipments exported remained low throughout the review period. Thus, we do not find it likely that any increased volumes from Korea in the event of revocation (the level of which we do not expect to be significant, as explained above) would be likely to be sold at prices that significantly undersell the domestic like product or that significantly suppress or depress prices for the domestic like product. Given the Korean industry's apparent lack of excess capacity and attractive prices in its existing markets, we do not find that subject producers from Korea have an incentive to price aggressively in order to move significant volumes into the U.S. market.

Based on these findings as well as our finding that the volume of subject imports from Korea is not likely to be significant, we do not find that there is likely to be significant underselling by subject imports from Korea as compared to the domestic like product, or that imports from Korea are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product. We consequently conclude that the subject imports from Korea are not likely to have significant price effects if the orders were revoked.

### 3. Likely Impact of Subject Imports on the Domestic Industry

The record of these reviews indicates that, after issuance of the orders on the subject countries and a decline in subject import levels, the domestic industry initially made only modest gains in market share. However, domestic producers' production, U.S. shipments, and net sales, after declining slightly in 2001 with the economic recession, began to recover in 2002 and 2003, and showed dramatic improvement through 2006. Between 2001 and 2006, production increased overall 25.3 percent, U.S. shipments increased 23.6 percent, and net sales increased 25.1 percent.<sup>281</sup> With production capacity increasing less rapidly than production (a gain of 9.2 percent between 2001 and 2006), capacity utilization increased by 11.5 percentage points in this same period.<sup>282</sup> While domestic employment increased only slightly (2.5 percent) between 2001 and 2006, productivity increased 22.3 percent.<sup>283</sup> Despite substantially reduced subject import levels, the industry posted deteriorating operating margins from 2001 (6.6 percent) to 2003 (3.1 percent) before improving sharply in 2004 (15.4 percent), and continuing to rise throughout the remainder of the review period, peaking at 20.7 percent in 2006.<sup>284</sup> In light of these data showing a healthy and vibrant industry, we do not find the domestic rebar industry to be vulnerable.<sup>285 286</sup>

The conditions that have enabled the industry to realize its recent profits are not likely to change in the foreseeable future. As discussed *supra*, strong demand in the non-residential construction market, a major user of rebar, is expected to continue, not just in the U.S. market, but globally as well.<sup>287</sup> While raw material costs (primarily steel scrap) increased sharply toward the end of the period of review, and

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<sup>281</sup> CR/PR at Table C-1. In addition, U.S. exports increased by 31.3 percent. *Id.*

<sup>282</sup> CR/PR at Table C-1.

<sup>283</sup> CR/PR at Table C-1.

<sup>284</sup> CR/PR at Table C-1.

<sup>285</sup> We also note that, while up to 10 of the 24 to 25 reporting firms reported losses during the period 2001 through 2004, only two firms (\*\*\*) reported operating losses either in 2005 or 2006. CR/PR at Tables III-9 & III-10.

<sup>286</sup> Commissioner Williamson also does not find the domestic industry to be vulnerable, but he does not join the preceding paragraph. For his analysis of vulnerability, *see* Section IV. D. 3.

<sup>287</sup> \*\*\* forecasts that North American consumption of rebar will increase steadily from 2007 through 2010. CR/PR at Table IV-44. Consumption is forecast to increase in other global regions as well; most strongly in East and Southeast Asia, and more moderately in the European market. *Id.*

continue to be high, these costs have been more than matched by domestic price increases, which, for the most part, have leveled off at historically high levels and show few signs of reversing direction.<sup>288</sup> Thus, domestic prices rose significantly in 2004 above their level from the original investigations and the beginning of the period examined in these reviews.<sup>289</sup>

Consistent with our findings that the likely volume and likely price effects of subject imports from Korea will not be significant, we find that subject imports would not be likely to have a significant adverse impact on the domestic industry's output, sales, market share, profits, or return on investment, if the order were revoked. Based on the strong expected demand in the United States and global markets and the current robust condition of the domestic industry, the small volumes of subject imports from Korea that would be likely upon revocation would not be likely to have a significant adverse impact on the domestic industry.

## V. CONCLUSION

For the foregoing reasons, we determine that revocation of the antidumping duty orders on subject imports of rebar from Belarus, China, Indonesia, Latvia, Moldova, Poland, and Ukraine would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.<sup>290</sup> We determine that revocation of the antidumping duty order on subject imports of rebar from Korea would not be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.<sup>291</sup>

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<sup>288</sup> CR/PR at Figure V-1; CR/PR at Tables V-1-V-12. Increases in sales value also outpaced increases in costs. Thus, domestic producers' unit sales values rose from \$268 per short ton in 2001, to \$518 per short ton in 2006, an increase of 93.2 percent. CR/PR at Table C-1. At the same time, unit COGS rose from \$235 per short ton in 2001 to \$383 per short ton in 2006, a smaller increase of 62.9 percent. CR/PR at Table III-9. This differential improved over the review period, as COGS as a ratio to sales dropped from 87.8 percent in 2001 to 74.0 percent in 2006. Id.

<sup>289</sup> CR/PR at Tables V-1-V-12.

<sup>290</sup> Chairman Pearson dissents with respect to all orders except China and Indonesia. Vice Chairman Aranoff dissents with respect to the orders on subject imports from Latvia and Poland. Commissioner Okun dissents with respect to the orders on subject imports from Belarus, Latvia, Moldova, and Poland.

<sup>291</sup> Commissioners Lane and Pinkert dissenting with respect to the order on subject imports from Korea.





**SEPARATE AND CONCURRING VIEWS OF  
VICE CHAIRMAN SHARA L. ARANOFF  
REGARDING BELARUS, CHINA, INDONESIA, MOLDOVA, AND UKRAINE**

**I. INTRODUCTION**

Based on the record in these five-year reviews, I determine that material injury is likely to continue or recur within a reasonably foreseeable time if the antidumping duty orders on subject imports of steel concrete reinforcing bar from Belarus, China, Indonesia, Moldova, and Ukraine are revoked.

I join the Views of the Commission regarding domestic like product, domestic industry, the legal standard governing five-year reviews, no discernible adverse impact, likely reasonable overlap of competition, conditions of competition, and the summary of the original determination. I write separately here with regard to my analysis of certain cumulation considerations, and the statutory factors with regard to Belarus, China, Indonesia, Moldova, and Ukraine.

**II. CUMULATION**

Based on my review of the record, I find a reasonable overlap of competition between subject imports from all subject countries, but conclude that subject imports from Belarus, China, Indonesia, Moldova, and Ukraine would not be likely to compete under similar conditions of competition with subject imports from Korea, or those from Latvia or Poland. I consequently do not exercise my discretion to cumulate subject imports from Belarus, China, Indonesia, Moldova, and Ukraine with subject imports from Korea, Latvia, and Poland. As discussed below, I cumulate subject imports from Belarus, China, Indonesia, Moldova, and Ukraine.<sup>1</sup>

Regarding subject imports from Ukraine, Mittal Steel Kryviy RIH (Mittal) argues that the Commission should exercise its discretion and not cumulate imports of Ukrainian rebar with other subject imports due to Mittal's corporate affiliation with a U.S. producer of rebar, Border Steel.<sup>2</sup> In this regard, Mittal cites Certain Carbon Steel Product from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom, Inv. Nos. AA-1921-197 (Second Review); 701-TA-319, 320, 325-327, 348, and 350 (Second Review); and 731-TA-573-574, 576, 578, 582-587, 612, and 614-618 (Second Review), USITC Pub. 3899 (January 2007) ("CTL Plate"). In CTL Plate, the Commission declined to cumulate subject imports from Romania with subject imports from other countries because, *inter alia*, of the significant changes the Romanian CTL plate industry had undergone since the original investigation, including that the Romanian producer was no longer state-owned and, at the time of the review, was part of a corporate group that included a major U.S. producer of CTL plate.<sup>3</sup>

The circumstances in these reviews are distinct from CTL Plate. In CTL Plate, the sole Romanian producer was affiliated with a major U.S. producer capable of servicing a large portion of the U.S. market. Here, although Mittal is the largest known producer in Ukraine, accounting for at least \*\*\* percent and possibly up to \*\*\* percent of production,<sup>4</sup> its U.S. affiliation through its parent, Arcelor

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<sup>1</sup> See the Views of the Commission for my views on cumulation regarding Korea, and Separate and Dissenting Views of Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun Regarding Cumulation, for my views on cumulation for Latvia and Poland.

<sup>2</sup> Mittal's Prehearing Brief at 8-11; Posthearing Brief at 13-15.

<sup>3</sup> CTL Plate, USITC Pub. 3899, at 50-51. (Commissioners Koplán and Lane dissenting; see Id. at 98-99).

<sup>4</sup> CR at IV-67-68; PR at IV-41.

Mittal, is very recent and is with a U.S. rebar producer, Border Steel, that accounts for \*\*\*.<sup>5</sup> Mittal argues that Arcelor will make all shipping decisions to the United States which are in the best interest of its U.S. affiliate.<sup>6</sup> However, while Arcelor may exercise prudence in making its decisions as to how much rebar to ship to the U.S. market, given the generally \*\*\* of total U.S. shipments made by Border Steel, the record does not support the conclusion that Arcelor is likely to abstain from serving the U.S. market with greater volumes than Border Steel can produce. Finally, whether or not Mittal is part of a global corporate group, Mittal, itself, \*\*\*.<sup>7</sup>

Thus, given the highly fungible nature of the product, I find that subject imports from each of these subject countries will be likely to compete under similar conditions of competition if the orders were revoked. Accordingly, I exercise my discretion to cumulate subject imports from Belarus, China, Indonesia, Moldova, and Ukraine.

### **III. REVOCATION OF THE ORDER ON SUBJECT IMPORTS FROM BELARUS, CHINA, INDONESIA, MOLDOVA, AND UKRAINE IS LIKELY TO LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME**

#### **A. Likely Volume of Subject Imports**

I apply the legal standards discussed in Section IV above.

During the original period of investigation, cumulated subject imports from Belarus, China, Indonesia, Moldova, and Ukraine had grown from 257,891 short tons in 1998, a \*\*\* percent market share, to 569,623 short tons in 2000, a \*\*\* percent share.<sup>8</sup> After the orders were put in place, subject imports from these five countries dropped almost completely out of the U.S. market, with only sporadic shipments and very small volumes reported.<sup>9</sup>

In these reviews, the sole producer of rebar in Belarus, BMZ, and in Moldova, MSW, submitted questionnaire responses, as did Mittal, the largest producer of rebar in Ukraine. Subject foreign producers in China and Indonesia provided no data to the Commission. Thus, in discussing subject producer capacity, I have relied on published data sources in addition to the data gathered in the questionnaires.

Capacity to produce rebar in the cumulated countries grew substantially after 2000, with individual country growth rates ranging up to \*\*\* percent, and likely substantially higher for China, based on its available production data, which shows more than a \*\*\* percent production increase.<sup>10</sup> Combined capacity in 2006 for those countries for which data were reported (Belarus, Moldova and Ukraine) was \*\*\* short tons, equivalent to \*\*\* percent of apparent U.S. consumption, and \*\*\* percent of U.S. production. Further, the record shows that producers in Belarus and Moldova completed significant capacity expansions immediately prior to the review period. In 2001, BMZ's capacity grew \*\*\* percent, from \*\*\* shorts tons in 2000 to \*\*\* short tons in 2001, and MSW's capacity increased from \*\*\* short tons in 2000 to \*\*\* short tons in 20001, a change of \*\*\* percent.<sup>11</sup> Neither country reported any additional or projected capacity to produce rebar throughout the review period. Mittal has reported

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<sup>5</sup> CR at III-5; PR at III-4-5 and CR/PR at Table I-11.

<sup>6</sup> Hearing Transcript at 287-288.

<sup>7</sup> Calculated from CR/PR at Table IV-33.

<sup>8</sup> CR/PR at Table I-1.

<sup>9</sup> CR/PR at Table I-1.

<sup>10</sup> Calculated from CR/PR at Tables IV-9 (Belarus), IV-11 (China), IV-25 (Moldova) and IV-33 (Ukraine). Data for the industry in Indonesia are not available.

<sup>11</sup> CR/PR at Tables IV-10 and IV-26.

steady increases in capacity throughout the review period, including a projected increase in 2007, increasing its capacity from \*\*\* shorts tons in 2001, to \*\*\* shorts tons in 2007, an increase of \*\*\* percent overall.<sup>12</sup> The industries in Belarus and Ukraine reported generally high capacity utilization rates,<sup>13</sup> while Moldovan producer's capacity utilization rate fluctuated widely throughout the period, and ended at \*\*\* percent in 2006.<sup>14</sup>

No current capacity data were reported for producers in China or Indonesia. However, \*\*\* data shows that the Chinese industry's capacity in 2005 was \*\*\* short tons in 2005, and increased to \*\*\* short tons in 2006.<sup>15</sup> Over this same period, the Chinese industry's rebar production also increased from \*\*\* short tons in 2005 to \*\*\* short tons in 2006, indicating improved capacity utilization, but a significant volume of unused capacity in 2006.<sup>16</sup> Compared to the U.S. industry's capacity to produce rebar, the Chinese industry's capacity is enormous: in 2006 it was equivalent to \*\*\* percent of apparent U.S. consumption and \*\*\* percent of U.S. production. Unused Chinese capacity in 2006 of \*\*\* short tons is equivalent to \*\*\* percent of apparent U.S. consumption and \*\*\* percent of U.S. production for the same year.<sup>17</sup> Further, Chinese capacity is projected to continue to increase in each year through 2011, reaching over \*\*\* short tons by 2011, an increase of \*\*\* percent over 2006 production.<sup>18</sup>

With respect to the industry in Indonesia, which also did not participate in these reviews, \*\*\* data show Indonesian rebar capacity at about \*\*\* short tons,<sup>19</sup> or about \*\*\* percent of apparent U.S. consumption and \*\*\* percent of U.S. production in 2006.<sup>20</sup> During the original investigations, thirteen firms that produced rebar in Indonesia were identified, although only one returned a completed questionnaire to the Commission.<sup>21</sup> The responding producer reported production capacity of \*\*\* short tons in 2000,<sup>22</sup> which accounted for about \*\*\* percent of total rebar production in Indonesia in 2000.<sup>23</sup> Thus, although reported capacity utilization rates in these subject countries are generally high, on a cumulated basis substantial unused capacity exists.

Even if the subject foreign producers in these five countries did not increase production of rebar, they would be able to increase their shipments significantly within the foreseeable future if the orders are revoked. On a percentage of total shipments basis, Belarus, Moldova, Ukraine, and Indonesia (based on original record data), export a substantial portion of rebar production. Indeed, rebar producers in Belarus, Moldova, and Ukraine are \*\*\* export-oriented, exporting \*\*\* of their production with only limited volumes shipped within their home markets.<sup>24</sup> Cumulated total exports for Belarus, China, Moldova, and

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<sup>12</sup> CR/PR at Table IV-33.

<sup>13</sup> CR/PR at Tables IV-10 and IV-33.

<sup>14</sup> CR/PR at Table IV-26.

<sup>15</sup> CR/PR at Table IV-12.

<sup>16</sup> CR/PR at Table IV-12.

<sup>17</sup> Compare CR/PR at Table IV-12 to Table III-2.

<sup>18</sup> CR/PR at Table IV-13.

<sup>19</sup> CR at IV-31; PR at IV-21.

<sup>20</sup> CR/PR at Table III-2.

<sup>21</sup> CR at IV-31; PR at IV-21.

<sup>22</sup> CR/PR at Table IV-15.

<sup>23</sup> CR at IV-31; PR at IV-21.

<sup>24</sup> Home market shipments as a percent of total shipments in 2006 were, for Belarus, \*\*\* percent, for Moldova, \*\*\* percent, and for Ukraine, \*\*\* percent. CR/PR at Tables IV-10, IV-26, and IV-35.

Ukraine amounted to \*\*\* short tons in 2006,<sup>25</sup> which is equivalent to \*\*\* percent of apparent U.S. consumption and \*\*\* percent of U.S. production for the same year.<sup>26</sup>

The Chinese industry, on the other hand, serves a very large home market, with \*\*\* data showing home market consumption in 2006 totaling almost \*\*\* percent of total production.<sup>27</sup> Nevertheless, in this instance an analysis of the export orientation of the Chinese rebar industry based simply on the percentage of production exported is deceptive. Given the enormous overall capacity and production in China, even after shipping the vast majority of production to its home market, net exports in 2006 were \*\*\* short tons, equal to about \*\*\* percent of total U.S. consumption.<sup>28</sup> Also, as a share of its overall production, Chinese rebar exports have grown rapidly over the period of review, from 1.2 percent in 2000 to \*\*\* percent in 2006.<sup>29</sup>

During the review period, producers in the subject countries have demonstrated their ability to shift exports with relative ease among export markets as well as from their home markets to export markets.<sup>30</sup> The industry in Ukraine exports to a wide range of countries and regions, and cannot be described as focused on a nearby regional market, unlike the industries in Latvia and Poland. In fact, a significant amount of exports from Ukraine are directed toward Africa and the Middle East to a greater degree than other subject producers.<sup>31</sup> Chinese producers also export throughout the world. The Chinese industry's three most significant export markets are in Asia, and account for just over 50 percent of total exports. However, its rebar reaches Canada and Mexico, and export volumes to particular countries fluctuate widely on an annual basis.<sup>32</sup> Although there are no available current data with respect to Indonesia, during the period of the original investigation, it exported to the United States in 2 of the 3 years.

The U.S. market offers a strong incentive for these five subject countries to shift exports to the United States if the orders are revoked. The United States is one of the most attractive markets in the world because of the combination of its large size, strong demand, and high prices. The record indicates that prices in the United States were higher than in the subject countries throughout the period of review.<sup>33</sup> Moreover, while prices in some markets, in particular the EU, Russia, and the Middle East, were reportedly higher in some instances,<sup>34</sup> U.S. prices have been consistently above most other markets into which these subject producers are shipping rebar, and significantly higher in comparison with prices in China and other Asian countries.<sup>35</sup>

Further, on a volume basis alone, the U.S. market is attractive. Belarus, Moldova, and Ukraine report many of the same markets as primary export markets, including Russia and other CIS countries, and other regional markets. However, although the Russian and CIS markets have increased consumption

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<sup>25</sup> CR/PR at Tables IV-10, IV-26, IV-33, IV-48.

<sup>26</sup> Calculated from Tables IV-10, IV-12, IV-26, IV-33, and Table I-1.

<sup>27</sup> Calculated from CR/PR at Table IV-12.

<sup>28</sup> Compare CR/PR at Table I-1 to Table IV-12.

<sup>29</sup> CR/PR at Table IV-11.

<sup>30</sup> CR/PR at Tables IV-10 (Belarus), IV-14 (China), IV-26 (Moldova), and IV-35 (Ukraine). There was no available information with respect to Indonesia.

<sup>31</sup> CR/PR at Table IV-35.

<sup>32</sup> CR/PR at Table IV-14.

<sup>33</sup> CR/PR at Tables IV-46 and IV-47.

<sup>34</sup> CR/PR at Table IV-47.

<sup>35</sup> Reported AUVs in the United States and subject countries in 2006 were as follows: United States \$522, Belarus \$\*\*\*, Moldova \$\*\*\*, and Ukraine \$\*\*\* CR/PR at Tables C-1, IV-10, IV-26, and IV-33. According to \*\*\*, in 2006, U.S. prices for rebar ranged from \$\*\*\* to \$\*\*\* while Chinese prices for rebar ranged from \$\*\*\* to \$\*\*\*. CR/PR at Table IV-46. There is no available pricing data for the Indonesian home market.

over the review period,<sup>36</sup> they are, and are projected to remain, by far the smallest of the global markets. In fact \*\*\* data show \*\*\* in demand in the CIS region after 2006. Consumption in 2006 in the CIS region was \*\*\* short tons, projected to increase to only \*\*\* short tons by 2008, and \*\*\* short tons by 2011, increases of only \*\*\* percent and \*\*\*, respectively.<sup>37</sup> While growth in the North American market is forecast to increase by only \*\*\* by 2011, the North American market as a whole is several times larger than that of the CIS region, \*\*\* short tons in 2006, compared to \*\*\* shorts tons.<sup>38</sup> And, the U.S. market accounts for the bulk of that demand, 9.8 million short tons in 2006, or about \*\*\* percent.<sup>39</sup>

The appeal of the U.S. market is underscored by actions of global trading companies, which as discussed above in Conditions of Competition, seek to maximize prices and profits and thus will seek out the markets that offer the strongest price levels. During the period of review, the global trading companies facilitated entry of a sizeable amount of nonsubject imports into the U.S. market, including imports from a number of EU countries, Russia, and Egypt, notwithstanding reportedly higher prices in the EU, Russia, and the Middle East.<sup>40</sup> Further, these trading companies are described as selling on the spot market and seeking to maximize prices by seeking the most advantageous markets,<sup>41</sup> rather than maintaining long-term or contractual relationships with specific customers or markets.

In addition, subject imports would be able to penetrate the U.S. market with relative ease if the orders were revoked. First, rebar is a commodity product and almost all questionnaire respondents noted that it highly interchangeable between that produced in the United States and all subject countries.<sup>42</sup> As noted above, a number of global trading companies have importer trading partners in the United States, which have arranged and transported \*\*\* quantities of rebar to the U.S. market.<sup>43</sup>

Given the importance of export markets for all these subject producers, the absolute volume of exports, and the absolute and excess capacity in these countries, and taking into consideration the rapid growth of subject imports during the original period of investigation, I find that subject imports will be drawn to the U.S. market, and will be likely to increase significantly upon revocation of the antidumping duty orders. Consequently, based on the record in these reviews, I conclude that the volume of cumulated subject imports likely would increase to a significant level and regain significant U.S. market share if the orders were revoked. Accordingly, I conclude that the likely volume of the subject merchandise, both in absolute terms and relative to consumption and production in the United States, would likely be significant, absent the restraining effect of the orders.

## **B. Likely Price Effects**

I apply the legal standards discussed in Section IV above.

I find that the significantly increased volumes of cumulated subject imports would likely have significant negative price effects for the domestic like product. As discussed above, rebar is a highly fungible, commodity product for which price is the most important factor in purchasing decisions. Purchasers overwhelmingly named price as the number one factor used in purchasing decision; 14 purchasers named price the most important factor while the next most cited factor, availability, was

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<sup>36</sup> CR/PR at Table IV-43.

<sup>37</sup> CR/PR at Tables IV-43 and IV-44.

<sup>38</sup> CR/PR at Table IV-43.

<sup>39</sup> CR/PR at Table I-1.

<sup>40</sup> CR/PR at Table I-12, Table IV-3.

<sup>41</sup> Hearing Transcript at 286-287 and 291.

<sup>42</sup> CR/PR at Table II-6.

<sup>43</sup> CR/PR at Table I-12.

named first by 4.<sup>44</sup> Moreover, price is generally set on a transaction by transaction basis<sup>45</sup> and the domestic like product and subject imports are viewed as highly interchangeable.<sup>46</sup> Further, no parties argued that substantial differences in product characteristics existed between the domestic like product and subject imports from Belarus, China, Indonesia, Moldova and Ukraine

In the original investigation period, subject imports from these countries overwhelmingly undersold the domestic product, with margins ranging from \*\*\* percent to \*\*\* percent.<sup>47</sup> Moreover, AUVs for subject imports were well below AUVs for the domestic like product.<sup>48</sup> In these reviews, the Commission collected quarterly pricing data on four rebar products. Data were received from domestic producers, and importers of subject rebar from Korea and Latvia; no pricing data were received for the five subject countries. During the review period, U.S. producer prices increased substantially on a national basis over the 2001-2006 review period, with the sharpest increases occurring in 2004. During 2001-03, rebar prices fluctuated within a generally limited range. However, beginning early in 2004, prices began to climb, rising by 32 percent to 43 percent, for the four products for which data were collected. Although the biggest increase in consumption occurred earlier in the review period, from 2002 to 2003, consumption remained strong throughout the period, buoyed by strong construction activity in the U.S. market, especially in major rebar using projects such as roads, bridges and nonresidential construction.<sup>49</sup>

Prices for rebar were also heavily influenced by the increase in raw material costs, particularly steel scrap, that occurred in early 2004, when scrap price rose to \$251 per ton, compared to \$68 per ton in January 2001. Scrap prices fluctuated after 2004, but generally remained strong, peaking at \$305 per ton in March 2007.<sup>50</sup> Not only did prices rise significantly, but increases in sales value also outpaced the increase in costs, such that unit sales values rose from \$268 per short ton in 2001, to \$518 per short ton in 2006, an increase of 93.2 percent. At the same time, unit COGS rose from \$235 per short ton in 2001 to \$383 per short ton in 2006, a smaller increase, of 62.9 percent.<sup>51</sup> This differential improved over the review period, as COGS as a ratio of sales dropped from 91.1 percent in 2003 to 74.0 percent in 2006.<sup>52</sup>

As concluded above, subject producers have an incentive to ship to the U.S. market because of the higher prices in the U.S. market relative to third-country markets. Factoring importantly in the role of price in the market, the fungible nature of the product, the negative price effects of, and pervasive underselling by, low-priced imports during the original investigation period, and the incentive to obtain market share in the relatively high-priced, large, stable and accessible U.S. market.

Based on the foregoing, I determine that the substantially larger volume of subject imports from Belarus, China, Indonesia, Moldova, and Ukraine that are likely to enter the U.S. market upon revocation would be priced aggressively to gain market share and would likely depress or suppress domestic prices to a significant degree. I consequently conclude that revocation of the orders on subject imports from Belarus, China, Indonesia, Moldova, and Ukraine would likely result in significant adverse price effects.

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<sup>44</sup> CR/PR at Table II-4.

<sup>45</sup> CR at V-4; PR at V-3.

<sup>46</sup> CR/PR at Table II-6.

<sup>47</sup> Confidential 2001 Staff Report at Tables V-6 and V-7.

<sup>48</sup> 2001 Staff Report at Tables V-6 and V-7.

<sup>49</sup> CR at II-11; PR at II-7.

<sup>50</sup> CR at V-1; PR at V-1.

<sup>51</sup> CR/PR at Table III-9 and Table C-1.

<sup>52</sup> CR/PR at Table III-9 and Table C-1.

### C. Likely Impact of the Subject Imports on the Domestic Industry

Even following the imposition of the orders, the domestic industry faced continuing difficulties, in part due to weakening demand in the U.S. market from 2000 to 2001. U.S. shipments decreased slightly from 6.4 million short tons in 2000 to 6.0 million short tons in 2001, but increased to 6.1 million tons in 2002, and showed an increase in market share to 83.4 percent in 2002 compared to 77.3 percent the year prior. Domestic production decreased from 6.4 million short tons in 2000 to 6.1 million short tons in 2001, and then increased to 6.3 million tons in 2002. Employment levels likewise decreased between 2000 and 2002. On the other hand, capacity utilization increased steadily from 76.8 percent in 2000 to 79.5 percent in 2002. Net sales, in terms of quantity, decreased from 6.5 million in 2000 to 6.2 million in 2001, and increased to 6.4 million in 2002. The domestic industry operating profits grew from \$45 million in 2000 to \$110 million in 2001, but dropped to \$66 million in 2002. The domestic industry's operating margin improved from 2.5 percent in 2000 to 6.6 percent in 2001, but declined to 4.0 percent in 2002.<sup>53</sup>

The domestic industry's condition improved notably after 2003, as U.S. demand increased dramatically and U.S. prices rose sharply.<sup>54</sup> As discussed in Conditions of Competition, rebar is used in construction projects, with roads and bridges and nonresidential construction among the primary drivers. Strong demand in the construction market during the later years of the review period contributed to the healthy performance of the domestic industry.<sup>55</sup> From 2003 to 2006, the domestic industry generally experienced improved productivity, increasing net sales, and strong employment indicators, including workers employed. Capacity utilization rates fluctuated, but remained near 90 percent. The average unit value of U.S. rebar shipments rose from \$282 per short ton in 2003 to \$522 per short ton in 2006. As the domestic industry was able to raise prices beyond its cost increases, its profitability increased in tandem with the rise in prices. Operating profits increased from \$66 million in 2003 to \$828 million in 2006, as did operating margins, growing from 3.1 percent in 2003 to 20.7 percent in 2006.<sup>56</sup> At the same time, the domestic industry's capital expenditures increased from \$70 million in 2003 to \$146 million in 2006.<sup>57</sup>

Given the domestic industry's very strong performance at the end of the period of review, I do not find that domestic industry is currently in a vulnerable or weakened state as contemplated by the statute. The domestic industry's absolute operating income and operating margins were high and improving on an annual basis after 2003. The domestic industry's profitability can be attributed to its success in increasing prices beyond cost increases, during a period of strong demand. Demand is anticipated to remain steady within the foreseeable future, thus the conditions that have enabled to industry to realize its recent healthy financial performance are not likely to change in the foreseeable future.

Prices have risen sharply due to the increase in raw material costs. Although the industry has been successful in enacting price increases to address the higher costs, I find that the likely significant volume of cumulated subject imports from Belarus, China, Indonesia, Moldova, and Ukraine would be likely to have a significant adverse impact on the domestic industry if the orders were revoked. Thus, despite demand that is projected to remain strong, the commodity-like nature of rebar would create conditions in which the domestic industry would face competition in the U.S. market solely on the basis of price, and consequently see price declines in the market in the reasonably foreseeable future. Given that the improvement in the domestic industry's financial condition during the review period was directly

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<sup>53</sup> CR/PR at Table I-1.

<sup>54</sup> CR/PR at Table I-1.

<sup>55</sup> CR at II-11; PR at II-7.

<sup>56</sup> CR/PR at Table I-1.

<sup>57</sup> CR/PR at Table III-12.

attributable to steady price increases that have been maintained, it is reasonable to conclude that a consistent decline in price levels would eventually lead to a deterioration in the financial condition of the industry. Thus, I conclude that if the orders on Belarus, China, Indonesia, Moldova and Ukraine were revoked, the cumulated subject imports would be likely to have a significant adverse impact on the domestic industry's output, sales, market share, profits and the ability to raise capital and make capital expenditures.

In light of the foregoing, I conclude that if the antidumping duty orders are revoked, cumulated subject imports from Belarus, China, Indonesia, Moldova, and Ukraine would enter the U.S. market in such increased quantities and at price levels so as to cause price suppression or depression, thus causing a significant adverse impact on the domestic industry within a reasonably foreseeable time.

### **CONCLUSION**

For the foregoing reasons, I determine that revocation of the antidumping duty orders on subject imports of rebar from Belarus, China, Indonesia, Moldova, and Ukraine would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.



## SEPARATE AND DISSENTING VIEWS OF CHAIRMAN DANIEL R. PEARSON AND COMMISSIONER DEANNA TANNER OKUN REGARDING CUMULATION

### I. Framework

Section 752(a) of the Act provides that:

the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.<sup>1</sup>

Cumulation is therefore discretionary in five-year reviews, unlike original investigations, which are governed by section 771(7)(G)(I) of the Act.<sup>2</sup> Because of the prospective nature of five-year reviews and the Commission's discretion with respect to cumulation, we consider three issues in deciding whether to exercise our discretion to cumulate the subject imports: (1) whether imports from the subject countries are likely to face similar conditions of competition with regard to their participation in the U.S. market for rebar if the orders under review were terminated;<sup>3</sup> (2) for those subject imports which are likely to compete under similar conditions of competition, whether those imports are likely to compete with each other and with the domestic like product;<sup>4</sup> and (3) if based on that analysis we intend to exercise our discretion to cumulate one or more subject countries, we then analyze whether we are precluded from cumulating such imports because the imports from one or more subject countries, assessed individually, are likely to have no discernible adverse impact on the domestic industry.<sup>5</sup>

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<sup>1</sup> 19 U.S.C. § 1675a(a)(7).

<sup>2</sup> 19 U.S.C. § 1677(7)(G)(I).

<sup>3</sup> See, e.g., Allegheny Ludlum Corp. v. United States, Slip Op. 06-188 at 17 (Ct. Int'l Trade Dec. 22, 2006) (recognizing the wide latitude the Commission has in selecting the type of factors it considers relevant in deciding whether to exercise discretion to cumulate subject imports in five-year reviews).

<sup>4</sup> The Commission generally has considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product: (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions; (2) the presence of sales or offers to sell in the same geographic markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and (4) whether the imports are simultaneously present in the market. See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), aff'd, Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898 (Ct. Int'l Trade 1988), aff'd, 859 F.2d 915 (Fed. Cir. 1988); Mukand Ltd. v. United States, 937 F. Supp. 910, 915 (Ct. Int'l Trade 1996). In five-year reviews, the relevant inquiry is whether there likely would be competition after revocation of the orders, even if none currently exists.

<sup>5</sup> 19 U.S.C. § 1675a(a)(7). We note that neither the statute nor the Uruguay Round Agreements Act ("URAA") Statement of Administrative Action ("SAA") provides specific guidance on what factors the Commission is to consider in determining that imports "are likely to have no discernible adverse impact" on the domestic industry. SAA, H.R. Rep. No. 103-316, vol. I (1994).

In so doing, we take into account the various arguments by the parties in favor of and against cumulation. Our focus in a five-year review is not merely on present conditions of competition, but also on likely conditions of competition in the reasonably foreseeable future.<sup>6</sup>

## **II. Background**

In the original investigations, five of the six Commissioners cumulated subject imports from Belarus, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine but did not cumulate subject imports from China for purposes of their regional/national material injury analysis.<sup>7</sup> With respect to subject imports from the countries other than China, all six Commissioners found that rebar is a highly fungible product since all rebar produced, sold, or used in the United States meets certain common requirements, such as ASTM specifications. They also noted that the majority of producers, importers, and purchasers viewed rebar to be interchangeable regardless of origin. They also found that domestic and imported rebar was sold to both distributors and fabricators. Chairman Koplun, Vice Chairman Okun, and Commissioner Bragg also found the geographic overlap requirement was satisfied because domestic rebar was sold in the region and that subject imports were sold or marketed throughout the region. Commissioners Miller, Hillman, and Devaney found that domestic rebar and subject imports competed within a majority of the states. All six Commissioners found that the domestically produced product and subject imports from all sources were simultaneously present in either the regional or national market as appropriate.<sup>8</sup>

With respect to China, five of the six Commissioners found that imports from China were negligible for present material injury purposes. The Commission, however, found that China would imminently account for more than 3 percent of all subject merchandise sold into the region or U.S. market as appropriate. Although the Commission found that rebar from China was interchangeable with domestically produced rebar and rebar from the other subject countries and competed against both domestic and imported rebar, the Commission declined to exercise its discretion to cumulate subject imports from the other subject countries. Specifically, the Commission found that the volume and price trends exhibited by subject imports from China and other subject imports were significantly different. The Commission found that the volume and U.S. market share of subject imports from China into the region/United States rose sharply over the period examined, while the volumes of subject imports from the other countries fluctuated. At the same time, the Commission found that although all subject imports undersold the domestic like product, the margins of underselling by subject imports from China were significantly higher.<sup>9</sup>

## **III. Parties' Arguments**

The domestic interested parties argue that all subject imports of rebar should be cumulated with the exception of Korea. They argue that imports of rebar from Korea will likely have no discernible

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<sup>6</sup> The first of three statutory requirements for cumulation is satisfied in these reviews, because all reviews were initiated on the same day: August 1, 2006. 71 Fed. Reg. 43523 (Aug. 1, 2006).

<sup>7</sup> Certain Steel Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine, Inv. Nos. 731-TA-875, 880, 882 (Final), USITC Pub. 3425 (May 2001) at 16, 27. One Commissioner cumulated subject imports from all subject countries.

<sup>8</sup> USITC Pub. 3425 at 16, 25.

<sup>9</sup> Certain Steel Concrete Reinforcing Bars from Belarus, China, Korea, Latvia, and Moldova, Inv. Nos. 731-TA-873-874 and 877-879 (Final), USITC Pub. No. 3440 (July 2001) at 10-14.

adverse impact on the domestic industry.<sup>10</sup> For the remaining countries, they argue that the likelihood of “no discernible adverse impact” is not satisfied and claim that it is likely that subject imports from the remaining subject countries will exhibit a reasonable overlap of competition with imports from other subject countries and with domestically produced rebar.<sup>11</sup> Finally, U.S. producers argue that there are no significant differences in conditions of competition among the subject countries, with the exception of Korea, that would not warrant the Commission exercising its discretion to cumulate any of them.<sup>12</sup>

Rebar producers in the following subject countries argue that their country’s imports should not be cumulated with those from the other subject countries on the following bases: Belarus, different conditions of competition;<sup>13</sup> Korea, no discernible adverse impact and differences in conditions of competition;<sup>14</sup> Latvia, no discernible adverse impact and differences in conditions of competition;<sup>15</sup> Moldova, different conditions of competition;<sup>16</sup> and Ukraine, no discernible adverse impact, lack of overlap of competition, and differences in conditions of competition.<sup>17 18</sup>

#### **IV. Analysis**

In these reviews, we do not exercise our discretion to cumulate subject imports from China, Indonesia, and Ukraine with each other or with other subject countries for purposes of our injury analysis. We, however, exercise our discretion to cumulate subject imports from Latvia and Poland, and to cumulate subject imports from Belarus and Moldova. Chairman Pearson determines that subject imports from Korea are likely to have no discernible adverse impact on the domestic industry in the event of revocation, and are therefore ineligible for cumulation. Commissioner Okun determines not to exercise her discretion to cumulate subject imports from Korea with those from any of the other subject countries for purposes of her injury analysis.

##### **A. Competition and Other Considerations**

We first consider whether factors, such as likely differing conditions of competition for the subject imports warrant us not exercising our discretion to cumulate subject imports from certain countries.<sup>19</sup>

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<sup>10</sup> Domestic Interested Parties’ Prehearing Brief at 50-51.

<sup>11</sup> Domestic Interested Parties’ Prehearing Brief at 20-21, 23-50 and 53-55.

<sup>12</sup> Domestic Interested Parties’ Posthearing Brief at 4-10 (Rebar is a commodity product sold on the basis of price. Producers in all countries, with the exception of Korea, are export-oriented and have excess capacity.). *Id.* at Exhibit 1A, 11 (“the unique situation of the Korean rebar industry, specifically the evidence that it will not be competing within the U.S. market, warrants the decumulation of the Korean producers of rebar.”).

<sup>13</sup> BMZ’s Posthearing Brief at 5-6.

<sup>14</sup> Hyundai’s Prehearing Brief at 3-6; Hyundai’s Posthearing Brief at 2-5.

<sup>15</sup> LM’s Prehearing Brief at 7-8, 9-12; LM’s Posthearing Brief at 9-11.

<sup>16</sup> MSW’s Posthearing Brief at 2-4.

<sup>17</sup> Mittal’s Prehearing Brief at 5-8, 12-25; Mittal’s Posthearing Brief at 13-15.

<sup>18</sup> Subject producers from China, Indonesia, and Poland did not make any arguments in these reviews concerning cumulation.

<sup>19</sup> The list of factors that the Commission has cited in five-year reviews in determining not to exercise its discretion to cumulate subject imports include, but are not limited to, the following: differences in likely volume trends, differences in product mix, differences in prices or average unit values, differences in foreign productive capacity, and differences in tariff treatment in U.S. or third-country markets. See, e.g., Certain Carbon Steel

(continued...)

## 1. Korea<sup>20</sup>

The following factors indicate significant differences in the conditions of competition facing Korean producers as compared to producers in the other subject countries.<sup>21</sup>

Subject import penetration from Korea differed from most of the other subject countries during the original period examined. Subject imports from Korea declined steadily during the original investigations.<sup>22</sup> Korea's export pattern in the original investigations appears to have been affected by the Asian financial crisis, which resulted in a decline in demand for rebar in the previously expanding Asian markets. The disruption in the Asian markets particularly affected producers in countries such as Indonesia and Korea, both of which experienced suppressed home market demand in 1998 and 1999, with improved home market shipments in 2000.<sup>23</sup>

The Korean industry is not export-oriented, unlike the producers in many of the other subject countries. In each year of the period of review, substantially all of Korea's rebar shipments have been made to the home market.<sup>24</sup> Indeed, while Korea continues to export modest quantities of rebar, it became a net importer in 2002.<sup>25</sup> As a result, Korea reported minimal rebar exports to the United States throughout the period of review, and exports accounted for only \*\*\* percent of its production in 2006.<sup>26</sup> In 2006, the Korean industry exported only 239,035 short tons of rebar to all markets, whereas Chinese

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<sup>19</sup> (...continued)

Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom, Inv. Nos. AA1921-197 (Second Review), 701-TA-319, -320, -325-327, -348, and -350 (Second Review), and 731-TA-573, -574, -576, -578, -582-587, -612, and -614-618 (Second Review), USITC Pub. 3899 (Vol. I) at 4 and 50 (January 2007) (Cut-to-Length Plate) (did not cumulate subject imports from Romania based on corporate affiliation with a major U.S. producer, excess capacity, and tariff treatment in other markets); Id. at 8 (Corrosion-Resistant Steel) (did not cumulate subject imports from Canada based on differences in market conditions for production and sourcing); Cut-to-Length Carbon Steel Plate from China, Russia, South Africa, and Ukraine, Inv. Nos. 731-TA-753-756 (Review), USITC Pub. 3626 at 16-17 (Sept. 2003) (did not cumulate subject imports from South Africa because of differences in volume trends and average unit values during period of review, differences in capacity, and differences in treatment in other U.S. trade remedy matters); Helical Spring Lock Washers from China and Taiwan, Inv. Nos. 731-TA-624-625 (Review), USITC Pub. 3384 at 9 (Jan. 2001) (did not cumulate based on differences in product mix, AUVs, and capacity); Uranium from Russia, Ukraine, and Uzbekistan, Inv. Nos. 731-TA-539-C, E, and F (Review), USITC Pub. 3334 at 23-24 (Aug. 2000) (did not cumulate Russian and Uzbek imports because they entered the United States in different forms and had different current and likely volume trends); Stainless Steel Wire Rod from Brazil, France, India, and Spain, Inv. Nos. 701-TA-178, 731-TA-636-638 (Review), USITC Pub. 3321 at 14 (July 2000) (did not cumulate French imports because of differences in volume trends, AUVs, and tariff treatment in other markets); Certain Steel Wire Rope from Japan, Korea, and Mexico, Inv. Nos. AA1921-124, 731-TA-546-547 (Review), USITC Pub. 3259 at 11-12 (Dec. 1999) (did not cumulate based on differences in volume, product mix, and capacity).

<sup>20</sup> Chairman Pearson does not join this section on Korea, as he determines infra that subject imports from Korea will have no discernible adverse impact on the domestic industry.

<sup>21</sup> Domestic interested parties do not believe that imports of Korean rebar would have a discernible adverse impact if the antidumping duty order on rebar from Korea were revoked. See e.g., Domestic Interested Parties Prehearing Brief at 50-51.

<sup>22</sup> CR/PR at Table I-1. Subject imports from Korea fell by almost half during the period of investigation, making up nearly \*\*\* of all rebar imports in 1998, but less than \*\*\* of rebar imports in 2000. Id.

<sup>23</sup> See, e.g., USITC Pub. 3425 at VII-4 (Indonesia) and VII-5-VII-6 (Korea); Original Investigation Confidential Staff Report (Memorandum INV-Y-087), May 1, 2001, at Tables VII-3 (Indonesia) and VII-4 and VII-5 (Korea).

<sup>24</sup> See, e.g., CR/PR at Tables IV-17, IV-18 and IV-20.

<sup>25</sup> CR/PR at Tables IV-18 and IV-20.

<sup>26</sup> See, e.g., CR/PR at Tables IV-16, IV-20.

producers exported 3,745,801 short tons of rebar in 2006 and Ukrainian producers exported 3,295,050 short tons in 2006.<sup>27</sup> This trend is likely to continue as Korea is projected to remain a net importer of rebar for the reasonably foreseeable future.<sup>28</sup> On balance, Commissioner Okun finds that the conditions of competition with respect to Korea are sufficiently different so as to provide a reasonable basis for her not to exercise her discretion to cumulate subject imports from Korea with those from the other subject countries.

## 2. China

The following factors indicate significant differences in the conditions of competition facing Chinese producers as compared to producers in the other subject countries.

In the original investigations, the Commission did not cumulate subject imports from China with subject imports from the remaining countries because imports from China were negligible.<sup>29</sup> Moreover, the Commission determined that the U.S. domestic industry was threatened with material injury by reason of subject imports from China, whereas it determined that the domestic industry was materially injured by the other subject countries.<sup>30</sup> The Commission found that the volume and price trends exhibited by subject imports from China and other subject imports differed significantly. Whereas the volume and U.S. market share of subject imports from China rose sharply over the period examined, the volumes of subject imports from the other countries fluctuated. Moreover, underselling margins of subject imports from China were considerably higher than those for other subject imports.<sup>31</sup>

While the Chinese industry had the largest capacity of all subject countries in the original investigations,<sup>32</sup> during the current review period the Chinese industry has significantly increased its capacity and production in comparison to other subject countries. For example, whereas the Korean industry has reduced its capacity and the other subject producers have either kept their capacity steady or increased their capacity moderately, the Chinese industry \*\*\* its production from 29.45 million short tons in 2000 to \*\*\* short tons in 2006.<sup>33</sup> Finally, while China exports a significant volume of rebar because of its size, most of China's rebar shipments have been made to the home market, like Korea. Exports from China accounted for only \*\*\* percent of its production in 2006.<sup>34</sup> On balance, we find that the conditions of competition with respect to China are sufficiently different so as to provide a reasonable basis for us not to exercise our discretion to cumulate subject imports from China with those from the other subject countries.<sup>35</sup>

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<sup>27</sup> See, e.g., CR/PR at Tables IV-20 (Korea), IV-14 (China), IV-35 (Ukraine).

<sup>28</sup> CR/PR at Table IV-19.

<sup>29</sup> See USITC Pub. 3425 at 13.

<sup>30</sup> See USITC Pub. 3425; USITC Pub. No. 3440.

<sup>31</sup> USITC Pub. 3440 at 7-9; 10-14.

<sup>32</sup> See USITC Pub. 3425 at VII-1 - VII-9. The Commission did not have capacity data for the Chinese industry. Based on available data, the Chinese industry's production in 2000 was more than 29,450,000 short tons. Indeed, the Chinese industry's production was three times larger than that of the Korean industry. Compare CR/PR at Table IV-11 with CR/PR at Table IV-16.

<sup>33</sup> CR/PR at Table IV-11. As noted previously, the Commission does not have capacity data for the Chinese industry.

<sup>34</sup> See, e.g., CR/PR at Tables IV-11 and IV-14.

<sup>35</sup> Many witnesses testified at the hearing about China's differences. See, e.g., Hearing Transcript at 8 (Price) ("Since the original investigation, the Chinese industry has experienced explosive growth as capacity, production and exports have all skyrocketed. China alone has about 50 million tons of excess and divertible rebar capacity."); (continued...)

### 3. Indonesia

The following factors indicate significant differences in the conditions of competition facing Indonesian producers as compared to producers in the other subject countries.

Subject import penetration from Indonesia differed from that of most of the other subject countries during the original period examined. Indonesia exited the U.S. market in the final year of the period of investigation.<sup>36</sup> Like Korea, Indonesia's export pattern in the original investigations appears to have been affected by the Asian financial crisis, which resulted in a decline in demand for rebar in the previously expanding Asian markets.<sup>37</sup> The disruption in the Asian markets particularly affected producers in countries such as Indonesia and Korea, both of which experienced suppressed home market demand in 1998 and 1999, with improved home market shipments in 2000.<sup>38</sup> While the industries in Indonesia and Korea shared similar conditions of competition in the original period examined, it is unclear as to whether they are similarly situated now. Whereas the record shows that Korea has reduced its capacity during the period of review, the record for Indonesia is insufficient to make a similar finding.<sup>39</sup> Moreover, the record shows that the Korean rebar industry is focused on its home market whereas the record for the Indonesian industry permits no such conclusion.<sup>40</sup> With regard to this factor, Indonesia's shipment patterns likely could be affected as the Chinese industry exports larger volumes of rebar into the Asian region. Whereas Korea is a net importer of rebar,<sup>41</sup> the only information available for Indonesia dates from the original period of investigation which shows that the Indonesian industry relied upon exports.<sup>42</sup> This suggests that the Indonesian industry likely will become more export dependent as it encounters Chinese competition both in its home market and in its export markets.<sup>43</sup> On balance, we find that the conditions of competition with respect to Indonesia are sufficiently different so as to provide a reasonable basis for us not to exercise our discretion to cumulate subject imports from Indonesia with those from the other subject countries.

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<sup>35</sup> (...continued)

at 26-27 (McCullochs) ("As I look forward, there are several areas of concern for the health of Gerdau Ameristeel's rebar business, but one concern stands out in particular: China. China's rebar production has exploded in the last several years and now accounts for almost 40 percent of global production."); at 32 (Parrish) ("The threat from China has reached epic proportions as that country has almost 50 million tons of excess capacity and is exporting its rebar at rapidly expanding rates."); at 164 (Price) ("What is clear with China is that they are a disruptive force on the entire market right now on a global basis. They are disruptive to the U.S. They are disruptive to the third country export markets that the CIS producers are currently claiming to want to focus on.").

<sup>36</sup> Subject imports from Indonesia increased from 44,504 short tons in 1998 to 69,261 short tons in 1999 before declining to zero in 2000. CR/PR at Table I-1.

<sup>37</sup> CR/PR at Table IV-42.

<sup>38</sup> See, e.g., USITC Pub. 3425 at VII-4 (Indonesia) and VII-5-VII-6 (Korea); Memorandum INV-Y-087 at Tables VII-3 (Indonesia) and VII-4 and VII-5 (Korea).

<sup>39</sup> No Indonesian producer submitted a foreign producers' questionnaire response. CR at IV-31, PR at IV-21. The information that we were able to collect may be contradictory, i.e., published data suggesting a smaller industry versus information that there is a new rebar producer in Indonesia. See CR at IV-32, PR at IV-21.

<sup>40</sup> CR/PR at Tables IV-18 and IV-19 (Korea), CR at IV-32 n. 24, PR at IV-21 n. 24 (Indonesia).

<sup>41</sup> CR at IV-38, PR at IV-24.

<sup>42</sup> Memorandum INV-Y-087 at Tables VII-3.

<sup>43</sup> See, e.g., CR/PR at Table IV-14 (showing increasing exports of rebar from China throughout Asia, including Indonesia).

#### 4. Ukraine

The following factors indicate significant differences in the conditions of competition facing Ukrainian producers as compared to producers in the other subject countries.

Ukraine's rebar industry has undergone significant changes since the original investigations that distinguish it from the rebar industries in the other subject countries. During the original investigations, the Commission identified two state-owned Ukrainian producers of rebar, Krivoi Rog Mining & Metallurgical Integrated Works ("Krivorozhstal") and Kramatorsk Iron & Steel Works ("Kramatorsk").<sup>44</sup> During the current review period, Krivorozhstal was privatized and purchased in 2005 by Mittal, which eventually brought the company under the control of the multinational Mittal Steel Group of steel companies.<sup>45</sup> Mittal Steel Kryviy Rih ("MSKR") accounts for about \*\*\* percent to \*\*\* percent of the Ukraine market.<sup>46</sup> According to available information, one or more producers may account for the remaining rebar production in Ukraine.<sup>47</sup> As of April 2007, Arcelor Mittal Steel purchased Mexican long-products producer Siderurgica Lazaro Cardenas las Truchas SA de CV, which owns the assets of U.S. rebar producer Border Steel, Inc., thereby creating an affiliation between Border Steel and the largest Ukrainian producer.<sup>48</sup>

Like most of the other European producers, Ukraine is export dependent, with its largest producer exporting more than \*\*\* percent of its shipments.<sup>49</sup> Unlike the other European subject producers, however, Ukraine's exports are more widely divergent, *i.e.*, they are not focused on a nearby regional markets such as the EU or the CIS. Indeed, a significant amount of exports from Ukraine are directed toward Africa and the Middle East, and to a greater degree than other subject producers.<sup>50</sup>

Finally, the record also indicates that Ukraine is the only subject country that faces tariff barriers or quantitative restrictions in third-country markets. Ukraine's exports are subject to a countervailing duty order with a margin of 21 percent in Russia and a quota of 235,750 metric tons (2007 level) in the European Union.<sup>51</sup>

For these reasons, we find that the conditions of competition with respect to Ukraine are sufficiently different so as to provide a reasonable basis for us to decline to exercise our discretion to cumulate subject imports from Ukraine with those from the other subject countries.

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<sup>44</sup> See, e.g., USITC Pub. 3425 at VII-8-9.

<sup>45</sup> CR at IV-67, PR at IV-41; Ukrainian Respondent's Prehearing Brief at 9.

<sup>46</sup> CR at IV-67-68, PR at IV-41.

<sup>47</sup> CR at IV-68, PR at IV-41.

<sup>48</sup> See, e.g., CR/PR at Table I-11. In 2006, Border Steel accounted for \*\*\* percent of U.S. production of rebar.

Id.

<sup>49</sup> CR/PR at Table IV-33.

<sup>50</sup> CR/PR at Table IV-35.

<sup>51</sup> See, e.g., CR at IV-74, PR at IV-43.

## 5. Latvia and Poland

We find similarities in the conditions of competition in the U.S. market with respect to Latvia and Poland such that it is appropriate to cumulate subject imports from these countries with each other, but not with subject imports from other subject countries.

Both Latvia and Poland joined the European Union in 2004.<sup>52</sup> Since joining the EU, both Latvia and Poland have shifted their focus to a significant extent to the internal EU market, including their home markets.<sup>53</sup> With respect to Poland, a large percentage of its shipments have been to its home market, \*\*\* percent to \*\*\* percent between 2004 and 2006.<sup>54</sup> And while most of Latvia's shipments are exported, it, too, has increased its focus on the home market in recent years.<sup>55</sup> More important, to the extent that both countries export, they now focus on the European Union. In 2006, most of Latvia's exports were to EU destinations, continuing a trend that can be seen throughout the review period.<sup>56</sup> In the case of Poland, eight of its top ten export markets in 2006 were EU member states, which is consistent with its export patterns throughout the review period.<sup>57</sup> Subject producers in Latvia and Poland have significant incentives to ship to the EU, such as close proximity, preferential transportation tariffs for shipments within the EU, tariff advantages over non-EU suppliers, no possibility that trade remedy measures will be applied to intra-EU shipments, and relatively high prices.<sup>58</sup> These incentives likely will continue to exist in the reasonably foreseeable future.

Thus, while we recognize that there are some differences in the conditions of competition facing Latvia and Poland, e.g., their differing orientation toward the home market, we find that the similarities outweigh these differences.

## 6. Belarus and Moldova

Unlike subject industries in Latvia and Poland, the industries in Belarus and Moldova do not share the same advantages of EU membership. Moreover, the ratio of export shipments to total shipments for the industries in Belarus and Moldova have increased over the period.<sup>59</sup> While Belarus and Moldova are export oriented, however, their focus primarily is on supplying the markets in their region.<sup>60</sup> During the period of review, the Belarusian producer has shipped the majority of its rebar to Russia and other members of the Commonwealth of Independent States ("CIS"), the European Union, and its home

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<sup>52</sup> See, e.g., CR at IV-43, PR at IV-28; CR at IV-63, PR at IV-37.

<sup>53</sup> See CR/PR at Tables IV-22 and IV-23 (Latvia) and IV-29 and IV-31 (Poland). In the original investigations, Latvia's principal export markets after the United States included \*\*\*. Memorandum INV-Y-087 at VII-14. While Poland was focused on its home market during the original investigations, its principal export markets after the United States included \*\*\*. Memorandum INV-Y-087 at VII-18, Table VII-8.

<sup>54</sup> CR/PR at Table IV-29.

<sup>55</sup> CR/PR at Table IV-22.

<sup>56</sup> CR/PR at Table IV-22.

<sup>57</sup> CR/PR at Table IV-31.

<sup>58</sup> See, e.g., CR at IV-43, PR at IV-28-29; CR/PR at Tables IV-46 and IV-47.

<sup>59</sup> CR/PR at Table IV-9 (Belarus) (the ratio of exports to shipments increased from \*\*\* percent in 2000 to \*\*\* percent in 2006); CR/PR at Table IV-25 (Moldova) (the ratio of exports to shipments increased from \*\*\* percent in 2000 to \*\*\* percent in 2006).

<sup>60</sup> In the original investigations, Belarus marketed its products worldwide, but its principal export markets included \*\*\*. Memorandum INV-Y-087 at VII-2. In the original investigations, Moldova's principal export markets after the United States included \*\*\*. Memorandum INV-Y-087 at VII-16.



market.<sup>61</sup> Likewise, the Moldovan producer exports most of its shipments to Russia and Ukraine.<sup>62</sup> Subject producers in Belarus and Moldova have significant incentives to ship to markets in their region and these incentives likely will continue in the reasonably foreseeable future. In particular, Russia and the CIS states offer close proximity, strong demand, and relatively high prices.<sup>63</sup>

Thus, while we recognize that there are some differences in the conditions of competition facing Belarus and Moldova, we find that the similarities outweigh these differences.

## **B. Likelihood of a Reasonable Overlap of Competition**

In assessing likely competition for purposes of cumulation in original investigations, the Commission generally has considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product: (1) fungibility; (2) sales or offers in the same geographic markets; (3) common or similar channels of distribution; and (4) simultaneous presence.<sup>64</sup> In five-year reviews, the relevant inquiry is whether there likely would be a reasonable overlap of competition even if none currently exists because the subject imports are absent from the U.S. market. We consider these four factors in addition to those discussed above with respect to subject imports from Belarus, Latvia, Moldova, and Poland. Because we have found that unique conditions of competition apply individually to China, Indonesia, Korea, and Ukraine, we do not consider the issue of likely reasonable overlap of competition with respect to subject imports from China, Indonesia, Korea, and Ukraine.<sup>65</sup>

In the original investigations, the majority of the Commission cumulated subject imports from all subject countries with the exception of China, based on a reasonable overlap of competition.<sup>66</sup>

*Fungibility.* Rebar is a highly fungible product, with domestically produced product and imported product being readily interchangeable.<sup>67</sup> Virtually all rebar produced, sold, or used in the United States meets certain common standards, such as ASTM specifications, and state and local building codes, which dictate minimum requirements for chemical composition, tensile strength, yield strength, and elongation tolerances. Both domestically produced rebar and subject rebar are available in sizes #3 to #18 and are usually sold in lengths of 20, 40, or 60 feet. In the original investigations, all U.S. producers and a majority of importers considered domestic rebar and imported rebar to be interchangeable regardless of the country of origin.<sup>68</sup> In these reviews, a majority of domestic producers, and of

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<sup>61</sup> CR at IV-21, PR at IV-15. In 2006, \*\*\* percent of Belarusian shipments were to its home market, \*\*\* percent to the EU and \*\*\* percent to other markets, which for the Belarusian producer is Russia and the CIS countries. CR/PR at Table IV-10.

<sup>62</sup> CR at IV-52, PR at IV-33; CR/PR at Table IV-26.

<sup>63</sup> See, e.g., Table IV-43 and IV-44; CR at IV-94, PR at IV-52.

<sup>64</sup> See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986), *aff'd*, Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898 (Ct. Int'l Trade 1988), *aff'd*, 859 F.2d 915 (Fed. Cir. 1988); Mukand Ltd. v. United States, 937 F. Supp. 910, 915 (Ct. Int'l Trade 1996)).

<sup>65</sup> Chairman Pearson determines that subject imports from Korea will have no discernible adverse impact on the domestic industry.

<sup>66</sup> USITC Pub. 3425 at 13.

<sup>67</sup> CR at I-11, PR at II-7.

<sup>68</sup> USITC Pub. 3425 at 15.

responding importers and purchasers reported that domestic and imported bar were generally viewed to be interchangeable.<sup>69</sup>

*Channels of Distribution.* In the original investigations, domestically produced rebar and imported rebar were sold to both distributors and fabricators. In these reviews, domestically produced rebar and imported rebar continued to be sold to the same categories of customers. Roughly one-half of domestic rebar was sold to firms that function as both end users and distributors, with the remainder going to end users and distributors. The diminished volumes of subject imports were mostly sold to distributors.<sup>70</sup>

Six responding firms reported that “Buy American” provisions apply to 50 or more percent of their purchases, while the other 12 firms reported that they applied to 40 percent or less of total purchases. Four responding firms reported that their domestic purchases were not covered by “Buy American” provisions.<sup>71</sup> Thus, the majority of purchases are not covered by “Buy American” provisions.

*Geographic Overlap and Simultaneous Presence in the Market.* As noted above, the Commission found these factors to be satisfied in the original investigations. Since imposition of the orders, imports of rebar from subject countries, with the exception of Latvia, have been virtually non-existent and/or sporadic since imposition of the orders. However, those subject imports that entered the United States did so throughout most of the country, except the northern-most states, during the period of review.<sup>72</sup> In the original investigations, subject imports were sold or marketed in a majority of the states. There is no indication that upon revocation, there would not again be geographic overlap and simultaneous presence in the market.

On balance, we find that subject imports from each country would be highly fungible, move in the same channels of distribution, and compete in the same geographic markets during the same periods. We therefore conclude that there likely would be a reasonable overlap of competition among subject imports and between subject imports and the domestic like product in the event of revocation.

On balance, we find that there will likely be a reasonable overlap of competition between subject imports from Belarus, Latvia, Moldova and Poland and the domestic like product as well as among subject imports from each of these countries should the orders be revoked.

### **C. Likelihood of No Discernible Adverse Impact**

We consider all relevant factors in analyzing “no discernible adverse impact” in these reviews. Based on the record, Chairman Pearson finds that subject imports from Korea are likely to have no discernible adverse impact on the domestic industry in the event the antidumping duty order on imports from Korea were revoked. We do not find, however, that subject imports from Belarus, Latvia, Moldova or Poland are likely to have no discernible adverse impact in the event of revocation of the antidumping duty orders.<sup>73</sup>

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<sup>69</sup> CR/PR at Table II-6.

<sup>70</sup> CR/PR at Table I-10.

<sup>71</sup> CR at II-19-20, PR at II-13-14.

<sup>72</sup> CR at IV-15, PR at IV-11, CR/PR at Table IV-5. In the original investigations, Vice Chairman Okun conducted a regional industry analysis.

<sup>73</sup> Because we decline to cumulate subject imports from China, Indonesia, or Ukraine with each other or with those from any other subject countries on the basis of differences in likely conditions of competition, we find it unnecessary to decide the issue of no discernible adverse impact with respect to China, Indonesia, or Ukraine. Cf. Top-of-the-Stove Stainless Steel Cooking Ware from Korea, INV Nos. 701-TA-267 and 731-TA-304 (Review) (Remand), USITC Pub. 3485 (Jan. 2002) at 5 (declining to address criterion of no discernible adverse impact in the absence of evidence of a reasonable overlap of competition).

## 1. Korea<sup>74</sup>

The Commission received data from the largest producer of rebar in Korea, Hyundai Steel Co. (“Hyundai”). For this firm, capacity increased overall during the period of review, but declined sharply toward the end of the period.<sup>75</sup> Capacity utilization was extremely high throughout the period. Substantially all of Hyundai’s capacity is devoted to serving increasing home market demand. Hyundai’s shipments to the home market increased strongly over the period of review, from \*\*\* short tons in 2001 to \*\*\* short tons in 2006. Hyundai’s exports, by contrast, fluctuated randomly over the period of review, and never accounted for more than \*\*\* percent of total shipments.<sup>76</sup>

One of the factors the Commission has examined when assessing the issue of “no discernible adverse impact” is whether it is likely that any production by the subject country will be exported to the United States in the reasonably foreseeable future.<sup>77</sup> This factor depends in turn on the extent to which the industry in the subject country relies on exports to market its production of the subject product; *i.e.*, the overall “export-orientation” of the subject country. In this review, record evidence indicates that it is highly unlikely that, if the order were revoked, the Korean rebar industry would export significant quantities of rebar either to the United States or to other export markets.

Information obtained by the Commission concerning the entire Korean industry indicates that, for the majority of the review period, rebar consumption in the Korean market exceeded rebar production.<sup>78</sup> It is apparent from the record that growing home market demand has made Korea a net importer of rebar. Moreover, the production shortfall in Korea is expected to continue, at least until 2011.<sup>79</sup> Although Korea did export rebar during the period of review to a wide variety of destinations, at their peak such exports accounted for only \*\*\* percent of total Korean production.<sup>80</sup> Indeed, because of the consistent excess of consumption over production during the period of review, it is more reasonable to characterize the Korean industry as import-oriented.

Moreover, this lack of export orientation on the part of the Korean industry is not a completely new development. In the original investigations, which covered the years 1998 through 2000, total exports from Korea declined sharply, not just to the United States, but to all markets, ending up at just \*\*\* percent of total shipments by 2000, while domestic shipments increased rapidly.<sup>81</sup> These trends likely reflect the Korean economy’s recovery from the Asian financial crisis, which was at its most severe

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<sup>74</sup> Commissioner Okun does not join this section on Korea. Because she declines to exercise her discretion to cumulate Korea, she does not find it necessary to consider whether imports from Korea would have no discernible adverse impact.

<sup>75</sup> CR/PR at Table IV-17.

<sup>76</sup> Id.

<sup>77</sup> See, e.g., Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom, Inv. Nos. AA1921-127 (Second Review); 701-TA-319, 320, 325-327, 348, and 350 (Second Review); and 731-TA-573, 574, 576, 578, 582-87, 612, and 614-618 (Second Review), USITC Pub. 3899 at 44-46 (January 2007); Titanium Sponge from Japan, Kazakhstan, Russia, and Ukraine, Inv. Nos. 751-TA-17-20, USITC Pub. 3119 at 9 (August 1998); aff’d, Titanium Metals Corp. v. United States, 155 F. Supp. 2d 750 (Ct. Int’l Trade 2001).

<sup>78</sup> CR/PR at Table IV-18.

<sup>79</sup> CR/PR at Table IV-19.

<sup>80</sup> CR/PR at Tables IV-18 and IV-20. During the period of review, Korean export shipments were at their highest in 2005, at 474,175 short tons. In that year, Korean production, according to \*\*\*, was \*\*\* short tons.

<sup>81</sup> Memorandum INV-Y-087 at Table VII-4.

in 1998.<sup>82</sup> Hence, because the Korean industry is currently so heavily dependent on imports, and has been so for at least the last five years, it is difficult to accept the theory that the industry will shift its focus to exporting, either to the United States or to other export markets, in the reasonably foreseeable future.

In sum, in examining the degree of export orientation of the Korean industry, Chairman Pearson focuses on the concept that, given the current import-dependent state of the Korean industry, there would likely be no discernible effect of revocation of the order on the U.S. rebar industry, whether in terms of impact on domestic prices, financial performance, or market share. In other words, given the fact that Korea must import rebar, whether the United States maintains an order on Korean rebar is essentially irrelevant to the Korean industry. Although this likely lack of effect results from the likelihood of continued insignificant levels of exports from Korea to the United States, this does not imply that Chairman Pearson has examined only likely volume in making my determination. Rather, because Chairman Pearson finds it extremely unlikely that the Korean industry will shift from being import-dependent to being export-oriented in the reasonably foreseeable future, he cannot find it likely that the activities of the Korean producers will have any effect on the U.S. industry in that time frame. Thus, Chairman Pearson determines that any imports from Korea would have no discernible adverse impact on the U.S. industry in the event the order on rebar from Korea is revoked.

Accordingly, Chairman Pearson concludes that, in the event the antidumping order on imports of rebar from Korea is revoked, imports of rebar from Korea are likely to have no discernible adverse impact on the domestic industry producing rebar. Therefore, Chairman Pearson declines to cumulate imports from Korea in making his determination in this review, and he concurs with the views of the Commission majority in concluding that material injury to the U.S. rebar industry would not continue or recur if the antidumping order on imports from Korea were revoked.

## **2. Belarus, Latvia, Moldova, and Poland**

In these reviews, each of these subject countries has significant capacity to produce subject merchandise in appreciable volumes.<sup>83</sup> The rebar industries in these subject countries export substantial volumes.<sup>84</sup> Moreover, rebar producers in these subject countries have ready access to the U.S. market. Prior to the imposition of the antidumping duty orders, subject imports from each country were present in the U.S. market, and we find that subject imports from each country are likely to have at least some presence in the U.S. market upon revocation of the orders.

Rebar manufactured in each of the subject countries does not differ from the types of rebar produced in the United States,<sup>85</sup> and is substitutable for, and competitive with, domestically produced rebar.<sup>86</sup> Competition is likely to be based, in large part, on price, in light of the importance of price in

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<sup>82</sup> During the original investigations, Korean exports peaked at \*\*\* short tons in 1998, nearly \*\*\* percent of total shipments, before declining to \*\*\* short tons in 1999 (\*\*\* percent of total shipments), and bottoming out at \*\*\* short tons in 2000 (\*\*\* percent of total shipments). Id.

<sup>83</sup> CR/PR at Table IV-9 (Belarus 2006 production capacity of \*\*\* short tons); CR/PR at Table IV-21 (Latvia 2006 production capacity of \*\*\* short tons); CR/PR at Table IV-25 (Moldova 2006 production capacity of \*\*\* short tons); and CR/PR at Table IV-30 (Poland 2006 production capacity of \*\*\* short tons).

<sup>84</sup> See e.g., CR/PR at Table IV-9 (Belarus); CR/PR at Table IV-21 (Latvia); CR/PR at Table IV-25 (Moldova); and CR/PR at Table IV-28 (Poland).

<sup>85</sup> CR at I-21-26, PR at I-19-22.

<sup>86</sup> See, e.g., CR/PR at Table II-6 .

purchasing decisions.<sup>87</sup> Moreover, rebar producers in these subject countries undersold U.S. producers at times during the original investigation period.<sup>88</sup>

Accordingly, we do not conclude that the subject imports from Belarus, Latvia, Moldova or Poland would have no discernible adverse impact on the U.S. market if the orders were lifted. We therefore are not precluded from exercising our discretion to cumulate subject imports from these countries.

## **V. Conclusion**

We thus determine, based on unique conditions of competition with respect to China, Indonesia and Ukraine, not to exercise our discretion to cumulate subject imports from China, Indonesia and Ukraine with each other or those from any of the other subject countries for purposes of our analysis. Commissioner Okun also determines, based on unique conditions of competition with respect to Korea, not to exercise her discretion to cumulate subject imports from Korea with those from any of the other subject countries for purposes of her analysis. Chairman Pearson determines that subject imports from Korea are likely to have no discernible adverse impact on the domestic industry in the event of revocation, and are therefore ineligible for cumulation. With respect to Belarus, Latvia, Moldova, or Poland, we find that the no discernible adverse impact exception to cumulation does not apply to any of them, and find that there would likely be a reasonable overlap of competition between subject imports from each of those countries and the domestic like product as well as among subject imports from each country. We also find similarities in other conditions of competition in the U.S. market with respect to Latvia and Poland such that it is appropriate to cumulate subject imports from these countries with each other, but not with subject imports from Belarus and Moldova.

Accordingly, we consider subject imports from China, Indonesia, Korea, and Ukraine separately from each other and all other subject imports, and we cumulate subject imports from Latvia and Poland and consider them separately from the cumulated subject imports from Belarus and Moldova.

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<sup>87</sup> See, e.g., CR/PR at Table II-4.

<sup>88</sup> See e.g., CR/PR at IV-36; Memorandum INV-Y-087 at Table G-5.



**SEPARATE AND DISSENTING VIEWS OF CHAIRMAN DANIEL R. PEARSON,  
VICE CHAIRMAN SHARA L. ARANOFF, AND COMMISSIONER DEANNA TANNER OKUN  
REGARDING LATVIA AND POLAND**

**I. INTRODUCTION**

Section 751(d)(2) of the Tariff Act of 1930, as amended (“the Act”), requires that the U.S. Department of Commerce (“Commerce”) revoke a countervailing duty or an antidumping duty order or terminate a suspended investigation in a five-year review unless Commerce determines that dumping or a countervailable subsidy would be likely to continue or recur and the U.S. International Trade Commission (“Commission”) determines that material injury to a U.S. industry would be likely to continue or recur within a reasonably foreseeable time.<sup>1</sup> Based on the record in these first five-year reviews, we determine that material injury is not likely to continue or recur within a reasonably foreseeable time if the antidumping duty orders on subject imports of certain steel concrete reinforcing bars (“rebar”) from Latvia and Poland were revoked.

We join our colleagues’ discussion regarding domestic like product, domestic industry, the legal standard governing five-year reviews and conditions of competition. We write separately to discuss cumulation and our analysis of the statutory factors.<sup>2 3</sup>

**II. NO LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY UPON REVOCATION OF THE ORDERS ON CUMULATED SUBJECT IMPORTS FROM LATVIA AND POLAND**

**A. Likely Volume of Subject Imports**

In the original investigations, the subject imports from Latvia and Poland fluctuated irregularly, rising from 150,233 short tons in 1998 to 314,678 short tons in 1999 and 276,997 short tons in 2000. After the orders were imposed, subject imports from Latvia and Poland declined from pre-order levels, but remained in the U.S. market at fairly steady levels, averaging about 50,000 short tons a year until peaking in 2004 to 129,184 short tons, accounting for 1.5 percent of the U.S. market.<sup>4</sup> Cumulated subject imports from Latvia and Poland then declined sharply to 129 short tons in 2006, accounting for less than 0.05 percent of the U.S. market.<sup>5</sup> The combined reported capacity of these subject countries’ producers was \*\*\* short tons in 2006,<sup>6</sup> although we recognize that data limitations may understate total productive capacity in Poland.<sup>7</sup>

In these current five year reviews, several factors support our conclusion that the cumulated volume of subject imports from Latvia and Poland would likely not be significant if the orders were

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<sup>1</sup> 19 U.S.C. § 1675(d)(2).

<sup>2</sup> For a discussion of Chairman Pearson and Commissioner Okun’s cumulation analysis, see Separate and Dissenting Views of Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun Regarding Cumulation.

<sup>3</sup> For a discussion of Vice Chairman Aranoff’s cumulation analysis, see Separate Views of Vice Chairman Shara L. Aranoff Regarding Imports from Belarus, China, Indonesia, Moldova, and Ukraine.

<sup>4</sup> CR/PR at Table I-1. On an individual basis, subject imports from Latvia peaked in 2004 before ceasing in 2006, while those from Poland virtually ceased after 2001. After 2001, most of the cumulated subject import volume was from Latvia. Id.

<sup>5</sup> CR/PR at Table I-1.

<sup>6</sup> CR/PR at Tables IV-22 and IV-29.

<sup>7</sup> One source estimates total Polish rebar capacity to be \*\*\* short tons. CR/PR at Table IV-30.

revoked. With their accession to membership in the European Union, both Latvia and Poland, to the extent that they rely upon exports, have adopted an European-focused strategy. Demand in Europe has grown significantly and is projected to remain strong, and the EU market offers important advantages for Latvian and Polish producers. Finally, the industries in both Latvia and Poland have not significantly expanded capacity and any planned capacity expansions, in the case of the Polish industry, appear to support its growing home market.

Latvia has a single producer, Liepajas Metalurģs (“LM”), which responded to the foreign producer questionnaire and participated as an interested party. LM reported no mergers or acquisitions during the review period, and after an increase in capacity in 2001,<sup>8</sup> its productive capacity remained stable through 2006 at just over \*\*\* short tons. No additional capacity expansions are planned. Its capacity utilization has increased throughout the review period, reaching \*\*\* percent in 2006, and is projected to remain at a high level through 2008.<sup>9</sup> At the end of 2006, its excess capacity was less than \*\*\* short tons.

Domestic producers identified four potential producers in Poland, of which one, CMC Zawiercie (“CMCZ”), responded to the Commission’s foreign producer questionnaire. CMCZ is estimated to have accounted for about \*\*\* percent of rebar production in Poland in 2005. It reported capacity of \*\*\* short tons in 2006, and projected an increase in capacity in 2007 to \*\*\* short tons. Production estimates for the Polish industry in public data sources suggest that total capacity and production in Poland are \*\*\* and 946,000 short tons, respectively.<sup>10</sup> Reported excess capacity at the end of 2006 is unknown, given the overall limited production data on the record.

To varying degrees, the industries in Latvia and Poland consistently have exported rebar. During the review period, Latvia exported almost all of its production – with overall exports declining slowly as a share of total shipments, from \*\*\* percent of total shipments in 2001 to \*\*\* percent in 2006. Poland exported a much lower percentage of its shipments, about 33 percent, maintaining a focus on its home market throughout the review period.<sup>11</sup> Record evidence shows that home market shipments in both countries are predicted to increase through 2008, but that overall shipment patterns should remain consistent with those exhibited during the review period.

In 2004, Latvia acceded to membership in the European Union. While the EU had been an important export market for LM throughout the review period,<sup>12</sup> this focus increased notably as Latvia joined the EU. In 2001, Latvia shipped \*\*\* percent of its total shipments to the EU; this rate peaked at \*\*\* percent in 2005, before settling at \*\*\* percent in 2006. Exports to the EU are projected to remain at about \*\*\* of total shipments in the foreseeable future.<sup>13</sup> World Trade Atlas data show exports from Latvia to more than a dozen EU countries in 2006, with the United Kingdom, Germany, and Ireland

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<sup>8</sup> CR/PR at Table IV-21. LM’s capacity in 2000 was \*\*\* short tons, increased to \*\*\* short tons in 2001, and remained at that level throughout the review period.

<sup>9</sup> Id.

<sup>10</sup> CR/PR at Table IV-30. IISI Steel Statistic Yearbook 2006, at 56, estimates an export to total shipment share of 33.0 percent in 2005. CR/PR at Table IV-28. A second known producer is Celsa HUTA Ostrowiec, which had a planned modernization in 2007 that would increase its overall steel bar capacity to 1.2 million metric tons, most of which was described as being destined for the Polish home market. This improvement includes capacity to produce products other than rebar, including plain and flat bars, angles and squares. Record evidence suggests that it now ships mainly to its home market and surrounding markets. Arcelor Mittal also is projected to begin production of rebar and other bar in Poland in late 2007, to serve the Polish construction market. CR at IV-62-63; PR at IV-36.

<sup>11</sup> CR/PR at Tables IV-22, IV-28, and IV-29. Polish exports totaled about one-third of total shipments \*\*\*. CR/PR at Tables IV-28 and IV-29.

<sup>12</sup> CR/PR at Table IV-22 and LM Posthearing Brief at 1-12.

<sup>13</sup> CR/PR at Table IV-22.



combined accounting for the three largest shares, and totaling 38.4 percent of total exports.<sup>14</sup> Algeria and Russia each accounted for a significant share of exports as well; exports to Algeria peaked at 141,012 tons in 2002, fell to zero in 2004, and then grew to 73,470 tons, while exports to Russia grew from 593 tons in 2001 to 45,791 tons in 2006.<sup>15</sup> Other than the export volumes to the United States discussed above, LM had only a very small volume of exports to countries in the Western Hemisphere after 2003.<sup>16</sup>

Like Latvia, Poland became an EU member in 2004. It has continued its home market focus since its accession, although total exports, on an absolute basis, have increased. World Trade Atlas data show that overall exports from Poland to the world increased from a low of 99,579 short tons in 2002, to 340,022 short tons in 2006. All of Poland's principal export markets are EU member states, with the most significant volume, 84.5 percent, destined for just five countries: Germany, Czech Republic, Slovakia, Hungary, and Portugal. With the exception of the small volumes of subject imports entering the United States during the period of review, it does not appear that Poland exported rebar to any other Western Hemisphere country.<sup>17</sup>

CMCZ has stated that it would examine whether to resume exports if the order were revoked.<sup>18</sup> RTAC uses this statement to argue that the subject producers have an incentive to increase subject imports to the U.S. market if the orders were revoked.<sup>19</sup> For several reasons, we do not find that the considerations cited by RTAC change our conclusion that significant volumes of subject imports from Latvia and Poland are not likely to be redirected to the United States within the reasonably foreseeable future.

RTAC argues that both Latvia and Poland are export platforms,<sup>20</sup> and as such have an incentive to increase exports to the United States.<sup>21</sup> We disagree. Global demand has increased significantly since the original investigations, increasing from \*\*\* short tons in 2001 to \*\*\* short tons in 2006, an increase of \*\*\* percent. While North American growth approached \*\*\* percent, Europe and the CIS, both of which are important markets for the subject industries in Latvia and Poland, grew at \*\*\* percent and \*\*\* percent, respectively.<sup>22</sup> This volume growth, strengthened by export patterns for these two countries that show, for Latvia, a shift to a more European-focused strategy, and, in the case of Poland, maintaining a European-focused strategy, diminishes the likelihood that cumulated subject imports from Latvia and Poland will shift to the United States if the orders were revoked. Subject producers in Latvia and Poland

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<sup>14</sup> CR/PR at Table IV-23.

<sup>15</sup> Id.

<sup>16</sup> CR/PR at Table IV-23.

<sup>17</sup> CR/PR at Tables I-1 and IV-31.

<sup>18</sup> CR/PR at Table IV-29 (note).

<sup>19</sup> Beginning in September 2003, subject imports from Latvia entered the United States as non-subject alloy rebar (HTS subheading 7228.80.50). \*\*\*. CR at IV-5-6; PR at IV-5.

RTAC alleges that, with this import pattern, LM and its U.S. customer, \*\*\*, were taking actions to evade the antidumping duties on the subject rebar imported from Latvia. According to RTAC, these actions followed what it describes as an incorrect Customs ruling that the Latvian rebar was not subject to the order. Coincidental with a subsequent Customs reversal of its ruling and the imposition of duties on the imports from Latvia, RTAC states that such import volumes ceased. RTAC argues that these actions during the review period demonstrate a continuing interest in the U.S. market by LM. LM Prehearing Brief at 41; CR/PR at IV-5. The record shows that imports from Latvia were lower in 2005. \*\*\*. CR at IV-7; PR at IV-5. The record does not permit us to conclude, as RTAC argues, that it was the reversal of the Customs ruling, as opposed to Latvia's accession to the EU, that caused LM's exports to the United States to decline.

<sup>20</sup> RTAC Prehearing Brief at 77-78.

<sup>21</sup> RTAC Prehearing Brief at 46-47.

<sup>22</sup> CR/PR at Table IV-43.

have significant incentives to ship to the EU and these incentives likely will continue in the reasonably foreseeable future. The EU market offers close proximity, preferential transportation tariffs for shipments within the EU, tariff advantages over non-EU suppliers, no possibility of trade remedy measures being imposed on shipments within the EU, and strong demand.<sup>23</sup>

Further, we do not see any pending shift for Poland away from its focus on its home market. In its 2006 Annual Report, CMCZ's parent company stated that the Polish and adjacent markets are expected to remain strong.<sup>24</sup>

RTAC also argues that stronger prices in the U.S. market will provide an incentive for subject producers to shift exports currently made to other markets to the United States.<sup>25</sup> While the record shows some AUV gaps among the export markets for Latvia and Poland compared to the United States, overall, record data establish that in the European market and in particular in those countries that serve as the principal export markets for these subject producers, prevailing market prices are near, and at times exceed, those in the United States.<sup>26</sup> This fact is particularly significant in analyzing likely import volume from Poland, as rebar prices in Poland generally have been comparable to or exceeded those in the U.S. market for the last year.<sup>27</sup> Likewise, published prices throughout the EU market generally have been comparable to or higher than those in the U.S. market for the past 12 months.<sup>28</sup> Thus, we do not conclude that pricing in the U.S. market is sufficiently attractive relative to pricing in the principal markets for rebar from Latvia and Poland for the Latvian and Polish rebar industries to shift to the U.S. market significant volumes of rebar currently being shipped elsewhere.

Neither Latvia nor Poland faces any third country barriers to their exports. Inventories in both countries as a ratio to total shipments were very low and declined during the review period. Responding producers in each country have the capability to shift production among various bar products, thus allowing for possible product-shifting if the orders are revoked. However, LM reports that it \*\*\* to switch production in response to relative price changes of bar products, given that alternate products such as angles and shapes command higher prices, and its rebar production is constrained by rebar rolling capacity.<sup>29</sup> Moreover, the production volume of such alternative products was very low during the period of review, suggesting that any scope for product-shifting would be limited at best.<sup>30</sup> Finally, any increases in production of subject rebar likely will be directed to the EU market, as has been the pattern over the most recent period, with capacity utilization rising even as capacity and exports also increased.

Thus, although revocation of the orders on rebar from Latvia and Poland likely will result in some additional volume of subject imports into the United States, we do not believe that the additional volume will be significant in light of the strong and growing demand in the current principal markets for these subject industries. We consequently conclude that any likely increase in subject imports from Latvia and Poland would not be significant either in absolute terms or relative to production or consumption in the United States if the orders were revoked.

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<sup>23</sup> See, e.g., CR at IV-43, PR at IV-28. According to record data, Europe has strong demand for rebar in part because its consumption outstrips regional production. Compare CR/PR at Table IV-43 with CR/PR at Table IV-40. This phenomena is projected to continue for the reasonably foreseeable future. Compare CR/PR at Table IV-44 with CR/PR at Table IV-41.

<sup>24</sup> JSCC Moldova Steel Works Posthearing Brief, Att. 1.

<sup>25</sup> RTAC Prehearing Brief at 79-81.

<sup>26</sup> See, e.g., CR/PR at Tables IV-46 and IV-47.

<sup>27</sup> CR/PR at Table IV-46.

<sup>28</sup> CR/PR at Table IV-47.

<sup>29</sup> CR at IV-50; PR at IV-33, and LM Prehearing Brief at 17. LM notes in its brief that its \*\*\*.

<sup>30</sup> CR/PR at Table IV-24.

## B. Likely Price Effects of Subject Imports

In the original investigations, rebar from Latvia and Poland undersold the domestic like product in all or most comparisons.<sup>31</sup> In these reviews, price data for Latvia were not sufficient to establish a trend, but generally oversold domestic rebar.<sup>32</sup> There were no price comparisons for imports from Poland in these reviews.<sup>33</sup>

As during the original investigations, we continue to find that domestically produced and imported rebar are generally substitutable, and that price is an important factor in purchasing decisions.<sup>34</sup> However, we find that the price effects from the cumulated subject imports from Latvia and Poland likely will not be significant both based on our finding that the volume of these cumulated subject imports likely will not be significant and because we find no incentive for producers in these countries to price aggressively any volumes they do sell or offer to sell in the U.S. market.

According to the pricing data collected in these reviews, U.S. prices of rebar fluctuated within a generally limited range from 2001 through 2003. Substantial price increases began in the first quarter of 2004, rising by 33 percent to 43 percent, for the four products for which data were collected. According to these data, the U.S. industry's prices for these products doubled or nearly doubled over the period of review.<sup>35</sup>

Although the single largest increase in consumption occurred earlier in the review period, from 2002 to 2003, consumption remained strong throughout the period, buoyed by strong construction activity in the U.S. market, especially in major rebar-using projects such as roads, bridges and nonresidential construction.<sup>36</sup> Prices also were heavily influenced by the increases in raw material costs, particularly steel scrap, that occurred in early 2004, when scrap prices rose to \$251 per ton, compared to \$68 per ton in January 2001. Scrap prices fluctuated after 2004, but generally remained strong, peaking at \$305 per ton in March 2007.<sup>37</sup>

The domestic industry argues that for LM, its price behavior in the U.S. market during the review period, based on comparisons of U.S. and Latvian AUVs, shows it selling consistently below U.S. producer prices.<sup>38</sup> We note, however, that even with this difference, the domestic industry was able to increase its prices, its AUVs, and its overall financial performance, despite the presence in the U.S. market of the subject imports from Latvia. Further, a comparison of actual import pricing reported in Commission questionnaires for Latvian rebar and the domestic like product showed overselling in a majority of comparisons.

RTAC also argues that the high and increasing prices in the U.S. market are unlikely to continue to the extent that demand growth is slowing or demand is declining in the reasonably foreseeable future. The record indicates otherwise. As noted in our discussion of conditions of competition, demand in the U.S. market is likely to remain fairly steady for the reasonably foreseeable future. Nonresidential construction generally is expected to remain very strong.<sup>39</sup> The record also indicates that global demand

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<sup>31</sup> CR at V-30; PR at V-14.

<sup>32</sup> CR/PR at Table V-13.

<sup>33</sup> The Commission collected quarterly pricing data on four rebar products. Data were received from domestic producers, and from importers of subject rebar from Korea and Latvia.

<sup>34</sup> CR/PR at Tables II-4 and II-6.

<sup>35</sup> See, e.g., CR/PR at Tables V-1, V-4, V-7, and V-10.

<sup>36</sup> CR at II-11; PR at II-7.

<sup>37</sup> CR at V-1; PR at V-1.

<sup>38</sup> RTAC Prehearing Brief at 42.

<sup>39</sup> MSW's Posthearing Brief at 5-10, Attachments 1, 2, 4, and 6; CR at IV-92-93, PR at IV-52.

is likely to remain strong and growing in the reasonably foreseeable future.<sup>40</sup> Because, as described above, prices in the home and regional markets of Latvia and Poland are at least as attractive as prices in the U.S. market, we do not find it likely that any increased volumes from Latvia and Poland in the event of revocation (the level of which we do not expect to be significant, as explained above) would be likely to be sold at prices that significantly undersell the domestic like product or that significantly suppress or depress prices for the domestic like product. Given their apparent lack of excess capacity and attractive prices in their existing markets, we do not find that subject producers from Latvia and Poland have an incentive to price aggressively in order to move significant volumes into the U.S. market.

Based on these findings as well as our finding that the volume of cumulated subject imports from Latvia and Poland is not likely to be significant, we do not find that there is likely to be significant underselling by these subject imports as compared to the domestic like product, or that imports from these subject countries are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product. We consequently conclude that the subject imports from Latvia and Poland are not likely to have significant price effects if the orders were revoked.

### **C. Likely Impact of Subject Imports**

The record of these reviews indicates that, after issuance of the orders on the subject countries and a decline in subject import levels, the domestic industry initially made only modest gains in market share. However, domestic producers' production, U.S. shipments, and net sales, after declining slightly in 2001 with the economic recession, began to recover in 2002 and 2003, and showed dramatic improvement through 2006. Between 2001 and 2006, production increased overall 25.3 percent, U.S. shipments increased 23.6 percent, and net sales increased 25.1 percent.<sup>41</sup> With production capacity increasing less rapidly than production (a gain of 9.2 percent between 2001 and 2006), capacity utilization increased by 11.5 percentage points in this same period.<sup>42</sup> While domestic employment increased only slightly (2.5 percent) between 2001 and 2006, productivity increased 22.3 percent.<sup>43</sup> Despite substantially reduced subject import levels, the industry posted deteriorating operating margins from 2001 (6.6 percent) to 2003 (3.1 percent) before improving sharply in 2004 (15.4 percent), and continuing to rise throughout the remainder of the review period, peaking at 20.7 percent in 2006.<sup>44</sup>

In light of these data showing a healthy and vibrant industry, we do not find the domestic rebar industry to be vulnerable.<sup>45</sup> Moreover, the conditions that have enabled the industry to realize its recent profits are not likely to change in the foreseeable future. As discussed in the Commission's views, strong demand in the non-residential construction market, a major user of rebar, is expected to continue, not just in the U.S. market, but globally as well.<sup>46</sup> While raw material costs (primarily steel scrap) increased sharply toward the end of the period of review, and continue to be high, these costs have been more than matched by domestic price increases, which, for the most part, have leveled off at historically high levels

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<sup>40</sup> CR/PR at Table IV-44.

<sup>41</sup> CR/PR at Table C-1. In addition, U.S. exports increased by 31.3 percent. Id.

<sup>42</sup> Id.

<sup>43</sup> Id.

<sup>44</sup> Id.

<sup>45</sup> We also note that, while up to 10 of the 24 to 25 reporting firms reported losses during the period 2001 through 2004, only two firms (\*\*\*) reported operating losses either in 2005 or 2006. CR/PR at Tables III-9 and III-10.

<sup>46</sup> \*\*\* forecasts that North American consumption of rebar will increase steadily from 2007 through 2010. CR/PR at Table IV-44. Consumption is forecast to increase in other global regions as well; most strongly in East and Southeast Asia, and more moderately in the European market. Id.

and show few signs of reversing direction.<sup>47</sup> Thus, domestic prices rose significantly in 2004 above their level from the original investigations and the beginning of the period examined in these reviews.<sup>48</sup>

Consistent with our findings that the likely volume and likely price effects of subject imports from Latvia and Poland will not be significant, we find that subject imports would not be likely to have a significant adverse impact on the domestic industry's output, sales, market share, profits, or return on investment, if the orders were revoked. Based on the strong expected demand in the United States and global markets and the current robust condition of the domestic industry, the small volumes of subject imports from Latvia and Poland that would be likely upon revocation would not be likely to have a significant adverse impact on the domestic industry.

### III. CONCLUSION

For the foregoing reasons, we find that revocation of the antidumping duty orders on certain steel concrete reinforcing bars from Latvia and Poland would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

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<sup>47</sup> CR/PR at Figure V-1; CR/PR at Tables V-1-V-12. Increases in sales value also outpaced increases in costs. Thus, domestic producers' unit sales values rose from \$268 per short ton in 2001, to \$518 per short ton in 2006, an increase of 93.2] percent. CR/PR at Table C-1. At the same time, unit COGS rose from \$235 per short ton in 2001 to \$383 per short ton in 2006, a smaller increase of 62.9 percent. CR/PR at Table III-9. This differential improved over the review period, as COGS as a ratio to sales dropped from 87.8 percent in 2001 to 74.0 percent in 2006. Id.

<sup>48</sup> CR/PR at Tables V-1-V-12.



**SEPARATE AND DISSENTING VIEWS OF CHAIRMAN DANIEL R. PEARSON AND  
COMMISSIONER DEANNA TANNER OKUN REGARDING BELARUS, CHINA, INDONESIA,  
AND MOLDOVA**

**I. INTRODUCTION**

Section 751(d)(2) of the Tariff Act of 1930, as amended (“the Act”), requires that the U.S. Department of Commerce (“Commerce”) revoke a countervailing duty or an antidumping duty order or terminate a suspended investigation in a five-year review unless Commerce determines that dumping or a countervailable subsidy would be likely to continue or recur and the U.S. International Trade Commission (“Commission”) determines that material injury to a U.S. industry would be likely to continue or recur within a reasonably foreseeable time.<sup>1</sup> Based on the record in these first five-year reviews, we determine that material injury is not likely to continue or recur within a reasonably foreseeable time if the antidumping duty orders on subject imports of certain steel concrete reinforcing bars (“rebar”) from Belarus and Moldova were revoked. We also determine that material injury is likely to continue or recur within a reasonably foreseeable time if the antidumping duty orders on subject imports of rebar from China and Indonesia were revoked.

We join our colleagues’ discussion regarding domestic like product, domestic industry, the legal standard governing five-year reviews and conditions of competition. We write separately to discuss cumulation and our analysis of the statutory factors.<sup>2</sup>

**II. NO LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY  
UPON REVOCATION OF THE ORDERS ON CUMULATED SUBJECT IMPORTS  
FROM BELARUS AND MOLDOVA**

**A. Likely Volume of Subject Imports**

In the original investigations, the subject imports from Belarus and Moldova fluctuated irregularly, rising from 210,313 short tons in 1998 to 262,341 short tons in 1999 and 238,445 short tons in 2000. After the orders were imposed, subject imports from Belarus virtually ceased with the exception of small volumes in 2002, while those from Moldova completely ceased.<sup>3</sup> On a cumulated basis, subject rebar imports from Belarus and Moldova reached 2,820 short tons in 2002, accounting for less than 0.05 percent of the U.S. market, before exiting the U.S. market. The combined reported capacity of these subject countries’ producers was \*\*\* short tons in 2006.<sup>4</sup>

In these current five year reviews, several factors support our conclusion that the cumulated volume of subject imports from Belarus and Moldova would likely not be significant if the orders were revoked. Both Belarus and Moldova have adopted a strategy to supply their regional markets. Demand in Europe and Russia and other members of the Commonwealth of Independent States (“CIS”) has grown significantly and is projected to remain strong, and the regional markets offer advantages for Belarus and Moldova. Finally, the industries in both Belarus and Moldova have operated at fairly high levels of capacity utilization and have only modest levels of unused capacity.

Belarus and Moldova each have a single producer, Byelorussian Steel Works (“BMZ”) and JSCC Moldova Steel Works (“MSW”), respectively. Both responded to the foreign producer questionnaire and

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<sup>1</sup> 19 U.S.C. § 1675(d)(2).

<sup>2</sup> For a discussion of Chairman Pearson and Commissioner Okun’s cumulation analysis, see Separate and Dissenting Views of Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun Regarding Cumulation.

<sup>3</sup> CR/PR at Table I-1.

<sup>4</sup> CR/PR at Tables IV-9 and IV-25.

filed briefs. While both industries increased their capacity during the period of review, it appears that they did so to meet growing demand in their regional markets. Belarusian producer BMZ's capacity in 2000 was \*\*\* short tons, increased to \*\*\* short tons in 2001, and gradually increased to \*\*\* short tons in 2005. Its productive capacity remained stable through 2006.<sup>5</sup> No additional capacity expansions are planned for rebar.<sup>6</sup> Its capacity utilization has remained high throughout the review period, reaching \*\*\* percent in 2006, and is projected to remain at a high level through 2008.<sup>7</sup> At the end of 2006, its excess capacity was only \*\*\* short tons.<sup>8</sup> Moldova's MSW reported no mergers or acquisitions during the review period, and after an increase in capacity from \*\*\* short tons in 2000,<sup>9</sup> just prior to the review period, its productive capacity remained stable through 2006, at just over \*\*\* short tons. No additional capacity is planned. \*\*\* plummeted in 2002, its capacity utilization has remained relatively high throughout the review period, reaching \*\*\* percent in 2006, and is projected to remain at a high level through 2008.<sup>10</sup> At the end of 2006, its excess capacity was \*\*\* short tons.<sup>11</sup>

Both Belarus and Moldova are significant exporters of rebar. During the review period, Belarus exported \*\*\* of its production – with overall exports declining slowly, from \*\*\* percent of total shipments in 2001 to \*\*\* percent in 2006, while Moldova has consistently exported \*\*\* all of its production, exporting \*\*\* percent of its shipments in 2006.<sup>12</sup> Record evidence shows that these countries' overall shipment patterns should remain consistent with those exhibited during the review period.

While Belarus and Moldova are export oriented, their focus, however, primarily is on supplying the markets in their region. During the period of review, Belarusian producer BMZ has shipped the majority of its rebar to Russia and other members of the CIS, the European Union, and its home market.<sup>13</sup> BMZ became slightly less export-oriented during the period of review.<sup>14</sup> Given its proximity, the Belarusian producer exports almost \*\*\* of its shipments to local markets in the region such as Russia and the CIS countries. Moreover, while Belarus is not a member of the EU, during the period of review BMZ consistently exported a significant share of its shipments to the EU, particularly the nearby Baltic states, accounting for \*\*\* percent of total shipments in 2006. Finally, \*\*\* percent of BMZ's shipments were to its home market in 2006.<sup>15</sup> Other than the small export volumes to the United States discussed above, BMZ has not exported subject product to the United States since 2002.<sup>16</sup>

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<sup>5</sup> CR/PR at Tables IV-9 and IV-10. In the original investigation, BMZ reported that it anticipated \*\*\*. See Original Investigation Confidential Staff Report (Memorandum INV-Y-087), May 1, 2001, at Table VII-1.

<sup>6</sup> CR at IV-24, PR at IV-15. See also BMZ's Posthearing Brief at 3 (disputing claim by the domestic industry that an upgrade to its rolling mill will affect rebar production. Rather, BMZ reports that the upgrade will affect only its wire rod production).

<sup>7</sup> CR/PR at Table IV-10.

<sup>8</sup> CR/PR at Table IV-10.

<sup>9</sup> CR/PR at Tables IV-25 and IV-26.

<sup>10</sup> CR/PR at Table IV-26.

<sup>11</sup> CR/PR at Table IV-26.

<sup>12</sup> CR/PR at Tables IV-10 and IV-26.

<sup>13</sup> CR at IV-21, PR at IV-15.

<sup>14</sup> CR/PR at Table IV-10.

<sup>15</sup> CR/PR at Table IV-10. See also BMZ's Posthearing Brief at 1-2.

<sup>16</sup> CR/PR at Tables I-1 and IV-10.



Likewise, the Moldovan producer exports most of its shipments to Russia and Ukraine given its proximity to those markets.<sup>17</sup> While the Moldovan producer exported a significant share of its shipments to the CIS nations throughout the period of review, the importance of this region has grown in recent years as MSW's share of shipments to the European Union and declined and it has shifted those shipments to supply the growing demand and high prices of its CIS neighbors, particularly Russia.<sup>18</sup> Russia has become one of the fastest growing markets for rebar and is expected to remain so.<sup>19</sup> <sup>20</sup> While RTAC alleges that the Russian industry plans to increase its rebar capacity by several million metric tons by 2010, which could displace imports from Moldova,<sup>21</sup> the record indicates that consumption in the CIS has been increasing and is projected to increase in the reasonably foreseeable future.<sup>22</sup> Moreover, the ratio of production to consumption in the CIS region has been consistent during the period of review and is projected to remain consistent going forward.<sup>23</sup> Accordingly, we do not conclude that the export patterns for Moldova or Belarus are likely to change in the reasonably foreseeable future.

RTAC argues that both Belarus and Moldova are export platforms,<sup>24</sup> and as such have an incentive to increase exports to the United States.<sup>25</sup> We disagree. Global demand has increased significantly since the original investigations, increasing from \*\*\* short tons in 2001 to \*\*\* short tons in 2006, an increase of \*\*\* percent. While North American growth approached \*\*\* percent, Europe and the CIS, both of which are important markets for the subject industries in Belarus and Moldova, grew at \*\*\* percent and \*\*\* percent, respectively.<sup>26</sup> This volume growth, strengthened by export patterns for these two countries that show, for Moldova, a shift to a strong regional-focused strategy (Russia and the CIS states), and in the case of Belarus, maintaining a regional-focused strategy (Russia and the Baltic states), diminishes the likelihood that cumulated subject imports from Belarus and Moldova will shift to the United States if the orders were revoked. Rather, subject producers in Belarus and Moldova have significant incentives to ship to markets in their region and these incentives likely will continue in the reasonably foreseeable future. In particular, Russia, the CIS states, and the Baltic states (in the case of Belarus), offer close proximity, strong demand, and relatively high prices.<sup>27</sup>

RTAC also argues that stronger prices in the U.S. market will provide an incentive for subject producers to shift exports currently made to other markets to the United States.<sup>28</sup> While the record shows some AUV gaps among the export markets for Belarus and Moldova compared to the United States, overall, record data establish that in the European market and in particular in those countries that serve as the principal export markets for these subject imports, prevailing market prices remain strong.<sup>29</sup> Thus, we do not conclude that pricing in the U.S. market is sufficiently attractive compared to pricing in the

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<sup>17</sup> CR at IV-52, PR at IV-33; CR/PR at Table IV-26. See also MSW's Posthearing Brief at 2.

<sup>18</sup> CR/PR at Table IV-26; CR at IV-52, PR at IV-33.

<sup>19</sup> CR at IV-52, PR at IV-33. See also MSW's Posthearing Brief at Attachment 7.

<sup>20</sup> In addition, there were no subject imports into the United States from Moldova during the period of review. CR/PR at Tables I-1 and IV-26.

<sup>21</sup> RTAC Prehearing Brief at 65.

<sup>22</sup> CR/PR at Tables IV-43 and IV-44.

<sup>23</sup> Compare Tables IV-40 and IV-41 with Tables IV-43 and IV-44.

<sup>24</sup> RTAC Prehearing Brief at 77-78.

<sup>25</sup> RTAC Prehearing Brief at 46-47.

<sup>26</sup> CR/PR at Table IV-43.

<sup>27</sup> See, e.g., Table IV-43 and IV-44. See also MSW's Posthearing Brief, Att. 1.

<sup>28</sup> RTAC Prehearing Brief at 79-81.

<sup>29</sup> See, e.g., CR/PR at Tables IV-46 and IV-47.

principal markets for rebar from Belarus and Moldova for the industries in these countries to shift to the U.S. market significant volumes of rebar currently being shipped elsewhere.

Neither Belarus nor Moldova faces any third country barriers to their exports. Inventories in both countries as a ratio to total shipments either were very low and declined during the review period (in the case of Moldova) or were \*\*\* (in the case of Belarus). The Belarusian producer reports that while it does produce high quality products including SBQ bars and rounds, corners and square bars, it \*\*\* produce these products on the same equipment and machinery used to produce rebar. Thus, BMZ \*\*\* the capability to shift production among various bar products.<sup>30</sup> The Moldovan producer has the capability to shift production among various bar products, thus allowing for possible product-shifting if the orders are revoked. However, MSW reports that while it \*\*\* to switch production in response to relative price changes of bar products, \*\*\*.<sup>31</sup> Further, any increases in production of subject rebar likely will be directed to MSW's regional market, as has been the pattern over the most recent period.

Thus, although revocation of the orders on rebar from Belarus and Moldova likely will result in some additional volume of subject imports into the United States, we do not believe that the additional volume will be significant in light of the strong and growing demand in the current principal markets for these countries' rebar industries. We consequently conclude that any likely increase in subject imports from Belarus and Moldova would not be significant either in absolute terms or relative to production or consumption in the United States if the orders were revoked.

## **B. Likely Price Effects of Subject Imports**

In the original investigations, rebar from Belarus and Moldova undersold the domestic like product in the majority of comparisons (Belarus) or in all of them (Moldova).<sup>32</sup> There were no price comparisons for imports from Belarus and Moldova in these reviews.<sup>33</sup>

As during the original investigations, we continue to find that domestically produced and imported rebar are generally substitutable, and that price is an important factor in purchasing decisions.<sup>34</sup> However, we find that the price effects from the cumulated subject imports from Belarus and Moldova likely will not be significant both based on our finding that the volume of these cumulated subject imports likely will not be significant and because we find no incentive for producers in these countries to price aggressively any volumes they do sell or offer to sell in the U.S. market.

According to the pricing data collected in these reviews, U.S. prices of rebar fluctuated within a generally limited range from 2001 through 2003. Substantial price increases began in the first quarter of 2004, rising by 32 percent to 43 percent, for the four products for which data were collected. According to these data, the U.S. industry's prices for these products doubled or nearly doubled over the period of review.<sup>35</sup>

Although the single largest increase in consumption occurred earlier in the review period, from 2002 to 2003, consumption remained strong throughout the period, buoyed by strong construction activity in the U.S. market, especially in major rebar-using projects such as roads, bridges and nonresidential

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<sup>30</sup> CR at IV-24, PR at IV-16.

<sup>31</sup> CR at IV-56-57; PR at IV-34; CR/PR at Table IV-27.

<sup>32</sup> Memorandum INV-Y-087 at Tables V-6 and V-7.

<sup>33</sup> The Commission collected quarterly pricing data on four rebar products. Data were received from domestic producers, and from importers of subject rebar from Korea and Latvia.

<sup>34</sup> CR/PR at Tables II-4 and II-6.

<sup>35</sup> See, e.g., CR/PR at Tables V-1, V-4, V-7, and V-10.

construction.<sup>36</sup> Prices also were heavily influenced by the increases in raw material costs, particularly steel scrap, that occurred in early 2004, when scrap prices rose to \$251 per ton, compared to \$68 per ton in January 2001. Scrap prices fluctuated after 2004, but generally remained strong, peaking at \$305 per ton in March 2007.<sup>37</sup>

RTAC also argues that the high and increasing prices in the U.S. market are unlikely to continue to the extent that demand growth is slowing or demand is declining in the reasonably foreseeable future. The record indicates otherwise. As noted in our discussion of conditions of competition, demand in the U.S. market is likely to remain fairly steady for the reasonably foreseeable future. Nonresidential construction generally is expected to remain very strong.<sup>38</sup> The record also indicates that global demand is likely to remain strong and growing in the reasonably foreseeable future.<sup>39</sup> Because, as described above, prices in the home and regional markets of Belarus and Moldova are strong and are comparable to prices in the U.S. market, we do not find it likely that any increased volumes from Belarus and Moldova in the event of revocation (the level of which we do not expect to be significant, as explained above) would be likely to be sold at prices that significantly undersell the domestic like product or that significantly suppress or depress prices for the domestic like product. Given their apparent lack of excess capacity and attractive prices in their existing markets, we do not find that subject producers from Belarus and Moldova have an incentive to price aggressively in order to move significant volumes into the U.S. market.

Based on these findings as well as our finding that the volume of cumulated subject imports from Belarus and Moldova is not likely to be significant, we do not find that there is likely to be significant underselling by these subject imports as compared to the domestic like product, or that imports from these subject countries are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product. We consequently conclude that the subject imports from Belarus and Moldova are not likely to have significant price effects if the orders were revoked.

### **C. Likely Impact of Subject Imports**

The record of these reviews indicates that, after issuance of the orders on the subject countries and a decline in subject import levels, the domestic industry initially made only modest gains in market share. However, domestic producers' production, U.S. shipments, and net sales, after declining slightly in 2001 with the economic recession, began to recover in 2002 and 2003, and showed dramatic improvement through 2006. Between 2001 and 2006, production increased overall 25.3 percent, U.S. shipments increased 23.6 percent, and net sales increased 25.1 percent.<sup>40</sup> With production capacity increasing less rapidly than production (a gain of 9.2 percent between 2001 and 2006), capacity utilization increased by 11.5 percentage points in this same period.<sup>41</sup> While domestic employment increased only slightly (2.5 percent) between 2001 and 2006, productivity increased 22.3 percent.<sup>42</sup> Despite substantially reduced subject import levels, the industry posted deteriorating operating margins

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<sup>36</sup> CR at II-11; PR at II-7.

<sup>37</sup> CR at V-1; PR at V-1.

<sup>38</sup> MSW's Posthearing Brief at 5-10, Attachments 1, 2, 4, and 6; CR at IV-92-93, PR at IV-52.

<sup>39</sup> CR/PR at Table IV-44.

<sup>40</sup> CR/PR at Table C-1. In addition, U.S. exports increased by 31.3 percent. Id.

<sup>41</sup> Id.

<sup>42</sup> Id.

from 2001 (6.6 percent) to 2003 (3.1 percent) before improving sharply in 2004 (15.4 percent), and continuing to rise throughout the remainder of the review period, peaking at 20.7 percent in 2006.<sup>43</sup>

In light of these data showing a healthy and vibrant industry, we do not find the domestic rebar industry to be vulnerable.<sup>44</sup> Moreover, the conditions that have enabled the industry to realize its recent profits are not likely to change in the foreseeable future. As discussed in the Commission's views, strong demand in the non-residential construction market, a major user of rebar, is expected to continue, not just in the U.S. market, but globally as well.<sup>45</sup> While raw material costs (primarily steel scrap) increased sharply toward the end of the period of review, and continue to be high, these costs have been more than matched by domestic price increases, which, for the most part, have leveled off at historically high levels and show few signs of reversing direction.<sup>46</sup> Thus, domestic prices rose significantly in 2004 above their level from the original investigations and the beginning of the period examined in these reviews.<sup>47</sup>

Consistent with our findings that the likely volume and likely price effects of subject imports from Belarus and Moldova will not be significant, we find that subject imports would not be likely to have a significant adverse impact on the domestic industry's output, sales, market share, profits, or return on investment, if the orders were revoked. Based on the strong expected demand in the United States and global markets and the current robust condition of the domestic industry, the small volumes of subject imports from Belarus and Moldova that would be likely upon revocation would not be likely to have a significant adverse impact on the domestic industry.

### **III. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY UPON REVOCATION OF THE ORDER ON SUBJECT IMPORTS FROM CHINA**

#### **A. Likely Volume of Subject Imports**

In the original investigation, the Commission did not cumulate subject imports from China with subject imports from the remaining countries because imports from China were negligible for present material injury purposes.<sup>48</sup> However, the Commission found that China would imminently account for more than 3 percent of all subject merchandise sold into the region or U.S. market (as appropriate), and the Commission determined that the U.S. domestic industry was threatened with material injury by reason of subject imports from China.<sup>49</sup> After the order was imposed, subject imports from China virtually

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<sup>43</sup> Id.

<sup>44</sup> We also note that, while up to 10 of the 24 to 25 reporting firms reported losses during the period 2001 through 2004, only two firms (\*\*\*) reported operating losses either in 2005 or 2006. CR/PR at Tables III-9 and III-10.

<sup>45</sup> \*\*\* forecasts that North American consumption of rebar will increase steadily from 2007 through 2010. CR/PR at Table IV-44. Consumption is forecast to increase in other global regions as well; most strongly in East and Southeast Asia, and more moderately in the European market. Id.

<sup>46</sup> CR/PR at Figure V-1; CR/PR at Tables V-1-V-12. Increases in sales value also outpaced increases in costs. Thus, domestic producers' unit sales values rose from \$268 per short ton in 2001, to \$518 per short ton in 2006, an increase of 93.2] percent. CR/PR at Table C-1. At the same time, unit COGS rose from \$235 per short ton in 2001 to \$383 per short ton in 2006, a smaller increase of 62.9 percent. CR/PR at Table III-9. This differential improved over the review period, as COGS as a ratio to sales dropped from 87.8 percent in 2001 to 74.0 percent in 2006. Id.

<sup>47</sup> CR/PR at Tables V-1-V-12.

<sup>48</sup> See Certain Steel Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine, Inv. Nos. 731-TA-875, 880, 882 (Final), USITC Pub. 3425 (May 2001) at 13.

<sup>49</sup> See USITC Pub. 3425; Certain Steel Concrete Reinforcing Bars from Belarus, China, Korea, Latvia, and Moldova, Inv. Nos. 731-TA-873-874 and 877-879 (Final), USITC Pub. No. 3440 (July 2001). Imports of rebar from China increased from zero short tons in 1998 to 17,547 short tons in 1999 to 163,124 short tons in 2000. CR/PR at

(continued...)

ceased with the exception of very small volumes (never exceeding 169 short tons) in each of the years of the period of review except for 2003.<sup>50</sup>

In these current five year reviews, several factors support our conclusion that the volume of subject imports from China likely would be significant if the order were revoked. While the Commission did not receive questionnaire responses from any subject producers in China,<sup>51</sup> available data indicate that China is the world's largest producer of rebar. Unlike any other subject producer, the Chinese industry has significantly increased both its capacity and production of rebar since the original investigations. The Chinese industry has \*\*\* its production from 29.45 million short tons in 2000 to \*\*\* million short tons in 2006.<sup>52</sup> The industry continues to add to its capacity; according to \*\*\*, Chinese rebar production capacity recently increased from \*\*\* short tons in 2005 to \*\*\* short tons in 2006.<sup>53</sup> Total Chinese capacity in 2006 was equivalent to \*\*\* percent of apparent U.S. consumption and \*\*\* percent of U.S. production for the same year.<sup>54</sup> Over the past two years, the Chinese capacity utilization rate has been \*\*\* percent in 2005 and \*\*\* percent in 2006.<sup>55</sup> Chinese excess capacity in 2006 of \*\*\* short tons is equivalent to \*\*\* percent of apparent U.S. consumption and \*\*\* percent of U.S. production for the same year.<sup>56</sup> While the record lacks information concerning anticipated capacity expansions, \*\*\* reports that Chinese production is projected to increase over the next several years, from \*\*\* short tons in 2006 to \*\*\* short tons in 2009.<sup>57</sup> In addition, while Chinese consumption is anticipated to increase, \*\*\* projects that China will remain a significant net exporter in the reasonably foreseeable future.<sup>58</sup>

As we noted in our analysis of whether to cumulate China with the other subject countries, the Chinese industry primarily serves its home market.<sup>59</sup> Exports from China accounted for only \*\*\* percent of its production in 2006.<sup>60</sup> However, because of the sheer quantity of its production, the volume of its exports are quite large, totaling 3.7 million short tons in 2006.<sup>61</sup> While four of China's top five export destinations are in Asia, the fourth is Canada, which has seen an increasing volume of imports from China in the recent period. Moreover, in 2006, China expanded its list of countries to which it exports and exported greater quantities of rebar to countries throughout the world, including several in the Americas.<sup>62</sup> This volume growth of exports, strengthened by China's shifting export patterns, increases the likelihood that subject imports from China will shift to the United States if the order were revoked.

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<sup>49</sup> (...continued)

Table I-1.

<sup>50</sup> CR/PR at Table I-1.

<sup>51</sup> See CR at IV-24-25, PR at 16.

<sup>52</sup> CR/PR at Table IV-11.

<sup>53</sup> CR/PR at Table IV-12. These were the only years available for capacity.

<sup>54</sup> Compare CR/PR at Table IV-12 with Table C-1.

<sup>55</sup> CR/PR at Table IV-12.

<sup>56</sup> Compare CR/PR at Table IV-12 with Table C-1.

<sup>57</sup> CR/PR at Tables IV-12 and IV-13.

<sup>58</sup> CR/PR at Table IV-13.

<sup>59</sup> See, e.g., CR/PR at Tables IV-11 and IV-14.

<sup>60</sup> See, e.g., CR/PR at Tables IV-11 and IV-14.

<sup>61</sup> CR/PR at Table IV-14. \*\*\* reported an \*\*\* exports in 2006. CR/PR at Table IV-12. Moreover, China's volume of exports increased substantially from 1.8 million short tons in 2005 to 3.7 million short tons in 2006. CR/PR at Table IV-14.

<sup>62</sup> CR/PR at Table IV-14.

RTAC also argues that stronger prices in the U.S. market will provide an incentive for China to shift exports currently made to other markets to the United States.<sup>63</sup> The record shows a gap in AUVs among the export markets for China compared to the United States.<sup>64</sup> Thus, we conclude that pricing in the U.S. market is sufficiently attractive in relationship to pricing in China and China's principal export markets for Chinese producers to shift to the U.S. market significant volumes of rebar currently being shipped elsewhere.<sup>65</sup>

Thus, given China's shifting pattern and expansion of exports, its large export volume, its substantial increase in subject exports to the United States in the original investigations, its enormous capacity and the attractiveness of the U.S. market, subject imports from China likely would increase significantly following revocation of the antidumping duty order. We consequently conclude that the likely increase in subject imports from China would be significant either in absolute terms or relative to production or consumption in the United States if the order were revoked.

## **B. Likely Price Effects of Subject Imports**

In the original investigations, rebar from China undersold the domestic like product in all comparisons.<sup>66</sup> Moreover, the Commission found that subject imports from China undersold the domestic like product at a greater rate than other subject imports.<sup>67</sup> There were no price comparisons for imports from China in these reviews.

As during the original investigations, we continue to find that domestically produced and imported rebar are generally substitutable, and that price is an important factor in purchasing decisions.<sup>68</sup>

While U.S. prices strengthened over the review period as noted above,<sup>69</sup> a major driver behind the rise in prices was soaring raw material costs, particularly steel scrap, that occurred in early 2004, when scrap prices rose to \$251 per ton, compared to \$68 per ton in January 2001. Scrap prices fluctuated after 2004, but generally remained strong, peaking at \$305 per ton in March 2007.<sup>70</sup>

RTAC argues that the improved prices in the U.S. market are unlikely to continue to the extent that demand growth is slowing or demand is declining in the reasonably foreseeable future. The record indicates otherwise. As noted in our discussion of conditions of competition, demand in the U.S. market is likely to remain fairly steady for the reasonably foreseeable future. Nonresidential construction generally is expected to remain very strong.<sup>71</sup> The record also indicates that global demand is likely to remain strong and growing in the reasonably foreseeable future.<sup>72</sup> However, because prices in the Chinese home market and its principal export markets in comparison to those in the United States are

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<sup>63</sup> RTAC Prehearing Brief at 79-81.

<sup>64</sup> Compare CR/PR at Table IV-14 with Tables IV-46 and IV-47 (both the Asian markets and Canada); see also CR/PR at Tables IV-46 and IV-47 (showing a gap of \*\*\* per short ton between monthly prices in the United States and China).

<sup>65</sup> China does not face any third country barriers to its exports. CR at IV-27, PR at IV-17. We note that the record lacks information concerning Chinese inventories or the Chinese industry's ability to engage in product shifting.

<sup>66</sup> Memorandum INV-Y-087 at Tables V-6 and V-7.

<sup>67</sup> USITC Pub. 3440 at 7-9; 10-14.

<sup>68</sup> CR/PR at Tables II-4 and II-6.

<sup>69</sup> See, e.g., CR/PR at Tables V-1, V-4, V-7, and V-10.

<sup>70</sup> CR at V-1; PR at V-1.

<sup>71</sup> MSW's Posthearing Brief at 5-10, Attachments 1, 2, 4, and 6; CR at IV-92-93, PR at IV-52.

<sup>72</sup> CR/PR at Table IV-44.

showing a fairly significant gap (\*\*\*) per short ton),<sup>73</sup> we find it likely that the increased volumes from China in the event of revocation would be likely to be sold at prices that significantly undersell the domestic like product. Given China's export volume, its substantial capacity and the attractiveness of the U.S. market, we find that subject producers from China have an incentive to price aggressively in order to move significant volumes into the U.S. market.

Based on these findings as well as our finding that the volume of subject imports from China is likely to be significant, we find that there is likely to be significant underselling by these subject imports as compared to the domestic like product, or that imports from China are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product. We consequently conclude that subject imports from China are likely to have significant price effects if the order were revoked.

### **C. Likely Impact of Subject Imports**

As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the antidumping duty order at issue and whether the industry is vulnerable to material injury if the order were revoked.

For the reasons already discussed in section I.C above, we do not find the domestic industry to be vulnerable. Nonetheless, we find that subject imports from China would be likely to have a significant adverse impact on the industry if the antidumping order on rebar from China were revoked. For reasons outlined above, we determine that, in the event of revocation, the volume of imports from China would be significant. Given the commodity-like nature of rebar, it is likely that such significant volumes would compete in the U.S. market solely on the basis of price. Consequently, given the likely significant volumes from China, and despite continued healthy demand, one would expect to see price declines in the U.S. market in the reasonably foreseeable future. Given that, during the period of review, the improvement in the domestic industry's financial condition was directly attributable to incremental price increases and sustained higher price levels, it is reasonable to conclude similarly that consistent declines in price levels would eventually lead to a deterioration in the financial condition of the industry. Hence, we conclude that, in the event the order on rebar from China were revoked, subject imports from China would be likely to have a significant adverse impact on the domestic industry's output, sales, market share, profits, and return on investment.

## **IV. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY UPON REVOCATION OF THE ORDER ON SUBJECT IMPORTS FROM INDONESIA**

### **A. Likely Volume of Subject Imports**

Subject imports from Indonesia fluctuated irregularly during the original investigations, rising from 44,504 short tons in 1998 to 69,261 short tons in 1999, before declining to zero short tons in 2000.<sup>74</sup> Indonesia's export pattern in the original investigations appears to have been affected by the Asian financial crisis, which resulted in a decline in demand for rebar in the previously expanding Asian markets. The disruption in the Asian markets particularly affected producers in countries such as Indonesia, which experienced suppressed home market demand in 1998 and 1999, with improved home

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<sup>73</sup> CR/PR at Tables IV-46 and IV-47.

<sup>74</sup> CR/PR at Table I-1.

market shipments in 2000.<sup>75</sup> After the order was imposed, subject imports from Indonesia remained out of the U.S. market.<sup>76</sup>

In these current five year reviews, several factors support our conclusion that the volume of subject imports from Indonesia would likely be significant if the order were revoked. The Indonesian industry likely remains export-oriented. Moreover, as Chinese export volumes continue to grow, the Indonesian industry likely will face competition from China in its principal export markets and in the Indonesian market. Thus, given Indonesia's substantial increase in subject exports to the United States in the original investigations, and the attractiveness of the U.S. market, subject imports from Indonesia likely would increase significantly following revocation of the antidumping duty order.

In the original investigations, only one Indonesian producer of rebar, PT The Master Steel Mfg. Co., returned a completed questionnaire. The Commission also received information from the Indonesian Ministry of Industry and Trade, which reported that 28 firms in Indonesia produced rebar and estimated that these firms had a combined capacity of about 4.8 million short tons.<sup>77</sup> No Indonesian rebar producer responded to the Commission's foreign producer questionnaire in the current reviews.<sup>78</sup> Based on available information, it appears as if there is at least one new producer of rebar in Indonesia, Ispat Indo. On the other hand, \*\*\* identifies only eight Indonesian producers of rebar, with a combined estimated rebar capacity of \*\*\* short tons.<sup>79</sup> RTAC alleges that PT Krakatau Steel could convert wire rod production to rebar production, potentially adding one million tons of additional rebar capacity.<sup>80</sup>

In the original investigations, Indonesia was export oriented in part because of the impact of the Asian financial crisis. In 1998, Master Steel exported \*\*\* percent of its shipments, \*\*\* percent in 1999, and \*\*\* percent in 2000.<sup>81</sup> The one responding Indonesian producer in the original investigations reported exports to the United States, \*\*\*.<sup>82</sup> Its exports to markets other than the United States were erratic during the original investigations.<sup>83</sup> Because no Indonesian rebar producer responded to the Commission's questionnaire in the current reviews and because no other data are available, the Commission has no current information concerning the Indonesian producers' export orientation or primary export markets.

RTAC argues that stronger prices in the U.S. market will provide an incentive for Indonesia to shift exports currently made to other markets to the United States.<sup>84</sup> The record shows a gap in AUVs between destinations in Asia compared to the United States.<sup>85</sup> Lacking any other information with respect to Indonesian producers' export prices, we conclude that pricing in the U.S. market is sufficiently

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<sup>75</sup> See, e.g., USITC Pub. 3425 at VII-4 (Indonesia) ("Indonesia's steel industry has largely been oriented towards the domestic market. However, in 1998 and 1999 (especially with the slowdown of the domestic market in Indonesia resulting from the Asian economic crisis), the industry reportedly took advantage of the depreciation of the Indonesian rupiah vis-a-vis the U.S. dollar and strong demand in the United States and began to increase its exports, particularly its exports to the United States."); Memorandum INV-Y-087 at Table VII-3 (Indonesia).

<sup>76</sup> CR/PR at Table I-1.

<sup>77</sup> PT The Master Steel estimated that it accounted for only \*\*\* percent of the country's total production of rebar in 2000. See Memorandum INV-Y-087 at VII-7-8; USITC Pub. 3425 at VII-3-4.

<sup>78</sup> CR at IV-31, PR at IV-21.

<sup>79</sup> CR at IV-32, PR at IV-21.

<sup>80</sup> CR at IV-32, PR at IV-21.

<sup>81</sup> Memorandum INV-Y-087 at Table VII-3.

<sup>82</sup> Memorandum INV-Y-087 at VII-8.

<sup>83</sup> See Memorandum INV-Y-087 at Table VII-3.

<sup>84</sup> RTAC Prehearing Brief at 79-81.

<sup>85</sup> See CR/PR at Tables IV-46 and IV-47 (showing a gap of \*\*\* per short ton between monthly prices in the United States and prices in Asia).



attractive in relationship to pricing in Asia for Indonesian producers to shift to the U.S. market significant volumes of rebar currently being shipped elsewhere.<sup>86</sup>

Unlike the information we have on the current record concerning Korea, which shows a recovery from the impact of the Asian financial crisis, a strong home market focus, and Korea's new status as a net importer of rebar, the record does not contain any similar information concerning Indonesia. While information on the current record suggests that the Indonesian industry may not be as large as it was in the original investigation, the Indonesian industry likely remains export-oriented, and thus would be increasingly affected as the Chinese industry exports larger volumes of rebar throughout the world, including Indonesia.<sup>87</sup> This conclusion suggests that the Indonesian industry likely will face competition from China in its principal export markets and in the Indonesian market. Thus, the Indonesian industry likely will become more export dependent as it was in the original investigations. Moreover, given Indonesia's erratic export pattern in the original investigations, its substantial increase in subject exports to the United States in the original investigations, and the attractiveness of the U.S. market, subject imports from Indonesia likely would increase significantly following revocation of the antidumping duty order. We consequently conclude that the likely increase in subject imports from Indonesia would be significant either in absolute terms or relative to production or consumption in the United States if the order were revoked.

## **B. Likely Price Effects of Subject Imports**

In the original investigations, rebar from Indonesia undersold the domestic like product in all comparisons.<sup>88</sup> There were no price comparisons for imports from Indonesia in these reviews.

As during the original investigations, we continue to find that domestically produced and imported rebar are generally substitutable, and that price is an important factor in purchasing decisions.<sup>89</sup>

While U.S. prices strengthened over the review period as noted above,<sup>90</sup> a major driver behind the rise in prices was soaring raw material costs, particularly steel scrap, that occurred in early 2004, when scrap prices rose to \$251 per ton, compared to \$68 per ton in January 2001. Scrap prices fluctuated after 2004, but generally remained strong, peaking at \$305 per ton in March 2007.<sup>91</sup>

RTAC argues that the improved prices in the U.S. market are unlikely to continue to the extent that demand growth is slowing or demand is declining in the reasonably foreseeable future. The record indicates otherwise. As noted in our discussion of conditions of competition, demand in the U.S. market is likely to remain fairly steady for the reasonably foreseeable future. Nonresidential construction generally is expected to remain very strong.<sup>92</sup> The record also indicates that global demand is likely to

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<sup>86</sup> Indonesia does not face any third country barriers to its exports. CR at IV-32, PR at IV-21-22. We note that the record lacks information concerning Indonesian inventories or the Indonesian industry's ability to engage in product shifting other than that alleged by RTAC for non-rebar producer PT Krakatau.

<sup>87</sup> China's top three export destinations are in Asia. CR/PR at Table IV-14. Information from the original investigation suggests that Asia \*\*\*. Memorandum INV-Y-087 at VII-8. Moreover, in 2006, China expanded its list of countries to which it exports and exported significantly greater quantities of rebar to countries throughout the world, including many in Asia. CR/PR at Table IV-14.

<sup>88</sup> Memorandum INV-Y-087 at Tables V-6 and V-7.

<sup>89</sup> CR/PR at Tables II-4 and II-6.

<sup>90</sup> See, e.g., CR/PR at Tables V-1, V-4, V-7, and V-10.

<sup>91</sup> CR at V-1; PR at V-1.

<sup>92</sup> MSW's Posthearing Brief at 5-10, Attachments 1, 2, 4, and 6; CR at IV-92-93, PR at IV-52.

remain strong and growing in the reasonably foreseeable future.<sup>93</sup> However, because prices in Asian markets in comparison to those in the United States are lower,<sup>94</sup> we find it likely that the increased volumes from Indonesia in the event of revocation would be likely to be sold at prices that significantly undersell the domestic like product. Given Indonesia's substantial increase in subject exports to the United States in the original investigations, and the attractiveness of the U.S. market, we find that subject producers from Indonesia have an incentive to price aggressively in order to move significant volumes into the U.S. market.

Based on these findings as well as our finding that the volume of subject imports from Indonesia is likely to be significant, we find that there is likely to be significant underselling by subject imports from Indonesia as compared to the domestic like product, or that imports from Indonesia are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product. We consequently conclude that subject imports from Indonesia are likely to have significant price effects if the order were revoked.

### **C. Likely Impact of Subject Imports**

As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the antidumping duty order at issue and whether the industry is vulnerable to material injury if the order were revoked.

For the reasons already discussed in section I.C above, we do not find the domestic industry to be vulnerable. Nonetheless, we find that subject imports from Indonesia would be likely to have a significant adverse impact on the industry if the antidumping order on rebar from Indonesia were revoked. For reasons outlined above, we determine that, in the event of revocation, the volume of imports from Indonesia would be significant. Given the commodity-like nature of rebar, it is likely that such significant volumes would compete in the U.S. market solely on the basis of price. Consequently, given the likely significant volumes from Indonesia, and despite continued healthy demand, one would expect to see price declines in the U.S. market in the reasonably foreseeable future. Given that, during the period of review, the improvement in the domestic industry's financial condition was directly attributable to incremental price increases and sustained higher price levels, it is reasonable to conclude similarly that consistent declines in price levels would eventually lead to a deterioration in the financial condition of the industry. Hence, we conclude that, in the event the order on rebar from Indonesia were revoked, subject imports from Indonesia would be likely to have a significant adverse impact on the domestic industry's output, sales, market share, profits, and return on investment.

## **V. CONCLUSION**

For the foregoing reasons, we find that revocation of the antidumping duty orders on certain steel concrete reinforcing bars from Belarus and Moldova would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. We also find that revocation of the antidumping duty orders on rebar from China and Indonesia would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

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<sup>93</sup> CR/PR at Table IV-44.

<sup>94</sup> CR/PR at Tables IV-46 and IV-47.

**SEPARATE VIEWS OF COMMISSIONER DEANNA TANNER OKUN  
REGARDING UKRAINE**

**I. INTRODUCTION**

Section 751(d)(2) of the Tariff Act of 1930, as amended (“the Act”), requires that the U.S. Department of Commerce (“Commerce”) revoke a countervailing duty or an antidumping duty order or terminate a suspended investigation in a five-year review unless Commerce determines that dumping or a countervailable subsidy would be likely to continue or recur and the U.S. International Trade Commission (“Commission”) determines that material injury to a U.S. industry would be likely to continue or recur within a reasonably foreseeable time.<sup>1</sup> Based on the record in these first five-year reviews, I determine that material injury is likely to continue or recur within a reasonably foreseeable time if the antidumping duty order on subject imports of certain steel concrete reinforcing bars (“rebar”) from Ukraine were revoked.

I join my colleagues’ discussion regarding domestic like product, domestic industry, the legal standard governing five-year reviews and conditions of competition. I write separately to discuss cumulation and my analysis of the statutory factors.<sup>2</sup>

**II. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY UPON REVOCATION OF THE ORDER ON SUBJECT IMPORTS FROM UKRAINE**

**A. Likely Volume of Subject Imports**

Subject imports from Ukraine significantly increased during the original investigations, rising from 3,074 short tons in 1998 to 168,054 short tons in 2000.<sup>3</sup> Their market share also grew steadily from \*\*\* percent in 1998 to \*\*\* percent in 2000, as apparent domestic consumption rose overall.<sup>4</sup> The Ukrainian industry exported rebar worldwide. In addition to exporting rebar to the United States, the industry also shipped to \*\*\*.<sup>5</sup> After the order was imposed, subject imports from Ukraine virtually ceased.<sup>6</sup>

In these current five year reviews, several factors support my conclusion that the volume of subject imports from Ukraine would likely be significant if the order were revoked. The Ukrainian industry remains export-oriented, it exports significant volumes of rebar (second only to China), and it has shifted export destinations throughout the period of review. While Ukraine’s largest rebar producer now is affiliated with a U.S. producer through the Arcelor Mittal Steel group, this is a new relationship and the U.S. producer’s share of U.S. production is small.

Ukraine’s rebar industry has undergone significant restructuring since the original period examined. During the original investigations, the Commission identified two state-owned Ukrainian producers of rebar, Krivoi Rog Mining & Metallurgical Integrated Works (“Krivorozhstal”) and

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<sup>1</sup> 19 U.S.C. § 1675(d)(2).

<sup>2</sup> For a discussion of my cumulation analysis, see Separate and Dissenting Views of Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun Regarding Cumulation.

<sup>3</sup> CR/PR at Table I-1.

<sup>4</sup> CR/PR at Table I-1.

<sup>5</sup> Original Investigation Confidential Staff Report (Memorandum INV-Y-087), May 1, 2001, at VII-20.

<sup>6</sup> CR/PR at Tables I-1, IV-33, and IV-35.

Kramatorsk Iron & Steel Works (“Kramatorsk”).<sup>7</sup> During the current review period, Krivorozhstal was privatized and purchased in 2005 by Mittal, which eventually brought the company under the control of the multinational Mittal Steel Group.<sup>8</sup> Mittal Steel Kryviy Rih (“MSKR”) accounts for about \*\*\* percent to \*\*\* percent of the Ukraine market.<sup>9</sup> According to available information, one or more producers may account for the remaining rebar production in Ukraine.<sup>10</sup> As of April 2007, Arcelor Mittal Steel purchased Mexican long-products producer Siderurgica Lazaro Cardenas las Truchas SA de CV, which owns the assets of U.S. rebar producer Border Steel, Inc., thereby creating an affiliation between Border Steel and the largest Ukrainian producer.<sup>11</sup>

The industry in Ukraine has increased both its capacity and production of rebar during the period of review. While the Commission did not receive questionnaire responses from all Ukrainian producers,<sup>12</sup> data submitted by MSKR show that it increased its capacity from \*\*\* short tons in 2001 to \*\*\* short tons in 2006, and it increased its production from \*\*\* short tons in 2001 to \*\*\* short tons in 2006. MSKR projects that it will further increase its capacity and production through 2008 to \*\*\* short tons and \*\*\* short tons, respectively.<sup>13</sup> It does not appear that any further capacity expansions are planned for the other Ukrainian producers.<sup>14</sup> Capacity utilization rates have been very high (nearly \*\*\* percent throughout the period), but were projected to decrease slightly in 2007-08, to \*\*\* percent.<sup>15</sup>

Ukraine is export oriented, with its largest producer exporting more than \*\*\* percent of its shipments.<sup>16</sup> While Ukraine home market shipments have increased over the period of review from \*\*\* percent of total shipments in 2001 to a peak of \*\*\* percent in 2006, and its ratio of exports to total shipments has declined,<sup>17</sup> it has irregularly increased the volume of its exports from \*\*\* short tons in 2001 to 3.40 million short tons in 2006.<sup>18</sup> MSKR alone reported that it will increase the volume of its exports this year to \*\*\* short tons.<sup>19</sup> Moreover, the volume of Ukraine’s exports is second only to that of China.<sup>20</sup>

Unlike the other European subject producers, Ukraine’s exports are more widely divergent, i.e., they are not focused on a nearby regional markets such as the European Union (“EU”) or the Commonwealth of Independent States (“CIS”). Indeed, the vast majority of exports from Ukraine are directed toward Africa and the Middle East to a greater degree than other subject producers.<sup>21</sup> In addition, during recent years of the period of review, Ukraine has shifted the volume of shipments between various export destinations. Moreover, these shifts in volumes and export destinations appear to correspond to

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<sup>7</sup> See, e.g., USITC Pub. 3425 at VII-8-9.

<sup>8</sup> CR at IV-67, PR at IV-41; Ukrainian Respondent’s Prehearing Brief at 9.

<sup>9</sup> CR at IV-67-68, PR at IV-41.

<sup>10</sup> CR at IV-68, PR at IV-41.

<sup>11</sup> See, e.g., CR/PR at Table I-11.

<sup>12</sup> See CR at IV-67-68, PR at IV-41.

<sup>13</sup> CR/PR at Table IV-33.

<sup>14</sup> CR/PR at Table IV-37. See also CR at IV-72, PR at IV-42.

<sup>15</sup> CR/PR at Table IV-33.

<sup>16</sup> CR/PR at Table IV-33.

<sup>17</sup> CR/PR at Table IV-33.

<sup>18</sup> See CR/PR at Tables IV-33 and IV-35.

<sup>19</sup> CR/PR at Table IV-33.

<sup>20</sup> CR/PR at Table IV-48.

<sup>21</sup> CR/PR at Table IV-35. The Ukrainian industry shipped 831,919 short tons of rebar to Algeria in 2006, and shipped 506,521 short tons to Syria. Id.

markets that offer price premiums.<sup>22</sup> Finally, for the first time during the period of review, Ukraine began to export rebar to North America in 2006.<sup>23</sup> This volume growth of exports, strengthened by Ukraine's shifting export patterns to seek higher prices, increases the likelihood that subject imports from Ukraine will shift to the United States if the order were revoked.

With regard to third-country trade barriers, Ukraine is the only subject country with restrictions. Russia currently maintains a 21 percent countervailing duty against imports from Ukraine. The EU also imposes a quota of 235,750 metric tons on rebar from Ukraine.<sup>24 25</sup>

The record data show a gap in average unit values among the export markets for Ukraine compared to the United States.<sup>26</sup> Thus, I conclude that pricing in the U.S. market is sufficiently attractive in relationship to pricing in Ukraine and Ukraine's principal export markets for Ukrainian producers to shift to the U.S. market significant volumes of rebar currently being shipped elsewhere.

Finally, I have considered whether the new corporate relationship between Ukraine's largest rebar producer and U.S. producer Border Steel, Inc. will reduce the likelihood that Ukraine would export rebar to the United States if the order were revoked. In other reviews, I have found that transnational entities may have sufficient incentives to operate their global facilities to serve regional markets in a manner so that affiliated firms do not disrupt market conditions in regions served by other facilities in the corporate family.<sup>27</sup> I find, however, that there are important differences between facts in the current review and those in other reviews. First, this newly established corporate relationship (April 2007) has not operated for a sufficient amount of time to show a shift in export patterns. Second, domestic producer Border Steel and, thus, Arcelor Mittal, has only a small footprint in the United States with \*\*\* percent of U.S. rebar production in 2006.<sup>28</sup> Thus, the United States cannot be supplied by this Arcelor Mittal facility alone.<sup>29</sup> While Arcelor Mittal's stated global corporate strategy is to operate in regional markets and its North American shipments of all steel products are to be coordinated by its sales marketing offices in Dubai and Chicago,<sup>30</sup> I cannot conclude on the present facts that the new corporate relationship will restrain subject import volumes from Ukraine in the reasonably foreseeable future if the order were revoked.<sup>31</sup>

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<sup>22</sup> CR/PR at Table IV-35. For example, Ukraine in 2006 shipped additional volumes to countries that offered the highest prices, in particular Russia, as well as nearby Georgia, Belarus, and Kazakhstan.

<sup>23</sup> CR/PR at Table IV-35. Ukraine exported 17,659 short tons to Canada.

<sup>24</sup> CR at IV-74; PR at IV-43.

<sup>25</sup> Inventories as a ratio to total shipments were very low throughout the period of review, never exceeding \*\*\* percent. CR/PR at Table IV-33.

<sup>26</sup> Compare CR/PR at Table IV-35 with Tables IV-46 and IV-47; see also Table IV-33.

<sup>27</sup> See, e.g., Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom, Inv. Nos. AA1921-197 (Second Review), 701-TA-319, 320, 325-327, 348, and 350 (Second Review; and 731-TA-573-574, 576, 578, 582-587, 612, and 614-618 (Second Review), USITC Pub. 3899 (Vol. I) (January 2007); Internal Combustion Industrial Forklift Trucks from Japan, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 (December 2005).

<sup>28</sup> CR/PR at Table I-11.

<sup>29</sup> While I note that Arcelor Mittal now owns larger rebar-producing facilities in Mexico (Sicartsa) and in Canada (Contrecoeur and Longeuil) (CR/PR at Table IV-34), this relationship is too new to evaluate. In addition, the record does not contain enough information as whether the Mexican and Canadian facilities have sufficient capacity to supply Arcelor Mittal's North American interests. CR/PR at Table IV-34.

<sup>30</sup> CR at IV-72, n. 75; PR at IV-42, n. 75.

<sup>31</sup> I also have considered whether Ukrainian producers will likely re-direct production of alternative products toward subject merchandise if the order is revoked. 19 U.S.C. § 1675a(a)(2)(D). MSKR's facility \*\*\*. CR/PR at Table IV-36.

Given Ukraine's shifting export pattern, its large and increasing export volume, and the attractiveness of prices in the U.S. market, subject imports from Ukraine likely would increase significantly following revocation of the antidumping duty order. I consequently conclude that the likely increase in subject imports from Ukraine would be significant either in absolute terms or relative to production or consumption in the United States if the order were revoked.

## **B. Likely Price Effects of Subject Imports**

In the original investigations, rebar from Ukraine undersold the domestic like product in all comparisons except for one.<sup>32</sup> There were no price comparisons for imports from Ukraine in these reviews.

As during the original investigations, I continue to find that domestically produced and imported rebar are generally substitutable, and that price is an important factor in purchasing decisions.<sup>33 34</sup>

While U.S. prices strengthened over the review period as noted above,<sup>35</sup> a major driver behind the rise in prices was soaring raw material costs, particularly steel scrap, that occurred in early 2004, when scrap prices rose to \$251 per ton, compared to \$68 per ton in January 2001. Scrap prices fluctuated after 2004, but generally remained strong, peaking at \$305 per ton in March 2007.<sup>36</sup>

RTAC argues that the improved prices in the U.S. market are unlikely to continue to the extent that demand growth is slowing or demand is declining in the reasonably foreseeable future. The record indicates otherwise. As noted in the Commission's discussion of conditions of competition, demand in the U.S. market is likely to remain fairly steady for the reasonably foreseeable future. Nonresidential construction generally is expected to remain very strong.<sup>37</sup> The record also indicates that global demand is likely to remain strong and growing in the reasonably foreseeable future.<sup>38</sup> However, because prices in Ukraine's home market and its principal export markets in comparison to those in the United States are lower,<sup>39</sup> I find it likely that the increased volumes from Ukraine in the event of revocation would likely be sold at prices that significantly undersell the domestic like product. Given Ukraine's substantial increase in subject exports to the United States in the original investigations, and the attractiveness of the U.S. market, I find that subject producers from Ukraine have an incentive to price aggressively in order to move significant volumes into the U.S. market.

Based on these findings as well as my finding that the volume of subject imports from Ukraine is likely to be significant, I find that there is likely to be significant underselling by subject imports from Ukraine as compared to the domestic like product, or that imports from Ukraine are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product. I consequently conclude that subject imports from Ukraine are likely to have significant price effects if the order were revoked.

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<sup>32</sup> Memorandum INV-Y-087 at Tables V-6 and V-7.

<sup>33</sup> CR/PR at Tables II-4 and II-6.

<sup>34</sup> I incorporate herein my entire finding on pricing from section I.B of my Latvia and Poland views. See Separate and Dissenting Views of Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun Regarding Cumulation; Separate and Dissenting Views of Chairman Daniel R. Pearson, Vice Chairman Shara L. Aranoff, and Commissioner Deanna Tanner Okun Regarding Latvia and Poland.

<sup>35</sup> See, e.g., CR/PR at Tables V-1, V-4, V-7, and V-10.

<sup>36</sup> CR at V-1; PR at V-1.

<sup>37</sup> MSW's Posthearing Brief at 5-10, Attachments 1, 2, 4, and 6; CR at IV-92-93, PR at IV-51-52.

<sup>38</sup> CR/PR at Table IV-44.

<sup>39</sup> CR/PR at Tables IV-33, IV-35, IV-46 and IV-47.

### **C. Likely Impact of Subject Imports**

As instructed by the statute, I have considered the extent to which any improvement in the state of the domestic industry is related to the antidumping duty order at issue and whether the industry is vulnerable to material injury if the order were revoked.

For the reasons already discussed in section I.C of my Latvia and Poland views,<sup>40</sup> I do not find the domestic industry to be vulnerable. Nonetheless, I find that subject imports from Ukraine would be likely to have a significant adverse impact on the industry if the antidumping order on rebar from Ukraine were revoked. For reasons outlined above, I determine that, in the event of revocation, the volume of imports from Ukraine would be significant. Given the commodity-like nature of rebar, it is likely that such significant volumes would compete in the U.S. market solely on the basis of price. Consequently, given the likely significant volumes from Ukraine, and despite continued healthy demand, one would expect to see price declines in the U.S. market in the reasonably foreseeable future. Given that, during the period of review, the improvement in the domestic industry's financial condition was directly attributable to incremental price increases and sustained higher price levels, it is reasonable to conclude similarly that consistent declines in price levels would eventually lead to a deterioration in the financial condition of the industry. Hence, I conclude that, in the event the order on rebar from Ukraine were revoked, subject imports from Ukraine would be likely to have a significant adverse impact on the domestic industry's output, sales, market share, profits, and return on investment.

### **III. CONCLUSION**

For the foregoing reasons, I find that revocation of the antidumping duty order on certain steel concrete reinforcing bars from Ukraine would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

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<sup>40</sup> See Separate and Dissenting Views of Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun Regarding Cumulation; Separate and Dissenting Views of Chairman Daniel R. Pearson, Vice Chairman Shara L. Aranoff, and Commissioner Deanna Tanner Okun Regarding Latvia and Poland.





**SEPARATE AND DISSENTING VIEWS OF CHAIRMAN DANIEL R. PEARSON  
REGARDING UKRAINE**

**Revocation of the Order on Subject Imports of Steel Concrete Reinforcing Bar (“Rebar”) from Ukraine Is Not Likely to Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time<sup>1</sup>**

**A. Likely Volume of Subject Imports<sup>2</sup>**

In this review, information on the industry in Ukraine was provided by Mittal Steel Kryviy Rih (“Mittal”).<sup>3</sup> Mittal is the successor firm to the Ukrainian steel producer Krivoi Rog Mining & Metallurgical Integrated Works (“Krivorozhstal”), which was previously 100 percent owned by the government of Ukraine.<sup>4</sup> There are varying estimates as to the percentage of the Ukrainian industry that Mittal represents. Mittal itself estimated that it accounted for between \*\*\* and \*\*\* percent of the industry, although proprietary data sources such as \*\*\* and \*\*\* put Mittal’s market share at well over \*\*\* percent.<sup>5</sup> At any rate, it appears that, with Mittal’s response, the Commission has fairly comprehensive information on the industry in Ukraine.

In the original investigation, the volume of subject imports of rebar from Ukraine increased in each year of the period of investigation. U.S. imports from Ukraine rose from 3,074 short tons in 1998 to 95,904 short tons in 1999, and then grew further to 168,054 short tons in 2000.<sup>6</sup> Their market share also grew steadily from less than \*\*\* percent in 1998 to \*\*\* percent in 1999, then to \*\*\* percent in 2000, as apparent domestic consumption rose overall.<sup>7</sup>

As with several other subject countries in these reviews, subject imports from Ukraine disappeared from the U.S. market after the orders were put in place.<sup>8</sup> The Ukrainian industry’s capacity to manufacture rebar fluctuated irregularly during the period of review. Capacity declined from 2001 to 2002 to a period low of \*\*\* short tons, then increased in 2003 to a level of \*\*\* short tons. It then declined through 2005, reaching \*\*\* short tons, then increased to a period high of \*\*\* short tons in 2006, the last year of the period of review.<sup>9</sup> Production showed a similar trend.<sup>10</sup> Mittal’s capacity utilization was at or near \*\*\* percent throughout the period of review.<sup>11</sup>

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<sup>1</sup> With regard to the legal standards conditions of competition, I join my colleagues’ discussion in the majority views. For my views on cumulation of imports from Ukraine with other subject imports, see Separate and Dissenting Views of Chairman Daniel R. Pearson And Commissioner Deanna Tanner Okun Regarding Cumulation.

<sup>2</sup> A discussion of the Commission’s findings in the original determinations is contained in the majority views.

<sup>3</sup> Mittal was the only firm to respond in the original investigation, but did not provide usable data. CR at IV-67; PR at IV-41.

<sup>4</sup> CR at IV-67; PR at IV-41.

<sup>5</sup> CR at IV-67-68; PR at IV-41.

<sup>6</sup> CR/PR at Table I-1.

<sup>7</sup> Id.

<sup>8</sup> Id.

<sup>9</sup> CR/PR at Table IV-33.

<sup>10</sup> Id.

<sup>11</sup> Id.

As noted above, during the period of investigation, Mittal's facilities were owned by the government of Ukraine, which operated them under the name of Krivorozhstal.<sup>12</sup> In November 2005, however, Krivorozhstal became affiliated with the Mittal Steel Group, which later, through its merger with Arcelor, became the largest steel producer in the world, and which operates a global marketing organization for steel sales. Thus, the largest Ukrainian producer and the only one that apparently shipped substantial volumes to the U.S. market during the period of investigation is no longer an independent actor wholly owned and operated by a government entity but rather is a branch of a world-wide steel company with over 10 mills producing rebar, including five in North America.<sup>13</sup>

The industry in Ukraine as a whole is export-oriented.<sup>14</sup> The extent, however, to which the industry sends its shipments to offshore locations has been declining. As a share of total shipments, total exports of rebar from Ukraine declined steadily from \*\*\* percent in 2001 to \*\*\* percent.<sup>15</sup> The vast majority of Ukraine's exports go to locations in North Africa and the Middle East, with Algeria and Syria being the top two export destinations in 2006.<sup>16</sup> The record indicates that residential and non-residential construction activity is expected to remain robust in these regions in the near future.<sup>17</sup>

Inventories as a ratio to total shipments were very low throughout the period of review, never exceeding \*\*\* percent.<sup>18</sup> With regard to third-country trade barriers, while Russia currently maintains a 21-percent CVD levy against Ukraine, that tariff does not seem to have constrained Ukrainian exports to that country. In 2006 Ukraine exported \*\*\* metric tons to Russia, a \*\*\* increase over its 2005 export level of \*\*\* metric tons, and it expects to export \*\*\* metric tons to Russia in 2007.<sup>19</sup> The European Union (EU) also imposes a quota of 235,750 metric tons on rebar from Ukraine. It is unlikely that this quota is much of a constraint on Ukrainian exports either, as exports to the EU never exceeded \*\*\* short tons during the period of review. The Ukrainian industry \*\*\* to the United States if the order is revoked.<sup>20</sup>

I have considered whether Ukrainian producers will likely re-direct production of alternative products towards subject merchandise if the order is revoked. The statute directs the Commission to consider the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.<sup>21</sup> Ukrainian producers' facilities are capable of producing other products besides subject rebar, such as coiled rebar, rounds, squares, angles, and strips.<sup>22</sup> Thus, in theory, subject producers could engage in product shifting in order to increase the volume of rebar exported to the U.S. market.

I do not find that Mittal will likely engage in product shifting. First, Mittal's facilities only produce \*\*\* on the same facilities producing rebar, so the scope for product shifting is limited.<sup>23</sup> Second, the record indicates that these alternative products are more specialized than rebar and also are \*\*\*, so it

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<sup>12</sup> Mittal prehearing brief at 9.

<sup>13</sup> CR/PR at Table IV-34; CR at IV-72, PR at IV-42.

<sup>14</sup> CR/PR at Table IV-9.

<sup>15</sup> CR/PR at Table IV-33.

<sup>16</sup> CR/PR at Table IV-35. The Ukraine industry shipped 831,919 short tons of rebar to Algeria in 2006, and shipped 506,521 short tons to Syria.

<sup>17</sup> CR at IV-92-94; PR at IV-51-53.

<sup>18</sup> CR/PR at Table IV-33.

<sup>19</sup> CR at IV-74; PR at IV-43.

<sup>20</sup> CR/PR at Table IV-33.

<sup>21</sup> 19 U.S.C. § 1675a(a)(2)(D).

<sup>22</sup> CR/PR at Table IV-36.

<sup>23</sup> Id.

would not make good business sense to shift production from those products to rebar, even if the antidumping order were revoked.<sup>24</sup> Finally, while U.S. demand has increased during the period of review and U.S. prices for subject rebar have increased, the record indicates that global demand is also strong and that rebar prices have increased in other markets as well.<sup>25</sup>

Most important, I find that the inclusion of the Ukrainian producer under the Arcelor-Mittal corporate umbrella is a significant change in conditions of competition that makes it unlikely that Mittal will ship rebar to the United States so as to have a negative impact on the U.S. rebar market. The Mittal Steel Group owns several rebar-producing facilities in North America, including Border Steel, Inc. in Vinton, TX, which accounted for \*\*\* percent of U.S. rebar production in 2006 and \*\*\*.<sup>26</sup> In addition to Border Steel, the Mittal Group also owns much larger rebar-producing facilities in Mexico (Sicartsa) and in Canada (Contrecoeur and Longeuil).<sup>27</sup> As a general matter, I find it unlikely, in situations where a foreign producer is owned and controlled by a transnational entity, that such a producer would sell into any country (including the United States) in which it has an affiliated firm so as to disrupt market conditions in that location by, for example, rapidly increasing shipments or lowering prices. Rather, I find it more likely that such affiliations would tend to reduce competition among the sister companies so as not to cause price reductions in the home markets of any of the related firms.

In the context of this review, I find that the behavior of Mittal's state-owned predecessor, Krivorozhstal, during the original investigation (where exports to the United States surged markedly) is unlikely to be repeated by Mittal in the foreseeable future, owing to the fact that Mittal's shipments are now coordinated by the Mittal Group's central sales marketing offices in Dubai and Chicago.<sup>28</sup> I note further that my analysis is supported by the actual behavior of Mittal in the North American market since the 2005 takeover of Krivorozhstal. In 2006, the Ukrainian industry shipped only 17,659 tons to Canada, which had just revoked its antidumping order against imports from Ukraine.<sup>29</sup> Thus, there was no massive surge of imports into the Canadian market pursuant to revocation of that order.

Therefore, on the basis of lack of excess capacity in the Ukrainian industry, the low ratio of inventories to total shipments, the lack of overly restrictive trade barriers in third countries, the industry's significant focus on other export markets, such as those in North Africa and the Middle East, that are lucrative based on strong current and anticipated demand, and, most important, because of the changed corporate alignment of the major Ukrainian producer, I find that the likely volume of subject imports of rebar from Ukraine would not be significant if the antidumping duty order were revoked.

## **B. Likely Price Effects of Subject Imports<sup>30</sup>**

Subject imports of rebar from Ukraine predominantly undersold domestic merchandise in the original investigations.<sup>31</sup> As Ukraine did not ship to the United States during the period of review, there are no pricing data for Ukraine in the current record. For reasons outlined above in my discussion of the likely volume of subject imports from Ukraine, however, I do not find that any imports from Ukraine subsequent to revocation of the order will have adverse price effects. I find that the change in ownership of the predominant Ukrainian production facility during the period of review makes it unlikely that any

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<sup>24</sup> CR at IV-78, fn. 80; PR at IV-47, fn. 80.

<sup>25</sup> See, e.g., CR/PR at Tables IV-43 & IV-47; CR at IV-92-94; PR at IV-51-53.

<sup>26</sup> CR/PR at Table I-11.

<sup>27</sup> CR/PR at Table IV-34.

<sup>28</sup> CR at IV-72, fn. 75; PR at IV-42, fn. 75.

<sup>29</sup> CR/PR at Table IV-35.

<sup>30</sup> A discussion of the Commission's findings in the original determinations is contained in the majority views.

<sup>31</sup> See Original Confidential Staff Report at Tables V-2-V-12.

increased volumes would be sold at prices that would adversely affect the U.S. market. Arcelor Mittal would not want to sell rebar in the U.S. market at prices that would disrupt the operations of its U.S. affiliate, Border Steel, or its other North American affiliates. In addition, while price is an important factor in purchasing decisions, other factors are equally important, such as availability and reliability of supply.<sup>32</sup>

Based on the significant increases in U.S. prices over the period of review,<sup>33</sup> which were maintained in 2006 despite surges in nonsubject imports,<sup>34</sup> as well as my finding that revocation of the antidumping duty order on subject imports from Ukraine will likely not result in significant increased volumes of subject rebar to the United States, I find that any limited increase in the volume of subject imports from Ukraine upon revocation is not likely to result in significant adverse price effects.

### **C. Likely Impact of Subject Imports<sup>35</sup>**

In line with my findings regarding the likely volume and price effects of subject imports from Ukraine, I find that subject imports would not be likely to have a significant adverse impact on the domestic industry's output, sales, market share, profits, or return on investment, if the order were revoked. As demand is projected to remain strong, the small volume of subject imports that would be likely upon revocation would not be likely to have a significant adverse impact on the domestic industry. Therefore, I find that revocation of the antidumping duty order on subject imports from Ukraine is not likely to lead to the continuation or recurrence of material injury to the U.S. rebar industry within a reasonably foreseeable time.

## **CONCLUSION**

For the foregoing reasons, I conclude that revocation of the antidumping duty order on rebar from Ukraine would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

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<sup>32</sup> CR/PR at Table II-5.

<sup>33</sup> CR/PR at figure V-3.

<sup>34</sup> CR/PR at Table I-1.

<sup>35</sup> A discussion of the Commission's findings in the original determinations is contained in the majority views. For my vulnerability analysis and the discussion of the impact factors, see Separate and Dissenting Views of Chairman Daniel R. Pearson and Commissioner Deanna Tanner Okun regarding Belarus, China, Indonesia, and Moldova, *supra*.

## PART I: INTRODUCTION AND OVERVIEW

### BACKGROUND

On August 1, 2006, the U.S. International Trade Commission (“Commission” or “USITC”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930 (the Act), that it had instituted reviews to determine whether revocation of the antidumping duty orders on concrete reinforcing bar (“rebar”) from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine would likely lead to the continuation or recurrence of material injury.<sup>1</sup> Effective November 6, 2006, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act. Information relating to the background and schedule of the reviews is provided in the following tabulation.<sup>2</sup>

Effective date	Action
September 7, 2001	Commerce’s antidumping duty orders (66 FR 46777)
August 1, 2006	Commission’s institution of reviews (71 FR 43523)
November 6, 2006	Commission’s decision to conduct full reviews (71 FR 66974, November 17, 2006)
November 30, 2006	Commission’s scheduling of the reviews (71 FR 70786, December 6, 2006)
December 5, 2006	Commerce’s final results of expedited reviews on Belarus, China, Indonesia, Korea, Moldova, and Poland (71 FR 70509) <sup>1</sup>
March 5, 2007	Commerce’s final results of full review on Ukraine (72 FR 9732) <sup>1</sup>
April 5, 2007	Commerce’s final results of full review on Latvia (72 FR 16767) <sup>1</sup>
May 10, 2007	Commission’s hearing <sup>2</sup>
July 10, 2007	Commission’s vote
July 26, 2007	Commission’s determinations transmitted to Commerce

<sup>1</sup> Commerce’s final results are presented in app. A.  
<sup>2</sup> App. B contains a list of witnesses who appeared at the hearing.

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<sup>1</sup> At the time of the original investigations, the Commission was evenly divided with respect to the issue of a regional industry. For purposes of these reviews, and consistent with the Commission’s definition in the original investigations, data are presented for a specified region which comprises Puerto Rico, the District of Columbia, and 30 States: Alabama, Arkansas, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, West Virginia, and Wisconsin.

<sup>2</sup> The Commission’s notice of institution, notice to conduct a full review, scheduling notice, and statement on adequacy appear in app. A and may also be found at the Commission’s web site (internet address [www.usitc.gov](http://www.usitc.gov)). Commissioners’ votes on whether to conduct an expedited or full review may also be found at the web site.

## The Original Investigations

On June 28, 2000, petitions were filed with Commerce and the Commission alleging that a regional industry in the United States was materially injured and threatened with material injury by reason of dumped imports of rebar from Austria, Belarus, China, Indonesia, Japan, Korea, Latvia, Moldova, Poland, Russia, Ukraine, and Venezuela.<sup>3</sup> In its preliminary determinations transmitted to Commerce on August 14, 2000, the Commission terminated its investigations with respect to Austria, Japan, Russia, and Venezuela.<sup>4</sup> In May and July 2001, the Commission made affirmative determinations concerning LTFV imports of rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine, but was evenly divided regarding the issue of a regional industry.<sup>5</sup>

### Summary Data

Tables I-1 and I-2 present a summary of data from the original investigations and from these reviews. U.S. industry data are based on questionnaire responses of eight firms operating 25 mills that accounted for virtually all known production of rebar in the United States. U.S. import data are based on official Commerce statistics, with the exception of data on imports from Belarus from 1998 to 2000, which are based on questionnaire responses of U.S. importers of rebar from Belarus at the time of the original investigations because petitioners and the respondent from Belarus agreed that the official statistics understated U.S. imports of rebar from Belarus.<sup>6</sup>

During the original investigations, apparent consumption peaked in 1999, then declined in 2000 on both a national and a regional basis. Apparent consumption continued to decrease between 2000 and 2002, then increased through 2006 on a national and regional basis. The U.S. producers' share of consumption was less in 2006 than 2000 (a change that was more pronounced on a national than a regional basis). Subject imports have decreased to a fraction of their quantities during the original investigations. Nonsubject imports, in particular imports from Turkey, increased markedly during the latter part of the review period. U.S. producers' capacity utilization and productivity have made large gains, while workers' hourly wages increased noticeably. The unit values of shipments and net sales increased sharply in the latter part of the review period, offsetting higher unit costs.

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<sup>3</sup> The petitions were filed by the Rebar Trade Action Coalition (RTAC), Washington, DC. The individual membership of RTAC was as follows: AmeriSteel (Tampa, FL); Auburn Steel Co., (Auburn, NY); Birmingham Steel Corp. (Birmingham, AL); Border Steel, Inc. (El Paso, TX); CMC Steel Group (Seguin, TX); Marion Steel Co. (Marion, OH); Nucor Steel (Darlington, SC); and Riverview Steel (Glassport, PA). Auburn was not a petitioner with respect to Indonesia and Japan.

<sup>4</sup> *Certain Steel Concrete Reinforcing Bars from Austria, Belarus, China, Indonesia, Japan, Korea, Latvia, Moldova, Poland, Russia, Ukraine, and Venezuela*, Invs. Nos. 731-TA-872-883 (Preliminary), USITC Publication 3343, August 2000. In its preliminary investigations, the Commission conducted a regional industry analysis as proposed by the petitioners. In so doing, the Commission found that subject imports from Austria, Japan, Russia, and Venezuela were not sufficiently concentrated in the region and concluded that there was no reasonable indication that a regional industry in the United States was materially injured or threatened with material injury. *Ibid.*, p. 3.

<sup>5</sup> *Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine*, Invs. Nos. 731-TA-875, 880, and 882 (Final), USITC Publication 3425, May 2001 and *Concrete Reinforcing Bars from Belarus, China, Korea, Latvia, and Moldova*, Invs. Nos. 731-TA-873-874 and 877-879 (Final), USITC Publication 3440, July 2001.

<sup>6</sup> Memorandum INV-Y-087, May 1, 2001, p. IV-2, fn. 4.

**Table I-1**

**Rebar: Summary data for the national U.S. market from the original investigations and current reviews, 1998-2006**

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

Item	Calendar year <sup>1</sup>								
	1998	1999	2000	2001	2002	2003	2004	2005	2006
U.S. consumption quantity: Amount	***	***	***	7,735,092	7,368,986	8,492,487	8,718,690	8,868,598	9,875,423
Producers' share: <sup>2</sup>	***	***	***	77.6	83.4	88.1	77.2	83.6	75.1
Importers' share:									
Belarus <sup>2</sup>	***	***	***	0.0	( <sup>3</sup> )	0.0	0.0	0.0	0.0
China <sup>2</sup>	***	***	***	( <sup>3</sup> )	( <sup>3</sup> )	0.0	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Indonesia <sup>2</sup>	***	***	***	0.0	0.0	0.0	0.0	0.0	0.0
Korea <sup>2</sup>	***	***	***	1.5	0.0	0.0	0.0	0.1	0.0
Latvia <sup>2</sup>	***	***	***	0.4	0.6	0.6	1.4	0.4	0.0
Moldova <sup>2</sup>	***	***	***	0.0	0.0	0.0	0.0	0.0	0.0
Poland <sup>2</sup>	***	***	***	0.3	0.0	0.0	0.1	0.0	( <sup>3</sup> )
Ukraine <sup>2</sup>	***	***	***	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal <sup>2</sup>	***	***	***	2.3	0.7	0.6	1.5	0.5	( <sup>3</sup> )
All other countries <sup>2</sup>	***	***	***	20.1	16.0	11.3	21.4	15.9	24.9
Total imports <sup>2</sup>	***	***	***	22.4	16.6	11.9	22.8	16.4	24.9
U.S. consumption value: Amount	***	***	***	2,000,487	1,873,951	2,394,862	3,920,696	4,128,649	4,957,637
Producers' share: <sup>2</sup>	***	***	***	80.6	85.3	88.2	76.4	85.0	78.1
Importers' share:									
Belarus <sup>2</sup>	***	***	***	0.0	( <sup>3</sup> )	0.0	0.0	0.0	0.0
China <sup>2</sup>	***	***	***	( <sup>3</sup> )	( <sup>3</sup> )	0.0	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Indonesia <sup>2</sup>	***	***	***	0.0	0.0	0.0	0.0	0.0	0.0
Korea <sup>2</sup>	***	***	***	1.3	0.0	0.0	0.0	0.1	0.0
Latvia <sup>2</sup>	***	***	***	0.3	0.6	0.6	1.1	0.4	0.0
Moldova <sup>2</sup>	***	***	***	0.0	0.0	0.0	0.0	0.0	0.0
Poland <sup>2</sup>	***	***	***	0.3	0.0	0.0	0.1	0.0	( <sup>3</sup> )
Ukraine <sup>2</sup>	***	***	***	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal <sup>2</sup>	***	***	***	2.0	0.6	0.6	1.1	0.4	( <sup>3</sup> )
All other countries <sup>2</sup>	***	***	***	17.4	14.0	11.2	22.5	14.5	21.9
Total imports <sup>2</sup>	***	***	***	19.4	14.7	11.8	23.6	15.0	21.9

Table continued on the following page.

**Table I-1--Continued**

**Rebar: Summary data for the national U.S. market from the original investigations and current reviews, 1998-2006**

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

Item	Calendar year <sup>1</sup>								
	1998	1999	2000	2001	2002	2003	2004	2005	2006
U.S. imports from-- Belarus: <sup>4</sup>									
Quantity	***	***	***	0	2,820	0	0	0	0
Value	***	***	***	0	577	0	0	0	0
Unit value	\$***	\$***	\$***	( <sup>5</sup> )	\$205	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
China: <sup>4</sup>									
Quantity	0	17,547	163,124	47	21	0	169	60	3
Value	0	3,360	36,268	23	13	0	173	18	4
Unit value	( <sup>5</sup> )	\$191	\$222	\$492	\$635	( <sup>5</sup> )	\$1,027	\$299	\$1,303
Indonesia: <sup>4</sup>									
Quantity	44,504	69,261	0	0	0	0	0	0	0
Value	9,708	17,411	0	0	0	0	0	0	0
Unit value	\$218	\$251	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
Korea: <sup>4</sup>									
Quantity	527,080	423,893	263,601	118,469	0	0	0	5,516	0
Value	138,508	88,385	56,402	26,314	0	0	0	2,262	0
Unit value	\$263	\$209	\$214	\$222	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	\$410	( <sup>5</sup> )
Latvia: <sup>4</sup>									
Quantity	97,002	303,997	207,705	33,662	45,904	50,522	121,881	36,646	0
Value	34,013	60,153	41,965	6,761	10,720	14,316	42,001	15,059	0
Unit value	\$351	\$198	\$202	\$201	\$234	\$283	\$345	\$411	( <sup>5</sup> )
Moldova: <sup>4</sup>									
Quantity	187,271	183,803	181,492	0	0	0	0	0	0
Value	58,477	40,228	38,473	0	0	0	0	0	0
Unit value	\$312	\$219	\$212	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
Poland: <sup>4</sup>									
Quantity	53,231	10,681	69,292	26,884	0	0	7,303	0	129
Value	15,034	2,049	13,959	5,943	0	0	2,789	0	50
Unit value	\$282	\$192	\$201	\$221	( <sup>5</sup> )	( <sup>5</sup> )	\$382	( <sup>5</sup> )	\$387
Ukraine: <sup>4</sup>									
Quantity	3,074	95,904	168,054	0	0	0	0	0	0
Value	826	18,412	33,783	0	0	0	0	0	0
Unit value	\$269	\$192	\$201	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
Subtotal:									
Quantity	***	***	***	179,061	48,746	50,522	129,352	42,222	133
Value	***	***	***	39,042	11,310	14,316	44,963	17,339	54
Unit value	\$***	\$***	\$***	\$218	\$232	\$283	\$348	\$411	\$411

Table continued on the following page.



**Table I-1--Continued**

**Rebar: Summary data for the national U.S. market from the original investigations and current reviews, 1998-2006**

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

Item	Calendar year <sup>1</sup>								
	1998	1999	2000	2001	2002	2003	2004	2005	2006
All other countries: <sup>4</sup>									
Quantity	234,824	627,031	447,875	1,551,751	1,177,809	962,562	1,861,470	1,410,136	2,454,275
Value	58,811	135,104	104,930	348,890	263,224	269,131	881,861	600,627	1,084,640
Unit value	\$250	\$215	\$234	\$225	\$223	\$280	\$474	\$426	\$442
All countries:									
Quantity	***	***	***	1,730,812	1,226,554	1,013,084	1,990,822	1,452,358	2,454,407
Value	***	***	***	387,932	274,535	283,447	926,824	617,966	1,084,694
Unit value	\$***	\$***	\$***	\$224	\$224	\$280	\$466	\$425	\$442
U.S. producers: <sup>5</sup>									
Average capacity quantity	7,894,486	8,311,304	8,392,708	7,886,652	7,993,078	8,424,774	8,154,261	8,367,112	8,615,640
Production quantity	6,069,810	6,226,289	6,444,053	6,146,866	6,354,037	7,501,223	7,076,073	7,541,574	7,704,871
Capacity utilization <sup>2</sup>	76.9	74.9	76.8	77.9	79.5	89.0	86.8	90.1	89.4
U.S. shipments:									
Quantity	5,753,110	6,182,533	6,308,658	6,004,280	6,142,432	7,479,403	6,727,868	7,416,240	7,421,016
Value	1,760,831	1,701,922	1,705,969	1,612,555	1,599,417	2,111,414	2,993,872	3,510,682	3,872,943
Unit value	\$306	\$275	\$270	\$269	\$260	\$282	\$445	\$473	\$522
Exports:									
Quantity	125,986	112,508	135,690	***	***	***	***	***	***
Value	39,036	29,367	35,720	***	***	***	***	***	***
Unit value	\$310	\$261	\$263	***	***	***	***	***	***

Table continued on the following page.

**Table I-1--Continued**

**Rebar: Summary data for the national U.S. market from the original investigations and current reviews, 1998-2006**

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

Item	Calendar year <sup>1</sup>								
	1998	1999	2000	2001	2002	2003	2004	2005	2006
Ending inventory quantity	700,006	630,355	631,653	601,153	617,597	441,762	619,492	533,925	597,345
Inventories/total shipments <sup>2</sup>	11.9	10.0	9.8	***	***	***	***	***	***
Production workers	4,134	4,247	4,216	3,967	3,827	3,897	3,719	3,909	4,066
Hours worked (1,000 hours)	8,949	9,015	8,773	8,438	8,093	8,938	8,149	8,390	8,650
Wages paid (1,000 dollars)	187,156	198,411	202,146	211,855	215,541	237,579	238,024	265,621	284,103
Hourly wages	\$20.91	\$22.01	\$23.04	\$25.11	\$26.63	\$26.58	\$29.21	\$31.66	\$32.85
Productivity (short tons per 1,000 hours)	657.8	667.9	711.9	728.5	785.1	839.3	868.3	898.9	890.8
Net sales: Quantity	5,888,924	6,342,811	6,472,547	6,190,355	6,338,939	7,615,292	7,016,005	7,533,213	7,742,037
Value	1,802,793	1,744,029	1,750,282	1,657,996	1,654,343	2,137,694	3,029,572	3,531,181	4,006,813
Unit value	\$306	\$275	\$270	\$268	\$261	\$281	\$432	\$469	\$518
Cost of goods sold	1,613,285	1,536,041	1,605,071	1,455,311	1,503,097	1,946,966	2,398,760	2,717,517	2,965,198
Gross profit or (loss)	189,508	207,988	145,211	202,685	151,246	190,728	630,812	813,665	1,041,615
Operating income or (loss)	103,904	105,557	44,562	109,908	66,308	65,702	466,410	621,520	827,761
Unit cost of goods sold	\$274	\$242	\$248	\$235	\$237	\$256	\$342	\$361	\$383
Unit operating income or (loss)	\$18	\$17	\$7	\$18	\$10	\$9	\$66	\$83	\$107
Cost of goods sold/sales <sup>2</sup>	89.5	88.1	91.7	87.8	90.9	91.1	79.2	77.0	74.0
Operating income or (loss)/sales <sup>2</sup>	5.8	6.1	2.5	6.6	4.0	3.1	15.4	17.6	20.7

<sup>1</sup> Financial data are on a fiscal year basis.

<sup>2</sup> In percent.

<sup>3</sup> Less than 0.05 percent.

<sup>4</sup> Data for Latvia for 2001-06 are for imports entered under HTS subheading 7214.20.00 plus imports entered under HTS statistical reporting number 7228.30.8050 from official Commerce statistics. In addition, a \*\*\*. All other import data presented are from official Commerce statistics for imports entered under HTS subheading 7214.20.00.

<sup>5</sup> Not applicable.

Note.--Because of rounding, figures may not add to the totals shown. Data for 1998-2000 are derived from information presented in table C-4 of the staff report from the original investigations. During the original investigations, \*\*\*. INV-Y-087, May 1, 2001, p. IV-2, fn. 4.

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

**Table I-2**

**Rebar: Summary data for the specified region from the original investigations and current reviews, 1998-2006**

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

Item	Calendar year <sup>1</sup>								
	1998	1999	2000	2001	2002	2003	2004	2005	2006
Regional U.S. consumption quantity: Amount	***	***	***	5,560,169	5,354,127	5,959,510	6,294,675	6,391,058	7,201,337
Regional producers' share: <sup>2</sup>	***	***	***	71.5	75.7	80.6	70.3	76.7	69.4
Non-regional producers' share: <sup>2</sup>	***	***	***	2.6	2.8	3.7	2.7	3.7	2.6
Importers' share: Belarus <sup>2</sup>	***	***	***	0.0	0.1	0.0	0.0	0.0	0.0
China <sup>2</sup>	***	***	***	( <sup>3</sup> )	( <sup>3</sup> )	0.0	( <sup>3</sup> )	( <sup>3</sup> )	0.0
Indonesia <sup>2</sup>	***	***	***	0.0	0.0	0.0	0.0	0.0	0.0
Korea <sup>2</sup>	***	***	***	1.5	0.0	0.0	0.0	0.0	0.0
Latvia <sup>2</sup>	***	***	***	0.6	0.9	0.8	1.9	0.6	0.0
Moldova <sup>2</sup>	***	***	***	0.0	0.0	0.0	0.0	0.0	0.0
Poland <sup>2</sup>	***	***	***	0.5	0.0	0.0	0.1	0.0	( <sup>3</sup> )
Ukraine <sup>2</sup>	***	***	***	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal <sup>2</sup>	***	***	***	2.6	0.9	0.8	2.0	0.6	( <sup>3</sup> )
All other countries <sup>2</sup>	***	***	***	23.3	20.5	14.9	25.0	19.0	28.0
Total imports <sup>2</sup>	***	***	***	25.9	21.4	15.8	27.1	19.6	28.0
Regional U.S. consumption value: Amount	***	***	***	1,415,257	1,346,810	1,666,355	2,821,376	2,922,359	3,558,746
Regional producers' share: <sup>2</sup>	***	***	***	74.2	77.8	80.2	69.2	77.8	72.1
Non-regional producers' share: <sup>2</sup>	***	***	***	3.0	3.2	4.1	2.7	3.9	2.8
Importers' share: Belarus <sup>2</sup>	***	***	***	0.0	( <sup>3</sup> )	0.0	0.0	0.0	0.0
China <sup>2</sup>	***	***	***	( <sup>3</sup> )	( <sup>3</sup> )	0.0	( <sup>3</sup> )	( <sup>3</sup> )	0.0
Indonesia <sup>2</sup>	***	***	***	0.0	0.0	0.0	0.0	0.0	0.0
Korea <sup>2</sup>	***	***	***	1.3	0.0	0.0	0.0	0.0	0.0
Latvia <sup>2</sup>	***	***	***	0.5	0.8	0.9	1.5	0.5	0.0
Moldova <sup>2</sup>	***	***	***	0.0	0.0	0.0	0.0	0.0	0.0
Poland <sup>2</sup>	***	***	***	0.4	0.0	0.0	0.1	0.0	( <sup>3</sup> )
Ukraine <sup>2</sup>	***	***	***	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal <sup>2</sup>	***	***	***	2.2	0.8	0.9	1.6	0.5	( <sup>3</sup> )
All other countries <sup>2</sup>	***	***	***	20.6	18.2	14.8	26.5	17.8	25.1
Total imports <sup>2</sup>	***	***	***	22.8	19.0	15.6	28.1	18.3	25.1

Table continued on the following page.

Table I-2--Continued

Rebar: Summary data for the specified region from the original investigations and current reviews, 1998-2006

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

Item	Calendar year <sup>1</sup>								
	1998	1999	2000	2001	2002	2003	2004	2005	2006
Regional U.S. imports from--									
Belarus: <sup>4</sup>									
Quantity	***	***	***	0	2,820	0	0	0	0
Value	***	***	***	0	577	0	0	0	0
Unit value	\$***	\$***	\$***	( <sup>5</sup> )	\$205	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
China: <sup>4</sup>									
Quantity	0	17,417	123,217	47	21	0	15	43	0
Value	0	3,330	27,451	23	13	0	15	13	0
Unit value	\$0	\$191	\$223	\$492	\$635	( <sup>5</sup> )	\$1,011	\$309	( <sup>5</sup> )
Indonesia: <sup>4</sup>									
Quantity	44,504	63,748	0	0	0	0	0	0	0
Value	9,708	16,185	0	0	0	0	0	0	0
Unit value	\$218	\$254	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
Korea: <sup>4</sup>									
Quantity	405,254	291,275	205,841	84,188	0	0	0	0	0
Value	107,157	59,202	42,993	18,688	0	0	0	0	0
Unit value	\$264	\$203	\$209	\$222	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
Latvia: <sup>4</sup>									
Quantity	97,002	303,997	207,705	33,662	45,904	50,522	121,881	36,646	0
Value	34,013	60,153	41,965	6,761	10,720	14,316	42,001	15,059	0
Unit value	\$351	\$198	\$202	\$201	\$234	\$283	\$345	\$411	( <sup>5</sup> )
Moldova: <sup>4</sup>									
Quantity	187,250	183,803	181,492	0	0	0	0	0	0
Value	58,463	40,228	38,473	0	0	0	0	0	0
Unit value	\$312	\$219	\$212	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
Poland: <sup>4</sup>									
Quantity	53,231	10,681	69,278	26,553	0	0	6,927	0	129
Value	15,034	2,049	13,953	5,779	0	0	2,254	0	50
Unit value	\$282	\$192	\$201	\$218	( <sup>5</sup> )	( <sup>5</sup> )	\$325	( <sup>5</sup> )	\$387
Ukraine: <sup>4</sup>									
Quantity	3,074	95,904	168,054	0	0	0	0	0	0
Value	826	18,412	33,783	0	0	0	0	0	0
Unit value	\$269	\$192	\$201	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
Subtotal:									
Quantity	***	***	***	144,449	48,746	50,522	128,823	36,688	129
Value	***	***	***	31,251	11,310	14,316	44,270	15,073	50
Unit value	\$***	\$***	\$***	\$216	\$232	\$283	\$344	\$411	\$387
All other countries: <sup>4</sup>									
Quantity	191,622	527,844	377,045	1,296,320	1,099,441	888,404	1,574,058	1,216,390	2,013,740
Value	47,315	111,780	86,875	291,353	244,537	246,135	747,255	518,875	892,702
Unit value	\$247	\$212	\$230	\$225	\$222	\$277	\$475	\$427	\$443

Table continued on the following page.

**Table I-2--Continued**

**Rebar: Summary data for the specified region from the original investigations and current reviews, 1998-2006**

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

Item	Calendar year <sup>1</sup>								
	1998	1999	2000	2001	2002	2003	2004	2005	2006
All countries: Quantity	***	***	***	1,440,769	1,148,186	938,926	1,702,880	1,253,079	2,013,869
Value	***	***	***	322,605	255,848	260,452	791,525	533,948	892,752
Unit value	\$***	\$***	\$***	\$224	\$223	\$277	\$465	\$426	\$443
Non-regional U.S. producers-- U.S. shipments to region: Quantity	160,857	194,992	153,149	145,438	150,445	218,253	168,422	236,191	188,951
Value	50,118	54,270	41,836	42,810	43,034	68,723	77,524	113,829	98,886
Unit value	\$312	\$278	\$273	\$294	\$286	\$315	\$460	\$482	\$523
Regional U.S. producers-- Capacity quantity	5,198,086	5,494,904	5,612,908	5,551,138	5,687,574	5,866,111	5,760,559	5,863,662	6,116,290
Production quantity	3,910,732	4,095,918	4,236,273	4,252,563	4,472,788	5,089,855	4,897,577	5,195,599	5,426,079
Capacity utilization <sup>2</sup>	75.2	74.5	75.5	76.6	78.6	86.8	85.0	88.6	88.7
U.S. shipments within the region: Quantity	3,524,250	3,768,882	3,842,009	3,973,962	4,055,496	4,802,331	4,423,373	4,901,788	4,998,517
Value	1,088,605	1,033,380	1,032,215	1,049,843	1,047,928	1,337,181	1,952,326	2,274,582	2,567,108
Unit value	\$309	\$274	\$269	\$264	\$258	\$278	\$441	\$464	\$514
U.S. shipments outside the region: Quantity	288,606	321,192	339,879	328,409	340,383	384,011	370,460	341,984	376,581
Value	90,298	90,498	94,369	90,046	89,352	108,524	163,724	164,493	203,004
Unit value	\$313	\$282	\$278	\$274	\$263	\$283	\$442	\$481	\$539
Exports: Quantity	22,204	14,186	36,567	***	***	***	***	***	***
Value	6,738	3,743	8,493	***	***	***	***	***	***
Unit value	\$303	\$264	\$232	***	***	***	***	***	***

Table continued on the following page.

**Table I-2--Continued**

**Rebar: Summary data for the specified region from the original investigations and current reviews, 1998-2006**

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

Item	Calendar year <sup>1</sup>								
	1998	1999	2000	2001	2002	2003	2004	2005	2006
Ending inventory quantity	408,929	402,168	420,309	366,847	428,665	325,883	426,645	366,923	414,605
Inventories/ total shipments <sup>2</sup>	10.7	9.8	10.0	***	***	***	***	***	***
Production workers	2,649	2,706	2,771	2,635	2,609	2,590	2,482	2,593	2,739
Hours worked (1,000 hours)	5,537	5,684	5,716	5,617	5,559	5,905	5,632	5,611	6,052
Wages paid (1,000 dollars)	114,445	123,264	127,747	134,824	139,834	150,379	154,854	165,826	184,669
Hourly wages	\$20.67	\$21.69	\$22.35	\$24.00	\$25.15	\$25.47	\$27.50	\$29.55	\$30.52
Productivity (short tons per 1,000 hours)	673.2	684.5	706.5	757.1	804.6	862.0	869.6	926.0	896.7
Net sales:									
Quantity	3,846,322	4,162,424	4,251,627	4,314,344	4,412,317	5,130,869	4,914,478	5,161,392	5,478,984
Value	1,189,115	1,143,322	1,144,546	1,137,102	1,144,308	1,414,388	2,074,882	2,365,696	2,789,490
Unit value	\$309	\$275	\$269	\$264	\$259	\$276	\$422	\$458	\$509
Cost of goods sold	1,055,997	1,017,965	1,064,507	1,009,807	1,039,787	1,299,180	1,668,707	1,825,527	2,075,643
Gross profit or (loss)	133,118	125,357	80,039	127,295	104,521	115,208	406,175	540,170	713,847
Operating income or (loss)	75,822	55,634	11,571	53,156	37,263	10,385	264,971	380,389	528,712
Unit cost of goods sold	\$275	\$245	\$250	\$234	\$236	\$253	\$340	\$354	\$379
Unit operating income or (loss)	\$20	\$13	\$3	\$12	\$8	\$2	\$54	\$74	\$96
Cost of goods sold/sales <sup>2</sup>	88.8	89.0	93.0	88.8	90.9	91.9	80.4	77.2	74.4
Operating income or (loss)/sales <sup>2</sup>	6.4	4.9	1.0	4.7	3.3	0.7	12.8	16.1	19.0

<sup>1</sup> Financial data are on a fiscal year basis.

<sup>2</sup> In percent.

<sup>3</sup> Less than 0.05 percent.

<sup>4</sup> Data for Latvia for 2001-06 are for imports entered under HTS subheading 7214.20.00 plus imports entered under HTS statistical reporting number 7228.30.8050 from official Commerce statistics. In addition, a \*\*\*, \*\*\*. All other import data presented are from official Commerce statistics for imports entered under HTS subheading 7214.20.00.

<sup>5</sup> Not applicable.

Note.—Because of rounding, figures may not add to the totals shown. Data for 1998-2000 are derived from information presented in table C-4 of the staff report from the original investigations. During the original investigations, \*\*\*, INV-Y-087, May 1, 2001, p. IV-2, fn. 4.

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

## PREVIOUS AND RELATED TITLE VII INVESTIGATIONS

The Commission has conducted four other antidumping duty investigations concerning rebar. In March 1964, the U.S. Tariff Commission made an affirmative determination concerning LTFV imports of steel reinforcing bars from Canada (investigation No. AA1921-33).<sup>7</sup> In February 1970, the Commission made an affirmative determination concerning LTFV imports of steel bars, reinforcing bars, and shapes from Australia (investigation No. AA1921-62).<sup>8</sup> There are no outstanding antidumping duty orders as a result of either of these investigations. In August 1973, the Commission made a negative determination concerning LTFV imports of deformed concrete reinforcing bars of non-alloy steel from Mexico (investigation No. AA1921-122).<sup>9</sup> Finally, in 1997, the Commission made a final affirmative determination concerning LTFV imports of rebar from Turkey<sup>10</sup> and Commerce issued an antidumping duty order on April 17, 1997.<sup>11</sup> In 2003, the Commission made an affirmative determination in its first five-year review concerning rebar from Turkey.<sup>12</sup> The Commission is scheduled to institute a second five-year review of this order in February 2008.

## PREVIOUS AND RELATED SAFEGUARD INVESTIGATIONS

Following receipt of a request from the Office of the United States Trade Representative (“USTR”) on June 22, 2001, the Commission instituted investigation No. TA-201-73, *Steel*, under section 202 of the Trade Act of 1974<sup>13</sup> to determine whether certain steel products, including rebar, were being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industries producing articles like or directly competitive with the imported article.<sup>14</sup> 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.<sup>15</sup> 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.<sup>16</sup> On December 20, 2001, the Commission issued its determinations and remedy recommendations. The Commission reached an affirmative determination with respect to rebar.

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<sup>7</sup> *Steel Reinforcing Bars from Canada*, Tariff Commission Publication 122, March 1964. In this investigation, the Commission focused on a Pacific Northwest industry consisting of three producers in Washington and Oregon.

<sup>8</sup> *Steel Bars, Reinforcing Bars, and Shapes from Australia*, Tariff Commission Publication 314, February 1970.

<sup>9</sup> *Deformed Concrete Reinforcing Bars of Non-Alloy Steel from Mexico*, Tariff Commission Publication 605, August 1973.

<sup>10</sup> *Concrete Reinforcing Bars from Turkey*, Inv. No. 731-TA-745 (Final), USITC Publication 3034, April 1997.

<sup>11</sup> 62 FR 18748.

<sup>12</sup> *Concrete Reinforcing Bars from Turkey*, Inv. No. 731-TA-745 (Review), USITC Publication 3577, February 2003.

<sup>13</sup> 19 U.S.C. § 2252.

<sup>14</sup> *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.

<sup>15</sup> 19 U.S.C. § 2251.

<sup>16</sup> *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.

On March 5, 2002, following determinations regarding serious injury or threat of serious injury by the Commission under section 202 of the Trade Act of 1974, the President announced the safeguard measures that he planned to implement to facilitate efforts by various domestic steel industries and their workers to make a positive adjustment to import competition with respect to certain steel products. The safeguard measures encompassed 10 different product categories for which the Commission made affirmative determinations or was evenly divided. Presidential Proclamation 7529 implemented the safeguard measures, principally in the form of tariffs and tariff-rate quotas, effective March 20, 2002, for a period of three years and one day. Import relief relating to rebar consisted of an additional tariff of 15 percent *ad valorem* on imports in the first year, 12 percent in the second year, and 9 percent in the third year.<sup>17 18</sup> The President also instructed the Secretary of the Treasury and the Secretary of Commerce to establish a system of import licensing to facilitate the monitoring of imports of certain steel products.<sup>19</sup>

The safeguard measures applied to imports of subject steel products from all countries except Canada, Israel, Jordan, and Mexico, which had entered into free trade agreements with the United States, and most developing countries that were members of the World Trade Organization.<sup>20</sup> The President's initial proclamation also excluded numerous specific products from the measures, and was followed by subsequent additional exclusions.

On September 19, 2003, the Commission submitted a mid-term report to the President and the Congress on the results of its monitoring of developments in the steel industry, as required by section 204(a)(2) of the Trade Act of 1974.<sup>21</sup> The Commission's monitoring report noted that total imports of rebar declined, as imports from covered sources declined sharply, while imports from sources not covered by the safeguard measure (notably Brazil, the Dominican Republic, and Egypt) increased. Notwithstanding decreased demand for rebar, output-related indicators for the domestic industry such as production, capacity utilization, and shipments increased in the first relief year, as did labor productivity. Per-unit net sales, however, declined while unit costs (specifically, unit raw materials costs), increased in the first relief year, and the domestic industry reported an operating loss.<sup>22</sup>

On December 4, 2003, President Bush terminated the U.S. measure with respect to increased tariffs, following receipt of the Commission's mid-point monitoring report in September 2003, and after seeking information from the U.S. Secretary of Commerce and U.S. Secretary of Labor, having determined that the effectiveness of the action taken had been impaired by changed circumstances.<sup>23</sup> Import licensing, however, remained in place through March 21, 2005, and continues in modified form at this time.<sup>24</sup>

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<sup>17</sup> *Presidential Proclamation 7529 of March 5, 2002, To Facilitate Positive Adjustment to Competition From Imports of Certain Steel Products*, 67 FR 10553, March 7, 2002.

<sup>18</sup> The increased duties were reduced from 15 percent to 12 percent on March 20, 2003.

<sup>19</sup> The Department of Commerce published regulations establishing such a system on December 31, 2002.

<sup>20</sup> Of the countries subject to these reviews, safeguard measures were not applied to imports from Indonesia, Latvia, and Poland. Imports of rebar from Moldova were subject to the U.S. safeguard measures, notwithstanding that country's designation as a developing country WTO member.

<sup>21</sup> *Steel: Monitoring Developments in the Domestic Industry, Inv. No. TA-204-9*, USITC Publication 3632, September 2003.

<sup>22</sup> *Steel: Monitoring Developments in the Domestic Industry, Inv. No. TA-204-9, Volume I*, USITC Publication 3632, September 2003, pp. xiv-xv.

<sup>23</sup> *Presidential Proclamation 7741 of December 4, 2003, To Provide for the Termination of Action Taken With Regard to Imports of Certain Steel Products*, 68 FR 68483, December 8, 2003.

<sup>24</sup> Proclamation 7741 terminated the tariff-rate quota and the increased import duties on certain steel products, but directed the Secretary of Commerce to continue the monitoring system until the earlier of March 21, 2005, or such time as the Secretary establishes a replacement program. On March 11, 2005, Commerce published an interim final (continued...)



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

## STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

### Statutory Criteria

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

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

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

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

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

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

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

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

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

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

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<sup>24</sup> (...continued)

rule to implement a replacement program for the period beyond March 21, 2005. *Steel Import Monitoring and Analysis System*, 70 FR 12133, March 11, 2005. On December 5, 2005, Commerce published its final rule. *Steel Import Monitoring and Analysis System*, 70 FR 72373, December 5, 2005.

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

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

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

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

*(B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.*

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

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

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

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

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

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

### **Organization of the Report**

Information obtained during the course of the reviews that relates to the above factors is presented throughout this report. A summary of data collected in the reviews is presented in appendix C. Responses by U.S. producers, importers, and purchasers of rebar to a series of questions concerning the significance of the existing antidumping duty orders and the likely effects of revocation are presented in

appendix D. U.S. producers' company-by-company data for trade and financial indicators are presented in appendices E and F. Import data from responses to Commission questionnaires are presented in appendix G.

## COMMERCE'S REVIEWS

### Administrative Reviews<sup>25</sup>

The following tables present information on Commerce's administrative reviews of the subject orders.<sup>26</sup> Commerce did not initiate or complete any antidumping duty order administrative reviews of subject imports from Belarus, China, Indonesia, Moldova, Poland, or Ukraine.

#### Korea

Since the issuance of the antidumping duty order, three antidumping duty administrative reviews have been completed with regard to subject imports of rebar from Korea. The results of the completed administrative reviews are shown in table I-3.

**Table I-3**

**Rebar: Administrative reviews of the antidumping duty order for Korea**

Date results published	Period of review	Producer or exporter	Margin
April 13, 2004 (69 FR 19400)	1/30/2001 - 8/31/2002	Dongkuk Steel Mill	11.74
		Korea Iron and Steel	11.74
		All others	22.89
September 9, 2004 (69 FR 54642) <sup>1</sup>	9/30/2002 - 8/31/2003	Dongil Industries	102.28
		Hanbo Iron & Steel	102.28
		All others	22.89
April 13, 2007 (72 FR 18630)	9/30/2004 - 8/31/2005	Dongkuk Steel Mill	0.00
		Korea Iron and Steel	0.00
		Hwanyoung Steel	0.00
		Dongil Industries	102.28
		All others	22.89
<sup>1</sup> DSM, INI Steel, KISCO, and Kosteel included in initial review but rescinded.			
Source: Cited <i>Federal Register</i> notices.			

#### Latvia

Commerce completed four antidumping duty order administrative reviews of rebar from Latvia, and published the preliminary results of another. The results of the completed administrative reviews are shown in table I-4.

<sup>25</sup> No duty absorption findings were made for any of the subject countries.

<sup>26</sup> For previously reviewed or investigated companies not included in an administrative review, the cash deposit rate continues to be the company-specific rate published for the most recent period.

**Table I-4****Rebar: Administrative reviews of the antidumping duty order for Latvia**

<b>Date results published</b>	<b>Period of review</b>	<b>Producer or exporter</b>	<b>Margin</b>
December 22, 2003 (68 FR 71067)	1/30/2001 - 8/31/2002	Liepajas Metalurgs	0.87
		All others	17.21
December 14, 2004 (69 FR 74498)	9/30/2002 - 8/31/2003	Liepajas Metalurgs	3.01
		All others	17.21
February 10, 2006 (71 FR 7016)	9/1/2003 - 8/31/2004	Liepajas Metalurgs	5.24
		All others	17.21
December 3, 2006 (71 FR 74900)	9/1/2004 - 8/31/2005	Liepajas Metalurgs	5.94
		All others	17.21
June 4, 2007 (72 FR 30773) <sup>1</sup>	9/1/2005 - 8/31/2006	Liepajas Metalurgs	5.94
		All others	17.21
<sup>1</sup> Preliminary results.			
Source: Cited <i>Federal Register</i> notices.			

**Results of Expedited and Full Five-Year Reviews**

Table I-5 presents the margins calculated by Commerce in its original investigations and first reviews.

**DISTRIBUTION OF CONTINUED DUMPING AND SUBSIDY OFFSET ACT FUNDS**

The Continued Dumping and Subsidy Offset Act of 2000 (“CDSOA”) (also known as the Byrd Amendment) provides that assessed duties received pursuant to antidumping or countervailing duty orders must be distributed to affected domestic producers for certain qualifying expenditures that these producers incur after the issuance of such orders.<sup>27</sup> During the review period, qualified U.S. producers of rebar were eligible to receive disbursements from the U.S. Customs and Border Protection (“Customs”) under CDSOA relating to eight antidumping duty orders on the subject product beginning in Federal fiscal year 2002.<sup>28</sup> Tables I-6 and I-7 present CDSOA disbursements and claims for Federal fiscal years (October 1-September 30) 2002-06 by source and by firm, respectively.

<sup>27</sup> Section 754 of the Tariff Act of 1930, as amended (19 U.S.C. § 1675(c)).

<sup>28</sup> 19 CFR 159.64 (g).

Table I-5

Rebar: Commerce's original and first five-year review margins for producers/exporters, by subject country

Producer/exporter	Original margin (percent)	First five-year review margin (percent)
<b>Belarus<sup>1</sup></b>		
Belarus-wide rate	114.53	114.53
<b>China<sup>2</sup></b>		
Laiwu Steel Group	133.00	133.00
China-wide rate	133.00	133.00
<b>Indonesia<sup>3</sup></b>		
Sakti, Bhirma, Krakatau, Perdana, Hanil, Pulogadung, Tungal, Master Steel	71.01	71.01
All others	60.46	60.46
<b>Korea<sup>4</sup></b>		
Dongkuk Steel Mill and Korea Iron & Steel Co.	22.89	22.89
Hanbo Iron & Steel	102.28	102.28
All others	22.89	22.89
<b>Latvia<sup>5</sup></b>		
Liepajas Metalurgs	17.21	17.21
All others	17.21	17.21
<b>Moldova<sup>6</sup></b>		
Moldova-wide rate	232.86	232.86
<b>Poland<sup>7</sup></b>		
Stalexport	52.07	52.07
All others	47.13	47.13
<b>Ukraine<sup>8</sup></b>		
Ukraine-wide rate/all others <sup>9</sup>	41.69	41.69
<p><sup>1</sup> Antidumping duty order, 66 FR 46777, September 7, 2001; final results of first expedited sunset review, 71 FR 70509, December 5, 2006.</p> <p><sup>2</sup> Antidumping duty order, 66 FR 46777, September 7, 2001; final results of first expedited sunset review, 71 FR 70509, December 5, 2006.</p> <p><sup>3</sup> Antidumping duty order, 66 FR 46777, September 7, 2001; final results of first expedited sunset review, 71 FR 70509, December 5, 2006.</p> <p><sup>4</sup> Antidumping duty order, 66 FR 46777, September 7, 2001; final results of first expedited sunset review, 71 FR 70509, December 5, 2006.</p> <p><sup>5</sup> Antidumping duty order, 66 FR 46777, September 7, 2001; final results of first full sunset review, 72 FR 16767, April 5, 2007.</p> <p><sup>6</sup> Antidumping duty order, 66 FR 46777, September 7, 2001; final results of first expedited sunset review, 71 FR 70509, December 5, 2006.</p> <p><sup>7</sup> Antidumping duty order, 66 FR 46777, September 7, 2001; final results of first expedited sunset review, 71 FR 70509, December 5, 2006.</p> <p><sup>8</sup> Antidumping duty order, 66 FR 46777, September 7, 2001; final results of first full sunset review, 72 FR 9732, March 5, 2007.</p> <p><sup>9</sup> The 'Ukraine-wide' rate is now the 'all others' rate because, as of February 1, 2006, Ukraine graduated to market economy status. 71 FR 9520, February 24, 2006.</p>		
Source: Cited <i>Federal Register</i> notices.		

**Table I-6**

**Rebar: CDSOA disbursements, by source, Federal fiscal years 2002-06**

Item	Federal fiscal year				
	2002	2003	2004	2005	2006
<b>Disbursements (1,000 dollars)</b>					
Belarus	0	0	0	0	0
China	0	0	0	0	2
Indonesia	0	0	0	0	0
Korea	0	0	0	0	2,829
Latvia	0	235	95	188	2,476
Moldova	0	0	0	0	0
Poland	0	47	0	0	0
Ukraine	0	0	0	0	0
Total	0	282	95	188	5,305

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

Source: U.S. Customs and Border Protection's CDSOA *Annual Reports*. Retrieved from [www.cbp.gov/xp/cgov/import/add\\_cvd](http://www.cbp.gov/xp/cgov/import/add_cvd).

**Table I-7**

**Rebar: CDSOA disbursements, by firm, and total claims, Federal fiscal years 2002-06**

Item	Federal fiscal year				
	2002	2003	2004	2005	2006
<b>Disbursements (1,000 dollars)</b>					
AmeriSteel	0	0	0	0	0
Border	0	20	6	6	174
Chaparral Steel	0	0	0	8	170
CMC Steel Group	0	63	20	24	543
Gerdau USA	0	90	37	60	1,878
Marion Steel	0	29	9	11	0
North Star Steel	0	52	14	0	0
Nucor Corp.	0	0	0	69	1,669
Nucor Steel	0	0	0	9	0
Nucor Steel Auburn	0	0	0	0	197
Nucor Steel Marion	0	0	0	0	261
Sheffield Steel	0	28	9	0	0
Tamco	0	0	0	0	416
Total	0	282	95	188	5,305

<b>Claims (1,000 dollars)</b>					
Total	2,873,720	7,117,901	2,294,936	45,735,627	80,788,617

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

Source: U.S. Customs and Border Protection's CDSOA *Annual Reports*. Retrieved from [www.cbp.gov/xp/cgov/import/add\\_cvd](http://www.cbp.gov/xp/cgov/import/add_cvd).

## **THE SUBJECT MERCHANDISE**

### **Commerce's Scope**

The imported product subject to the antidumping orders under review, as defined by Commerce in its final results of expedited reviews:

all steel concrete reinforcing bars (rebar) sold in straight lengths. Specifically excluded are plain rounds (i.e., non-deformed or smooth bars) and rebar that has been further processed through bending or coating.<sup>29</sup>

Unless specified otherwise, throughout this report the subject imported product as defined by Commerce and its domestically produced counterpart is referred to simply as “rebar.”

### **U.S. Tariff Treatment**

HTS subheading 7214.20.00 covers straight concrete reinforcing bars and rods, of iron or nonalloy steel, that are not further worked than forged, hot-rolled, hot-drawn, or hot-extruded, but including those twisted after rolling. The 2006 general rate of duty for this subheading is “Free.” The original orders mentioned only HTS subheading 7214.20.00 and “any other tariff item number.” Nonetheless, there are several subheadings, delineated by steel composition, under HTS headings 7222 (products of stainless steel) and 7228 (of alloy steel) for bars and rods, not further worked than hot-rolled, hot-drawn, or extruded. Concrete reinforcing bars are not specifically mentioned under any of these subheadings. Commerce’s final results of the expedited and full sunset reviews of the antidumping duty orders, however, explicitly included HTS statistical reporting numbers 7228.30.8050, 7222.11.0050, 7222.30.0000, 7228.60.6000, and 7228.20.1000,<sup>30</sup> all with a rate of duty of “Free.” This change followed entries of rebar from Latvia under the HTS number 7228.30.8050 during the review period.<sup>31</sup>

## **THE DOMESTIC LIKE PRODUCT**

### **Description and Applications**

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

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<sup>29</sup> “Deformed” refers to the pattern of uniformly shaped surface protrusions or ribs running across, and evenly spaced along, the length of a rebar. See 71 FR 70510, December 5, 2006. HTS subheadings will be addressed in the next section of the report entitled “U.S. Tariff Treatment.” Commerce stated that although the HTS subheadings are provided for convenience and customs purposes, its written description of the scope is dispositive.

<sup>30</sup> 71 FR 70509, December 5, 2006, and 72 FR 9732, March 5, 2007.

<sup>31</sup> Such entries were imported by \*\*\*.

Rebar generally is manufactured to conform with standards of the ASTM<sup>32</sup> which specify for each bar size the nominal unit weight, nominal dimensions, and deformation requirements (dimension and spacing of deformations), as well as chemical composition, tensile strength, yield strength (grade), and elongation tolerances. There are several ASTM specifications for rebar, based on steel composition.<sup>33</sup> Generally, deformed rebars of these various ASTM specifications are interchangeable except for use in seismic areas.<sup>34</sup>

Deformed and plain rebars are identified by distinguishing sets of raised marks legibly rolled onto the surface of one side of the bar to denote, in order, the producer's hallmark, mill designation, size designation, specification of the type of steel, and minimum-yield designation. Guidelines for use of deformed rebar in building construction are provided by the American Concrete Institute (ACI) 318 Code and in highway and bridge construction by the American Association of State Highway and Transportation Officials (AASHTO) Standard Specifications. Contents of the two specifications are similar and are applicable throughout the continental United States and in Puerto Rico.<sup>35</sup>

Rebar is available in sizes #3 through #18 specified by American Society for Testing and Materials ("ASTM") standards. These size numbers are about 8 times the respective nominal diameters<sup>36</sup> in inches (e.g., 3/8-inch rebar is designated as size #3 and 1-inch rebar is designated as size #8), although this relationship diverges somewhat for rebar larger than size #9.<sup>37</sup> Table I-8 presents data on U.S. producers' production and U.S. importers' imports of rebar in 2006 by size. Domestic rebar was concentrated in sizes #4 through #6, while imports were concentrated in sizes #3 through #5. There were no subject imports reported in 2006. U.S. producers offered a wider distribution of sizes than U.S. importers, although not all U.S. plants produce all sizes. For example, \*\*\*.<sup>38</sup>

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<sup>32</sup> The ASTM standards apply to both deformed and plain-round rebar, whether in straight lengths or coiled. There are separate and non-interchangeable standards for rebar with dimensions and designations in English units (e.g., ASTM A615) versus SI (metric) units (e.g., ASTM 615M).

<sup>33</sup> Both deformed and plain rebar are most commonly rolled from nonalloy billet steel to the requirements of ASTM A615/A615M. Rebar can also be re-rolled from the head (top) portion slit from scrapped nonalloy steel rails or re-rolled from scrapped axles of railroad rolling stock and locomotives (ASTM A996/A996M deformed rebar of either rail or axle steel, A616/A616M deformed and plain rebar of rail steel, and A617/A617M deformed and plain rebar of axle steel). For special applications (e.g., in seismic areas) that require a combination of strength, weldability, ductility, and bendability, ASTM A706/A706M (a high-strength low-alloy (HSLA) steel) is specified. Certain forged rebars of nonalloy or HSLA steel are covered under ASTM A970/A970M. There is also a standard for deformed and plain rebar of stainless steel (ASTM A955/A995M) for special applications requiring corrosion resistance (e.g., for long-term resistance to road salts and de-icing chemicals on bridges) or controlled magnetic permeability (e.g., for avoiding interference with hospital imaging equipment).

<sup>34</sup> *Steel Concrete Reinforcing Bars from Turkey*, Inv. No. 732-TA-745 (Final), USITC Publication 3034, April 1997.

<sup>35</sup> *Certain Steel Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine*, Invs. Nos. 731-TA-875, 880, and 882 (Final), USITC Publication 3425, May 2001.

<sup>36</sup> Nominal diameters of deformed rebar are equivalent to those of plain round bars of the same unit weight (mass) per foot (meter).

<sup>37</sup> Rebar is also available in metric sizes, with nominal diameters from 10 millimeters (mm) to 57 mm specified by ASTM standards.

<sup>38</sup> \*\*\*.



**Table I-8**  
**Rebar: U.S. producers' and importers' production and imports, by size, in 2006**

Item	Size by number											Total
	3	4	5	6	7	8	9	10	11	14/18	Other	
Quantity ( <i>short tons</i> )												
United States	226,655	1,724,862	1,992,467	1,141,926	550,848	593,269	439,835	285,102	477,084	33,893	248,217	7,714,159
Imports from all other sources	342,045	513,731	334,483	128,726	44,770	45,291	25,041	24,487	29,527	779	0	1,488,880
Share of quantity ( <i>percent</i> )												
United States	2.9	22.4	25.8	14.8	7.1	7.7	5.7	3.7	6.2	0.4	3.2	100.0
Imports from all other sources	23.0	34.5	22.5	8.6	3.0	3.0	1.7	1.6	2.0	0.1	0.0	100.0
Note.—There were no subject imports reported in importers' questionnaire responses in 2006.												
Source: Compiled from data submitted in response to Commission questionnaires.												

Rebar is shipped in various lengths, from less than 20 feet to more than 60 feet. Table I-9 presents data on U.S. producers' production and importers' imports in 2006, by length. Domestic production was greatest in the 60-foot and greater range, while imports were more prominent in the 20-40 foot range. There were no subject imports reported in 2006. According to representatives of two domestic rebar producers, there may be slight differences in prices between 20-, 40-, and 60-foot lengths, but typically prices are the same regardless of length; nevertheless, prices have been lower in the past for 20-foot lengths to be more competitive with imports.<sup>39</sup> A domestic distributor and fabricator of rebar reported paying a lesser price for 20-foot lengths in competition with imports, and a somewhat higher price for 60-foot lengths, a reflection of the additional freight handling costs of longer-length flat-bed truck trailers than for transporting 40-foot and 60-foot lengths.<sup>40</sup> Rebar prices are examined in more detail in Part V.

Certain rebar sizes and lengths tend to predominate among end uses. A considerable portion of smaller sizes #3-#5 are applied to light construction applications (e.g., residences, swimming pools, patios, and walkways). By contrast, heavy construction applications (e.g., high-rise buildings, commercial facilities, industrial structures, bridges, roads, etc.) utilize all sizes and lengths. Nevertheless, the larger sizes (#6 and above) and longer lengths (e.g., 60 foot and above) are almost exclusively utilized in heavy construction applications.<sup>41</sup>

<sup>39</sup> Hearing transcript, pp. 132-133 (McCullocks and Parrish).

<sup>40</sup> Hearing transcript, p. 133 (Koch).

<sup>41</sup> *Steel Concrete Reinforcing Bars from Turkey*, Inv. No. 732-TA-745 (Review), USITC Publication 3577, February 2003.

Table I-9

Rebar: U.S. producers' production and importers' imports, by source and length, 2006

Item	< 20'	≥ 20' but < 40'	≥ 40' but < 60'	≥ 60'	Total
<b>Quantity (short tons)</b>					
United States	352,194	1,993,174	1,818,474	3,531,410	7,695,252
Imports from all other sources	122,434	754,997	498,410	113,037	1,488,878
<b>Share of quantity (percent)</b>					
United States	4.6	25.9	23.6	45.9	100.0
Imports from all other sources	8.2	50.7	33.5	7.6	100.0
Note.—There were no subject imports reported in importers' questionnaire responses in 2006.					
Source: Compiled from data submitted in response to Commission questionnaires.					

### Manufacturing Process

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

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

Prior to rolling, newly cast billets, scrapped rails,<sup>42</sup> or scrapped railroad axles are heated to rolling temperature in a reheat furnace. The steel is reduced in size as it passes through successive rolling stands. Most modern rolling mills are in-line, and rebar of different sizes can be produced by changing the rolls. Deformations are rolled onto the surface of the rebar as it passes through the final finishing stand, which

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<sup>42</sup> For re-rolling rebar (or other bars or shapes) from scrapped nonalloy steel rails, the head (top) portion is slit from the web (middle) and foot (bottom) portions of the reheated rail. The slit head portion is used for rebar production whereas the web and foot portions can be re-rolled into other steel mill products including channels, angles, and flats.

has patterns cut into the grooves of the rolls.<sup>43</sup> After the rolling process, rebar is cut to length, before being sent to the cooling bed.

Many U.S. producers of rebar produce additional products using the same equipment, machinery, and production workers that are used to produce straight-length rebar. Other products include merchant and special-quality (SBQ) bars, and fence and sign posts. Production of coiled rebar requires laying heads (coilers), which most mills producing straight-length rebar lack.<sup>44</sup> Rebar mills equipped with laying heads usually also produce steel wire rod. Alternative products produced by U.S. mills are discussed in greater detail in Part III of this report.

### **Marketing**

Table I-10 presents detailed data on channels of distribution for U.S. producers' and importers' shipments of rebar collected during these reviews. Most U.S. producers' shipments were to firms that were either end users or end users that also distribute, whereas a minority of U.S. producers' shipments went to firms that were exclusively distributors. However, most U.S. importers' shipments were to distributors. Channels of distribution for U.S. producers' and importers' shipments are also discussed in Part II of this report.

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<sup>43</sup> When rolling plain rebar, with uniformly smooth surfaces rather than with deformations, smooth-grooved rolls are substituted in the final finishing stand.

<sup>44</sup> Domestic facilities capable of producing coiled rebar are Gerdau-Ameristeel's mill in Jacksonville, FL, Cascade's mill in McMinnville, OR, and Nucor's mill in Plymouth, UT, the latter two outside the region. Domestic producers' questionnaire responses.

Table I-10

## Rebar: Channels of distribution for U.S. producers' and U.S. importers' U.S. shipments of rebar, 2001-06

Share of quantity (percent)						
Item	2001	2002	2003	2004	2005	2006
<b>Shipments by national producers--</b>						
To distributors within the region	12.2	12.4	13.0	12.7	13.7	14.4
To distributors outside the region	6.5	6.4	6.9	6.9	6.5	6.3
Total shipments to distributors	18.7	18.8	19.9	19.6	20.2	20.7
To end users within the region	29.2	28.6	24.4	26.5	25.8	26.3
To end users outside the region	6.1	6.2	6.7	6.7	6.4	5.9
Total shipments to end users	35.3	34.7	31.1	33.2	32.2	32.2
To distributors/end users within the region	27.1	26.8	29.0	28.4	28.8	28.7
To distributors/end users outside the region	19.0	19.6	20.0	18.8	18.8	18.5
Total shipments to distributors/end users	46.0	46.4	49.0	47.2	47.7	47.2
<b>Shipments by producers within the specified region--</b>						
To distributors within the region	16.4	16.8	18.0	17.3	18.6	19.3
To distributors outside the region	1.2	1.3	1.4	1.6	1.2	1.1
Total shipments to distributors	17.6	18.1	19.5	18.9	19.8	20.4
To end users within the region	40.1	39.3	34.4	36.4	35.5	35.4
To end users outside the region	2.1	2.7	2.9	2.9	2.6	2.1
Total shipments to end users	42.2	42.0	37.2	39.3	38.1	37.5
To distributors/end users within the region	35.6	35.3	39.1	37.7	38.0	37.5
To distributors/end users outside the region	4.6	4.7	4.2	4.1	4.0	4.7
Total shipments to distributors/end users	40.2	40.0	43.3	41.8	42.1	42.2
<b>Shipments by producers outside the specified region--</b>						
To distributors within the region	1.5	1.5	1.6	1.4	1.8	1.5
To distributors outside the region	20.1	19.3	19.3	19.9	19.2	20.0
Total shipments to distributors	21.6	20.9	20.9	21.4	20.9	21.4
To end users within the region	1.5	1.6	1.8	2.0	2.5	2.3
To end users outside the region	16.3	15.0	15.4	16.1	15.4	15.9
Total shipments to end users	17.8	16.6	17.2	18.1	17.9	18.3
To distributors/end users within the region	5.5	5.5	6.1	5.3	6.6	5.5
To distributors/end users outside the region	55.1	57.1	55.8	55.2	54.6	54.9
Total shipments to distributors/end users	60.6	62.6	61.9	60.5	61.2	60.3

Table continued on the following page.

**Table I-10--Continued**

**Rebar: Channels of distribution for U.S. producers' and U.S. importers' U.S. shipments of rebar, 2001-06**

Share of quantity (percent)						
Item	2001	2002	2003	2004	2005	2006
<b>Shipments of imports from other sources--</b>						
To distributors within the region	79.3	81.8	85.9	67.9	70.5	57.3
To distributors outside the region	8.6	5.9	5.6	7.8	15.8	19.9
Total shipments to distributors	87.9	87.7	91.4	75.7	86.2	77.2
To end users within the region	4.6	3.9	3.2	10.4	2.5	9.7
To end users outside the region	1.2	0.4	0.3	4.9	5.3	3.3
Total shipments to end users	5.8	4.3	3.5	15.3	7.8	13.0
To distributors/end users within the region	5.4	7.9	5.0	6.5	5.0	8.3
To distributors/end users outside the region	0.9	0.2	0.0	2.5	0.9	1.5
Total shipments to distributors/end users	6.3	8.0	5.1	9.0	5.9	9.8
<sup>1</sup> Not applicable. Note.--Shipments to "distributors/end users" are shipments to firms that are both distributors and end users, whereas shipments "to distributors" are shipments to firms that are only distributors (i.e., not also end users) and shipments "to end users" are shipments to firms that are only end users (i.e., not also distributors). Because of rounding, figures may not add to totals shown. Note.--There were no subject imports from Indonesia, Moldova, or Ukraine during 2001-06. There were no reported imports from Belarus from responses to importers' questionnaires. Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this table concerning shipments of imports from China, Korea, Latvia, Poland, and shipments of all U.S. imports. Source: Compiled from responses to Commission questionnaires.						

## DOMESTIC LIKE PRODUCT ISSUES

In both its preliminary and final determinations in the original investigations, the Commission found that there was one domestic like product, coextensive with the scope of the investigations defined by Commerce as: "all steel concrete reinforcing bars (rebar) sold in straight lengths, currently classifiable in the HTS item number 7214.20.00...specifically excluded are plain rounds (i.e., non-deformed or smooth bars) and rebar that has been further processed through bending or coating."<sup>45</sup> In response to a question soliciting comments regarding the appropriate domestic like product in the Commission's notice of institution of these reviews, there were no objections to the Commission's definition of the domestic like product. Counsel for domestic interested parties provided the following comment: "Domestic producers agree with the definitions of domestic like product and domestic industry contained in the Notice of Institution."<sup>46</sup> Counsel for Latvian producer Joint Stock Co. Liepajas Metalurgs ("LM") provided the following comment: "LM does not contest the commission's definition of a single domestic like product that corresponds to the scope of the Department of Commerce's investigation and that was adopted in the initial investigation."<sup>47</sup> Counsel for Ukraine producer Mittal Steel Kryviy Rih ("Mittal") provided the following comment: "At this stage, the Mittal Respondent does not object to the above

<sup>45</sup> *Certain Steel Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine*, USITC Publication 3425, May 2001, pp. 4-5.

<sup>46</sup> Submission of domestic interested parties, September 20, 2006, p. 35.

<sup>47</sup> Submission of LM, September 20, 2006, p. 8.

definitions of the domestic like products. However, they reserve the right to address this like product issue in the course of the sunset review proceeding.<sup>48</sup> No party subsequently argued in favor of an alternative like product at the Commission's hearing or in prehearing or posthearing briefs.

## **U.S. MARKET PARTICIPANTS**

### **U.S. Producers**

The Commission sent producer questionnaires to nine firms known to be capable of producing rebar. Eight firms, encompassing 25 mills in which rebar is produced, supplied the Commission with complete information on their rebar operations in the United States. An additional firm, capable of producing the product, has not produced rebar to date nor envisions doing so in the future.<sup>49</sup> Eighteen of the mills are located inside the 30-State region and the other seven are located outside the region. Four firms comprising the original petitioning coalition (excluding Auburn Steel, Birmingham Steel, Marion Steel, and Riverview Steel)<sup>50</sup> accounted for \*\*\* percent of reported U.S. production within the region and \*\*\* percent of all reported rebar production in the United States during 2006. Table I-11 presents information on the producers both within and outside the specified region.

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<sup>48</sup> Submission of Mittal, September 20, 2006, p. 11.

<sup>49</sup> \*\*\*, \*\*\*, written correspondence to USITC staff, February 19, 2007.

<sup>50</sup> For more information about these former members of the petitioning coalition, *see* table III-1 in Part III of this report.

Table I-11

Rebar: U.S. mills within and outside the specified region, locations, shares of 2006 production, parent companies, and positions on the orders

Firm	Production locations	Share of 2006 production in region/nation (in percent)	Parent company	Position on the orders
<b>U.S. mills within the specified region</b>				
Border Steel, Inc.	Vinton, TX	***	BSRM Holdings Inc., El Paso, TX <sup>1</sup>	***
Chaparral Steel Co.	Midlothian, TX	***	None	***
Commercial Metals Co.	Magnolia, AR Cayce, SC Seguin, TX <b>Corporate total</b>	*** *** *** ***	None	***
Gerdau Ameristeel U.S., Inc.	Baldwin, FL Charlotte, NC Sayreville, NJ Jackson, TN Knoxville, TN <b>Corporate total</b>	*** *** *** *** *** ***	Gerdau Ameristeel, Corp., Ontario, Canada, owned *** percent by Gerdau, S.A., Porto Alegre, Brazil	***
Nucor Corp.	Birmingham, AL Kankakee, IL Jackson, MS Auburn, NY Marion, OH Darlington, SC Jewett, TX <b>Corporate total</b>	*** *** *** *** *** *** *** ***	None	***
Steel Dynamics Engineered Bar Products Division	Pittsboro, IN	***	None	***
<b>U.S. mills outside the specified region</b>				
Cascade Steel Rolling Mills, Inc.	McMinnville, OR	***	Schnitzer Steel Industries, Portland, OR	***
Gerdau Ameristeel U.S., Inc.	Wilton, IA St. Paul, MN Sand Springs, OK <b>Corporate total</b>	*** *** *** ***	Gerdau Ameristeel, Corp., Ontario, Canada, owned *** percent by Gerdau, S.A., Porto Alegre, Brazil	***
Nucor Corp.	Plymouth, UT Seattle, WA <b>Corporate total</b>	*** *** ***	None	***
TAMCO Steel	Rancho Cucamonga, CA	***	*** percent Ameron International Corp., Pasadena, CA; *** percent Mitsui, New York, NY; *** percent Tokyo Steel Mfg. Co., Ltd., Tokyo, Japan	***
Note.—Because of rounding, figures may not add to total shown.				
<sup>1</sup> In turn, owned by Mexican long-products producer Siderurgica Lazaro Cardenas las Truchas SA de CV (Sicartsa), until being acquired from the parent company, Mexico-based Grupo Villacero, by Arcelor Mittal Steel in April 2007. Phillip Price, "Arcelor Mittal Finalizes Purchase of Long Products Maker Sicartsa," <i>American Metal Market</i> , April 23, 2007.				
Source: Compiled from data submitted in response to Commission questionnaires.				

\*\*\* producers support continuing the antidumping duty orders on imports from Belarus, China, Indonesia, Korea, Latvia, Moldova, and Poland. \*\*\* support continuing the antidumping duties on Ukraine, for which \*\*\*.<sup>51</sup>

Two firms are owned by rebar producers located in nonsubject countries. Gerdau Ameristeel U.S. Inc's. parent company, Gerdau Ameristeel Corp., of Ontario, Canada, is \*\*\*-percent owned by Gerdau S.A., based in Brazil. TAMCO Steel is \*\*\*-percent owned by Tokyo Steel Manufacturing Co. Ltd., a Japanese producer. Also, Border Steel, and other facilities ultimately owned by Mexican long-products producer Sicartsa, were acquired from its Mexican parent company, Grupo Villacero, by Luxembourg-based Arcelor Mittal in April 2007.<sup>52</sup> In addition, information regarding the relationship between Commercial Metals Co. (CMC) and Polish Producer CMC Zawiercie appears in Part IV.

### **U.S. Importers**

Eighteen U.S. importers provided data in response to the Commission's questionnaires. These companies account for a substantial share of rebar imports from all sources (ranging from 70 to 84 percent during 2001-06).<sup>53</sup> Six importers replied that they did not import rebar from any country during the review period. Eleven firms did not respond to Commission questionnaires, and seven firms were not able to be contacted by Commission staff. Importers were concentrated in New York and Texas within the specified region, and in Minnesota and California outside the region. Four importers reported data for subject imports: \*\*\*, and all were located inside the region except for \*\*\*. Table I-12 presents a summary of information regarding U.S. importers of rebar from all sources.

### **U.S. Purchasers**

In response to purchaser questionnaires sent by the Commission to 40 firms, 22 purchasers supplied questionnaires and two reported that they had not purchased the subject product during the period for which data were collected. Of these responding firms, six have main offices located in Texas, while the others have main offices located in various states including California, Florida, Georgia, Idaho, Illinois, Massachusetts, Mississippi, Nevada, Pennsylvania, Tennessee, and Washington.<sup>54</sup> During 2001-06, all 22 of these firms purchased all or part of their rebar from U.S. producers. Four purchasers bought small quantities of imports from one or more subject countries including China, Korea, Latvia, and Poland during the period. Fourteen of the purchasers bought imports from nonsubject sources during 2001-06. Nine of the firms operate exclusively as distributors while the others are fabricators or end users that also function as distributors in some cases. Five of the purchasers are owned fully or partially by U.S. rebar producers.

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<sup>51</sup> \*\*\* questionnaire response.

<sup>52</sup> Phillip Price, "Arcelor Mittal Finalizes Purchase of Long Products Maker Sicartsa," *American Metal Market*, April 23, 2007.

<sup>53</sup> Two additional importers, \*\*\*, provided questionnaire responses without usable data.

<sup>54</sup> One firm's main office is located in Ontario, but it operates U.S. establishments in Arizona, California, Idaho, Massachusetts, Pennsylvania, and Utah.



**Table-I-12**

**Rebar: U.S. importers, source of imports, U.S. headquarters, and parent companies**

Firm	Source of imports	Headquarters	Parent company
<b>U.S. Importers Within the Specified Region</b>			
Arcelor International America, LLC	***	New York, NY	Mittal Steel Co., N.V., Rotterdam, Netherlands ***%
Commercial Metals Co.	***	Irving, TX	None, but related to CMC Dallas Trading, Irving, TX, also owned by CMC.
CCC Steel GmbH & Co. KG	***	Hamburg Germany; (ports of entry inside the region)	***% CCC International, Hamburg, Germany; ***% Rosularia, Hamburg, Germany
Duferco Steel, Inc.	***	Matawan, NJ	Nina Finance (Luxembourg) ***%
Ferromontan, Inc.	***	San Juan, Puerto Rico	Otto Wolff, Dusseldorf, Germany ***%
Gerdau Ameristeel US, Inc.	***	Tampa, FL	Gerdau Ameristeel, Corp., Ontario, Canada, owned ***% by Gerdau, S.A., Porto Alegre, Brazil
Global Market Services, Inc.	***	New York, NY	***
Man Ferrostal, Inc.	***	Houston, TX	Man Capitol Corp., New York, NY ***%
Mitsui Steel, Inc.	***	Houston, TX	Mitsui & Co., Ltd., Tokyo, Japan ***%
Rio Grande Steel, Ltd.	***	McAllen, TX	None
S & P Steel Products and Services, Inc.	***	Laredo, TX	VI Industries, Inc., Wilmington, DE ***%
SEBA International, Ltd.	***	Houston, TX	None
Stemcor USA, Inc.	***	New York, NY	Stemcor Holdings, Ltd., London, UK
TATA, Inc.	***	New York, NY	TATA Steel, Ltd., Mumbai, India ***%
Thyssen Krupp Materials North America, Inc.	***	Southfield, MI	TK USA, Inc., Troy, MI ***
Voest-Alpine Intertrading, AG	***	Houston, TX	Management, Linz, Austria ***%; Voest-Alpine, AG, Linz, Austria ***%; V-A Technology, AG, Linz, Austria ***%; RZB Bank, Vienna, Austria ***%; Bunk Austria, Vienna, Austria ***%; Erste Bank, Vienna, Austria ***%
<b>U.S. Importers Outside the Specified Region</b>			
Cargill, Inc.	***	Minnetonka, MN	None
Dongkuk International, Inc. (DKI)	***	Torrance, CA	***% Dongkuk Steel Mill, Seoul, Korea; ***%t Union Steel, Seoul, Korea; ***% KISCO, Changwon, Korea
Source: Compiled from data submitted in response to Commission questionnaires.			

## APPARENT U.S. CONSUMPTION AND MARKET SHARES

Tables I-13 and I-14 present apparent U.S. consumption for the review period and tables I-15 through I-17 present U.S. market shares. Apparent consumption on a national basis generally increased during the period of review, with U.S. national producers' market share fluctuating to a peak in 2003 and a low in 2006, at the same time that market share for subject imports fluctuated from a peak in 2001 to disappear in 2006, and nonsubject imports generally gained market share, with a corresponding low point in 2003.

Regional apparent consumption fluctuated from 2001 to 2006, ending distinctly higher during the latter part of the period than the earlier part of the period. Regional producers experienced a fluctuating market share, ending with a decreased market share in 2006 compared with 2001. Outside the region, U.S. producers maintained a much larger share of expanding consumption.

### REGIONAL INDUSTRY CONSIDERATIONS

The following tabulation presents data relating to the Commission's determination regarding the appropriateness of a regional industry analysis in these reviews regarding the domestic industry.

Item	2001	2002	2003	2004	2005	2006
Share of regional U.S. producers' U.S. shipments within the specified region (percent)	92.4	92.3	92.6	92.3	93.5	93.0
Share of regional demand supplied by U.S. producers outside the specified region (percent)	2.6	2.8	3.7	2.7	3.7	2.6
Source: See tables C-1, C-2, and C-3.						

Table I-18 presents data comparing imports from subject countries to within-region and outside-of-region consumption, as well as to total imports within the specified region.

Table I-13

## Rebar: U.S. shipments of domestic product, U.S. imports, by sources, and apparent U.S. consumption, 2001-06

	2001	2002	2003	2004	2005	2006
<b>Item</b>	<b>Quantity (short tons)</b>					
Shipments by regional producers	4,302,371	4,395,879	5,186,342	4,793,833	5,243,772	5,375,098
Shipments by non-regional producers	1,701,909	1,746,553	2,293,061	1,934,035	2,172,468	2,045,918
U.S. imports from--						
Belarus	0	2,820	0	0	0	0
China	47	21	0	169	60	3
Korea	118,469	0	0	0	5,516	0
Latvia	33,662	45,904	50,522	121,881	36,646	0
Poland	26,884	0	0	7,303	0	129
Subtotal	179,061	48,746	50,522	129,352	42,222	133
All other	1,551,751	1,177,809	962,562	1,861,470	1,410,136	2,454,275
Total U.S. imports	1,730,812	1,226,554	1,013,084	1,990,822	1,452,358	2,454,407
Apparent U.S. consumption	7,735,092	7,368,986	8,492,487	8,718,690	8,868,598	9,875,423
<b>Value (\$1,000)</b>						
Shipments by regional producers	1,139,888	1,137,280	1,445,705	2,116,051	2,439,075	2,770,112
Shipments by non-regional producers	472,667	462,137	665,710	877,822	1,071,607	1,102,831
U.S. imports from--						
Belarus	0	577	0	0	0	0
China	23	13	0	173	18	4
Korea	26,314	0	0	0	2,262	0
Latvia	6,761	10,720	14,316	42,001	15,059	0
Poland	5,943	0	0	2,789	0	50
Subtotal	39,042	11,310	14,316	44,963	17,339	54
All other	348,890	263,224	269,131	881,861	600,627	1,084,640
Total U.S. imports	387,932	274,535	283,447	926,824	617,966	1,084,694
Apparent U.S. consumption	2,000,487	1,873,951	2,394,862	3,920,696	4,128,649	4,957,637
<p>Note.--Because of rounding, figures may not add to totals shown. There were no subject imports from Indonesia, Moldova, or Ukraine during 2001-06. ***. Data for Latvia are for imports under HTS subheading 7214.20.00 plus imports under HTS statistical reporting number 7228.30.8050 from official Commerce statistics. In addition, a ***. All other import data presented are from official Commerce statistics under HTS subheading 7214.20.00.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.</p>						

Table I-14

Rebar: U.S. shipments of domestic product, U.S. imports, by sources, and apparent consumption, within and outside the specified region, 2001-06

Item	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
Within the specified region:						
Shipments by regional producers within the specified region	3,973,962	4,055,496	4,802,331	4,423,373	4,901,788	4,998,517
Shipments by non-regional producers into the specified region	145,438	150,445	218,253	168,422	236,191	188,951
U.S. imports into the specified region from--						
Belarus	0	2,820	0	0	0	0
China	47	21	0	15	43	0
Korea	84,188	0	0	0	0	0
Latvia	33,662	45,904	50,522	121,881	36,646	0
Poland	26,553	0	0	6,927	0	129
Subtotal	144,449	48,746	50,522	128,823	36,688	129
All other	1,296,320	1,099,441	888,404	1,574,058	1,216,390	2,013,740
Total U.S. imports	1,440,769	1,148,186	938,926	1,702,880	1,253,079	2,013,869
Apparent consumption	5,560,169	5,354,127	5,959,510	6,294,675	6,391,058	7,201,337
Outside the specified region:						
Shipments by regional producers outside the specified region	328,409	340,383	384,011	370,460	341,984	376,581
Shipments by non-regional producers outside the specified region	1,556,471	1,596,108	2,074,808	1,765,613	1,936,277	1,856,967
U.S. imports outside the specified region from--						
Belarus	0	0	0	0	0	0
China	0	0	0	154	18	3
Korea	34,281	0	0	0	5,516	0
Latvia	0	0	0	0	0	0
Poland	331	0	0	376	0	0
Subtotal	34,612	0	0	530	5,534	3
All other	255,431	78,368	74,158	287,412	193,745	440,535
Total U.S. imports	290,043	78,368	74,158	287,942	199,279	440,538
Apparent consumption	2,174,923	2,014,859	2,532,977	2,424,015	2,477,540	2,674,086

Continued on the following page.

Table I-14--Continued

Rebar: U.S. shipments of domestic product, U.S. imports, by sources, and apparent consumption, within and outside the specified region, 2001-06

Item	2001	2002	2003	2004	2005	2006
Value (\$1,000)						
Within the specified region:						
Shipments by regional producers within the specified region	1,049,843	1,047,928	1,337,181	1,952,326	2,274,582	2,567,108
Shipments by non-regional producers into the specified region	42,810	43,034	68,723	77,524	113,829	98,886
U.S. imports into the specified region from--						
Belarus	0	577	0	0	0	0
China	23	13	0	15	13	0
Korea	18,688	0	0	0	0	0
Latvia	6,761	10,720	14,316	42,001	15,059	0
Poland	5,779	0	0	2,254	0	50
Subtotal	31,251	11,310	14,316	44,270	15,073	50
All other	291,353	244,537	246,135	747,255	518,875	892,702
Total U.S. imports	322,605	255,848	260,452	791,525	533,948	892,752
Apparent consumption	1,415,257	1,346,810	1,666,355	2,821,376	2,922,359	3,558,746
Outside the specified region:						
Shipments by regional producers outside the specified region	90,046	89,352	108,524	163,724	164,493	203,004
Shipments by non-regional producers outside the specified region	429,857	419,103	596,987	800,298	957,777	1,003,945
U.S. imports outside the specified region from--						
Belarus	0	0	0	0	0	0
China	0	0	0	158	5	4
Korea	7,626	0	0	0	2,262	0
Latvia	0	0	0	0	0	0
Poland	164	0	0	534	0	0
Subtotal	7,790	0	0	692	2,267	4
All other	57,537	18,687	22,996	134,606	81,752	191,938
Total U.S. imports	65,327	18,687	22,996	135,299	84,019	191,943
Apparent consumption	585,231	527,142	728,506	1,099,321	1,206,289	1,398,892
<p>Note.--Because of rounding, figures may not add to totals shown. There were no subject imports from Indonesia, Moldova, or Ukraine during 2001-06. ***. Data for Latvia are for imports under HTS subheading 7214.20.00 plus imports under HTS statistical reporting number 7228.30.8050 from official Commerce statistics. In addition, a ***. All other import data presented are from official Commerce statistics under HTS subheading 7214.20.00.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.</p>						

Table I-15

Rebar: Apparent U.S. consumption and market shares for the nation, 2001-06

Item	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
Apparent U.S. consumption	7,735,092	7,368,986	8,492,487	8,718,690	8,868,598	9,875,423
<b>Value (\$1,000)</b>						
Apparent U.S. consumption	2,000,487	1,873,951	2,394,862	3,920,696	4,128,649	4,957,637
<b>Share of quantity (percent)</b>						
Shipments by regional producers	55.6	59.7	61.1	55.0	59.1	54.4
Shipments by non-regional producers	22.0	23.7	27.0	22.2	24.5	20.7
U.S. imports from--						
Belarus	0.0	( <sup>1</sup> )	0.0	0.0	0.0	0.0
China	( <sup>1</sup> )	( <sup>1</sup> )	0.0	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Korea	1.5	0.0	0.0	0.0	0.1	0.0
Latvia	0.4	0.6	0.6	1.4	0.4	0.0
Poland	0.3	0.0	0.0	0.1	0.0	( <sup>1</sup> )
Subtotal	2.3	0.7	0.6	1.5	0.5	( <sup>1</sup> )
All other	20.1	16.0	11.3	21.4	15.9	24.9
Total U.S. imports	22.4	16.6	11.9	22.8	16.4	24.9
<b>Share of value (percent)</b>						
Shipments by regional producers	57.0	60.7	60.4	54.0	59.1	55.9
Shipments by non-regional producers	23.6	24.7	27.8	22.4	26.0	22.2
U.S. imports from--						
Belarus	0.0	( <sup>1</sup> )	0.0	0.0	0.0	0.0
China	( <sup>1</sup> )	( <sup>1</sup> )	0.0	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Korea	1.3	0.0	0.0	0.0	0.1	0.0
Latvia	0.3	0.6	0.6	1.1	0.4	0.0
Poland	0.3	0.0	0.0	0.1	0.0	( <sup>1</sup> )
Subtotal	2.0	0.6	0.6	1.1	0.4	( <sup>1</sup> )
All other	17.4	14.0	11.2	22.5	14.5	21.9
Total U.S. imports	19.4	14.7	11.8	23.6	15.0	21.9
<p>Note.—Because of rounding, figures may not add to totals shown. There were no subject imports from Indonesia, Moldova, or Ukraine during 2001-06. ***. Data for Latvia are for imports under HTS subheading 7214.20.00 plus imports under HTS statistical reporting number 7228.30.8050 from official Commerce statistics. In addition, a ***. All other import data presented are from official Commerce statistics under HTS subheading 7214.20.00.</p> <p><sup>1</sup> Less than 0.05 percent.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.</p>						

**Table I-16**  
**Rebar: Apparent consumption and market shares within the specified region, 2001-06**

Item	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
Apparent consumption	5,560,169	5,354,127	5,959,510	6,294,675	6,391,058	7,201,337
<b>Value (\$1,000)</b>						
Apparent consumption	1,415,257	1,346,810	1,666,355	2,821,376	2,922,359	3,558,746
<b>Share of quantity (percent)</b>						
Shipments by regional producers within the specified region	71.5	75.7	80.6	70.3	76.7	69.4
Shipments by non-regional producers into the specified region	2.6	2.8	3.7	2.7	3.7	2.6
U.S. imports into the specified region from--						
Belarus	0.0	0.1	0.0	0.0	0.0	0.0
China	( <sup>1</sup> )	( <sup>1</sup> )	0.0	( <sup>1</sup> )	( <sup>1</sup> )	0.0
Korea	1.5	0.0	0.0	0.0	0.0	0.0
Latvia	0.6	0.9	0.8	1.9	0.6	0.0
Poland	0.5	0.0	0.0	0.1	0.0	( <sup>1</sup> )
Subtotal	2.6	0.9	0.8	2.0	0.6	( <sup>1</sup> )
All other	23.3	20.5	14.9	25.0	19.0	28.0
Total U.S. imports	25.9	21.4	15.8	27.1	19.6	28.0
<b>Share of value (percent)</b>						
Shipments by regional producers within the specified region	74.2	77.8	80.2	69.2	77.8	72.1
Shipments by non-regional producers into the specified region	3.0	3.2	4.1	2.7	3.9	2.8
U.S. imports into the specified region from--						
Belarus	0.0	( <sup>1</sup> )	0.0	0.0	0.0	0.0
China	( <sup>1</sup> )	( <sup>1</sup> )	0.0	( <sup>1</sup> )	( <sup>1</sup> )	0.0
Korea	1.3	0.0	0.0	0.0	0.0	0.0
Latvia	0.5	0.8	0.9	1.5	0.5	0.0
Poland	0.4	0.0	0.0	0.1	0.0	( <sup>1</sup> )
Subtotal	2.2	0.8	0.9	1.6	0.5	( <sup>1</sup> )
All other	20.6	18.2	14.8	26.5	17.8	25.1
Total U.S. imports	22.8	19.0	15.6	28.1	18.3	25.1
<p>Note.--Because of rounding, figures may not add to totals shown. There were no subject imports from Indonesia, Moldova, or Ukraine during the period of review. ***. Data for Latvia for 2001-06 are for imports under HTS subheading 7214.20.00 plus imports under HTS statistical reporting number 7228.30.8050 from official Commerce statistics. In addition, a ***. All other import data presented are from official Commerce statistics under HTS subheading 7214.20.00.</p> <p><sup>1</sup> Less than 0.05 percent.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.</p>						

Table I-17

Rebar: Apparent consumption and market shares outside the specified region, 2001-06

Item	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
Apparent consumption	2,174,923	2,014,859	2,532,977	2,424,015	2,477,540	2,674,086
<b>Value (\$1,000)</b>						
Apparent consumption	585,231	527,142	728,506	1,099,321	1,206,289	1,398,892
<b>Share of quantity (percent)</b>						
Shipments by regional producers outside the specified region	15.1	16.9	15.2	15.3	13.8	14.1
Shipments by non-regional producers outside the specified region	71.6	79.2	81.9	72.8	78.2	69.4
U.S. imports outside the specified region from--						
Belarus	0.0	0.0	0.0	0.0	0.0	0.0
China	0.0	0.0	0.0	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Korea	1.6	0.0	0.0	0.0	0.2	0.0
Latvia	0.0	0.0	0.0	0.0	0.0	0.0
Poland	( <sup>1</sup> )	0.0	0.0	( <sup>1</sup> )	0.0	0.0
Subtotal	1.6	0.0	0.0	( <sup>1</sup> )	0.2	( <sup>1</sup> )
All other	11.7	3.9	2.9	11.9	7.8	16.5
Total U.S. imports	13.3	3.9	2.9	11.9	8.0	16.5
<b>Share of value (percent)</b>						
Shipments by regional producers outside the specified region	15.4	17.0	14.9	14.9	13.6	14.5
Shipments by non-regional producers outside the specified region	73.5	79.5	81.9	72.8	79.4	71.8
U.S. imports outside the specified region from--						
Belarus	0.0	0.0	0.0	0.0	0.0	0.0
China	0.0	0.0	0.0	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Korea	1.3	0.0	0.0	0.0	0.2	0.0
Latvia	0.0	0.0	0.0	0.0	0.0	0.0
Poland	( <sup>1</sup> )	0.0	0.0	( <sup>1</sup> )	0.0	0.0
Subtotal	1.3	0.0	0.0	0.1	0.2	( <sup>1</sup> )
All other	9.8	3.5	3.2	12.2	6.8	13.7
Total U.S. imports	11.2	3.5	3.2	12.3	7.0	13.7
<p>Note.--Because of rounding, figures may not add to totals shown. There were no subject imports from Indonesia, Moldova, or Ukraine during 2001-06. ***. Data for Latvia are for imports under HTS subheading 7214.20.00 plus imports under HTS statistical reporting number 7228.30.8050 from official Commerce statistics. In addition, a ***. All other import data presented are from official Commerce statistics under HTS subheading 7214.20.00.</p> <p><sup>1</sup> Less than 0.05 percent.</p> <p>Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.</p>						



Table I-18

## Rebar: Comparisons of imports, by country, to regional consumption and total imports, 2001-06

Item	2001	2002	2003	2004	2005	2006
<b>Belarus:</b> Ratio of imports from Belarus to consumption within the specified region	0.0	0.1	0.0	0.0	0.0	0.0
Ratio of imports from Belarus to consumption outside the specified region	0.0	0.0	0.0	0.0	0.0	0.0
Ratio of imports from Belarus within the specified region to total imports from Belarus	( <sup>1</sup> )	100.0	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
<b>China:</b> Ratio of imports from China to consumption within the specified region	0.0	0.0	0.0	0.0	0.0	0.0
Ratio of imports from China to consumption outside the specified region	0.0	0.0	0.0	0.0	0.0	0.0
Ratio of imports from China within the specified region to total imports from China	100.0	100.0	( <sup>1</sup> )	8.8	70.4	0.0
<b>Korea:</b> Ratio of imports from Korea to consumption within the specified region	1.5	0.0	0.0	0.0	0.0	0.0
Ratio of imports from Korea to consumption outside the specified region	1.6	0.0	0.0	0.0	0.2	0.0
Ratio of imports from Korea within the specified region to total imports from Korea	71.1	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	0.0	( <sup>1</sup> )
<b>Latvia:</b> Ratio of imports from Latvia to consumption within the specified region	0.6	0.9	0.8	1.9	0.6	0.0
Ratio of imports from Latvia to consumption outside the specified region	0.0	0.0	0.0	0.0	0.0	0.0
Ratio of imports from Latvia within the specified region to total imports from Latvia	100.0	100.0	100.0	100.0	100.0	( <sup>1</sup> )
<b>Poland:</b> Ratio of imports from Poland to consumption within the specified region	0.5	0.0	0.0	0.1	0.0	0.0
Ratio of imports from Poland to consumption outside the specified region	0.0	0.0	0.0	0.0	0.0	0.0
Ratio of imports from Poland within the specified region to total imports from Poland	98.8	( <sup>1</sup> )	( <sup>1</sup> )	94.9	( <sup>1</sup> )	100.0
<b>Subject Imports:</b> Ratio of subject imports to consumption within the specified region	2.6	0.9	0.8	2.0	0.6	0.0
Ratio of subject imports to consumption outside the specified region	1.6	0.0	0.0	0.0	0.2	0.0
Ratio of subject imports within the specified region to total subject imports	80.7	100.0	100.0	99.6	86.9	97.4
<sup>1</sup> Not applicable.						
Note.—There were no subject imports from Indonesia, Moldova, or Ukraine during 2001-06.						
Source: See tables C-1, C-2, and C-3.						



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

### **MARKET CHARACTERISTICS**

Because rebar is used in concrete reinforcement, the U.S. market for this product is closely tied to the construction activity in the United States. Major end-use products requiring rebar include roads and bridges, commercial and industrial construction, residential construction, and public construction.<sup>1</sup> Hearing testimony indicates that nonresidential construction accounts for a larger share of rebar use than residential construction.<sup>2</sup> When purchasers were asked whether the market for rebar is subject to business cycles, opinions were varied. However, several purchasers reported that the level of construction activity slows during winter months due to inclement weather, resulting in a reduced demand for rebar.

While some manufactured rebar is used in construction applications with no further processing, a large share is also sold to fabricators that process the rebar further before it is finally used in construction applications. Three U.S. producers, CMC, Gerdau, and Nucor, all own purchasing firms that operate as fabricators and/or distributors. These purchasing firms obtain the rebar for fabrication or distribution from their parent companies and in some cases from other producers and import suppliers.

U.S. producers and importers sell to the same categories of customers, but the proportions vary. During 2001-06, producers were more likely to sell to end users or to firms that function both as end users and distributors rather than those that function solely as distributors. In contrast, the majority of all importers sell principally to distributors. Table II-1 presents the shares of total U.S. producer shipments and shipments of imports from China, Korea, Latvia, Poland, and nonsubject countries that went to end users, distributors, and distributors/endusers on an annual basis both inside and outside the specified region.<sup>3</sup> There were no importer shipment data for imports of rebar from Belarus, Indonesia, Moldova, or Ukraine.<sup>4</sup> Table II-2 discusses the geographic distribution of U.S. shipments of rebar.

The reported lead times for delivery of U.S.-produced and imported rebar from subject and nonsubject countries varies widely. In the case of producers, if the item is held in inventory, delivery ranges from one to seven days. For non-inventory orders which account for the majority of producer sales, the lead times range from 25 to 60 days for firms both inside and outside of the region. For responding importers of rebar from the subject countries, non-inventory orders (which constitute the bulk of sales) have lead times ranging from 90 to 120 days. Among nonsubject importers, the lead time for non-inventory orders, which also account for most sales, is 30 to 120 days.

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<sup>1</sup> One U.S. producer also reported that rebar is used in the manufacture of mine roof bolts.

<sup>2</sup> Jim Fritch, Executive Vice President of CMC Steel Group testified at the hearing that nonresidential construction spending tends to be a “ bigger driver” of demand for rebar than residential construction spending. Hearing transcript, pp. 74-75 (Fritch).

<sup>3</sup> The specified region includes Alabama, Arkansas, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, West Virginia and Wisconsin; as well as Puerto Rico and the District of Columbia. All other states are considered outside of the specified region.

<sup>4</sup> For additional details on channel structure on a regional basis, please refer to table I-10.

Table II-1

Rebar: Channels of distribution for domestic product and imports<sup>1</sup> sold in the U.S. market (as a share of total shipments), by year and by source, 2001-06

Item	2001	2002	2003	2004	2005	2006
<b>Share of quantity (percent)</b>						
<b>Total shipments by all U.S. producers</b>						
To distributors	18.7	18.8	19.9	19.6	20.2	20.7
To end users	35.3	34.7	31.1	33.2	32.2	32.2
To distributor/end users	46.0	46.4	49.0	47.2	47.7	47.2
Total	100.0	100.0	100.0	100.0	100.0	100.0
<b>Shipments by U.S. producers within the specified region</b>						
To distributors	17.6	18.1	19.5	18.9	19.8	20.4
To end users	42.2	42.0	37.2	39.3	38.1	37.5
To distributor/end users	40.2	40.0	43.3	41.8	42.1	42.2
Total	100.0	100.0	100.0	100.0	100.0	100.0
<b>Shipments by U.S. producers outside the specified region</b>						
To distributors	21.6	20.9	20.9	21.4	20.9	21.4
To end users	17.8	16.6	17.2	18.1	17.9	18.3
To distributor/end users	60.6	62.6	61.9	60.5	61.2	60.3
Total	100.0	100.0	100.0	100.0	100.0	100.0
<b>Shipments of imports from China</b>						
To distributors	***	***	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
To end users	***	***	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
To distributor/end users	***	***	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Total	***	***	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
<b>Shipments of imports from Korea</b>						
To distributors	***	***	( <sup>2</sup> )	( <sup>2</sup> )	***	( <sup>2</sup> )
To end users	***	***	( <sup>2</sup> )	( <sup>2</sup> )	***	( <sup>2</sup> )
To distributor/end users	***	***	( <sup>2</sup> )	( <sup>2</sup> )	***	( <sup>2</sup> )
Total	***	***	( <sup>2</sup> )	( <sup>2</sup> )	***	( <sup>2</sup> )

Continued on the following page.

Table II-1--Continued

Rebar: Channels of distribution for domestic product and imports<sup>1</sup> sold in the U.S. market (as a percent of total shipments), by year and by source, 2001-06

Item	2001	2002	2003	2004	2005	2006
<b>Share of quantity (percent)</b>						
<b>Shipments of imports from Latvia</b>						
To distributors	***	***	***	***	***	( <sup>2</sup> )
To end users	***	***	***	***	***	( <sup>2</sup> )
To distributor/end users	***	***	***	***	***	( <sup>2</sup> )
Total	***	***	***	***	***	( <sup>2</sup> )
<b>Shipments of imports from Poland</b>						
To distributors	***	***	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
To end users	***	***	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
To distributor/end users	***	***	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Total	***	***	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
<b>Shipments of imports from nonsubject countries</b>						
To distributors	87.9	87.7	91.4	75.7	86.2	77.2
To end users	5.8	4.3	3.5	15.3	7.8	13.0
To distributor/end users	6.3	8.0	5.1	9.0	5.9	9.8
Total	100.0	100.0	100.0	100.0	100.0	100.0
<sup>1</sup> There were no reported imports from Belarus, Indonesia, Moldova, or Ukraine. <sup>2</sup> Not applicable.						
Source: Compiled from data submitted in response to Commission questionnaires.						

**Table II-2**

**Rebar: Geographic market areas in the United States served by domestic producers and importers of subject product**

Region	Producers	Importers from subject countries	Importers from nonsubject countries
Within the specified region			
Northern States <sup>1</sup>	3	3	5
Southern States <sup>2</sup>	4	3	10
Outside the specified region			
Northern States <sup>3</sup>	4	0	3
Southern States <sup>4</sup>	6	1	9
<sup>1</sup> Includes Connecticut, Delaware, Illinois, Indiana, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, West Virginia, and Wisconsin. <sup>2</sup> Includes Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, South Carolina, Tennessee, Texas, Virginia, plus the District of Columbia and Puerto Rico. <sup>3</sup> Includes Alaska, Idaho, Iowa, Minnesota, Montana, Nebraska, North Dakota, Oregon, South Dakota, Washington, and Wyoming. <sup>4</sup> Includes Arizona, California, Colorado, Hawaii, Kansas, New Mexico, Nevada, Oklahoma, Utah, plus the Virgin Islands.			
Source: Compiled from data submitted in response to Commission questionnaires.			

## SUPPLY AND DEMAND CONSIDERATIONS

### U.S. Supply

#### Domestic Industry

The response of the domestic industry to increased competition resulting from the removal of the antidumping duties is likely to depend upon such factors as the level of industry capacity utilization, the level of inventories, costs of production, the availability of export markets, and the flexibility of shifting production equipment to other products.

Some excess capacity has existed in the industry throughout the 2001-06 period, while the ratio of inventories to shipments was moderate during this period both nationally and inside and outside of the region. U.S. producers' capacity utilization for the national market ranged from a low of 77.9 percent in 2001 to a high of 90.1 percent in 2005. During 2006, it was 89.4 percent. The capacity utilization rate within the specified region ranged from a low of 76.6 percent in 2001 to a high of 88.7 percent in 2006. Outside of the region, the capacity utilization rate ranged from a low of 81.1 percent to a high of 94.2 percent in 2003. During 2006, the rate outside the region was 91.2 percent. The ratio of inventories to total shipments for the national market ranged from a low of \*\*\* percent in \*\*\* to a high of \*\*\* percent in \*\*\* and was \*\*\* percent in 2006. The ratio of inventories to total shipments for producers located within the region ranged between \*\*\* percent and \*\*\* percent during 2001-06. The ratio of inventories to total shipments for producers located outside the region ranged between \*\*\* percent and \*\*\* percent during this period.

Exports consistently accounted for about \*\*\* percent of total shipments annually during the entire 2001-06 period. When asked whether they could easily shift sales from the U.S. market to exports,

none of the six responding producers located inside and outside of the region reported that this would be feasible. In general, producers reported that they are best equipped to serve local and regional markets in the United States and are not well equipped to compete in other markets due to price competition from foreign suppliers. Two firms that currently export to Canada reported that if they attempted to expand exports to this market they would face aggressive competition from China.

Six of eight U.S. producers reported that they produce other products including wire rod, coiled rebar, special bar merchant bar products, and special bar quality bar products on the same equipment and machinery used to produce rebar and/or using the same production and/or related workers used to produce rebar. Producers were asked whether they would be able to switch production between rebar and other products in response to changes in the price of rebar relative to the price of other products, using the same equipment and labor. Among firms that responded to this question, two answered that such a switch would only bring an excess supply of the other products onto the market. Another firm reported that the conversion for making merchant bar would be expensive and would involve a long lead time.

### **Subject Import Supply**

The ability of rebar producers from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine to increase or decrease shipments of rebar to the U.S. market depends upon such factors as capacity utilization rates, planned expansions in capacity, current inventory levels, current levels of both home market sales and exports to markets other than the United States, and the potential for the diversion of shipments to the United States. While foreign producer data for examining this issue are available for Belarus, Korea, Latvia, Moldova, Poland, and Ukraine, no foreign producer data for Indonesia are available. In the case of China, limited industry data are available.

### **Belarus**

During the 2001-06 period, the sole Belarusian producer, BSW, reported consistently high capacity utilization rates ranging from a low of \*\*\* percent in \*\*\* to a high of \*\*\* percent in \*\*\*. During 2006, BSW operated at a \*\*\* percent capacity utilization rate. The rate is projected to be \*\*\* percent in both 2007 and 2008. This suggests that this industry has little, if any, capability to expand production. BSW reported \*\*\* end-of-period inventories during the 2001-06 period. The European Union has been an important destination for Belarus shipments during this period. Shipments to the European Union ranged from a low of \*\*\* percent of total shipments in \*\*\* to a high of \*\*\* percent in \*\*\*. \*\*\* shares of these shipments went to the Belarus home market and the Asian markets. All other markets excluding the European Union, the home market, and Asia, accounted for between \*\*\* percent and \*\*\* percent of total shipments during 2001-06. There were no reported exports to the United States during these years. These data suggest that BSW may have the potential to shift sales from the European Union and other markets to the United States.

### **China**

Information based upon very limited data shows that Chinese production tripled between 2000 and 2006, rising from 29.5 million short tons in 2000 to \*\*\* short tons in 2006. Exports as a share of production increased from 1.2 percent in 2000 to \*\*\* percent in 2006. China's leading markets for rebar are Canada, Hong Kong, Korea, and Singapore (see table IV-14). Exports to all of these markets have increased in recent years, with Korea accounting for the greatest growth. Exports to the United States, in contrast, have been very small during 2001-06. With a large home market, and growing export markets, China may have potential for shifting some sales to the United States.

## **Korea**

While detailed information is only available from the largest Korean producer, Hyundai, the Korean Iron and Steel Institute estimates that there were five leading Korean rebar producers in 2006. This Institute estimated that Hyundai accounted for \*\*\* percent of rebar production in 2006 followed by Dongkuk (\*\*\* percent), Hankuk Steel (\*\*\* percent), YK steel (\*\*\* percent), and Daihan (\*\*\* percent).<sup>5</sup>

During the 2001-06 period, Hyundai reported capacity utilization rates for rebar ranging from a low of \*\*\* percent in \*\*\* to a high of \*\*\* percent in \*\*\*. During 2006, the capacity utilization rate was \*\*\* percent. The rate is projected to be \*\*\* percent in both 2007 and 2008. Hyundai's end-of-period inventories to shipments ranged from a low of \*\*\* percent in \*\*\* to a high of \*\*\* percent in \*\*\*. It was \*\*\* percent in \*\*\*. The Korean home market has been \*\*\* the largest market for Hyundai's shipments during this period. Shipments to the home market ranged from a low of \*\*\* percent to a high of \*\*\* percent in \*\*\*. There were no reported exports to the United States or the European Union during 2001-06. A small share of Hyundai's shipments went to Asian and other markets during 2001-06. While capacity utilization rates are high, and inventory levels for Hyundai are relatively low, the existence of alternative markets, especially the Korean home market, suggests that Hyundai may have the potential to shift some sales to the United States.

## **Latvia**

During the 2001-06 period, Latvian rebar producer LM reported capacity utilization rates ranging from a low of \*\*\* percent in \*\*\* to a high of \*\*\* percent in \*\*\*. The rate is projected to be \*\*\* percent in 2007 and \*\*\* percent in 2008. LM's end-of-period inventories to shipments ranged from a low of \*\*\* percent in \*\*\* to a high of \*\*\* percent in \*\*\*. The European Union has been \*\*\* the largest market for Latvian shipments during this period. Shipments to the European Union increased from a low of \*\*\* percent of total shipments in \*\*\* to a high of \*\*\* percent in \*\*\*. During 2006, the European Union accounted for \*\*\* percent of Latvia's total shipments. \*\*\* smaller shares of these shipments went to the Latvian home market and the Asian markets during 2001-06. All other markets excluding the European Union, the home market, and Asia decreased from \*\*\* percent of total shipments in 2001 to \*\*\* percent in 2006. Prior to 2006, exports to the United States ranged from a low of \*\*\* percent of Latvian shipments in \*\*\* to a high of \*\*\* percent in \*\*\*. There were \*\*\* reported exports to the United States during 2006. While capacity utilization rates are relatively high and inventory levels for Latvia are relatively low, the existence of alternative markets suggests that the Latvian industry may have the potential to shift sales from these markets to the United States.

## **Moldova**

During the 2001-06 period, the Moldovan rebar producer MSW reported capacity utilization rates ranging widely from a low of \*\*\* percent in \*\*\* to a high of \*\*\* percent in \*\*\*. During 2006, MSW operated at \*\*\* percent capacity utilization. The rate is projected to be \*\*\* percent in 2007 and \*\*\* percent in 2008. MSW's ratio of end-of-period inventories to shipments ranged from a low of \*\*\* percent in \*\*\* to a high of \*\*\* percent in \*\*\*. The European Union had been a large market for shipments of Moldovan rebar during 2001-04, accounting for between \*\*\* percent and \*\*\* percent of MSW's total shipments in those years. However, after that time, MSW reported that \*\*\*. Moldovan exports to the "all other market" category, which includes \*\*\*, increased from a low of \*\*\* percent of total shipments in \*\*\* to a high of \*\*\* percent in \*\*\* and then decreased slightly to \*\*\* percent in 2006.

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<sup>5</sup> Hyundai posthearing brief, exh. 3.



As a result, shipments to the European Union decreased to \*\*\* percent of total shipments in 2005, and in 2006 there were \*\*\* to this market. Shipments to the Moldovan home market and to Asian markets were consistently small during 2001-06. There were no reported exports to the United States during 2001-06. While capacity utilization rates are relatively high, and inventory levels are very low for Moldova, the existence of markets in Russia and Ukraine and nearby countries suggests that the industry may have the potential to shift sales from these markets to the United States.

## **Poland**

One Polish producer, CMCZ, provided information on its rebar operations between 2004 (the year in which Poland entered the European Union) and 2006. CMCZ's capacity utilization rate was \*\*\* percent in 2004, \*\*\* percent in 2005, and \*\*\* percent in 2006. Its projected capacity utilization rate is \*\*\* percent in 2007 and \*\*\* percent in 2008. CMCZ's ratio of end-of-period inventories to shipments ranged from a low of \*\*\* percent in \*\*\* to a high of \*\*\* percent in \*\*\*. During 2004-06 \*\*\* of CMCZ's shipments went either to its home market or were exported to the European Union. Its home market share of total shipments ranged between \*\*\* percent and \*\*\* percent annually during these years, while exports to the European Union ranged between \*\*\* percent and \*\*\* percent. CMCZ projected that its home market will account for \*\*\* percent of its shipments in both 2007 and 2008, and that the European Union will account for \*\*\* in each of those years. The availability of some excess capacity, and the existence of these markets suggests that CMCZ may have potential for exporting to the United States.

## **Ukraine**

During the 2001-06 period, the Ukraine producer Mittal operated at a near \*\*\* percent capacity utilization rate. The rate is projected to be about \*\*\* percent in both 2007 and 2008. The industry's ratio of end-of-period inventories to shipments ranged from a low of \*\*\* percent in \*\*\* to a high of \*\*\* percent in \*\*\*. The home market for rebar has been increasing during the period, reaching \*\*\* percent of total shipments in 2006. European Union and Asian markets have consistently accounted for a \*\*\* small share of Ukrainian shipments during the period. There were no reported exports to the United States after 2001. Ukrainian exports to all other markets excluding the European Union, the home market, and Asia, have consistently accounted for the majority of all shipments, though the share has been declining. The share of shipments going to all other markets decreased from \*\*\* percent of the total in 2001 to \*\*\* percent in 2006. While the capacity utilization rate is high, the existence of alternative markets suggests that the industry may have the potential to shift sales from markets such as Russia, the Middle East, Africa, Eastern Europe, and South America to the United States.

## **U.S. Demand**

Since rebar is used in reinforcing concrete, U.S. demand for this product depends upon the level of construction activity in the United States. Major end-use products requiring rebar include roads and bridges, commercial and industrial construction, residential construction, and public construction.<sup>6</sup> Overall demand in the United States (as measured by apparent U.S. consumption) increased in quantity terms from 7.7 million short tons in 2001 to 9.9 million short tons in 2006. Increases occurred both inside and outside of the specified region. Within the specified region, apparent consumption increased

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<sup>6</sup> One U.S. producer also reported that rebar is used in the manufacture of mine roof bolts.

from 5.6 million short tons in 2001 to 7.2 million short tons in 2006. Outside the specified region, apparent consumption increased from 2.2 million short tons in 2001 to 2.7 million short tons in 2006.

When asked whether the demand for rebar in the United States has changed since 2001, most questionnaire respondents reported that demand has increased. Five responding producers,<sup>7</sup> 10 of 14 responding importers, and 18 of 22 purchasers reported that it had increased during this period. Firms reporting an increase in demand commonly cited such factors as a strong economy and strong market demand due to residential and nonresidential construction activity. Two purchasers reported that demand had both increased and decreased since 2001. Three importers and two purchasers reported that demand was unchanged. One importer reported that demand had fluctuated during the period. All \*\*\* U.S. producers that reported an overall increase in demand since 2001 also reported that residential construction spending declined during the period. The total value of construction in the United States for 2001-06, and the value of residential and nonresidential construction during 2002-06 are shown in figure II-1.<sup>8</sup> The data show that the value of total construction and nonresidential construction increased during all years shown. As shown in this figure, the value of residential construction spending fell in 2006, but increased overall during the 2002-06 period.

Both residential and nonresidential construction spending can be divided between public and private spending. Most residential construction spending is private. During 2006, nearly 99 percent of this spending was classified as private with the remainder classified as public. For nonresidential construction, spending is more evenly divided between the public and private sectors. During 2006, 53 percent of nonresidential construction was private, and 47 percent was public. Major items falling under private nonresidential construction included commercial, office, educational and power including electrical, gas and oil. Major items classified under public nonresidential include highways and streets, educational, transportation and sewage and waste disposal.

The domestic interested parties have argued that a decline in residential construction spending is likely to lead to a decline in nonresidential construction spending within six to nine months.<sup>9</sup> The following figure presents residential and nonresidential construction for the period January 2006 through April 2007 on a seasonally adjusted annualized basis. As shown in figure II-2, residential construction spending was largely unchanged from January of 2006 to March of 2006. It then declined in April of 2006 and continued to decrease in most months through April of 2007. On a year-to-year basis, residential construction spending was 14.1 percent lower in April 2007 than in April 2006. In contrast to residential construction, nonresidential construction spending increased in most months during January 2006 through April 2007 period. It increased by 12.7 percent between April 2006 and April 2007.

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<sup>7</sup> Two producers reported that they did not know whether demand had increased, decreased, or remained unchanged.

<sup>8</sup> Total U.S. spending for residential and nonresidential construction were not available prior to 2002, because the U.S. Census Bureau did not break out government spending between these categories prior to 2002.

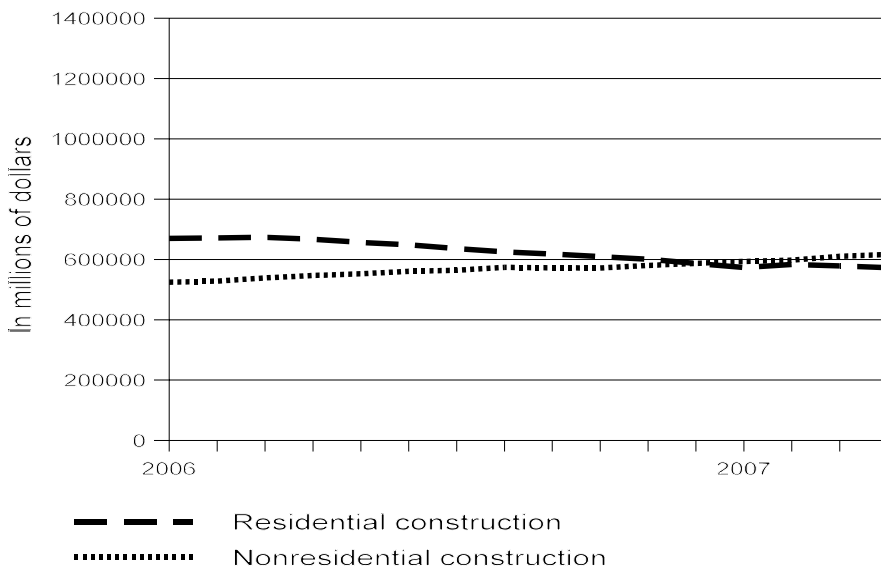
<sup>9</sup> Hearing transcript, p. 56 (Parrish).

**Figure II-1**  
**Construction spending: Total, residential, and nonresidential construction spending in the United States, 2001-06**



Source: U.S. Census Bureau, Manufacturing, Mining and Construction Statistics, Construction Spending. <http://www.census.gov/const/www/c30index.html#>.

**Figure II-2**  
**Construction spending: Residential and nonresidential construction spending in the United States seasonally adjusted annual rate, monthly, January 2006-April 2007**



Source: U.S. Census Bureau, Manufacturing, Mining and Construction Statistics, Construction Spending. <http://www.census.gov/const/www/c30index.html#>.

## **Substitutes**

When asked whether there are other products that can be substituted for rebar, responses were varied. Five of seven responding producers, one of four importers from the subject countries, three of 13 importers from nonsubject countries, and 12 of 22 purchasers reported the existence of substitutes. Wire mesh was most frequently cited as a substitute. One producer noted that wire mesh can only be substituted for rebar in non-critical applications such as concrete floors and concrete sidewalks. Decisions to use mesh are usually made well in advance of the construction date, and are not driven by short-term price changes. According to this producer, there are no substitutes for larger sizes of rebar. In addition to wire mesh, other items listed as potential substitutes included fiber mesh, fiberglass rebar, post tension cable, and structural steel. When asked whether changes in the prices of the substitutes would affect the price of rebar, all questionnaire respondents answered no.

## **Cost Share**

Questionnaire respondents reported that rebar generally accounts for a small share of the cost of final end-use products. Four of seven producers provided estimates of the costs of rebar in various end-use applications including residences, bridges, commercial/industrial construction and public construction. In all cases, the estimates amounted to 5 percent or less. Most importers and purchasers could not provide estimates of these cost shares. However, one importer reported that rebar accounts for 10 percent of construction costs and one purchaser reported that it accounts for \*\*\* percent of the cost of mine roof bolts.

## **Demand Outside the United States**

When questionnaire respondents were asked how demand outside the United States had changed since 2001, most respondents that were familiar with demand in world markets reported that demand had increased. Four of seven U.S. producers, 11 of 17 importers, and 21 of 22 purchasers reported increases in demand. Factors cited for the growth in demand were a strong global economy accompanied by increased construction worldwide. Brazil, China, India, and Russia were cited as countries where the demand for rebar had grown rapidly. Two importers reported that demand was unchanged since 2001. No questionnaire respondents reported that demand had decreased.

## **SUBSTITUTABILITY ISSUES**

The degree of substitutability between domestic products and subject imports, between domestic products and nonsubject imports, between subject imports from different sources, and between subject and nonsubject imports is discussed in this section. The information is based mainly on questionnaire responses of producers, importers, and purchasers.

Twenty-two purchasers responded to the Commission's questionnaires. Nine of the firms operate exclusively as distributors while the others are fabricators or end users that also function as distributors in some cases. During 2001-06, 10 of these purchasers bought rebar from U.S. producers located both inside and outside of the region, 11 bought only from producers located inside the region, and one bought only from producers located outside of the region. Fourteen of the purchasers bought imports from nonsubject sources during 2001-06. The combined value of reported purchases during each of the years is shown in table II-3.

Four purchasers bought imports from one or more subject countries including China, Korea, Latvia, and Poland during the period. The value of these purchases was small as shown in table II-3.<sup>10</sup> No purchasers reported buying any rebar from Belarus, Indonesia, Moldova, or Ukraine.

Purchasers were asked whether they had purchased rebar from any of the eight subject countries before 2001, and also whether their purchasing pattern had changed after 2001. Of the 21 responding purchasers, 18 reported that they had not purchased from any of the subject countries prior to 2001. One firm that had purchased from Korea reported that it discontinued those purchases because of the antidumping order. Another firm that had purchased from Indonesia, Korea, and Moldova prior to 2001 reported that it had discontinued purchases as a result of the antidumping orders. This firm also reported that it had increased purchases from nonsubject sources because of the order. In addition, one firm that reported purchasing rebar from all of the eight subject countries prior to 2001 reported that it had discontinued purchases from these countries after 2001 because rebar from those countries was no longer available from traders.

**Table II-3**

**Rebar: Value of purchases (in thousands of dollars) from U.S. producers and importers, as reported by U.S. purchasers, 2001-06**

Purchase source	Year					
	2001	2002	2003	2004	2005	2006
Producers inside region	\$470,581	\$502,081	\$457,888	\$837,900	\$997,193	\$1,179,955
Producers outside region	88,585	90,411	117,491	240,761	311,576	326,765
China	***	***	***	***	***	***
Korea	***	***	***	***	***	***
Latvia	***	***	***	***	***	***
Poland	***	***	***	***	***	***
Nonsubject countries	17,559	18,541	28,073	234,388	192,070	326,735

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

### Factors Affecting Purchasing Decisions

When asked to rank the three most important factors involved in purchasing decisions, purchasers chose price most frequently, with 14 of the 22 purchasers ranking this factor first (table II-4). Other purchasing considerations with high ranking included availability, delivery/service, and quality.

In order to obtain more information on purchasing decisions, firms were asked whether these decisions are based mainly on price. Purchasers were instructed to answer always, usually, sometimes, or never. Four purchasers selected always, 14 selected usually, and four selected sometimes.

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<sup>10</sup> None of the firms that bought rebar from these countries has detailed pricing or marketing information concerning imports from these sources.

**Table II-4****Rebar: Ranking of factors used in purchasing decisions as reported by U.S. purchasers**

Factor	Number of firms reporting		
	Number one factor	Number two factor	Number three factor
Price	14	4	3
Availability	4	5	7
Delivery/service	1	5	1
Quality	2	4	3
Other <sup>1</sup>	1	4	8

<sup>1</sup> Other factors include extension of credit, reliability of supply, product range, meeting ASTM standards, traditional supplier and prearranged contract,

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

In addition to these rankings, purchasers were also asked to report whether the factors shown in table II-5 are “very important,” “somewhat important,” or “not important” in their purchasing decisions. The factors firms cited most often as “very important” were availability (22 firms), reliability of supply (22 firms), and price (21 firms). Delivery terms, delivery time, discounts offered, extension of credit, product consistency, and quality meeting industry standard were also cited as “very important” by most purchasers.

**Table II-5**  
**Rebar: Importance of purchasing factors, as reported by U.S. purchasers**

Factor	Very important	Somewhat important	Not important
	Number of firms responding		
Availability	22	-	-
Delivery terms	13	8	1
Delivery time	18	4	-
Discounts offered	13	5	4
Extension of credit	14	5	3
Price	21	1	-
Minimum quantity requirements	3	8	11
Packaging	5	12	5
Product consistency	15	7	-
Quality meets industry standard	20	2	-
Quality exceeds industry standard	5	7	10
Product range	4	17	-
Reliability of supply	22	-	-
Technical support/service	8	8	6
U.S. transportation costs	10	7	5

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

### Comparisons of Domestic Products, Subject Imports, and Nonsubject Imports

Both producers and purchasers were asked questions concerning the extent of “Buy American” considerations as a factor in their sales and purchases. When asked to report the percentage of their sales that were subject to “Buy American” provisions within the specified region and outside of the region in 2006, one producer reported that 20 percent of the sales inside of the region and 20 percent of sales outside of the region are subject to “Buy American” provisions. Another producer located inside of the region reported that about 10 percent of its sales are subject to these provisions. Among the other five producers, one firm reported that it is aware that “some” of its customers make use of “Buy American” provisions, but it does not know the percentage of its sales that are subject to these provisions. Another firm reported that it could not specifically identify its sales that go into projects that are subject to such provisions. Another producer reported that it was not aware of “Buy American” provisions in the market area (outside of the specified region) where it sells. Two other firms reported that they did not have information on the subject.

Producers were also asked whether there has been a shift in the percentage of sales subject to “Buy American” provisions since 2001. One firm said that because of the Federal highway bill, several states have increased their letting of highway work, thus increasing its level of “Buy American” business.<sup>11 12</sup> Another producer reported that there has been no consistent shift in the use of these provisions over time. None of the other firms were able to comment on any shift in the percentage of sales subject to “Buy American provisions.”

<sup>11</sup> Information on this bill, which was signed into law on August 10, 2005, can be found at the Federal Highway Transportation website: <http://fhwa.dot.gov/safetealu/index.htm>.

<sup>12</sup> At the hearing David Phelps, president of the American Institute for International Steel stated that when new highway, bridge, and mass transit bills get signed, the “Buy American” rules prohibit foreign steel products. Hearing transcript, pp. 219-220 (Phelps).

Purchasers were asked to report separately the typical percentages of their purchases of domestic product that are subject by law or regulation to “Buy American” provision, those that are not subject to law but are required by their customers to be from domestic sources, and those that are deliberately bought from domestic sources for other reasons. Nineteen of the 22 responding purchasers reported that they buy some rebar from domestic producers for one or more of the three reasons. In the case of domestic purchases required by law, 18 firms reported that “Buy American” provisions apply to between 5 percent and 100 percent of their purchases. Six of these 18 firms reported that 50 percent or more of their purchases were within this category, while the other 12 firms reported that they accounted for 40 percent or less of total purchases. Seven firms reported that between 10 percent and 85 percent of their purchases are from domestic sources due to customer requirements. Five purchasers stated that they buy between 25 percent and 100 percent of their rebar from domestic sources for other reasons such as a desire to avoid mixing domestic and foreign steel or a preference for domestic products.

To determine whether U.S.-produced rebar can generally be used in the same applications as imports from the subject countries and nonsubject, producers, importers, and purchasers were asked whether the product can “always,” “frequently,” “sometimes,” or “never” be used interchangeably. As shown in table II-6, a majority of questionnaire respondents reported that the products are always or frequently interchangeable. The responses also indicated that imports of rebar from the different subject countries are generally viewed as interchangeable with each other and with imports from nonsubject countries. However, one purchaser reported that customers sometimes perceived a quality difference between the U.S. product and the imported product from Latvia. This purchaser also noted that domestic content requirement limit interchangeability for imports from Latvia. In addition, four other purchasers and two importers commented generally in their questionnaires that in some cases “Buy American” policies may restrict purchases of imports.



**Table II-6**

**Rebar: Interchangeability of product from the United States and subject and nonsubject sources<sup>1</sup>**

Country comparison	U.S. producers					U.S. importers					Purchasers				
	A	F	S	N	O	A	F	S	N	O	A	F	S	N	O
U.S. vs. Belarus	6	0	0	0	1	6	4	0	1	6	8	1	2	1	10
U.S. vs. China	6	0	0	0	1	6	4	0	1	6	10	2	2	0	8
U.S. vs. Indonesia	6	0	0	0	1	6	4	0	1	6	8	1	2	1	10
U.S. vs. Korea	6	0	0	0	1	6	4	0	1	6	10	1	3	1	7
U.S. vs. Latvia	6	0	0	0	1	6	4	0	1	6	8	1	2	1	10
U.S. vs. Moldova	6	0	0	0	1	6	4	0	1	6	8	1	2	1	10
U.S. vs. Poland	6	0	0	0	1	6	4	0	1	6	8	1	2	1	10
U.S. vs. Ukraine	6	0	0	0	1	6	4	0	1	6	8	1	2	1	10
U.S. vs. nonsubject	6	0	0	0	1	6	4	0	1	6	10	2	1	0	9
Belarus vs. China	6	0	0	0	1	9	3	0	1	4	8	1	0	1	12
Belarus vs. Indonesia	6	0	0	0	1	9	3	0	1	4	8	1	0	1	12
Belarus vs. Korea	6	0	0	0	1	9	3	0	1	4	8	1	0	1	12
Belarus vs. Latvia	6	0	0	0	1	9	3	0	1	4	8	0	1	1	12
Belarus vs. Moldova	6	0	0	0	1	9	3	0	1	4	8	0	1	1	12
Belarus vs. Poland	6	0	0	0	1	9	3	0	1	4	8	0	1	1	12
Belarus vs. Ukraine	6	0	0	0	1	9	3	0	1	4	8	0	1	1	12
Belarus vs. nonsubject	6	0	0	0	1	9	3	0	1	4	8	0	1	1	12
China vs. Indonesia	6	0	0	0	1	9	3	0	1	4	8	1	0	1	12
China vs. Korea	5	0	0	0	1	9	3	0	1	4	8	1	0	1	12
China vs. Latvia	5	0	0	0	1	9	3	0	1	4	8	1	0	1	12
China vs. Moldova	5	0	0	0	1	9	3	0	1	4	8	1	0	1	12
China vs. Poland	6	0	0	0	1	9	3	0	1	4	8	1	0	1	12
China vs. Ukraine	6	0	0	0	1	9	3	0	1	4	8	1	0	1	12
China vs. Nonsubject	6	0	0	0	1	9	3	0	1	4	8	0	1	1	12
Indonesia vs. Korea	6	0	0	0	1	9	3	0	1	4	8	0	1	1	12
Indonesia vs. Latvia	6	0	0	0	1	9	3	0	1	4	8	0	1	1	12
Indonesia vs. Moldova	6	0	0	0	1	9	3	0	1	4	8	0	1	1	12
Indonesia vs. Poland	6	0	0	0	1	9	3	0	1	4	8	0	1	1	12
Indonesia vs. Ukraine	6	0	0	0	1	9	3	0	1	4	8	0	1	1	12
Indonesia vs. nonsubject	6	0	0	0	1	9	3	0	1	4	8	1	0	1	12
Korea vs. Latvia	6	0	0	0	1	9	3	0	1	4	8	1	0	1	12
Korea vs. Moldova	6	0	0	0	1	9	3	0	1	4	8	1	0	1	12
Korea vs. Poland	6	0	0	0	1	9	3	0	1	4	8	1	0	1	12
Korea vs. Ukraine	6	0	0	0	1	9	3	0	1	4	8	1	0	1	12
Korea vs. nonsubject	6	0	0	0	1	9	3	0	1	4	8	0	1	1	12

Table continued on the following page.

**Table II-6-- Continued**

**Rebar: Interchangeability of product from the United States and subject and nonsubject sources<sup>1</sup>**

Country comparison	U.S. producers					U.S. importers					Purchasers				
	A	F	S	N	0	A	F	S	N	0	A	F	S	N	0
Latvia vs. Moldova	6	0	0	0	1	9	3	0	1	4	8	0	1	1	12
Latvia vs. Poland	6	0	0	0	1	9	3	0	1	4	8	0	1	1	12
Latvia vs. Ukraine	6	0	0	0	1	9	3	0	1	4	8	0	1	1	12
Latvia vs. nonsubject	6	0	0	0	1	9	3	0	1	4	8	0	1	1	12
Moldova vs. Poland	6	0	0	0	1	9	3	0	1	4	8	0	1	1	12
Moldova vs. Ukraine	6	0	0	0	1	9	3	0	1	4	8	0	1	1	12
Moldova vs. nonsubject	6	0	0	0	1	9	3	0	1	4	8	0	1	1	12
Poland vs. Ukraine	6	0	0	0	1	9	3	0	1	4	8	0	1	1	12
Poland vs. nonsubject	6	0	0	0	1	9	3	0	1	4	8	0	1	1	12
Ukraine vs. nonsubject	6	0	0	0	1	9	3	0	1	4	8	0	1	1	12

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

Note: "A" = Always, "F" = Frequently, "S" = Sometimes, "N" = Never, and "0" = No familiarity.

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

In addition to questions concerning interchangeability, producers and importers were also asked to compare U.S.-produced products with imports from each of the subject countries and with nonsubject imports in terms of product differences other than price such as quality, availability, product range, and other characteristics, as a factor in their sales of rebar. All five responding producers reported that the differences are never significant (table II-7). Importers most commonly reported that the differences are frequently or sometimes significant, while the few purchasers that reported generally viewed such non-price differences as sometimes or even never significant.

Five importers commented on general factors other than price that may effect purchasing decisions. These firms cited a number of factors including delivery lead times, availability, ocean freight rates, quality considerations, and the limited range of products from foreign mills as important factors. No particular countries were cited by the importers in a comparison with the United States. One purchaser that compared U.S.-produced rebar with imports from Latvia reported that the United States has an advantage in availability, lead times, and quality. Another purchaser reported that it sometimes needs domestic rebar to comply with "Buy American" requirements, and a third purchaser reported that "Buy American" provisions account for 25 to 30 percent of their business.

**Table II-7**

**Rebar: U.S. producers' and importers' perceived importance of factors other than price in sales of products produced in the United States and in other countries<sup>1</sup>**

Country comparison	U.S. producers					U.S. importers					Purchasers				
	A	F	S	N	0	A	F	S	N	0	A	F	S	N	0
U.S. vs. Belarus	0	0	0	6	1	2	3	4	1	7	0	0	4	4	14
U.S. vs. China	0	0	0	6	1	2	3	4	1	7	0	0	6	4	12
U.S. vs. Indonesia	0	0	0	6	1	2	3	4	1	7	0	0	5	4	13
U.S. vs. Korea	0	0	0	6	1	2	3	4	1	7	0	0	6	5	11
U.S. vs. Latvia	0	0	0	6	1	2	3	4	1	7	1	0	4	4	13
U.S. vs. Moldova	0	0	0	6	1	2	3	4	1	7	0	0	4	4	14
U.S. vs. Poland	0	0	0	6	1	2	3	4	1	7	0	0	4	4	14
U.S. vs. Ukraine	0	0	0	6	1	2	3	4	1	7	0	0	4	4	14
U.S. vs nonsubject	0	0	0	6	1	2	3	4	1	7	1	0	4	4	13
Belarus vs. China	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Belarus vs. Indonesia	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Belarus vs. Korea	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Belarus vs. Latvia	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Belarus vs. Moldova	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Belarus vs. Poland	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Belarus vs. Ukraine	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Belarus vs. nonsubject	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
China vs. Indonesia	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
China vs. Korea	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
China vs. Latvia	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
China vs. Moldova	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
China vs. Poland	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
China vs. Ukraine	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
China vs. Nonsubject	0	0	0	5	1	1	3	4	2	7	0	0	2	4	16
Indonesia vs. Korea	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Indonesia vs. Latvia	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Indonesia vs. Moldova	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Indonesia vs. Poland	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Indonesia vs. Ukraine	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Indonesia vs. nonsubject	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Korea vs. Latvia	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Korea vs. Moldova	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Korea vs. Poland	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Korea vs. Ukraine	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Korea vs. nonsubject	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16

Table continued on the following page.

**Table II-7-- Continued**

**Rebar: U.S. producers' and importers' perceived importance of factors other than price in sales of products produced in the United States and in other countries<sup>1</sup>**

Country comparison	U.S. producers					U.S. importers					Purchasers				
	A	F	S	N	0	A	F	S	N	0	A	F	S	N	0
Latvia vs. Moldova	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Latvia vs. Poland	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Latvia vs. Ukraine	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Latvia vs. nonsubject	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Moldova vs. Poland	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Moldova vs. Ukraine	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Moldova vs. nonsubject	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Poland vs. Ukraine	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Poland vs. nonsubject	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16
Ukraine vs. nonsubject	0	0	0	6	1	1	3	4	2	7	0	0	2	4	16

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

Note: "A" = Always, "F" = Frequently, "S" = Sometimes, "N" = Never, and "0" = No familiarity.

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

Purchasers also were asked to compare rebar on a country-by-country basis in 15 specified characteristics, noting whether the products from the two countries are superior, comparable, or inferior to each other. No purchasers provided comparisons between the United States product and the imported product from any of the eight subject countries. While four purchasers reported buying small quantities of imports from one or more of the subject countries during the period, these firms all indicated that they did not have the detailed pricing/marketing knowledge necessary to compare these imported products with similar U.S.-produced rebar. However, purchasers did provide comparisons between the United States and nonsubject countries including Brazil, Bulgaria, the Dominican Republic, Egypt, Germany, Japan, Malaysia, Mexico, Singapore, Taiwan, and Turkey. The results of these comparisons presented on an aggregate basis in table II-8 show that the United States was generally ranked superior to these nonsubject imports as a group in product availability, delivery terms, delivery time, minimum quantity requirements, product range, reliability of supply, and technical support/service. For most other categories, a majority or plurality ranked the United States products comparable with nonsubject imports.

### **ELASTICITY ESTIMATES**

This section discusses elasticity estimates for rebar. Parties were encouraged to comment on these estimates as an attachment to their prehearing briefs. The domestic interested parties commented on all of the elasticity estimates discussed below in an attachment to their prehearing brief. However, none of the interested parties representing foreign suppliers commented on these estimates.

**Table II-8**  
**Rebar: Comparisons between U.S.-produced and nonsubject products, as reported by U.S. purchasers<sup>1</sup>**

Factor	U.S. vs Nonsubject <sup>2</sup>		
	S	C	I
	<i>Number of firms responding</i>		
Product availability	16	6	0
Delivery terms	14	8	0
Delivery time	19	3	0
Discounts offered	7	11	4
Extension of credit	6	12	4
Lower price	3	11	8
Minimum quantity requirements	12	9	-
Packaging	3	18	-
Product consistency	4	18	-
Quality meets industry standards	1	20	1
Quality exceeds industry standards	5	15	2
Product range	12	8	-
Reliability of supply	13	9	-
Technical support/service	19	3	-
U.S. transportation costs	11	11	-
Note.--S=first listed country's product is superior; C=both countries' products are comparable; I=first listed country's product is inferior. <sup>1</sup> No purchasers compared the United States products with imports from any of the eight subject countries. <sup>2</sup> Nonsubject countries included Brazil, Bulgaria, the Dominican Republic, Egypt, Germany, Japan, Malaysia, Mexico, Singapore, Taiwan, and Turkey. Source: Compiled from data submitted in response to Commission questionnaires.			

### U.S. Supply Elasticity<sup>13</sup>

The domestic supply elasticity for rebar measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of rebar. This elasticity depends upon several factors including the level of excess capacity, the availability of alternate markets for U.S.-produced rebar, inventory levels, and the producers' ability to shift to the manufacture of other products. The earlier analysis of these factors indicates that the U.S. industry has some flexibility in adjusting supply in response to price change. Therefore, this elasticity is likely to range between 5 and 10. The domestic interested parties have argued that the domestic industry supply elasticity is only moderately elastic, arguing that a range of 3 to 5 is more realistic than the staff estimate at least for a short-term period such as a year.<sup>14</sup> In view of the fact that some excess capacity currently exists in the industry, and that domestic inventories are fairly significant in relation to total shipments, there does not seem to be a strong basis for lowering the estimates shown in the preliminary report.

<sup>13</sup> A supply function is not defined in the case of a non-competitive market.

<sup>14</sup> Domestic interested parties prehearing brief, exh. 1, The Effects of Order Revocation on the Prices, Shipments, and Profits of the Regional and National Rebar Industries, Economic Submission, p. 12.

## **U.S. Demand Elasticity**

The U.S. demand elasticity for rebar measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of rebar. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products, as well as the component share of rebar in the final cost of end-use products in which it is used. Because of a lack of close, broadly accepted substitutes, and the fact that rebar accounts for a relatively small share of the cost of products where it is used, it is likely that the aggregate demand for rebar is moderately inelastic. For the preliminary report the staff estimated a range of values  $-.5$  to  $-1.0$ .

The domestic interested parties argued that these values are too high. During the original final investigations relating to rebar from the subject countries, the staff estimated a range for the demand elasticity of  $-.25$  to  $-.75$ . Noting this result, the domestic interested parties argued that the value of this elasticity should actually be  $-.25$ .<sup>15</sup> In arriving at their estimate, they cited a statement in the final report indicating that a majority of responding firms reported that there were no practical substitutes for rebar. They further argued that over the past six years, the large increases in rebar prices did not result in any significant substitution of alternative products toward rebar.

In contrast to the original investigations, a large share of the questionnaire respondents in the current reviews reported that substitutes do exist. When asked to list substitute products, five of seven producers and 12 of 22 purchasers and four of seventeen importers listed substitutes. Substitutes mentioned included not only wire mesh but also fiber mesh, fiberglass rebar, post tension cable, and structural steel. In view of this information, there does not appear to be a strong reason to adjust the preliminary staff estimate of a range of  $-.5$  to  $1.0$ , although it is likely that the elasticity is nearer to the lower end of the range than the upper end of the range since substitution of other products for rebar may not be practical in the majority of applications. The domestic interested parties argue that there was no significant substitution away from rebar during the past six years when rebar prices increased. There are no available data to evaluate this argument conclusively.

## **Substitution Elasticity**

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported rebar.<sup>16</sup> Product differentiation, in turn, depends upon such factors as quality and conditions of sale (availability, delivery, etc.). Based on available information indicating that the domestic and imported products from the subject countries can always or frequently be used interchangeably, the elasticity of substitution between U.S.-produced rebar and imported rebar is likely to be in the range of 3 to 5. The domestic interested parties argued that in view of generic nature of rebar, the high degree of substitutability of rebar between U.S.-produced and imported rebar, and the importance of price in purchasing decisions, the substitution elasticity is likely to be very high, at least as high as the upper end of the staff estimate. While the domestic interested parties have made some relevant points concerning this elasticity, the existence of “Buy American” provisions does limit the substitutability in some cases.

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<sup>15</sup> Ibid., pp. 12-13.

<sup>16</sup> The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like product to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject imports (or vice versa) when prices change.

## Economic Modeling by Domestic Interested Parties

The domestic interested parties provided two separate economic methodologies in their prehearing submission, an economic model designed to simulate the effects of the removal of the orders, and an econometric analysis of the impact of the subject imports on the regional and national rebar prices. These methodologies are discussed briefly below.

One approach consists of a basic simulation model designed to estimate the likely effects of removing the antidumping duties on the domestic industry. The model makes use of inputs from the staff report including market shares, income statements, and balance sheets. It also makes use of certain elasticities estimated by the Commission staff, and other elasticities estimated by the parties. The approach used is to calculate levels of domestic shipments, prices, profits, and labor compensation that would have prevailed during each year of the 2001-06 period if the antidumping duties had not been imposed. The model is applied on both a national and regional basis. The results consistently show that in the absence of the antidumping duties, import market shares from subject countries would have been higher, and domestic shipments, prices, profits, and wages would all have been substantially lower. In all scenarios estimated for a regional industry the model assumes that in the absence of the duties, nonsubject imports would have accounted for 16 percent of the U.S. market, the percentage that existed during the original investigations before the antidumping duties were applied. In all scenarios estimated for a national industry the model assumes that in the absence of the duties nonsubject imports would have accounted for 12 percent of the U.S. market, again, the percentage that prevailed during the original investigations before the antidumping duties were applied.<sup>17</sup>

Some question arises concerning the elasticities used. The very low U.S. demand elasticity of -0.25 used in all estimates may be overestimating the effects of the dumped imports on the prevailing price in the U.S. market. In addition the foreign supply elasticity of 10, which applies to all subject and nonsubject imports in all of the scenarios appears rather high, particularly in light of domestic supply elasticities ranging between 3 and 5.

The econometric analysis performed by the domestic interested parties was designed to examine the effects of certain variables, including steel scrap prices, lagged quantities of imports from subject and nonsubject countries, and the value of nonresidential construction on U.S. prices of rebar.<sup>18</sup> The analysis was performed separately on both a national and regional basis. The regression made use of 31 quarters of data during the period 1998-2006. The results showed that U.S. prices are positively related to scrap prices and nonresidential construction spending and are negatively related to lagged quantities of imports. All of the independent variables were statistically significant for both the national and regional analysis, and the R<sup>2</sup> value of .98 indicates that these variables seem to explain much of the variation in U.S. prices.

Much of the explanation for these very high R<sup>2</sup> values appears to be due to the importance of steel scrap as the major raw material input used in the production of rebar. During 2001-06 the cost of this scrap ranged between 43 percent and 61 percent of the final cost of rebar annually. In 2006, it amounted to 61.6 percent of the final cost of rebar. The close association between steel scrap and rebar prices during the review period is evident from figure V-1 which depicts movement scrap prices and the price data shown in figure V-3. There is also some question as to why lagged variables for imports are used in their analysis. The domestic interested parties argue that price effects of import surges tend to build slowly and peak several quarters after the product enters the United States due to purchaser inventory adjustments combined with formal and informal contracts. However, questionnaire evidence indicates that most sales in this industry are on a spot rather than contract basis (see part V). While there are lead times in delivery of rebar from both producers and importers, the long delays suggested by this model do not appear to apply (see the section of Market Characteristics).

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<sup>17</sup> Ibid., pp. 15-18.

<sup>18</sup> Domestic interested parties prehearing brief, exh. 1, Econometric Analysis of the Impact of Subject Imports on Regional and National Rebar Prices, Economic Submission, pp. 1-15.





## **PART III: CONDITION OF THE U.S. INDUSTRY**

### **BACKGROUND**

The information in this section of the report was compiled from responses to the Commission's questionnaires and from secondary sources. Twenty-five mills owned by eight firms, which together accounted for almost all of the known U.S. production of rebar during the period for which data were collected, supplied information on their operations. Table III-1 summarizes important industry events that have taken place within and outside the specified region since January 2001.<sup>1</sup> Based on publicly available information compiled for table III-1, four of the firms comprising the petitioning coalition exited the domestic industry, either without their facilities being acquired by another domestic producer (Riverview Steel Corp's single mill in 2001) or with their facilities being acquired by other domestic producers (Auburn Steel Co. Inc's. two mills, one by Nucor in 2001 and the other ultimately by Nucor in 2004; Birmingham Steel Corp's. three mills by Nucor in 2002; and Marion Steel Co's. single mill by Nucor in 2005).

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<sup>1</sup> For purposes of these reviews, and consistent with the Commission's definition in the original investigations, data are presented for a specified region which comprises Puerto Rico, the District of Columbia, and 30 States: Alabama, Arkansas, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, West Virginia, and Wisconsin.

Table III-1

## Rebar: Important industry events, within and outside the specified region, 2001-07

Month/ Year	Company	Description of Event
<b>Events within the specified region</b>		
February 2001	Auburn Steel Co. Inc.	<b>Closure:</b> The rebar and merchant-quality bar mini-mill in Lemont, IL, was subsequently acquired by Slater Steel Corp. in September 2002.
April 2001	Nucor Corp.	<b>Acquisition:</b> Nucor acquires the rebar, merchant-quality bar, and light-section mini-mill in Auburn, NY, from Auburn Steel Co. Inc.
August 2001	Riverview Steel Corp.	<b>Bankruptcy and shut down:</b> Enters Chapter 11 bankruptcy protection and shuts down rebar production at its rolling mill (no melt-shop capacity) in Glassport, PA. The mill was previously shut down in August 2000 and subsequently re-opened in spring 2001.
June 2001	Empire Specialty Steel Inc.	<b>Closure:</b> The stainless and alloy rebar and merchant-quality bar rolling mill (no melt-shop capacity) in Dunkirk, NY, was subsequently re-opened after the February 2002 sale to Universal Stainless & Alloy Products Inc.
July 2001	International Steel & Tube Industries (Istil USA)	<b>Acquisition:</b> Istil USA acquired Susquehanna Steel Corp's. previously shuttered rebar, merchant-quality bar, and light-section mini-mill in Milton, PA. Reportedly was in a pre-production phase, but no further information available as to the mill's operating status.
February 2002	Universal Stainless & Alloy Products Inc.	<b>Acquisition and restart:</b> Universal acquired the stainless and alloy rebar and merchant-quality bar rolling mill (no melt-shop capacity) in Dunkirk, NY, from Empire Specialty Steel Inc., which was restarted in March 2002.
June 2002	Birmingham Steel Corp.	<b>Bankruptcy:</b> Rebar and merchant-quality bar mills subsequently acquired by Nucor Corp. in December 2002, including those in Birmingham, AL, Kankakee, IL, and Jackson, MS. Birmingham exits the domestic rebar industry.
September 2002	Steel Dynamics Inc.	<b>Acquisition and upgrade:</b> Steel Dynamics, previously without rebar-production capacity, resolved litigation with Nucor Steel for purchasing Qualitech Steel SBQ and began converting the special-quality bar mini-mill in Pittsboro, IN, to also produce rebar and other merchant-quality bar.
September 2002	Slater Steel Corp.	<b>Acquisition and restart:</b> Slater Steel acquired Auburn Steel Co. Inc's. previously shuttered rebar and merchant-quality bar mini-mill in Lemont, IL, at which rolling operations were restarted in December 2002 with billets provided by other Slater Steel facilities in both the United States and Canada. The melt-shop equipment was dismantled and redistributed among its other facilities.
October 2002	Gerdau Ameristeel U.S. Inc. and Co-Steel Inc.	<b>Merger:</b> Gerdau Ameristeel acquires the rebar and merchant-quality bar mini-mill in Sayerville, NJ, through its merger with Canadian-based Co-Steel.
December 2002	Nucor Corp.	<b>Acquisition:</b> Nucor acquires the remaining rebar and merchant-quality bar mini-mills of bankrupt Birmingham Steel Corp., including those in Birmingham, AL, Kankakee, IL, and Jackson, MS.
June 2003	Slater Steel Corp.	<b>Bankruptcy:</b> Carbon and alloy rebar and merchant-quality bar mini-mill in Lemont, IL, subsequently sold to Nucor Corp. in January 2004. Stainless merchant-quality bar mill in Fort Wayne, IN, sold to Valbruna Stainless Inc. in February 2004 and subsequently restarted in July 2004.
January 2004	Nucor Corp.	<b>Acquisition:</b> Nucor acquires the previously idled rebar, merchant-quality bar, and special-quality bar rolling mill (no melt-shop capacity) at Lemont, IL, from bankrupt Slater Steel Corp.

Table continued on next page.

Table III-1 – *Continued*

Rebar: Important industry events, within and outside the specified region, 2001-07

Month/ Year	Company	Description of Event
<b>Events within the specified region</b>		
February 2004	Valbruna Stainless Inc.	<b>Acquisition and restart:</b> Valbruna acquires the stainless and alloy rebar, merchant-quality bar, and light-section mini-mill in Fort Wayne, IN, from bankrupt Slater Steel Corp., which was subsequently restarted July 2004.
June 2005	Nucor Corp.	<b>Acquisition:</b> Nucor acquires Marion Steel Co. and its rebar and merchant-quality bar mini-mill in Marion, OH.
May 2006	Nucor Corp.	<b>Acquisition:</b> Nucor acquires Connecticut Steel Corp. and its mini-mill in Wallingford, CT, which produces nonsubject coiled rebar.
May 2006	Nucor Corp.	<b>Upgrade and restart:</b> Upgraded and restarted the Jackson, MS, rebar, merchant-quality bar and light-section mini-mill previously acquired from bankrupt Birmingham Steel Corp.
April 2007	Border Steel, Inc.	<b>Foreign acquisition:</b> Luxembourg-based Arcelor Mittal Border Steel acquired Border Steel, along with production facilities in Mexico, owned by Mexican long-products producer Sicartsa from the Mexican parent company Grupo Villacero.
May 2007	Unidentified European steelmaker	<b>Potential new mill:</b> An unnamed European steelmaker reportedly evaluates a site in Kansas City, MO, for a new rebar mill. If this site is selected from among the various sites and states under consideration, mill construction could begin as early as January 2008. No further information available as to planned production capacity.
<b>Events outside the specified region</b>		
December 2001	Sheffield Steel Corp.	<b>Emergence from bankruptcy:</b> Rebar, merchant-quality bar, and special-quality bar produced at its mini-mill in Sand Springs, OK.
December 2002	Nucor Corp.	<b>Acquisition:</b> Nucor acquires the remaining rebar and merchant-quality bar mini-mills of bankrupt Birmingham Steel Corp., including the one in Seattle, WA.
March 2003	Nucor Corp.	<b>Acquisition:</b> Nucor acquired the wire rod and rebar mini-mill in Kingman, AZ, from North Star Steel Inc., where the melt shop was idled since 2000 due to high electricity costs. In July 2004, the melt-shop equipment was dismantled and redistributed among other Nucor facility locations, after unsuccessful attempts to negotiate favorable electric power contracts. Otherwise, the reheating, rolling, and finishing facilities remain intact.
November 2004	Gerdau Ameristeel U.S. Inc.	<b>Acquisition:</b> Gerdau Ameristeel acquires the remaining long-product mini-mills of North Star Steel Inc., including the ones in Wilton, IA, and St. Paul, MN. North Star Steel exits the domestic rebar industry.
June 2006	Gerdau Ameristeel U.S. Inc.	<b>Acquisition:</b> Gerdau Ameristeel acquires Sheffield Steel Corp., including its rebar, merchant-quality bar, and special-quality bar mini-mill in Sand Springs, OK.
March 2007	Commercial Metals Co.	<b>Foreign acquisition:</b> Commercial Metals increased its control of CMC-Zwiercie S.A. to 99 percent by purchasing the 26.8-percent stake owned by the Polish Ministry of State Treasury. Remaining shares are small holdings of numerous individuals.
<p>Source: <i>American Metal Market</i>, various issues; <i>Steel News</i>, various issues; company Internet sites; other articles, various issues; <i>Steel: Evaluation of the Effectiveness of Import Relief</i>, Inv. No. TA-204-12, USITC Publication 3797, September 2005; <i>Steel: Monitoring Developments in the Domestic Industry</i>, Inv. No. TA-204-9, vol. I, part I, USITC Publication 3632, September 2003; <i>Concrete Reinforcing Bars from Turkey</i>, Inv. No. 731-TA-745 (Review), USITC Publication 3577, February 2003; and <i>Certain Steel Concrete Reinforcing Bars from Indonesia, Poland, and Ukraine</i>, Invs. Nos. 731-TA-875, 880, and 882 (Final), USITC Publication 3425, May 2001.</p>		

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

As shown in table III-2, national U.S. producers' capacity in 2006 was higher than in 2001, and expanded fairly steadily (with the exception of a small decline in 2004) during the review period. The 2004 capacity decreases were attributable mostly to declines outside the specified region by \*\*\* and \*\*\* plants, although there were very slight declines also distributed throughout most plants inside the specified region. Production followed a similar, but more pronounced, trend. Capacity utilization peaked in 2005, but was noticeably higher throughout 2003-06 than in 2001-02, as production increased at a much greater rate than capacity. Non-regional producers reported higher levels of capacity utilization than regional producers, particularly in 2003.

**Table III-2**

**Rebar: U.S. producers' capacity, production, and capacity utilization, by mill location, 2001-06**

Item	2001	2002	2003	2004	2005	2006
National:						
Capacity ( <i>short tons</i> )	7,886,652	7,993,078	8,424,774	8,154,261	8,367,112	8,615,640
Production ( <i>short tons</i> )	6,146,866	6,354,037	7,501,223	7,076,073	7,541,574	7,704,871
Capacity utilization ( <i>percent</i> )	77.9	79.5	89.0	86.8	90.1	89.4
Mills within the specified region:						
Capacity ( <i>short tons</i> )	5,551,138	5,687,574	5,866,111	5,760,559	5,863,662	6,116,290
Production ( <i>short tons</i> )	4,252,563	4,472,788	5,089,855	4,897,577	5,195,599	5,426,079
Capacity utilization ( <i>percent</i> )	76.6	78.6	86.8	85.0	88.6	88.7
Mills outside the specified region:						
Capacity ( <i>short tons</i> )	2,335,514	2,305,504	2,558,663	2,393,702	2,503,450	2,499,350
Production ( <i>short tons</i> )	1,894,303	1,881,249	2,411,368	2,178,496	2,345,975	2,278,792
Capacity utilization ( <i>percent</i> )	81.1	81.6	94.2	91.0	93.7	91.2
Source: Compiled from data submitted in response to Commission questionnaires.						

### Changes During the Period in Existing Operations

U.S. producers were requested to report any changes to their operations producing rebar during the period of review. Some responding firms reported no changes to their operations, but many firms experienced changes to their operations relating to the production of rebar since 2001, and reported the following.

#### Firms Within the Region

Border Steel, along with other facilities owned by Mexican long-products producer Sicartsa, was acquired from its Mexican parent company, Grupo Villacero, by Luxembourg-based Arcelor Mittal in

April 2007.<sup>2</sup> The Sicartsa acquisition, along with Arcelor Mittal's existing Mexican flat-rolled facilities, reportedly will make Arcelor Mittal the largest producer of long- and flat-rolled steel products in Mexico. Arcelor Mittal also plans to form a joint venture with Grupo Villacero to distribute long products in both Mexico and the southwestern United States.<sup>3</sup>

CMC reported several changes to its operations for plants inside the region. \*\*\*.

Gerdau reported several changes to its plants in the region. As detailed previously, Gerdau has purchased several steel mills since 2001. In addition, the company has \*\*\*. In 2002, the company merged with Co-Steel. As a result, it acquired a rebar mill in Sayreville, NJ. \*\*\*.

In May 2007, Gerdau's parent company, Brazil-based Grupo Gerdau S.A., was reportedly in take-over discussions to acquire Chaparral, but neither Chaparral nor Gerdau representatives offered any further public comments.<sup>4</sup> Previously, Chaparral announced that its board of directors will be evaluating strategic corporate alternatives for the firm, including a possible sale, merger, partnership, acquisition, or recapitalization.<sup>5</sup>

Finally, as discussed above, Nucor acquired Auburn Steel in 2001, Birmingham Steel in 2002 (Birmingham, Jackson, and Kankakee within the region), and Marion Steel in 2005.

### **Firms Outside the Region**

Gerdau reported that it acquired certain steel making assets of North Star Steel from Cargill, including two rebar producing facilities in Wilton, IA, and St. Paul, MN, in 2004. \*\*\*. In 2006, Gerdau acquired Sheffield Steel Corp., including a rebar mill in Sand Springs, OK. \*\*\*.

Nucor acquired Birmingham Steel in 2002 (Nucor Seattle).

\*\*\*.

### **Anticipated Changes in Existing Operations**

The Commission asked domestic producers to report anticipated changes in their operations in the future. Some firms reported anticipated changes, which are summarized below.

#### **Firms Within the Region**

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#### **Firms Outside the Region**

\*\*\*.

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<sup>2</sup> Phillip Price, "Arcelor Mittal Finalizes Purchase of Long Products Maker Sicartsa," *American Metal Market*, April 23, 2007.

<sup>3</sup> "Arcelor Mittal in \$1.4-Billion Deal to Buy Sicartsa," *American Metal Market*, December 20, 2006.

<sup>4</sup> Michael Cowden, "Brazil's Grupo Gerdau Said Making a Play for Chaparral," *American Metal Market*, May 23, 2007.

<sup>5</sup> Chaparral Steel Co., "Chaparral Steel Company Retains Goldman, Sachs & Co. To Assist in Review of Strategic Alternatives," news release, April 25, 2007; and Michael Cowden, "Chaparral Board Explores Sale, Merger Possibilities," *American Metal Market*, April 26, 2007.

\*\*\*<sup>6</sup>.  
\*\*\*.  
\*\*\*.

### Constraints on Capacity

Some firms reported constraints on their capacity to produce rebar, which are listed below.

#### Firms Within the Region

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\*\*\*.

#### Firms Outside the Region

\*\*\*.  
\*\*\*.  
\*\*\*.  
\*\*\*.

### Alternative Products

The Commission collected data on coiled (nonsubject) rebar and other bar production by U.S. rebar producers. As shown in table III-3, production of merchant bar and other bar products (such as SBQ bar) increased between 2001 and 2006, although only merchant bar was produced in volumes comparable to the production of rebar. Overall capacity utilization, like the allocated rebar data discussed previously, was markedly higher in 2003-06 than in 2001-02, as production growth outstripped increases in capacity.

Shifting from producing rebar to other products, while possible for some producers, is not always desirable. Several producers reported their views on producing alternate products on the same equipment that they use to produce rebar, which are summarized below.

#### Firms Within the Region

\*\*\*.  
\*\*\*<sup>7</sup>.  
\*\*\*.

#### Firms Outside the Region

\*\*\*.  
\*\*\*<sup>8</sup>.

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<sup>6</sup> \*\*\* submitted articles outlining CMC's plans to build a new micro mill in Casa Grande, AZ, with a capacity of about 280,000 tons, starting in 2009. Submission of \*\*\*, March 7, 2007.

<sup>7</sup> \*\*\*.

<sup>8</sup> \*\*\*.

Table III-3

Rebar: U.S. capacity, production, and capacity utilization for subject rebar, nonsubject (coiled) rebar, and other bar products, 2001-06

Item	2001	2002	2003	2004	2005	2006
	<b>Quantity (short tons)</b>					
<b>National:</b>						
Average rolling capacity	13,647,000	13,713,000	14,070,000	14,584,000	14,740,000	15,124,255
Production:						
Straight rebar	6,143,665	6,368,524	7,500,721	7,067,122	7,538,873	7,713,433
Coiled rebar	***	***	***	***	***	***
Merchant bar	4,106,918	4,049,591	4,252,917	4,521,834	4,409,960	4,705,420
Other <sup>1</sup>	***	***	***	***	***	***
Total production	10,992,978	11,292,051	12,682,920	12,840,207	13,295,595	13,864,789
Capacity utilization (percent)	80.6	82.3	90.1	88.0	90.2	91.7
<b>For mills within the region:</b>						
Average rolling capacity	9,341,000	9,341,000	9,595,000	10,152,000	10,282,000	10,594,255
Production:						
Straight rebar	4,249,362	4,487,275	5,089,353	4,888,626	5,192,898	5,434,641
Coiled rebar	***	***	***	***	***	***
Merchant bar	2,764,546	2,682,442	2,806,118	3,003,903	2,858,008	3,165,371
Other <sup>1</sup>	***	***	***	***	***	***
Total production	7,601,808	7,828,702	8,573,993	8,880,737	9,152,891	9,778,253
Capacity utilization (percent)	81.4	83.8	89.4	87.5	89.0	92.3
<b>For mills outside the region:</b>						
Average rolling capacity	4,306,000	4,372,000	4,475,000	4,432,000	4,458,000	4,530,000
Production:						
Straight rebar	1,894,303	1,881,249	2,411,368	2,178,496	2,345,975	2,278,792
Coiled rebar	***	***	***	***	***	***
Merchant bar	1,342,372	1,367,149	1,446,799	1,517,931	1,551,952	1,540,049
Other <sup>1</sup>	***	***	***	***	***	***
Total production	3,391,170	3,463,349	4,108,927	3,959,470	4,142,704	4,086,536
Capacity utilization (percent)	78.8	79.2	91.8	89.3	92.9	90.2
<sup>1</sup> Other products included SBQ rounds, corners, squares, and flats; highway sign posts; fence posts; wire rods; and t-post stock.						
Source: Compiled from data submitted in response to Commission questionnaires.						

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

### Shipments by U.S. Mills Throughout the United States

Data on domestic producers' shipments of rebar on a national basis are presented in table III-4. U.S. commercial shipments, transfers, and exports generally increased from 2001 to 2006, while internal consumption decreased during the same period. Transfers rose faster than commercial shipments, but exports increased more rapidly still. Transfers to related firms primarily took place inside the specified region, and \*\*\* accounted for the majority of such transfers during the period.

The sharp increase in the average unit values of shipments in 2004-06 reflected marked increases in raw material and other input costs (scrap steel, electricity, natural gas, and alloys), according to several U.S. producers.<sup>9</sup> The price of scrap steel in 2004 was almost double the price in 2003, according to American Metal Market scrap indices for heavy melt and busheling.<sup>10</sup> Rebar producers pass along these raw material cost increases to purchasers in the form of price increases (CMC and Gerdau) and surcharges (in the case of \*\*\* and Nucor).<sup>11 12</sup>

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<sup>9</sup> U.S. producers' submissions of March 6, 2007 and March 8, 2007.

<sup>10</sup> Submission by Gerdau, March 7, 2007.

<sup>11</sup> Domestic interested parties submission on behalf of \*\*\*, and hearing transcript, pp. 89 (McCullachs and Parrish) and 92 (Fritsch).

<sup>12</sup> Domestic interested parties provided data on shipments for the first four months of 2007 for Cascade, CMC, Gerdau, Nucor, and TAMCO. Compared with the first four months of 2006, shipments increased slightly on a quantity basis but increased even more a value basis, as average unit values increased by \*\*\* percent. May 24, 2007 submission by domestic interested parties, monthly shipments summary, p. 3. If examined on a monthly basis, the first three months of 2007 showed increases in shipment quantities, and April 2007 showed decreases in shipment quantities, while all four months experienced increases in average unit values of shipments.



**Table III-4**

**Rebar: U.S. national producers' shipments, by types, 2001-06**

Item	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
U.S. shipments:						
Commercial shipments to--						
Inside the specified region	***	***	***	***	***	***
Outside the specified region	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers to related firms--						
Inside the specified region	***	***	***	***	***	***
Outside the specified region	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Subtotal, U.S. shipments	6,004,280	6,142,432	7,479,403	6,727,868	7,416,240	7,421,016
Export shipments	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***
<b>Value (1,000 dollars)</b>						
U.S. shipments:						
Commercial shipments to--						
Inside the specified region	***	***	***	***	***	***
Outside the specified region	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers to related firms--						
Inside the specified region	***	***	***	***	***	***
Outside the specified region	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Subtotal, U.S. shipments	1,612,555	1,599,417	2,111,414	2,993,872	3,510,682	3,872,943
Export shipments	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***

Table continued on the following page.

**Table III-4--Continued**

**Rebar: U.S. national producers' shipments, by types, 2001-06**

Item	2001	2002	2003	2004	2005	2006
<b>Unit value (per short ton)</b>						
U.S. shipments:						
Commercial shipments to--						
Inside the specified region	\$***	\$***	\$***	\$***	\$***	\$***
Outside the specified region	***	***	***	***	***	***
Average	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers to related firms--						
Inside the specified region	***	***	***	***	***	***
Outside the specified region	***	***	***	***	***	***
Average	***	***	***	***	***	***
Average, U.S. shipments	269	260	282	445	473	522
Export shipments	***	***	***	***	***	***
Average, all shipments	***	***	***	***	***	***
Source: Compiled from data submitted in response to Commission questionnaires.						

**Shipments by U.S. Mills Within the Specified Region**

Data on domestic producers' shipments of rebar within the specified region are presented in table III-5.<sup>13</sup> Transfers rose slightly more than commercial shipments during 2001-06, and exports rose irregularly more than other types of shipments. The Harris Steel acquisition by Nucor should not have a large impact on the trend in transfer shipments within the region in the future, as six out of eight of Harris' locations are outside the region, and \*\*\*. Further, \*\*\*.<sup>14</sup> The \*\*\* plant reported a small amount of internal consumption because it includes an on-site rebar fabrication facility.<sup>15</sup>

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<sup>13</sup> Domestic interested parties provided data on shipments for the first four months of 2007 for CMC, Gerdau, and Nucor. Compared with the first four months of 2006, shipments remained steady on a quantity basis but increased on a value basis, as average unit values increased by \*\*\* percent. May 24, 2007 submission by domestic interested parties, monthly shipments summary, p. 3. If examined on a monthly basis, the first three months of 2007 showed increases in shipment quantities, and April 2007 showed decreases in shipment quantities, while all four months experienced increases in average unit values of shipments.

<sup>14</sup> E-mail from \*\*\*, June 5, 2007.

<sup>15</sup> \*\*\*.

**Table III-5**

**Rebar: U.S. shipments by producers within the specified region, by types, 2001-06**

Item	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
U.S. shipments:						
Commercial shipments to--						
Inside the specified region	***	***	***	***	***	***
Outside the specified region	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers to related firms--						
Inside the specified region	***	***	***	***	***	***
Outside the specified region	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Subtotal, U.S. shipments	4,302,371	4,395,879	5,186,342	4,793,833	5,243,772	5,375,098
Export shipments	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***
<b>Value (1,000 dollars)</b>						
U.S. shipments:						
Commercial shipments to--						
Inside the specified region	***	***	***	***	***	***
Outside the specified region	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers to related firms--						
Inside the specified region	***	***	***	***	***	***
Outside the specified region	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Subtotal, U.S. shipments	1,139,888	1,137,280	1,445,705	2,116,051	2,439,075	2,770,112
Export shipments	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***

Table continued on the following page.

**Table III-5--Continued**

**Rebar: U.S. shipments by producers within the specified region, by types, 2001-06**

Item	2001	2002	2003	2004	2005	2006
<b>Unit value (per short ton)</b>						
U.S. shipments:						
Commercial shipments to--						
Inside the specified region	\$**	\$**	\$**	\$**	\$**	\$**
Outside the specified region	**	**	**	**	**	**
Average	**	**	**	**	**	**
Internal consumption	**	**	**	**	**	**
Transfers to related firms--						
Inside the specified region	**	**	**	**	**	**
Outside the specified region	**	**	**	**	**	**
Average	**	**	**	**	**	**
Average, U.S. shipments	265	259	279	441	465	515
Export shipments	**	**	**	**	**	**
Average, all shipments	**	**	**	**	**	**
Source: Compiled from data submitted in response to Commission questionnaires.						

**Shipments by U.S. Mills Outside the Specified Region**

Data on domestic producers' shipments of rebar outside the region are presented in table III-6. Commercial shipments, transfers, and exports increased during 2001-06, with transfers increasing at the greatest rate, followed by exports.<sup>16</sup> Although Mittal has argued about the significance of Nucor's recent purchase of Harris Steel,<sup>17</sup> \*\*,<sup>18</sup> so it is unclear whether there would be an expectation that transfers would increase in the future, even though \*\*. Average unit values for commercial shipments by U.S. producers outside the region were somewhat higher than average unit values for commercial shipments by U.S. producers within the region in each year between 2001 and 2006.

<sup>16</sup> Transfers to related firms outside the region increased greatly due to a \*\*.

<sup>17</sup> Hearing transcript, p. 14 (Gurley).

<sup>18</sup> E-mail from \*\*, June 5, 2007.

**Table III-6**

**Rebar: U.S. shipments by producers outside the specified region, by types, 2001-06**

Item	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
U.S. shipments:						
Commercial shipments to--						
Inside the specified region	***	***	***	***	***	***
Outside the specified region	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers to related firms--						
Inside the specified region	***	***	***	***	***	***
Outside the specified region	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Subtotal, U.S. shipments	1,701,909	1,746,553	2,293,061	1,934,035	2,172,468	2,045,918
Export shipments	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***
<b>Value (1,000 dollars)</b>						
U.S. shipments:						
Commercial shipments to--						
Inside the specified region	***	***	***	***	***	***
Outside the specified region	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers to related firms--						
Inside the specified region	***	***	***	***	***	***
Outside the specified region	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***
Subtotal, U.S. shipments	472,667	462,137	665,710	877,822	1,071,607	1,102,831
Export shipments	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***

Table continued on the following page.

**Table III-6--Continued**

**Rebar: U.S. shipments by producers outside the specified region, by types, 2001-06**

Item	2001	2002	2003	2004	2005	2006
<b>Unit value (per short ton)</b>						
U.S. shipments:						
Commercial shipments to--						
Inside the specified region	\$***	\$***	\$***	\$***	\$***	\$***
Outside the specified region	***	***	***	***	***	***
Average	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers to related firms--						
Inside the specified region	***	***	***	***	***	***
Outside the specified region	***	***	***	***	***	***
Average	***	***	***	***	***	***
Average, U.S. shipments	278	265	290	454	493	539
Export shipments	***	***	***	***	***	***
Average, all shipments	***	***	***	***	***	***
Source: Compiled from data submitted in response to Commission questionnaires.						

**U.S. PRODUCERS' INVENTORIES**

Data collected in these reviews on domestic producers' end-of-period inventories of rebar are presented in table III-7. The domestic industry's inventories of rebar as a ratio to total shipments fluctuated in a downward trend on the national level, from a peak in 2001-02 to a low point in 2003. Producers outside the region generally held a higher ratio of inventories to total shipments in most years of the review period than producers inside the region, although the irregularly declining trend in inventories relative to total shipments was similar. In absolute terms, however, end-of-period inventories were higher in 2006 than in 2001 for mills within the specified region, but lower for mills outside the specified region.<sup>19</sup>

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<sup>19</sup> The decline in inventories during 2001-06 outside the region was accounted for by \*\*\*, which influenced the trend for the national industry as well.

**Table III-7**

**Rebar: U.S. producers' end-of-period inventories, by mill location, 2001-06**

Item	2001	2002	2003	2004	2005	2006
National:						
Inventories ( <i>short tons</i> )	601,153	617,597	441,762	619,492	533,925	597,345
Ratio to production ( <i>percent</i> )	9.8	9.7	5.9	8.8	7.1	7.8
Ratio to U.S. shipments ( <i>percent</i> )	10.0	10.1	5.9	9.2	7.2	8.0
Ratio to total shipments ( <i>percent</i> )	***	***	***	***	***	***
Mills within the specified region:						
Inventories ( <i>short tons</i> )	366,847	428,665	325,883	426,645	366,923	414,605
Ratio to production ( <i>percent</i> )	8.6	9.6	6.4	8.7	7.1	7.6
Ratio to U.S. shipments ( <i>percent</i> )	8.5	9.8	6.3	8.9	7.0	7.7
Ratio to total shipments ( <i>percent</i> )	***	***	***	***	***	***
Mills outside the specified region:						
Inventories ( <i>short tons</i> )	234,306	188,932	115,879	192,847	167,002	182,740
Ratio to production ( <i>percent</i> )	12.4	10.0	4.8	8.9	7.1	8.0
Ratio to U.S. shipments ( <i>percent</i> )	13.8	10.8	5.1	10.0	7.7	8.9
Ratio to total shipments ( <i>percent</i> )	***	***	***	***	***	***
Source: Compiled from data submitted in response to Commission questionnaires.						

**U.S. PRODUCERS' IMPORTS AND PURCHASES**

U.S. producers did not import rebar from the subject countries during the period of review. \*\*\*. \*\*\*. The following tabulation shows nonsubject imports by U.S. producers during 2001-06:<sup>20</sup>

Item	2001	2002	2003	2004	2005	2006
***'s imports of rebar from nonsubject sources ( <i>short tons</i> )	***	***	***	***	***	***
***'s imports of rebar from nonsubject sources ( <i>short tons</i> )	***	***	***	***	***	***

U.S. producers did not have any reported purchases from other U.S. producers or U.S. importers. A subsidiary of \*\*\*, purchased rebar from \*\*\*<sup>21</sup> and \*\*\*. It also purchased rebar from \*\*\* during 2001-06.

<sup>20</sup> Compiled from data submitted in response to Commission questionnaires.

<sup>21</sup> \*\*\*.

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

Table III-8 provides data on U.S. rebar producers' production and related workers. On a national level, between 2001 and 2006 the number of production and related workers and their hours worked remained relatively stable (but with rising hourly wages), while productivity made large gains and unit labor costs increased slightly. The increase in the number of workers in the national rebar industry was attributable to the producers within the specified region. Productivity was higher inside the region, while hourly wages and unit labor costs were higher outside the region.

Despite the overall gain of employment in the industry, \*\*\* lost almost \*\*\* workers between 2001 and 2002, as production declined, and the workers were only partially reinstated as production increased during the remainder of the period. \*\*\*,<sup>22</sup>

Within the hourly wage rates for the overall industry there was a wide variation among firms, with some firms, mostly in the South, consistently lower (for example, \*\*\*), and some plants in the West consistently higher (for example, \*\*\*). Within an individual plant there was sometimes a wide variation across years, such as with \*\*\*'s hourly wages, which went from \$\*\*\* in 2001 to \$\*\*\* in 2006. \*\*\*,<sup>23</sup>

The variation in productivity can be fairly large within corporate entities, for example between \*\*\*, at the very low end of \*\*\* to \*\*\* short tons per 1,000 hours, and \*\*\*, at the very high end of around \*\*\* short tons per 1,000 hours. The explanation for the disparity is that \*\*\*,<sup>24</sup>

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<sup>22</sup> \*\*\*.

<sup>23</sup> \*\*\*.

<sup>24</sup> \*\*\*.



**Table III-8**

**Rebar: Average number of production-and-related workers, hours worked, wages paid to such workers, hourly wages, productivity, and unit labor costs, by mill location, 2001-06**

Item	2001	2002	2003	2004	2005	2006
National:						
PRWs ( <i>number</i> )	3,967	3,827	3,897	3,719	3,909	4,066
Hours worked ( <i>1,000</i> )	8,438	8,093	8,938	8,149	8,390	8,650
Wages paid ( <i>\$1,000</i> )	211,855	215,541	237,579	238,024	265,621	284,103
Hourly wages	\$25.11	\$26.63	\$26.58	\$29.21	\$31.66	\$32.85
Productivity ( <i>tons per 1,000 hours</i> )	728.5	785.1	839.3	868.3	898.9	890.8
Unit labor costs ( <i>per short ton</i> )	\$34.47	\$33.92	\$31.67	\$33.64	\$35.22	\$36.87
Mills within the specified region:						
PRWs ( <i>number</i> )	2,635	2,609	2,590	2,482	2,593	2,739
Hours worked ( <i>1,000</i> )	5,617	5,559	5,905	5,632	5,611	6,052
Wages paid ( <i>\$1,000</i> )	134,824	139,834	150,379	154,854	165,826	184,669
Hourly wages	\$24.00	\$25.15	\$25.47	\$27.50	\$29.55	\$30.52
Productivity ( <i>tons per 1,000 hours</i> )	757.1	804.6	862.0	869.6	926.0	896.7
Unit labor costs ( <i>per short ton</i> )	\$31.70	\$31.26	\$29.54	\$31.62	\$31.92	\$34.03
Mills outside the specified region:						
PRWs ( <i>number</i> )	1,332	1,218	1,307	1,237	1,316	1,327
Hours worked ( <i>1,000</i> )	2,821	2,534	3,033	2,517	2,779	2,598
Wages paid ( <i>\$1,000</i> )	77,031	75,707	87,200	83,170	99,795	99,434
Hourly wages	\$27.31	\$29.88	\$28.75	\$33.04	\$35.91	\$38.27
Productivity ( <i>tons per 1,000 hours</i> )	671.5	742.4	795.0	865.5	844.2	877.1
Unit labor costs ( <i>per short ton</i> )	\$40.66	\$40.24	\$36.16	\$38.18	\$42.54	\$43.63
Source: Compiled from data submitted in response to Commission questionnaires.						

## FINANCIAL EXPERIENCE OF U.S. PRODUCERS

### Background

This section of the report presents the financial results of 25 U.S. mills producing rebar: 18 mills located within the specified region and seven located outside the specified region. All U.S. producers reported their financial results on the basis of U.S. Generally Accepted Accounting Principles (“GAAP”). Gerdau and Nucor both reported financial results for calendar-year periods, while the majority of other U.S. producers reported for fiscal years.<sup>25</sup>

As discussed in detail in the beginning of Part III, the U.S. rebar industry has undergone substantial consolidation during the period. Mills are identified in the following tables according to their ownership at the end of the current review period.<sup>26</sup>

The majority of overall activity represents commercial sales, but also includes not insubstantial transfers as well as a small amount of internal consumption.<sup>27</sup>

### Rebar Operations by U.S. Mills Throughout the United States

Table III-9 presents the total rebar operations of all U.S. producers. Aggregated company-specific financial information for selected items is presented in table III-10. Table III-11 presents a variance analysis of the financial results of total U.S. rebar operations.

As shown in table III-9, overall operating income margins declined from 2001 through 2003 and then improved substantially from 2004 through 2006.<sup>28</sup> While overall rebar sales volume increased

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<sup>25</sup> An exception was the Gerdau mill in Sand Springs, OK, which reported fiscal years ending April 30. \*\*\*. Chaparral reported for fiscal years ending May 31. Cascade and CMC reported for fiscal years ending August 31. Border Steel reported for fiscal years ending September 30. TAMCO reported for fiscal years ending November 30. SDI reported on a calendar-year basis.

<sup>26</sup> Mittal announced its intention to acquire Border Steel (as part of Sincarsta) from Grupo Villacero on December 20, 2006. Event Brief of Arcelor Mittal acquires Sincarsta, the leading Mexican long steel producer – Conference Call – Final, Regional Business News, December 20, 2006. The purchase was subsequently finalized on April 20, 2007. Arcelor Mittal Reports First Quarter 2007 Results, Mittal Press Release, May 16, 2007.

<sup>27</sup> \*\*\*. \*\*\*. Letter from Wiley Rein on behalf of CMC, March 6, 2007. \*\*\*. Letter from Wiley Rein on behalf of Nucor, March 8, 2007.

<sup>28</sup> At the Commission’s hearing on May 10, 2007, Commissioner Lane requested that the U.S. industry provide its 2007 operating income. Pursuant to this request, operating income and related financial information were reported for activity inside the region and outside the region; interim 2007 activity inside the region reflecting CMC (all mills), Gerdau (all mills), and Nucor (all mills) and activity outside the region reflecting Cascade, Gerdau (all mills), Nucor (all mills), and TAMCO. May 24, 2007 posthearing submission by Wiley Rein. The financial results for January-April 2007 indicate that, while some mills reported lower absolute operating income in the first four months of 2007 compared to the first four months of 2006, most mills reported higher absolute operating income in January-April 2007. Despite the increase in absolute operating income in January-April 2007 compared to January-April 2006, operating income as a percent of sales was marginally lower: inside the region (\*\*% percent to \*\*% percent); outside the region (\*\*% percent to \*\*% percent); and for the U.S. industry as a whole (\*\*% percent to \*\*% percent).

While profitability by month was not reported, accompanying financial information showed that April 2007 sales volume and value generally declined compared to both April 2006 and March 2007. In contrast, April 2007 average sales value was higher compared to April 2006 and March 2007. \*\*\*. \*\*\*. For the overall U.S. industry April 2007 sales volume and value declined \*\*% percent and \*\*% percent, respectively, compared to April 2006 and \*\*% percent and \*\*% percent, respectively, compared to March 2007. Average unit sales value for the overall industry in April 2007 was \*\*% and \*\*% percent higher, respectively compared to April 2006 and March 2007.

Table III-9

Rebar: Results of all U.S. producers' operations, 2001-06

Item	Calendar and fiscal year					
	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
Commercial sales	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers	***	***	***	***	***	***
Total net sales	6,190,355	6,338,939	7,615,292	7,016,005	7,533,213	7,742,037
<b>Value (\$1,000)</b>						
Commercial sales	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers	***	***	***	***	***	***
Total net sales	1,657,996	1,654,343	2,137,695	3,029,572	3,531,181	4,006,813
Raw material	626,462	685,289	992,219	1,476,938	1,580,740	1,764,607
Direct labor	180,157	185,206	214,246	208,856	235,796	250,471
Other factory costs	648,691	632,602	740,501	712,967	900,981	950,120
Total cost of goods sold	1,455,311	1,503,097	1,946,966	2,398,760	2,717,517	2,965,198
Gross profit or (loss)	202,685	151,246	190,729	630,812	813,665	1,041,615
SG&A expenses	92,777	84,938	125,026	164,402	192,145	213,854
Operating income or (loss)	109,908	66,308	65,703	466,410	621,520	827,760
Interest expense	53,046	38,174	36,013	32,321	25,950	22,539
Other expenses	11,042	4,179	6,203	6,333	6,616	8,011
CDSOA funds received	3	803	1,181	892	719	2,831
Other income items	6,127	7,524	4,864	4,906	21,940	26,803
Net income or (loss)	51,950	32,282	29,531	433,554	611,613	826,845
Depr. and amortization (incl. above)	96,036	89,318	101,084	99,507	105,398	106,395
Estimated cash flow	147,985	121,600	130,616	533,062	717,010	933,240
<b>Ratio to net sales (percent)</b>						
Raw material	37.8	41.4	46.4	48.8	44.8	44.0
Direct labor	10.9	11.2	10.0	6.9	6.7	6.3
Other factory costs	39.1	38.2	34.6	23.5	25.5	23.7
Total cost of goods sold	87.8	90.9	91.1	79.2	77.0	74.0
Gross profit	12.2	9.1	8.9	20.8	23.0	26.0
SG&A expenses	5.6	5.1	5.8	5.4	5.4	5.3
Operating income or (loss)	6.6	4.0	3.1	15.4	17.6	20.7
Net income or (loss)	3.1	2.0	1.4	14.3	17.3	20.6

Table continued on the following page.

**Table III-9--Continued**

**Rebar: Results of all U.S. producers' operations, 2001-06**

Item	Calendar and fiscal year					
	2001	2002	2003	2004	2005	2006
<b>Value (dollars per short ton)</b>						
Commercial sales	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers	***	***	***	***	***	***
Net sales	268	261	281	432	469	518
Raw material	101	108	130	211	210	228
Direct labor	29	29	28	30	31	32
Other factory costs	105	100	97	102	120	123
Total cost of goods sold	235	237	256	342	361	383
Gross profit or (loss)	33	24	25	90	108	135
SG&A expenses	15	13	16	23	26	28
Operating income or (loss)	18	10	9	66	83	107
<b>Number of mills reporting</b>						
Data	24	24	24	24	25	25
Operating losses	8	9	10	2	2	2
Source: Compiled from data submitted in response to Commission questionnaires.						

**Table III-10**

**Rebar: Results of all U.S. producers' operations, by firms, 2001-06**

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**Table III-11**  
**Rebar: Variance analysis of all U.S. producers' operations, 2001-06**

Item	Calendar and fiscal year					
	2001-06	2001-02	2002-03	2003-04	2004-05	2005-06
<b>Value (\$1,000)</b>						
<b>Total net sales:</b>						
Price variance	1,933,222	(43,448)	150,247	1,060,104	278,275	377,746
Volume variance	415,595	39,796	333,104	(168,226)	223,335	97,886
Total net sales variance	2,348,817	(3,652)	483,351	891,877	501,609	475,631
<b>Cost of sales:</b>						
<b>Raw material:</b>						
Cost variance	(981,115)	(43,791)	(168,946)	(562,801)	5,075	(140,048)
Volume variance	(157,030)	(15,037)	(137,984)	78,083	(108,877)	(43,819)
Net raw material variance	(1,138,14)	(58,827)	(306,930)	(484,719)	(103,802)	(183,867)
<b>Direct labor:</b>						
Cost variance	(25,156)	(724)	8,252	(11,470)	(11,544)	(8,139)
Volume variance	(45,158)	(4,324)	(37,291)	16,860	(15,397)	(6,536)
Net direct labor variance	(70,314)	(5,049)	(29,040)	5,390	(26,940)	(14,675)
<b>Other factory costs:</b>						
Cost variance	(138,827)	31,660	19,476	(30,739)	(135,455)	(24,164)
Volume variance	(162,602)	(15,570)	(127,375)	58,274	(52,559)	(24,976)
Net other factory cost variance	(301,429)	16,089	(107,900)	27,535	(188,014)	(49,140)
<b>Net cost of sales:</b>						
Cost variance	(1,145,09)	(12,856)	(141,219)	(605,011)	(141,924)	(172,351)
Volume variance	(364,790)	(34,931)	(302,650)	153,217	(176,833)	(75,331)
Total net cost of sales variance	(1,509,88)	(47,787)	(443,869)	(451,794)	(318,756)	(247,682)
<b>Gross profit variance</b>	838,929	(51,439)	39,482	440,083	182,853	227,950
<b>SG&amp;A expenses:</b>						
Expense variance	(97,821)	10,066	(22,986)	(49,215)	(15,624)	(16,383)
Volume variance	(23,256)	(2,227)	(17,102)	9,839	(12,119)	(5,326)
Total SG&A variance	(121,077)	7,839	(40,088)	(39,376)	(27,744)	(21,709)
<b>Operating income variance</b>	717,853	(43,600)	(606)	400,708	155,110	206,241
<b>Summarized as:</b>						
Price variance	1,933,222	(43,448)	150,247	1,060,104	278,275	377,746
Net cost/expense variance	(1,242,91)	(2,789)	(164,204)	(654,226)	(157,548)	(188,734)
Net volume variance	27,550	2,638	13,351	(5,170)	34,383	17,229

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

during the review period, higher total revenue was primarily the result of positive price variances, as shown in the sales section of the variance analysis (see table III-11).

In the second half of the period, both average revenue and average cost of goods sold (“COGS”) increased sharply. When asked to explain this trend, U.S. producers described the same underlying factors. For example, Gerdau stated that \*\*\*.<sup>29</sup> Similarly, Cascade stated that \*\*\*.<sup>30</sup> TAMCO stated that \*\*\*.<sup>31</sup>

As shown in table III-10, company-specific average raw material costs, while reflecting the same basic pattern, did not move in lock step. In 2005, for example, \*\*\* reported \*\*\* overall average raw material costs compared to 2004, while the other companies reported \*\*\* average raw material costs.<sup>32</sup> In 2006 compared to 2005, higher average raw material costs were reported by the majority of companies.<sup>33</sup>

The increase in average raw material costs in the second half of the period was also accompanied by higher average energy costs. Nucor stated in its 2006 annual report that “{t}otal energy costs increased approximately \$7 per ton from 2004 to 2005 due to increases of 31% and 19%, respectively, in the prices of natural gas and electricity.”<sup>34</sup> In contrast, “{t}otal energy costs decreased approximately \$1 per ton from 2005 to 2006 as natural gas prices decreased approximately 10% and electricity prices increased approximately 2%.”<sup>35</sup> Direct energy costs for producing rebar would generally be a component of other factory costs which, as shown in table III-9, increased sharply on an average unit basis in 2005 compared to 2004 and again in 2006 but by a somewhat smaller amount. Fuel costs, which are reflected

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<sup>29</sup> Letter from Wiley Rein on behalf of Gerdau, March 7, 2007.

<sup>30</sup> Letter from Wiley Rein on behalf of Cascade March 7, 2007.

<sup>31</sup> Letter from Wiley Rein on behalf of TAMCO, March 6, 2007.

<sup>32</sup> As shown in table III-9, the small decline in overall average raw material costs in 2005 is generally consistent with the trend of scrap prices during the second half of the period (see, e.g., Cyclical spot-market pricing peak has come and gone, *Purchasing*, November 2, 2006, p. 32B). Among other things, the pattern of company-specific average raw material costs shown in table III-10 reflects different inventory valuation methods. Nucor’s use of LIFO inventory valuation (Nucor 2005 annual report, p. 22), for example, is consistent with a pattern of period-to-period average \*\*\*.

<sup>33</sup> Ferrous scrap prices have reportedly continued to increase in 2007. In February, American Metal Market reported that “{f}or the second consecutive month, prices for merchant and reinforcing bar products are poised to increase to offset rising scrap costs. Nucor Corp., Charlotte, N.C., the largest producer of rebar and merchant bar products in the United States, is raising its scrap surcharge by \$40 per ton but lowering its base prices by \$10 per ton, resulting in a \$30 net increase effective with March 1 {2007} shipments. Last month, Nucor raised its surcharge \$25 per ton but reduced base prices by \$10 per ton, resulting in a \$15 net increase for February.” Nucor boosting bar prices \$30/T for March shipments, *American Metal Market*, February 19, 2007, p. 16. An increase in net rebar prices was also announced in March. According to American Metal Market, “{r}ising ferrous scrap costs are pushing prices for merchant bar and reinforcing bar higher. Nucor Corp., Charlotte, N.C. led the way with the announcement of what amounts to a \$55-a-short-ton (\$2.75-per-hundredweight) increase on rebar and merchant bar products effective with April 1 shipments. Nucor is achieving the increase by lifting its scrap surcharge by \$70 a ton and simultaneously reducing base prices by \$15 a ton. CMC Steel Group, a Seguin, Texas-based division of Commercial Metals Co followed the Nucor move immediately with a \$55-a-ton hike . . .” Rising scrap costs push bar product prices higher, *American Metal Market*, March 19, 2007, p. 16. A subsequent American Metal Market article noted that “{p}rices for shredded scrap in the United States have moved steadily higher since December, climbing a total of about \$140 per ton to around \$360. U.S. rebar producers have responded by increasing prices by about \$100 per ton over the past three months, but U.S. prices nevertheless remain well below prices in other markets.” Rebar World, *American Metal Market*, March 26, 2007, p. 7.

<sup>34</sup> Nucor 2006 Annual Report, p. 24. According to Nucor its “{t}otal energy costs per ton were flat from 2003 to 2004 as higher natural gas prices of approximately 8% were offset by increased production efficiency at our steel mills. Nucor 2005 Annual Report, p. 24.

<sup>35</sup> Nucor 2006 Annual Report, p. 13.

in both COGS and selling, general, and administrative (“SG&A”) expenses, also increased during the period.<sup>36</sup>

Higher average revenue in the second half of the period resulted in notably higher levels of profitability. As shown in the variance analysis, the majority of the increase in operating income between 2003 and 2004 was the result of an overall positive price variance which offset and exceeded corresponding negative cost/expense variances. Subsequent positive operating income variances between 2004 and 2005 and between 2005 and 2006, although smaller, were due to the same factors. This overall positive difference between average sales value and average costs is embodied primarily in the “metal spread”<sup>37</sup> which, as shown in table III-10, declined from 2001 through 2003 and then rose in 2004 and subsequent periods. In the second half of the period, these substantially higher metal spreads are reflected in lower COGS-to-sales ratios and higher gross profit margins.

During the period overall SG&A expenses as a share of sales ranged from 5.1 percent to 5.8 percent, which is similar to the range of SG&A expense ratios reported during the original investigation: 4.7 percent to 5.9 percent.<sup>38</sup> Notable trends in individual mill SG&A expenses are discussed in the region-specific sections below.

As shown in table III-9, other income increased notably in 2005 and 2006. In addition to increases in other income reported by two particular mills, as discussed in the region-specific section below, most U.S. mills also reported generally higher other income in the second half of the period.<sup>39</sup>

### **Capital Expenditures, Assets, and Return on Investment of the U.S. Industry**

The reported values of capital expenditures, assets, and calculated return on investment of all U.S. producers of rebar are shown in table III-12.<sup>40</sup>

For the period as a whole, the \*\*\* mills accounted for the largest share of cumulative capital expenditures: \*\*\*.<sup>41</sup>

As shown in table III-12, the majority of overall capital expenditures occurred in the second half of the period which corresponds with substantially higher levels of estimated cash flow from operations and increased return on investment. Notable capital expenditures and return on investment by particular mills are described in the region-specific sections below.

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<sup>36</sup> Nucor’s unit freight costs reportedly increased 12 percent between 2004 and 2005 and another 8 percent between 2005 to 2006. These increases were attributed primarily to higher fuel costs. Nucor 2006 Annual Report, pp. 22 and 24. Similarly, in its 2005 annual report, Gerdau also noted the impact of higher fuel costs on overall cost of goods sold. Gerdau 2005 Annual Report, p. 13.

<sup>37</sup> For purposes of this report metal spread represents the difference between average sales value and average raw material cost. It should be noted, however, that metal spread is defined somewhat differently by at least one rebar producer; i.e., Gerdau describes metal spread as an indicator which compares “. . . current selling prices with the current price of scrap melted in production and does not consider the timing effect of scrap costs for products sold.” Gerdau 2005 Annual Report, p. 6 and p. 13.

<sup>38</sup> Table VI-16, p. VI-22 of original staff report.

<sup>39</sup> This pattern appears to be generally consistent with increased interest income associated with larger balances of cash, cash equivalents, and short term investments in the second half of the period. For example and with respect to net interest income reported in its 2006 consolidated income statement, Nucor stated that from 2005 to 2006 “[g]ross interest income more than doubled due to increases in average cash equivalents and short-term investments and, to a lesser extent, due to increases in average interest rates. Gross interest expense increased approximately 10% primarily due to increased average interest rates.” Nucor 2006 Annual Report, p. 23.

<sup>40</sup> While the Commission’s questionnaire requested R&D expenses, no company reported such expenses.

<sup>41</sup> \*\*\* did not report capital expenditures.

Table III-12

## Rebar: Capital expenditures, assets, and return on investment of all U.S. producers, 2001-06

Item	Calendar and fiscal year					
	2001	2002	2003	2004	2005	2006
<b>Capital expenditures:</b>	<b>Value (\$1,000)</b>					
Border Steel	***	***	***	***	***	***
Cascade	***	***	***	***	***	***
Chaparral	***	***	***	***	***	***
CMC	***	***	***	***	***	***
Gerdau	***	***	***	***	***	***
Nucor	***	***	***	***	***	***
SDI	***	***	***	***	***	***
TAMCO	***	***	***	***	***	***
Total	61,609	43,782	70,159	84,896	128,049	146,048
<b>Assets:</b>	<b>Value (\$1,000)</b>					
Border Steel	***	***	***	***	***	***
Cascade	***	***	***	***	***	***
Chaparral	***	***	***	***	***	***
CMC	***	***	***	***	***	***
Gerdau	***	***	***	***	***	***
Nucor	***	***	***	***	***	***
SDI	***	***	***	***	***	***
TAMCO	***	***	***	***	***	***
Total, U.S. producers	1,282,055	1,397,254	1,500,871	1,698,999	2,115,517	2,077,430
<b>Return on investment:</b>	<b>Ratio of operating income or (loss) to assets (percent)</b>					
Border Steel	***	***	***	***	***	***
Cascade	***	***	***	***	***	***
Chaparral	***	***	***	***	***	***
CMC	***	***	***	***	***	***
Gerdau	***	***	***	***	***	***
Nucor	***	***	***	***	***	***
SDI	***	***	***	***	***	***
TAMCO	***	***	***	***	***	***
Average, U.S. producers	8.6	4.7	4.4	27.5	29.4	39.8
<sup>1</sup> Not applicable. SDI did not have rebar operations from 2001 through 2004.						
Source: Compiled from data submitted in response to Commission questionnaires.						



## Rebar Operations by U.S. Mills Within the Specified Region

Table III-13 presents the financial results of U.S. producers' rebar operations within the specified region.<sup>42</sup> Corresponding company-specific financial information for selected items is presented in table III-14. Table III-15 presents a variance analysis of the financial results within the region.<sup>43</sup>

Operations within the region accounted for slightly more than two-thirds of total U.S. rebar operations on a quantity basis. As shown in table III-14, period-to-period changes in mill volume were in some instances \*\*\* different compared to the overall trend; e.g., the \*\*\*.<sup>44</sup>

While the majority of mills inside the region reported higher sales volume in 2006 compared to 2005, \*\*\*. According to \*\*\*.

\*\*\*.<sup>45 46</sup>

For most of the period \*\*\* COGS-to-sales ratio inside the specified region. However, as shown in table III-14, \*\*\*; i.e., \*\*\*. \*\*\*.<sup>47</sup>

\*\*\* with respect to the larger volume producers, \*\*\* COGS to sales ratios for most of the period with the \*\*\* mill generally \*\*\*. According to \*\*\*.<sup>48</sup>

Although Chaparral \*\*\* in terms of its COGS-to-sales ratio, this is generally consistent with the fact that rebar represents a \*\*\* portion of Chaparral's overall activity.<sup>49</sup> Similarly, SDI's bar division is \*\*\*.<sup>50 51</sup>

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<sup>42</sup> For purposes of these reviews, the specified region represents the following 30 States: Alabama, Arkansas, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, West Virginia and Wisconsin, as well as Puerto Rico and the District of Columbia.

<sup>43</sup> Appendix F ranks by operating income margin U.S. producer mill operations within and outside the specified region.

<sup>44</sup> According to CMC, \*\*\*. Letter from Wiley Rein on behalf of CMC, March 6, 2007. According to CMC's 2006 10-K, "{t}he Arkansas minimill primarily manufactures metal fence post stock, small diameter reinforcing bar, sign posts and bed frame angles with some flats, angles and squares." CMC 2006 10-K, p. 5.

<sup>45</sup> According to Nucor \*\*\*. Letter from Wiley Rein on behalf of Nucor, March 27, 2007.

<sup>46</sup> Gerdau stated that \*\*\*. Letter from Wiley Rein on behalf of Gerdau, March 27, 2007.

<sup>47</sup> \*\*\*. Letter from Wiley Rein on behalf of Nucor, March 27, 2007.

<sup>48</sup> Letter from Wiley Rein on behalf of Gerdau, March 7, 2007. It should be noted that, as shown in table III-14, \*\*\*.

<sup>49</sup> Chaparral's 2006 10-K states that "... our steel bar products include specialty bar products and, to a lesser extent, reinforcing bar." Chaparral 2006 10-K, p. 3.

<sup>50</sup> According to SDI's 2004 Annual Report, "{d}uring 2004, the first year of operation under Steel Dynamics management, the Bar Products Division shipped 318,000 tons of special-bar-quality (SBQ) and merchant-bar-quality (MBQ) round bars. The new division became profitable in its fourth month of operation. It achieved a return on investment of over 25 percent in 2004 and by years end had achieved a capacity utilization rate of over 75 percent." SDI 2004 annual report, p. 1.

<sup>51</sup> Direct comparisons of average COGS by company and/or mill are problematic due to differences in overall product focus (e.g., merchant bar versus rebar), as well rebar product mix. \*\*\*. Nucor mill responses to questions II-13 and II-14 of U.S. producer questionnaire.

Table III-13

## Rebar: Results of operations of U.S. producers within the specified region, 2001-06

Item	Calendar and fiscal year					
	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
Commercial sales	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers	***	***	***	***	***	***
Total net sales	4,314,344	4,412,317	5,130,869	4,914,478	5,161,392	5,478,984
<b>Value (\$1,000)</b>						
Commercial sales	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers	***	***	***	***	***	***
Total net sales	1,137,102	1,144,308	1,414,388	2,074,882	2,365,696	2,789,490
Raw material	430,455	476,266	660,281	1,019,128	1,053,637	1,233,950
Direct labor	116,007	121,587	139,216	139,403	150,125	167,141
Other factory costs	463,344	441,934	499,683	510,177	621,765	674,552
Total cost of goods sold	1,009,807	1,039,787	1,299,180	1,668,707	1,825,527	2,075,643
Gross profit or (loss)	127,295	104,521	115,208	406,175	540,170	713,847
SG&A expenses	74,139	67,258	104,823	141,204	159,781	185,135
Operating income or (loss)	53,156	37,263	10,385	264,971	380,389	528,712
Interest expense	42,127	28,920	28,439	26,908	21,192	18,678
Other expenses	6,281	4,154	5,180	6,333	6,610	7,824
CDSOA funds received	3	803	1,101	869	712	1,975
Other income items	5,777	5,962	2,814	3,754	21,333	24,626
Net income or (loss)	10,528	10,954	(19,319)	236,354	374,632	528,811
Depr. and amortization (incl. above)	66,086	60,115	72,058	72,515	78,600	81,087
Estimated cash flow	76,613	71,069	52,739	308,869	453,231	609,898
<b>Ratio to net sales (percent)</b>						
Raw material	37.9	41.6	46.7	49.1	44.5	44.2
Direct labor	10.2	10.6	9.8	6.7	6.3	6.0
Other factory costs	40.7	38.6	35.3	24.6	26.3	24.2
Total cost of goods sold	88.8	90.9	91.9	80.4	77.2	74.4
Gross profit	11.2	9.1	8.1	19.6	22.8	25.6
SG&A expenses	6.5	5.9	7.4	6.8	6.8	6.6
Operating income or (loss)	4.7	3.3	0.7	12.8	16.1	19.0
Net income or (loss)	0.9	1.0	(1.4)	11.4	15.8	19.0

Table continued on the following page.

**Table III-13--Continued**

**Rebar: Results of operations of U.S. producers within the specified region, 2001-06**

Item	Calendar and fiscal year					
	2001	2002	2003	2004	2005	2006
<b>Value (dollars per short ton)</b>						
Commercial sales	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers	***	***	***	***	***	***
Net sales	264	259	276	422	458	509
Raw material	100	108	129	207	204	225
Direct labor	27	28	27	28	29	31
Other factory costs	107	100	97	104	120	123
Total cost of goods sold	234	236	253	340	354	379
Gross profit or (loss)	30	24	22	83	105	130
SG&A expenses	17	15	20	29	31	34
Operating income or (loss)	12	8	2	54	74	96
<b>Number of mills reporting</b>						
Data	17	17	17	17	18	18
Operating losses	6	8	9	2	1	2
Source: Compiled from data submitted in response to Commission questionnaires.						

**Table III-14**

**Rebar: Results of operations, by firms, of U.S. producers within the specified region, 2001-06**

\* \* \* \* \*

Table III-15

## Rebar: Variance analysis of operations of U.S. producers within the specified region, 2001-06

Item	Calendar and fiscal year					
	2001-06	2001-02	2002-03	2003-04	2004-05	2005-06
<b>Value (\$1,000)</b>						
<b>Total net sales:</b>						
Price variance	1,345,432	(18,616)	83,728	720,145	186,568	278,227
Volume variance	306,956	25,822	186,352	(59,651)	104,247	145,567
Total net sales variance	1,652,388	7,206	270,080	660,494	290,814	423,794
<b>Cost of sales:</b>						
<b>Raw material:</b>						
Cost variance	(687,295)	(36,036)	(106,454)	(386,694)	16,694	(115,480)
Volume variance	(116,200)	(9,775)	(77,561)	27,847	(51,203)	(64,833)
Net raw material variance	(803,495)	(45,811)	(184,015)	(358,847)	(34,509)	(180,313)
<b>Direct labor:</b>						
Cost variance	(19,818)	(2,945)	2,172	(6,059)	(3,719)	(7,778)
Volume variance	(31,316)	(2,634)	(19,801)	5,871	(7,004)	(9,238)
Net direct labor variance	(51,134)	(5,580)	(17,629)	(187)	(10,722)	(17,016)
<b>Other factory costs:</b>						
Cost variance	(86,130)	31,932	14,220	(31,567)	(85,955)	(14,529)
Volume variance	(125,078)	(10,522)	(71,970)	21,074	(25,632)	(38,259)
Net other factory cost variance	(211,208)	21,410	(57,750)	(10,493)	(111,588)	(52,788)
<b>Net cost of sales:</b>						
Cost variance	(793,244)	(7,049)	(90,062)	(424,319)	(72,980)	(137,788)
Volume variance	(272,593)	(22,931)	(169,331)	54,792	(83,839)	(112,329)
Total net cost of sales	(1,065,83)	(29,981)	(259,393)	(369,527)	(156,819)	(250,117)
<b>Gross profit variance</b>	586,552	(22,774)	10,687	290,967	133,995	173,677
<b>SG&amp;A expenses:</b>						
Expense variance	(90,982)	8,565	(26,612)	(40,801)	(11,483)	(15,522)
Volume variance	(20,014)	(1,684)	(10,953)	4,421	(7,094)	(9,832)
Total SG&A variance	(110,996)	6,881	(37,565)	(36,381)	(18,578)	(25,354)
<b>Operating income variance</b>	475,556	(15,893)	(26,878)	254,586	115,417	148,323
<b>Summarized as:</b>						
Price variance	1,345,432	(18,616)	83,728	720,145	186,568	278,227
Net cost/expense variance	(884,226)	1,516	(116,674)	(465,121)	(84,463)	(153,310)
Net volume variance	14,349	1,207	6,068	(438)	13,313	23,406
Source: Compiled from data submitted in response to Commission questionnaires.						

With respect to changes in profitability during the period, while the \*\*\*'s absolute level of operating income was higher in the second half of the period, its 2006 operating profit margin was very close to its 2001 operating profit margin. The majority of other mills, in contrast, reported higher levels of absolute operating income and higher operating profit margins at the end of the period compared to the beginning. In addition to the previously noted 2006 \*\*\* in relative SG&A expenses from 2003 through 2006. \*\*\*, although reporting a similar pattern of \*\*\*, generated improved financial results in the second half of the period.<sup>52</sup>

Notwithstanding the \*\*\* in financial performance at the end of the period, the \*\*\* reported, in absolute terms and as a percent of sales, the highest level of company-specific operating profit in 2006 inside the specified region.

As shown in table III-13, the large increase in other income at the end of the period \*\*\*.<sup>53</sup> \*\*\*.<sup>54</sup>

As noted in the overall U.S. industry section above, other income also appears to have generally increased in the second half of the period due to interest income associated with larger balances of cash, cash equivalents, and short-term investments.

### **Capital Expenditures, Assets, and Return On Investment of U.S. Producers of Rebar Within the Specified Region**

The reported value of capital expenditures, assets, and calculated return on investment of U.S. producers in the specified region are shown in table III-16.<sup>55</sup>

While representing a number of different items, capital expenditures at the \*\*\*.<sup>56</sup>

The majority of the \*\*\*. In contrast with the overall pattern of capital expenditures, \*\*\* reported \*\*\* capital expenditures in the middle of the review period. According to the company, the \*\*\*.<sup>57</sup>

The \*\*\* CMC mill to report a \*\*\* in the level of second half capital expenditures was \*\*\*. According to CMC, the \*\*\*.<sup>58</sup>

Border Steel reported a relatively \*\*\* at the end of the period. According to Border Steel, \*\*\*.<sup>59</sup>

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<sup>52</sup> With respect to the \*\*\*. Letter from Wiley Rein on behalf of Nucor, March 27, 2007.

In contrast, the increase in the \*\*\*. Letter from Wiley Rein on behalf of Nucor, March 14, 2007.

<sup>53</sup> Letter from Wiley Rein on behalf of CMC, March 6, 2007. \*\*\*.

\*\*\*. According to the CMC 2004 10-K, the CMC Seguin, TX, mill's overall lower operating profitability in 2004 "... was due largely to the failure of {the CMC Seguin, TX mill's} primary transformer on May 31, 2004, with the subsequent failure of the principal back up transformer in June 2004 and accruals related to a sales tax audit and unclaimed property. Although another replacement transformer was installed, it had a lower capacity, resulting in lower production than we had planned. In order to meet our sales commitments to our SMI-Texas customers in the fourth quarter of 2004, we purchased and rolled billets from other affiliated and unrelated minimills at higher costs." CMC 2004 10-K, p. 26.

<sup>54</sup> Letter from Wiley Rein on behalf of CMC, March 6, 2007. \*\*\*.

<sup>55</sup> While the Commission's questionnaire requested R&D expenses, no company inside the region reported such expenses.

<sup>56</sup> \*\*\*. Letter from Wiley Rein on behalf of Gerdau, March 7, 2007.

<sup>57</sup> Letter from Wiley Rein on behalf of Nucor, March 8, 2007.

<sup>58</sup> Letter from Wiley Rein on behalf of CMC, March 6, 2007.

<sup>59</sup> E-mail from \*\*\*, April 3, 2007.

Table III-16

Rebar: Capital expenditures, assets, and return on investment of U.S. producers within the specified region, 2001-06

Item	Calendar and fiscal year					
	2001	2002	2003	2004	2005	2006
<b>Capital expenditures:</b>	<b>Value (\$1,000)</b>					
Border Steel, El Paso, TX	***	***	***	***	***	***
Chaparral, Midlothian, TX	***	***	***	***	***	***
CMC, Magnolia, AR	***	***	***	***	***	***
CMC, Cayce, SC	***	***	***	***	***	***
CMC, Seguin, TX	***	***	***	***	***	***
CMC subtotal	***	***	***	***	***	***
Gerdau, Jacksonville, FL	***	***	***	***	***	***
Gerdau, Charlotte, NC	***	***	***	***	***	***
Gerdau, Sayerville, NJ	***	***	***	***	***	***
Gerdau, Jackson, TN	***	***	***	***	***	***
Gerdau, Knoxville, TN	***	***	***	***	***	***
Gerdau subtotal	***	***	***	***	***	***
Nucor, Birmingham, AL	***	***	***	***	***	***
Nucor, Kankakee, IL	***	***	***	***	***	***
Nucor, Auburn, NY	***	***	***	***	***	***
Nucor, Marion, OH	***	***	***	***	***	***
Nucor, Jackson, MS	***	***	***	***	***	***
Nucor, Darlington, SC	***	***	***	***	***	***
Nucor, Jewett, TX	***	***	***	***	***	***
Nucor subtotal	***	***	***	***	***	***
SDI, Pittsboro, IN	***	***	***	***	***	***
<b>Total</b>	<b>41,378</b>	<b>37,686</b>	<b>61,872</b>	<b>69,110</b>	<b>108,742</b>	<b>114,695</b>

Table continued on the following page.

Table III-16--Continued

Rebar: Capital expenditures, assets, and return on investment of U.S. producers within the specified region, 2001-06

Item	Calendar and fiscal year					
	2001	2002	2003	2004	2005	2006
<b>Assets:</b>	<b>Value (\$1,000)</b>					
Border Steel, El Paso, TX	***	***	***	***	***	***
Chaparral, Midlothian, TX	***	***	***	***	***	***
CMC, Magnolia, AR	***	***	***	***	***	***
CMC, Cayce, SC	***	***	***	***	***	***
CMC, Seguin, TX	***	***	***	***	***	***
CMC subtotal	***	***	***	***	***	***
Gerdau, Jacksonville, FL	***	***	***	***	***	***
Gerdau, Charlotte, NC	***	***	***	***	***	***
Gerdau, Sayerville, NJ	***	***	***	***	***	***
Gerdau, Jackson, TN	***	***	***	***	***	***
Gerdau, Knoxville, TN	***	***	***	***	***	***
Gerdau subtotal	***	***	***	***	***	***
Nucor, Birmingham, AL	***	***	***	***	***	***
Nucor, Kankakee, IL	***	***	***	***	***	***
Nucor, Auburn, NY	***	***	***	***	***	***
Nucor, Marion, OH	***	***	***	***	***	***
Nucor, Jackson, MS	***	***	***	***	***	***
Nucor, Darlington, SC	***	***	***	***	***	***
Nucor, Jewett, TX	***	***	***	***	***	***
Nucor subtotal	***	***	***	***	***	***
SDI, Pittsboro, IN	***	***	***	***	***	***
Total	821,091	973,506	1,064,752	1,179,963	1,522,208	1,531,966

Table continued on the following page.

Table III-16--*Continued*

Rebar: Capital expenditures, assets, and return on investment of U.S. producers within the specified region, 2001-06

Item	Calendar and fiscal year					
	2001	2002	2003	2004	2005	2006
<b>Return on investment:</b>	<b>Ratio of operating income or (loss) to assets (percent)</b>					
Border Steel, El Paso, TX	***	***	***	***	***	***
Chaparral, Midlothian, TX	***	***	***	***	***	***
CMC, Magnolia, AR	***	***	***	***	***	***
CMC, Cayce, SC	***	***	***	***	***	***
CMC, Seguin, TX	***	***	***	***	***	***
CMC subtotal	***	***	***	***	***	***
Gerdau, Jacksonville, FL	***	***	***	***	***	***
Gerdau, Charlotte, NC	***	***	***	***	***	***
Gerdau, Sayerville, NJ	***	***	***	***	***	***
Gerdau, Jackson, TN	***	***	***	***	***	***
Gerdau, Knoxville, TN	***	***	***	***	***	***
Gerdau subtotal	***	***	***	***	***	***
Nucor, Birmingham, AL	***	***	***	***	***	***
Nucor, Kankakee, IL	***	***	***	***	***	***
Nucor, Auburn, NY	***	***	***	***	***	***
Nucor, Marion, OH	***	***	***	***	***	***
Nucor, Jackson, MS	***	***	***	***	***	***
Nucor, Darlington, SC	***	***	***	***	***	***
Nucor, Jewett, TX	***	***	***	***	***	***
Nucor subtotal	***	***	***	***	***	***
SDI, Pittsboro, IN	***	***	***	***	***	***
Average	6.5	3.8	1.0	22.5	25.0	34.5
<sup>1</sup> ***. <sup>2</sup> Not applicable. SDI did not have rebar operations from 2001 through 2004.						
Source: Compiled from data submitted in response to Commission questionnaires.						



## Rebar Operations by U.S. Mills Outside the Specified Region

Table III-17 presents the financial results of U.S. producers' rebar operations outside the specified region. Corresponding company-specific financial information for selected items is presented in table III-18. Table III-19 presents a variance analysis of the financial results outside the specified region.<sup>60</sup>

Operations outside the region accounted for slightly less than one-third of total U.S. rebar operations on a quantity basis. Unlike operations within the specified region, the quantity of net sales outside the region declined somewhat at the end of the period.<sup>61</sup>

Similar to operations within the specified region, operating results outside the specified region improved substantially in 2004. In contrast, however, the overall financial results outside the region do not reflect consistent year-to-year increases in 2004 through 2006 operating income margins. As shown in table III-18, \*\*\* reported 2005 operating income margins which were at about the same level as 2004, while \*\*\* reported declines in their operating income margins in 2005. While the \*\*\*, \*\*\*.

Along with \*\*\* in 2005, \*\*\*. In response to a question regarding these observed differences, Gerdau stated that \*\*\*.<sup>62</sup>

While overall operations inside and outside the region reflect similar patterns, operations outside the region consistently generated higher relative operating income margins. In part this is because, as shown in table III-18 compared to table III-14, in each year the average metal spread outside the region was higher than the average metal spread inside the region; the difference being somewhat larger in the second half of the period. Additionally, outside the region overall SG&A expense ratios were consistently lower which, to some extent, likely reflects differences in channels of distribution between the two regions.<sup>63 64</sup> The relative difference in SG&A expense ratios inside and outside the region is also accounted for by several mills inside the region whose SG&A expenses \*\*\* during the period (see footnote 52). As shown in table III-18, the SG&A expense ratio reported by \*\*\*.<sup>65</sup>

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<sup>60</sup> Appendix F ranks by operating income margin U.S. producer mill operations within and outside the specified region.

<sup>61</sup> The mills outside the specified region reported a mixed pattern of volume change in 2006. \*\*\*.

<sup>62</sup> Letter from Wiley Rein on behalf of Gerdau, March 7, 2007.

<sup>63</sup> As shown in table II-1, U.S. producers outside the region reported a lower percentage of sales directly to end users and a higher percentage of sales to distributors and distributor/end users.

<sup>64</sup> Although much less pronounced, a pattern of lower SG&A expense ratios and higher operating profit outside the region was also generally present in the original investigation. During the original investigation period (1998 through 2000) SG&A expense ratios inside the specified region ranged from \*\*\* percent to \*\*\* percent compared to a range of \*\*\* percent to \*\*\* percent outside the region. Corresponding operating income margins inside the specified region ranged from \*\*\* percent to \*\*\* percent and outside the region ranged from \*\*\* percent to \*\*\* percent. Table VI-1, p. VI-2 and Table VI-9, p. VI-15 of original staff report.

<sup>65</sup> In response to a question regarding the \*\*\*. Letter from Wiley Rein on behalf of Gerdau, March 27, 2007.

Table III-17

## Rebar: Results of operations of U.S. producers outside the specified region, 2001-06

Item	Calendar and fiscal year					
	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
Commercial sales	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers	***	***	***	***	***	***
Total net sales	1,876,011	1,926,622	2,484,423	2,101,527	2,371,821	2,263,053
<b>Value (\$1,000)</b>						
Commercial sales	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers	***	***	***	***	***	***
Total net sales	520,894	510,035	723,306	954,690	1,165,485	1,217,323
Raw material	196,007	209,023	331,938	457,810	527,103	530,657
Direct labor	64,150	63,619	75,030	69,453	85,671	83,330
Other factory costs	185,347	190,668	240,818	202,790	279,216	275,568
Total cost of goods sold	445,504	463,310	647,786	730,053	891,990	889,555
Gross profit or (loss)	75,390	46,725	75,520	224,637	273,495	327,768
SG&A expenses	18,638	17,680	20,203	23,198	32,364	28,719
Operating income or (loss)	56,752	29,045	55,317	201,439	241,131	299,049
Interest expense	10,919	9,254	7,574	5,413	4,758	3,861
Other expenses	4,761	25	1,023	0	6	187
CDSOA funds received	0	0	80	23	7	856
Other income items	350	1,562	2,050	1,152	607	2,177
Net income or (loss)	41,422	21,328	48,850	197,201	236,981	298,034
Depr. and amortization (incl. above)	29,950	29,203	29,026	26,992	26,798	25,308
Estimated cash flow	71,372	50,531	77,876	224,193	263,779	323,342
<b>Ratio to net sales (percent)</b>						
Raw material	37.6	41.0	45.9	48.0	45.2	43.6
Direct labor	12.3	12.5	10.4	7.3	7.4	6.8
Other factory costs	35.6	37.4	33.3	21.2	24.0	22.6
Total cost of goods sold	85.5	90.8	89.6	76.5	76.5	73.1
Gross profit	14.5	9.2	10.4	23.5	23.5	26.9
SG&A expenses	3.6	3.5	2.8	2.4	2.8	2.4
Operating income or (loss)	10.9	5.7	7.6	21.1	20.7	24.6
Net income or (loss)	8.0	4.2	6.8	20.7	20.3	24.5

Table continued on the following page.

**Table III-17--Continued**

**Rebar: Results of operations of U.S. producers outside the specified region, 2001-06**

Item	Calendar and fiscal year					
	2001	2002	2003	2004	2005	2006
<i>Value (dollars per short ton)</i>						
Commercial sales	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***
Transfers	***	***	***	***	***	***
Net sales	278	265	291	454	491	538
Raw material	104	108	134	218	222	234
Direct labor	34	33	30	33	36	37
Other factory costs	99	99	97	96	118	122
Total cost of goods sold	237	240	261	347	376	393
Gross profit or (loss)	40	24	30	107	115	145
SG&A expenses	10	9	8	11	14	13
Operating income or (loss)	30	15	22	96	102	132
<b>Number of mills reporting</b>						
Data	7	7	7	7	7	7
Operating losses	2	1	1	0	1	0
Source: Compiled from data submitted in response to Commission questionnaires.						

**Table III-18**

**Rebar: Results of operations, by firms, of U.S. producers outside the specified region, 2001-06**

\* \* \* \* \*

Table III-19

## Rebar: Variance analysis of operations of U.S. producers outside the specified region, 2001-06

Item	Calendar and fiscal year					
	2001-06	2001-02	2002-03	2003-04	2004-05	2005-06
<b>Value (\$1,000)</b>						
<b>Total net sales:</b>						
Price variance	588,963	(24,911)	65,604	342,858	88,005	105,285
Volume variance	107,466	14,053	147,667	(111,475)	122,790	(53,447)
Total net sales variance	696,429	(10,859)	213,271	231,383	210,795	51,838
<b>Cost of sales:</b>						
<b>Raw material:</b>						
Cost variance	(294,212)	(7,728)	(62,398)	(177,030)	(10,410)	(27,726)
Volume variance	(40,438)	(5,288)	(60,517)	51,158	(58,883)	24,172
Net raw material variance	(334,650)	(13,016)	(122,915)	(125,872)	(69,293)	(3,554)
<b>Direct labor:</b>						
Cost variance	(5,945)	2,262	7,008	(5,987)	(7,285)	(1,588)
Volume variance	(13,235)	(1,731)	(18,419)	11,564	(8,933)	3,929
Net direct labor variance	(19,180)	531	(11,411)	5,577	(16,218)	2,341
<b>Other factory costs:</b>						
Cost variance	(51,982)	(321)	5,053	913	(50,344)	(9,156)
Volume variance	(38,239)	(5,000)	(55,203)	37,115	(26,082)	12,804
Net other factory cost variance	(90,221)	(5,321)	(50,150)	38,028	(76,426)	3,648
<b>Net cost of sales:</b>						
Cost variance	(352,139)	(5,787)	(50,337)	(182,103)	(68,039)	(38,470)
Volume variance	(91,912)	(12,019)	(134,139)	99,836	(93,898)	40,905
Total net cost of sales variance	(444,051)	(17,806)	(184,476)	(82,267)	(161,937)	2,435
<b>Gross profit variance</b>	252,378	(28,665)	28,795	149,116	48,858	54,273
<b>SG&amp;A expenses:</b>						
Expense variance	(6,236)	1,461	2,596	(6,109)	(6,182)	2,161
Volume variance	(3,845)	(503)	(5,119)	3,114	(2,984)	1,484
Total SG&A variance	(10,081)	958	(2,523)	(2,995)	(9,166)	3,645
<b>Operating income variance</b>	242,297	(27,707)	26,272	146,121	39,692	57,918
<b>Summarized as:</b>						
Price variance	588,963	(24,911)	65,604	342,858	88,005	105,285
Net cost/expense variance	(358,374)	(4,326)	(47,741)	(188,212)	(74,221)	(36,309)
Net volume variance	11,709	1,531	8,409	(8,525)	25,909	(11,058)
Source: Compiled from data submitted in response to Commission questionnaires.						

## Capital Expenditures, Assets, and Return on Investment of U.S. Producers Outside the Specified Region

The reported values of capital expenditures, assets, and calculated return on investment of U.S. producers outside the specified region are shown in table III-20.<sup>66</sup>

**Table III-20**

**Rebar: Capital expenditures, assets, and return on investment of U.S. producers outside the specified region, 2001-06**

Item	Calendar and fiscal year					
	2001	2002	2003	2004	2005	2006
<b>Capital expenditures:</b>	<b>Value (\$1,000)</b>					
Cascade, McMinneville, OR	***	***	***	***	***	***
Gerdau, Wilton, IA	***	***	***	***	***	***
Gerdau, St. Paul, MN	***	***	***	***	***	***
Gerdau, Sand Springs, OK	***	***	***	***	***	***
Gerdau subtotal	***	***	***	***	***	***
Nucor, Plymouth, UT	***	***	***	***	***	***
Nucor, Seattle, WA	***	***	***	***	***	***
Nucor subtotal	***	***	***	***	***	***
TAMCO, Rancho Cucamonga, CA	***	***	***	***	***	***
Total	20,231	6,097	8,287	15,785	19,307	31,352
<b>Assets:</b>	<b>Value (\$1,000)</b>					
Cascade, McMinneville, OR	***	***	***	***	***	***
Gerdau, Wilton, IA	***	***	***	***	***	***
Gerdau, St. Paul, MN	***	***	***	***	***	***
Gerdau, Sand Springs, OK	***	***	***	***	***	***
Gerdau subtotal	***	***	***	***	***	***
Nucor, Plymouth, UT	***	***	***	***	***	***
Nucor, Seattle, WA	***	***	***	***	***	***
Nucor subtotal	***	***	***	***	***	***
TAMCO, Rancho Cucamonga, CA	***	***	***	***	***	***
Total	460,964	423,748	436,119	519,036	593,309	545,464

Table continued on the following page.

<sup>66</sup> While the Commission's questionnaire requested R&D expenses, no company outside the region reported such expenses.

Table III-20--Continued

Rebar: Capital expenditures, assets, and return on investment of U.S. producers outside the specified region, 2001-06

Item	Calendar and fiscal year					
	2001	2002	2003	2004	2005	2006
<b>Return on investment:</b>	<b>Ratio of operating income or (loss) to assets (percent)</b>					
Cascade, McMinneville, OR	***	***	***	***	***	***
Gerdau, Wilton, IA	***	***	***	***	***	***
Gerdau, St. Paul, MN	***	***	***	***	***	***
Gerdau, Sand Springs, OK	***	***	***	***	***	***
Gerdau subtotal	***	***	***	***	***	***
Nucor, Plymouth, UT	***	***	***	***	***	***
Nucor, Seattle, WA	***	***	***	***	***	***
Nucor subtotal	***	***	***	***	***	***
TAMCO, Rancho Cucamonga, CA	***	***	***	***	***	***
Average	12.3	6.9	12.7	38.8	40.6	54.8
Source: Compiled from data submitted in response to Commission questionnaires.						

Outside the region the \*\*\* level of second half capital expenditures with the \*\*\* accounted for by the \*\*\*. According to Gerdau, the \*\*\*.<sup>67</sup>

With respect to Cascade's 2005 and 2006 capital expenditures, the company stated that \*\*\*.<sup>68</sup>

In contrast with the pattern of capital expenditures reported by other mills outside the region, TAMCO's \*\*\*. According to TAMCO, \*\*\*.<sup>69</sup>

As shown in table III-20, the return on investment calculated for the \*\*\*. When asked to comment on this mill's calculated return on investment, Nucor stated that \*\*\*.<sup>70</sup>

<sup>67</sup> \*\*\*. Letter from Wiley Rein on behalf of Gerdau March 7, 2007.

<sup>68</sup> Letter from Wiley Rein on behalf of Cascade, March 7, 2007.

<sup>69</sup> Letter from Wiley Rein on behalf of TAMCO, March 6, 2007.

<sup>70</sup> Letter from Wiley Rein on behalf of Nucor, March 27, 2007.

## PART IV: U.S. IMPORTS AND THE FOREIGN INDUSTRIES

### U.S. IMPORTS

Eighteen U.S. importers provided data in response to the Commission's questionnaires.<sup>1</sup> Six firms replied that they did not import rebar from any country since 2001. Eleven firms did not respond to Commission questionnaires, and seven firms were not able to be contacted by Commission staff. The Commission received responses from firms accounting for a substantial share of rebar imports from all sources (ranging from 70 to 84 percent during 2001-06). Questionnaire responses accounted for virtually all subject imports from Korea and Latvia (the suppliers of the vast majority of subject imports during the review period), but lacked sufficient coverage for subject imports from Belarus, China, and Poland. Accordingly, import data in this report are derived from official Commerce statistics for rebar.<sup>2</sup>

As shown in table IV-1, subject imports from Korea and Poland ceased in 2001 after the imposition of the order, with the exception of 7,303 short tons from Poland in 2004, 5,516 short tons from Korea in 2005, and 129 short tons from Poland in 2006. Subject imports from Belarus entered only in 2002 (2,820 short tons). Subject imports from Latvia were the only substantial subject import presence in the U.S. market after 2001, and those imports ceased in mid-2005.

Nonsubject imports were substantially larger than subject imports and increased markedly in 2004 and 2006, especially imports from Turkey. Subject imports primarily entered into the specified region, as did imports from all other sources. Appendix G includes data from responses to importers' questionnaires regarding imports and shipments of imports of rebar. Those data confirm the entry of imports mainly into the region, although the questionnaire data differ from official statistics in showing imports from Korea entering \*\*\* into the specified region, while shipments of imports from Korea were made \*\*\* outside the specified region.

Responding U.S. importers reported that they had arranged for the delivery of \*\*\* short tons of rebar from \*\*\* after December 31, 2006.<sup>3</sup> Table IV-4 (presented later in this chapter) shows 36 tons of rebar imports entering from China during the first quarter of 2007.

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<sup>1</sup> Two additional importers, \*\*\* provided questionnaire responses without usable data.

<sup>2</sup> There were no subject imports from Indonesia, Moldova, or Ukraine between 2001 and 2006. \*\*\*. Data for Latvia are for imports entered under HTS subheading 7214.20.00 plus imports entered under HTS statistical reporting number 7228.30.8050 from official Commerce statistics. In addition, a \*\*\*. All other import data presented are from official Commerce statistics under HTS subheading 7214.20.00.

<sup>3</sup> Orders were reported by \*\*\*.

**Table IV-1**  
**Rebar: U.S. imports, by sources and destinations, 2001-06**

Item	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
Imports from Belarus to destinations--						
Within the specified region	0	2,820	0	0	0	0
Outside the region	0	0	0	0	0	0
Total	0	2,820	0	0	0	0
Imports from China to destinations--						
Within the specified region	47	21	0	15	43	0
Outside the region	0	0	0	154	18	3
Total	47	21	0	169	60	3
Imports from Korea to destinations--						
Within the specified region	84,188	0	0	0	0	0
Outside the region	34,281	0	0	0	5,516	0
Total	118,469	0	0	0	5,516	0
Imports from Latvia to destinations--						
Within the specified region	33,662	45,904	50,522	121,881	36,646	0
Outside the region	0	0	0	0	0	0
Total	33,662	45,904	50,522	121,881	36,646	0
Imports from Poland to destinations--						
Within the specified region	26,553	0	0	6,927	0	129
Outside the region	331	0	0	376	0	0
Total	26,884	0	0	7,303	0	129
Imports from subject sources--						
Within the specified region	144,449	48,746	50,522	128,823	36,688	129
Outside the region	34,612	0	0	530	5,534	3
Total	179,061	48,746	50,522	129,352	42,222	133
Imports from all other sources to destinations--						
Within the specified region	1,296,320	1,099,441	888,404	1,574,058	1,216,390	2,013,740
Outside the region	255,431	78,368	74,158	287,412	193,745	440,535
Total	1,551,751	1,177,809	962,562	1,861,470	1,410,136	2,454,275
Total imports to destinations--						
Within the specified region	1,440,769	1,148,186	938,926	1,702,880	1,253,079	2,013,869
Outside the region	290,043	78,368	74,158	287,942	199,279	440,538
Total	1,730,812	1,226,554	1,013,084	1,990,822	1,452,358	2,454,407

Table continued on the following page.



**Table IV-1--Continued**

**Rebar: U.S. imports, by sources and destinations, 2001-06**

Item	2001	2002	2003	2004	2005	2006
<b>Value (\$1,000)<sup>1</sup></b>						
Imports from Belarus to destinations--						
Within the specified region	0	577	0	0	0	0
Outside the region	0	0	0	0	0	0
Total	0	577	0	0	0	0
Imports from China to destinations--						
Within the specified region	23	13	0	15	13	0
Outside the region	0	0	0	158	5	4
Total	23	13	0	173	18	4
Imports from Korea to destinations--						
Within the specified region	18,688	0	0	0	0	0
Outside the region	7,626	0	0	0	2,262	0
Total	26,314	0	0	0	2,262	0
Imports from Latvia to destinations--						
Within the specified region	6,761	10,720	14,316	42,001	15,059	0
Outside the region	0	0	0	0	0	0
Total	6,761	10,720	14,316	42,001	15,059	0
Imports from Poland to destinations--						
Within the specified region	5,779	0	0	2,254	0	50
Outside the region	164	0	0	534	0	0
Total	5,943	0	0	2,789	0	50
Imports from subject sources--						
Within the specified region	31,251	11,310	14,316	44,270	15,073	50
Outside the region	7,790	0	0	692	2,267	4
Total	39,042	11,310	14,316	44,963	17,339	54
Imports from all other sources to destinations--						
Within the specified region	291,353	244,537	246,135	747,255	518,875	892,702
Outside the region	57,537	18,687	22,996	134,606	81,752	191,938
Total	348,890	263,224	269,131	881,861	600,627	1,084,640
Total imports to destinations--						
Within the specified region	322,605	255,848	260,452	791,525	533,948	892,752
Outside the region	65,327	18,687	22,996	135,299	84,019	191,943
Total	387,932	274,535	283,447	926,824	617,966	1,084,694

Table continued on the following page.

**Table IV-1--Continued**  
**Rebar: U.S. imports, by sources and destinations, 2001-06**

Item	2001	2002	2003	2004	2005	2006
<b>Unit value (per short ton)</b>						
<b>Imports from Belarus to destinations--</b>						
Within the specified region	( <sup>1</sup> )	\$205	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Outside the region	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Average	( <sup>2</sup> )	205	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
<b>Imports from China to destinations--</b>						
Within the specified region	\$492	635	( <sup>2</sup> )	\$1,011	\$309	( <sup>2</sup> )
Outside the region	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	1,029	275	\$1,303
Average	492	635	( <sup>2</sup> )	1,027	299	1,303
<b>Imports from Korea to destinations--</b>						
Within the specified region	222	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Outside the region	222	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	410	( <sup>2</sup> )
Average	222	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	410	( <sup>2</sup> )
<b>Imports from Latvia to destinations--</b>						
Within the specified region	201	234	\$283	345	411	( <sup>2</sup> )
Outside the region	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Average	201	234	283	345	411	( <sup>2</sup> )
<b>Imports from Poland to destinations--</b>						
Within the specified region	218	( <sup>2</sup> )	( <sup>2</sup> )	325	( <sup>2</sup> )	387
Outside the region	496	( <sup>2</sup> )	( <sup>2</sup> )	1,421	( <sup>2</sup> )	( <sup>2</sup> )
Average	221	( <sup>2</sup> )	( <sup>2</sup> )	382	( <sup>2</sup> )	387
<b>Imports from subject sources--</b>						
Within the specified region	216	232	283	344	411	387
Outside the region	225	( <sup>2</sup> )	( <sup>2</sup> )	1,308	410	1,303
Average	218	232	283	348	411	411
<b>Imports from all other sources to destinations--</b>						
Within the specified region	225	222	277	475	427	443
Outside the region	225	238	310	468	422	436
Average	225	223	280	474	426	442
<b>Total imports to destinations--</b>						
Within the specified region	224	223	277	465	426	443
Outside the region	225	238	310	470	422	436
Average	224	224	280	466	425	442
<sup>1</sup> Landed, duty-paid. <sup>2</sup> Not applicable.  Note.--Because of rounding, figures may not add to totals shown. There were no subject imports from Indonesia, Moldova, or Ukraine between 2001 and 2006. ***. Data for Latvia are for imports entered under HTS subheading 7214.20.00 plus imports entered under HTS statistical reporting number 7228.30.8050 from official Commerce statistics. In addition, a ***. All other import data presented are from official Commerce statistics under subheading HTS 7214.20.00.						
Source: Compiled from Department of Commerce official statistics and responses to Commission questionnaires.						

## Imports from Latvia

Beginning in September 2003, according to domestic interested parties, virtually all rebar from Latvia entered the United States under HTS subheading 7228.80.50 (alloy rebar), instead of the usual HTS classification of rebar under 7214.20.00 (non-alloy rebar). Domestic interested parties argued that the shift in tariff classification, coinciding with the beginning of Commerce's administrative review, was a deliberate scheme designed to evade the antidumping duty orders.<sup>4</sup> \*\*\*.<sup>5</sup> In its foreign producers' questionnaire response, LM explained that "\*\*\*\*."

During a meeting between LM officials and Commission staff, LM officials explained that \*\*\*.<sup>6</sup>

Table IV-2 presents data from importers' questionnaires regarding imports of rebar under HTS subheading 7228.80.50. The data presented do not match LM's account of exports matching its invoices for silicon levels of 0.6 percent to \*\*\*, and LM has provided a reconciliation of its exports in metric tons to imports reported under official statistics in short tons for HTS heading 7228.<sup>7</sup> LM's total exports to the United States \*\*\*\*. The data in table IV-2 also do not match the domestic interested parties' allegations that imports began in September 2003 under HTS heading 7228, as 11,068 short tons were reported in 2002.

\*\*\*.<sup>8</sup> In its prehearing brief, LM stated that it ceased rebar exports to the United States in September 2005 because its accession to the EU in 2004 made the EU market more attractive in terms of higher prices, and that the higher trans-Atlantic freight rates gave LM little economic incentive to continue sales to the United States.<sup>9</sup> During the public hearing, and LM official testified that LM had made an effort to increase its mandatory certification requirements as an EU supplier to 13 countries in 2006, receives preferential transportation tariffs for shipments within the EU, and has been able to develop long term supply contracts with end users in the EU, thereby cutting out the distributors and increasing profits, and concluded that the company therefore has no reason to return to the U.S. market.<sup>10</sup>

**Table IV-2**  
**Rebar: U.S. imports under HTS statistical reporting number 7228.30.8050, by sources and destinations, 2001-06**

\* \* \* \* \*

## Leading Nonsubject Sources of Imports

During the period for which data were collected, in addition to the five active subject countries, the United States imported rebar from many other countries. The leading 20 nonsubject suppliers are shown in table IV-3.<sup>11</sup>

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<sup>4</sup> Submission by Wiley Rein to Commerce, July 22, 2005, p. 5.

<sup>5</sup> \*\*\*.

<sup>6</sup> Staff interview with \*\*\*, May 10, 2007.

<sup>7</sup> LM reported \*\*\* under HTS heading 7228.

<sup>8</sup> Telephone interview with \*\*\*.

<sup>9</sup> Respondent interested party LM's prehearing brief, May 1, 2007, p. 8.

<sup>10</sup> Hearing transcript, pp. 184-186 (Zaharin).

<sup>11</sup> The data in this table are based on official import statistics of Commerce for rebar under HTS subheading 7214.20.00.

**Table IV-3**  
**Rebar: U.S. imports from leading nonsubject sources, 2001-06**

Item	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
<b>Covered by order since 1997</b>						
Turkey <sup>1</sup>	206,540	234,115	122,391	713,690	488,472	1,161,412
<b>Not covered by order</b>						
Argentina	3,364	12,934	24,284	0	17,290	336
Belgium <sup>1</sup>	1,007	0	0	0	165	2,751
Brazil	29,246	97,082	85,630	49,182	127,500	73,576
Bulgaria	9,790	16,474	60,049	188,466	54,724	88,466
Canada	1,615	1,006	252	2,729	29,763	39,942
Dominican Republic	7,898	71,710	69,394	104,378	46,007	95,403
Egypt	39,069	67,615	107,377	17,450	0	48,465
Germany <sup>1</sup>	74,837	91,901	36,576	74,068	95,528	64,895
Hong Kong <sup>1</sup>	0	0	0	0	2,761	36,300
Italy <sup>1</sup>	122,283	16,364	0	11,638	158	0
Japan <sup>1</sup>	386,530	269,575	36,731	195,302	166,048	222,150
Malaysia <sup>1</sup>	90,618	20,953	0	0	14	29,928
Mexico	193,248	161,805	253,028	254,341	251,349	170,452
Romania	36,635	30,776	70,663	86,991	55,586	33,179
Russia <sup>1</sup>	45,401	26,926	0	7,891	0	16,967
Singapore <sup>1</sup>	29,599	0	0	13,208	0	22,438
Taiwan <sup>1</sup>	10,904	1,058	0	51,678	40,804	300,675
Thailand	3,963	254	698	11,654	86	38,806
Venezuela <sup>1</sup>	53,017	4,274	30,396	17,019	24,714	3,918
All others	206,185	52,986	65,093	61,783	9,167	4,216
<b>Total nonsubject</b>	<b>1,551,751</b>	<b>1,177,809</b>	<b>962,562</b>	<b>1,861,470</b>	<b>1,410,136</b>	<b>2,454,275</b>

Table continued on following page.

Table IV-3--Continued

Rebar: U.S. imports from leading nonsubject sources, 2001-06

Item	2001	2002	2003	2004	2005	2006
Value (1,000 dollars) <sup>2</sup>						
Covered by order since 1997						
Turkey <sup>1</sup>	41,826	52,105	35,277	362,738	213,040	509,144
Not covered by order						
Argentina	609	2,864	5,614	0	8,011	223
Belgium <sup>1</sup>	820	0	0	0	237	1,092
Brazil	6,215	21,364	23,696	20,107	50,292	34,413
Bulgaria	3,964	3,603	17,357	73,184	22,672	39,305
Canada	746	446	104	1,509	12,916	19,340
Dominican Republic	1,919	17,947	21,259	41,970	21,515	46,810
Egypt	8,963	15,407	28,809	26,367	0	22,821
Germany <sup>1</sup>	19,326	19,931	10,588	54,151	40,820	29,062
Hong Kong <sup>1</sup>	0	0	0	0	1,141	15,876
Italy <sup>1</sup>	27,145	3,981	0	4,990	66	0
Japan <sup>1</sup>	84,560	56,385	11,432	85,340	69,358	94,461
Malaysia <sup>1</sup>	19,791	4,498	0	0	10	13,892
Mexico	44,678	37,902	69,376	104,277	106,060	74,180
Romania	9,429	7,403	18,865	36,395	24,194	12,493
Russia <sup>1</sup>	9,408	6,032	0	2,637	0	7,865
Singapore <sup>1</sup>	6,844	0	0	6,650	0	9,475
Taiwan <sup>1</sup>	2,541	241	0	26,159	16,620	131,027
Thailand	903	85	267	5,287	41	18,127
Venezuela <sup>1</sup>	12,919	958	8,773	7,551	9,231	1,582
All others	46,285	12,071	17,716	22,550	4,400	3,452
Total nonsubject	348,890	263,224	269,131	881,861	600,627	1,084,640

Table continued on the following page.

Table IV-3--Continued

## Rebar: U.S. imports from leading nonsubject sources, 2001-06

Item	2001	2002	2003	2004	2005	2006
Unit value ( <i>per short ton</i> )						
Covered by order since 1997						
Turkey <sup>1</sup>	\$203	\$223	\$288	\$508	\$436	\$438
Not covered by order						
Argentina	181	221	231	( <sup>3</sup> )	463	665
Belgium <sup>1</sup>	814	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	1,431	397
Brazil	213	220	277	409	394	468
Bulgaria	405	219	289	388	414	444
Canada	462	443	411	553	434	484
Dominican Republic	243	250	306	402	468	491
Egypt	229	228	268	1,511	( <sup>3</sup> )	471
Germany <sup>1</sup>	258	217	289	731	427	448
Hong Kong <sup>1</sup>	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	413	437
Italy <sup>1</sup>	222	243	( <sup>3</sup> )	429	415	( <sup>3</sup> )
Japan <sup>1</sup>	219	209	311	437	418	425
Malaysia <sup>1</sup>	218	215	( <sup>3</sup> )	( <sup>3</sup> )	734	464
Mexico	231	234	274	410	422	435
Romania	257	241	267	418	435	377
Russia <sup>1</sup>	207	224	( <sup>3</sup> )	334	( <sup>3</sup> )	464
Singapore <sup>1</sup>	231	( <sup>3</sup> )	( <sup>3</sup> )	503	( <sup>3</sup> )	422
Taiwan <sup>1</sup>	233	228	( <sup>3</sup> )	506	407	436
Thailand	228	336	382	454	479	467
Venezuela <sup>1</sup>	244	224	289	444	374	404
All others	224	228	272	365	480	819
Total nonsubject	225	223	280	474	426	442

<sup>1</sup> Countries subject to safeguard duties during 2002-03.

<sup>2</sup> Landed, duty-paid.

<sup>3</sup> Not applicable.

Note.—All other sources include Costa Rica, India, Paraguay, and the United Kingdom. Shaded columns are years affected by safeguard duties.

Source: Compiled from official Commerce statistics under HTS subheading 7214.20.00.

The total quantity of rebar imports from all nonsubject sources increased from 2001 to 2006, reflecting a sharp increase in imports from Turkey in the latter part of the period. Imports from Turkey are currently subject to an antidumping duty order.

A major importer of rebar from Turkey, \*\*\*, was asked to comment on the increase in imports from Turkey. \*\*\*.<sup>12</sup>

### **RECENT TRENDS IN REBAR IMPORTS**

Table IV-4 shows quarterly imports during 2006 and the first quarter of 2007. During January-March 2007, imports from Turkey were lower than in the first quarter of 2006. During April 2007, imports from Turkey further declined sharply, from 50,000 to 65,000 short tons per month during the first three months of 2007 to 8,596 short tons in April. Imports from Brazil, Malaysia, Dominican Republic, and Singapore increased noticeably during the period from January-March 2006 to January-March 2007. During the first quarter of 2007, Turkey remained the largest foreign supplier of rebar to the United States, followed by Mexico, Taiwan, Malaysia, and Japan. During April 2007, imports from other major suppliers, such as Mexico and the Dominican Republic, decreased from the previous months in 2007, with the exception of Brazil, whose imports increased during April from previous months during 2007. Monthly nonsubject imports during the first three months of 2007 fluctuated from 165,000 short tons in January to 213,000 short tons in March. Nonsubject imports in April 2007 were about 116,000 short tons.

### **CUMULATION CONSIDERATIONS**

In assessing whether subject imports are likely to compete with each other and with the domestic like product with respect to cumulation, the Commission generally has considered the following four factors: (1) fungibility, (2) presence of sales or offers to sell in the same geographic markets, (3) common or similar channels of distribution, and (4) simultaneous presence in the market. Fungibility considerations and channels of distribution are discussed in Parts I and II of this report; additional information regarding geographic markets and presence in the market are discussed below.

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<sup>12</sup> Staff telephone interview with \*\*\*.

**Table IV-4**  
**Rebar: U.S. imports, by quarter, all sources, 2006-07**

Item	Jan.-Mar. 2006	Apr.-June 2006	July-Sept. 2006	Oct.-Dec. 2006	Jan.-Mar. 2007
<b>Quantity (short tons)</b>					
<b>Subject imports</b>					
China	0	0	3	0	36
Poland	0	129	0	0	0
Total	0	129	3	0	36
<b>Nonsubject imports</b>					
Argentina	0	0	0	336	8,154
Australia	183	185	0	105	0
Belgium	0	2,751	0	0	0
Brazil	8,366	14,243	39,671	11,296	37,409
Bulgaria	38,659	4,936	30,249	14,622	0
Canada	11,893	11,830	14,223	1,996	5,853
Dominican Republic	17,614	36,313	28,892	12,584	41,856
Egypt	0	0	38,753	9,712	4,216
Germany	39,104	24,392	703	696	1,387
Hong Kong	0	0	25,889	10,410	0
India	0	258	116	140	257
Japan	62,725	75,471	73,012	10,943	55,343
Luxemburg	1,380	888	11	0	34
Malaysia	19	0	1,606	28,303	59,934
Mexico	66,018	13,777	8,849	81,808	83,819
Panama	20	0	0	0	0
Peru	84	545	0	0	0
Romania	17,507	15,672	0	0	0
Russia	0	0	16,967	0	0
Singapore	0	0	17,040	5,398	27,934
Switzerland	0	0	0	30	16
Taiwan	86,070	102,825	86,305	25,475	63,295
Thailand	0	0	27,529	11,277	0
Turkey	239,288	401,080	363,610	157,433	165,429
United Kingdom	0	215	54	0	0
Venezuela	3,918	0	0	0	0
Total	592,851	705,382	773,480	382,563	554,937
Source: Compiled from official Commerce statistics.					



## Geographic Markets

As noted previously, rebar production occurs throughout the United States, and is concentrated in the specified region. Table IV-5 summarizes subject imports by Customs district from 2001 to 2006. Subject imports were mainly concentrated in the ports of Houston, TX; Miami, FL; and San Juan, PR. Outside the region, subject imports entered in Los Angeles, CA, and San Francisco, CA. Table IV-6 summarizes total imports by Customs district from 2001 to 2006. Total imports were concentrated in Houston, TX; Miami, FL; San Juan, PR; New Orleans, LA; and Laredo, TX within the region. Outside the region, total imports were concentrated in Los Angeles, CA; San Francisco, CA; and Seattle, WA.

**Table-IV-5**

**Rebar: U.S. imports from subject countries, by Customs district, January 2001-December 2006**

Customs district	Belarus	China	Korea	Latvia	Poland	Total
<b>Quantity (short tons)</b>						
Within the specified region:						
Baltimore, MD	0	0	0	42	0	42
Boston, MA	0	0	0	22	0	22
Chicago, IL	0	8	0	0	91	99
Houston-Galveston, TX	2,820	47	51,859	77,617	6,835	139,179
Miami, FL	0	0	12,507	82,924	5,715	101,147
New Orleans, LA	0	0	6,314	35,095	0	41,409
Philadelphia, PA	0	0	0	0	20,837	20,837
Portland, ME	0	0	0	21	0	21
San Juan, PR	0	56	5,510	88,942	129	94,636
Tampa, FL	0	15	7,997	3,952	0	11,964
Subtotal	2,820	125	84,188	288,614	33,608	409,356
Outside the specified region:						
Columbia-Snake, OR	0	0	408	0	0	408
Los Angeles, CA	0	154	22,595	0	0	22,748
San Francisco, CA	0	0	16,241	0	376	16,617
Seattle, WA	0	21	553	0	331	905
Subtotal	0	175	39,797	0	707	40,679
<b>Total</b>	<b>2,820</b>	<b>300</b>	<b>123,985</b>	<b>288,614</b>	<b>34,315</b>	<b>450,036</b>
Note.—There were no subject imports from Indonesia, Moldova, or Ukraine between 2001 and 2006.						
Source: Data for Latvia are for imports under HTS subheading 7214.20.00 plus imports under HTS statistical reporting number 7228.30.8050 from official Commerce statistics. All other import data presented are from official Commerce statistics under HTS subheading 7214.20.00.						

Table-IV-6

Rebar: U.S. imports from all countries, by Customs district, January 2001-December 2006

Customs district	2001	2002	2003	2004	2005	2006
	<b>Quantity (short tons)</b>					
Within the specified region:						
Baltimore, MD	22,733	22	4,884	54,410	43,364	64,644
Boston, MA	0	22	83	5,324	0	0
Buffalo, NY	64	158	102	1,776	7,961	654
Charleston, SC	2,899	0	0	78	20	20
Charlotte, NC	30,275	12,926	10	0	0	13,577
Chicago, IL	26	7	179	112	8	74
Cleveland, OH	173	0	0	0	4	0
Dallas-Fort Worth, TX	0	44	0	0	0	0
Detroit, MI	396	300	117	1,181	478	4,875
El Paso, TX	0	16	239	4,453	20,379	1,049
Houston-Galveston, TX	513,204	345,219	293,321	658,020	338,725	848,129
Laredo, TX	51,047	84,019	159,978	180,707	202,269	132,578
Miami, FL	146,192	87,510	58,973	175,869	183,622	283,726
Milwaukee, WI	0	0	0	0	0	122
Mobile, AL	175	0	0	0	504	1,066
New Orleans, LA	240,076	198,253	29,871	122,953	105,975	188,069
New York, NY	20	100	127	0	7,178	16,626
Norfolk, VA	35	0	0	0	0	0
Ogdensburg, NY	25	23	0	431	21,048	34,476
Philadelphia, PA	92,213	78,708	63,891	94,834	48,918	73,454
Portland, ME	532	63	0	0	0	16
Providence, RI	0	9,964	0	0	0	0
San Juan, PR	282,886	256,177	281,218	276,398	253,662	269,577
Savannah, GA	1,017	50	80	11,266	2,297	6,613
St. Albans, VT	45	0	0	0	450	189
St. Louis, MO	0	0	0	0	0	49
Tampa, FL	56,735	74,604	45,843	115,071	16,216	74,286
Washington, DC	0	3	9	0	0	0
Subtotal	1,440,769	1,148,186	938,926	1,702,880	1,253,079	2,013,869

Table continued on the following page.

Table-IV-6--*Continued*

Rebar: U.S. imports from all countries, by Customs district, January 2001-December 2006

Customs district	2001	2002	2003	2004	2005	2006
	<b>Quantity (short tons)</b>					
Outside the specified region:						
Anchorage, AK	0	500	0	0	56	0
Columbia-Snake, OR	11,579	0	34	2,553	0	4,494
Duluth, MN	16	0	0	3	0	0
Great Falls, MT	22	0	93	123	133	107
Honolulu, HI	5,698	3,360	0	11,384	15,746	16,987
Los Angeles, CA	129,682	38,251	38,171	160,151	109,394	248,648
Pembina, ND	245	415	18	68	38	20
San Diego, CA	10,697	14,754	15,270	17,951	10,819	21,094
San Francisco, CA	118,148	20,125	17,126	94,996	62,398	148,483
Seattle, WA	13,848	896	617	244	26	3
U.S. Virgin Islands	108	67	2,828	467	668	702
Subtotal	290,043	78,368	74,158	287,942	199,279	440,538
<b>Total</b>	<b>1,730,812</b>	<b>1,226,554</b>	<b>1,013,084</b>	<b>1,990,822</b>	<b>1,452,358</b>	<b>2,454,407</b>

Source: Data for Latvia are for imports under HTS subheading 7214.20.00 plus imports under HTS statistical reporting number 7228.30.8050 from official Commerce statistics. All other import data presented are from official Commerce statistics under HTS subheading 7214.20.00.

## Presence in the Market

Table IV-7 presents data on the monthly entries of U.S. imports of rebar, by source, during the period for which data were collected. Rebar produced in China, Latvia, and Poland was generally present in a few months throughout the period for which data were collected. Rebar from Belarus was only present in one month of 2002. Rebar from Korea was present in six months of 2001 and only one month in 2005. Imports from all other sources combined were present throughout the period.

**Table IV-7**  
**Rebar: U.S. imports, monthly entries into the United States, by source, 2001-06**

Source	2001	2002	2003	2004	2005	2006
Belarus	0	1	0	0	0	0
China	2	1	0	3	3	1
Korea	6	0	0	0	1	0
Latvia	3	4	4	7	4	0
Poland	7	0	0	5	0	1
All others	12	12	12	12	12	12

Note.--There were no subject imports from Indonesia, Moldova, or Ukraine between 2001 and 2006.

Source: Data for Latvia are for imports under HTS subheading 7214.20.00 plus imports under HTS statistical reporting number 7228.30.8050 from official Commerce statistics. All other import data presented are from official Commerce statistics under HTS subheading 7214.20.00.

## U.S. IMPORTERS' INVENTORIES

Data relating to U.S. importers' inventories of imports of rebar from nonsubject sources are presented in table IV-8. There were no reported inventories of subject imports. Inventories of nonsubject rebar fluctuated during the period and were minimal relative to U.S. imports and U.S. shipments of imports.

**Table IV-8**  
**Rebar: U.S. importers' reported end-of-period inventories of imports and ratios of inventories to reported U.S. importers' imports and to U.S. importers' U.S. shipments, 2001-06**

Item	2001	2002	2003	2004	2005	2006
Imports from all sources (total imports):						
Inventories ( <i>short tons</i> )	22,489	17,440	13,882	68,956	21,575	53,870
Ratio to imports ( <i>percent</i> )	2.1	1.9	1.9	4.5	2.2	3.1
Ratio to U.S. shipments ( <i>percent</i> )	2.1	1.9	2.0	4.7	2.2	3.1

Note.--No importer reported inventories from subject countries during the period of review.

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

## THE INDUSTRY IN BELARUS

### Overview

Byelorussian Steel Works (“BMZ”) is the only producer of rebar in Belarus. Rebar is produced in the firm’s commercial steel unit, which was launched in 1984. When asked to describe the technology used to produce rebar, BMZ described the following. “\*\*\*.” Table IV-9 presents comparative information available from the original investigations and the current reviews. Capacity and production have grown \*\*\* from 2000 to 2006, and capacity utilization has increased. The concentration in export shipments also increased over the period.

**Table IV-9**  
**Rebar: Comparison of select Belarusian industry data, 2000 and 2006**

\* \* \* \* \*

### Rebar Operations

Information on BMZ’s rebar operations is presented in table IV-10. Capacity and production increased \*\*\* between 2000 and 2006. \*\*\*. BMZ reported that it “\*\*\*.” According to BMZ’s posthearing brief, its marketing strategy has been to supply customers in Belarus, Russia, other CIS countries, the EU, Asia, and the United States. During 2001-06, BMZ has shipped the majority of its rebar to Russia, Belarus, and other CIS states. Sales to Russia increased by more than 30 percent, and accounted for one half of BMZ’s total shipments of rebar by 2006.<sup>13</sup> BMZ reported no barriers to its exports in countries other than the United States.

**Table IV-10**  
**Rebar: Belarusian production capacity, production, shipments, and inventories, 2001-06, with projections for 2007-08**

\* \* \* \* \*

When asked about any changes to operations, BMZ replied that “\*\*\*.” Capacity is based on \*\*\* hours per week, \*\*\* weeks per year. Constraints on capacity were reported to be “\*\*\*.” Capacity \*\*\* between 2000 and 2001, then \*\*\* increased thereafter. Projections call for \*\*\*, assuming the orders remain in place, and BMZ has \*\*\* if the orders were revoked, according to its questionnaire response. Although BMZ’s questionnaire response reported \*\*\*, domestic interested parties have alleged that it announced its intention to upgrade its rolling mills at a cost of \$15 million during 2005-08, and that any extra capacity resulting from such an upgrade could result in adding to the future overcapacity and oversupply of the global market for rebar.<sup>14</sup> BMZ, however, reported that the upgrade will affect only wire rod production.<sup>15</sup>

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<sup>13</sup> BMZ’s posthearing brief, p. 4.

<sup>14</sup> Submission by domestic interested parties, September 20, 2006, pp. 18-19.

<sup>15</sup> BMZ’s posthearing brief, p. 3.

## Alternative Products

In addition to rebar, the firm produces a range of high quality products including SBQ bars and rounds, corners, and square bars, \*\*\* on the same equipment and machinery used to produce rebar. BMZ is \*\*\* able to switch production between rebar and other products in response to a relative price change in rebar vis-a-vis the price of other products, using the same equipment and labor.

## THE INDUSTRY IN CHINA

### Overview

During the original investigations, the petition listed some 17 firms believed to be producing rebar in China at the time. Only Laiwu Steel Group, Ltd. (“Laiwu”) provided data in response to Commission questionnaires. Domestic interested parties identified 20 potential producers of rebar in China in a response to the Commission’s notice of institution, none of whom replied to the Commission’s foreign producers’ questionnaire during these reviews. During the original investigations, the U.S. Embassy in Beijing was able to obtain limited information from industry sources regarding certain data from the Chinese rebar industry, of which Laiwu accounted for about \*\*\* percent of total production in 2000. Table IV-11 presents comparative information available from the original investigations and the current reviews. Production more than \*\*\* from 2000 to 2006, and the share of production devoted to exports, while relatively small, grew over the period.

**Table IV-11**  
**Rebar: Comparison of select Chinese industry data, 2000 and 2006**

Item	2000	2006
Production ( <i>short tons</i> )	29,450,000	***
Exports/production ( <i>percent</i> )	1.2	***
Note.—Data on capacity, shipments, and inventories are unavailable.  Source: Confidential original report (INV-Y-087, May 1, 2001), tabulation at page VII-5; *** production data contained in May 24, 2007 submission by domestic interested parties (converted to short tons by Commission staff); and World Trade Atlas, China Exports under HTS subheading 7214.20.		

### Rebar Operations

Available information on China’s rebar market and industry operations (capacity, production, consumption, and implied net exports) is presented in table IV-12.

**Table IV-12**  
**Rebar: Chinese capacity, production, consumption, and net exports, 2001-06**

\*   \*   \*   \*   \*   \*   \*

Production is expected to grow about \*\*\* percent of its 2006 level by the year 2011 according to \*\*\*. Chinese consumption is expected to grow by about \*\*\* percent during the same time period. By the year 2011, China is still expected to be a net exporter, with a projected surplus of \*\*\* short tons of rebar produced that will not be consumed in China. China’s net export to production ratio projected at that time

would be about \*\*\* percent.<sup>16</sup> Table IV-13 presents data on projected Chinese production, consumption, and implied exports, from 2007 to 2011.

**Table IV-13**  
**Rebar: Chinese projected production, consumption, and net exports, 2007-11**

\* \* \* \* \*

Domestic interested parties have alleged that Chinese producers are adding rebar capacity in large amounts, citing the following additions:

- Guangxi Wanxin has begun producing rebar utilizing two production lines with a total capacity of 720,000 tons per year.
- Fujian Yixin Steel plans to replace its old rebar rolling line with a new line, which will better match up to the company's 1.2 million tons of billet capacity.
- Jiujiang Buosheng plans to add 2 million metric tons of capacity in Jiangxi Province in the next two years.
- Chengde Steel, a subsidiary of Tangshan Iron & Steel, will add 800,000 metric tons of capacity by 2008, and an additional 1 million tons by the end of the decade.
- Tangshan Iron & Steel and Yinshui Iron & Steel will complete work on a 1 million metric ton facility in the Hebei Province in 2007.
- Hebei Jingye in the Hebei Province increased its capacity by 50 percent in 2006, bringing an additional 1 million metric tons online.
- Kunming Iron & Steel will introduce another 800,000 metric tons of rebar capacity at its Yunnan Province facility in 2007, and another 400,000 metric tons of capacity at its Kunming Province by 2009.
- The Yufeng Group intends to add 600,000 metric tons of capacity at its Zhuhai Yueyufeng Steel plant in Guangdong Province.
- Finally, Sha'anxi Lueyang Steel has announced plans to build a new 600,000 metric ton bar line in its Sha'anxi plant by 2008.<sup>17</sup>

Detailed information on the export destinations for Chinese rebar is presented in table IV-14. The top five export destinations for Chinese rebar include Canada and four Asian destinations, two of which are Special Administrative Regions of China. In 2006, China exported about 268,000 tons of rebar to Canada, but reported virtually no exports to the United States during that year. The export market that has grown most substantially during 2001-06 is Korea. Domestic interested parties did not report any antidumping duty orders against Chinese rebar in countries other than the United States.

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<sup>16</sup> Domestic interested parties' posthearing brief, exh. 1, and May 24, 2007 submission, calculated from \*\*\* data in metric tons.

<sup>17</sup> Domestic interested parties' prehearing brief, pp. 61-62, citing various sources, including the Romar Consulting Report at exh. 3, press releases, American Metal Market, and Steel Business Briefing.

Table IV-14

Rebar: Quantities, values, and average unit values of exports from China, by destinations, in descending order of quantities shipped, 2001-06

Destinations	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
United States	1,647	0	0	0	334	1,482
Others:						
Hong Kong	404,986	206,862	364,322	290,429	554,602	822,519
Korea, South	0	10,784	195,989	272,321	485,991	786,164
Singapore	0	33,400	64,983	256,387	228,548	345,610
Canada	89,381	64,337	14,028	132,031	96,852	268,307
Iran	0	0	0	32,252	21,251	157,470
India	0	0	0	0	30,812	155,386
Macau	13,427	13,218	22,918	38,978	134,936	126,087
Syria	0	0	0	0	0	114,970
Myanmar	13,126	22,405	61,003	77,307	82,417	105,880
Angola	5	0	0	3,043	15,881	100,722
Yemen	0	0	0	179	21,423	96,159
United Arab Emirates	0	0	0	0	28	90,507
South Africa	0	0	0	0	0	65,675
Mexico	0	0	0	0	0	59,885
Sudan	313	2,052	3,375	586	10,852	49,733
Brunei Darussalam	9,806	6,459	0	19,749	12,563	45,135
Pakistan	0	237	6,186	2,033	11,081	33,423
Kazakhstan	0	60	904	3,744	926	30,088
Ecuador	0	6	0	0	0	27,657
Indonesia	105	280	0	223	3,559	20,852
Cyprus	0	0	0	0	0	20,795
Mongolia	1,092	84	592	1,513	2,689	20,741
Russia	91	0	1	307	510	20,534
Panama	0	0	0	1,116	0	17,446
Cameroon	0	0	6	0	392	16,558
Taiwan	0	0	0	0	626	15,530
Ethiopia	110	0	41	606	1,468	10,748
Afghanistan	0	3	212	532	4,424	10,568
Ghana	0	0	19	33	0	9,970
Tanzania	74	0	0	1,134	5,436	9,858
Nicaragua	0	0	0	0	0	8,052
Saudi Arabia	0	0	0	0	0	5,975
Turkmenistan	0	0	0	1,388	0	5,874
Trinidad and Tobago	0	0	0	0	0	5,846
Philippines	0	0	11	0	0	5,728
All others	48,517	27,420	23,726	40,880	50,024	57,868
Total world	582,681	387,606	758,314	1,176,771	1,777,625	3,745,801

Table continued on the following page.



**Table IV-14—Continued**

**Rebar: Quantities, values, and average unit values of exports from China, by destinations, in descending order of quantities shipped, 2001-06**

Destinations	2001	2002	2003	2004	2005	2006
<b>Value (\$1,000)</b>						
United States	556	0	0	0	150	494
Others:						
Hong Kong	72,448	40,674	79,651	100,393	189,151	278,104
Korea, South	0	2,184	47,622	100,498	173,700	271,905
Singapore	0	6,806	15,766	88,614	75,293	114,896
Canada	16,487	12,192	3,614	45,737	34,819	97,008
Iran	0	0	0	9,084	7,509	56,806
India	0	0	0	0	10,772	49,488
Macau	2,476	2,590	5,468	14,729	49,082	44,516
Syria	0	0	0	0	0	41,296
Myanmar	2,925	5,212	14,677	26,098	26,553	33,939
Angola	2	0	0	1,171	5,596	35,275
Yemen	0	0	0	71	6,799	33,231
United Arab Emirates	0	0	0	0	19	31,910
South Africa	0	0	0	0	0	23,837
Mexico	0	0	0	0	0	21,580
Sudan	89	514	953	227	3,686	17,569
Brunei Darussalam	1,668	841	0	6,727	4,480	15,564
Pakistan	0	68	1,787	750	4,030	12,424
Kazakhstan	0	9	191	1,191	371	11,574
Ecuador	0	1	0	0	0	10,792
Indonesia	25	55	0	82	1,306	7,641
Cyprus	0	0	0	0	0	7,469
Mongolia	240	20	159	585	1,005	7,864
Russia	27	0	0	145	241	7,824
Panama	0	0	0	395	0	6,208
Cameroon	0	0	2	0	183	6,610
Taiwan	0	0	0	0	240	5,766
Ethiopia	26	0	26	446	577	4,061
Afghanistan	0	1	76	193	1,555	4,169
Ghana	0	0	6	10	0	3,430
Tanzania	19	0	0	486	2,099	3,724
Nicaragua	0	0	0	0	0	3,175
Saudi Arabia	0	0	0	0	0	2,181
Turkmenistan	0	0	0	571	0	2,124
Trinidad and Tobago	0	0	0	0	0	1,720
Philippines	0	0	6	0	0	1,912
All others	9,650	5,768	6,058	14,155	19,103	22,631
Total world	106,638	76,935	176,062	412,357	618,318	1,300,719

Table continued on the following page.

**Table IV-14--Continued**

**Rebar: Quantities, values, and average unit values of exports from China, by destinations, in descending order of quantities shipped, 2001-06**

Destinations	2001	2002	2003	2004	2005	2006
<b>Average unit value (per short ton)</b>						
United States	\$338	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	\$448	\$334
Others:						
Hong Kong	179	\$197	\$219	\$346	341	338
Korea, South	( <sup>1</sup> )	203	243	369	357	346
Singapore	( <sup>1</sup> )	204	243	346	329	332
Canada	184	190	258	346	360	362
Iran	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	282	353	361
India	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	350	318
Macau	184	196	239	378	364	353
Syria	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	359
Myanmar	223	233	241	338	322	321
Angola	393	( <sup>1</sup> )	( <sup>1</sup> )	385	352	350
Yemen	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	399	317	346
United Arab Emirates	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	699	353
South Africa	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	363
Mexico	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	360
Sudan	283	250	282	387	340	353
Brunei Darussalam	170	130	( <sup>1</sup> )	341	357	345
Pakistan	( <sup>1</sup> )	285	289	369	364	372
Kazakhstan	( <sup>1</sup> )	150	211	318	400	385
Ecuador	( <sup>1</sup> )	142	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	390
Indonesia	239	197	( <sup>1</sup> )	367	367	366
Cyprus	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	359
Mongolia	219	236	268	387	374	379
Russia	298	( <sup>1</sup> )	363	470	473	381
Panama	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	354	( <sup>1</sup> )	356
Cameroon	( <sup>1</sup> )	( <sup>1</sup> )	294	( <sup>1</sup> )	466	399
Taiwan	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	384	371
Ethiopia	233	( <sup>1</sup> )	635	737	393	378
Afghanistan	( <sup>1</sup> )	265	358	363	352	394
Ghana	( <sup>1</sup> )	( <sup>1</sup> )	319	294	( <sup>1</sup> )	344
Tanzania	253	( <sup>1</sup> )	( <sup>1</sup> )	428	386	378
Nicaragua	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	394
Saudi Arabia	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	365
Turkmenistan	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	411	( <sup>1</sup> )	362
Trinidad and Tobago	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	294
Philippines	( <sup>1</sup> )	( <sup>1</sup> )	577	( <sup>1</sup> )	( <sup>1</sup> )	334
All others	199	210	255	346	382	391
Total world	183	198	232	350	348	347
<sup>1</sup> Not applicable.						
Note.--HTS 7214.20 Other bars, hot-worked, for concrete reinforcement bars (of carbon steel, not coiled).						
Source: World Trade Atlas, as reported by China Customs.						

## THE INDUSTRY IN INDONESIA

### Overview

In the original investigations, the Commission identified 13 firms that produced rebar in Indonesia, but only one, PT The Master Steel Mfg. Co., returned a completed questionnaire to the Commission. The Commission also received information from the Indonesian Ministry of Industry and Trade (“MOIT”).<sup>18</sup> In these current reviews, domestic interested parties identified six potential producers of rebar in Indonesia in a response to the Commission’s notice of institution, none of which replied to the Commission’s foreign producers’ questionnaire.

During the original investigation, PT The Master Steel estimated that it accounted for only \*\*\* percent of the country’s total production of rebar in 2000, and exported rebar to the United States \*\*\*.<sup>19</sup> Table IV-15 presents comparative information available from the original investigations and these first reviews.

**Table IV-15**  
**Rebar: Comparison of select Indonesian industry data, 2000 and 2006**

\* \* \* \* \*

### Rebar Operations

The MOIT estimated that in 2000 there were 28 firms in Indonesia that produced rebar, with a combined capacity of 4.8 million tons, and that the industry was mainly oriented towards the domestic market.<sup>20</sup> Ispat Indo had indicated in the original investigations that it did not produce rebar.<sup>21</sup> However, it appears that the firm does now produce rebar at its facility.<sup>22</sup> Indeed, Ispat Indo is one of eight Indonesian firms identified by \*\*\* as having quantifiable capacity to produce rebar. In total, these firms have an estimated \*\*\* short tons of rebar capacity.<sup>23 24</sup> According to domestic interested parties, potentially one million additional tons of capacity may be available if PT Krakatau Steel should convert some of its wire rod production to the production of rebar.<sup>25 26</sup> Imports of rebar from Indonesia, as well as six other

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<sup>18</sup> *Certain Steel Concrete Reinforcing Bars From Indonesia, Poland, and Ukraine, Invs. Nos. 731-TA-875, 880, and 882 (Final)*, USITC Publication 3425, pp. VII-3-VII-4.

<sup>19</sup> Confidential original report (INV-Y-087, May 1, 2001), p. VII-7.

<sup>20</sup> *Certain Steel Concrete Reinforcing Bars From Indonesia, Poland, and Ukraine, Invs. Nos. 731-TA-875, 880, and 882 (Final)*, USITC Publication 3425, p. VII-4.

<sup>21</sup> *Certain Steel Concrete Reinforcing Bars From Indonesia, Poland, and Ukraine, Invs. Nos. 731-TA-875, 880, and 882 (Final)*, USITC Publication 3425, pp. VII-3-VII-4.

<sup>22</sup> <http://www.ispatindo.com/Home.htm>, retrieved on March 19, 2007.

<sup>23</sup> \*\*\*.

<sup>24</sup> Production and export data concerning the industry producing rebar in Indonesia are unavailable from public sources.

<sup>25</sup> Domestic interested parties’ response to the notice of institution, September 20, 2006, p. 23.

<sup>26</sup> According to the company website, Krakatau Steel produces and sells three kinds of steel product: hot-rolled steel, cold-rolled steel, and wire rod steel. Steel bars are produced and sold by a subsidiary company of Krakatau Steel, but their raw materials (steel billets) are supplied by Krakatau Steel.

<http://www.krakatausteel.com/product/index.asp>, retrieved on June 1, 2007. \*\*\*.

countries, were subject to antidumping duty orders in Canada between 2001 and 2006.<sup>27</sup> However, in a notice issued September 14, 2005, the Canadian International Trade Tribunal rescinded its finding with respect to all seven subject countries, having received no submissions in support of a review and continuation of the finding.<sup>28</sup>

## THE INDUSTRY IN KOREA

### Overview

Domestic interested parties have alleged that there are eight producers of rebar in Korea: Dongil Industries, Dongkuk Steel Mill (Donkuk), Han Kook Steel & Mill, INI Steel, Korea Iron & Steel (KISCO), Kosteel, Young Heung Iron & Steel, and Hyundai Steel Co. During the original investigations, foreign producer questionnaire responses were received from Dongkuk, Inchon Iron & Steel Co., Ltd., and KISCO, accounting for about \*\*\* percent of production in Korea in 1999. During these reviews, only Hyundai responded to Commission questionnaires providing data on its operations. Comparing Hyundai's reported 2005 production with IISI's reported production for Korea in 2005, Hyundai appears to account for approximately \*\*\* percent of production of rebar in Korea. In its questionnaire response, Hyundai itself estimated that it accounted for \*\*\* percent of Korean rebar production in 2006. In its posthearing brief, Hyundai submitted data from the Korean Iron & Steel Institute (KOSA) which estimated that there were five leading Korean rebar producers in 2006, accounting for the following shares of rebar capacity in Korea: \*\*\*.<sup>29</sup>

When asked to describe the technology used to produce rebar, Hyundai described the following.  
“\*\*\*.”

During the original investigations, the American Embassy in Seoul was able to obtain information from industry sources regarding data from the Korean rebar industry of eight producers. Table IV-16 presents comparative information available from the original investigations and the current reviews. Production and capacity increased from 2000 to 2006, capacity utilization also increased, and the amount of production devoted to exports was small.

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<sup>27</sup> Canadian International Trade Tribunal, *Certain Concrete Reinforcing Bar Originating in or Exported from the Republic of Indonesia, Japan, the Republic of Latvia, the Republic of Moldova, the Republic of Poland, Chinese Taipei, and Ukraine*, Inquiry No. NQ-2000-007, June 1, 2001.

<sup>28</sup> Canadian International Trade Tribunal, *Hot-Rolled Deformed Carbon or Low Alloy Steel Concrete Reinforcing Bar in Straight Lengths or in Coils, Originating in or Exported from the Republic of Indonesia, Japan, the Republic of Latvia, the Republic of Moldova, the Republic of Poland, Chinese Taipei, and Ukraine*, Expiry No. LE-2005-002, September 14, 2005.

<sup>29</sup> Hyundai prehearing brief, exh. 3.

**Table IV-16****Rebar: Comparison of select Korean industry data, 2000 and 2006**

Item	2000	2006
Capacity ( <i>short tons</i> )	9,736,000	***
Production ( <i>short tons</i> )	8,276,000	***
Capacity utilization ( <i>percent</i> )	85.0	***
Exports/production ( <i>percent</i> )	2.3	***
Inventories/shipments ( <i>percent</i> )	3.3	***

Note.—The 2006 ratio for inventories is inventories/production, as the KOSA data are for production, not shipments.

Source: Confidential original report (INV-Y-087, May 1, 2001), Hyundai's prehearing brief, exh. 3, and posthearing brief, exh. 1, KOSA capacity, production, export (267,895 short tons), and inventory (306,876 short tons) data for 2006. Note that calculations using IISI Steel Statistical Yearbook 2006 for 2005 data for production and World Trade Atlas, "Korea Exports under HS 721420" for 2005 exports yields an export to production ratio in 2005 of 4.5 percent.

### Rebar Operations

Information on Hyundai's rebar operations is presented in table IV-17. Home market sales constitute more than \*\*\* percent of its shipments, with the remainder primarily exported to Asian markets. When asked to identify new export markets, Hyundai mentioned the \*\*\*. Hyundai did not identify any barriers to its exports to any countries other than the United States. Imports of rebar from Korea, as well as Cuba and Turkey, were subject to antidumping duty orders in Canada between 2000 and 2005.<sup>30</sup> However, in an order issued January 11, 2005, the Canadian International Trade Tribunal rescinded its finding with respect to all three subject countries.<sup>31</sup>

**Table IV-17****Rebar: Hyundai's production capacity, production, shipments, and inventories, 2001-06, with projections for 2007-08**

\* \* \* \* \*

Capacity is based on \*\*\* per year. Constraints on capacity were reported to be "\*\*\*\*." Capacity increased between 2003 and 2005, then decreased in 2006 and is expected to remain steady thereafter. Hyundai's questionnaire response notes that it acquired Hanbo Steel \*\*\*. The acquisition resulted in \*\*\*. Hyundai stated that the electric arc industry initiated a rationalization plan after the Asian Financial Crisis to address \*\*\*.

<sup>30</sup> Canadian International Trade Tribunal, *Certain Concrete Reinforcing Bar Originating in or Exported from the Republic of Cuba, the Republic of Korea, and the Republic of Turkey*, Inquiry No. NQ-99-002, January 12, 2000.

<sup>31</sup> Canadian International Trade Tribunal, *Certain Concrete Reinforcing Bar Originating in or Exported from the Republic of Cuba, the Republic of Korea, and the Republic of Turkey*, Expiry Review No. RR-2004-001, January 11, 2005.

With respect to anticipated changes to its operations, Hyundai reported that the \*\*\*. Information on Korea's rebar market and operations (capacity, production, consumption, and implied trade position) is presented in table IV-18, indicating that Korea became a net importer in 2002.

**Table IV-18**  
**Rebar: Korean capacity, production, consumption, and net exports, 2001-06**

\* \* \* \* \*

According to \*\*\* data supplied by the domestic interested parties, projected growth in consumption should match production growth in Korea in 2007-11, causing Korea to remain a net importer of rebar, as shown in table IV-19.<sup>32</sup>

**Table IV-19**  
**Rebar: Korean projected consumption, production, and net exports, 2007-11**

\* \* \* \* \*

Detailed information on destinations for Korean exports is presented in table IV-20. The top five export destinations for Korean rebar include Canada, Hong Kong, Singapore, Kuwait, and Panama.

### **Alternative Products**

In addition to rebar, Hyundai produces a range of other products, including H-Beams, hot-rolled, and STS CR, all produced \*\*\*. Hyundai reported that it \*\*\* to switch production between rebar and other products in response to a relative price change of rebar vis-a-vis the price of other products, using the same equipment and labor.

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<sup>32</sup> \*\*\* data for production from May 24, 2007 submission of domestic interested parties; \*\*\* data for consumption from domestic interested parties' posthearing brief, additional questions exh. 1.

Table IV-20

Rebar: Quantities, values, and average unit values of exports from Korea, by destinations, in descending order of quantities shipped, 2001-06

Destinations	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
United States:						
50 U.S. States	81,063	901	7	3,033	6,346	739
Guam	5,861	6,586	6,458	10,960	9,545	9,454
Northern Mariana Islands	826	3,457	1,037	280	1,450	2,095
Puerto Rico	5,510	0	0	0	0	0
American Samoa	52	0	0	0	0	0
Subtotal	93,312	10,945	7,502	14,273	17,341	12,288
Others:						
Panama	19,438	6,978	0	0	33,815	86,173
Kuwait	0	11,213	0	0	0	27,981
Singapore	0	0	0	6,889	136,574	27,514
Hong Kong	145,330	28,089	276	53,744	101,597	23,175
Canada	0	8,854	0	0	31,385	21,314
Angola	0	0	0	0	0	12,008
Philippines	0	0	0	65	0	8,160
Brunei Darussalam	0	0	0	0	59,906	6,052
Japan	12	70	52	3,939	9,930	3,382
Pakistan	0	0	0	0	0	3,189
Indonesia	28	0	0	0	2	2,315
United Arab Emirates	0	0	0	1,121	5,792	2,299
Micronesia, Federated States	2,174	1,286	1,850	1,168	1,220	1,353
Palau	2,025	1,179	382	311	484	689
Taiwan	0	0	43	159	35,308	432
Marshall Islands	55	110	1,280	72	75	277
Western Samoa	193	55	0	454	680	207
Russia	14	0	0	0	698	101
Saudi Arabia	0	0	0	0	0	68
Ireland	0	27	0	39	0	21
China	1,634	71	742	1,099	45	13
Cambodia	0	0	0	0	0	12
Tajikistan	0	0	0	0	0	6
Solomon Islands	0	0	2	134	109	2
Malaysia	0	0	0	0	664	2
Vietnam	1,270	821	630	185	21,794	0
Myanmar	10,656	10,373	0	0	16,381	0
All others	7570	133	557	450	374	0
Total world	283,711	80,203	13,316	84,104	474,175	239,035

Table continued on the following page.

**Table IV-20—Continued**

**Rebar: Quantities, values, and average unit values of exports from Korea, by destinations, in descending order of quantities shipped, 2001-06**

Destinations	2001	2002	2003	2004	2005	2006
<b>Value (\$1,000)</b>						
United States:						
50 U.S. States	16,325	192	7	1,321	2,375	351
Guam	1,275	1,674	2,106	4,625	4,182	4,254
Northern Mariana Islands	165	900	323	129	631	918
Puerto Rico	1,140	0	0	0	0	0
American Samoa	12	0	0	0	0	0
Subtotal	18,916	2,766	2,436	6,075	7,188	5,523
Others:						
Panama	3,629	1,369	0	0	11,906	32,535
Kuwait	0	2,014	0	0	0	10,946
Singapore	0	0	0	2,342	44,170	8,140
Hong Kong	25,137	4,419	42	17,676	34,221	7,451
Canada	0	1,677	0	0	10,505	8,041
Angola	0	0	0	0	0	5,665
Philippines	0	0	0	23	0	3,271
Brunei Darussalam	0	0	0	0	20,589	1,908
Japan	94	435	61	1,659	3,624	1,197
Pakistan	0	0	0	0	0	1,070
Indonesia	25	0	0	0	6	709
United Arab Emirates	0	0	0	419	2,070	888
Micronesia, Federated States	493	356	647	559	646	669
Palau	472	313	127	155	245	346
Taiwan	0	0	18	75	11,305	269
Marshall Islands	35	74	515	27	63	210
Western Samoa	49	14	0	207	337	109
Russia	10	0	0	0	865	149
Saudi Arabia	0	0	0	0	0	61
Ireland	0	17	0	36	0	11
China	477	35	308	387	92	21
Cambodia	0	0	0	0	0	24
Tajikistan	0	0	0	0	0	3
Solomon Islands	0	0	1	63	55	1
Malaysia	0	0	0	0	331	28
Vietnam	412	316	265	78	6,463	0
Myanmar	1,896	1,769	0	0	5,645	0
All others	1,468	39	166	211	175	0
Total world	53,115	15,615	4,585	29,992	160,500	89,245

Table continued on the following page.



**Table IV-20—Continued**

**Rebar: Quantities, values, and average unit values of exports from Korea, by destinations, in descending order of quantities shipped, 2001-06**

Destinations	2001	2002	2003	2004	2005	2006
<b>Average unit value (per short ton)</b>						
United States:						
50 U.S. States	\$201	\$213	\$998	\$436	\$374	\$475
Guam	218	254	326	422	438	450
Northern Mariana Islands	199	260	312	461	435	438
Puerto Rico	207	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
American Samoa	229	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Subtotal	203	253	325	426	414	450
Others:						
Panama	187	196	( <sup>1</sup> )	( <sup>1</sup> )	352	378
Kuwait	( <sup>1</sup> )	180	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	391
Singapore	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	340	323	296
Hong Kong	173	157	154	329	337	322
Canada	( <sup>1</sup> )	189	( <sup>1</sup> )	( <sup>1</sup> )	335	377
Angola	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	472
Philippines	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	358	( <sup>1</sup> )	401
Brunei Darussalam	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	344	315
Japan	7,824	6,225	1,171	421	365	354
Pakistan	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	336
Indonesia	894	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	3,600	306
United Arab Emirates	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	374	357	386
Micronesia, Federated States	227	277	350	479	530	494
Palau	233	266	332	499	507	502
Taiwan	( <sup>1</sup> )	( <sup>1</sup> )	408	472	320	622
Marshall Islands	641	669	402	372	839	759
Western Samoa	253	259	( <sup>1</sup> )	456	495	525
Russia	737	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	1,240	1,474
Saudi Arabia	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	898
Ireland	( <sup>1</sup> )	635	( <sup>1</sup> )	938	( <sup>1</sup> )	499
China	292	501	415	352	2,045	1,629
Cambodia	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	2,000
Tajikistan	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	484
Solomon Islands	( <sup>1</sup> )	( <sup>1</sup> )	417	466	503	525
Malaysia	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	498	16,712
Vietnam	325	385	420	424	297	( <sup>1</sup> )
Myanmar	178	171	( <sup>1</sup> )	( <sup>1</sup> )	345	( <sup>1</sup> )
All others	194	294	298	469	468	( <sup>1</sup> )
Total world	187	195	344	357	338	373
<sup>1</sup> Not applicable.						
Note.--HTS 7214.20 Other bars, hot-worked, for concrete reinforcement bars (of carbon steel, not coiled).						
Source: World Trade Atlas, as reported by Korean Customs Service.						

## THE INDUSTRY IN LATVIA

### Overview

Liepajas Metalurģs (“LM”) is the only producer of rebar in Latvia. When asked to describe the technology used to produce rebar, LM described the following. “\*\*\*.” Table IV-21 presents comparative information available from the original investigations and the current reviews. Capacity and production have grown \*\*\* from 2000 to 2006, while capacity utilization has decreased. The concentration in export shipments also has decreased over the period but exports remained the vast majority of shipments.

**Table IV-21**  
**Rebar: Comparison of select Latvian industry data, 2000 and 2006**

\* \* \* \* \*

### Rebar Operations

Information on LM’s rebar operations is presented in table IV-22. \*\*\*. LM reported developing new markets for its exports. \*\*\*. LM reported no barriers to its exports to countries other than the United States. Imports of rebar from Latvia, as well as six other countries, were subject to antidumping duty orders in Canada between 2001 and 2006.<sup>33</sup> However, in a notice issued September 14, 2005, the Canadian International Trade Tribunal rescinded its finding with respect to all seven subject countries, having received no submissions in support of a review and continuation of the finding.<sup>34</sup>

**Table IV-22**  
**Rebar: Latvian production capacity, production, shipments, and inventories, 2001-06, with projections for 2007-08**

\* \* \* \* \*

In its prehearing brief, LM stated that it ceased rebar exports to the United States in September 2005 because its accession to the EU in 2004 made the EU market more attractive in terms of higher prices, and the higher trans-Atlantic freight rates gave LM little economic incentive to continue sales to the United States.<sup>35</sup> During the public hearing, an LM official testified that LM had made an effort to increase its mandatory certification requirements as an EU supplier to 13 countries in 2006, receives preferential transportation tariffs for shipments within the EU, has been able to develop long-term supply contracts with end users in the EU (thereby cutting out the distributors and increasing profits), and therefore has no reason to return to the U.S. market.<sup>36</sup> In its posthearing brief, LM provided data on EU trends for rebar consumption. From 2002 to 2006, consumption for the EU 26 grew from 19,983,802

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<sup>33</sup> Canadian International Trade Tribunal, *Certain Concrete Reinforcing Bar Originating in or Exported from the Republic of Indonesia, Japan, the Republic of Latvia, the Republic of Moldova, the Republic of Poland, Chinese Taipei, and Ukraine*, Inquiry No. NQ-2000-007, June 1, 2001.

<sup>34</sup> Canadian International Trade Tribunal, *Hot-Rolled Deformed Carbon or Low Alloy Steel Concrete Reinforcing Bar in Straight Lengths or in Coils, Originating in or Exported from the Republic of Indonesia, Japan, the Republic of Latvia, the Republic of Moldova, the Republic of Poland, Chinese Taipei, and Ukraine*, Expiry No. LE-2005-002, September 14, 2005.

<sup>35</sup> LM’s prehearing brief, May 1, 2007, p. 8.

<sup>36</sup> Hearing transcript, pp. 184-186 (Zaharin).

short tons to 25,346,546 short tons.<sup>37</sup> Table IV-23 provides data from the World Trade Atlas on the destinations for Latvian exports to world sources, most of which are EU destinations. Domestic interested parties argue that press reports indicated at least 6 million metric tons of new rebar production capacity is expected to be brought on line in Europe, which could supplant imports from the subject countries, or at least prevent those countries from increasing their presence in the European market.<sup>38</sup>

LM's capacity is based on \*\*\* hours per week, \*\*\* weeks per year. Constraints on capacity were reported to be "\*\*\*\*." Although LM responded that \*\*\*\*, capacity increased by \*\*\* percent between 2000 (the end of the original period of investigations) and 2001, then \*\*\* thereafter. At the public hearing, LM's representative testified that LM was operating currently at "95 percent of its maximal theoretical rolling capacity, and 100 percent of its effective capacity."<sup>39</sup> LM's questionnaire response mentions that \*\*\*\*. \*\*\*\*."

The IISI Steel Statistical Yearbook of 2006 lists production in Latvia for 2003 and 2004 as 573,000 metric tons (631,624 short tons) and 637,000 metric tons (702,172 short tons), respectively, which are \*\*\* what was reported by LM for those years in its questionnaire response. As noted earlier in the section of the report under "Imports from Latvia," LM reported exports of alloy rebar to the United States of \*\*\* in its questionnaire response under HTS heading 7228. These data represent its exports \*\*\*\*. Although the data do not match rebar imports classified under HTS heading 7228, LM \*\*\*\*.<sup>40</sup>

LM's projections call for \*\*\*\*, assuming the orders remain in place, and LM has \*\*\* if the orders were revoked, according to its questionnaire response. According to LM's prehearing brief, it does not anticipate reentering the U.S. market, even if the order is revoked, as long as the current conditions of competition remain in effect.<sup>41</sup>

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<sup>37</sup> LM's posthearing brief, exh. 2, citing data from the Eurofer Rebars Committee.

<sup>38</sup> Domestic interested parties' prehearing brief, p. 67.

<sup>39</sup> Hearing transcript, p. 188 (Zaharin).

<sup>40</sup> Submission of LM on March 23, 2007.

<sup>41</sup> LM's prehearing brief, p. 8.

Table IV-23

Rebar: Quantities, values, and average unit values of exports from Latvia, by destinations, in descending order of quantities shipped, 2001-06

Destinations	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
United States	40,803	51,455	67,913	117,543	37,196	0
Others:						
United Kingdom	49,151	76,506	186,151	111,639	126,334	91,509
Germany	70,849	93,326	86,023	71,967	47,427	83,777
Ireland	29,726	19,037	56,076	61,234	68,476	81,482
Algeria	124,038	141,012	21,973	0	23,647	73,470
Lithuania	8,228	5,667	14,171	24,121	52,642	50,659
Russia	593	754	549	240	7,320	45,791
Poland	31,750	26,158	7,733	20,038	12,486	42,551
Estonia	4,969	1,736	5,711	17,978	30,600	38,231
Netherlands	10,350	30,038	32,771	40,640	39,507	28,701
Finland	2,306	15,087	9,549	17,857	25,396	25,451
Iceland	5,023	4,995	9,047	13,282	20,018	21,856
Norway	0	0	0	0	2,123	19,860
Belgium	0	0	0	6,403	10,775	13,541
Spain	2	0	0	4,318	22,643	12,744
Denmark	0	0	0	0	12,650	10,185
Portugal	0	16,719	30,569	53,107	70,841	9,926
Sweden	1,801	11,719	7,214	13,668	14,023	8,491
Nigeria	4,129	0	0	4,151	10,108	4,410
Czech Republic	0	0	0	73	321	2,630
Hungary	123	396	0	1,889	8,135	1,586
Kazakhstan	0	0	5,964	11,995	2,338	822
Slovakia	0	0	0	692	1,239	613
Belarus	844	1,403	575	0	798	143
Peru	6,053	20,665	46,288	0	28,930	0
Chile	0	0	0	7,842	8,337	0
Iran	104,257	22,032	22,044	26,819	0	0
Ukraine	0	0	1,248	8,015	0	0
Panama	10,007	6,113	10,552	0	0	0
Canada	5,572	9,781	3,461	0	0	0
Hong Kong	21,605	27,556	0	0	0	0
Singapore	0	11,107	0	0	0	0
Guatemala	22,316	5,935	0	0	0	0
Italy	0	5,598	0	0	0	0
Haiti	0	4,066	0	0	0	0
Switzerland	1	50	0	0	0	0
All others	54,378	0	0	0	0	0
Total world	608,872	608,899	625,579	635,511	684,307	668,415

Table continued on the following page.

**Table IV-23—Continued****Rebar: Quantities, values, and average unit values of exports from Latvia, by destinations, in descending order of quantities shipped, 2001-06**

Destinations	2001	2002	2003	2004	2005	2006
<b>Value (\$1,000)</b>						
United States	6542	9,707	17,704	37,585	13,741	0
Others:						
United Kingdom	8,381	14,522	43,437	43,911	46,382	43,224
Germany	12,771	17,148	20,866	31,625	17,390	41,142
Ireland	5,015	3,793	13,392	23,444	25,051	35,825
Algeria	20,585	23,166	4,248	0	8,621	31,867
Lithuania	1,093	745	3,518	10,368	19,878	23,513
Russia	71	124	109	104	2,675	25,242
Poland	5,567	4,687	1,960	8,867	4,601	20,935
Estonia	710	271	1,442	7,686	11,587	17,803
Netherlands	1,766	5,472	7,971	15,318	13,849	12,888
Finland	417	2,895	2,659	7,916	9,953	11,612
Iceland	896	937	2,187	5,608	8,070	10,531
Norway	0	0	0	0	792	10,744
Belgium	0	0	0	2,962	3,858	5,906
Spain	0	0	0	1,146	8,262	5,607
Denmark	0	0	0	0	4,764	4,864
Portugal	0	3,113	7,635	21,656	24,192	4,612
Sweden	311	2,085	1,761	5,346	5,350	3,813
Nigeria	685	0	0	1,794	3,580	2,048
Czech Republic	0	0	0	31	129	1,307
Hungary	22	84	0	854	3,231	700
Kazakhstan	0	0	1,528	5,855	944	336
Slovakia	0	0	0	287	510	321
Belarus	102	181	99	0	246	53
Peru	1,000	3,525	9,274	0	9,134	0
Chile	0	0	0	2,967	2,757	0
Iran	16,425	4,162	4,387	9,800	0	0
Ukraine	0	0	295	1,863	0	0
Panama	1,668	1,235	2,692	0	0	0
Canada	1,064	1,870	921	0	0	0
Hong Kong	3,358	5,044	0	0	0	0
Singapore	0	1,674	0	0	0	0
Guatemala	3,680	983	0	0	0	0
Italy	0	975	0	0	0	0
Haiti	0	686	0	0	0	0
Switzerland	0	11	0	0	0	0
All others	8,955	0	0	0	0	0
Total world	101,086	109,094	148,086	246,995	249,546	314,892

Table continued on the following page.

**Table IV-23—Continued**

**Rebar: Quantities, values, and average unit values of exports from Latvia, by destinations, in descending order of quantities shipped, 2001-06**

Destinations	2001	2002	2003	2004	2005	2006
<b>Average unit value (per short ton)</b>						
United States	\$160	\$189	\$261	\$320	\$369	( <sup>1</sup> )
Others:						
United Kingdom	171	190	233	393	367	\$472
Germany	180	184	243	439	367	491
Ireland	169	199	239	383	366	440
Algeria	166	164	193	( <sup>1</sup> )	365	434
Lithuania	133	132	248	430	378	464
Russia	120	164	199	434	365	551
Poland	175	179	253	443	368	492
Estonia	143	156	253	428	379	466
Netherlands	171	182	243	377	351	449
Finland	181	192	278	443	392	456
Iceland	178	188	242	422	403	482
Norway	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	373	541
Belgium	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	463	358	436
Spain	129	( <sup>1</sup> )	( <sup>1</sup> )	265	365	440
Denmark	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	377	478
Portugal	( <sup>1</sup> )	186	250	408	342	465
Sweden	173	178	244	391	382	449
Nigeria	166	( <sup>1</sup> )	( <sup>1</sup> )	432	354	464
Czech Republic	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	423	403	497
Hungary	175	211	( <sup>1</sup> )	452	397	441
Kazakhstan	( <sup>1</sup> )	( <sup>1</sup> )	256	488	404	408
Slovakia	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	414	412	524
Belarus	121	129	171	( <sup>1</sup> )	308	373
Peru	165	171	200	( <sup>1</sup> )	316	( <sup>1</sup> )
Chile	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	378	331	( <sup>1</sup> )
Iran	158	189	199	365	( <sup>1</sup> )	( <sup>1</sup> )
Ukraine	( <sup>1</sup> )	( <sup>1</sup> )	236	232	( <sup>1</sup> )	( <sup>1</sup> )
Panama	167	202	255	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Canada	191	191	266	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Hong Kong	155	183	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Singapore	( <sup>1</sup> )	151	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Guatemala	165	166	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Italy	( <sup>1</sup> )	174	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Haiti	( <sup>1</sup> )	169	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Switzerland	158	227	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
All others	165	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Total world	166	179	237	389	365	471

<sup>1</sup> Not applicable.

Note.--HTS 7214.20 Other bars, hot-worked, for concrete reinforcement bars (of carbon steel, not coiled).

Source: World Trade Atlas, as reported by EuroStat.

## Alternative Products

In addition to rebar, the firm produces a range of other bar products, including rounds, flat bars, and wire rod on the same equipment and machinery used to produce rebar. As presented in table IV-24, the production of other bar products increased in 2001-03, peaked in 2004-05, and declined in 2006. LM reported that it \*\*\* to switch production between rebar and other products in response to a relative price change of rebar vis-a-vis the price of other products, using the same equipment and labor.

**Table IV-24**

**Rebar: Latvian capacity, production, and capacity utilization for subject and nonsubject (coiled) rebar and other bar products, 2001-06**

\* \* \* \* \*

## THE INDUSTRY IN MOLDOVA

### Overview

JSCC Moldova Steel Works (“MSW”) is the only producer of rebar in Moldova. When asked to describe the technology used to produce rebar, MSW described the following. “\*\*\*.” Table IV-25 presents comparative information available from the original investigations and the current reviews. Capacity and production have grown from 2000 to 2006, and capacity utilization has decreased. The concentration in export shipments has increased since 2000.

**Table IV-25**

**Rebar: Comparison of select Moldovan industry data, 2000 and 2006**

\* \* \* \* \*

### Rebar Operations

Information on MSW’s rebar operations is presented in table IV-26. \*\*\*. Most of MSW’s output is shipped to \*\*\*. MSW reported developing new export markets in \*\*\*. According to MSW’s posthearing brief, for the last several years, it has been supplying rebar to nearby markets, such as Russia and Ukraine, which have shown considerable growth and strong demand and increasing prices.<sup>42</sup> Russia has been cited as one of the fastest growing markets for rebar, and is expected to remain so.<sup>43</sup> However, domestic interested parties allege that the Russian industry is bringing almost 5 million metric tons of rebar capacity on line between 2007 and 2010. This new capacity could displace any imports from the subject countries or prevent any growth in their exports to Russia.<sup>44</sup>

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<sup>42</sup> MSW’s posthearing brief, p. 2.

<sup>43</sup> Ibid., p. 9.

<sup>44</sup> Domestic interested parties’ prehearing brief, p. 65.

**Table IV-26**  
**Rebar: Moldovan production capacity, production, shipments, and inventories, 2001-06, with projections for 2007-08**

\* \* \* \* \*

MSW reported no barriers to its exports to countries other than the United States. Imports of rebar from Moldova, as well as six other countries, were subject to antidumping duty orders in Canada between 2001 and 2006.<sup>45</sup> However, in a notice issued September 14, 2005, the Canadian International Trade Tribunal rescinded its finding with respect to all seven subject countries, having received no submissions in support of a review and continuation of the finding.<sup>46</sup>

Capacity is based on \*\*\* hours per week, \*\*\* weeks per year. Constraints on capacity were reported to be “\*\*\*.” Capacity increased by \*\*\* percent between 2000 (the end of the original period of investigations) and 2001, then \*\*\*. MSW’s questionnaire response mentions that during \*\*\*. Although \*\*\*, domestic interested parties maintain that MSW plans to install a new continuous caster, which would increase efficiency and enable the production of higher steel grades.<sup>47</sup> MSW reported that the continuous caster would allow it to offer a wider range of products but would not increase its capacity.<sup>48</sup>

MSW’s projections \*\*\*, assuming the orders remain in place, and MSW \*\*\* if the orders were revoked, according to its questionnaire response.

### Alternative Products

In addition to rebar, MSW produces plain round bar and merchant bar (angle bar) on the same equipment and machinery used to produce rebar. As presented in table IV-27, the production of other bar and merchant bar products fluctuated during the period. When asked if it was able to switch from producing rebar to producing other products in response to a relative price change of rebar vis-a-vis the price of other products, using the same equipment and labor, MSW replied \*\*\*. “\*\*\*.”

**Table IV-27**  
**Rebar: Moldovan capacity, production, and capacity utilization for subject and nonsubject (coiled) rebar and other bar products, 2001-06**

\* \* \* \* \*

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<sup>45</sup> Canadian International Trade Tribunal, *Certain Concrete Reinforcing Bar Originating in or Exported from the Republic of Indonesia, Japan, the Republic of Latvia, the Republic of Moldova, the Republic of Poland, Chinese Taipei, and Ukraine, Inquiry No. NQ-2000-007*, June 1, 2001.

<sup>46</sup> Canadian International Trade Tribunal, *Hot-Rolled Deformed Carbon or Low Alloy Steel Concrete Reinforcing Bar in Straight Lengths or in Coils, Originating in or Exported from the Republic of Indonesia, Japan, the Republic of Latvia, the Republic of Moldova, the Republic of Poland, Chinese Taipei, and Ukraine, Expiry No. LE-2005-002*, September 14, 2005.

<sup>47</sup> Submission by domestic interested parties, September 20, 2006, p. 25.

<sup>48</sup> MSW’s posthearing brief, pp. 3-4.



## THE INDUSTRY IN POLAND

### Overview

The Commission identified two producers of rebar in Poland - Huta Ostrowiec and Huta Zawiercie - in the original investigations.<sup>49</sup> In the current review, domestic interested parties identified four potential producers of rebar in Poland in a response to the Commission's notice of institution, but only CMC Zawiercie ("CMCZ") replied to the Commission's foreign producers' questionnaire, providing data from 2004 to 2006.<sup>50</sup> Comparing CMCZ's reported 2005 production with IISI's reported production for Poland in 2005, CMCZ accounted for an estimated \*\*\* percent of rebar production in Poland in 2005. When asked to describe the technology used to produce rebar, CMCZ described the following. \*\*\*.

Table IV-28 presents comparative information available from the original investigations and these reviews.

**Table IV-28**

**Rebar: Comparison of select Polish industry data, 2000 and 2005**

Item	2000	2005
Capacity ( <i>short tons</i> )	***	(1)
Production ( <i>short tons</i> )	***	946,000 <sup>2</sup>
Capacity utilization ( <i>percent</i> )	***	(1)
Exports/shipments ( <i>percent</i> )	***	33.0 <sup>2 3</sup>
Inventories/shipments ( <i>percent</i> )	***	(1)

<sup>1</sup> Data not available.  
<sup>2</sup> Data from IISI's Steel Statistical Yearbook 2006, p. 56. Data include small amounts of products outside the scope. Original data published in metric tons, which were converted to short tons by multiplying by 1.102311.  
<sup>3</sup> Exports/production. Based on production statistics from IISI and export statistics from the World Trade Atlas.

Note.--Data for 2000 were provided by Huta Ostrowiec and Huta Zawiercie. Data for 2005 were calculated from IISI and World Trade Atlas data.

Source: Confidential original report (INV-Y-087, May 1, 2001), table VII-8; International Iron and Steel Institute's Steel Statistical Yearbook 2006, p. 56 for 2005 production; and World Trade Atlas, Polish Exports under HS 721420 for 2005 exports.

### Rebar Operations

Information on CMCZ's rebar operations is presented in table IV-29. Home market sales constituted \*\*\* percent of its shipments. From 2004 to 2006,<sup>51</sup> the share of shipments to its home market \*\*\*. The remainder of CMCZ's shipments were \*\*\* exported to the European Union, with \*\*\* exports to the United States. CMCZ reported that it \*\*\*. CMCZ did not identify any barriers to trade in any countries other than the United States, but imports of rebar from Poland, as well as six other countries,

<sup>49</sup> *Certain Steel Concrete Reinforcing Bars From Indonesia, Poland, and Ukraine, Invs. Nos. 731-TA-875, 880, and 882 (Final)*, USITC Publication 3425, p. VII-7.

<sup>50</sup> CMCZ reported that \*\*\* percent of its total sales in the most recent fiscal year was represented by sales of rebar.

<sup>51</sup> CMCZ did not provide data for the years prior to 2004.

were subject to antidumping duty orders in Canada between 2001 and 2006.<sup>52</sup> However, in a notice issued September 14, 2005, the Canadian International Trade Tribunal rescinded its finding with respect to all seven subject countries, having received no submissions in support of a review and continuation of the finding.<sup>53</sup>

**Table IV-29**

**Rebar: CMCZ's production capacity, production, shipments, and inventories, 2001-06, with projections for 2007-08**

\* \* \* \* \*

CMCZ's capacity increased by nearly \*\*\* short tons between 2004 and 2006 while production increased by less than \*\*\* short tons, resulting in a capacity utilization rate of \*\*\* percent in 2006. CMCZ has experienced several changes since 2000. On December 3, 2003, Commercial Metals (International) AG, a subsidiary of CMC, acquired a 71-percent interest in Huta Zawiercie and changed its name to CMC Zawiercie.<sup>54</sup> In early 2007, CMC purchased all of the shares that were owned by the Polish government, and now owns 99 percent of CMCZ.<sup>55</sup> CMC has made \*\*\*. Improvements \*\*\*. CMCZ \*\*\*. CMCZ reported in its questionnaire response that it anticipates \*\*\*<sup>56</sup> \*\*\*.

With respect to the broader Polish rebar industry, in 2003, Huta Ostrowiec was acquired by the Celsa Group.<sup>57</sup> It had planned a modernization in April 2007 that would increase total steel production to 1.2 million metric tons, which will predominantly be aimed at the Polish market.<sup>58</sup> The company ships mainly to customers in Poland, but also to surrounding markets through rail services and port facilities within Poland.<sup>59</sup> Arcelor has plans to begin producing rebar and merchant bar by 2007 in Poland to serve the construction market in Poland.<sup>60</sup> The new mill is expected to have \*\*\* net tons of rebar production by late 2007.<sup>61</sup>

The quantity of Polish exports increased nearly threefold over the review period, from 113,702 short tons in 2001 to 340,022 short tons in 2006, while the value increased by more than a factor of eight. Germany was Poland's biggest export market, both in terms of quantity and value. Poland exported no

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<sup>52</sup> Canadian International Trade Tribunal, *Certain Concrete Reinforcing Bar Originating in or Exported from the Republic of Indonesia, Japan, the Republic of Latvia, the Republic of Moldova, the Republic of Poland, Chinese Taipei, and Ukraine, Inquiry No. NQ-2000-007*, June 1, 2001.

<sup>53</sup> Canadian International Trade Tribunal, *Hot-Rolled Deformed Carbon or Low Alloy Steel Concrete Reinforcing Bar in Straight Lengths or in Coils, Originating in or Exported from the Republic of Indonesia, Japan, the Republic of Latvia, the Republic of Moldova, the Republic of Poland, Chinese Taipei, and Ukraine, Expiry No. LE-2005-002*, September 14, 2005.

<sup>54</sup> <http://www.cmcpoland.com/2>, retrieved March 15, 2007.

<sup>55</sup> "Commercial Metals Company acquires shares of CMC Zawiercie held by Polish state treasury," CNNMoney.com, March 2, 2007, <http://money.cnn.com/news/newsfeeds/articles/prnewswire/DAF01102032007-1.htm>, retrieved on March 15, 2007.

<sup>56</sup> E-mail from \*\*\*, June 1, 2007.

<sup>57</sup> <http://www.celsaho.com/en/zonapublica/index.aspx>, retrieved on March 15, 2007.

<sup>58</sup> <http://www.celsaho.com/en/zonapublica/empresa.aspx>, retrieved on March 15, 2007. The rolled product division produces rebar, plain bar, flat bar, squares, and angles.

<sup>59</sup> <http://www.commercialmetals.com/cmcz.asp>, retrieved on March 15, 2007.

<sup>60</sup> Bianca Markram, "Arcelor tender targets \$37.4M construction of Polish bar mill," *American Metal Market*, September 7, 2005.

<sup>61</sup> Mittal's posthearing brief, exh. 3.

rebar to the United States during the period for which data were collected. Table IV-31 presents available data on Polish production and exports.

Table IV-30 presents general data for Polish capacity, production, and exports of rebar from 2001 to 2006, and table IV-31 provides data on rebar exports from Poland to the United States and to Poland's primary foreign rebar markets. Poland entered the EU in 2004.<sup>62</sup> Since its entry, Polish exports to EU Member States increased, and, in 2006, eight of its top ten export markets for rebar were EU Member States. Total Polish exports also increased during the period for which data were collected, tripling from their 2001 level to their 2006 level.

**Table IV-30**

**Rebar: General data for Polish capacity, production, and exports, 2001-06**

Item	2001	2002	2003	2004	2005	2006
Capacity ( <i>short tons</i> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	***	***
Production ( <i>short tons</i> )	( <sup>1</sup> )	787,000	918,000	1,048,000	946,000	( <sup>1</sup> )
Exports ( <i>short tons</i> )	113,702	99,579	144,760	276,890	282,943	340,022

<sup>1</sup> Not available.

Note.—Data originally published in metric tons, converted to short tons by dividing by 0.90718474.

Source: IISI Steel Statistical Yearbook 2006 for production for 2002-05. \*\*\*, in domestic interested parties' prehearing brief, exh. 7, for capacity 2005-06. World Trade Atlas for exports for 2001-06.

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<sup>62</sup> [http://europa.eu/abc/european\\_countries/eu\\_members/poland/index\\_en.htm](http://europa.eu/abc/european_countries/eu_members/poland/index_en.htm), retrieved on June 4, 2007.

Table IV-31

Rebar: Quantities, values, and average unit values of exports from Poland, by destinations, in descending order of quantities shipped, 2001-06

Destinations	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
United States	0	0	0	0	0	0
Others:						
Germany	18,353	40,351	64,548	58,794	69,949	94,954
Czech Republic	23,613	21,076	29,522	62,130	45,927	69,546
Slovakia	14,966	10,515	11,703	22,889	35,968	46,396
Hungary	43,089	24,941	30,695	35,672	50,582	41,027
Portugal	0	0	0	0	18,835	35,249
Sweden	84	107	0	4,685	15,119	15,864
Norway	1	1	0	12,806	15,138	10,889
Lithuania	0	144	0	504	4,673	10,764
Latvia	1	0	0	0	608	3,245
Croatia	0	0	662	2,685	1,496	3,000
Estonia	0	0	0	52	1,873	2,620
United Kingdom	411	333	3,373	1,442	903	1,494
Denmark	0	0	0	323	927	1,179
Italy	0	0	0	448	1,346	965
Finland	0	0	0	0	5,634	874
Belgium	25	0	0	0	1,273	741
Slovenia	0	438	0	7,098	2,245	529
Netherlands	1	109	163	2,643	879	363
Russia	0	76	0	0	0	310
Belarus	0	0	0	0	283	19
Iceland	0	0	0	0	3,337	0
Bulgaria	0	0	0	0	2,989	0
Ireland	0	0	112	1,117	2,212	0
Austria	660	56	0	3,255	441	0
Switzerland	0	0	26	0	182	0
Luxembourg	0	0	0	546	131	0
Tunisia	0	0	0	30,059	0	0
Algeria	11,216	0	0	21,950	0	0
Israel	0	0	0	7,651	0	0
France	0	26	28	82	0	0
Sao Tome and Principe	0	0	0	57	0	0
Ukraine	0	0	65	7	0	0
Kazakhstan	0	0	3,857	0	0	0
All others	1,284	1,409	4	0	0	0
Total world	113,702	99,579	144,760	276,890	282,943	340,022

Table continued on the following page.

**Table IV-31—Continued**

**Rebar: Quantities, values, and average unit values of exports from Poland, by destinations, in descending order of quantities shipped, 2001-06**

Destinations	2001	2002	2003	2004	2005	2006
<b>Value (\$1,000)</b>						
United States	0	0	0	0	0	0
Others:						
Germany	3,176	7,584	14,991	25,543	25,634	44,552
Czech Republic	4,273	3,914	7,828	24,545	18,132	34,254
Slovakia	2,742	2,182	3,220	9,662	13,639	23,056
Hungary	7,805	5,043	8,338	14,871	18,526	20,058
Portugal	0	0	0	0	7,601	17,752
Sweden	18	19	0	2,198	5,851	7,683
Norway	0	1	0	5,037	6,397	4,724
Lithuania	0	23	0	209	1,697	5,558
Latvia	0	0	0	0	203	1,726
Croatia	0	0	192	1,003	627	1,408
Estonia	0	0	0	22	682	1,384
United Kingdom	217	154	835	559	320	631
Denmark	0	0	0	147	362	589
Italy	0	0	0	244	539	553
Finland	0	0	0	0	2,273	440
Belgium	8	0	0	0	483	338
Slovenia	0	87	0	2,588	872	216
Netherlands	0	22	34	1,196	336	185
Russia	0	12	0	0	0	172
Belarus	0	0	0	0	87	20
Iceland	0	0	0	0	1,350	0
Bulgaria	0	0	0	0	1,129	0
Ireland	0	0	29	433	783	0
Austria	116	10	0	1,517	156	0
Switzerland	0	0	6	0	68	0
Luxembourg	0	0	0	231	52	0
Tunisia	0	0	0	10,788	0	0
Algeria	1,664	0	0	7,207	0	0
Israel	0	0	0	2,512	0	0
France	0	12	6	43	0	0
Sao Tome and Principe	0	0	0	18	0	0
Ukraine	0	0	20	5	0	0
Kazakhstan	0	0	953	0	0	0
All others	282	295	1	0	0	0
Total world	20,301	19,359	36,455	110,576	107,796	165,300

Table continued on the following page.

**Table IV-31—Continued**

**Rebar: Quantities, values, and average unit values of exports from Poland, by destinations, in descending order of quantities shipped, 2001-06**

Destinations	2001	2002	2003	2004	2005	2006
<b>Average unit value (per short ton)</b>						
United States	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Others:						
Germany	\$173	\$188	\$232	\$434	\$366	\$469
Czech Republic	181	186	265	395	395	493
Slovakia	183	208	275	422	379	497
Hungary	181	202	272	417	366	489
Portugal	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	404	504
Sweden	218	175	( <sup>1</sup> )	469	387	484
Norway	298	1,315	( <sup>1</sup> )	393	423	434
Lithuania	( <sup>1</sup> )	162	( <sup>1</sup> )	415	363	516
Latvia	264	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	333	532
Croatia	( <sup>1</sup> )	( <sup>1</sup> )	290	373	419	469
Estonia	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	424	364	528
United Kingdom	528	463	248	387	354	422
Denmark	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	455	391	500
Italy	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	545	400	573
Finland	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	403	503
Belgium	306	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	379	457
Slovenia	( <sup>1</sup> )	199	( <sup>1</sup> )	365	388	407
Netherlands	178	199	208	453	383	510
Russia	( <sup>1</sup> )	163	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	555
Belarus	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	307	1,069
Iceland	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	405	( <sup>1</sup> )
Bulgaria	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	378	( <sup>1</sup> )
Ireland	( <sup>1</sup> )	( <sup>1</sup> )	259	388	354	( <sup>1</sup> )
Austria	175	181	( <sup>1</sup> )	466	353	( <sup>1</sup> )
Switzerland	( <sup>1</sup> )	( <sup>1</sup> )	241	( <sup>1</sup> )	376	( <sup>1</sup> )
Luxembourg	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	423	394	( <sup>1</sup> )
Tunisia	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	359	( <sup>1</sup> )	( <sup>1</sup> )
Algeria	148	( <sup>1</sup> )	( <sup>1</sup> )	328	( <sup>1</sup> )	( <sup>1</sup> )
Israel	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	328	( <sup>1</sup> )	( <sup>1</sup> )
France	( <sup>1</sup> )	441	228	527	( <sup>1</sup> )	( <sup>1</sup> )
Sao Tome and Principe	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	307	( <sup>1</sup> )	( <sup>1</sup> )
Ukraine	( <sup>1</sup> )	( <sup>1</sup> )	314	815	( <sup>1</sup> )	( <sup>1</sup> )
Kazakhstan	( <sup>1</sup> )	( <sup>1</sup> )	247	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
All others	220	209	269	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Total world	179	194	252	399	381	486
<sup>1</sup> Not applicable.						
Note.--HTS 7214.20 Other bars, hot-worked, for concrete reinforcement bars (of carbon steel, not coiled).						
Source: World Trade Atlas, as reported by EuroStat.						

## Alternative Products

As shown in table IV-32, in addition to rebar, CMCZ produces merchant bars (flats, rounds, squares) on the same equipment and machinery used to produce rebar. CMCZ \*\*\* able to switch production between rebar and other products in response to a relative price change of rebar vis-a-vis the price of other products, using the same equipment and labor, and \*\*\*.

**Table IV-32**  
**Rebar: CMCZ capacity, production, and capacity utilization for subject and nonsubject (coiled) rebar and other bar products, 2001-06**

\* \* \* \* \*

## THE INDUSTRY IN UKRAINE

### Overview

The major producer in Ukraine today is Mittal Steel Kryviy Rih (“Mittal”), the formerly state-owned entity previously named Krivoi Rog Mining & Metallurgical Integrated Works (“Krivorozhstal”), which supplied a response with no useful data to the Commission’s foreign producers’ questionnaire in the preliminary phase of the original investigations, and supplied the only questionnaire data in these reviews. In its questionnaire response, Mittal claimed to account for about \*\*\* percent of the Ukraine market. In its prehearing brief, Mittal claims that its share of Ukraine production is actually over \*\*\* percent, citing as its source \*\*\*.<sup>63</sup> The original petition and the response to the notice of institution of these reviews named five producers of rebar in Ukraine. In addition to Mittal, identified producers included: Dneprovsky Iron & Steel, Makeevska Steel Works, Makeyevsky Iron & Steel, and Yenakievo Iron & Steel. With the exception of Mittal, none of the firms responded to the Commission’s foreign producers’ questionnaire. \*\*\*, cited in Mittal’s prehearing brief, lists Yenakievo as accounting for about \*\*\* percent of Ukraine production in 2006 and Makeevka as accounting for \*\*\* percent of production during the same year.<sup>64</sup> \*\*\* data provided by domestic interested parties in their prehearing brief provided capacity shares for 2006 for Ukraine as follows: Mittal (\*\*\* percent) and Doneetsk Iron & Steel (DMZ) (\*\*\* percent).

When asked to describe the technology used to produce rebar, Mittal described the following.  
“\*\*\*.”

### Rebar Operations

Information on Mittal’s rebar operations is presented in table IV-33. Capacity is based on \*\*\* per week. Constraints on capacity were reported to be “\*\*\*.” Capacity \*\*\*.

**Table IV-33**  
**Rebar: Mittal’s production capacity, production, shipments, and inventories, 2001-06, with projections for 2007-08**

\* \* \* \* \*

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<sup>63</sup> Mittal’s prehearing brief, p. 5, and exh. 2. \*\*\*.

<sup>64</sup> Ibid.

\*\*\*. Mittal reported \*\*\*.

\*\*\*.<sup>65</sup> Most of Mittal's output is shipped to \*\*\*. According to Mittal, Dubai is a market of tremendous growth in the future, with the Dubai International Financial Center, an underground terminal and airport concourses, and additional airport projects, in addition to a new metro system. Saudia Arabia intends to build two new industrial cities and ports in 2007, which will involve new construction plants and infrastructure. Further, Iran anticipates an increase in construction in the near future of 15-20 percent.<sup>66</sup> However, domestic interested parties allege that local producers have invested in about 12 million metric tons of rebar capacity to come on line by 2010, possibly displacing imports from the subject countries or at least preventing growth in their exports.<sup>67</sup> In addition, according to Mittal, the construction industry in Russia has experienced extraordinary growth in recent years, and the future growth is expected to lead to an increase in rebar consumption equal to 7.2 million metric tons to 8.4 million metric tons per year (according to the Russian Association of Metal Suppliers). \*\*\* estimates that Russia will require additional rebar supplies from Mittal.<sup>68</sup> Again, domestic interested parties argue that Russian producers are expected to add almost 5 million metric tons of rebar capacity between 2007 and 2010, thereby displacing imports from the subject countries.<sup>69</sup>

Also provided by \*\*\* were projections through 2010 for new capacity built by Istil of \*\*\* short tons.<sup>70</sup> Mittal has argued that in fact these data are incorrect and that Mittal representatives have called Istil and have been assured that it does not produce rebar and has no plans to produce it.<sup>71</sup> Istil's web site lists production of special bar quality rounds, but no production of rebar. Further, the firm's web site describes a modernizing project that will improve cost and energy efficiency and increase production volume and quality control of existing products.<sup>72</sup> In addition, domestic interested parties have alleged that the firm "Eurofinance" plans to add 1,800,000 tons of capacity in Ukraine in 2007-10.<sup>73</sup> Mittal has argued that it is unclear whether the Eurofinance project will go forward, that the production would begin in late 2010, and that according to a news article, the capacity would be 800,000 metric tons. It also believes that about half of the production would be destined for the Ukraine market, where there would be a projected shortage of rebar.<sup>74</sup>

Mittal is part of a large world-wide steel company, now Arcelor Mittal, with over 10 mills producing rebar, including five facilities in Canada (two mills), the United States, and Mexico (two mills). With the April 23, 2007, acquisition of Mexican long steel producer Sicartsa, Mittal acquired Border Steel in Texas.<sup>75</sup> Table IV-34 lists Arcelor Mittal's world-wide rebar facilities and their

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<sup>65</sup> Mittal's prehearing brief, p. 10 and fn. 33.

<sup>66</sup> Mittal's prehearing brief, pp. 15-16.

<sup>67</sup> Domestic interested parties' prehearing brief, p. 66.

<sup>68</sup> Mittal's prehearing brief, p. 17.

<sup>69</sup> Domestic interested parties' prehearing brief, p. 65.

<sup>70</sup> Domestic interested parties' prehearing brief, exh. 7, \*\*\*.

<sup>71</sup> Mittal's posthearing brief, exh. 30.

<sup>72</sup> <http://rus.istil.com.ua>, retrieved on June 4, 2007.

<sup>73</sup> Domestic interested parties' prehearing brief, exh. 7, and posthearing brief, exh. 3.

<sup>74</sup> Mittal's posthearing brief, exh. 30.

<sup>75</sup> According to Mittal, it has no incentive to ship from its Ukraine facility to the United States, and endanger the commercial positions of its North American facilities. Future exports of Mittal Ukraine would be coordinated by a regional marketing office in Dubai, and then through Arcelor Mittal in Chicago. Any exports from Mittal Ukraine would be strictly coordinated to ensure maximum profitability and to make sure that the interests of five important Arcelor Mittal mills in North America, as well as those of all other affiliates, are taken into account. Mittal's posthearing brief, pp. 4-5. According to domestic interested parties, Mittal Kryviy Rih is the largest of Mittal's

(continued...)



**Table IV-34**

**Rebar: Arcelor Mittal's world plants, their production, shipments, and exports to the United States, in net tons, 2006-07**

\* \* \* \* \*

production and shipments to the United States in 2006-07.<sup>76</sup> The majority of Arcelor Mittal's world exports to the United States are from its Mexican plant, followed by its Brazilian plant.

Mittal's exports are subject to barriers in Russia (a countervailing duty ("CVD") rate of 21 percent imposed in 2002) and in the EU (quota of 235,750 metric tons in 2007, imposed in 1995). \*\*\*. In 2005 Ukraine exported \*\*\* metric tons to Russia. In 2006 it increased its exports to \*\*\* metric tons, despite the CVD tariff. In 2007, Mittal expects to export \*\*\* metric tons to Russia.<sup>77</sup> Imports of rebar from Ukraine, as well as six other countries, were subject to antidumping duty orders in Canada between 2001 and 2006.<sup>78</sup> However, in a notice issued September 14, 2005, the Canadian International Trade Tribunal rescinded its finding with respect to all seven subject countries, having received no submissions in support of a review and continuation of the finding.<sup>79</sup> Table IV-35 presents Ukraine exports to world markets.

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<sup>75</sup> (...continued)

world-wide rebar facilities, and a rational group-wide strategy for Mittal would require subsidiaries to act in a manner that maximizes the profits of the group, rather than of any individual subsidiary. Given the large Ukraine capacity and the high U.S. rebar prices, the domestic interested parties argue that a strategy of maximizing the entire group's profits could result in Mittal Kryviy Rih exporting rebar to the United States. Domestic interested parties' posthearing brief, exh. d., p. 1.

<sup>76</sup> Mittal's posthearing brief, exh. 3.

<sup>77</sup> Mittal's posthearing brief, exh. 1, p. 20.

<sup>78</sup> Canadian International Trade Tribunal, *Certain Concrete Reinforcing Bar Originating in or Exported from the Republic of Indonesia, Japan, the Republic of Latvia, the Republic of Moldova, the Republic of Poland, Chinese Taipei, and Ukraine*, Inquiry No. NQ-2000-007, June 1, 2001.

<sup>79</sup> Canadian International Trade Tribunal, *Hot-Rolled Deformed Carbon or Low Alloy Steel Concrete Reinforcing Bar in Straight Lengths or in Coils, Originating in or Exported from the Republic of Indonesia, Japan, the Republic of Latvia, the Republic of Moldova, the Republic of Poland, Chinese Taipei, and Ukraine*, Expiry No. LE-2005-002, September 14, 2005.

Table IV-35

Rebar: Quantities, values, and average unit values of exports from the Ukraine, by destinations, in descending order of quantities shipped, 2001-06

Destinations	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
United States	( <sup>1</sup> )	134	0	0	0	0
Others:						
Algeria	( <sup>1</sup> )	475,670	960,650	1,220,688	1,100,340	831,919
Syria	( <sup>1</sup> )	486,789	552,220	397,686	550,916	506,521
Russia	( <sup>1</sup> )	49,438	12,245	134,182	40,065	240,887
Libya	( <sup>1</sup> )	12,016	14,701	8,016	5,716	210,247
Iran	( <sup>1</sup> )	159,124	347,506	213,076	255,377	148,732
Azerbaijan	( <sup>1</sup> )	22,136	33,492	69,707	89,214	146,297
Jordan	( <sup>1</sup> )	9,048	0	0	22,376	93,729
Georgia	( <sup>1</sup> )	29,252	35,933	28,269	36,666	83,256
Panama	( <sup>1</sup> )	37,851	0	27,667	6,063	82,949
Yugoslavia	( <sup>1</sup> )	30,724	143,472	99,712	64,562	67,531
United Arab Emirates	( <sup>1</sup> )	5,484	0	92,277	0	65,733
Pakistan	( <sup>1</sup> )	0	0	0	15,062	64,938
India	( <sup>1</sup> )	0	5,358	21,590	34,758	60,816
Armenia	( <sup>1</sup> )	15,526	14,537	16,179	31,259	55,743
Cyprus	( <sup>1</sup> )	104,688	105,114	59,112	36,125	53,057
Moldova	( <sup>1</sup> )	3,502	4,960	19,836	35,303	49,657
Belarus	( <sup>1</sup> )	1,005	3,853	3,465	5,973	41,574
Lithuania	( <sup>1</sup> )	12,389	19,641	23,843	22,318	40,549
Albania	( <sup>1</sup> )	29,339	28,908	72,804	56,699	34,474
Bulgaria	( <sup>1</sup> )	237,725	107,419	42,672	15,192	30,483
Italy	( <sup>1</sup> )	45,750	18,761	0	36,811	29,899
Kazakhstan	( <sup>1</sup> )	711	6,501	41,333	3,311	27,992
Nigeria	( <sup>1</sup> )	151,760	303,684	96,686	120,394	27,928
Tunisia	( <sup>1</sup> )	0	19,751	42,283	23,154	27,355
Cameroon	( <sup>1</sup> )	11,532	1,767	6,333	8,575	25,151
Sudan	( <sup>1</sup> )	21,444	99,592	116,811	34,985	22,942
Senegal	( <sup>1</sup> )	2,541	4,241	10,285	18,206	22,721
Tanzania	( <sup>1</sup> )	4,541	774	141	7,213	20,575
Canada	( <sup>1</sup> )	0	0	0	0	17,659
Mauritania	( <sup>1</sup> )	14,574	8,890	844	13,926	14,122
Latvia	( <sup>1</sup> )	3,989	9,873	23,745	10,813	11,959
All others	( <sup>1</sup> )	1,245,384	561,107	376,626	300,177	137,654
Total world	( <sup>1</sup> )	3,224,068	3,424,953	3,265,868	3,001,548	3,295,050

Table continued on the following page.

**Table IV-35—Continued**

**Rebar: Quantities, values, and average unit values of exports from the Ukraine, by destinations, in descending order of quantities shipped, 2001-06**

Destinations	2001	2002	2003	2004	2005	2006
<b>Value (\$1,000)</b>						
United States	( <sup>1</sup> )	28	0	0	0	0
Others:						
Algeria	( <sup>1</sup> )	75,210	204,160	350,276	355,561	288,000
Syria	( <sup>1</sup> )	76,491	113,642	109,925	175,924	173,646
Russia	( <sup>1</sup> )	7,942	2,502	38,519	12,449	107,708
Libya	( <sup>1</sup> )	2,029	2,970	2,330	1,784	72,610
Iran	( <sup>1</sup> )	27,391	69,497	62,460	82,109	52,218
Azerbaijan	( <sup>1</sup> )	3,520	7,561	20,339	28,282	56,753
Jordan	( <sup>1</sup> )	1,679	0	0	7,364	30,738
Georgia	( <sup>1</sup> )	4,709	8,112	8,412	11,869	33,282
Panama	( <sup>1</sup> )	6,617	0	7,962	2,028	28,788
Yugoslavia	( <sup>1</sup> )	4,973	31,208	33,027	21,576	24,264
United Arab Emirates	( <sup>1</sup> )	935	0	24,826	0	24,526
Pakistan	( <sup>1</sup> )	0	0	0	5,185	21,588
India	( <sup>1</sup> )	0	1,125	5,778	11,334	19,509
Armenia	( <sup>1</sup> )	2,537	3,197	4,865	10,155	21,461
Cyprus	( <sup>1</sup> )	16,713	22,099	14,931	11,252	20,337
Moldova	( <sup>1</sup> )	564	1,070	6,326	11,443	19,738
Belarus	( <sup>1</sup> )	176	845	1,059	2,042	18,280
Lithuania	( <sup>1</sup> )	2,038	4,353	7,787	7,250	17,765
Albania	( <sup>1</sup> )	4,707	6,461	18,710	18,341	13,760
Bulgaria	( <sup>1</sup> )	38,198	23,626	12,673	4,806	11,968
Italy	( <sup>1</sup> )	7,548	4,449	0	11,029	12,332
Kazakhstan	( <sup>1</sup> )	132	1,500	12,299	1,090	12,147
Nigeria	( <sup>1</sup> )	24,870	63,201	26,772	39,044	9,915
Tunisia	( <sup>1</sup> )	0	4,371	12,736	7,569	10,003
Cameroon	( <sup>1</sup> )	1,948	375	1,641	2,701	8,348
Sudan	( <sup>1</sup> )	3,641	20,905	31,999	10,898	8,029
Senegal	( <sup>1</sup> )	434	901	2,939	6,120	7,686
Tanzania	( <sup>1</sup> )	772	162	45	2,317	7,166
Canada	( <sup>1</sup> )	0	0	0	0	6,408
Mauritania	( <sup>1</sup> )	2,361	1,967	253	4,553	4,740
Latvia	( <sup>1</sup> )	664	2,172	7,825	3,422	5,158
All others	( <sup>1</sup> )	194,692	115,869	108,837	97,012	50,686
Total world	( <sup>1</sup> )	513,518	718,300	935,550	966,509	1,199,557

Table continued on the following page.

**Table IV-35–Continued**

**Rebar: Quantities, values, and average unit values of exports from the Ukraine, by destinations, in descending order of quantities shipped, 2001-06**

Destinations	2001	2002	2003	2004	2005	2006
<b>Average unit value (per short ton)</b>						
United States	( <sup>1</sup> )	\$211	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Others:						
Algeria	( <sup>1</sup> )	158	\$213	\$287	\$323	\$346
Syria	( <sup>1</sup> )	157	206	276	319	343
Russia	( <sup>1</sup> )	161	204	287	311	447
Libya	( <sup>1</sup> )	169	202	291	312	345
Iran	( <sup>1</sup> )	172	200	293	322	351
Azerbaijan	( <sup>1</sup> )	159	226	292	317	388
Jordan	( <sup>1</sup> )	186	( <sup>2</sup> )	( <sup>2</sup> )	329	328
Georgia	( <sup>1</sup> )	161	226	298	324	400
Panama	( <sup>1</sup> )	175	( <sup>2</sup> )	288	334	347
Yugoslavia	( <sup>1</sup> )	162	218	331	334	359
United Arab Emirates	( <sup>1</sup> )	170	( <sup>2</sup> )	269	( <sup>2</sup> )	373
Pakistan	( <sup>1</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	344	332
India	( <sup>1</sup> )	( <sup>2</sup> )	210	268	326	321
Armenia	( <sup>1</sup> )	163	220	301	325	385
Cyprus	( <sup>1</sup> )	160	210	253	311	383
Moldova	( <sup>1</sup> )	161	216	319	324	397
Belarus	( <sup>1</sup> )	175	219	306	342	440
Lithuania	( <sup>1</sup> )	164	222	327	325	438
Albania	( <sup>1</sup> )	160	223	257	323	399
Bulgaria	( <sup>1</sup> )	161	220	297	316	393
Italy	( <sup>1</sup> )	165	237	( <sup>2</sup> )	300	412
Kazakhstan	( <sup>1</sup> )	185	231	298	329	434
Nigeria	( <sup>1</sup> )	164	208	277	324	355
Tunisia	( <sup>1</sup> )	( <sup>2</sup> )	221	301	327	366
Cameroon	( <sup>1</sup> )	169	212	259	315	332
Sudan	( <sup>1</sup> )	170	210	274	312	350
Senegal	( <sup>1</sup> )	171	212	286	336	338
Tanzania	( <sup>1</sup> )	170	209	320	321	348
Canada	( <sup>1</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	363
Mauritania	( <sup>1</sup> )	162	221	299	327	336
Latvia	( <sup>1</sup> )	166	220	330	316	431
All others	( <sup>1</sup> )	156	206	289	323	368
Total world	( <sup>1</sup> )	159	210	286	322	364

<sup>1</sup> Not available.

<sup>2</sup> Not applicable.

Note– HTS 7214.20 Other bars, hot-worked, for concrete reinforcement bars (of carbon steel, not coiled).

Source: World Trade Atlas, as reported by the State Customs Committee of Ukraine.

## Alternative Products

In addition to straight rebar, Mittal produces coiled rebar, rounds, squares, angles, and strips on the same equipment and machinery used to produce rebar. As presented in table IV-36, the production of other bar generally increased during the period. When asked if it was able to switch from producing rebar to producing other products in response to a relative price change of rebar vis-a-vis the price of other products, using the same equipment and labor, Mittal replied \*\*\*.<sup>80</sup>

### Table IV-36

Rebar: Mittal's capacity, production, and capacity utilization for subject and nonsubject (coiled) rebar and other bar products, 2001-06

\* \* \* \* \*

## SUBJECT COUNTRIES' CAPACITY AND PROJECTIONS

Table IV-37 presents rebar capacity from 2005 to 2010 reported by \*\*\*.<sup>81</sup>

### Table IV-37

Rebar: Subject countries' capacity projections, 2005-10

\* \* \* \* \*

## GLOBAL MARKET

### Production

Global production of rebar has grown substantially in recent years. According to the IISI, global rebar production rose by 29.1 percent between 2003 and 2005.<sup>82</sup> Regional production quantities compiled by IISI are presented in table IV-38.<sup>83</sup>

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<sup>80</sup> “\*\*\*.”

<sup>81</sup> Domestic interested parties' prehearing brief, exhibit 7.

<sup>82</sup> The percentage growth of global rebar production could not be calculated over the entire 5-year period, as China did not report during 2001-02.

<sup>83</sup> Similarly, the regional and global totals understate actual output as certain major producers (e.g., Japan, Russia, Turkey, and Ukraine) did not report to the IISI during this period.

**Table IV-38**  
**Rebar: Global and regional production, 2001-05**

Region	2001	2002	2003	2004	2005
	<b>Quantity (1,000 short tons)</b>				
North America	10,897	10,787	11,912	12,839	12,037
South America	4,569	3,311	2,884	3,445	3,347
Europe <sup>1</sup>	16,654	16,566	18,868	20,430	16,687
CIS (Russia and Ukraine)	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Asia <sup>3</sup>	10,791	12,077	56,725	75,452	85,151
Africa and Middle East	3,072	3,558	4,083	4,149	4,743
Total	45,983	46,300	94,470	116,314	121,966

<sup>1</sup> Turkey not reported for 2001-05.

<sup>2</sup> Not reported.

<sup>3</sup> China not reported for 2001-02 and Japan not reported for 2001-05.

Source: "Table 20, Production of Concrete Reinforcing Bars." *Steel Statistical Yearbook 2006*. Brussels: International Iron & Steel Institute (2006).

In addition to the public data published by IISI, \*\*\* compiles annual production data for major rebar-producing regions. According to this source,<sup>84</sup> global production of rebar increased by \*\*\* percent during the five years between 1996 and 2000, and by \*\*\* percent during the six years between 2001 and 2006. In terms of sheer volume, East and Southeast Asia accounted for the greatest production increases in both periods, and is forecast to lead global production in the coming years as well. Overall, global production is forecast to increase by \*\*\* percent during the five years between 2007 and 2011. In terms of the rate of increase in production levels, production increased (or is projected to increase) most substantially in East and Southeast Asia during each of the periods 1996-2000; 2001-06; and 2007-2011. Data compiled by \*\*\* on historical, current, and projected global production of rebar are presented in tables IV-39 through IV-41.

**Table IV-39**  
**Rebar: Global and regional production, 1996-2000**

\* \* \* \* \*

**Table IV-40**  
**Rebar: Global and regional production, 2001-06**

\* \* \* \* \*

**Table IV-41**  
**Rebar: Forecast of global and regional production, 2007-11**

\* \* \* \* \*

<sup>84</sup> \*\*\*.

## Consumption

Data compiled by \*\*\* on historical, current, and forecast global consumption of rebar are presented in tables IV-42-44.<sup>85</sup> Worldwide consumption of rebar increased by \*\*\* percent during the five-year period between 1996 and 2000, as consumption in North America and Europe grew more rapidly than consumption in East and Southeast Asia and “other” world markets, while consumption in the C.I.S. barely grew at all (actually declining between 1998 and 2000).<sup>86</sup> Worldwide consumption of rebar increased by \*\*\* percent during the six-year period between 2001 and 2006, paced by rapid consumption growth in East and Southeast Asia, followed by the C.I.S. and Europe. Global consumption of rebar is forecast to continue to grow in the coming years, with the most rapid increase during the five-year period between 2007 and 2011 forecast for East and Southeast Asia and “other” world markets.<sup>87</sup>

**Table IV-42**

**Rebar: Global and regional consumption, 1996-2000**

\* \* \* \* \*

**Table IV-43**

**Rebar: Global and regional consumption, 2001-06**

\* \* \* \* \*

**Table IV-44**

**Rebar: Forecast of global and regional consumption, 2007-2011**

\* \* \* \* \*

## Prices

The Commission asked producers, importers, and purchasers to compare prices for rebar in U.S. and non-U.S. markets. Domestic producers did not provide price comparisons, nor did most of the U.S. importers. Among importers that did so, \*\*\* were the most detailed— current prices (including freight) are the same (\$\*\*\* per metric ton) in the United States, India, the Middle East and Europe. By contrast, \*\*\* noted that rebar prices in the U.S. market are a bit higher than in any other country’s market, whereas \*\*\* responded that international prices exceed U.S. prices. \*\*\* noted that prices in the U.S. market were normally higher than in foreign markets but not since 2004.

Most (16 of 22) of the U.S. purchasers provided price-shift comparisons for rebar from U.S. versus foreign sources. Among those responding, \*\*\* reported that U.S. and foreign prices changed by the same amount. \*\*\* further noted that U.S. prices are now still higher, whereas \*\*\* indicated that they are now still lower than foreign prices. By contrast, among those reporting that U.S. prices have changed relative to foreign prices, \*\*\* noted that U.S. prices are now higher, whereas \*\*\* noted that they are now lower than foreign prices. \*\*\* also reported that U.S. prices have changed relative to foreign prices but did not specify whether U.S. prices are now higher or lower relative to foreign prices.

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<sup>85</sup> \*\*\*.

<sup>86</sup> During 1997-98, the Asian Financial Crisis rippled through many of East and Southeast Asian economies, including Korea. Subsequently, in 1998, Russia also experienced its own financial crisis.

<sup>87</sup> See Part II of this report for the individual perspectives of U.S. producers, importers, and purchasers on demand in the United States and in other markets.





negotiated transaction prices for rebar in certain subject markets and in the United States. Negotiated transaction prices in the United States fell in the months following January 2005, reaching the lowest point during the summer but recovering in early fall to values exceeding those at the beginning of the year. By contrast, negotiated prices fell with fluctuations to a low point in the fourth quarter of 2005 in Poland and in the first quarter of 2006 in China. Prices fluctuated more frequently in Korea. Peak prices were attained in May 2007 in Korea and Poland, while the May 2007 prices in China approached the peak levels attained in early 2005. Higher prices were sustained over late summer-early fall 2006 in the United States, decreased in the fourth quarter of 2006, and subsequently rose to a new high in May 2007.

**Table IV-46**

**Rebar: Negotiated monthly average transaction prices (ex-mill) by subject country and the United States, January 2005 - May 2007**

\* \* \* \* \*

In addition, \*\*\* compiles country- and region-specific monthly prices for rebar, as presented in table IV-47.<sup>92</sup> According to these data, prices in these selected markets diverged over the 18-month period. U.S. prices were relatively stable through April 2006 before rising to a higher plateau that was sustained during the third quarter of 2006; U.S. prices subsequently fell during winter 2006-07 before turning upward again in February 2007. Prices in Germany and the United Kingdom rose with fluctuations to peak in April 2007. The EU export price increased irregularly over 2006-07. By contrast, the Japanese export price remained stable longer, through the second quarter of 2006, and then rose to a level that was slightly above the prevailing level during the first half of the year, before increasing noticeably in spring 2007. After starting at a stable level, the Far East price rose beginning in March-June 2006; despite declining from this level, Far Eastern prices remained higher throughout the second half of the year compared to the early months of 2006, then increased noticeably in 2007. Finally, the price in China rose irregularly through June 2006, then decreased irregularly over the remainder of the year, though remaining generally higher than during the first half of the year; Chinese prices subsequently firmed in 2007.

**Table IV-47**

**Rebar: Prices, by country or by region, and by month, December 2005 - May 2007**

\* \* \* \* \*

### Additional Global Supply and Demand Factors<sup>93</sup>

In early 2007, the global rebar market demand began emerging from the seasonal winter downturn in non-residential construction activity. Economic growth in global regions pursuing infrastructure development (e.g., North Africa, the Middle East, northern Europe, Russia, China, India, and certain other parts of Asia) was cited in March 2007 by one U.S. steel executive for anticipating

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<sup>92</sup> Compiled from data published in \*\*\*.

<sup>93</sup> Information presented in this section is primarily derived from the following sources: *MEPS International Steel Review*, January 2007 - May 2007 issues; \*\*\*, \*\*\*, and public sources as cited.

continued growth of global demand for rebar in 2007.<sup>94</sup> However, by May 2007, a steel trader reportedly noted that the previously steady rebar market has weakened in the United States, and is starting to show signs of weakening in Europe, Turkey, and certain other areas of the Middle East.<sup>95</sup>

In North America, particularly in the United States, favorable market conditions for rebar include rebounding non-residential construction activity that is not anticipated to slow down in the near future, reduced inventory levels held by service centers and end users due to slowing import levels, and significant order backlogs. Continued weakness of the dollar would ease import pressure on the U.S. market. Likewise, some importers reportedly are diverting rebar from the U.S. market to more lucrative ones in the Middle East.

Early in 2007, European rebar producers benefitted from stronger than normal construction demand due to a relatively mild winter and restocking of inventories by end users in preparation for major infrastructure development projects. Several new electric power plants are planned for Germany, each with potential to consume 500,000 metric tons of rebar. In the United Kingdom, construction demand for rebar and other long-rolled steel products has remained robust so far through May, and is anticipated to set a record in 2007. The European market did not directly import Chinese rebar which has not yet received EU product-consistency certification (homologation approval); rather, Turkish rebar displaced by Chinese rebar from traditional markets in the Middle East is being diverted to Europe. By March and April 2007, European supplies tightened as more Italian rebar was diverted to North Africa and the Middle East, and German rebar was sent to Eastern Europe. By contrast, European end-use and inventory build-up slackened somewhat in May 2007 to avoid holding too much “over-priced” rebar as Turkish export prices softened. The strength of the euro relative to the dollar reportedly has eroded European competitiveness in the United States and third-country markets.

Rebar supplies are anticipated to remain tight through the summer in the Czech Republic, Poland, and Slovakia, attributable to foreseeable continued robust domestic construction activity after a mild winter.

Russian domestic rebar producers benefitted from strong domestic demand during the first two months of 2007, that partially offset reduced shipments to traditional markets in the Middle East.

Residential and non-residential concrete construction activity in the Middle East, anticipated to remain robust at least through the second quarter of 2007, provided a lucrative market for imported rebar from China, Russia, and Turkey, among other sources. The United Arab Emirates anticipate commissioning several new rolling mills over the next few years to help meet rising construction demand for rebar.

East Asian and Southeast Asian rebar buyers were reportedly taking a wait-and-see approach toward the end of 2006 regarding additional purchases of Chinese rebar in anticipation of changes to China’s export tax and export tax rebate levels, scheduled to enter into force June 1, 2007.<sup>96</sup> Rebar demand is anticipated to remain robust due to mild winter conditions across much of Asia. Previously, Chinese long-rolled steel products output (including rebar) exceeded domestic consumption in the fourth quarter of 2006 but exports helped relieve (and are anticipated to continue easing) the excess from the

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<sup>94</sup> Scott Robertson, “Rebar World.” *American Metal Market*, March 23, 2007 (citing Murray R. McClean, President and Chief Executive Officer, CMC).

<sup>95</sup> Scott Robertson, “Imported Rebar Sags, US Mart Starts to Slow,” *American Metal Market*, May 31, 2007.

<sup>96</sup> Reportedly, according to some industry sources, Chinese steel mills re-entered the export market in the late May with higher prices for finished steel products, incorporating the anticipated higher net export tax levels (due to lower export tax rebate levels), that were unattractive to buyers, at the same time that exporters in other regions were offering lower prices. According to another report, Chinese steel exporters anticipate a shipment slowdown lasting through August 2007, in part, due to the new export tax rebate level adjustments and the seasonal market downturn. Phillip Price, “China’s High Export Prices Leave Buyers on Sidelines,” *American Metal Market*, May 30, 2007; and Hongmei Li, “Steel Export Taxes Expected to Slow Chinese Shipments,” *American Metal Market*, May 29, 2007.

Chinese domestic market. Moreover, China is increasingly seeking new markets for its rebar in the Middle East where prices are higher than in traditional Chinese markets in Southeast Asia. By May 2007, Chinese domestic consumption of long products (including rebar) was more robust than previously anticipated, attributable to the stepped-up construction pace for the 2008 Beijing Olympic Games.

Domestic demand in Taiwan was flat, attributed to slower construction activity due to high steel prices.

Indian demand for long-rolled steel products, including rebar, is anticipated to surge in the near future with large anticipated national investment in infrastructure development and government campaigns to promote steel use.

Brazil continued to experience recovery of domestic demand for steel in the first quarter of 2007. Demand was particularly robust for long products (including rebar) with rising domestic construction activity, to the point that exports of long products in March 2007 declined by 31.1 percent compared to the same month's level a year ago.

Monthly exports of carbon steel rebar in straight lengths are compiled for reporting countries by World Trade Atlas. Exports for the reporting subject countries as a group, the top-10 nonsubject countries as a group, and worldwide generally increased each year between 2001 and 2006, with the only overall decline occurring in 2004 (table IV-48).<sup>97</sup>

### **Consolidation Among Global Producers**

The trend of consolidation in the steel industry has encompassed U.S. firms (see Part III) and foreign firms that manufacture rebar. In addition to the purely domestic (U.S.) transactions discussed previously, Canadian-based Gerdau Ameristeel acquired the rebar and merchant-quality bar mini-mill in Sayerville, NJ, through its merger with Canadian-based Co-Steel in October 2002 (table III-1). Border Steel, along with other long-products facilities owned by Mexican producer Sicartsa, were acquired by Luxembourg-based Arcelor-Mittal from Sicartsa's Mexican parent company, Grupo Villacero, when Border's parent company Sicartsa was purchased from Mexico-based Villacero in April 2007.<sup>98</sup> CMC's acquisition of the Polish producer, Huta Zawiercie S.A., in December 2003 (renamed CMC-Zawiercie or CMCZ), was noted in "The Industry in Poland" section of Part IV.

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<sup>97</sup> Export subtotals and world totals are under-reported, because certain trade is not reported consistently from year to year (e.g., Ukraine) or even at all (e.g., Turkey).

<sup>98</sup> Phillip Price, "Arcelor Mittal Finalizes Purchase of Long Products Maker Sicartsa," *American Metal Market*, April 23, 2007.

**Table IV-48**

**Rebar: Reported worldwide exports from subject countries, top 10 nonsubject countries, and all other countries, 2001-06<sup>1</sup>**

Exporting country	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
China	582,681	387,606	758,314	1,176,771	1,777,625	3,745,801
Ukraine	( <sup>2</sup> )	3,224,068	3,424,953	3,265,868	3,001,548	3,295,050
Latvia	608,872	608,899	625,579	635,511	684,307	668,415
Poland	113,702	99,579	144,760	276,890	282,943	340,022
Korea	283,711	80,203	13,316	84,104	474,175	239,035
Belarus	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Indonesia	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Moldova	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Subtotal: Subject countries	1,588,966	4,400,356	4,966,921	5,439,144	6,220,599	8,288,323
Italy	732,350	699,728	734,462	621,682	724,874	1,253,990
Germany	410,710	535,870	611,533	799,223	930,299	916,796
Brazil	185,570	301,935	697,756	467,161	844,622	687,097
Portugal	184,629	401,494	420,675	286,726	455,718	578,559
Japan	599,134	551,068	879,335	690,952	575,699	469,766
France	291,523	484,385	515,327	468,263	504,800	455,399
Luxembourg	505,674	505,667	503,361	512,792	325,806	442,116
Czech Republic	579,958	514,146	415,773	340,886	386,933	374,572
Hong Kong	56,947	72,125	214,801	179,206	239,672	368,880
Greece	69,325	99,443	153,720	252,643	289,412	362,193
Subtotal: Top nonsubject	3,615,821	4,165,861	5,146,742	4,619,533	5,277,835	5,909,368
All other countries	2,281,842	2,255,459	3,204,450	3,200,436	2,636,888	2,741,844
World	7,486,629	10,821,676	13,318,113	13,259,113	14,135,322	16,939,534
<sup>1</sup> HTS code included: 7214.20, Other bars, hot-worked, for concrete reinforcement (of carbon steel, not coiled). <sup>2</sup> Not reported. <sup>3</sup> Export data for Belarus, Indonesia, and Moldova are not available.						
Source: Compiled from World Trade Atlas, Global Trade Information Services, Inc., 1993-2007.						

## PART V: PRICING AND RELATED INFORMATION

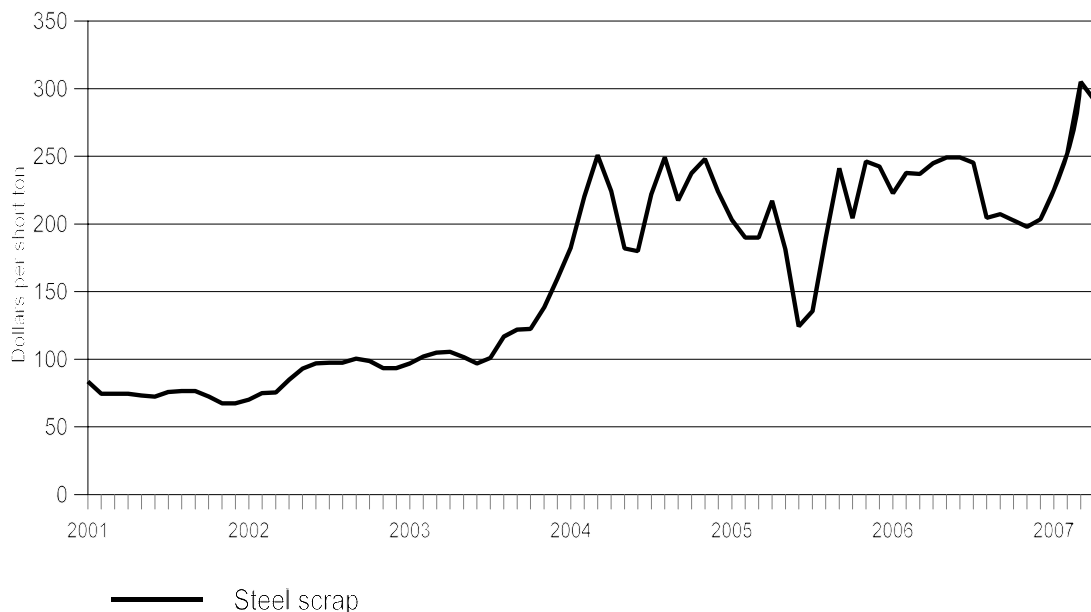
### FACTORS AFFECTING PRICING

#### Raw Material Costs

Raw material costs make up an important part of the final cost of rebar. Raw material costs increased from 43.0 percent of the cost of goods sold in 2001 to 61.6 percent in 2003 before declining to 58.2 percent in 2005, and then increasing to 59.5 percent in 2006.

Steel scrap is the primary component in raw material costs. As shown in figure V-1, the cost of steel scrap rose irregularly from \$68 per ton in January of 2001 to about \$251 per ton in March 2004. From that time through the end of 2006 steel scrap prices fluctuated widely, while remaining substantially higher than in 2001-03. During the early months of 2007 scrap prices rose further, reaching a high of \$305 per short ton in March of 2007.

**Figure V-1**  
**Scrap steel: Monthly prices, January 2001-April 2007**



Source: No. 1 heavy melt, Chicago, AMM.com.

#### Transportation Costs to the U.S. Market

The calculation of transportation costs of rebar shipped to the United States from the subject countries was complicated by the sporadic availability of data. In 2006, the only imports were from Poland and China and the values involved were too small to develop meaningful calculations of transportation costs for that year. In the case of Belarus, the transportation costs to the United States amounted to 17.7 percent of the customs value in 2002, the last year that U.S. imports of rebar from

Belarus occurred.<sup>1</sup> All imports from Belarus entered a port within the specified region. For China in 2004, the costs amounted to 13.8 percent, with all imports going to ports outside of the region. For Korea in 2005 the cost amounted to 13.3 percent of the customs value, with all imports going to ports outside the region. For Latvia in 2005 the cost amounted to 12.6 percent, with all imports going to a port within the region. For Poland in 2005 the cost amounted to 9.1 percent, with all imports going to ports within the region.

### **Transportation Costs in the U.S. Market**

The U.S.-inland transportation costs of rebar vary from firm to firm as a share of the total delivered price. Among the five U.S. producers that made estimates, the costs ranged from 4 to 8 percent of the delivered price for sales within the region, and from 5 to 10 percent for sales outside of the region. Among importers that provided estimates, the costs ranged from 1 percent to as much as 15 percent of the delivered price for sales within the region, and from 5 to 11 percent for sales outside the region.

Producers and importers were asked to provide their total quantities of commercial shipments involving distances of less than 100 miles, 101 to 250 miles, 251 to 500 miles, and distances over 500 miles on a national basis and within and outside of the region during 2006. None of the importers from the eight subject countries reported commercial shipments during 2006. Therefore all importer data were for nonsubject countries. On a national basis for responding producers, about 26 percent of shipments were for distances less than 100 miles, about 36 percent were for distances between 101 and 250 miles, about 21 percent were for distances between 251 and 500 miles, and about 16 percent were over 500 miles. Within the region for responding producers, about 21 percent of shipments were for distances less than 100 miles, about 52 percent were for distances between 101 and 250 miles, about 21 percent were for distances between 251 and 500 miles, and about 6 percent were over 500 miles. Outside of the region for responding producers about 34 percent of shipments were for distances less than 100 miles, about 11 percent were for distances between 101 to 250 miles, about 22 percent were for distances between 251 and 500 miles, and about 33 percent<sup>2</sup> were for distances over 500 miles. On a national basis for responding importers, about 63 percent of shipments were for distances less than 100 miles, about 8 percent were for distances between 101 to 250 miles, about 11 percent were for distances between 251 and 500 miles, and about 18 percent were for distances over 500 miles. For responding importers' shipments within the region, about 71 percent were for distances less than 100 miles, about 10 percent were for distances between 101 to 250 miles, about 13 percent were for distances between 251 and 500 miles, and about 6 percent were for distances over 500 miles. For the relatively small quantity of importer shipments outside the region, about 20 percent were for distances less than 100 miles, and about 80 percent were for distances over 500 miles. There were only minimal levels of shipments for distances of 100 to 250 miles, and no shipments for distances between 251 and 500 miles.

### **Exchange Rates**

Nominal exchange rates for the currencies of Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine in relation to the U.S. dollar on a quarterly basis for the period 2001-06 are

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<sup>1</sup> The estimated cost was obtained by subtracting the customs value from the c.i.f. value of the imports and then dividing by the customs value. Rebar is classified under HTS subheadings 7228.30.8050 and 7214.20.00.

<sup>2</sup> A large percentage of shipments outside of the region was from \*\*\* plants located in \*\*\*. Without these data the percentage of shipments of over 500 miles outside of the region \*\*\*.

resented in figure V-2.<sup>3</sup> Real exchange rate data are also shown for Indonesia, Korea, Latvia, and Poland. In the case of the other four countries real exchange rates could not be computed because of the lack of producer price indices. The data show that the Latvian lat, the Korean won, and the Polish zloty appreciated substantially in relation to the dollar in both nominal and real terms during the period, while the Chinese yuan and the Ukrainian hryvnia appreciated by smaller percentages in nominal terms. The Indonesian rupiah's appreciation was small in nominal terms but greater in real terms. The Belarus rubel depreciated in nominal terms during the period, while the Moldovian lei fluctuated in nominal terms.

## PRICING PRACTICES

U.S. producers and importers described a variety of methods for determining the price of rebar in the United States. One producer reported that price changes monthly based upon a scrap surcharge,<sup>4</sup> three reported that prices are determined on a transaction by transaction basis,<sup>5</sup> two reported that the market sets the price, and one reported that the price is based upon the volume of the purchase, the distance from the producer's location, and the competitive situation. One U.S. producer with establishments both inside and outside of the region reported that it uses price lists. Among the four importers from the subject countries, three reported that the price is determined through transaction by transaction negotiations, and one reported that the price is determined by the market situation. For responding importers from nonsubject countries, ten stated that prices are determined by transaction by transaction negotiations and three reported that the market determines prices.

Most producers and importers of rebar do not have a formal discount policy based upon quantity or volume. Among seven responding producers, five reported that they do not have such a policy. One firm located inside the region reported that it generally tries not to offer discounts from regular prices, but because of imports, it has been offering selected terms for customers taking extra volumes. This includes discounts and extra payment terms for 60 days. Another firm located outside the region reported that it has annual/quarterly volume discounts that apply to two of its end-use customers and one of its distributor customers. Of the other five producers, one reported that discounts are set by the market, one reported that its buyers receive consideration based upon the market and competitive factors, two reported that they do not provide quantity or volume discounts and one reported that it normally does not offer these discounts. Six of the seven producers reported that they do provide discounts ranging from ½ to 2 percent for early payments of accounts. None of the four importers of rebar from the subject countries have a formal discount policy based upon volume, and none reported the use of discounts based upon the early payment of accounts. One of the 13 importers of rebar from the nonsubject countries reported that it does provide quantity and volume discounts, but none of the other 12 importers provide such discounts. None of these 13 importers provide discounts for early payments of accounts.

Methods of quoting prices for rebar are varied. Among seven responding producers, three generally quote on an f.o.b. basis and four generally quote delivered prices. Among the four importers from the subject countries, one quotes on an ex-dock duty paid basis, one quotes on a delivered basis, one quotes f.o.b. port of entry, and one quotes f.o.b. loaded truck. Among the 13 importers of nonsubject

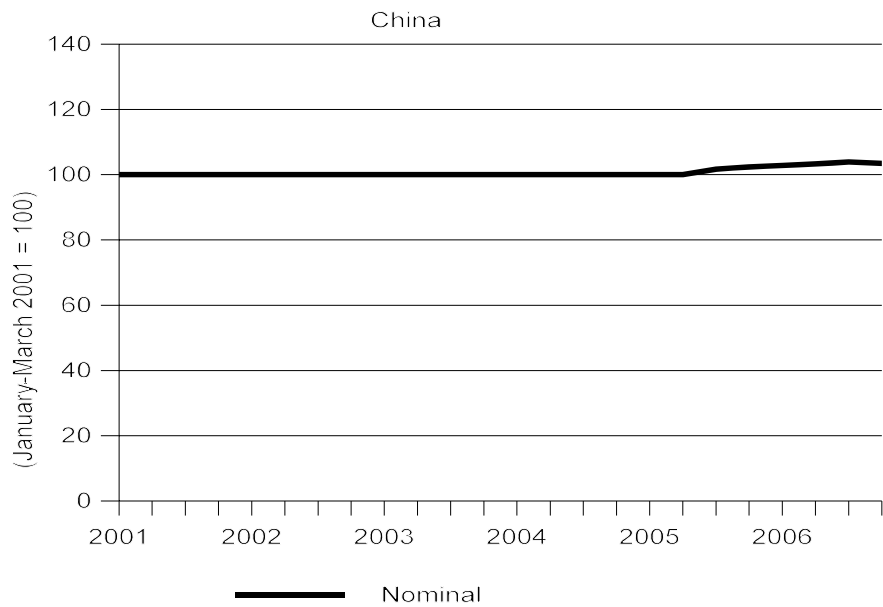
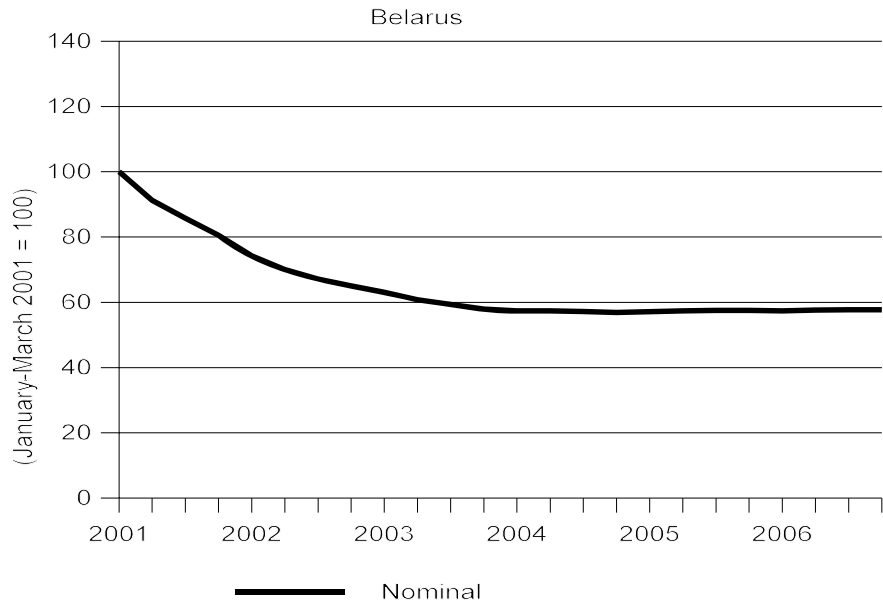
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<sup>3</sup> Real exchange rates were calculated by adjusting the nominal rates for movements in producer prices in the United States and in the subject countries.

<sup>4</sup> \*\*\* reported that it changes its price monthly based upon a scrap surcharge.

<sup>5</sup> Nucor \*\*\*, then clarified at the hearing that it applies a surcharge to its price based principally upon fluctuations in the cost of scrap. Nucor began using this surcharge in late 2003 or early 2004, as the price of scrap was rising rapidly, in order to track movements in the price of scrap. At times when the price of scrap is going up, Nucor is forced to lower its base price in order to be competitive in the market. Hearing transcript, pp. 86-87 (Parrish).

**Figure V-2**  
**Exchange rates: Indexes of the nominal and real exchange rates of the currencies of Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine relative to the U.S. dollar, by quarters, 2001-06**

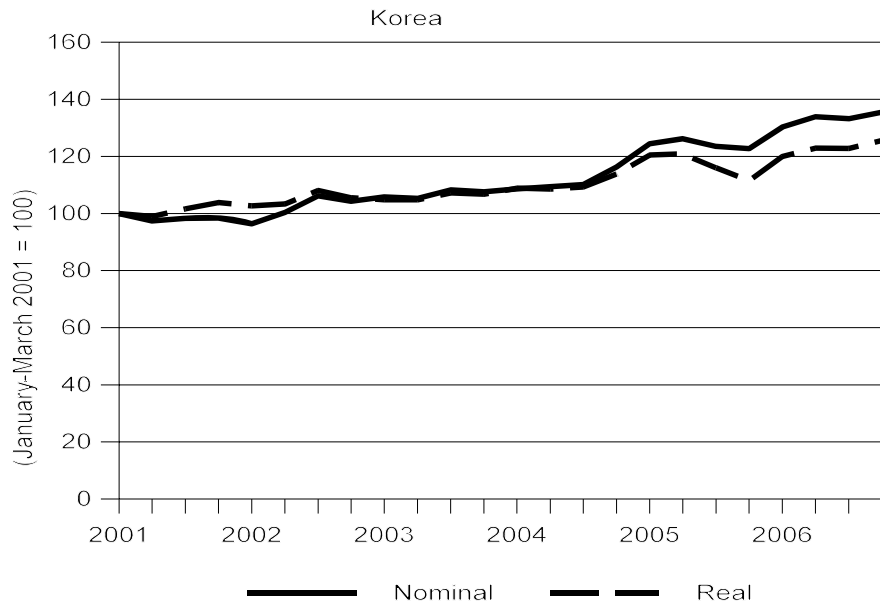
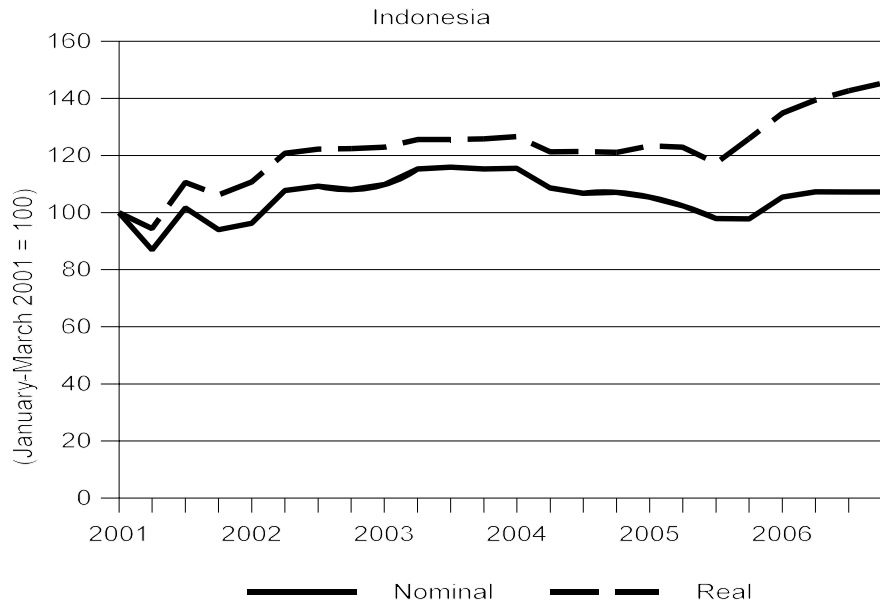


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**Figure V-2--Continued**

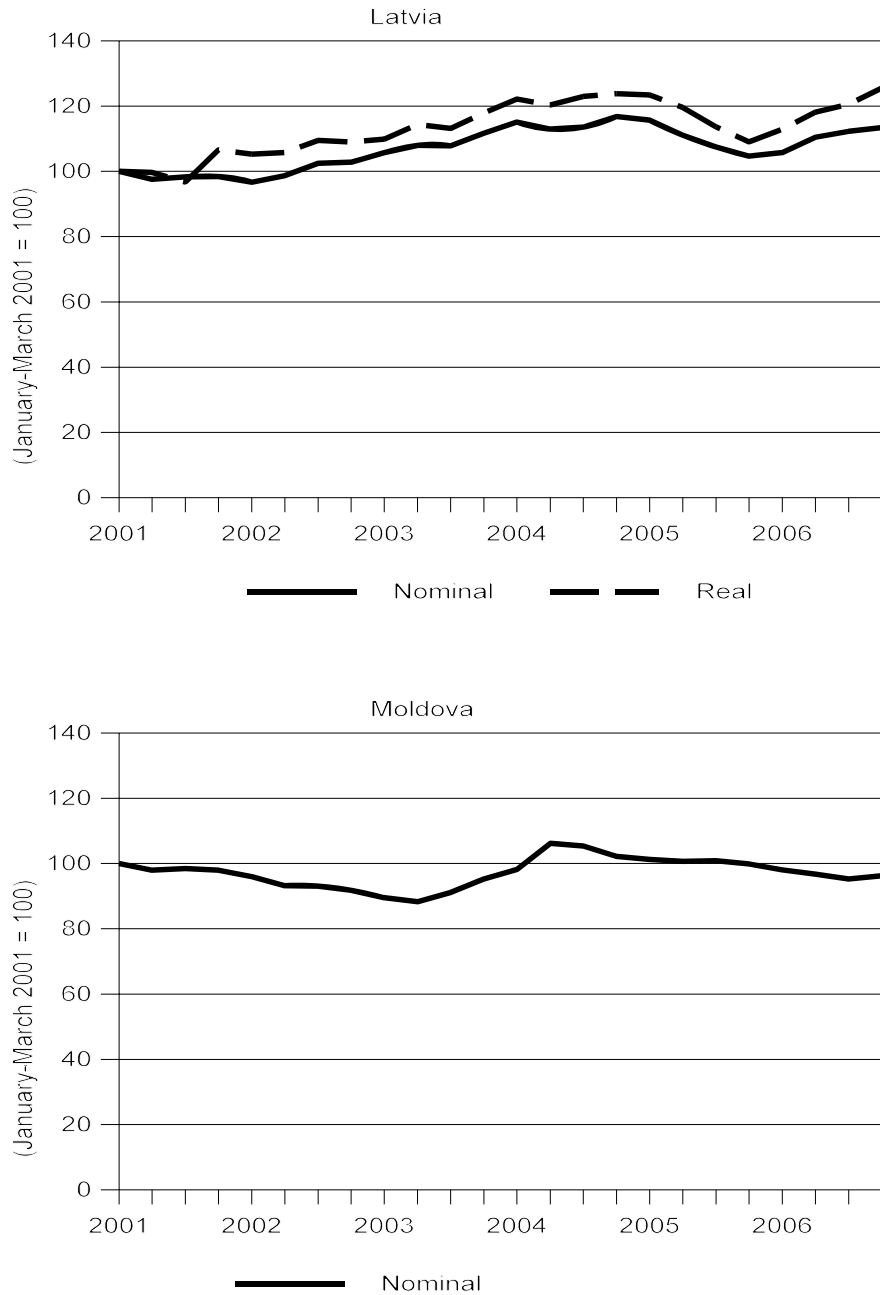
**Exchange rates: Indexes of the nominal and real exchange rates of the currencies of Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine relative to the U.S. dollar, by quarters, 2001-06**



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**Figure V-2--Continued**

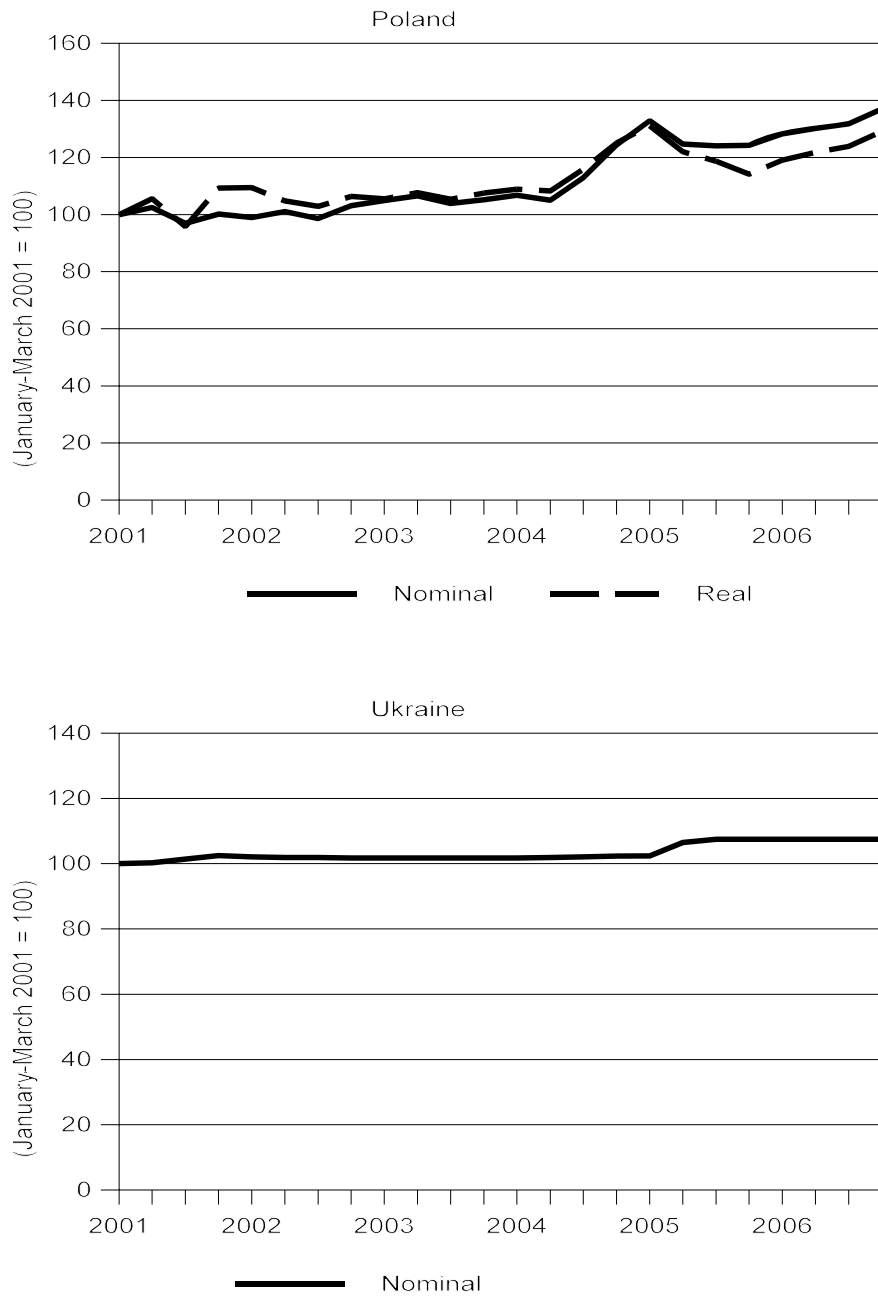
**Exchange rates: Indexes of the nominal and real exchange rates of the currencies of Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine relative to the U.S. dollar, by quarters, 2001-06**



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**Figure V-2--Continued**

**Exchange rates: Indexes of the nominal and real exchange rates of the currencies of Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine relative to the U.S. dollar, by quarters, 2001-06**



Source: IMF International Financial Statistics, May 2007 and various earlier issues.

imports that responded to the question, methods of quoting included f.o.b port of entry, f.o.b loaded truck, C.I.F. duty paid, and delivered. None of the producers or importers sell rebar over the internet.

Most rebar sales by both producers and importers from subject countries are on a spot basis. Of the few firms reporting contract sales, all were for periods of less than one year. No firms reported long term contracts involving multiple shipments with periods of one year or more. Four of seven U.S. producers reported selling exclusively on a spot basis, one reported that 90 percent of its sales are contract and 10 percent are spot, another reported that 80 percent of its sales are contract and 20 percent are spot and a third reported 10 percent are contract and 90 percent are spot. For the three producers reporting short-term contract sales, the contract periods are from 30 days to three months. One reported that only the price is fixed during this period, and the other two reported that both the price and quantity are fixed during this period. One includes a meet-or-release provision in its contracts, while the other two producers did not include this provision. When asked whether sales from subject countries were on a spot or contract basis during 2006, two of four importers of rebar from the subject countries reported selling exclusively on a spot basis in 2006, while two did not import in 2006.<sup>6</sup>

### **PRICE DATA**

The Commission asked U.S. producers and importers of rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine to provide quarterly data for the total quantity and f.o.b value of rebar that was shipped to unrelated purchasers in the U.S. market during 2001-06. The products for which pricing data were requested are as follows:

**Product 1.--Straight ASTM A615, No. 3, grade 60 rebar**

**Product 2.--Straight ASTM A615, No. 4, grade 60 rebar**

**Product 3.--Straight ASTM A615, No. 5, grade 60 rebar**

**Product 4.--Straight ASTM A615, No. 6, grade 60 rebar**

Seven U.S. producers provided price data for all products, with four of these firms reporting prices in all quarters. The price data reported by these producers accounted for 53 percent of U.S. domestic shipments within the region in 2006 and 67 percent of total shipments outside the region in that year. Among importers, some price data was reported for imports from Korea and Latvia, although no sales from these countries were reported in 2006. There was no useable price data reported for imports from any of the other subject countries.

### **Price Trends**

Quarterly weighted-average f.o.b. prices during 2001-06 for the four products of U.S.-produced and imported rebar from Korea and Latvia are shown in tables V-1 through V-12 and in figure V-3. The data are presented for sales to the entire U.S. market as well as for sales within and outside of the specified region. U.S. producer prices for all products increased substantially both nationally and within and outside the region over the 2001-06 period, with the largest increases occurring in 2004. The amount of price data from Korea and Latvia is too small to determine a trend.

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<sup>6</sup> Importers that only imported from nonsubject countries were not asked to break out their sales on a spot or contract basis. However, their questionnaire responses indicate that most such sales are on a spot basis.

Table V-1

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 1,<sup>1</sup> and margins of underselling/(overselling), 2001-06

Period	United States		Korea			Latvia		
	Price (per ton)	Quantity (short tons)	Price (per ton)	Quantity (short tons)	Margin (percent)	Price (per ton)	Quantity (short tons)	Margin (percent)
<b>2001:</b>								
January-March	\$297	26,525	\$***	***	***	-	-	-
April-June	308	30,977	***	***	***	-	-	-
July-September	298	27,076	-	-	-	-	-	-
October-December	287	25,178	-	-	-	\$***	***	***
<b>2002:</b>								
January-March	281	41,405	-	-	-	-	-	-
April-June	283	40,055	-	-	-	-	-	-
July-September	279	40,106	-	-	-	***	***	***
October-December	273	36,801	-	-	-	-	-	-
<b>2003:</b>								
January-March	287	45,527	-	-	-	***	***	***
April-June	316	47,760	-	-	-	***	***	***
July-September	324	56,646	-	-	-	***	***	***
October-December	332	40,050	-	-	-	-	-	-
<b>2004:</b>								
January-March	413	34,918	-	-	-	***	***	***
April-June	511	27,192	-	-	-	***	***	***
July-September	547	23,964	-	-	-	***	***	***
October-December	533	26,863	-	-	-	***	***	***
<b>2005:</b>								
January-March	480	35,789	-	-	-	***	***	***
April-June	477	39,298	-	-	-	***	***	***
July-September	486	44,810	-	-	-	***	***	***
October-December	507	35,630	-	-	-	-	-	-
<b>2006:</b>								
January-March	509	35,723	-	-	-	-	-	-
April-June	533	40,711	-	-	-	-	-	-
July-September	564	31,033	-	-	-	-	-	-
October-December	545	28,209	-	-	-	-	-	-

<sup>1</sup> Product 1.— ASTM A615, No. 3, Grade 60.

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

Tables V-2 (prices and quantities of product 1 sold within the specified region) and V-3 (prices and quantities of product 1 sold outside the specified region) have been suppressed.

Table V-4

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 2,<sup>1</sup> and margins of underselling/(overselling), 2001-06

Period	United States		Korea			Latvia		
	Price (per ton)	Quantity (short tons)	Price (per ton)	Quantity (short tons)	Margin (percent)	Price (per ton)	Quantity (short tons)	Margin (percent)
<b>2001:</b>								
January-March	\$269	230,981	\$***	***	***	-	-	-
April-June	278	250,847	***	***	***	-	-	-
July-September	279	233,576	-	-	-	-	-	-
October-December	270	193,868	-	-	-	\$***	***	***
<b>2002:</b>								
January-March	259	209,408	-	-	-	-	-	-
April-June	263	254,634	-	-	-	-	-	-
July-September	264	239,926	-	-	-	***	***	***
October-December	260	209,547	-	-	-	-	-	-
<b>2003:</b>								
January-March	262	286,909	-	-	-	***	***	***
April-June	286	292,436	-	-	-	***	***	***
July-September	297	320,645	-	-	-	***	***	***
October-December	318	302,929	-	-	-	-	-	-
<b>2004:</b>								
January-March	382	326,840	-	-	-	***	***	***
April-June	476	287,079	-	-	-	***	***	***
July-September	504	299,851	-	-	-	***	***	***
October-December	498	201,986	-	-	-	***	***	***
<b>2005:</b>								
January-March	464	317,033	***	***	***	***	***	***
April-June	464	340,889	-	-	-	***	***	***
July-September	469	363,355	-	-	-	***	***	***
October-December	492	303,398	-	-	-	-	-	-
<b>2006:</b>								
January-March	497	313,682	-	-	-	-	-	-
April-June	517	380,590	-	-	-	-	-	-
July-September	552	306,379	-	-	-	-	-	-
October-December	533	248,120	-	-	-	-	-	-

<sup>1</sup> Product 2.- ASTM A615, No. 4, Grade 60.

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

Tables V-5 (prices and quantities of product 2 sold within the specified region) and V-6 (prices and quantities of product 2 sold outside the specified region) have been suppressed.

Table V-7

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 3,<sup>1</sup> and margins of underselling/(overselling), 2001-06

Period	United States		Korea			Latvia		
	Price (per ton)	Quantity (short tons)	Price (per ton)	Quantity (short tons)	Margin (percent)	Price (per ton)	Quantity (short tons)	Margin (percent)
<b>2001:</b>								
January-March	\$257	304,180	\$***	***	***	-	-	-
April-June	267	333,163	***	***	***	-	-	-
July-September	268	312,457	-	-	-	-	-	-
October-December	258	279,291	-	-	-	\$***	***	***
<b>2002:</b>								
January-March	249	296,421	-	-	-	-	-	-
April-June	254	346,652	-	-	-	-	-	-
July-September	255	325,052	-	-	-	***	***	***
October-December	251	308,482	-	-	-	-	-	-
<b>2003:</b>								
January-March	251	379,418	-	-	-	***	***	***
April-June	277	382,464	-	-	-	***	***	***
July-September	288	420,158	-	-	-	***	***	***
October-December	308	422,728	-	-	-	-	-	-
<b>2004:</b>								
January-March	372	396,614	-	-	-	***	***	***
April-June	466	395,417	-	-	-	***	***	***
July-September	492	374,975	-	-	-	***	***	***
October-December	491	300,808	-	-	-	***	***	***
<b>2005:</b>								
January-March	460	416,552	***	***	***	***	***	***
April-June	456	431,967	-	-	-	***	***	***
July-September	459	472,645	-	-	-	***	***	***
October-December	490	381,824	-	-	-	-	-	-
<b>2006:</b>								
January-March	489	402,865	-	-	-	-	-	-
April-June	509	453,725	-	-	-	-	-	-
July-September	538	405,142	-	-	-	-	-	-
October-December	525	341,902	-	-	-	-	-	-

<sup>1</sup> Product 3.— ASTM A615, No. 5, Grade 60.

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

Tables V-8 (prices and quantities of product 3 sold within the specified region) and V-9 (prices and quantities of product 3 sold outside the specified region) have been suppressed.

Table V-10

Rebar: Weighted-average f.o.b. prices and quantities of domestic and imported product 4,<sup>1</sup> and margins of underselling/(overselling), 2001-06

Period	United States		Korea			Latvia		
	Price (per ton)	Quantity (short tons)	Price (per ton)	Quantity (short tons)	Margin (percent)	Price (per ton)	Quantity (short tons)	Margin (percent)
<b>2001:</b>								
January-March	\$252	167,329	\$***	***	***	-	-	-
April-June	265	182,115	***	***	***	-	-	-
July-September	265	173,539	-	-	-	-	-	-
October-December	254	155,487	-	-	-	\$***	***	***
<b>2002:</b>								
January-March	246	164,533	-	-	-	-	-	-
April-June	250	181,641	-	-	-	-	-	-
July-September	249	183,172	-	-	-	***	***	***
October-December	247	156,454	-	-	-	-	-	-
<b>2003:</b>								
January-March	247	194,994	-	-	-	***	***	***
April-June	269	201,151	-	-	-	***	***	***
July-September	280	220,694	-	-	-	***	***	***
October-December	299	210,453	-	-	-	-	-	-
<b>2004:</b>								
January-March	365	209,558	-	-	-	***	***	***
April-June	451	190,282	-	-	-	***	***	***
July-September	480	194,634	-	-	-	***	***	***
October-December	482	154,297	-	-	-	***	***	***
<b>2005:</b>								
January-March	454	207,079	-	-	-	***	***	***
April-June	450	226,633	-	-	-	***	***	***
July-September	454	245,932	-	-	-	***	***	***
October-December	488	204,730	-	-	-	-	-	-
<b>2006:</b>								
January-March	487	235,944	-	-	-	-	-	-
April-June	503	242,924	-	-	-	-	-	-
July-September	534	230,966	-	-	-	-	-	-
October-December	521	201,561	-	-	-	-	-	-

<sup>1</sup> Product 4.- ASTM A615, No. 6, Grade 60.

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

Tables V-11 (prices and quantities of product 4 sold within the specified region) and V-12 (prices and quantities of product 4 sold outside the specified region) have been suppressed.



**Figure V-3**

**Rebar: Weighted-average f.o.b. prices of products 1-4, by country and by region, 2001-06**

\* \* \* \* \*

**Figure V-3- Continued**

**Rebar: Weighted-average f.o.b. prices of products 1-4, by country and by region, 2001-06**

\* \* \* \* \*

**Figure V-3- Continued**

**Rebar: Weighted-average f.o.b. prices of products 1-4, by country and by region, 2001-06**

\* \* \* \* \*

**Figure V-3- Continued**

**Rebar: Weighted-average f.o.b. prices of products 1-4, by country and by region, 2001-06**

\* \* \* \* \*

**Figure V-3- Continued**

**Rebar: Weighted-average f.o.b. prices of products 1-4, by country and by region, 2001-06**

\* \* \* \* \*

**Figure V-3- Continued**

**Rebar: Weighted-average f.o.b. prices of products 1-4, by country and by region, 2001-06**

\* \* \* \* \*

**Price Comparisons**

In the current reviews, price comparisons were made between domestic products and imports from Korea and Latvia for the entire U.S. market, for Korea for sales within the specified region and outside of the region and for imports from Latvia for sales within the specified region. There were no sales of imports from Latvia outside of the region. The results of these comparisons shown in table V-13 indicate that imports from Korea were priced lower than the domestic product on a national basis and both inside and outside of the specified region, in the majority of comparisons while imports from Latvia were priced higher than the domestic product in the majority of comparisons nationally and within the specified region.

**Table V-13**  
**Rebar: Instances and ranges of under/(over)selling, by country**

<b>Total U.S. market</b>				
<b>Country</b>	<b>Underselling</b>		<b>Overselling</b>	
	<b>Number of instances</b>	<b>Range of margins (percent)</b>	<b>Number of instances</b>	<b>Range of margins (percent)</b>
Korea	8	9.5-28.9	2	5.2-6.3
Latvia	17	0.3-22.8	31	0.9-35.8
<b>Within the specified region</b>				
<b>Country</b>	<b>Underselling</b>		<b>Overselling</b>	
	<b>Number of instances</b>	<b>Range of margins (percent)</b>	<b>Number of instances</b>	<b>Range of margins (percent)</b>
Korea	8	7.0-28.4	-	-
Latvia	16	0.8-21.4	33	1.6-37.8
<b>Outside of the specified region</b>				
<b>Country</b>	<b>Underselling</b>		<b>Overselling</b>	
	<b>Number of instances</b>	<b>Range of margins (percent)</b>	<b>Number of instances</b>	<b>Range of margins (percent)</b>
Korea	8	13.7-31.1	2	3.0-3.1
Latvia	-	-	-	-
Source: Compiled from data submitted in response to Commission questionnaires.				

During the original investigations, prices of imports from China, Korea, Indonesia, and Latvia were consistently lower than the domestic product in all price comparisons, while imports from Belarus, Poland, and Ukraine were priced lower in the majority of comparisons.<sup>7</sup>

<sup>7</sup> Certain *Steel Concrete Reinforcing Bar from Indonesia, Poland, and Ukraine*, Invs. Nos. 731-TA-875-880 and 882 (Final), USITC Publication. 3425, May 2001 p. V-18, tables V-6 and V-7.

**APPENDIX A**

***FEDERAL REGISTER* NOTICES AND THE  
COMMISSION'S STATEMENT ON ADEQUACY**



Domestic Like Product. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the Subject Merchandise and producers of the Subject Merchandise in each Subject Country that currently export or have exported Subject Merchandise to the United States or other countries since the Order Dates.

(7) If you are a U.S. producer of the Domestic Like Product, provide the following information on your firm's operations on that product during calendar year 2005 (report quantity data in short tons and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which you are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the Domestic Like Product accounted for by your firm's(s') production;

(b) The quantity and value of U.S. commercial shipments of the Domestic Like Product produced in your U.S. plant(s); and

(c) The quantity and value of U.S. internal consumption/company transfers of the Domestic Like Product produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the Subject Merchandise from the Subject Country(ies), provide the following information on your firm's(s') operations on that product during calendar year 2005 (report quantity data in short tons and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping or countervailing duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of Subject Merchandise from each Subject Country accounted for by your firm's(s') imports;

(b) The quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. commercial shipments of Subject Merchandise imported from each Subject Country; and

(c) The quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. internal consumption/company transfers of

Subject Merchandise imported from each Subject Country.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the Subject Merchandise in the Subject Country(ies), provide the following information on your firm's(s') operations on that product during calendar year 2005 (report quantity data in short tons and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping or countervailing duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of Subject Merchandise in each Subject Country accounted for by your firm's(s') production; and

(b) The quantity and value of your firm's(s') exports to the United States of Subject Merchandise and, if known, an estimate of the percentage of total exports to the United States of Subject Merchandise from each Subject Country accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the Domestic Like Product that have occurred in the United States or in the market for the Subject Merchandise in the Subject Countries since the Order Dates, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the Domestic Like Product produced in the United States, Subject Merchandise produced in the Subject Countries, and such merchandise from other countries.

(11) (Optional) A statement of whether you agree with the above definitions of the Domestic Like Product and Domestic Industry; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

**Authority:** These reviews are being conducted under authority of title VII of the

Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

Issued: July 26, 2006.

By order of the Commission.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. E6-12274 Filed 7-31-06; 8:45 am]

**BILLING CODE 7020-02-P**

## INTERNATIONAL TRADE COMMISSION

**[Investigation Nos. 731-TA-873-875, 877-880, and 882 (Review)]**

### Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine

**AGENCY:** International Trade Commission.

**ACTION:** Institution of five-year reviews concerning the antidumping duty orders on steel concrete reinforcing bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine.

**SUMMARY:** The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the antidumping duty orders on steel concrete reinforcing bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission;<sup>1</sup> to be assured of consideration, the deadline for responses is September 20, 2006. Comments on the adequacy of responses may be filed with the Commission by October 16, 2006. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

**DATES:** *Effective Date:* August 1, 2006.

**FOR FURTHER INFORMATION CONTACT:** Mary Messer (202-205-3193), Office of

<sup>1</sup> No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117-0016/USITC No. 06-5-158, expiration date June 30, 2008. Public reporting burden for the request is estimated to average 10 hours per response. Please send comments regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436.

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 reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

**SUPPLEMENTARY INFORMATION:**

*Background*—On September 7, 2001, the Department of Commerce issued antidumping duty orders on imports of steel concrete reinforcing bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine (66 FR 46777). The Commission is conducting reviews to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full reviews or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

*Definitions*—The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by the Department of Commerce.

(2) The *Subject Countries* in these reviews are Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine.

(3) The *Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the *Subject Merchandise*. In its original determinations, the Commission defined the *Domestic Like Product* as certain steel concrete reinforcing bar, coextensive with the scope of the *Subject Merchandise*.

(4) The *Domestic Industry* is the U.S. producers as a whole of the *Domestic Like Product*, or those producers whose collective output of the *Domestic Like Product* constitutes a major proportion

of the total domestic production of the product. In its original determinations, three Commissioners based their material injury analysis on a national industry consisting of all producers of steel concrete reinforcing bar and three Commissioners found a regional industry consisting of all domestic production facilities producing the *Domestic Like Product* in the region consisting of the 30 contiguous states from New England to Texas and from the Gulf of Mexico north on both sides of the Mississippi up to the Canadian border, plus the District of Columbia and Puerto Rico.

For purposes of this notice, you should report information separately on each of the following two *Domestic Industries*: (1) All domestic producers of steel concrete reinforcing bar and (2) domestic producers of steel concrete reinforcing bar with production facilities located in the District of Columbia, Puerto Rico, and the following 30 states: Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Delaware, Virginia, Maryland, West Virginia, North Carolina, South Carolina, Georgia, Florida, Mississippi, Alabama, Tennessee, Kentucky, Ohio, Indiana, Illinois, Wisconsin, Michigan, Missouri, Arkansas, Louisiana, and Texas.

(5) The *Order Date* is the date that the antidumping duty orders under review became effective. In these reviews, the *Order Date* is September 7, 2001.

(6) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the *Subject Merchandise* into the United States from a foreign manufacturer or through its selling agent.

*Participation in the reviews and public service list*—Persons, including industrial users of the *Subject Merchandise* and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Former Commission employees who are seeking to appear in Commission five-year reviews are reminded that they are required, pursuant to 19 CFR 201.15, to seek Commission approval if the matter in which they are seeking to

appear was pending in any manner or form during their Commission employment. The Commission's designated agency ethics official has advised that a five-year review is the "same particular matter" as the underlying original investigation for purposes of 19 CFR 201.15 and 18 U.S.C. 207, the post employment statute for Federal employees. Former employees may seek informal advice from Commission ethics officials with respect to this and the related issue of whether the employee's participation was "personal and substantial." However, any informal consultation will not relieve former employees of the obligation to seek approval to appear from the Commission under its rule 201.15. For ethics advice, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202-205-3088.

*Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list*—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the reviews. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

*Certification*—Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these reviews must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

*Written submissions*—Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is September 20, 2006. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as

specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is October 16, 2006. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the reviews you do not need to serve your response).

**Inability to provide requested information**—Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determinations in the reviews.

**Information To Be Provided in Response to This Notice of Institution:** If you are a domestic producer, union/worker group, or trade/business association; import/export *Subject Merchandise* from more than one *Subject Country*; or produce *Subject Merchandise* in more than one *Subject Country*, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent *Subject Country*. As used below, the term "firm" includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address if available) and name,

telephone number, fax number, and e-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the *Domestic Like Product*, a U.S. union or worker group, a U.S. importer of the *Subject Merchandise*, a foreign producer or exporter of the *Subject Merchandise*, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in these reviews by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the antidumping duty orders on the *Domestic Industry* in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of *Subject Merchandise* on the *Domestic Industry*.

(5) A list of all known and currently operating U.S. producers of the *Domestic Like Product*. Identify any known related parties and the nature of the relationship as defined in section 771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the *Subject Merchandise* and producers of the *Subject Merchandise* in each *Subject Country* that currently export or have exported *Subject Merchandise* to the United States or other countries since the Order Date.

(7) If you are a U.S. producer of the *Domestic Like Product*, provide the following information on your firm's operations on that product during calendar year 2005 (report quantity data in short tons and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the *Domestic Like Product* accounted for by your firm's(s') production;

(b) The quantity and value of U.S. commercial shipments of the *Domestic Like Product* produced in your U.S. plant(s); and.

(c) The quantity and value of U.S. internal consumption/company transfers of the *Domestic Like Product* produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the *Subject Merchandise* from the *Subject Country(ies)*, provide the following information on your firm's(s') operations on that product during calendar year 2005 (report quantity data in short tons and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') imports;

(b) The quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. commercial shipments of *Subject Merchandise* imported from each *Subject Country*; and

(c) The quantity and value (f.o.b. U.S. port, including antidumping duties) of U.S. internal consumption/company transfers of *Subject Merchandise* imported from each *Subject Country*.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the *Subject Merchandise* in the *Subject Country(ies)*, provide the following information on your firm's(s') operations on that product during calendar year 2005 (report quantity data in short tons and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of *Subject Merchandise* in each *Subject Country* accounted for by your firm's(s') production; and

(b) The quantity and value of your firm's(s') exports to the United States of *Subject Merchandise* and, if known, an estimate of the percentage of total exports to the United States of *Subject Merchandise* from each *Subject Country* accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the *Domestic Like Product* that have occurred in the United States or in the market for the *Subject Merchandise* in the *Subject Countries* since the Order

*Date*, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the *Domestic Like Product* produced in the United States, *Subject Merchandise* produced in the *Subject Countries*, and such merchandise from other countries.

(11) (*Optional*) A statement of whether you agree with the above definitions of the *Domestic Like Product* and *Domestic Industry*; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

**Authority:** These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

By order of the Commission.

Issued: July 26, 2006.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. E6-12275 Filed 7-31-06; 8:45 am]

**BILLING CODE 7020-02-P**

## INTERNATIONAL TRADE COMMISSION

[USITC SE-06-048]

### Government in the Sunshine Act Meeting Notice

**AGENCY HOLDING THE MEETING:** United States International Trade Commission.

**TIME AND DATE:** August 7, 2006 at 11 a.m.

**PLACE:** Room 101, 500 E Street SW., Washington, DC 20436, Telephone: (202) 205-2000.

**STATUS:** Open to the public.

**MATTERS TO BE CONSIDERED:** 1. Agenda for future meetings: none.

2. Minutes.

3. Ratification List.

4. Inv. No. 731-TA-1104

(Preliminary) (Certain Polyester Staple Fiber from China)—briefing and vote. (The Commission is currently scheduled to transmit its determination to the Secretary of Commerce on August 7,

2006; Commissioners' opinions are currently scheduled to be transmitted to the Secretary of Commerce on or before August 14, 2006.).

5. Outstanding action jackets: none.

In accordance with Commission policy, subject matter listed above, not disposed of at the scheduled meeting, may be carried over to the agenda of the following meeting.

By order of the Commission.

Issued: July 27, 2006.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. 06-6644 Filed 7-28-06; 1:12 pm]

**BILLING CODE 7020-02-P**

## DEPARTMENT OF JUSTICE

### Drug Enforcement Administration

#### Importer of Controlled Substances; Notice of Application

Prior to issuing a registration under 21 U.S.C. 952(a)(2)(B), and in accordance with 21 CFR 1301.34(a), this is notice that on April 13, 2005, Kenco VPI, Division of Kenco Group Inc., 350 Corporate Place, Chattanooga, TN 37419, has made application to the Drug Enforcement Administration (DEA) by letter to be registered as an importer of Nabilone (7379), a basic class of controlled substance listed in Schedule II.

The company plans to import the listed controlled substance for distribution to its customers.

Kenco VPI has been an importer of Schedule III-V controlled substances since June 14, 2004. On April 14, 2005, the DEA added Schedule II to the firm's importer registration. The DEA also added the drug code for Nabilone, a Schedule II controlled substance, to the firm's registration on April 28, 2005. Both amendments to the registration were made without benefit of the required legal process for modifying the DEA registration. Kenco VPI is currently complying with the legal requirements to register as a Schedule III importer. In addition the firm was given authorization to import the Nabilone product into the United States on May 12, 2005. The Nabilone product was approved by the Food & Drug Administration on May 15, 2006. DEA has agreed to allow Kenco VPI to continue to import the Nabilone product into the United States, while the firm is completing the required legal process.

Any manufacturer who on April 13, 2005, was registered, or applying to be registered with DEA to manufacture such basic class of controlled substance

may file comments or objections to the issuance of the proposed registration and may, at the same time, file a written request for a hearing on such application pursuant to 21 CFR 1301.43 and in such form as prescribed by 21 CFR 1316.47. For purposes of this Notice, DEA has chosen recognized applicable manufacturers registered on April 13, 2005, the date on which Kenco submitted its initial request to have Nabilone added to its DEA importer registration. By employing this date, DEA seeks to equitably address its initial failure to publish Kenco's request to import Nabilone, while at the same time allowing those entities that would have been in a position to request a hearing on April 13, 2005, had DEA filed a timely notice, the right to request a hearing.

Any such written comments or objections being sent via regular mail may be addressed, in quintuplicate, to the Deputy Assistant Administrator, Office of Diversion Control, Drug Enforcement Administration, Washington, DC 20537, Attention: DEA **Federal Register Representative/ODL**; or any being sent via express mail should be sent to DEA Headquarters, Attention: DEA **Federal Register Representative/ODL**, 2401 Jefferson-Davis Highway, Alexandria, Virginia 22301; and must be filed no later than August 31, 2006.

This procedure is to be conducted simultaneously with and independent of the procedures described in 21 CFR 1301.34(b), (c), (d), (e), and (f). As noted in a previous notice published in the **Federal Register** on September 23, 1975, (40 FR 43745-46), all applicants for registration to import a basic class of any controlled substance listed in Schedule I or II are, and will continue to be, required to demonstrate to the Deputy Assistant Administrator, Office of Diversion Control, Drug Enforcement Administration, that the requirements for such registration pursuant to 21 U.S.C. 958(a), 21 U.S.C. 823(a), and 21 CFR 1301.34(b), (c), (d), (e), and (f) are satisfied.

Dated: July 26, 2006.

**Joseph T. Rannazzisi,**

*Deputy Assistant Administrator, Office of Diversion Control, Drug Enforcement Administration.*

[FR Doc. E6-12256 Filed 7-31-06; 8:45 am]

**BILLING CODE 4410-09-P**



Trade Administration, Room 1870, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW., Washington, DC 20230. The Department also asks parties to serve a copy of their requests to the Office of Antidumping/Countervailing Operations, Attention: Sheila Forbes, in room 3065 of the main Commerce Building. Further, in accordance with section 351.303(f)(1)(i) of the regulations, a copy of each request must be served on every party on the Department's service list.

The Department will publish in the **Federal Register** a notice of "Initiation of Administrative Review of Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation" for requests received by the last day of August 2006. If the Department does not receive, by the last day of August 2006, a request for review of entries covered by an order, finding, or suspended investigation listed in this notice and for the period identified above, the Department will instruct the U.S. Customs and Border Protection to assess antidumping or countervailing duties on those entries at a rate equal to the cash deposit of (or bond for) estimated antidumping or countervailing duties required on those entries at the time of entry, or withdrawal from warehouse, for consumption and to continue to collect the cash deposit previously ordered.

This notice is not required by statute but is published as a service to the international trading community.

Dated: July 26, 2006.

**Thomas F. Futtner,**  
Acting Office Director, AD/CVD Operations,  
Office 4, Import Administration.  
[FR Doc. E6-12366 Filed 7-31-06; 8:45 am]  
**BILLING CODE 3510-DS-P**

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

**Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Advance Notification of Sunset Reviews**

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

**ACTION:** Notice of Upcoming Sunset Reviews

**SUPPLEMENTARY INFORMATION:**

**Background**

Every five years, pursuant to section 751(c) of the Tariff Act of 1930, as amended, ("the Act"), the Department of Commerce ("the Department") and the International Trade Commission automatically initiate and conduct a review to determine whether revocation of a countervailing or antidumping duty order or termination of an investigation suspended under section 704 or 734 of the Act would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury. As a courtesy, the Department provides advance notice of these cases that are scheduled for sunset reviews one month before those reviews are initiated.

**FOR FURTHER INFORMATION CONTACT:** Zev Primor, Office 4, AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce at (202) 482-4114.

**Upcoming Sunset Reviews**

There are no sunset reviews scheduled for initiation in September, 2006.

For information on the Department's procedures for the conduct of sunset reviews, See 19 CFR 351.218. This notice is not required by statute but is published as a service to the international trading community. Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98.3, "Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders;" Policy Bulletin, 63 FR 18871 (April 16, 1998) ("Sunset Policy Bulletin"). The Notice of Initiation of Five-year ("Sunset") Reviews provides further information regarding what is required of all parties to participate in sunset reviews.

Dated: July 19, 2006.

**Thomas F. Futtner,**  
Acting Office Director, AD/CVD Operations,  
Office 4, Import Administration.  
[FR Doc. E6-12412 Filed 7-31-06; 8:45 am]  
**BILLING CODE 3510-DS-S**

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

**Initiation of Five-year ("Sunset") Reviews**

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

**SUMMARY:** In accordance with section 751(c) of the Tariff Act of 1930, as amended ("the Act"), the Department of Commerce ("the Department") is automatically initiating a five-year ("Sunset Review") of the antidumping and countervailing duty orders listed below. The International Trade Commission ("the Commission") is publishing concurrently with this notice its notice of *Institution of Five-year Review* which covers these same order.

**EFFECTIVE DATE:** August 1, 2006.

**FOR FURTHER INFORMATION CONTACT:** The Department official identified in the *Initiation of Review(s)* section below at AD/CVD Operations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th & Constitution Ave., NW., Washington, DC 20230. For information from the Commission contact Mary Messer, Office of Investigations, U.S. International Trade Commission at (202) 205-3193.

**SUPPLEMENTARY INFORMATION:**

**Background**

The Department's procedures for the conduct of Sunset Reviews are set forth in its *Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) and 70 FR 62061 (October 28, 2005). Guidance on methodological or analytical issues relevant to the Department's conduct of Sunset Reviews is set forth in the Department's Policy Bulletin 98.3 *Policies Regarding the Conduct of Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871 (April 16, 1998) ("Sunset Policy Bulletin").

**Initiation of Reviews**

In accordance with 19 CFR 351.218(c), we are initiating the Sunset Review of the following antidumping and countervailing duty orders:

DOC Case No.	ITC Case No.	Country	Product	Department Contact
A-570-862 .....	731-TA-894	PRC	Foundry Coke	Jim Nunno(202) 482-0783
A-823-810 .....	731-TA-891	Ukraine	Solid Agricultural Grade Ammonium Nitrate	Brandon Farlander (202) 482-0182
A-357-814 .....	731-TA-898	Argentina	Certain Hot-Rolled Carbon Steel Flat Products	Zev Primor (202) 482-4114
A-570-865 .....	731-TA-899	PRC	Certain Hot-Rolled Carbon Steel Flat Products	Zev Primor (202) 482-4114
A-533-820 .....	731-TA-900	India	Certain Hot-Rolled Carbon Steel Flat Products	Zev Primor (202) 482-4114

DOC Case No.	ITC Case No.	Country	Product	Department Contact
A-560-812	731-TA-901	Indonesia	Certain Hot-Rolled Carbon Steel Flat Products	Zev Primor (202) 482-4114
A-834-806	731-TA-902	Kazakhstan	Certain Hot-Rolled Carbon Steel Flat Products	Dana Mermelstein (202) 482-1391
A-421-807	731-TA-903	Netherlands	Certain Hot-Rolled Carbon Steel Flat Products	Dana Mermelstein (202) 482-1391
A-485-806	731-TA-904	Romania	Certain Hot-Rolled Carbon Steel Flat Products	Zev Primor (202) 482-4114
A-791-809	731-TA-905	South Africa	Certain Hot-Rolled Carbon Steel Flat Products	Dana Mermelstein (202) 482-1391
A-583-835	731-TA-906	Taiwan	Certain Hot-Rolled Carbon Steel Flat Products	Dana Mermelstein (202) 482-1391
A-549-817	731-TA-907	Thailand	Certain Hot-Rolled Carbon Steel Flat Products	Dana Mermelstein (202) 482-1391
A-823-811	731-TA-908	Ukraine	Certain Hot-Rolled Carbon Steel Flat Products	Dana Mermelstein (202) 482-1391
A-822-804	731-TA-873	Belarus	Steel Concrete Reinforcing Bars	Brandon Farlander (202) 482-0182
A-570-860	731-TA-874	PRC	Steel Concrete Reinforcing Bars	Brandon Farlander (202) 482-0182
A-560-811	731-TA-875	Indonesia	Steel Concrete Reinforcing Bars	Brandon Farlander (202) 482-0182
A-449-804	731-TA-878	Latvia	Steel Concrete Reinforcing Bars	Brandon Farlander (202) 482-0182
A-841-804	731-TA-879	Moldova	Steel Concrete Reinforcing Bars	Brandon Farlander (202) 482-0182
A-455-803	731-TA-880	Poland	Steel Concrete Reinforcing Bars	Brandon Farlander (202) 482-0182
A-580-844	731-TA-877	South Korea	Steel Concrete Reinforcing Bars	Brandon Farlander (202) 482-0182
A-823-809	731-TA-882	Ukraine	Steel Concrete Reinforcing Bars	Brandon Farlander (202) 482-0182
<b>Countervailing Duty Proceedings.</b>				
C-357-815	701-TA-404	Argentina	Certain Hot-Rolled Carbon Steel Flat Products	Brandon Farlander (202) 482-0182
C-533-821	701-TA-405	India	Certain Hot-Rolled Carbon Steel Flat Products	Brandon Farlander (202) 482-0182
C-560-813	701-TA-406	Indonesia	Certain Hot-Rolled Carbon Steel Flat Products	Brandon Farlander (202) 482-0182
C-791-810	701-TA-407	South Africa	Certain Hot-Rolled Carbon Steel Flat Products	Dana Mermelstein (202) 482-1391
C-549-818	701-TA-408	Thailand	Certain Hot-Rolled Carbon Steel Flat Products	Dana Mermelstein (202) 482-1391

### Filing Information

As a courtesy, we are making information related to Sunset proceedings, including copies of the Department's regulations regarding Sunset Reviews (19 CFR 351.218) and *Sunset Policy Bulletin*, the Department's schedule of Sunset Reviews, case history information (*i.e.*, previous margins, duty absorption determinations, scope language, import volumes), and service lists available to the public on the Department's sunset Internet website at the following address: "<http://ia.ita.doc.gov/sunset/>." All submissions in these Sunset Reviews must be filed in accordance with the Department's regulations regarding format, translation, service, and certification of documents. These rules can be found at 19 CFR 351.303.

Pursuant to 19 CFR 351.103(c), the Department will maintain and make available a service list for these proceedings. To facilitate the timely preparation of the service list(s), it is requested that those seeking recognition as interested parties to a proceeding contact the Department in writing within 10 days of the publication of the Notice of Initiation.

Because deadlines in Sunset Reviews can be very short, we urge interested parties to apply for access to proprietary information under administrative protective order ("APO") immediately following publication in the **Federal Register** of the notice of initiation of the sunset review. The Department's regulations on submission of proprietary information and eligibility to receive access to business proprietary

information under APO can be found at 19 CFR 351.304-306.

### Information Required from Interested Parties

Domestic interested parties (defined in section 771(9)(C), (D), (E), (F), and (G) of the Act and 19 CFR 351.102(b)) wishing to participate in these Sunset Reviews must respond not later than 15 days after the date of publication in the **Federal Register** of this notice of initiation by filing a notice of intent to participate. The required contents of the notice of intent to participate are set forth at 19 CFR 351.218(d)(1)(ii). In accordance with the Department's regulations, if we do not receive a notice of intent to participate from at least one domestic interested party by the 15-day deadline, the Department will automatically revoke the orders without further review. See 19 CFR 351.218(d)(1)(iii).

If we receive an order-specific notice of intent to participate from a domestic interested party, the Department's regulations provide that *all parties* wishing to participate in the Sunset Review must file complete substantive responses not later than 30 days after the date of publication in the **Federal Register** of this notice of initiation. The required contents of a substantive response, on an order-specific basis, are set forth at 19 CFR 351.218(d)(3). Note that certain information requirements differ for respondent and domestic parties. Also, note that the Department's information requirements are distinct from the Commission's information

requirements.<sup>1</sup> Please consult the Department's regulations for information regarding the Department's conduct of Sunset Reviews. Please consult the Department's regulations at 19 CFR Part 351 for definitions of terms and for other general information concerning antidumping and countervailing duty proceedings at the Department.

This notice of initiation is being published in accordance with section 751(c) of the Act and 19 CFR 351.218(c).

Dated: July 27, 2006.

**Thomas F. Futtner,**

*Acting Office Director, AD/CVD Operations, Office 4, Import Administration.*

[FR Doc. E6-12339 Filed 7-31-06; 8:45 am]

**BILLING CODE 3510-DS-S**

## DEPARTMENT OF COMMERCE

### International Trade Administration

(A-489-501)

### Notice of Final Results of Antidumping Duty New Shipper Review: Certain Welded Carbon Steel Pipe and Tube from Turkey

**AGENCY:** Import Administration, International Trade Administration, U.S. Department of Commerce.

<sup>1</sup> In comments made on the interim final sunset regulations, a number of parties stated that the proposed five-day period for rebuttals to substantive responses to a notice of initiation was insufficient. This requirement was retained in the final sunset regulations at 19 CFR 351.218(d)(4). As provided in 19 CFR 351.302(b), however, the Department will consider individual requests for extension of that five-day deadline based upon a showing of good cause.

Clara, California. 71 FR 7995 (Feb. 15, 2006). The complaint alleged violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain incremental dental positioning adjustment appliances by reason of infringement of certain claims of U.S. Patent Nos. 6,685,469; 6,450,807 (“the ‘807 patent’”); 6,394,801; 6,398,548; 6,722,880; 6,629,840; 6,699,037; 6,318,994; 6,729,876; 6,602,070; 6,471,511; and 6,227,850. The complaint also alleged violation of section 337 by reason of misappropriation of trade secrets. The complaint and notice of investigation named OrthoClear, Inc., of San Francisco, California; OrthoClear Holdings, Inc., of Tortola, British Virgin Islands; and OrthoClear Pakistan Pvt, Ltd., of Lahore, Pakistan as respondents.

On July 10, 2006, the ALJ issued an ID terminating the investigation with respect to the ‘807 patent. On July 20, 2006, the Commission determined not to review this ID.

On October 13, 2006, complainant Align Technology, Inc. and respondents OrthoClear, Inc.; OrthoClear Holdings, Inc.; and OrthoClear Pakistan Pvt., Ltd. filed a joint motion to terminate the investigation based on a consent order. On October 25, 2006, the Commission investigative attorney filed a response in support of the motion. On October 27, 2006, the ALJ issued the subject ID (Order No. 32), granting the joint motion. No petitions for review have been filed. The Commission has determined not to review the subject ID.

This action is taken under the authority of section 337 of the Tariff Act of 1930, 19 U.S.C. 1337, and Commission Rules 210.21, 210.42(h), 19 CFR 210.21, 210.42(h).

Issued: November 13, 2006.

By order of the Commission.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. E6–19489 Filed 11–16–06; 8:45 am]

**BILLING CODE 7020–02–P**

## INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 731–TA–873–875, 877–880, and 882 (Review)]

### Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine

**AGENCY:** United States International Trade Commission.

**ACTION:** Notice of Commission determination to conduct full five-year reviews concerning the antidumping duty orders on steel concrete reinforcing bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine.

**SUMMARY:** The Commission hereby gives notice that it will proceed with full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) to determine whether revocation of the antidumping duty orders on steel concrete reinforcing bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. A schedule for the reviews will be established and announced at a later date. For further information concerning the conduct of these reviews and rules of general application, consult the Commission’s Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

**DATES:** *Effective Date:* November 6, 2006.

**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 reviews may be viewed on the Commission’s electronic docket (EDIS) at <http://edis.usitc.gov>.

**SUPPLEMENTARY INFORMATION:** On November 6, 2006, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Act. The Commission found that the domestic interested party group response to its notice of institution (71 FR 43523, August 1, 2006) was inadequate. The Commission also found that the respondent interested party group responses with respect to Belarus, Latvia, Moldova, and Ukraine were adequate and the respondent interested party group responses with respect to China, Indonesia, Korea, and Poland

were inadequate. The Commission found that other circumstances warranted conducting full reviews of the antidumping duty orders concerning steel concrete reinforcing bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine. A record of the Commissioners’ votes, the Commission’s statement on adequacy, and any individual Commissioner’s statements will be available from the Office of the Secretary and at the Commission’s Web site.

**Authority:** These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 207.62 of the Commission’s rules.

Issued: November 13, 2006.

By order of the Commission.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. E6–19475 Filed 11–16–06; 8:45 am]

**BILLING CODE 7020–02–P**

## DEPARTMENT OF JUSTICE

### Drug Enforcement Administration

#### Importer of Controlled Substances; Notice of Application

Pursuant to 21 U.S.C. 958(i), the Attorney General shall, prior to issuing a registration under this Section to a bulk manufacturer of a controlled substance in schedule I or II and prior to issuing a regulation under 21 U.S.C. 952(a) (2) (B) authorizing the importation of such a substance, provide manufacturers holding registrations for the bulk manufacture of the substance an opportunity for a hearing.

Therefore, in accordance with 21 CFR 1301.34(a), this is notice that on September 14, 2006, Kenco VPI, Division of Kenco Group Inc., 350 Corporate Place, Chattanooga, Tennessee 37419, made application by renewal to the Drug Enforcement Administration (DEA) to be registered as an importer of Nabilone (7379), a basic class of controlled substance listed in schedule II.

The company plans to import the listed controlled substance for distribution to its customers.

Any manufacturer who is presently, or is applying to be, registered with DEA to manufacture such basic class of controlled substance may file comments or objections to the issuance of the proposed registration and may, at the same time, file a written request for a hearing on such application pursuant to 21 CFR 1301.43 and in such form as prescribed by 21 CFR 1316.47.

Antidumping Duty Sunset Review of Solid Agricultural Grade Ammonium Nitrate from Ukraine," (September 20, 2006). On October 10, 2006, the domestic interested parties submitted comments supporting the Department's adequacy determination.

Pursuant to 19 CFR 351.218(e)(1)(ii)(C)(2), the Department has conducted an expedited sunset review of this antidumping duty order.

### Scope of the Order

The merchandise covered by this order are solid, fertilizer grade ammonium nitrate ("ammonium nitrate" or "subject merchandise") products, whether prilled, granular or in other solid form, with or without additives or coating, and with a bulk density equal to or greater than 53 pounds per cubic foot. Specifically excluded from this scope is solid ammonium nitrate with a bulk density less than 53 pounds per cubic foot (commonly referred to as industrial or explosive grade ammonium nitrate). The merchandise subject to this investigation is classified in the Harmonized Tariff Schedule of the United States ("HTSUS") at subheading 3102.30.00.00. HTSUS subheadings are provided for convenience and customs purposes. The written description of the scope of the order is dispositive.

### Analysis of Comments Received

All issues raised in these reviews are addressed in the "Issues and Decision Memorandum for the Expedited Sunset Review of the Antidumping Duty Order on Solid Agricultural Grade Ammonium Nitrate from Ukraine; Final Results" ("Decision Memo") from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to David M. Spooner, Assistant Secretary for Import Administration (November 29, 2006), which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margins likely to prevail if the order were to be revoked. Parties can find a complete discussion of all issues raised in these reviews and the corresponding recommendations in this public memorandum which is on file in room B-099 of the main Department building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the Decision Memo are identical in content.

### Final Results of Review

The Department determines that revocation of the antidumping duty order on ammonium nitrate from Ukraine would be likely to lead to continuation or recurrence of dumping at the rates listed below:

Producers/Exporters	Margin (percent)
J.S.C. "Concern" Stiroil	156.29
All Others rate <sup>1</sup> .....	156.29

<sup>1</sup> As of February 1, 2006, Ukraine graduated to market economy status (see *Final Results of Inquiry Into Ukraine's Status as a Non-Market Economy Country*, February 24, 2006 (71 FR 9520)). As a result, the Ukraine-wide rate is now the All Others rate. See *Certain Cut-to-Length Carbon Steel Plate from Romania: Notice of Final Results and Final Partial Rescission of Antidumping Duty Administrative Review*, 71 FR 12651 (March 15, 2005) and accompanying Issues and Decision Memorandum at Comment 2.

### Notification regarding Administrative Protective Order

This notice also serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or 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.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act.

Dated: November 29, 2006.

**Joseph A. Spetrini,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. E6-20551 Filed 12-4-06; 8:45 am]

Billing Code: 3510-DS-S

## DEPARTMENT OF COMMERCE

### International Trade Administration

**A-822-804, A-570-860, A-560-811, A-841-804, A-455-803, A-580-844**

### Steel Concrete Reinforcing Bars from Moldova, the People's Republic of China, South Korea, Indonesia, Poland, and Belarus; Final Results of the Expedited Sunset Reviews of the Antidumping Duty Orders

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

**SUMMARY:** On August 1, 2006, the Department of Commerce ("the

Department") initiated sunset reviews of the antidumping duty orders on steel concrete reinforcing bars from Moldova, the People's Republic of China, South Korea, Indonesia, Poland, and Belarus pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). The Department has conducted expedited (120-day) sunset reviews for these orders pursuant to 19 CFR 351.218(e)(1)(ii)(C)(2). As a result of these sunset reviews, the Department finds that revocation of the antidumping duty orders would be likely to lead to continuation or recurrence of dumping.

**EFFECTIVE DATE:** December 5, 2006.

**FOR FURTHER INFORMATION CONTACT:** Audrey Twyman, Damian Felton, or Brandon Farlander, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3534, (202) 482-0133, and (202) 482-4136, respectively.

### SUPPLEMENTARY INFORMATION:

#### Background

On August 1, 2006, the Department published the notice of initiation of the sunset reviews of the antidumping duty orders on steel concrete reinforcing bars ("rebar") from Moldova, the People's Republic of China ("PRC"), South Korea, Indonesia, Poland, and Belarus pursuant to section 751(c) of the Act. See *Initiation of Five-year ("Sunset") Reviews*, 71 FR 43443 (August 1, 2006) ("Notice of Initiation").

On August 11, 2006, the Department received a notice of intent to participate from the following domestic parties: the Rebar Trade Action Coalition and its individual producer members, Nucor Corporation, CMC Steel Group, and Gerdau Ameristeel, as well as domestic producers TAMCO Steel and Schnitzer Steel Industries, Inc. ("Schnitzer") (collectively "domestic interested parties"), within the deadline specified in 19 CFR 351.218(d)(1)(i). The companies claimed interested party status under section 771(9)(C) of the Act, as manufacturers of a domestic-like product in the United States.

On August 31, 2006, the Department received a complete substantive response to the notice of initiation from the domestic interested parties within the 30-day deadline specified in 19 CFR 351.218(d)(3)(i). In this response, Cascade Steel Rolling Mills, Inc. ("Cascade") was substituted for Schnitzer as a domestic interested party. Cascade is a wholly owned subsidiary of Schnitzer. Also, Steel Dynamics, Inc. ("SDI") was added as a domestic

producer. Because SDI did not file a notice of intent to participate in this review, it is not eligible to file a substantive response. See 19 CFR 351.218(d)(iii)(A). Therefore, the domestic interested parties are now the Rebar Trade Action Coalition and its individual producer members, Nucor Corporation, CMC Steel Group, and Gerdau Ameristeel, as well as TAMCO Steel, and Cascade.

We received no responses from respondent interested parties with respect to any of the orders covered by these sunset reviews except Moldova. On August 31, 2006, the Department received a substantive response from respondent interested party, JSCC Moldova Steel Works, which was within the deadline specified in 19 CFR 351.218(d)(3)(i). On September 20, 2006, the Department determined that JSCC Moldova Steel Works did not account for more than 50 percent of exports by volume of the subject merchandise, because it reported that it had no exports during the 2001–2005 sunset review period. Therefore, the Department found that JSCC Moldova Steel Works did not submit an adequate substantive response to the Department’s *Notice of Initiation*. See Memorandum to Susan H. Kuhbach entitled, “Adequacy Determination in Antidumping Duty Sunset Review of

Steel Concrete Reinforcing Bars from Moldova,” (September 20, 2006).

As a result of an inadequate response from Moldova and no substantive response from the PRC, South Korea, Indonesia, Belarus, and Poland, pursuant to 19 CFR 351.218(e)(1)(ii)(C)(2), the Department conducted an expedited (120-day) sunset review of these orders.

**Scope of the Orders**

The product covered by these orders is all steel concrete reinforcing bars sold in straight lengths, currently classifiable in the Harmonized Tariff Schedule of the United States (“HTSUS”) under item numbers 7214.20.00, 7228.30.8050, 7222.11.0050, 7222.30.0000, 7228.60.6000, 7228.20.1000, or any other tariff item number. Specifically excluded are plain rounds (*i.e.*, non-deformed or smooth bars) and rebar that has been further processed through bending or coating. HTSUS subheadings are provided for convenience and customs purposes. The written description of the scope of the order is dispositive.

**Analysis of Comments Received**

All issues raised in these reviews are addressed in the “Issues and Decision Memorandum for the Expedited Sunset Reviews of the Antidumping Duty Orders on Steel Concrete Reinforcing

Bars from Moldova, the People’s Republic of China, South Korea, Indonesia, Poland, and Belarus; Final Results” from Stephen J. Claeys, Deputy Assistant Secretary for Import Administration, to David M. Spooner, Assistant Secretary for Import Administration (November 29, 2006), which is hereby adopted by this notice (“Decision Memo”). The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margins likely to prevail if the orders were to be revoked. Parties can find a complete discussion of all issues raised in these reviews and the corresponding recommendations in this public memorandum which is on file in room B–099 of the main Department building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The paper copy and electronic version of the Decision Memo are identical in content.

**Final Results of Reviews**

We determine that revocation of the antidumping duty orders on rebar from Moldova, the PRC, South Korea, Indonesia, Poland, and Belarus would be likely to lead to continuation or recurrence of dumping at the following weighted-average percentage margins:

Manufacturers/Exporters/Producers	Weighted Average Margin (percent)
<i>Moldova.</i>	
Moldova–Wide Rate .....	232.86
<i>PRC.</i>	
Laiwu Steel Group .....	133.00
PRC–Wide Rate .....	133.00
<i>South Korea.</i>	
Dongkuk Steel Mill Co., Ltd./Korea Iron & Steel Co., Ltd. ....	22.89
Hanbo Iron & Steel Co., Ltd. ....	102.28
All Others .....	22.89
<i>Indonesia.</i>	
PT Gunung Gahapi Sakti .....	71.01
PT Bhirma Steel .....	71.01
Krakatau Wajatama .....	71.01
PT Jakarta Steel Perdana Industri .....	71.01
PT Hanil Jaya Metal Works .....	71.01
PT Pulogadung Steel .....	71.01
PT Jakarta Cakra Tunggal .....	71.01
PT The Master Steel Manufacturing Co. ....	71.01
All Others .....	60.46
<i>Poland.</i>	
Stalexport .....	52.07
All Others .....	47.13
<i>Belarus.</i>	
Belarus–Wide Rate .....	114.53

This notice also serves as the only reminder to parties subject to administrative protective orders (“APO”) of their responsibility

concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the

return or destruction of APO materials or conversion to judicial protective orders is hereby requested. Failure to comply with the regulations and terms

of an APO is a violation which is subject to sanction.

We are issuing and publishing the results and notice in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act.

Dated: November 29, 2006.

**Joseph A. Spetrini,**

*Acting Assistant Secretary for Import Administration.*

[FR Doc. E6-20549 Filed 12-4-06; 8:45 am]

**BILLING CODE 3510-DS-S**

## DEPARTMENT OF COMMERCE

### National Institute of Standards and Technology

#### Jointly Owned Invention Available for Licensing

**AGENCY:** National Institute of Standards and Technology, Commerce

**ACTION:** Notice.

**SUMMARY:** The invention listed below is jointly owned by the U.S. Government, as represented by the Department of Commerce, and Cree Inc. The Department of Commerce's interest in the invention is available for licensing, in accordance with 35 U.S.C. 207 and 37 CFR part 404 to achieve expeditious commercialization of results of federally funded research and development.

**FOR FURTHER INFORMATION CONTACT:**

Technical and licensing information on this invention may be obtained by writing to: National Institute of Standards and Technology, Office of Technology Partnerships, Attn: Mary Clague, Building 222, Room A155, Gaithersburg, MD 20899. Information is also available via telephone: 301-975-4188, fax 301-869-2751, or e-mail: [mary.clague@nist.gov](mailto:mary.clague@nist.gov). Any request for information should include the NIST Docket number or Patent number and title for the invention as indicated below.

The invention available for licensing is:

[DOCKET NUMBER 06-008US]

*Title:* Power Switching Semiconductor Devices Including Rectifying Junction-Shunts.

*Abstract:* A semiconductor device includes a drift layer having a first conductivity type and a body region adjacent the drift layer. The body region has a second conductivity type opposite the first conductivity type and forms a p-n junction with the drift layer. The device further includes a contactor region in the body region and having the first conductivity type, and a shunt channel region extending through the body region from the contactor region to

the drift layer. The shunt channel region has the first conductivity type. The device further includes a first terminal in electrical contact with the body region and the contactor region, and a second terminal in electrical contact with the drift layer. The shunt channel region has a length, thickness and doping concentration selected that: (1) The shunt channel region is fully depleted when zero voltage is applied across the first and second terminals, (2) the shunt channel becomes conductive at voltages less than the built-in potential of the drift layer to body region p-n junction, and/or (3) the shunt channel is not conductive for voltages that reverse bias the p-n junction between the drift region and the body region.

Dated: November 29, 2006.

**James E. Hill,**

*Acting Deputy Director.*

[FR Doc. E6-20582 Filed 12-4-06; 8:45 am]

**BILLING CODE 3510-13-P**

## DEPARTMENT OF COMMERCE

### National Oceanic and Atmospheric Administration

#### Proposed Information Collection; Comment Request; Fisheries Certificate of Origin

**AGENCY:** National Oceanic and Atmospheric Administration (NOAA).

**ACTION:** Notice.

**SUMMARY:** The Department of Commerce, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995.

**DATES:** Written comments must be submitted on or before February 5, 2007.

**ADDRESSES:** Direct all written comments to Diana Hynek, Departmental Paperwork Clearance Officer, Department of Commerce, Room 6625, 14th and Constitution Avenue, NW., Washington, DC 20230 (or via the Internet at [dHynek@doc.gov](mailto:dHynek@doc.gov)).

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information or copies of the information collection instrument and instructions should be directed to William G. Jacobson, 562-980-4035 or [Bill.Jacobson@noaa.gov](mailto:Bill.Jacobson@noaa.gov).

**SUPPLEMENTARY INFORMATION:**

**I. Abstract**

The information required by the International Dolphin Conservation

Program Act, amendment to the Marine Mammal Protection Act, is needed: To document the dolphin-safe status of tuna import shipments; to verify that import shipments of fish were not harvested by large scale, high seas driftnets; and to verify that imported tuna was not harvested by an embargoed nation or one that is otherwise prohibited from exporting tuna to the United States. Forms are submitted by importers and processors.

**II. Method of Collection**

Forms may be submitted by mail or electronically.

**III. Data**

*OMB Number:* 0648-0335.

*Form Number:* NOAA Form 370.

*Type of Review:* Regular submission.

*Affected Public:* Business or other for-profits organizations.

*Estimated Number of Respondents:* 350.

*Estimated Time Per Response:* 20 minutes.

*Estimated Total Annual Burden Hours:* 3,663.

*Estimated Total Annual Cost to Public:* \$3,397.

**IV. Request for Comments**

Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden (including hours and cost) of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval of this information collection; they also will become a matter of public record.

Dated: November 30, 2006.

**Gwellnar Banks,**

*Management Analyst, Office of the Chief Information Officer.*

[FR Doc. E6-20513 Filed 12-4-06; 8:45 am]

**BILLING CODE 3510-22-P**

**Automated data collection:** This information will be primarily collected via telephone interviews. Some information will be collected through paper and pencil, self-administered mail-back surveys. No automated data collection will take place.

**Description of respondents:** Residents of the United States of America in the seven administrative regions of National Park Service.

**Estimated average number of respondents:** 5,500 (3,500 for the main telephone survey and 2,000 for the response-mode test).

**Estimated average number of responses:** 5,500.

**Estimated average burden hours per response:** 10 minutes.

**Frequency of response:** 1 time per respondent.

**Estimated annual reporting burden:** 1,100 hours.

Dated: November 29, 2006.

**Leonard E. Stowe,**

*NPS, Information Collection Clearance Officer.*

[FR Doc. 06-9538 Filed 12-5-06; 8:45 am]

**BILLING CODE 4310-EJ-M**

## INTERNATIONAL TRADE COMMISSION

[Investigation Nos. 731-TA-873-875, 877-880, and 882 (Review)]

### Steel Concrete Reinforcing Bar From Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine

**AGENCY:** United States International Trade Commission.

**ACTION:** Scheduling of full five-year reviews concerning the antidumping duty orders on steel concrete reinforcing bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine.

**SUMMARY:** The Commission hereby gives notice of the scheduling of full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) (the Act) to determine whether revocation of the antidumping duty orders on steel concrete reinforcing bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

**DATES:** *Effective Date:* Date of Commission Approval of Action Jacket.

**FOR FURTHER INFORMATION CONTACT:** Olympia DeRosa Hand (202-205-3182), 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 reviews may be viewed on the Commission's electronic docket (EDIS) at <http://edis.usitc.gov>.

#### SUPPLEMENTARY INFORMATION:

**Background.**—On November 6, 2006, the Commission determined that responses to its notice of institution of the subject five-year reviews were such that full reviews pursuant to section 751(c)(5) of the Act should proceed (71 FR 66974, November 17, 2006). A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements are available from the Office of the Secretary and at the Commission's Web site.

**Participation in the reviews and public service list.**—Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in these reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of the reviews need not file an additional notice of appearance. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

**Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.**—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made by 45 days after publication of this notice. Authorized

applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the reviews. A party granted access to BPI following publication of the Commission's notice of institution of the reviews need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

**Staff report.**—The prehearing staff report in the reviews will be placed in the nonpublic record on April 20, 2007, and a public version will be issued thereafter, pursuant to section 207.64 of the Commission's rules.

**Hearing.**—The Commission will hold a hearing in connection with the reviews beginning at 9:30 a.m. on May 10, 2007, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before May 1, 2007. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on May 3, 2007, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), 207.24, and 207.66 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 business days prior to the date of the hearing.

**Written submissions.**—Each party to the reviews may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.65 of the Commission's rules; the deadline for filing is May 1, 2007. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.67 of the Commission's rules. The deadline for filing posthearing briefs is May 22, 2007; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the reviews may submit a written statement of information pertinent to the subject of the reviews on or before May 22, 2007. On June 19, 2007, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may



submit final comments on this information on or before June 21, 2007, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Even where electronic filing of a document is permitted, certain documents must also be filed in paper form, as specified in II(C) of the Commission's Handbook on Electronic Filing Procedures, 67 FR 68168, 68173 (November 8, 2002).

Additional written submissions to the Commission, including requests pursuant to section 201.12 of the Commission's rules, shall not be accepted unless good cause is shown for accepting such submissions, or unless the submission is pursuant to a specific request by a Commissioner or Commission staff.

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

**Authority:** These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: December 1, 2006.

By order of the Commission.

**Marilyn R. Abbott,**

*Secretary to the Commission.*

[FR Doc. E6-20672 Filed 12-5-06; 8:45 am]

**BILLING CODE 7020-02-P**

## INTERNATIONAL TRADE COMMISSION

[Investigation No. 332-482; Investigation No. Singapore FTA-103-015]

### U.S.-Singapore FTA: Probable Economic Effect of Accelerated Tariff Elimination and Modification of Rules of Origin

**AGENCY:** United States International Trade Commission.

**ACTION:** Institution of investigation and request for written submissions.

**SUMMARY:** Following receipt of a request on October 27, 2006, from the United States Trade Representative (USTR) under section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)) and in accordance with section 103 of the United States-Singapore Free Trade Agreement (USSFTA) Implementation Act (19 U.S.C. 3805 note), the Commission instituted Investigation Nos. 332-482 and Singapore FTA-103-015, U.S.-Singapore FTA: Probable Economic Effect of Accelerated Tariff Elimination and Modification of Rules of Origin.

**DATES:** *Effective Date:* November 28, 2006.

**FOR FURTHER INFORMATION CONTACT:**

Information may be obtained from Vincent Honnold, Office of Industries (202-205-3314 or [vincent.honnold@usitc.gov](mailto:vincent.honnold@usitc.gov)); for information on legal aspects, contact William Gearhart of the Commission's Office of the General Counsel (202-205-3091 or [william.gearhart@usitc.gov](mailto:william.gearhart@usitc.gov)). The media should contact Margaret O'Laughlin, Office of External Relations (202-205-1819 or [margaret.oloughlin@usitc.gov](mailto:margaret.oloughlin@usitc.gov)).

**Background:** According to USTR's request letter, the United States and Singapore have agreed to enter into consultations to consider acceleration of the reduction or elimination of tariffs (including an increase in the quota level of certain tariff rate quotas) for certain articles, and a rules of origin change. Sections 201(b) and 202(o) of the United States-Singapore Free Trade Agreement Implementation Act (Act) authorize the President to proclaim modifications in duty treatment and rules of origin changes, respectively, subject to the consultation and layover requirements in section 103 of the Act. Section 103 requires that the President obtain advice regarding the proposed action from the Commission.

The USTR requested that the Commission provide advice, with respect to three articles, as to the probable economic effect of accelerating

the reduction or elimination of the U.S. tariff under the USSFTA on domestic industries producing like or directly competitive articles, and on consumers of the affected goods. The three articles are (1) preparations for infant use, put up for retail sale (HS 1901.10); (2) peanuts in snack products (HS 2008.11); and (3) polycarbonates (HS 3907.40.00). The USTR also requested that the Commission provide advice on the probable effect of a modification in the rules of origin for photocopiers (HS 9009.12.00) on U.S. trade under the USSFTA, on total U.S. trade, and on domestic industries. Additional information concerning these articles is available from the Office of the Secretary to the Commission or by accessing the electronic version of this notice at the Commission's Internet site (<http://www.usitc.gov>). The current USSFTA rules of origin can be found in General Note 25 of the 2006 Harmonized Tariff Schedule of the United States (see "General Notes" link at <http://www.usitc.gov/tata/hts/bychapter/index.htm>).

As requested, the Commission will forward its advice to the USTR by February 5, 2007. USTR indicated that those sections of the Commission's report that analyze the probable economic effects, as well as other information that would reveal aspects of the probable effects advice, will be classified.

**Written Submissions:** In lieu of a public hearing, interested parties are invited to submit written statements concerning the matters to be addressed by the Commission in this investigation. Submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street SW., Washington, DC 20436. To be assured of consideration by the Commission, written statements should be submitted to the Commission at the earliest practical date and should be received no later than the close of business on December 19, 2006. All written submissions must conform with the provisions of section 201.8 of the Commission's Rules of Practice and Procedure (19 CFR 201.8). Section 201.8 of the rules requires that a signed original (or copy designated as an original) and fourteen (14) copies of each document be filed. In the event that confidential treatment of the document is requested, at least four (4) additional copies must be filed, from which the confidential business information must be deleted (see the following paragraph for further information regarding confidential business information). The Commission's rules authorize filing



*Carrier Bags from the People's Republic of China: Notice of Extension of Time Limit for the Final Results of the Antidumping Duty Administrative Review*, 72 FR 7417 (February 15, 2007). The final results are currently due by February 26, 2007.

#### **Extension of Time Limit for Final Results of Review**

Pursuant to section 751(a)(3)(A) of the Tariff Act of 1930, as amended ("the Act"), the Department shall make a final determination in an administrative review of an antidumping duty order within 120 days after the date on which the preliminary determination is published. The Act further provides, however, that the Department may extend that 120-day period to 180 days if it determines it is not practicable to complete the review within the foregoing time period.

The Department finds that it is not practicable to complete the final results of the administrative review of PRCBs from the PRC by February 26, 2007, due to complex issues related to the calculation of surrogate financial ratios. Therefore, in accordance with section 751(a)(3)(A) of the Act, the Department is extending the time period for completion of the final results of this review to 180 days after publication of the *Preliminary Results*. Therefore, the final results are now due no later than March 12, 2007.

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

Dated: February 26, 2007.

**Stephen J. Claeys,**

*Deputy Assistant Secretary for Import Administration.*

[FR Doc. E7-3790 Filed 3-2-07; 8:45 am]

BILLING CODE 3510-DS-S

## **DEPARTMENT OF COMMERCE**

### **International Trade Administration**

[A-533-810]

#### **Stainless Steel Bar from India: Notice of Extension of Time Limit for the Preliminary Results of the 2006 New Shipper Review**

**AGENCY:** Import Administration, International Trade Administration, Commerce.

**EFFECTIVE DATE:** March 5, 2007.

**FOR FURTHER INFORMATION CONTACT:** Devta Ohri or Brandon Farlander, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution

Avenue, NW, Washington, DC 20230, telephone (202) 482-3853 or (202) 482-0182, respectively.

#### **SUPPLEMENTARY INFORMATION:**

##### **Statutory Time Limits**

Section 751(a)(2)(B)(iv) of the Tariff Act of 1930, as amended (the Act) and section 351.214(i)(1) of the Department of Commerce's (Department) regulations require the Department to issue the preliminary results of a new shipper review within 180 days after the date on which the new shipper review was initiated, and the final results of review within 90 days after the date on which the preliminary results were issued. However, if the Department determines that the issues are extraordinarily complicated, section 751(a)(2)(B)(iv) of the Act and section 351.214(i)(2) of the Department's regulations allow the Department to extend the deadline for the preliminary results to up to 300 days after the date on which the new shipper review was initiated.

##### **Background**

On September 26, 2006, the Department published a notice of initiation of a new shipper review of the antidumping duty order on stainless steel bar from India for Ambica Steels Limited (Ambica), covering the period February 1, 2006 through July 31, 2006. *See Stainless Steel Bar from India: Notice of Initiation of Antidumping Duty New Shipper Review*, 71 FR 56105 (September 26, 2006). On January 24, 2007, the Department initiated a cost investigation of Ambica. The preliminary results for this review are currently due no later than March 19, 2007.

##### **Extension of Time Limits for Preliminary Results**

Pursuant to section 751(a)(2)(B)(iv) of the Act, the Department may extend the deadline for completion of the preliminary results of a new shipper review if it determines that the case is extraordinarily complicated. Because the Department needs additional time to evaluate Ambica's recently submitted cost information, examine sales issues, such as product grade hierarchy, and to issue additional supplemental questionnaires, the Department has determined that this review is extraordinarily complicated, and the preliminary results of this new shipper review cannot be completed within the statutory time limit of 180 days. Therefore, in accordance with section 751(a)(2)(B)(iv) of the Act and section 351.214(i)(2) of the regulations, the Department is extending the time limit for the completion of the preliminary

results by 120 days until no later than July 17, 2007.

This notice is published pursuant to sections 751(a)(2)(B)(iv) and 777(i)(1) of the Act.

Dated: February 27, 2007.

**Stephen J. Claeys,**

*Deputy Assistant Secretary for Import Administration.*

[FR Doc. E7-3796 Filed 3-2-07; 8:45 am]

BILLING CODE 3510-DS-S

## **DEPARTMENT OF COMMERCE**

### **International Trade Administration**

[A-823-809]

#### **Steel Concrete Reinforcing Bars from Ukraine; Final Results of the Sunset Review of Antidumping Duty Order**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce  
**SUMMARY:** On November 27, 2006, the Department of Commerce ("the Department") published a notice of preliminary results of the full sunset review of the antidumping duty order on steel concrete reinforcing bars ("rebar") from Ukraine pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). We provided interested parties an opportunity to comment on our preliminary results. We did not receive comments from either domestic or respondent interested parties. As a result of this review, the Department finds that revocation of this order would be likely to lead to continuation or recurrence of dumping at the levels indicated in the "Final Results of Review" section of this notice.

**EFFECTIVE DATE:** March 5, 2007.

##### **FOR FURTHER INFORMATION CONTACT:**

Audrey R. Twyman or Brandon Farlander, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, NW, Washington, DC, 20230; telephone: 202-482-3534 and 202-482-0182, respectively.

##### **SUPPLEMENTARY INFORMATION:**

##### **Background**

On November 27, 2006, the Department published in the **Federal Register** a notice of preliminary results of the full sunset review of the antidumping duty order on rebar from Ukraine, pursuant to section 751(c) of the Act. *See Steel Concrete Reinforcing Bars from Ukraine; Preliminary Results of the Sunset Review of Antidumping Duty Order*, 71 FR 68543 (November 27,

2006) (“*Preliminary Results*”). In our Preliminary Results, we determined that revocation of the order would likely result in continuation or recurrence of dumping with a margin of 41.69 percent for the all others rate, including Mittal Steel Kryviy Rih and Krivorozhstal Steel Works. We did not receive a case brief on behalf of either domestic or respondent interested parties within the deadline specified in 19 CFR 351.309(c)(1)(i).

**Scope of the Order**

The product covered by this order is all steel concrete reinforcing bars sold in

straight lengths, currently classifiable in the Harmonized Tariff Schedule of the United States (“HTSUS”) under item numbers 7214.20.00, 7228.30.8050, 7222.11.0050, 7222.30.0000, 7228.60.6000, 7228.20.1000, or any other tariff item number. Specifically excluded are plain rounds (*i.e.*, non-deformed or smooth bars) and rebar that has been further processed through bending or coating.

HTSUS subheadings are provided for convenience and customs purposes. The written description of the scope of the order is dispositive.

**Analysis of Comments Received**

The Department did not receive case briefs from either domestic or respondent interested parties. Therefore, we have not made any changes to our *Preliminary Results*.

**Final Results of Review**

We determine that revocation of the antidumping duty order on rebar from Ukraine would be likely to lead to continuation or recurrence of dumping at the following weighted-average margin:

Manufacturers/Producers/Exporters	Weighted-Average Margin (Percent)
All Others Rate, including Mittal Steel Kryviy Rih and “Krivorozhstal” Steel Works <sup>1</sup> .....	41.69

<sup>1</sup> As of February 1, 2006, Ukraine graduated to market economy status. See *Final Results of Inquiry Into Ukraine’s Status as a Non-Market Economy Country*, 71 FR 9520 (February 24, 2006). As a result, the Ukraine wide rate is now the All Others rate. Mittal Steel is considered part of the all others rate because a successor-in-interest determination has not been made. See, e.g., *Cut-to-Length Carbon Steel Plate from Belgium, Brazil, Finland, Germany, Mexico, Poland, Romania, Spain, Sweden, and the United Kingdom and Carbon Steel Plate from Taiwan; Second Five-Year (Sunset) Reviews of Antidumping Duty Orders and Antidumping Finding; Final Results*, 71 FR 11577, 11579 (March 8, 2006) (explaining that Duferco is subject to the all others rate because the Department had not yet conducted a changed circumstances review to determine the successor-in-interest to Forges de Clabecq, S.A.).

This notice serves as the only reminder to parties subject to administrative 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/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.

We are issuing and publishing these results in accordance with sections 751(c), 752(c), and 777(i)(1) of the Act.

Dated: February 27, 2007.

**David M. Spooner**,  
Assistant Secretary for Import Administration.

[FR Doc. E7-3799 Filed 3-2-07; 8:45 am]

BILLING CODE 3510-DS-S

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

**DEPARTMENT OF THE INTERIOR**

[Docket No.990813222-0035-03]

RIN 0625-AA55

**Allocation of Duty-Exemptions for Calendar Year 2007 Among Watch Producers Located in the United States Virgin Islands**

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce; Office of

Insular Affairs, Department of the Interior.

**ACTION:** Notice.

**SUMMARY:** This action allocates calendar year 2007 duty exemptions for watch producers located in the Virgin Islands pursuant to Pub. L. 97-446, as amended by Pub. L. 103-465, Pub. L 106-36 and Pub. L. 108-429 (“the Act”).

**FOR FURTHER INFORMATION CONTACT:** Faye Robinson, (202) 482-3526.

**SUPPLEMENTARY INFORMATION:** Pursuant to the Act, the Departments of the Interior and Commerce (the Departments) share responsibility for the allocation of duty exemptions among watch assembly firms in the United States insular possessions and the Northern Mariana Islands. In accordance with Section 303.3(a) of the regulations (15 CFR 303.3(a)), the total quantity of duty-free insular watches and watch movements for calendar year 2007 is 1,866,000 units for the Virgin Islands (65 F.R. 8048, February 17, 2000).

The criteria for the calculation of the calendar year 2007 duty-exemption allocations among insular watch producers are set forth in Section 303.14 of the regulations (15 CFR 303.14).

The Departments have verified and adjusted the data submitted on application form ITA-334P by Virgin Islands producers and inspected their current operations in accordance with Section 303.5 of the regulations (15 CFR 303.5).

In calendar year 2006 the Virgin Islands watch assembly firms shipped 268,430 watches and watch movements into the customs territory of the United States under the Act. The dollar amount of creditable corporate income taxes paid by Virgin Islands producers during calendar year 2006 plus the creditable wages paid by the industry during calendar year 2006 to residents of the territory was \$2,071,548.

There are no producers in Guam, American Samoa or the Northern Mariana Islands.

The calendar year 2007 Virgin Islands annual allocations, based on the data verified by the Departments, are as follows:

Name of Firm	Annual Allocation
Belair Quartz, Inc. ....	500,000
Hampden Watch Co., Inc. ....	200,000
Goldex Inc. ....	50,000
Tropex, Inc. ....	300,000

The balance of the units allocated to the Virgin Islands is available for new entrants into the program or producers who request a supplement to their allocation.

**Joseph A. Spetrini**,  
DAS for Policy and Negotiations, Import Administration, Department of Commerce.  
**Nikolao Pula**,  
Director, Office of Insular Affairs, Department of the Interior.

[FR Doc. 07-994 Filed 3-2-07; 8:45 am]

BILLING CODE 3510-DS-P and 4310-93-S

through September 30, 2006. The Department intends to issue assessment instructions to U.S. Customs and Border Protection 15 days after the publication of this notice of rescission of administrative review.

This notice is in accordance with section 777(i) of the Tariff Act of 1930, as amended, and 19 CFR 351.213(d)(4).

Dated: March 23, 2007.

**Stephen J. Claeys,**

*Deputy Assistant Secretary for Import Administration.*

[FR Doc. E7-6405 Filed 4-4-07; 8:45 am]

BILLING CODE 3510-DS-S

## DEPARTMENT OF COMMERCE

### International Trade Administration

(A-405-803, A-401-808, A-421-811, A-201-834)

#### **Purified Carboxymethylcellulose from Finland, Sweden, the Netherlands, and Mexico: Extension of Time Limits for Preliminary Determinations of Antidumping Duty Administrative Reviews**

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

**EFFECTIVE DATE:** April 5, 2007.

**FOR FURTHER INFORMATION CONTACT:**

Tyler Weinhold, Robert James (Mexico and Finland), or Angelica Mendoza (Sweden and the Netherlands), AD/CVD Operations, Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington DC 20230; telephone: (202) 482-1121, (202) 482-0649, and (202) 482-3019, respectively.

**SUPPLEMENTARY INFORMATION:**

#### **Background**

On August 30, 2006, the Department published a notice of initiation of an antidumping duty administrative review for, *inter alia*, Purified Carboxymethylcellulose from Finland, Sweden, the Netherlands, and Mexico for the December 27, 2004, through June 30, 2006, period of review (POR). See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Requests for Revocation in Part*, 71 FR 51573 (August 30, 2006). On December 11, 2006, the Department received requests from Aqualon Company, a division of Hercules, Inc. (Petitioner) that a cost investigation be initiated in the review of CMC from Finland, Sweden, and the Netherlands. See Letters from Petitioner dated December 8, 2006. On January 22, 2007,

the Department initiated a sales below cost of production investigation in the instant review of CMC from the Netherlands. See January 22, 2007, memorandum to Richard Weible, regarding Petitioner's allegation of sales below the cost of production in the review of CMC from the Netherlands. On January 24, 2007, the Department initiated a sales below cost of production investigation in the instant review of CMC from Sweden. See January 24, 2007, memorandum to Richard Weible, regarding Petitioner's allegation of sales below the cost of production in the review of CMC from Sweden. On February 5, 2007, the Department initiated a sales below cost of production investigation in the instant review of CMC from Finland. See February 5, 2007, memorandum to Richard Weible, regarding Petitioner's allegation of sales below the cost of production in the review of CMC from Finland. The preliminary results for these administrative reviews are currently due no later than April 2, 2007.

#### **Extension of Time Limits for Preliminary Results**

Section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), requires the Department to complete the preliminary results of an administrative review within 245 days after the last day of the anniversary month of an order for which a review is requested. However, if it is not practicable to complete the review within these time periods, section 751(a)(3)(A) of the Act allows the Department to extend the 245 day time period for the preliminary results to 365 days.

The Department has determined it is not practicable to complete these reviews within the statutory time limit because we require additional time to conduct sales below-cost investigations in these administrative reviews and to collect and analyze other information needed for our preliminary determinations. Accordingly, the Department is extending the time limits for completion of the preliminary results of these administrative reviews until no later than July 31, 2007, which is 365 days from the last day of the anniversary month of these orders. We intend to issue the final results in these reviews no later than 120 days after publication of the preliminary results notices.

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

Dated: March 30, 2007.

**Stephen Claeys,**

*Deputy Assistant Secretary for Import Administration.*

[FR Doc. E7-6381 Filed 4-4-07; 8:45 am]

BILLING CODE 3510-DS-S

## DEPARTMENT OF COMMERCE

### International Trade Administration

A-449-804

#### **Steel Concrete Reinforcing Bars from Latvia; Final Results of the Sunset Review of Antidumping Duty Order**

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

**SUMMARY:** On November 27, 2006, the Department ("the Department") published a notice of preliminary results of the full sunset review of the antidumping duty order on steel concrete reinforcing bars ("rebar") from Latvia pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). As a result of this review, the Department finds that revocation of the antidumping duty order would likely lead to the continuation or recurrence of dumping.

**EFFECTIVE DATE:** April 5, 2007.

**FOR FURTHER INFORMATION CONTACT:**

Audrey R. Twyman or Brandon Farlander, AD/CVD Operations, Office 1, Import Administration, International Trade Administration, U.S. Department of Commerce, 14<sup>th</sup> Street and Constitution Avenue, NW, Washington, DC, 20230; telephone: 202-482-3534 and 202-482-0182, respectively.

**SUPPLEMENTARY INFORMATION:**

#### **Background**

On November 27, 2006, the Department published a notice of preliminary results of the full sunset review of the antidumping duty order on rebar from Latvia pursuant to section 751(c) of the Act. See *Steel Concrete Reinforcing Bars from Latvia; Preliminary Results of the Sunset Review of Antidumping Duty Order*, 71 FR 68544 (November 27, 2006) ("*Preliminary Results*"). We provided interested parties an opportunity to comment on our preliminary results. The Department received a case brief from Joint Stock Company Liepajas Metalurgs on January 16, 2007, and a rebuttal brief from the Rebar Trade Action Coalition and its individual producer members Nucor Corporation, CMC Steel Group, and Gerda Ameristeel, as well as TAMCO Steel, and Cascade Steel Rolling Mills, Inc. on

January 22, 2007. A hearing was not held because none was requested.

**Scope of the Order**

The product covered by this order is all steel concrete reinforcing bars sold in straight lengths, currently classifiable in the Harmonized Tariff Schedule of the United States (“HTSUS”) under item numbers 7214.20.00, 7228.30.8050, 7222.11.0050, 7222.30.0000, 7228.60.6000, 7228.20.1000, or any other tariff item number. Specifically excluded are plain rounds (*i.e.*, non-deformed or smooth bars) and rebar that has been further processed through bending or coating.

HTSUS subheadings are provided for convenience and customs purposes. The written description of the scope of the order is dispositive.

**Analysis of Comments Received**

All issues raised in this sunset review are addressed in the “Issues and Decision Memorandum for the Sunset Review of the Antidumping Duty Order on Steel Concrete Reinforcing Bars from Latvia; Final Results,” to David M. Spooner, Assistant Secretary for Import Administration, dated March 29, 2007 (“Decision Memo”), which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail if the antidumping duty order were revoked. Parties can find a complete discussion of all issues raised in this sunset review and the corresponding recommendations in this public memorandum, which is on file in room B-099 of the main Department building. In addition, a complete version of the Decision Memo can be accessed directly on the Web at <http://ia.ita.doc.gov/frn/index.html>. The paper copy and electronic version of the Decision Memo are identical in content.

**Final Results of Review**

The Department determines that revocation of the antidumping duty order on rebar from Latvia is likely to lead to a continuation or recurrence of dumping at the following weighted-average margins:

Manufacturers/Producers/Exporters	Weighted-Average Margin (Percentage)
Joint Stock Company Liepajas Metalurgs	17.21
All Others .....	17.21

This notice serves as a final reminder to parties subject to administrative protective order (“APO”) of their responsibility concerning the

disposition of proprietary material disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return/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 sunset review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: March 29, 2007.

**David M. Spooner,**

*Assistant Secretary for Import Administration.*

[FR Doc. E7-6398 Filed 4-4-07; 8:45 am]

**BILLING CODE 3510-DS-S**

**DEPARTMENT OF COMMERCE**

**International Trade Administration  
(C-357-813)**

**Honey from Argentina: Notice of Rescission of Countervailing Duty Administrative Review**

**AGENCY:** Import Administration, International Trade Administration, U.S. Department of Commerce.

**EFFECTIVE DATE:** April 5, 2007.

**FOR FURTHER INFORMATION CONTACT:** Elfi Blum, 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) 482-0197.

**SUPPLEMENTARY INFORMATION:**

**Background**

On December 1, 2006, the Department of Commerce (“the Department”) published a notice of opportunity to request an administrative review of the countervailing duty order on Honey from Argentina. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 71 FR 69543 (December 1, 2006). On December 29, 2006, the American Honey Producers Association and the Sioux Honey Association (petitioners) timely requested that the Department conduct an administrative review of the countervailing duty order on honey from Argentina for the period January 1, 2006 through December 31, 2006. Shortly thereafter, the Department published a notice of the initiation of the countervailing duty administrative review of honey from Argentina for the period January 1, 2006 through December 21, 2006. *See Initiation of Antidumping and Countervailing Duty*

*Administrative Reviews*, 72 FR 5005 (February 2, 2007). On March 9, 2007, petitioners withdrew their request for this administrative review of the countervailing duty order of honey from Argentina. No other party requested an administrative review of this countervailing duty order.

**Rescission of Review**

The Department’s regulations at section 351.213(d)(1) provide that the Department will rescind an administrative review if the party that requested the review withdraws its request for review within 90 days of the date of publication of the notice of initiation of the requested review, or withdraws its request at a later date if the Department determines that it is reasonable to extend the time limit for withdrawing the request. Petitioners, the only requestors of this review, submitted their request for withdrawal in a timely manner. Therefore, the Department is rescinding the administrative review of the countervailing duty order on honey from Argentina for the period January 1, 2006 through December 31, 2006. The Department intends to issue assessment instructions to U.S. Customs and Border Protection within 15 days of publication of this notice.

**Notification Regarding APOs**

This notice also serves as a reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with section 351.305 of the Department’s regulations, which continues to govern business proprietary information in this segment of the proceeding. 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 notice is issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Tariff Act of 1930, as amended, and section 351.213(d)(4) of the Department’s regulations.

Dated: March 30, 2007.

**Stephen J. Claeys,**

*Deputy Assistant Secretary for Import Administration.*

[FR Doc. E7-6385 Filed 4-4-07; 8:45 am]

**BILLING CODE 3510-DS-S**

## **EXPLANATION OF COMMISSION DETERMINATIONS ON ADEQUACY**

in

*Certain Steel Concrete Reinforcing Bar from Belarus, China,  
Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine*

Inv. Nos. 873-875, 877-880 and 882 (Review)

On November 6, 2006, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(3)(B) of the Tariff Act of 1930, as amended, 19 U.S.C. §1675(c)(3)(B).

The Commission unanimously determined that the domestic interested party group response to the notice of institution was inadequate in these reviews. The Commission received responses to the notice of institution filed jointly on behalf of the Rebar Trade Action Coalition, a trade association comprised of domestic producers Nucor Corp., Commercial Metals Co., and Gerdau Ameristeel Corp., and two other domestic producers, Cascade Steel Inc., and TAMCO Steel (collectively “domestic interested parties”). However, domestic interested parties failed to provide individual production or association data as required by the notice of institution and Commission Rule 207.62(a) in their joint response and did not respond to a subsequent request by the Commission to remedy this deficiency. The Commission therefore determined that the domestic interested party individual responses and group response were inadequate.

The Commission received an adequate individual response from the following respondent interested parties: Republican Unitary Enterprise (“Byelorussian Steel Works”), a producer of steel concrete reinforcing bar (“rebar”) in Belarus; Joint Stock Co. Liepajas Metalurgs, a producer of rebar in Latvia; JSCC Moldova Steel Works, a producer of rebar in Moldova; and Mittal Steel Kryvij Rih, a producer and exporter of rebar in Ukraine. Each of these respondent interested parties accounted for a significant share of the production of subject merchandise in their respective countries. Therefore, the Commission found that the respondent interested party group responses were adequate with respect to the orders on rebar from Belarus, Latvia, Moldova, and Ukraine.

The Commission did not receive a response from any respondent interested parties in the reviews concerning subject imports from China, Indonesia, Korea, and Poland. It therefore determined that the respondent interested party group response for these countries was not adequate.

Although the Commission found that the domestic interested parties group response was inadequate in these reviews and that the respondent interested parties group response from China, Indonesia, Korea, and Poland were inadequate, it found that other circumstances warranted conducting full reviews. Specifically, there is a question of whether appropriate circumstances exist to conduct a regional industry analysis in these reviews. The Commission also noted that, while the domestic interested parties’ individual responses were inadequate, producers accounting for a significant share of domestic production expressed their willingness to participate in these reviews by providing information to the Commission. Finally, with respect to China, Indonesia, Korea, and Poland, the Commission voted to conduct full reviews

concerning subject imports from these countries to promote administrative efficiency in light of the Commission's determination to conduct full reviews of orders on subject imports from the other four countries in these grouped reviews. Therefore, the Commission unanimously voted to conduct full reviews in these group reviews.

A record of the Commissioners' votes is available from the Office of the Secretary and at the Commission's web site ([www.usitc.gov](http://www.usitc.gov)).

**APPENDIX B**  
**HEARING WITNESSES**





## CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

**Subject:** Steel Concrete Reinforcing Bar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine

**Inv. Nos.:** 731-TA-873-875, 877-880, and 882 (Review)

**Date and Time:** May 10, 2007 - 9:30 a.m.

Sessions were held in connection with these investigations in the Main Hearing Room, 500 E Street (room 101), SW, Washington, D.C.

### **OPENING REMARKS:**

In Support of Continuation of Orders (**Alan H. Price**,  
Wiley Rein LLP)

In Opposition to Continuation of Orders (**John M. Gurley**,  
Arent Fox LLP; *and* **William E. Perry**, Garvey Schubert Barer)

### **In Support of Continuation of Antidumping Duty Orders:**

Wiley Rein LLP  
Washington, D.C.  
on behalf of

Rebar Trade Action Coalition ("RTAC")  
TAMCO Steel  
Cascade Steel, Inc.

**D. Michael Parrish**, Executive Vice President,  
Nucor Corp.

**In Support of Continuation of  
Antidumping Duty Orders (continued):**

**Louis T. Miller**, Speed Pulpit Operator, Nucor Steel  
Birmingham, Inc.

**Jim Fritsch**, Executive Vice President, CMC Steel Group

**J. Neal McCullochs**, Group Vice President, Gerdau  
Ameristeel

**Martin Koch**, President, Southwestern Suppliers Inc.

**Seth T. Kaplan**, Principal, The Brattle Group

**Alan H. Price** )  
**John R. Shane** ) – OF COUNSEL  
**Daniel B. Pickard** )

**In Opposition to Continuation of  
Antidumping Duty Orders:**

Garvey Schubert Barer  
Washington, D.C.  
on behalf of

Joint Stock Company Liepajas Metalurgs (“LM”)

**Alex Zaharin**, Vice Chairman, LM

**Kirill Polovenko**, IT Director, LM

**David Phelps**, President, American Institute for  
International Steel, Inc.

**William E. Perry** )  
**Ronald M. Wisla** ) – OF COUNSEL

**In Opposition to Continuation of  
Antidumping Duty Orders (continued):**

Arent Fox LLP  
Washington, D.C.  
on behalf of

Mittal Steel Kryvih Rih

**Kenneth R. Button, PhD**, Senior Vice President,  
Economic Consulting Services, LLC

**Jennifer Lutz**, Senior Economist, Economic  
Consulting Services, LLC

**John M. Gurley**  
**Diana Dimitriuc Quaia** ) – OF COUNSEL

Troutman Sanders LLP  
Washington, D.C.  
on behalf of

Hyundai Steel Company (“Hyundai”)

**Donald B. Cameron** ) – OF COUNSEL

**REBUTTAL/CLOSING REMARKS:**

In Support of Continuation of Orders (**Alan H. Price**,  
Wiley Rein LLP)

In Opposition to Continuation of Orders (**John M. Gurley**,  
Arent Fox LLP; *and* **William E. Perry**, Garvey Schubert Barer)



**APPENDIX C**  
**SUMMARY DATA**



Table C-1  
 Rebar: Summary data concerning the total U.S. market, 2001-06

Item	Reported data						Period changes					
	2001	2002	2003	2004	2005	2006	2001-06	2001-02	2002-03	2003-04	2004-05	2005-06
U.S. consumption quantity:												
Amount	7,735,092	7,368,986	8,492,487	8,718,690	8,868,598	9,875,423	27.7	-4.7	15.2	2.7	1.7	11.4
U.S. producers' share (1)	77.6	83.4	88.1	77.2	83.6	75.1	-2.5	5.7	4.7	-10.9	6.5	-8.5
Importers' share (1):												
Belarus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	0.0
China	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	-0.0	0.0	-0.0	-0.0
Korea	1.5	0.0	0.0	0.0	0.1	0.0	-1.5	-1.5	0.0	0.0	0.1	-0.1
Latvia	0.4	0.6	0.6	1.4	0.4	0.0	-0.4	0.2	-0.0	0.8	-1.0	-0.4
Poland	0.3	0.0	0.0	0.1	0.0	0.0	-0.3	-0.3	0.0	0.1	-0.1	0.0
Subtotal	2.3	0.7	0.6	1.5	0.5	0.0	-2.3	-1.7	-0.1	0.9	-1.0	-0.5
All other sources	20.1	16.0	11.3	21.4	15.9	24.9	4.8	-4.1	-4.6	10.0	-5.5	9.0
Total imports	22.4	16.6	11.9	22.8	16.4	24.9	2.5	-5.7	-4.7	10.9	-6.5	8.5
U.S. consumption value:												
Amount	2,000,487	1,873,951	2,394,862	3,920,696	4,128,649	4,957,637	147.8	-6.3	27.8	63.7	5.3	20.1
U.S. producers' share (1)	80.6	85.3	88.2	76.4	85.0	78.1	-2.5	4.7	2.8	-11.8	8.7	-6.9
Importers' share (1):												
Belarus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	0.0
China	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	-0.0	0.0	-0.0	-0.0
Korea	1.3	0.0	0.0	0.0	0.1	0.0	-1.3	-1.3	0.0	0.0	0.1	-0.1
Latvia	0.3	0.6	0.6	1.1	0.4	0.0	-0.3	0.2	0.0	0.5	-0.7	-0.4
Poland	0.3	0.0	0.0	0.1	0.0	0.0	-0.3	-0.3	0.0	0.1	-0.1	0.0
Subtotal	2.0	0.6	0.6	1.1	0.4	0.0	-2.0	-1.3	-0.0	0.5	-0.7	-0.4
All other sources	17.4	14.0	11.2	22.5	14.5	21.9	4.4	-3.4	-2.8	11.3	-7.9	7.3
Total imports	19.4	14.7	11.8	23.6	15.0	21.9	2.5	-4.7	-2.8	11.8	-8.7	6.9
U.S. imports from:												
Belarus:												
Quantity	0	2,820	0	0	0	0	(2)	(2)	-100.0	(2)	(2)	(2)
Value	0	577	0	0	0	0	(2)	(2)	-100.0	(2)	(2)	(2)
Unit value	----	\$205	----	----	----	----	(2)	(2)	(2)	(2)	(2)	(2)
Ending inventory quantity	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)
China:												
Quantity	47	21	0	169	60	3	-92.7	-55.4	-100.0	(2)	-64.1	-94.3
Value	23	13	0	173	18	4	-80.6	-42.4	-100.0	(2)	-89.5	-75.3
Unit value	\$492	\$635	----	\$1,027	\$299	\$1,303	164.9	29.1	(2)	(2)	-70.9	335.5
Ending inventory quantity	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)
Korea:												
Quantity	118,469	0	0	0	5,516	0	-100.0	-100.0	(2)	(2)	(2)	-100.0
Value	26,314	0	0	0	2,262	0	-100.0	-100.0	(2)	(2)	(2)	-100.0
Unit value	\$222	----	----	----	\$410	----	(2)	(2)	(2)	(2)	(2)	(2)
Ending inventory quantity	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)
Latvia:												
Quantity	33,662	45,904	50,522	121,881	36,646	0	-100.0	36.4	10.1	141.2	-69.9	-100.0
Value	6,761	10,720	14,316	42,001	15,059	0	-100.0	58.6	33.5	193.4	-64.1	-100.0
Unit value	\$201	\$234	\$283	\$345	\$411	----	(2)	16.3	21.3	21.6	19.3	(2)
Ending inventory quantity	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)
Poland:												
Quantity	26,884	0	0	7,303	0	129	-99.5	-100.0	(2)	(2)	-100.0	(2)
Value	5,943	0	0	2,789	0	50	-99.2	-100.0	(2)	(2)	-100.0	(2)
Unit value	\$221	----	----	\$382	----	\$387	75.3	(2)	(2)	(2)	(2)	(2)
Ending inventory quantity	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)
Subtotal (subject):												
Quantity	179,061	48,746	50,522	129,352	42,222	133	-99.9	-72.8	3.6	156.0	-67.4	-99.7
Value	39,042	11,310	14,316	44,963	17,339	54	-99.9	-71.0	26.6	214.1	-61.4	-99.7
Unit value	\$218	\$232	\$283	\$348	\$411	\$411	88.6	6.4	22.1	22.7	18.1	0.1
Ending inventory quantity	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)
All other sources:												
Quantity	1,551,751	1,177,809	962,562	1,861,470	1,410,136	2,454,275	58.2	-24.1	-18.3	93.4	-24.2	74.0
Value	348,890	263,224	269,131	881,861	600,627	1,084,640	210.9	-24.6	2.2	227.7	-31.9	80.6
Unit value	\$225	\$223	\$280	\$474	\$426	\$442	96.6	-0.6	25.1	69.4	-10.1	3.8
Ending inventory quantity	22,489	17,440	13,882	68,956	21,575	53,870	139.5	-22.5	-20.4	396.7	-68.7	149.7
All sources:												
Quantity	1,730,812	1,226,554	1,013,084	1,990,822	1,452,358	2,454,407	41.8	-29.1	-17.4	96.5	-27.0	69.0
Value	387,932	274,535	283,447	926,824	617,966	1,084,694	179.6	-29.2	3.2	227.0	-33.3	75.5
Unit value	\$224	\$224	\$280	\$466	\$425	\$442	97.2	-0.1	25.0	66.4	-8.6	3.9
Ending inventory quantity	22,489	17,440	13,882	68,956	21,575	53,870	139.5	-22.5	-20.4	396.7	-68.7	149.7

Table continued on next page.

**Table C-1--Continued**  
**Rebar: Summary data concerning the total U.S. market, 2001-06**

Item	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent except where noted)						Period changes					
	Reported data						Period changes					
	2001	2002	2003	2004	2005	2006	2001-06	2001-02	2002-03	2003-04	2004-05	2005-06
<b>U.S. producers:</b>												
Average capacity quantity	7,886,652	7,993,078	8,424,774	8,154,261	8,367,112	8,615,640	9.2	1.3	5.4	-3.2	2.6	3.0
Production quantity	6,146,866	6,354,037	7,501,223	7,076,073	7,541,574	7,704,871	25.3	3.4	18.1	-5.7	6.6	2.2
Capacity utilization (1)	77.9	79.5	89.0	86.8	90.1	89.4	11.5	1.6	9.5	-2.3	3.4	-0.7
<b>U.S. shipments:</b>												
Quantity	6,004,280	6,142,432	7,479,403	6,727,868	7,416,240	7,421,016	23.6	2.3	21.8	-10.0	10.2	0.1
Value	1,612,555	1,599,417	2,111,414	2,993,872	3,510,682	3,872,943	140.2	-0.8	32.0	41.8	17.3	10.3
Unit value	\$269	\$260	\$282	\$445	\$473	\$522	94.3	-3.0	8.4	57.6	6.4	10.2
<b>Export shipments:</b>												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	601,153	617,597	441,762	619,492	533,925	597,345	-0.6	2.7	-28.5	40.2	-13.8	11.9
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***	***	***	***
Production workers	3,967	3,827	3,897	3,719	3,909	4,066	2.5	-3.5	1.8	-4.6	5.1	4.0
Hours worked (1,000s)	8,438	8,093	8,938	8,149	8,390	8,650	2.5	-4.1	10.4	-8.8	3.0	3.1
Wages paid (\$1,000s)	211,855	215,541	237,579	238,024	265,621	284,103	34.1	1.7	10.2	0.2	11.6	7.0
Hourly wages	\$25.11	\$26.63	\$26.58	\$29.21	\$31.66	\$32.85	30.8	6.1	-0.2	9.9	8.4	3.8
Productivity (tons/1,000 hours)	728.5	785.1	839.3	868.3	898.9	890.8	22.3	7.8	6.9	3.5	3.5	-0.9
Unit labor costs	\$34.47	\$33.92	\$31.67	\$33.64	\$35.22	\$36.87	7.0	-1.6	-6.6	6.2	4.7	4.7
<b>Net sales:</b>												
Quantity	6,190,355	6,338,939	7,615,292	7,016,005	7,533,213	7,742,037	25.1	2.4	20.1	-7.9	7.4	2.8
Value	1,657,996	1,654,343	2,137,694	3,029,572	3,531,181	4,006,813	141.7	-0.2	29.2	41.7	16.6	13.5
Unit value	\$268	\$261	\$281	\$432	\$469	\$518	93.2	-2.6	7.6	53.8	8.6	10.4
Cost of goods sold (COGS)	1,455,311	1,503,097	1,946,966	2,398,760	2,717,517	2,965,198	103.8	3.3	29.5	23.2	13.3	9.1
Gross profit or (loss)	202,685	151,246	190,728	630,812	813,665	1,041,615	413.9	-25.4	26.1	230.7	29.0	28.0
SG&A expenses	92,777	84,938	125,026	164,402	192,145	213,854	130.5	-8.4	47.2	31.5	16.9	11.3
Operating income or (loss)	109,908	66,308	65,702	466,410	621,520	827,761	653.1	-39.7	-0.9	609.9	33.3	33.2
Capital expenditures	61,609	43,782	70,159	84,896	128,049	146,048	137.1	-28.9	60.2	21.0	50.8	14.1
Unit COGS	\$235	\$237	\$256	\$342	\$361	\$383	62.9	0.9	7.8	33.7	5.5	6.2
Unit SG&A expenses	\$15	\$13	\$16	\$23	\$26	\$28	84.3	-10.6	22.5	42.7	8.9	8.3
Unit operating income or (loss)	\$18	\$10	\$9	\$66	\$83	\$107	502.2	-41.1	-17.5	670.5	24.1	29.6
COGS/sales (1)	87.8	90.9	91.1	79.2	77.0	74.0	-13.8	3.1	0.2	-11.9	-2.2	-3.0
Operating income or (loss)/ sales (1)	6.6	4.0	3.1	15.4	17.6	20.7	14.0	-2.6	-0.9	12.3	2.2	3.1

(1) "Reported data" are in percent and "period changes" are in percentage points.  
(2) Not applicable.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures. No imports from Indonesia, Moldova, or Ukraine were reported during the period.

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



**Table C-2**  
**Rebar: Summary data concerning the U.S. market within the specified region, 2001-06**

Item	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent except where noted)											
	Reported data						Period changes					
	2001	2002	2003	2004	2005	2006	2001-06	2001-02	2002-03	2003-04	2004-05	2005-06
<b>U.S. consumption quantity:</b>												
Amount	5,560,169	5,354,127	5,959,510	6,294,675	6,391,058	7,201,337	29.5	-3.7	11.3	5.6	1.5	12.7
<b>U.S. producers' share (1):</b>												
Regional producers	71.5	75.7	80.6	70.3	76.7	69.4	-2.1	4.3	4.8	-10.3	6.4	-7.3
Outside producers	2.6	2.8	3.7	2.7	3.7	2.6	0.0	0.2	0.9	-1.0	1.0	-1.1
Total U.S. producers	74.1	78.6	84.2	72.9	80.4	72.0	-2.1	4.5	5.7	-11.3	7.4	-8.4
<b>Importers' share (1):</b>												
Belarus	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	-0.1	0.0	0.0	0.0
China	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	-0.0	0.0	0.0	-0.0
Korea	1.5	0.0	0.0	0.0	0.0	0.0	-1.5	-1.5	0.0	0.0	0.0	0.0
Latvia	0.6	0.9	0.8	1.9	0.6	0.0	-0.6	0.3	-0.0	1.1	-1.4	-0.6
Poland	0.5	0.0	0.0	0.1	0.0	0.0	-0.5	-0.5	0.0	0.1	-0.1	0.0
Subtotal	2.6	0.9	0.8	2.0	0.6	0.0	-2.6	-1.7	-0.1	1.2	-1.5	-0.6
All other sources	23.3	20.5	14.9	25.0	19.0	28.0	4.6	-2.8	-5.6	10.1	-6.0	8.9
Total imports	25.9	21.4	15.8	27.1	19.6	28.0	2.1	-4.5	-5.7	11.3	-7.4	8.4
<b>U.S. consumption value:</b>												
Amount	1,415,257	1,346,810	1,666,355	2,821,376	2,922,359	3,558,746	151.5	-4.8	23.7	69.3	3.6	21.8
<b>U.S. producers' share (1):</b>												
Regional producers	74.2	77.8	80.2	69.2	77.8	72.1	-2.0	3.6	2.4	-11.0	8.6	-5.7
Outside producers	3.0	3.2	4.1	2.7	3.9	2.8	-0.2	0.2	0.9	-1.4	1.1	-1.1
Total U.S. producers	77.2	81.0	84.4	71.9	81.7	74.9	-2.3	3.8	3.4	-12.4	9.8	-6.8
<b>Importers' share (1):</b>												
Belarus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.0	0.0	0.0
China	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	-0.0	0.0	-0.0	-0.0
Korea	1.3	0.0	0.0	0.0	0.0	0.0	-1.3	-1.3	0.0	0.0	0.0	0.0
Latvia	0.5	0.8	0.9	1.5	0.5	0.0	-0.5	0.3	0.1	0.6	-1.0	-0.5
Poland	0.4	0.0	0.0	0.1	0.0	0.0	-0.4	-0.4	0.0	0.1	-0.1	0.0
Subtotal	2.2	0.8	0.9	1.6	0.5	0.0	-2.2	-1.4	0.0	0.7	-1.1	-0.5
All other sources	20.6	18.2	14.8	26.5	17.8	25.1	4.5	-2.4	-3.4	11.7	-8.7	7.3
Total imports	22.8	19.0	15.6	28.1	18.3	25.1	2.3	-3.8	-3.4	12.4	-9.8	6.8
<b>U.S. imports into the region from:</b>												
<b>Belarus:</b>												
Quantity	0	2,820	0	0	0	0	(2)	(2)	-100.0	(2)	(2)	(2)
Value	0	577	0	0	0	0	(2)	(2)	-100.0	(2)	(2)	(2)
Unit value	----	\$205	----	----	----	----	(2)	(2)	(2)	(2)	(2)	(2)
<b>China:</b>												
Quantity	47	21	0	15	43	0	-100.0	-55.4	-100.0	(2)	186.4	-100.0
Value	23	13	0	15	13	0	-100.0	-42.4	-100.0	(2)	-12.4	-100.0
Unit value	\$492	\$635	----	\$1,011	\$309	----	(2)	29.1	(2)	(2)	-69.4	(2)
<b>Korea:</b>												
Quantity	84,188	0	0	0	0	0	-100.0	-100.0	(2)	(2)	(2)	(2)
Value	18,688	0	0	0	0	0	-100.0	-100.0	(2)	(2)	(2)	(2)
Unit value	\$222	----	----	----	----	----	(2)	(2)	(2)	(2)	(2)	(2)
<b>Latvia:</b>												
Quantity	33,662	45,904	50,522	121,881	36,646	0	-100.0	36.4	10.1	141.2	-69.9	-100.0
Value	6,761	10,720	14,316	42,001	15,059	0	-100.0	58.6	33.5	193.4	-64.1	-100.0
Unit value	\$201	\$234	\$283	\$345	\$411	----	(2)	16.3	21.3	21.6	19.3	(2)
<b>Poland:</b>												
Quantity	26,553	0	0	6,927	0	129	-99.5	-100.0	(2)	(2)	-100.0	(2)
Value	5,779	0	0	2,254	0	50	-99.1	-100.0	(2)	(2)	-100.0	(2)
Unit value	\$218	----	----	\$325	----	\$387	78.0	(2)	(2)	(2)	(2)	(2)
<b>Subtotal (subject):</b>												
Quantity	144,449	48,746	50,522	128,823	36,688	129	-99.9	-66.3	3.6	155.0	-71.5	-99.6
Value	31,251	11,310	14,316	44,270	15,073	50	-99.8	-63.8	26.6	209.2	-66.0	-99.7
Unit value	\$216	\$232	\$283	\$344	\$411	\$387	79.1	7.2	22.1	21.3	19.5	-5.7
<b>All other sources:</b>												
Quantity	1,296,320	1,099,441	888,404	1,574,058	1,216,390	2,013,740	55.3	-15.2	-19.2	77.2	-22.7	65.6
Value	291,353	244,537	246,135	747,255	518,875	892,702	206.4	-16.1	0.7	203.6	-30.6	72.0
Unit value	\$225	\$222	\$277	\$475	\$427	\$443	97.2	-1.0	24.6	71.4	-10.1	3.9
<b>All sources:</b>												
Quantity	1,440,769	1,148,186	938,926	1,702,880	1,253,079	2,013,869	39.8	-20.3	-18.2	81.4	-26.4	60.7
Value	322,605	255,848	260,452	791,525	533,948	892,752	176.7	-20.7	1.8	203.9	-32.5	67.2
Unit value	\$224	\$223	\$277	\$465	\$426	\$443	98.0	-0.5	24.5	67.6	-8.3	4.0

Table continued on next page.

**Table C-2--Continued**  
**Rebar: Summary data concerning the U.S. market within the specified region, 2001-06**

Item	Reported data						Period changes					
	2001	2002	2003	2004	2005	2006	2001-06	2001-02	2002-03	2003-04	2004-05	2005-06
U.S. regional producers':												
Average capacity quantity . . . . .	5,551,138	5,687,574	5,866,111	5,760,559	5,863,662	6,116,290	10.2	2.5	3.1	-1.8	1.8	4.3
Production quantity . . . . .	4,252,563	4,472,788	5,089,855	4,897,577	5,195,599	5,426,079	27.6	5.2	13.8	-3.8	6.1	4.4
Capacity utilization (1) . . . . .	76.6	78.6	86.8	85.0	88.6	88.7	12.1	2.0	8.1	-1.7	3.6	0.1
U.S. shipments within the region:												
Quantity . . . . .	3,973,962	4,055,496	4,802,331	4,423,373	4,901,788	4,998,517	25.8	2.1	18.4	-7.9	10.8	2.0
Value . . . . .	1,049,843	1,047,928	1,337,181	1,952,326	2,274,582	2,567,108	144.5	-0.2	27.6	46.0	16.5	12.9
Unit value . . . . .	\$264	\$258	\$278	\$441	\$464	\$514	94.4	-2.2	7.8	58.5	5.1	10.7
U.S. shipments outside the region:												
Quantity . . . . .	328,409	340,383	384,011	370,460	341,984	376,581	14.7	3.6	12.8	-3.5	-7.7	10.1
Value . . . . .	90,046	89,352	108,524	163,724	164,493	203,004	125.4	-0.8	21.5	50.9	0.5	23.4
Unit value . . . . .	\$274	\$263	\$283	\$442	\$481	\$539	96.6	-4.3	7.7	56.4	8.8	12.1
Export shipments:												
Quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***
Value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***
Unit value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity . . . . .	366,847	428,665	325,883	426,645	366,923	414,605	13.0	16.9	-24.0	30.9	-14.0	13.0
Inventories/total shipments (1) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***
Production workers . . . . .	2,635	2,609	2,590	2,482	2,593	2,739	3.9	-1.0	-0.7	-4.2	4.5	5.6
Hours worked (1,000s) . . . . .	5,617	5,559	5,905	5,632	5,611	6,052	7.7	-1.0	6.2	-4.6	-0.4	7.8
Wages paid (\$1,000s) . . . . .	134,824	139,834	150,379	154,854	165,826	184,669	37.0	3.7	7.5	3.0	7.1	11.4
Hourly wages . . . . .	\$24.00	\$25.15	\$25.47	\$27.50	\$29.55	\$30.52	27.1	4.8	1.2	8.0	7.5	3.3
Productivity (tons/1,000 hours) . . . . .	757.1	804.6	862.0	869.6	926.0	896.7	18.4	6.3	7.1	0.9	6.5	-3.2
Unit labor costs . . . . .	\$31.70	\$31.26	\$29.54	\$31.62	\$31.92	\$34.03	7.3	-1.4	-5.5	7.0	0.9	6.6
Net sales:												
Quantity . . . . .	4,314,344	4,412,317	5,130,869	4,914,478	5,161,392	5,478,984	27.0	2.3	16.3	-4.2	5.0	6.2
Value . . . . .	1,137,102	1,144,308	1,414,388	2,074,882	2,365,696	2,789,490	145.3	0.6	23.6	46.7	14.0	17.9
Unit value . . . . .	\$264	\$259	\$276	\$422	\$458	\$509	93.2	-1.6	6.3	53.2	8.6	11.1
Cost of goods sold (COGS) . . . . .	1,009,807	1,039,787	1,299,180	1,668,707	1,825,527	2,075,643	105.5	3.0	24.9	28.4	9.4	13.7
Gross profit or (loss) . . . . .	127,295	104,521	115,208	406,175	540,170	713,847	460.8	-17.9	10.2	252.6	33.0	32.2
SG&A expenses . . . . .	74,139	67,258	104,823	141,204	159,781	185,135	149.7	-9.3	55.9	34.7	13.2	15.9
Operating income or (loss) . . . . .	53,156	37,263	10,385	264,971	380,389	528,712	894.6	-29.9	-72.1	2451.4	43.6	39.0
Capital expenditures . . . . .	41,378	37,686	61,872	69,110	108,742	114,695	177.2	-8.9	64.2	11.7	57.3	5.5
Unit COGS . . . . .	\$234	\$236	\$253	\$340	\$354	\$379	61.9	0.7	7.4	34.1	4.2	7.1
Unit SG&A expenses . . . . .	\$17	\$15	\$20	\$29	\$31	\$34	96.6	-11.3	34.0	40.6	7.7	9.2
Unit operating income or (loss) . . . . .	\$12	\$8	\$2	\$54	\$74	\$96	683.2	-31.5	-76.0	2563.8	36.7	30.9
COGS/sales (1) . . . . .	88.8	90.9	91.9	80.4	77.2	74.4	-14.4	2.1	1.0	-11.4	-3.3	-2.8
Operating income or (loss)/ sales (1) . . . . .	4.7	3.3	0.7	12.8	16.1	19.0	14.3	-1.4	-2.5	12.0	3.3	2.9
U.S. shipments into the region by outside U.S. producers:												
Quantity . . . . .	145,438	150,445	218,253	168,422	236,191	188,951	29.9	3.4	45.1	-22.8	40.2	-20.0
Value . . . . .	42,810	43,034	68,723	77,524	113,829	98,886	131.0	0.5	59.7	12.8	46.8	-13.1
Unit value . . . . .	\$294	\$286	\$315	\$460	\$482	\$523	77.8	-2.8	10.1	46.2	4.7	8.6

(1) "Reported data" are in percent and "period changes" are in percentage points.  
(2) Not applicable.

Note1.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures. No imports from Indonesia, Moldova, or Ukraine were reported during the period.

Note2.--The specified region includes 30 states (Alabama, Arkansas, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, West Virginia, and Wisconsin), plus Puerto Rico and the District of Columbia.

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

Table C-3  
 Rebar: Summary data concerning the U.S. market outside the specified region, 2001-06

Item	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent except where noted)						Period changes					
	Reported data											
	2001	2002	2003	2004	2005	2006	2001-06	2001-02	2002-03	2003-04	2004-05	2005-06
U.S. consumption quantity:												
Amount	2,174,923	2,014,859	2,532,977	2,424,015	2,477,540	2,674,086	23.0	-7.4	25.7	-4.3	2.2	7.9
U.S. producers' share (1):												
Regional producers	15.1	16.9	15.2	15.3	13.8	14.1	-1.0	1.8	-1.7	0.1	-1.5	0.3
Outside producers	71.6	79.2	81.9	72.8	78.2	69.4	-2.1	7.7	2.7	-9.1	5.3	-8.7
Total U.S. producers	86.7	96.1	97.1	88.1	92.0	83.5	-3.1	9.4	1.0	-9.0	3.8	-8.4
Importers' share (1):												
Belarus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
China	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0
Korea	1.6	0.0	0.0	0.0	0.2	0.0	-1.6	-1.6	0.0	0.0	0.2	-0.2
Latvia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Poland	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	0.0	0.0	-0.0	0.0
Subtotal	1.6	0.0	0.0	0.0	0.2	0.0	-1.6	-1.6	0.0	0.0	0.2	-0.2
All other sources	11.7	3.9	2.9	11.9	7.8	16.5	4.7	-7.9	-1.0	8.9	-4.0	8.7
Total imports	13.3	3.9	2.9	11.9	8.0	16.5	3.1	-9.4	-1.0	9.0	-3.8	8.4
U.S. consumption value:												
Amount	585,231	527,142	728,506	1,099,321	1,206,289	1,398,892	139.0	-9.9	38.2	50.9	9.7	16.0
U.S. producers' share (1):												
Regional producers	15.4	17.0	14.9	14.9	13.6	14.5	-0.9	1.6	-2.1	-0.0	-1.3	0.9
Outside producers	73.5	79.5	81.9	72.8	79.4	71.8	-1.7	6.1	2.4	-9.1	6.6	-7.6
Total U.S. producers	88.8	96.5	96.8	87.7	93.0	86.3	-2.6	7.6	0.4	-9.2	5.3	-6.8
Importers' share (1):												
Belarus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
China	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0
Korea	1.3	0.0	0.0	0.0	0.2	0.0	-1.3	-1.3	0.0	0.0	0.2	-0.2
Latvia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Poland	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0	0.0	0.0	-0.0	0.0
Subtotal	1.3	0.0	0.0	0.1	0.2	0.0	-1.3	-1.3	0.0	0.1	0.1	-0.2
All other sources	9.8	3.5	3.2	12.2	6.8	13.7	3.9	-6.3	-0.4	9.1	-5.5	6.9
Total imports	11.2	3.5	3.2	12.3	7.0	13.7	2.6	-7.6	-0.4	9.2	-5.3	6.8
U.S. imports outside the region from:												
Belarus:												
Quantity	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)
Value	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)
Unit value	----	----	----	----	----	----	(2)	(2)	(2)	(2)	(2)	(2)
China:												
Quantity	0	0	0	154	18	3	(2)	(2)	(2)	(2)	-88.4	-80.8
Value	0	0	0	158	5	4	(2)	(2)	(2)	(2)	-96.9	-9.0
Unit value	----	----	----	\$1,029	\$275	\$1,303	(2)	(2)	(2)	(2)	-73.3	374.0
Korea:												
Quantity	34,281	0	0	0	5,516	0	-100.0	-100.0	(2)	(2)	(2)	-100.0
Value	7,626	0	0	0	2,262	0	-100.0	-100.0	(2)	(2)	(2)	-100.0
Unit value	\$222	----	----	----	\$410	----	(2)	(2)	(2)	(2)	(2)	(2)
Latvia:												
Quantity	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)
Value	0	0	0	0	0	0	(2)	(2)	(2)	(2)	(2)	(2)
Unit value	----	----	----	----	----	----	(2)	(2)	(2)	(2)	(2)	(2)
Poland:												
Quantity	331	0	0	376	0	0	-100.0	-100.0	(2)	(2)	-100.0	(2)
Value	164	0	0	534	0	0	-100.0	-100.0	(2)	(2)	-100.0	(2)
Unit value	\$496	----	----	\$1,421	----	----	(2)	(2)	(2)	(2)	(2)	(2)
Subtotal (subject):												
Quantity	34,612	0	0	530	5,534	3	-100.0	-100.0	(2)	(2)	944.9	-99.9
Value	7,790	0	0	692	2,267	4	-99.9	-100.0	(2)	(2)	227.3	-99.8
Unit value	\$225	----	----	\$1,308	\$410	\$1,303	479.1	(2)	(2)	(2)	-68.7	218.2
All other sources:												
Quantity	255,431	78,368	74,158	287,412	193,745	440,535	72.5	-69.3	-5.4	287.6	-32.6	127.4
Value	57,537	18,687	22,996	134,606	81,752	191,938	233.6	-67.5	23.1	485.4	-39.3	134.8
Unit value	\$225	\$238	\$310	\$468	\$422	\$436	93.4	5.9	30.0	51.0	-9.9	3.3
All sources:												
Quantity	290,043	78,368	74,158	287,942	199,279	440,538	51.9	-73.0	-5.4	288.3	-30.8	121.1
Value	65,327	18,687	22,996	135,299	84,019	191,943	193.8	-71.4	23.1	488.4	-37.9	128.5
Unit value	\$225	\$238	\$310	\$470	\$422	\$436	93.4	5.9	30.0	51.5	-10.3	3.3

Table continued on next page.

Table C-3--Continued

Rebar: Summary data concerning the U.S. market outside the specified region, 2001-06

Item	(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent except where noted)						Period changes					
	Reported data											
	2001	2002	2003	2004	2005	2006	2001-06	2001-02	2002-03	2003-04	2004-05	2005-06
U.S. outside producers <sup>1</sup> :												
Average capacity quantity . . . . .	2,335,514	2,305,504	2,558,663	2,393,702	2,503,450	2,499,350	7.0	-1.3	11.0	-6.4	4.6	-0.2
Production quantity . . . . .	1,894,303	1,881,249	2,411,368	2,178,496	2,345,975	2,278,792	20.3	-0.7	28.2	-9.7	7.7	-2.9
Capacity utilization (1) . . . . .	81.1	81.6	94.2	91.0	93.7	91.2	10.1	0.5	12.6	-3.2	2.7	-2.5
U.S. shipments within the region:												
Quantity . . . . .	145,438	150,445	218,253	168,422	236,191	188,951	29.9	3.4	45.1	-22.8	40.2	-20.0
Value . . . . .	42,810	43,034	68,723	77,524	113,829	98,886	131.0	0.5	59.7	12.8	46.8	-13.1
Unit value . . . . .	\$294	\$286	\$315	\$460	\$482	\$523	77.8	-2.8	10.1	46.2	4.7	8.6
U.S. shipments outside the region:												
Quantity . . . . .	1,556,471	1,596,108	2,074,808	1,765,613	1,936,277	1,856,967	19.3	2.5	30.0	-14.9	9.7	-4.1
Value . . . . .	429,857	419,103	596,987	800,298	957,777	1,003,945	133.6	-2.5	42.4	34.1	19.7	4.8
Unit value . . . . .	\$276	\$263	\$288	\$453	\$495	\$541	95.8	-4.9	9.6	57.5	9.1	9.3
Export shipments:												
Quantity . . . . .	***	***	***	***	***	***	***	***	***	***	***	***
Value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***
Unit value . . . . .	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity . . . . .	234,306	188,932	115,879	192,847	167,002	182,740	-22.0	-19.4	-38.7	66.4	-13.4	9.4
Inventories/total shipments (1) . . . . .	***	***	***	***	***	***	***	***	***	***	***	***
Production workers . . . . .	1,332	1,218	1,307	1,237	1,316	1,327	-0.4	-8.6	7.3	-5.4	6.4	0.8
Hours worked (1,000s) . . . . .	2,821	2,534	3,033	2,517	2,779	2,598	-7.9	-10.2	19.7	-17.0	10.4	-6.5
Wages paid (\$1,000s) . . . . .	77,031	75,707	87,200	83,170	99,795	99,434	29.1	-1.7	15.2	-4.6	20.0	-0.4
Hourly wages . . . . .	\$27.31	\$29.88	\$28.75	\$33.04	\$35.91	\$38.27	40.2	9.4	-3.8	14.9	8.7	6.6
Productivity (tons/1,000 hours) . . . . .	671.5	742.4	795.0	865.5	844.2	877.1	30.6	10.6	7.1	8.9	-2.5	3.9
Unit labor costs . . . . .	\$40.66	\$40.24	\$36.16	\$38.18	\$42.54	\$43.63	7.3	-1.0	-10.1	5.6	11.4	2.6
Net sales:												
Quantity . . . . .	1,876,011	1,926,622	2,484,423	2,101,527	2,371,821	2,263,053	20.6	2.7	29.0	-15.4	12.9	-4.6
Value . . . . .	520,894	510,035	723,306	954,690	1,165,485	1,217,323	133.7	-2.1	41.8	32.0	22.1	4.4
Unit value . . . . .	\$278	\$265	\$291	\$454	\$491	\$538	93.7	-4.7	10.0	56.0	8.2	9.5
Cost of goods sold (COGS) . . . . .	445,504	463,310	647,786	730,053	891,990	889,555	99.7	4.0	39.8	12.7	22.2	-0.3
Gross profit or (loss) . . . . .	75,390	46,725	75,520	224,637	273,495	327,768	334.8	-38.0	61.6	197.5	21.7	19.8
SG&A expenses . . . . .	18,638	17,680	20,203	23,198	32,364	28,719	54.1	-5.1	14.3	14.8	39.5	-11.3
Operating income or (loss) . . . . .	56,752	29,045	55,317	201,439	241,131	299,049	426.9	-48.8	90.5	264.2	19.7	24.0
Capital expenditures . . . . .	20,231	6,097	8,287	15,785	19,307	31,352	55.0	-69.9	35.9	90.5	22.3	62.4
Unit COGS . . . . .	\$237	\$240	\$261	\$347	\$376	\$393	65.5	1.3	8.4	33.2	8.3	4.5
Unit SG&A expenses . . . . .	\$10	\$9	\$8	\$11	\$14	\$13	27.7	-7.6	-11.4	35.7	23.6	-7.0
Unit operating income or (loss) . . . . .	\$30	\$15	\$22	\$96	\$102	\$132	336.8	-50.2	47.7	330.5	6.1	30.0
COGS/sales (1) . . . . .	85.5	90.8	89.6	76.5	76.5	73.1	-12.5	5.3	-1.3	-13.1	0.1	-3.5
Operating income or (loss)/ sales (1) . . . . .	10.9	5.7	7.6	21.1	20.7	24.6	13.7	-5.2	2.0	13.5	-0.4	3.9
U.S. shipments outside the region by inside U.S. producers:												
Quantity . . . . .	328,409	340,383	384,011	370,460	341,984	376,581	14.7	3.6	12.8	-3.5	-7.7	10.1
Value . . . . .	90,046	89,352	108,524	163,724	164,493	203,004	125.4	-0.8	21.5	50.9	0.5	23.4
Unit value . . . . .	\$274	\$263	\$283	\$442	\$481	\$539	96.6	-4.3	7.7	56.4	8.8	12.1

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Not applicable.

Note1.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures. No imports from Indonesia, Moldova, or Ukraine were reported during the period.

Note2.--Outside the specified region includes 20 states (Alaska, Arizona, California, Colorado, Hawaii, Idaho, Iowa, Kansas, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, and Wyoming), plus the U.S. Virgin Islands.

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

**APPENDIX D**

**RESPONSES OF U.S. PRODUCERS, U.S. IMPORTERS,  
U.S. PURCHASERS, AND FOREIGN PRODUCERS  
CONCERNING THE SIGNIFICANCE  
OF THE ANTIDUMPING DUTY ORDERS AND  
THE LIKELY EFFECTS OF REVOCATION**



**U.S. PRODUCERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE  
ANTIDUMPING DUTY ORDERS AND THE LIKELY EFFECTS OF REVOCATION**

**The Commission requested U.S. producers to describe any anticipated changes to the character of their operations or organization inside the region relating to the production of rebar in the future if the antidumping duty orders covering imports of rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine were revoked. (Question II-8a.) The following are quotations from the responses of producers.**

**Chaparral**

\*\*\*.

**CMC**

\*\*\*.

**Gerdau**

\*\*\*.

**Nucor**

\*\*\*.

**SDI**

\*\*\*.

**The Commission requested U.S. producers to describe any anticipated changes to the character of their operations or organization outside the region relating to the production of rebar in the future if the antidumping duty orders covering imports of rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine were revoked. (Question II-8b.) The following are quotations from the responses of producers.**

**Cascade**

\*\*\*.

**CMC**

\*\*\*.

**Gerdau**

\*\*\*.

**TAMCO**

\*\*\*.

**The Commission requested U.S. producers to describe the significance of the existing antidumping order covering imports of rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine in terms of their effect on their firms' production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values inside the region. (Question II-9a.) The following are quotations from the responses of producers.**

**Chaparral**

\*\*\*.

**CMC**

\*\*\*.

**Gerdau**

\*\*\*.

**Nucor**

\*\*\*.

**SDI**

\*\*\*.

**The Commission requested U.S. producers to describe the significance of the existing antidumping order covering imports of rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine in terms of their effect on their firms' production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values outside the region. (Question II-9b.) The following are quotations from the responses of producers.**

**Cascade**

\*\*\*.

**Gerdau**

\*\*\*.

**TAMCO**

\*\*\*.



**The Commission requested U.S. producers to describe any anticipated changes in their production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values relating to the production of rebar inside the region in the future if the existing antidumping duty order was revoked. (Question II-10a.) The following are quotations from the responses of producers.**

**Chaparral**

\*\*\*.

**CMC**

\*\*\*.

**Gerdau**

\*\*\*.

**Nucor**

\*\*\*.

**SDI**

\*\*\*.

**The Commission requested U.S. producers to describe any anticipated changes in their production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values relating to the production of rebar outside the region in the future if the existing antidumping duty order was revoked. (Question II-10b.) The following are quotations from the responses of producers.**

**Cascade**

\*\*\*.

**CMC**

\*\*\*.

**Gerdau**

\*\*\*.

**TAMCO**

\*\*\*.

**U.S. IMPORTERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE  
ANTIDUMPING DUTY ORDERS AND THE LIKELY  
EFFECTS OF REVOCATION**

**The Commission requested importers to describe any anticipated changes to the character of their operations or organization relating to the importation of rebar in the future if the antidumping duty orders covering imports of rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine were revoked. (Question II-4.) The following are quotations from the responses of importers inside the region.**

**Arcelor**

\*\*\*.

**CCC Steel**

\*\*\*.

**CMC**

\*\*\*.

**Duferco**

\*\*\*.

**Ferromontan**

\*\*\*.

**Global Market**

\*\*\*.

**Man Ferrostaal**

\*\*\*.

**Mitsui**

\*\*\*.

**Rio Grande**

\*\*\*.

**SEBA**

\*\*\*.

**S & P**

\*\*\*.

**Stemcor**

\*\*\*.

**TATA**

\*\*\*.

**Thyssen Krupp**

\*\*\*.

**Voest-Alpine**

\*\*\*.

**The Commission requested importers to describe any anticipated changes to the character of their operations or organization relating to the importation of rebar in the future if the antidumping duty orders covering imports of rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine were revoked. (Question II-4.) The following are quotations from the responses of importers outside the region.**

**Cargill**

\*\*\*.

**Century**

\*\*\*.

**Dongkuk**

\*\*\*.

**Metalsamerica**

\*\*\*.

**The Commission requested importers to describe the significance of the existing antidumping duty orders covering imports of rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine in terms of their effect on their imports, U.S. shipments of imports, and inventories. (Question II-12.) The following are quotations from the responses of importers inside the region.**

**Arcelor**

\*\*\*.

**CCC Steel**

\*\*\*.

**CMC**

\*\*\*.

**Duferco**

\*\*\*.

**Ferromontan**

\*\*\*.

**Global Market**

\*\*\*.

**Man Ferrostaal Co.**

\*\*\*.

**Mitsui**

\*\*\*.

**Rio Grande**

\*\*\*.

**SEBA**

\*\*\*.

**S & P**

\*\*\*.

**Stemcor**

\*\*\*.

**TATA**

\*\*\*.

**Thyssen Krupp**

\*\*\*.

**Voest-Alpine**

\*\*\*.

**The Commission requested importers to describe the significance of the existing antidumping duty orders covering imports of rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine in terms of their effect on their imports, U.S. shipments of imports, and inventories. (Question II-12.) The following are quotations from the responses of importers outside the region.**

**Cargill**

\*\*\*.

**Century**

\*\*\*.

**Dongkuk**

\*\*\*.

**Metalsamerica**

\*\*\*.

**The Commission requested importers to describe any anticipated changes in their imports, U.S. shipments of imports, or inventories of rebar in the future if the existing antidumping duty orders were revoked. (Question II-13.) The following are quotations from the responses of importers inside the region.**

**Arcelor**

\*\*\*.

**CCC Steel**

\*\*\*.

**CMC**

\*\*\*.

**Duferco**

\*\*\*.

**Ferromontan**

\*\*\*.

**Global Market**

\*\*\*.

**Man Ferrostaal**

\*\*\*.

**Mitsui**

\*\*\*.

**Rio Grande**

\*\*\*.

**SEBA**

\*\*\*.

**S & P**

\*\*\*.

**Stemcor**

\*\*\*.

**TATA**

\*\*\*.

**Thyssen Krupp**

\*\*\*.

**Voest-Alpine**

\*\*\*.

**The Commission requested importers to describe any anticipated changes in their imports, U.S. shipments of imports, or inventories of rebar in the future if the existing antidumping duty orders were revoked. (Question II-13.) The following are quotations from the responses of importers outside the region.**

**Cargill**

\*\*\*.

**Century**

\*\*\*.

**Dongkuk**

\*\*\*.

**Metalsamerica**

\*\*\*.

**U.S. PURCHASERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE  
ANTIDUMPING DUTY ORDERS AND THE LIKELY EFFECTS OF REVOCATION**

The Commission asked U.S. purchasers to comment on the likely effects of any revocation of the antidumping orders covering rebar from Belarus, China, Korea, Latvia, Indonesia, Moldova, Poland, and Ukraine in terms of (1) the purchaser's future activities, (2) the U.S. market as a whole. Their responses are as follows.

\* \* \* \* \*

**FOREIGN PRODUCERS' COMMENTS REGARDING THE SIGNIFICANCE OF THE  
ANTIDUMPING DUTY ORDERS AND THE LIKELY EFFECTS OF REVOCATION**

The Commission requested foreign producers to describe any anticipated changes to the character of their operations or organization relating to the production of rebar in the future if the antidumping order covering imports of rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine was revoked. (Question II-3.) The following summarizes the answers of firms.

**BMZ**

\*\*\*.

**Hyundai**

\*\*\*.

**LM**

\*\*\*.

**MSKR**

\*\*\*.

**MSW**

\*\*\*.

**The Commission requested foreign producers to identify export markets other than the United States that have been developed as a result of the antidumping duty order from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine. (Question II-13.) The following are quotations from the responses of foreign producers.**

**BMZ**

\*\*\*.

**Hyundai**

\*\*\*.

**LM**

\*\*\*.

**MSKR**

\*\*\*.

**MSW**

\*\*\*.

**The Commission requested foreign producers to describe the significance of the existing antidumping duty order covering imports of rebar from Belarus, China, Indonesia, Korea, Latvia, Moldova, Poland, and Ukraine in terms of their effect on their firms' production capacity, production, home market shipments, exports to the United States and other markets, and inventories. (Question II-14.) The following are quotations from the responses of foreign producers.**

**BMZ**

\*\*\*.

**Hyundai**

\*\*\*.

**LM**

\*\*\*.

**MSKR**

\*\*\*.

**MSW**

\*\*\*.



**The Commission requested foreign producers to describe any anticipated changes in their production capacity, production, home market shipments, exports to the United States and other markets, or inventories relating to the production of rebar in the future if the existing antidumping duty order was revoked. (Question II-15.) The following are quotations from the responses of foreign producers.**

**BMZ**

\*\*\*.

**Hyundai**

\*\*\*.

**LM**

\*\*\*.

**MSKR**

\*\*\*.

**MSW**

\*\*\*.



**APPENDIX E**  
**COMPANY-SPECIFIC TRADE DATA**



**Table E-1**

**Rebar: U.S. producers' capacity, production, and capacity utilization, by mills and by region, 2001-06**

\* \* \* \* \*

**Table E-2**

**Rebar: U.S. producers' total U.S. shipments, by mills and by region, 2001-06**

\* \* \* \* \*

**Table E-3**

**Rebar: U.S. producers' U.S. shipments within the region, by mills and by region, 2001-06**

\* \* \* \* \*

**Table E-4**

**Rebar: U.S. producers' U.S. shipments outside the region, by mills and by region, 2001-06**

\* \* \* \* \*

**Table E-5**

**Rebar: U.S. producers' end-of-period inventories, by mills and by region, 2001-06**

\* \* \* \* \*

**Table E-6**

**Rebar: U.S. producers' employment-related indicators, by mills and by region, 2001-06**

\* \* \* \* \*



**APPENDIX F**

**RANKING BY OPERATING INCOME MARGINS OF U.S. PRODUCERS OF  
REBAR WITHIN AND OUTSIDE THE SPECIFIED REGION**





**Table F-1**

**Rebar: Ranking of U.S. producers within the specified region by operating income margin, by mills, calendar and fiscal years 2001-06**

\* \* \* \* \*

**Table F-2**

**Rebar: Ranking of U.S. producers outside the specified region by operating income margin, by mills, calendar and fiscal years 2001-06**

\* \* \* \* \*



**APPENDIX G**

**DATA CONCERNING IMPORTS REPORTED BY U.S. IMPORTERS**



**Table G-1**  
**Rebar: U.S. imports reported by U.S. importers, by sources and destinations, 2001-06**

Item	2001	2002	2003	2004	2005	2006
<b>Quantity (short tons)</b>						
Imports from China to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
Imports from Korea to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
Imports from Latvia to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
Imports from Poland to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
Imports from subject sources to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
Imports from all other sources to destinations--						
Inside the region	957,258	858,975	677,333	1,322,362	774,208	1,390,285
Outside the region	113,282	56,039	39,127	218,910	195,812	362,051
Total	1,070,539	915,013	716,460	1,541,272	970,020	1,752,336
Total imports to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	**:

Table continued on the following page.

**Table G-1--Continued**

**Rebar: U.S. imports reported by U.S. importers, by sources and destinations,<sup>1</sup> 2001-06**

Item	2001	2002	2003	2004	2005	2006
Value (\$1,000) <sup>1</sup>						
Imports from China to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
Imports from Korea to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
Imports from Latvia to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
Imports from Poland to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
Imports from subject sources to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
Imports from all other sources to destinations--						
Inside the region	234,930	215,235	210,885	626,768	359,431	660,540
Outside the region	27,245	12,724	11,611	107,365	84,888	164,069
Total	262,176	227,959	222,496	734,133	444,319	824,609
Total imports to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***

Table continued on the following page.

**Table G-1--Continued**

**Rebar: U.S. imports reported by U.S. importers, by sources and destinations, 2001-06**

Item	2001	2002	2003	2004	2005	2006
<i>Unit value (per short ton)</i>						
Imports from China to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
Imports from Korea to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
Imports from Latvia to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
Imports from Poland to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
Imports from subject sources to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
Imports from all other sources to destinations--						
Inside the region	\$245	\$251	\$311	\$474	\$464	\$475
Outside the region	241	227	297	490	434	453
Average	245	249	311	476	458	471
Total imports to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Average	***	***	***	***	***	***
<sup>1</sup> Landed, duty-paid. Note.--Because of rounding, figures may not add to totals shown. Source: Compiled from responses to Commission questionnaires.						

Table G-2

## Rebar: U.S. shipments of imports reported by U.S. importers, by sources and destinations, 2001-06

Item	2001	2002	2003	2004	2005	2006
Quantity (short tons)						
U.S. shipments of imports from China to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
U.S. shipments of imports from Korea to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
U.S. shipments of imports from Latvia to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
U.S. shipments of imports from Poland to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
U.S. shipments of imports from subject sources to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
U.S. shipments of imports from all other sources to destinations--						
Inside the region	944,197	842,616	654,341	1,239,524	781,469	1,354,720
Outside the region	116,605	55,976	39,250	215,311	210,227	360,218
Total	1,060,801	898,591	693,591	1,454,835	991,696	1,714,938
Total U.S. shipments of imports to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***

Table continued on the following page.



**Table G-2--Continued**

**Rebar: U.S. shipments of imports reported by U.S. importers, by sources and destinations, 2001-06**

Item	2001	2002	2003	2004	2005	2006
Value (\$1,000) <sup>1</sup>						
U.S. shipments of imports from China to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
U.S. shipments of imports from Korea to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
U.S. shipments of imports from Latvia to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
U.S. shipments of imports from Poland to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
U.S. shipments of imports from subject sources to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
U.S. shipments of imports from all other sources to destinations--						
Inside the region	245,796	226,155	210,192	607,819	376,906	665,124
Outside the region	29,562	13,988	13,959	108,510	96,415	169,888
Total	275,359	240,143	224,151	716,329	473,321	835,012
Total U.S. shipments of imports to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***

Table continued on the following page.

Table G-2--Continued

Rebar: U.S. shipments of imports reported by U.S. importers, by sources and destinations, 2001-06

Item	2001	2002	2003	2004	2005	2006
Unit value (per short ton)						
U.S. shipments of imports from China to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
U.S. shipments of imports from Korea to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
U.S. shipments of imports from Latvia to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
U.S. shipments of imports from Poland to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
Imports from subject sources to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Total	***	***	***	***	***	***
U.S. shipments of imports from all other sources to destinations--						
Inside the region	\$260	\$268	\$321	\$490	\$482	\$491
Outside the region	254	250	356	504	459	472
Average	260	267	323	492	477	487
Total U.S. shipments of imports to destinations--						
Inside the region	***	***	***	***	***	***
Outside the region	***	***	***	***	***	***
Average	***	***	***	***	***	***
<sup>1</sup> Landed, duty-paid.						
Source: Compiled from responses to Commission questionnaires.						