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February 21, 2019

USITC Inv. Nos. 701-TA-____ and
731-TA-____
DOC Inv. Nos. No. A-570-104, C-570-105,
A-533-887, C-533-888, A-583-865, and A-
549-840
Total Pages: 6,297
Investigation

Petitioner's Business Proprietary Information
Deleted from Brackets in Volume I on pages
3, 22-27, 32 & 35 and Exhibits I-2, I-3 & I-
16, Volume II in Exhibits II-6 and II-16,
Volume III on pages 2-3 and Exhibits III-2,
III-3, III-4, and III-7, Volume IV on pages 1-2
and Exhibits IV-1, IV-2, IV-5, IV-7, and IV-
15, and Volume V in Exhibits V-6, V-7, V-9,
and V-15.

PUBLIC VERSION

BY ELECTRONIC FILING

The Honorable Wilbur L. Ross, Jr.
Secretary of Commerce
Attention: Enforcement and Compliance
APO/Dockets Unit, Room 18022
U.S. Department of Commerce
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

BY HAND DELIVERY

The Honorable Lisa R. Barton
Secretary
U.S. International Trade Commission
500 E Street, S.W., Room 112
Washington, D.C. 20436

**Re: Petitions for the Imposition of Antidumping and Countervailing Duties:
Carbon and Alloy Steel Threaded Rod from the People's Republic of China,
India, Taiwan, and Thailand**

Dear Secretary Ross and Secretary Barton:

On behalf of Vulcan Steel Products Inc. ("Petitioner"), we hereby submit to the U.S.

Department of Commerce ("Commerce") and the U.S. International Trade Commission (the

“Commission”) petitions for the imposition of antidumping and countervailing duties on carbon and alloy steel threaded rod from the People’s Republic of China, India, Taiwan, and Thailand, pursuant to sections 701, 702(b), 731, and 732(b) of the Tariff Act of 1930, as amended (19 U.S.C. §§ 1671, 1671a(b), 1673, and 1673a(b)). Petitioner is a manufacturer in the United States of the domestic like product and is therefore an interested party within the meaning of 19 U.S.C. § 1677(9)(C) and 19 C.F.R. § 351.102(a)(29)(v). Pursuant to Commerce’s regulations codified at 19 C.F.R. § 351.202(c), we hereby certify that the petitions and required copies are being filed simultaneously today with the Commission.

At Commerce, we are filing Volume I (Common Issues and Injury) matched with both the information on sales at less-than-fair value and the provision of countervailable subsidies for each respective country. At the Commission, pursuant to instructions from Secretary Barton, we are filing an original and eight copies of: the narrative portion of the business proprietary version of Volume I (Common Issues and Injury), the narrative portions of the business proprietary versions of Volumes II through V (Antidumping for China, India, Taiwan, and Thailand), and the narrative portions of Volumes VI and VII (Countervailable Subsidies for China and India), which are both public documents. We are also filing an original and four copies of the narrative portions of the public versions of Volumes I – V and the narrative portions of Volumes VI and VII, which are public documents. Finally, we are filing on CD-ROM complete sets of the business proprietary and public versions of the exhibits to all volumes of these petitions in PDF format compatible with the Commission’s EDIS system.

On behalf of the Petitioner, we request proprietary treatment for information designated as proprietary in these petitions pursuant to Commerce’s regulations codified at 19 C.F.R.

§§ 351.202(d) and 351.304 and the Commission's rules codified at 19 C.F.R. § 201.6(b).

Business proprietary information is enclosed in single brackets (“[]”).

The information in these petitions for which the Petitioner requests proprietary treatment, and the location of same, is as follows:

Volume I (Common Issues and Injury)

- Names of particular customers, distributors, or suppliers (19 C.F.R. §§ 201.6(a) and 351.105(c)(6)): Exhibit I-16;
- Specific business information related to the operational and trade data of the petitioner, including production, shipments, revenue, costs, and financial performance (19 C.F.R. §§ 201.6(a) and 351.105(c)(11)): pages 3, 22 – 27, 32, and 35 and Exhibits I-2 and I-3.

Volume II (Antidumping China)

- Data regarding the nature of production and production costs (19 C.F.R. §§ 201.6(a) and 351.105(c)(1)-(2)): Exhibits II-6 and II-16;
- Information related to the operational and trade data of domestic producers, including the rates at which they consume certain factors of production (19 C.F.R. §§ 201.6(a) and 351.105(c)(11)): Exhibits II-6 and II-16.

Volume III (Antidumping India)

- Prices of sales, likely sales, or other offers (19 C.F.R. §§ 201.6(a) and 351.105(c)(5)): pages 2-3 and Exhibits III-2, III-3, III-4, and III-7;
- Names of particular persons from whom from whom business proprietary information was obtained (19 C.F.R. §§ 201.6(a) and 351.105(c)(9)): Exhibit III-4;

Volume IV (Antidumping Taiwan)

- Prices of sales, likely sales, or other offers (19 C.F.R. §§ 201.6(a) and 351.105(c)(5)): pages 1-2 and Exhibits IV-1, IV-2, and IV-14;
- Data regarding the nature of production and production costs (19 C.F.R. §§ 201.6(a) and 351.105(c)(1)-(2)): Exhibits IV-5 and IV-7;

- Information related to the operational and trade data of domestic producers, including the rates at which they consume certain factors of production (19 C.F.R. §§ 201.6(a) and 351.105(c)(11)): Exhibits IV-5, IV-7, and IV-14;
- Names of particular persons from whom from whom business proprietary information was obtained (19 C.F.R. §§ 201.6(a) and 351.105(c)(9)): Exhibits IV-1(a) and IV-15.

Volume V (Antidumping Thailand)

- Data regarding the nature of production and production costs (19 C.F.R. §§ 201.6(a) and 351.105(c)(1)-(2)): Exhibits V-7, V-9, and V-15;
- Names of particular persons from whom from whom business proprietary information was obtained (19 C.F.R. §§ 201.6(a) and 351.105(c)(9)): Exhibit V-6; and
- Information related to the operational and trade data of domestic producers, including the rates at which they consume certain factors of production (19 C.F.R. §§ 201.6(a) and 351.105(c)(11)): Exhibits V-7 and V-9.

The bracketed information in these petitions for which business proprietary treatment is requested is entitled to proprietary treatment in accordance with Commerce's regulations codified at 19 C.F.R. § 351.304(a) and the Commission's rules codified at 19 C.F.R. § 201.6(b). Information for which proprietary treatment is requested is not available to the public. Public disclosure of this information would cause substantial harm to the competitive position of the submitter. The disclosure of this information would also likely have the effect of impairing the ability of Commerce and the Commission to obtain such information as is necessary to perform their statutory functions. The requisite certification that substantially identical information is not available to the public is attached to this letter, in accordance with the Commission's rules codified at 19 C.F.R. § 201.6(b)(3)(iii).

Pursuant to Commerce's regulations codified at 19 C.F.R. § 351.304(b), Petitioner agrees in principle to permit disclosure of the bracketed business proprietary information contained in

these petitions under an appropriately drawn administrative protective order (“APO”). Petitioner, however, reserves the right to comment on all APO applications prior to disclosure.

Petitioner is also submitting information exempt from disclosure under an APO pursuant to 19 C.F.R. § 351.304(b)(2). The information in question, which is found in Exhibits IV-15 and V-6, is enclosed in double brackets (“[[]]”). There is a clear and compelling need to withhold the information because it reflects the identity of the foreign market researcher and its methodology for attempting to obtain home market offers for the sale of CASTR in Taiwan and Thailand. Most importantly, it is a matter of protecting the foreign market researcher’s personal safety as well as economic security. If the identity and methodology of the foreign market researcher are released, it may result in substantial and irreparable financial or physical harm to the foreign market researcher and there is no way to cure the breach.

A public version of these petitions has been prepared and is being filed simultaneously with this submission pursuant to Commerce’s regulations codified at 19 C.F.R. § 351.304(c)(1) and the Commission’s rules codified at 19 C.F.R. § 201.8(d).

* * *

Please contact the undersigned with any questions regarding these petitions.

Respectfully submitted,



Roger B. Schagrin
Christopher T. Cloutier
Elizabeth J. Drake
Luke A. Meisner
Paul W. Jameson
Kelsey M. Rule
SCHAGRIN ASSOCIATES
Counsel to Vulcan Steel Products Inc.

CERTIFICATION OF COUNSEL

In accordance with section 201.6(b)(3)(iii) of the Commission's rules, I, Elizabeth J. Drake, of Schagrin Associates, counsel for Vulcan Steel Products Inc., certify that information substantially identical to the information for which we are requesting proprietary treatment in the attached submission is not available to the public.

In accordance with section 207.3(a) of the Commission's rules, I further certify that (1) I have read the attached submission, and (2) the information contained in this submission is accurate and complete to the best of my knowledge.

In accordance with section 207.11(b)(2)(v) of the Commission's rules, I further certify that all lost sales and lost revenue allegations identified in these petitions will also be submitted electronically in the manner specified in the Commission's Handbook on Filing Procedures.

In accordance with section 207.11(b)(3) of the Commission's rules, I further certify that, to the extent any item of information specified in paragraph 207.11(b)(2) of the Commission's rules is not contained in these petitions, that item of information was not reasonably available to the petitioner.

Pursuant to 28 U.S.C. § 1746(2), I declare under penalty of perjury that the foregoing is true and correct.

Executed on: February 20, 2019



Elizabeth J. Drake

Counsel Certification

I, Luke A. Meisner, counsel to Vulcan Steel Products Inc., certify that I prepared or otherwise supervised the preparation of the attached *Petitions for the Imposition of Antidumping and Countervailing Duties on Carbon and Alloy Steel Threaded Rod from China, India, Taiwan, and Thailand* pursuant to the antidumping and countervailing duty investigations on carbon and alloy steel threaded rod from China, India, Taiwan, and Thailand, case numbers A-570-104, C-570-105, A-533-887, C-533-888, A-583-865, and A-549-840.

In my capacity as counsel of this submission, I certify that the information contained in this submission is accurate and complete to the best of my knowledge. I am aware that U.S. law (including, but not limited to, 18 U.S.C. § 1001) imposes criminal sanctions on individuals who knowingly and willfully make material false statements to the U.S. Government. In addition, I am aware that, even if this submission may be withdrawn from the record of the AD/CVD proceeding, the Department may preserve this submission, including a business proprietary submission, for purposes of determining the accuracy of this certification. I certify that a copy of this signed certification will be filed with this submission to the U.S. Department of Commerce.

Signature: Luke A. Meisner

Date: February 20, 2019

Company Certification

I, Alan Logan, currently employed by Vulcan Steel Products Inc., certify that I have prepared or otherwise supervised the preparation of *Petitions for the Imposition of Antidumping and Countervailing Duties on Carbon and Alloy Steel Threaded Rod from China, India, Taiwan, and Thailand* pursuant to the antidumping and countervailing duty investigations on carbon and alloy steel threaded rod from China, India, Taiwan, and Thailand, case numbers A-570-104, C-570-105, A-533-887, C-533-888, A-583-865, and A-549-840.

I certify that the information contained in this submission is accurate and complete to the best of my knowledge. I am aware that the information contained in this submission may be subject to verification or corroboration (as appropriate) by the U.S. Department of Commerce. I am also aware that U.S. law (including, but not limited to, 18 U.S.C. 1001) imposes criminal sanctions on individuals who knowingly and willfully make material false statements to the U.S. Government. In addition, I am aware that, even if this submission may be withdrawn from the record of the AD/CVD proceeding, the Department may preserve this submission, including a business proprietary submission, for purposes of determining the accuracy of this certification. I certify that I am filing a copy of this signed certification with this submission to the U.S. Department of Commerce and that I will retain the original for a five-year period commencing with the filing of this document. The original will be available for inspection by U.S. Department of Commerce officials.

Signature: _____



Date: _____

Feb 18th, 2019

USITC Inv. No. 701-TA-____ and 731-TA-____
DOC Inv. No. A-570-104, C-570-105, A-533-
887, C-533-888, A-583-865, and A-549-840
Total Pages: 441
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PUBLIC VERSION

Petitioner's Business Proprietary Information
deleted from pages 3, 22 – 27, 32 & 35 and
Exhibits I-2, I-3 & I-16.

**BEFORE THE
INTERNATIONAL TRADE ADMINISTRATION
UNITED STATES DEPARTMENT OF COMMERCE AND THE
UNITED STATES INTERNATIONAL TRADE COMMISSION**

**CARBON AND ALLOY STEEL THREADED ROD
FROM THE PEOPLE'S REPUBLIC OF CHINA, INDIA, TAIWAN, AND
THAILAND**

**PETITION FOR THE IMPOSITION
OF ANTIDUMPING AND COUNTERVAILING DUTIES PURSUANT TO
SECTIONS 701 AND 731 OF THE TARIFF ACT OF 1930, AS AMENDED**

VOLUME I

**INFORMATION RELATING TO
GENERAL ISSUES AND INJURY**

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February 21, 2019

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These petitions are filed on behalf of Vulcan Steel Products Inc. (“petitioner”). Petitioner alleges that carbon and alloy steel threaded rod (“CASTR”) from the People’s Republic of China (“China”), India, Taiwan, and Thailand are being or are likely to be sold at less than normal value in the United States within the meaning of Section 731 of the Tariff Act of 1930, as amended, (the “Act”) (19 U.S.C. § 1673). Petitioner also alleges that CASTR from China and India benefit from countervailable subsidies within the meaning of Section 701 of the Act (19 U.S.C. § 1671). Petitioner further alleges that these unfairly traded imports from China, India, Taiwan, and Thailand have materially injured the United States domestic industry producing CASTR and threaten to cause further material injury if remedial action is not taken. The petitions contain information reasonably available to petitioner in support of these allegations.

Separate volumes regarding the allegations of dumping by subject producers in China, India, Taiwan, and Thailand, as well as countervailable subsidies provided to producers and exporters in China and India, are being filed simultaneously at both the U.S. Department of Commerce (the “Department”) and the U.S. International Trade Commission (the “Commission”). Petitioner requests that antidumping (“AD”) and countervailing duties (“CVD”) be imposed to offset the dumping and subsidies detailed in the specific AD and CVD volumes.

I. COMMON ISSUES

This section contains certain information required in AD and CVD petitions by 19 C.F.R. §§ 207.11 and 351.202(b)(1) – (9).

A. Contact information for the petitioner (19 C.F.R. § 207.11(a)&(b)(ii); 19 C.F.R. § 351.202(b)(1))

The petitioner is Vulcan Steel Products Inc. (“Vulcan”), a domestic producer of CASTR. Vulcan is a manufacturer in the United States of the domestic like product, and it is therefore an

interested party within the meaning of 19 U.S.C. § 1677(9)(C) and 19 C.F.R.

§ 351.102(a)(29)(v).

Contact information for Vulcan is below:

Vulcan Steel Products Inc.
10 Crosscreek Trail
Pelham, AL 35124
Dennis Black
1-205-620-5100
Dennis.Black@vulc.com

A complete list of all known U.S. producers with their contact information, as required by 19 C.F.R. § 207.11(b)(2)(ii), is attached at **Exhibit I-1**.

B. Identity of the industry on whose behalf the petitions are filed (19 C.F.R. § 351.202(b)(2))

These petitions are filed on behalf of the United States industry that produces CASTR. As indicated in Section I.C, below, the petitioner accounts for the majority of domestic production of CASTR in the United States. As explained in more detail in Section I.F, below, the domestic like product in this case should be defined as CASTR, co-extensive with the scope, and thus the domestic industry should be defined as U.S. producers of CASTR. To the extent that certain domestic producers of CASTR import the subject merchandise and/or are related to an importer or subject foreign producer, it may be appropriate to exclude that domestic producer from the domestic industry under 19 U.S.C. § 1677(4)(B). The names of domestic producers that are also known importers are contained in **Exhibit I-15**.

C. Information relating to the degree of industry support for the petition (19 C.F.R. § 351.202(b)(3))

According to 19 U.S.C. §§ 1671a(c)(4)(A) and 1673a(c)(4)(A), a petition is filed by or on behalf of the domestic industry if: (1) domestic producers who support the petition account for at least 25 percent of the total production of the domestic like product; and (2) domestic producers

who support the petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for or opposition to the petition. As explained in more detail in Section I.F, below, the domestic like product in this case should be defined as CASTR, co-extensive with the scope, and thus the domestic industry should be defined as all U.S. producers of CASTR. As noted above, it may be appropriate to exclude certain related party domestic producers from the domestic industry.

Petitioner meets both of the industry support requirements with respect to these petitions. Attached at **Exhibit I-2** is a declaration of Mr. Alan Logan, Customer Service Manager of Vulcan. Based on his years of experience and knowledge of the domestic CASTR industry, Mr. Logan estimates that Vulcan accounted for [] of domestic production of CASTR in 2018.¹

These petitions are therefore filed on behalf of the domestic industry within the meaning of 19 U.S.C. §§ 1671a(c)(4)(A) and 1673a(c)(4)(A).

D. Previous requests for import relief (19 C.F.R. § 351.202(b)(4))

Petitioner has not filed for relief from imports of the subject merchandise under Section 337 of the Act, Sections 201 or 301 of the Trade Act of 1974, or Section 232 of the Trade Expansion Act of 1962. On September 21, 2018, the United States Trade Representative published a notice in the Federal Register that it was imposing additional 10 percent ad valorem

¹ See Petitioner Data, attached at **Exhibit I-3**.

duties on imports of CASTR from China pursuant to Section 301 of the Trade Act of 1974.² Those duties are currently scheduled to increase to 25 percent ad valorem on March 2, 2019.³

Commerce and the Commission have previously investigated imports of carbon steel threaded rod under Sections 701 and 731 of the Tariff Act of 1930, as amended. The Commission reached an affirmative determination,⁴ and Commerce issued an antidumping order on imports of Chinese carbon steel threaded rod in April of 2009, with margins ranging from 55.16 percent to 206.00 percent.⁵ The domestic industry filed antidumping and countervailing duty petitions on carbon steel threaded rod from India and Thailand in 2013. Though Commerce found dumping and subsidization,⁶ the Commission reached a negative determination.⁷ Thus, no orders were imposed on carbon steel threaded rod from India and Thailand.

² *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 Fed. Reg. 47,974, 47,996 (USTR Sept. 21, 2018).

³ *Notice of Modification of Section 301 Action: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation*, 83 Fed. Reg. 65,198 (USTR Dec. 19, 2018).

⁴ *Certain Steel Threaded Rod From China*, Inv. No. 731-TA-1145 (Final), USITC Pub. 4070 (Apr. 2009) (“*China CSTR Final*”) at 3, excerpts attached at **Exhibit I-4**.

⁵ *Certain Steel Threaded Rod from the People's Republic of China: Notice of Antidumping Duty Order*, 74 Fed. Reg. 17,154 (Dep't Commerce Apr. 14, 2009).

⁶ *See Steel Threaded Rod From Thailand: Final Determination of Sales at Less Than Fair Value and Affirmative Final Determination of Critical Circumstances*, 79 Fed. Reg. 14,476 (Dep't Commerce Mar. 14, 2014); *Steel Threaded Rod From India: Final Affirmative Countervailing Duty Determination and Partial Final Affirmative Determination of Critical Circumstances*, 79 Fed. Reg. 40,712 (Dep't Commerce July 14, 2014); *Steel Threaded Rod From India: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances, in Part; 2012–2013*, 79 Fed. Reg. 40,714 (Dep't Commerce July 14, 2014).

⁷ *See Certain Steel Threaded Rod from Thailand*, Inv. No. 731-TA-1214 (Final), USITC Pub. 4462 (May 2014) (“*Thailand CSTR Final*”) at 1, excerpts attached at **Exhibit I-4**. *See also Certain Steel Threaded Rod From India*, Inv. Nos. 701-TA-498 and 731-TA-1213 (Final), USITC Pub. 4487 (Aug. 2014) (“*India CSTR Final*”) at 1, excerpts attached at **Exhibit I-4**.

E. Scope of the investigations and a detailed description of the subject merchandise (19 C.F.R. § 351.202(b)(5))

1. Scope of Investigations

The merchandise covered by the scope of these investigations is carbon and alloy steel threaded rod. Steel threaded rod is certain threaded rod, bar, or studs, of carbon or alloy steel, having a solid, circular cross section of any diameter, in any straight length. Steel threaded rod is normally drawn, cold-rolled, threaded, and straightened, or it may be hot-rolled. In addition, the steel threaded rod, bar, or studs subject to these investigations are non-headed and threaded along greater than 25 percent of their total actual length. A variety of finishes or coatings, such as plain oil finish as a temporary rust protectant, zinc coating (*i.e.*, galvanized, whether by electroplating or hot-dipping), paint, epoxy, and other similar finishes and coatings, may be applied to the merchandise.

Steel threaded rod is normally produced to American Society for Testing and Materials (“ASTM”) specifications ASTM A36, ASTM A193 B7/B7m, ASTM A193 B16, ASTM A307, ASTM A320 L7/L7M, ASTM A320 L43, ASTM A354 BC and BD, ASTM A449, ASTM F1554-36, ASTM F1554-55, ASTM F1554 Grade 105, American Society of Mechanical Engineers (“ASME”) specification ASME B18.31.3, and American Petroleum Institute (“API”) specification API 20E. All steel threaded rod meeting the physical description set forth above is covered by the scope of these investigations, whether or not produced according to a particular standard.

Subject merchandise includes material matching the above description that has been finished, assembled, or packaged in a third country, including by cutting, chamfering, coating, or painting the threaded rod, by attaching the threaded rod to, or packaging it with, another product, or any other finishing, assembly, or packaging operation that would not otherwise remove the

merchandise from the scope of the investigation if performed in the country of manufacture of the threaded rod.

Carbon and alloy steel threaded rod are also included in the scope of this investigation whether or not imported attached to, or in conjunction with, other parts and accessories such as nuts and washers. If carbon and alloy steel threaded rod are imported attached to, or in conjunction with, such non-subject merchandise, only the threaded rod is included in the scope.

Excluded from the scope of these investigations are: (1) threaded rod, bar, or studs which are threaded only on one or both ends and the threading covers 25 percent or less of the total actual length; and (2) stainless steel threaded rod, defined as steel threaded rod containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements.

Excluded from the scope of the antidumping investigation on steel threaded rod from the People's Republic of China is any merchandise covered by the existing antidumping order on *Certain Steel Threaded Rod from the People's Republic of China*. See *Certain Steel Threaded Rod from the People's Republic of China: Notice of Antidumping Duty Order*, 74 Fed. Reg. 17,154 (Dep't Commerce Apr. 14, 2009).

Steel threaded rod is currently classifiable under subheadings 7318.15.5051, 7318.15.5056, and 7318.15.5090 of the Harmonized Tariff Schedule of the United States ("HTSUS"). Subject merchandise may also enter under subheading 7318.15.2095 and 7318.19.0000 of the HTSUS. The HTSUS subheadings are provided for convenience and U.S. Customs purposes only. The written description of the scope is dispositive.

Proposed scope language is attached at **Exhibit I-5**. The antidumping order on carbon steel rod from China is attached at **Exhibit I-6**. The relevant excerpts from the HTSUS and

relevant customs rulings are attached at **Exhibit I-7**. Information on some of the relevant ASTM and other standards are attached at **Exhibit I-8**.

2. Technical characteristics and uses

CASTR is generally fully threaded along its entire length and made from low-carbon, medium-carbon, or alloy steel. CASTR may be coated or uncoated, with zinc being a common coating for electro-plated and hot-dip galvanized threaded rod. CASTR comes in a variety of lengths, diameters, thread pitches, grades, and materials.

CASTR is used in a variety of applications. Threaded rod is used in construction to suspend electrical conduit, pipes, HVAC-ductwork, sprinkler systems for fire protection, and other items. In such applications, one end of the threaded rod is normally fastened to the ceiling and the other end is fastened to the support for suspending pipes, ductwork, sprinkler system, or other items. CASTR may also be used for hanging suspended ceilings and elevated conveyor belts, and for joint restraint systems for underground piping. It is also used in structural tie downs in earthquake- and hurricane-restraint systems for roofing. CASTR may also be used as headless screws in general fastener applications or for bolting pipe joints together.

Information on various types of CASTR is attached at **Exhibit I-9**.

3. Production process

The primary raw material used in the production of CASTR is carbon or alloy steel wire rod or steel bar for larger diameters. The production process is the same for either wire rod or bar. The production process begins with the removal of surface scale. The wire rod or bar is then cold drawn, straightened, and cut to length.⁸ Cold drawing and straightening ensure the rod is round and has the desired diameter. Next, the wire rod is fed through a threading machine which

⁸ It is also possible to thread hot-rolled material without cold-drawing it.

forms the threaded grooves along the rod's length. A common threading process is thread rolling, which pushes the steel out of the valleys and into peaks, forming the threaded grooves.

Certain CASTR may also be heat-treated either before or after it is threaded. Finally, the threaded rod is either coated with a plain oil finish, galvanized using either zinc plating or a hot-dip galvanizing process, or coated with other finishes such as paint or epoxy coatings.

4. Tariff classification

CASTR is currently classifiable under subheadings 7318.15.5051, 7318.15.5056, and 7318.15.5090 of the Harmonized Tariff Schedule of the United States ("HTSUS"). Subject merchandise may also enter under subheading 7318.15.2095 and 7318.19.0000 of the HTSUS. The HTSUS subheadings are provided for convenience and customs purposes only; the written description of the scope of these investigations is dispositive.

F. The domestic like product proposed by the petitioner (19 C.F.R. § 207.11(b)(2)(i))

The domestic like product is "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation."⁹ The like product determination is a factual one made on a case-by-case basis.¹⁰ The Commission generally considers the following factors: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price.¹¹

⁹ 19 U.S.C. § 1677(10).

¹⁰ *See, e.g., NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998).

¹¹ *See, e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1295 (Fed. Cir. 2007).

In evaluating these factors, the Commission looks for clear dividing lines and disregards minor variations.¹²

In prior investigations on carbon steel threaded rod, the Commission defined the domestic like product as carbon steel threaded rod, co-extensive with the scope, as proposed by petitioners in those cases.¹³ In those cases, the scope only covered carbon steel threaded rod, and no party contested the petitioners' proposed domestic like product definition. In this case, by contrast, the scope encompasses both carbon and alloy steel threaded rod. In addition, since the imposition of the antidumping order on carbon steel threaded rod from China, there has been a marked shift in imports from China away from carbon and towards alloy steel threaded rod.¹⁴ It is petitioner's belief that many of these imports are being used in applications that would typically be served by carbon steel threaded rod, but are only being served by imports of alloy steel threaded rod because of the lower prices for Chinese imports not covered by the existing order. Indeed, Commerce found that a Chinese producer, Gem-Year Industrial Co. Ltd., was circumventing the antidumping order on carbon steel threaded rod by increasing the chromium content of its steel threaded rod above the maximum identified in the scope and thus classifying its threaded rod as non-subject alloy steel threaded rod.¹⁵

The Commission has previously found different domestic like products in cases on the same types of products based on differences in the scope.¹⁶ This is because each case is *sui*

¹² *Id.*

¹³ *See China CSTR Final* at 5 – 6. *See also Thailand CSTR Final* at 6 – 7.

¹⁴ *See* Historical Import Statistics, attached at **Exhibit I-10**.

¹⁵ *Certain Steel Threaded Rod From the People's Republic of China: Affirmative Final Determination of Circumvention of the Antidumping Order*, 78 Fed. Reg. 12,718 (Dep't Commerce Feb. 25, 2013).

¹⁶ *See, e.g., Low Enriched Uranium from France, Germany, the Netherlands, and the United Kingdom*, Inv. Nos. 731-TA-409-412 (Preliminary) and 731-TA-909-912 (Preliminary), USITC Pub. No. 3388 (Jan. 2001) at 5 – 6.

generis, and “each finding as to like product must be based on the particular record at issue.”¹⁷ For example, in its 2016 preliminary determination on carbon and alloy cut-to-length plate from twelve countries, the Commission noted that it had previously limited to the domestic like product to carbon cut-to-length plate in prior cases where the scope was also limited to carbon cut-to-length plate.¹⁸ In the more recent case, where both alloy and carbon cut-to-length plate were included in the scope, the Commission determined there was a single domestic like product co-extensive with the scope based on the facts of record.¹⁹ As explained in more detail below, the Commission should similarly find a single domestic like product consisting of all carbon and alloy steel threaded rod, co-extensive with the scope in these investigations.

Physical characteristics and uses: All CASTR are made of steel, are produced in straight lengths with solid circular cross sections, and are threaded. While CASTR can vary in terms of steel composition, length, diameter, thread pitches, finishes, and whether it is fully or partially threaded, there are on no clear dividing lines based on these physical characteristics. While alloy steel threaded rod is made from rod or bar that has more alloying elements than carbon steel threaded rod, there are also varying levels of alloying elements contained within various types of carbon rod and within various types of alloy rod. In addition, while alloy steel threaded rod is generally stronger than carbon steel threaded rod, there are also high strength carbon steel

¹⁷ *Asociacion Colombiana de Exportadores v. United States*, 693 F. Supp. 1165, 1169 (Ct. Int’l Trade 1988).

¹⁸ *Certain Carbon and Alloy Steel Cut-To-Length Plate from Austria, Belgium, Brazil, China, France, Germany, Italy, Japan, Korea, South Africa, Taiwan, and Turkey*, Inv. Nos. 701-TA-559-562 and 731-TA-1317-1328 (Preliminary), USITC Pub. 4615 (May 2016) at 14 n.45.

¹⁹ *Id.* at 14 – 15.

threaded rod products, such as medium carbon steel threaded rod made to ASTM specification A449.²⁰

Because all threaded rod is produced from steel, threaded, and produced in round lengths, it is all used in fastening and bolting applications. There are an array of fastening and bolting end uses for steel threaded rod, including use in construction to suspend pipes, ducts, and other items from the ceiling, as structural tie-downs, and for bolting pipe joints together. While alloy steel threaded rod is generally used in more demanding applications due to its higher strength, there are also certain types of carbon steel threaded rod, such as medium carbon steel threaded rod, that are designed for more demanding applications. There is a broad continuum of specifications and uses for CASTR, with no clear dividing lines between the various types.

Interchangeability: CASTR is generally produced to standard industry specifications, and the Commission has previously found that there is a high degree of interchangeability between carbon steel threaded rod produced in China, India, Thailand, and the United States, as well as in previously non-subject countries such as Taiwan.²¹ The same is true for carbon and alloy steel threaded rod. While there are some applications that require alloy steel threaded rod, alloy steel threaded rod may be used interchangeably with carbon steel threaded rod in many other applications, depending on price.

Channels of distribution: All CASTR are available through common channels of distribution, principally through distributors but also directly to end users. In addition, as the materials attached at **Exhibit I-11**, show, large distributors will carry and advertise both carbon and alloy steel threaded rod side-by-side to the same customers.

²⁰ See *China CSTR Final* at I-6 n.9. See also CASTR Types and Grades, attached at **Exhibit I-9**.

²¹ *China CSTR Final* at 15. See also *Thailand CSTR Final* at 18.

Customer and producer perceptions: Customers and producers perceive all CASTR to be a single product category. As the materials attached at **Exhibits I-9** and **I-11** show, both carbon and alloy steel threaded rod are described by producers and distributors as being part of the same larger product category of steel threaded rod.

Common manufacturing facilities, production process, and employees: All CASTR are produced by drawing wire or rod, straightening it, cutting to length, and threading. All CASTR may also be galvanized, painted, or coated. While alloy steel threaded rod is also heat treated, there are also types of carbon steel threaded rod that are heat treated. Domestic producers such as Vulcan and others produce both carbon and alloy steel threaded rod in the same facilities,²² and at certain stages they use the same equipment in the production process. In the investigation on carbon steel threaded rod from China, the Commission found that all but one of the responding domestic producers made products other than carbon steel threaded rod – including alloy steel threaded rod – on the same equipment and machinery and using the same workers used to produce carbon steel threaded rod.²³

Price: CASTR are available in a range of prices depending on size and other factors. While alloy threaded rod is generally higher priced than carbon steel threaded rod, there are a wide array of prices based on length, diameter, thread pitch, coating, and other factors, with no clear dividing lines between carbon and alloy steel threaded rod.

²² See Producer Website Excerpts, attached at **Exhibit I-12**.

²³ *China CSTR Final* at I-7.

G. The names of the home market countries and the name of any intermediate country through which the merchandise is transshipped (19 C.F.R. § 351.202(b)(6))

The CASTR covered by these petitions are manufactured in and exported to the United States from China, India, Taiwan, and Thailand. Petitioner does not have any evidence indicating that the subject merchandise is currently being transshipped through an intermediate country.

H. The names and addresses of each person believed to sell the merchandise at less than normal value and the proportion of total exports to the United States (19 C.F.R. § 351.202(b)(7)(i)(A))

The names and addresses of the entities believed by petitioner to be producing and exporting subject CASTR are provided in **Exhibit I-13**. Public information reasonably available to petitioner does not allow the identification of the proportion of total exports to the United States accounted for during the most recent twelve-month period by the listed producers.

I. All factual information related to the calculation of Export Price and the Constructed Export Price of the subject merchandise and the Normal Value of the foreign like product (19 C.F.R. § 351.202(b)(7)(i)(B)&(C))

Volume II of these petitions contains the necessary information concerning the calculation of the export price and normal value for merchandise produced and exported from China. Volume III of these petitions contains the necessary information concerning the calculation of the export price and normal value for merchandise produced and exported from India. Volume IV of these petitions contains the necessary information concerning the calculation of the export price and normal value for merchandise produced and exported from Taiwan. Volume V of these petitions contains the necessary information concerning the calculation of the export price and normal value for merchandise produced and exported from Thailand.

J. The names and addresses of each person believed to benefit from a countervailable subsidy who exports the subject merchandise to the United States and the proportion of total exports to the United States (19 C.F.R. § 351.202(b)(7)(ii)(A))

Volume VI of these petitions contains countervailing duty information relating to CASTR from China. Volume VII of these petitions contains countervailing duty information relating to CASTR from India. The names and address of the entities in China and India believed by petitioner to be benefiting from a countervailable subsidy and who have exported the CASTR subject to these petitions are provided in **Exhibit I-13**. Information reasonably available to petitioner does not allow the identification of the proportion of total exports to the United States accounted for during the most recent twelve month period by the listed producers.

K. The alleged countervailable subsidies and related factual information (19 C.F.R. § 351.202(b)(7)(ii)(B))

Volume VI of these Petitions contains information concerning the alleged countervailable subsidies to producers and exporter of CASTR in China, as well as factual information relevant to the alleged countervailable subsidies such as the laws, regulations and decrees under which the subsidies were bestowed, the manner in which the subsidies were paid, and petitioner's estimation – to the extent practicable – of the value of the subsidies to Chinese producers and exporters of CASTR subject to these petitions.

Volume VII of these Petitions contains information concerning the alleged countervailable subsidies to producers and exporter of CASTR in India, as well as factual information relevant to the alleged countervailable subsidies such as the laws, regulations and decrees under which the subsidies were bestowed, the manner in which the subsidies were paid, and petitioner's estimation – to the extent practicable – of the value of the subsidies to Indian producers and exporters of CASTR subject to these petitions.

L. The volume and value of the merchandise imported during the most recent two-year period (19 C.F.R. § 351.202(b)(8))

Imports of CASTR from the four subject countries during the most recent two-year period are attached at **Exhibit I-14**. The data are summarized below.

Subject Imports of CASTR²⁴

	2016	2017	Jan-Nov 2017	Jan-Nov 2018
Thousand Pounds	179,633	213,112	196,291	233,276
U.S. \$ Million	126.6	159.5	146.2	191.1

M. Contact information for each entity the petitioner believes imports or is likely to import the subject merchandise (19 C.F.R. § 207.11(b)(2)(iii); 19 C.F.R. § 351.202(b)(9))

The names and contact information for those firms believed to be importers of the subject merchandise are contained in **Exhibit I-15**. Petitioner believes that there may be a number of importers of subject CASTR that are unknown to petitioner at this time. Petitioner respectfully requests that the Department and the Commission obtain this information from Customs & Border Protection. Petitioner does not have access to this information.

N. Identification of pricing products (19 C.F.R. § 207.11(b)(2)(iv))

The petitioner requests that the Commission collect pricing data on U.S. shipments to distributors only for the following pricing products:²⁵

- Product 1. – Low-carbon steel fully threaded rod, electroplated with zinc, a 3/8 inch diameter, 16 threads per inch, in 10-foot lengths, in cardboard tubes.
- Product 2. – Low-carbon steel fully threaded rod, electroplated with zinc, a 1/2 inch diameter, 13 threads per inch, in 10- foot lengths, in cardboard tubes.

²⁴ See Import Statistics, attached at **Exhibit I-14**. The table includes imports of carbon STR from China even though the AD petition for China is only for alloy STR, because the CVD petition for China includes carbon and alloy STR.

²⁵ The diameter of all pricing products is as measured from the top of the thread.

- Product 3. – Low-carbon steel fully threaded rod, electroplated with zinc, a 3/4 inch diameter, 10 threads per inch, in 12-foot lengths, in cardboard tubes.
- Product 4. – Low-carbon steel fully threaded rod, hot dipped galvanized, a 5/8 inch diameter, 11 threads per inch, in 12-foot lengths, in cardboard tubes.
- Product 5. – Alloy steel fully threaded rod, produced to ASTM A193 Grade B7, a 3/4 inch diameter, 10 threads per inch, in 12-foot lengths, in cardboard tubes.
- Product 6. – Alloy steel fully threaded rod, produced to ASTM A193 Grade B7, a 1-1/4 inch diameter, 8 threads per inch, in 12-foot lengths, in cardboard tubes.

CASTR is sold to both distributors and end users. In some cases, importers act as their own distributors and sell directly to end users. Prices for the same product from the same producer are typically higher to end users than to distributors, because distributors must add their own mark-ups to cover the services they provide. In order to achieve reliable comparisons between domestic prices and import prices, the Commission's U.S. producer and importer questionnaires should both specify that pricing product data only be reported for shipments to distributors.

O. Lost sales and revenue (19 C.F.R. § 207.11(b)(2)(v))

Examples of the instances in which domestic producers lost sales to subject imports or were forced to lower prices in order to compete with subject imports are contained in the lost sales and revenue allegations attached at **Exhibit I-16**. Petitioner certifies that all lost sales or lost revenue allegations identified in the petitions will also be submitted electronically in the manner specified in the Commission's Handbook on Filing Procedures.

II. INJURY INFORMATION (19 C.F.R. § 351.202(b)(10))

According to the Act, a domestic industry is entitled to antidumping or countervailing duty relief if it is experiencing material injury or the threat of material injury by reason of unfairly traded imports. 19 U.S.C. §§ 1671, 1673. As outlined below, the domestic industry producing CASTR in the United States is both suffering from material injury and threatened with

further material injury by reason of dumped and subsidized imports of CASTR from the subject countries.

A. Introduction

This case involves a single domestic like product and a single domestic industry. The Commission has previously found that carbon steel threaded rod from China, India, Thailand, and the United States is highly substitutable.²⁶ This finding also applied to previously non-subject countries, such as Taiwan.²⁷ In addition, the Commission has previously found that price is an important factor in the market for steel threaded rod.²⁸ These conditions also characterize the market for CASTR today. As demonstrated below, these conditions of competition have allowed rising imports of low-priced CASTR from subject countries to materially injure the domestic industry, and that industry is threatened with further injury absent relief.

B. The domestic like product consists of CASTR covered by the scope

In determining whether an industry in the United States has suffered material injury or is threatened with material injury, the Commission first defines the domestic like product, *i.e.*, “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation.”²⁹ As explained in Section I.F, above, there is a single domestic like product in these investigations that consists of all CASTR corresponding to the scope.

²⁶ *China CSTR Final* at 15. *See also Thailand CSTR Final* at 18.

²⁷ *Id.*

²⁸ *Id.*

²⁹ 19 U.S.C. § 1677(10).

C. Subject imports are not negligible

Pursuant to 19 U.S.C. § 1677(24)(A)(i), imports are not considered to be negligible if they account for at least 3 percent of the volume of all such merchandise imported into the United States in the most recent twelve-month period for which data are available that precedes the filing of the petitions.³⁰ In this case, the most recent twelve-month period for which data are available is December 2017 through November 2018. For the purposes of the antidumping investigation on alloy steel threaded rod from China, alloy imports from China accounted for at least 32.3 percent of total imports of CASTR from the world during the most recent twelve-month period, and thus they are not negligible.³¹ For the purposes of the countervailing duty investigation on carbon and alloy steel threaded rod from China, carbon and alloy imports from China accounted for 42.5 percent of total imports of CASTR from the world during the most recent twelve-month period, and thus they are not negligible.³² Imports of CASTR from India accounted for 25.2 percent of CASTR imports from the world in the last twelve-month period, imports from Taiwan accounted for 15.1 percent, and imports from Thailand accounted for 4.1 percent.³³ Imports from each of the subject countries are thus not negligible.

D. Subject imports should be cumulated

For the purposes of evaluating volume and price effects for a determination of material injury, the statute directs the Commission to cumulate imports from all subject countries as to

³⁰ In the case of countervailing duty petitions on imports from developing countries such as India, the threshold is four percent, which India exceeds.

³¹ This calculation is conservative, as it does not include imports of alloy steel threaded rod that may be entering under the 7318.15.5090 statistical breakout, which covers both carbon and alloy steel threaded rod less than fully threaded along its entire length. Imports from the world in this category are included in the denominator. *See* Import Statistics, attached at **Exhibit I-14**.

³² *See* Import Statistics, attached at **Exhibit I-14**.

³³ *See id.*

which petitions were filed on the same day if such imports compete with each other and the domestic like product in the U.S. market.³⁴ In assessing whether subject imports compete with each other and the domestic like product, the Commission generally considers four factors: (1) the degree of fungibility between subject imports from each country and between subject imports and the domestic like product; (2) the presence of sales or offers to sell in the same geographic markets; (3) the existence of common or similar channels of distribution; and (4) whether the subject imports are simultaneously present in the U.S. market.³⁵ Only a reasonable overlap of competition is required.³⁶ In this case, these petitions are all being filed on the same day, and, as described in more detail below, each of the factors the Commission considers supports a finding that imports of CASTR from each of the four subject countries compete with each other and with the domestic like product. The Commission should therefore cumulate subject imports in its determination of material injury, and the remainder of the injury analysis in these petitions is presented on a cumulated basis.

1. Fungibility

CASTR from all subject countries and the domestic like product are fungible. The Commission has previously determined that there is a high degree of interchangeability between carbon steel threaded rod from the U.S., China, India, Thailand, and previously nonsubject countries (such as Taiwan).³⁷ There is also a high degree of fungibility between alloy and carbon STR from each of the subject countries and the United States, as explained in Section I.F, above.

³⁴ 19 U.S.C. § 1677(7)(G)(i).

³⁵ *See, e.g., Low Melt Polyester Staple Fiber from Korea and Taiwan*, Inv. Nos. 731-TA-1378-1379 (Final), USITC Pub. 4808 (Aug. 2018) at 7.

³⁶ *See id.*

³⁷ *China CSTR Final* at 15. *See also Thailand CSTR Final* at 11-12 & 18.

There have been appreciable imports of both alloy and carbon steel threaded rod from each of the four subject countries during the period of investigation.³⁸

2. Channels of distribution

CASTR from all subject countries and the domestic like product are present in the same channels of distribution. The Commission has previously found that the majority of shipments of CSTR from China, India, Thailand, and domestic producers are through distributors.³⁹ This continues to be the case today for both carbon and alloy STR from all four subject countries and the domestic like product. Attached at **Exhibit I-11** are excerpts from distributors' websites demonstrating that they carry both carbon and alloy STR side by side.

3. Geographic overlap

The Commission has previously found that the market for CSTR is nationwide and that domestic, Chinese, Indian, and Thai CSTR is sold throughout the United States.⁴⁰ The same is true for imports of CASTR from each of the four subject countries. The import statistics attached at **Exhibit I-14** show that CASTR from each of the subject countries entered at ports in all regions of the country, including the East, North, South, and West. Some of the largest ports of entry for subject CASTR are Houston-Galveston, Texas, Los Angeles, California, New York, New York, and Chicago, Illinois.

³⁸ See Import Statistics, attached at **Exhibit I-14**.

³⁹ *China CSTR Final* at I-8 & II-1. See also *Thailand CSTR Final* at 12.

⁴⁰ *China CSTR Final* at II-1. *Thailand CSTR Final* at 12.

4. Simultaneous presence in the market

Imports of CASTR from each of the subject countries have been present in every month of the period of investigation (“POI”).⁴¹ Subject imports and the domestic like product are thus simultaneously present in the market.

5. Conclusion

Subject imports from each of the four countries and the domestic like product are fungible, are present in the same distribution channels, overlap geographically, and are simultaneously present in the U.S. market. Thus, each of the factors the Commission considers regarding cumulation supports cumulating subject imports from all four countries in these investigations.

E. Subject imports are causing material injury to the domestic industry

In determining whether a domestic industry is experiencing present material injury by reason of unfairly traded imports, the Commission must consider: (1) the volume of subject imports; (2) the effect of imports of subject merchandise on U.S. prices for the domestic like product; and (3) the impact of subject imports on domestic producers.⁴² In this case, each factor favors a finding of present material injury.

1. The volume of subject imports is significant

In assessing the volume of subject imports, the Commission must “consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant.”⁴³

⁴¹ See Import Statistics, attached at **Exhibit I-14**.

⁴² 19 U.S.C. § 1677(7)(B).

⁴³ 19 U.S.C. § 1677(7)(C)(i).

Cumulated imports of CASTR from China, India, Taiwan, and Thailand are significant. Imports increased from 2016 to 2017, and they increased again in the first eleven months of 2018.

Subject Imports of CASTR⁴⁴

	2016	2017	2018e
Thousand Pounds	179,633	213,112	254,483
U.S. \$ Million	126.6	159.5	208.5

By volume, subject imports increased 18.6 percent from 2016 to 2017 and by another 18.8 percent in the first eleven months of 2018 compared to the same period in 2017. By value, subject imports increased by 26.0 percent from 2016 and by another 30.7 percent in the first eleven months of 2018 compared to the same period in 2017. From 2016 to 2018, annual subject imports are estimated to have risen 41.7 percent by volume and 64.7 percent by value.

Subject imports are also significant relative to domestic consumption. Subject imports accounted for over 80 percent of total CASTR imports throughout the POI, and their share of total imports steadily increased over the period.⁴⁵ Subject imports of CASTR also are very significant relative to domestic consumption, [

]. Subject CASTR imports also captured an increasing share of the U.S. market over the POI. Subject market share increased from [] percent in 2016 to [] percent in 2017, and it rose again to an estimated [] percent in 2018.

⁴⁴ See Import Statistics, attached at **Exhibit I-14**. Full year 2018 imports are estimated by multiplying imports in the first eleven months of 2018 by the ratio of 12/11.

⁴⁵ See Import Statistics, attached at **Exhibit I-14**.

Market Share of Subject CASTR Imports⁴⁶
Thousand Pounds

	2016	2017	2018e
Vulcan U.S. Shipments	[]
U.S. Domestic Shipments	[]
Subject Imports	179,633	213,112	254,483
Nonsubject Imports	42,510	38,784	37,734
Apparent Consumption	[]
U.S. %	[]
Subject %	[]
Nonsubject %	[]

The volume of subject imports is thus significant, both absolutely and relative to consumption, and the increase in subject import volume over the period is also significant.

2. Subject imports have had significant adverse price effects

In evaluating the effect of subject imports on prices, the Commission must consider whether “there has been significant price underselling by the imported merchandise,” and whether the effect of imports “otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.”⁴⁷ Subject imports of CASTR have undersold the domestic like product, and these imports also suppressed prices to a significant degree as raw material costs rose sharply over the POI.

A comparison of the average unit price of the domestic industry’s U.S. commercial sales with the average landed, duty-paid value of subject imports shows that subject imports have consistently undersold the domestic product by wide margins since 2016.

⁴⁶ See Import Statistics, attached at **Exhibit I-14**. Imports for 2018 estimated by annualizing January through November imports by multiplying by (12/11). U.S. domestic shipments estimated based on Vulcan’s domestic shipments and Vulcan’s estimated share of domestic production []. See also Petitioner Data, attached at **Exhibit I-3**.

⁴⁷ 19 U.S.C. § 1677(7)(c)(ii).

Underselling Margins⁴⁸
\$/Pound

Carbon Steel Threaded Rod

	2016	2017	2018
U.S. Domestic Shipments	[]		[]
Subject Imports	\$0.45	\$0.48	\$0.54
Underselling Margin	[]		[]

Alloy Steel Threaded Rod

	2016	2017	2018
U.S. Domestic Shipments	[]		[]
Subject Imports	\$0.59	\$0.62	\$0.72
Underselling Margin	[]		[]

From 2016 to 2018, subject imports of CASTR consistently undersold the domestic like product, by margins ranging from []]. The persistent underselling by subject imports at substantial margins permitted them to increase volumes and gain market share, with subject import volume rising by 41.7 percent from 2016 to 2018 and subject import market share rising by [] in 2018. As detailed in **Exhibit I-16**, underselling by subject imports has also led to lost sales and revenue for the domestic industry.

This pervasive underselling by growing volumes of imports that [] led to significant price suppression as raw material prices increased over the POI. From 2016 to 2018, Vulcan's unit raw material costs rose [], leading Vulcan's unit cost of goods sold to increase by [].⁴⁹ Despite these rapidly rising costs, Vulcan was only able to increase its average unit sales price by [] as higher

⁴⁸ See Import Statistics, attached at **Exhibit I-14**. See also Petitioner Data, attached at **Exhibit I-3**.

⁴⁹ See Petitioner Data, attached at **Exhibit I-3**.

volumes of low-priced subject imports penetrated the market.⁵⁰ As a result, Vulcan's ratio of cost of goods sold to sales rose from [] in 2016 to [] in 2017, and it hit [] in 2018. The fact that Vulcan was only able to pass along a small portion of its rapidly increasing costs as subject imports broadly undersold them and increased in volume strongly supports a finding of significant price suppression by subject imports.

Subject imports have undersold the domestic like product and suppressed domestic prices, resulting in significant adverse price effects.

3. Subject imports have had a significant adverse impact on the domestic industry

In examining the impact of subject imports on the domestic industry, the Commission is instructed to "evaluate all relevant economic factors which have a bearing on the state of the industry, in the United States."⁵¹ These factors include, but are not limited to:

- Actual and potential declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity;
- Factors affecting domestic prices;
- Actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment;
- Actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product; and
- The magnitude of the margin of dumping.⁵²

As explained in more detail below, these factors support a determination that the domestic industry has been materially injured by subject imports.

Subject imports increased significantly and gained market share between 2016 and 2017 and again in 2018. Subject import market share increased from [] percent in 2016 to []

⁵⁰ *Id.*

⁵¹ 19 U.S.C. § 1677(7)(c)(iii).

⁵² *Id.*

percent in 2018.⁵³ This increase came at the expense of the domestic industry, whose market share declined from [] percent in 2016 to [] percent in 2018.⁵⁴

The increase in subject imports prevented the domestic industry from fully participating in the growth in demand over the period. From 2016 to 2018, as demand jumped by an estimated [] percent, subject imports rose by a much more rapid 41.7 percent.⁵⁵ As subject imports seized market share from 2016 to 2018, Vulcan's U.S. commercial shipments rose much more slowly than demand, by only [] percent, and its production also lagged demand, rising by only [] percent.⁵⁶ As production failed to keep pace with demand, Vulcan was unable to take advantage of production assets it purchased from another domestic producer in 2017. As a result, Vulcan's capacity utilization rate fell from [] percent in 2016 to just [] percent in 2018.⁵⁷

As rising low-priced imports took market share and suppressed prices, Vulcan's profitability fell []. As noted above, unit raw material costs rose [] percent from 2016 to 2018, but Vulcan was only able to raise its average sales price by a much lower [] percent. The resulting cost/price squeeze drove down gross profits, operating income, and net income even as demand was rising. As a result, Vulcan's annual operating income [], falling from [] million in 2016 to [] million in 2018.⁵⁸ Vulcan's operating income margin fell from [] percent in 2016 to [] percent in 2018. Vulcan's net income followed

⁵³ See Section II.D.1, above.

⁵⁴ See *id.*

⁵⁵ See *id.*

⁵⁶ See Petitioner Data, attached at **Exhibit I-3**.

⁵⁷ See *id.*

⁵⁸ See *id.*

the same trends, falling [] from 2016 to 2018, and Vulcan's net income margin fell from [] percent in 2016 to [] percent in 2018.

Because Vulcan is the largest domestic producer of CASTR and accounts for a majority of domestic production, petitioner believes the injury it has suffered over the period of investigation is representative of the domestic industry as a whole.

The fact that the domestic industry suffered lagging production and shipments, declining capacity utilization, and falling profits as demand was rising can only be attributed to the rapid increase in low-priced imports from the four subject countries. Nonsubject imports were not a cause of material injury, as they were much smaller than subject imports and their market share declined over the period.⁵⁹ In addition, they entered at average unit values that were significantly higher than subject unit values.⁶⁰

For all of these reasons, the Commission should find that the domestic CASTR industry has been materially injured by imports of CASTR from China, India, Taiwan, and Thailand.

F. Subject imports threaten the domestic industry with additional material injury

In examining the threat of material injury by subject imports, the statute directs the Commission to consider a number of specific factors, including: (1) an increase in foreign producers' productive capacity or existing unused capacity; (2) a significant rate of increase of the volume or market penetration of the subject imports; and (3) the likelihood that imports of the subject merchandise are entering at prices that will have a significant depressing or suppressing effect on domestic prices.⁶¹ Based on these criteria, there is ample evidence that

⁵⁹ See Import Statistics, attached at **Exhibit I-14**.

⁶⁰ See *id.*

⁶¹ 19 U.S.C. § 1677(7)(F)(i).

subject imports of CASTR present an imminent threat of additional material injury to the U.S. industry.

1. Cumulative assessment of threat

Under the statute, the Commission may “cumulatively assess the volume and price effects of imports of the subject merchandise” with respect to which petitioners were filed on the same day, if such products compete with each other and with the domestic like product.⁶² As discussed in Section II.D above, subject merchandise from China, India, Taiwan and Thailand are highly fungible and compete directly with each other and the domestic like product. Additionally, these petitions are being filed on the same day. The Commission should therefore assess the cumulative impact of such imports when determining whether imports threaten additional material injury.

2. Countervailable subsidies encourage production and export of CASTR from China and India

As part of its threat analysis, the Commission must consider “if a countervailable subsidy is involved” and, in particular, “whether the countervailable subsidy is a subsidy described in Article 3 or 6.1” of the WTO Agreement on Subsidies and Countervailing Measures.⁶³ Article 3 of the WTO Subsidies Agreement describes subsidies that are prohibited because they are contingent upon export performance or upon the use of domestic over imported goods.⁶⁴

As documented in Volume VI of these petitions, the Chinese central and sub-central governments, as well as state-owned enterprises, have in place numerous subsidy programs to encourage and finance both the production and the export of iron and steel products generally,

⁶² 19 U.S.C. § 1677(7)(H).

⁶³ 19 U.S.C. § 1677(7)(F)(i)(I).

⁶⁴ Agreement on Subsidies and Countervailing Measures (April 14, 1994), Marrakesh Agreement Establishing the World Trade Organization, Annex 1, 1867 U.N.T.S. 14, at Art. 3.

including CASTR. Chinese government entities encourage CASTR producers to export in numerous ways, including:

- Export loans provided to CASTR producers at preferential rates, where receipt of the financing is contingent on export performance;
- Preferential income tax treatment for CASTR producers whose exports constitute a certain portion of overall sales;
- Preferential insurance premiums to CASTR producers to protect against political risks in export markets;
- Tax exemptions and rebates on import duties on inputs used to make exported products; and
- Grants to assist in development of export markets or to recognize export performance.

As detailed in that volume, numerous Chinese producers of CASTR benefit from these and other subsidies and are highly focused on export markets as a result.

Similarly, as documented in Volume VII of these petitions, the Government of India and various state governments have in place numerous subsidy programs to encourage and finance both the production and the export of iron and steel products generally, including CASTR. Many of these export subsidy programs are the subject of an ongoing WTO dispute settlement proceeding.⁶⁵ Indian government entities encourage CASTR producers to export in numerous ways, including:

- Export loans provided to CASTR producers at preferential rates, where receipt of the financing is contingent on export performance;
- Duty-free imports and duty rebates for inputs used in the manufacture of CASTR produced for export;
- Grants to assist in development of export markets or to recognize export performance; and

⁶⁵ See *India — Export Related Measures*, Request to Establish a Panel by the United States, WT/DS541/4 (May 18, 2018), attached at **Exhibit I-17**.

- Government development of new manufacturing facilities and related infrastructure to bring productive facilities closer to the coast, thereby reducing inland freight costs.

Producers of subject merchandise such as Babu Exports,⁶⁶ Mangal Steel,⁶⁷ and Dashk Fasteners⁶⁸ advertise their participation in such export subsidy programs on their websites.

3. Subject Producers Have Large and Growing Capacity and Exports

Subject producers have large and growing CASTR production capacity, which outpaces capacity utilization. Petitioner has identified hundreds of foreign producers in the four subject countries.⁶⁹ Foreign producers in each subject country are large and heavily export-oriented.

- In its most recent sunset review on CSTR from China, the Commission noted that one very large Chinese producer, IFI & Morgan, operated six facilities in China and advertised its export capabilities on its website.⁷⁰ The producer remains in operation today, and its website notes that it “has served all major USA & Canada fasteners importers since 1987” and “all major importers have been supporting us.”⁷¹
- With respect to India, the foreign producers that participated in the Commission’s prior investigation reported that they had a capacity utilization rate of only 79.5 percent and that nearly two-thirds of all of their shipments were to the United States in 2013.⁷² As noted above, a number of Indian producers continue to advertise their export-orientation and receipt of export subsidies.
- In 2014, the largest Thai producer, Tycoons Worldwide Group (“Tycoons”) had an annual threaded rod capacity of 396.8 million pounds, and a majority of its sales were exports.⁷³ The firm remains in operation today, and its capacity alone is greater than all subject imports in 2017. Moreover, Tycoons has affiliated

⁶⁶ Babu Exports, “Home,” attached at **Exhibit I-18**.

⁶⁷ Mangal Steel, “Performance,” attached at **Exhibit I-18**.

⁶⁸ Dashk Fasteners, “Certifications,” attached at **Exhibit I-18**.

⁶⁹ See **Exhibit I-13**.

⁷⁰ *Steel Threaded Rod from China*, Inv. No. 731-TA-1145 (Review), USITC Pub. 4483 (Aug. 2014) at I-13 & n.39, excerpt attached at **Exhibit I-4**.

⁷¹ Foreign Producer Website Excerpts, attached at **Exhibit I-19**.

⁷² *Thailand CSTR Final* at Table VII-1, excerpts attached at **Exhibit I-4**.

⁷³ *Id.* at VII-4 – VII-5.

locations in Taiwan and China.⁷⁴ Tycoons China advertises that its capacity reached 85,000 tons / year in 2013.⁷⁵ In Taiwan, the company invested in a new electric furnace that started operating in 2014 to improve the group's vertical integration.⁷⁶ The group advertises that its aim is to be "the best partner for consumers worldwide," and "all-time best partner for our worldwide customers."⁷⁷

Not only are subject foreign producers numerous, large, and export-oriented – they are also likely to have substantial excess capacity. Unused production capacity poses a threat of material injury to domestic producers, indicating the ability to substantially increase exports in the future.⁷⁸ A 2018 report by the consulting firm McKinsey & Company found that Indian steel production capacity has far outpaced demand in recent years:

Between 2005 and 2011, Indian steel companies launched major capacity expansions. Installed capacity grew from 75 MTPA in 2010 to 125 MTPA in 2016, a rate of 8.8 percent per year. As demand weakened in recent years, capacity utilization has fallen from the 90 percent peak levels before 2011 to less than 77 percent currently, creating a considerable surplus.⁷⁹

Similarly, the report found that China's well-documented overcapacity is likely to continue for the foreseeable future "despite efforts to crack down on illegal production and shut down obsolete capacity," because "decreasing demand will likely keep pace with or exceed the rate of rationalization."⁸⁰ Similar excess capacity plagues the steel industries of Taiwan and Thailand,

⁷⁴ Foreign Producer Website Excerpts, attached at **Exhibit I-19**.

⁷⁵ *Id.*

⁷⁶ *Id.*

⁷⁷ *Id.*

⁷⁸ See 19 U.S.C. § 1677(7)(F)(i)(II).

⁷⁹ Chalabyan, Avetik et al., "The current capacity shake-up in steel and how the industry is adapting," McKinsey & Company (January 2018), attached at **Exhibit I-20**.

⁸⁰ *Id.* at 5 – 6.

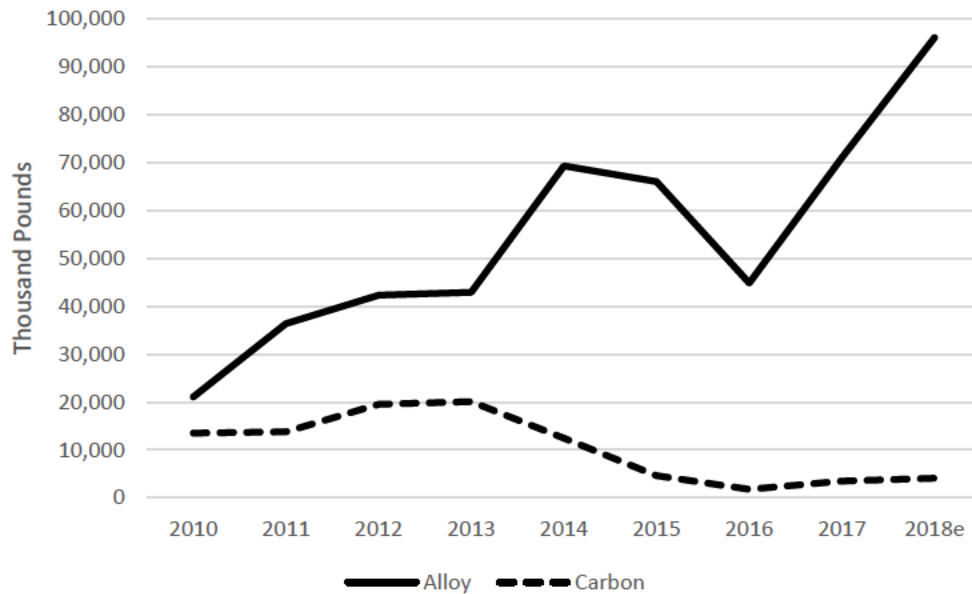
indicating that all four countries have the ability to continue increasing exports if orders are not imposed.

4. Subject producers have demonstrated their ability to rapidly penetrate the U.S. market

As documented above, imports of CASTR from China, India, Taiwan and Thailand are significant and rose rapidly over the period of investigation. *See* Section II.E.1, above. Subject imports already dominate the U.S. market, accounting for more than [] percent of apparent consumption in 2018. Absent relief, the domestic industry will continue to be forced to compete with large and rising volumes of low-priced subject imports. Any projected future growth in demand will not shield the domestic industry from the injurious effects of imports that have demonstrated their ability to outpace demand and take market share from the domestic industry.

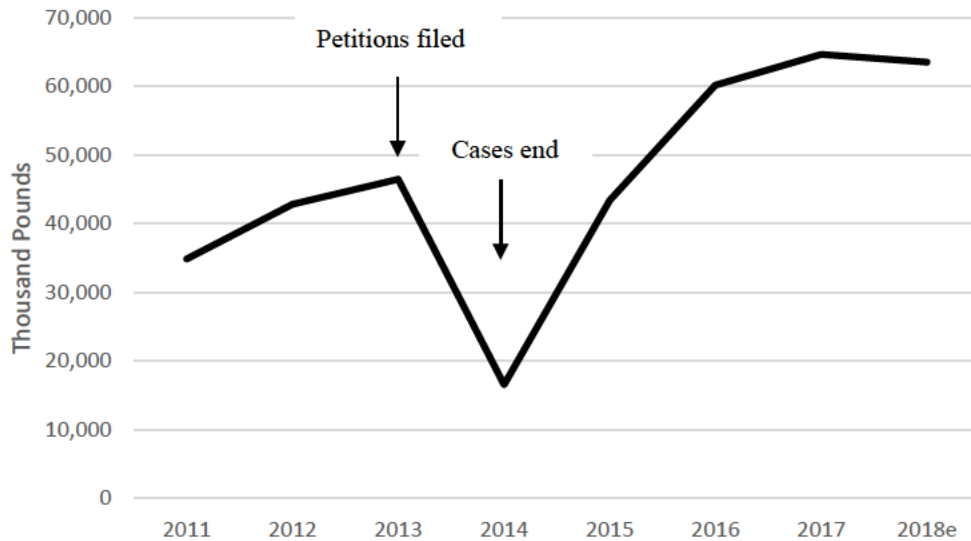
The attractiveness of the U.S. market for subject CASTR producers is vividly illustrated by trends in imports from China after the antidumping order on carbon steel threaded rod was imposed in 2009. While tariffs breakouts between carbon and alloy STR are only available after 2009, the data show that the order effectively disciplined imports of carbon STR. The data also show that Chinese producers quickly shifted to shipments of alloy STR, which have risen rapidly in the absence of any duty discipline. While annual imports of carbon STR from China shrank by 69.6 percent from 2010 to 2018, imports of alloy STR more than quadrupled, leading overall imports of CASTR from China to increase by 189.9 percent. Moreover, as noted above, imports of “alloy” STR from at least one Chinese producer were found to have circumvented the order on carbon STR by barely increasing the chromium content of the product.⁸¹

⁸¹ *Certain Steel Threaded Rod From the People’s Republic of China: Affirmative Final Determination of Circumvention of the Antidumping Order*, 78 Fed. Reg. 12,718 (Dep’t Commerce Feb. 25, 2013).

U.S. Imports of CASTR from China⁸²

Trends in imports of carbon STR from India and Thailand confirm the attractiveness of the U.S. market and the ability of subject producers to quickly ramp up exports in the absence of offsetting duties. Imports from India and Thailand were rising until the antidumping petitions on carbon STR from the two countries were filed in 2013. Imports dropped sharply in 2014, until the Commission's negative determinations terminated preliminary duty liability. Since the negative determinations in 2014, the volume of annual carbon STR imports from India and Thailand has nearly quadrupled.

⁸² See Historical Import Statistics, attached at **Exhibit I-10**.

U.S. Imports of Carbon STR from India and Thailand⁸³

In short, trends during the current POI, as well as longer-term trends, confirm that subject producers will continue to rapidly increase exports to the attractive U.S. market in the absence of offsetting antidumping and countervailing duties.

5. Subject imports will likely enter at prices that will further undersell and suppress and/or depress U.S. prices

Producers of subject merchandise are likely to use aggressive underselling to gain market share if orders are not imposed. As demonstrated in Section II.E.2, above, information available to petitioner indicates that importers of CASTR from China, India, Taiwan and Thailand are engaged in pervasive and deep underselling of the domestic product. This underselling has also suppressed U.S. prices as raw material costs have risen. If relief is not imposed, these trends will worsen as subject producers continue to use underselling to gain market share and further suppress or depress domestic prices.

⁸³ See *id.*

6. Rising volumes of low-priced imports will further injure the domestic industry

If orders are not imposed, the volume of CASTR imports from China, India, Taiwan and Thailand will continue to grow, both absolutely and relative to domestic consumption. Importers will use aggressive underselling to seize market share. Domestic producers will be forced to choose between foregoing shipments and lowering prices in order to compete, a particularly difficult choice when raw material costs are on the rise. As demonstrated above, the domestic industry was already denied the opportunity to participate in the growth in demand that occurred over the POI. In addition, the industry has seen production and shipments lag behind demand and its market share, operating profits, and net income all declined even as demand was rising rapidly. In 2018, the industry was in a particularly vulnerable state, with rising raw material costs, a [] capacity utilization rate, and a [] operating margin. Further increases in unfairly traded imports will only worsen these trends if orders are not imposed.

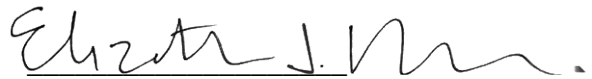
7. Conclusion

In sum, the statutory factors the Commission must consider in deciding threat of injury indicate that there is an imminent threat of further material injury from subject imports. Existing trends in import market share, underselling, and price suppression or depression would lead to further injury if they continue without relief. The Chinese, Indian, Taiwanese, and Thai industries have ample and growing capacity to export in ever more injurious quantities, and it has every incentive to do so given the attractiveness of the U.S. market. The Chinese and Indian governments, moreover, are encouraging more exports in the sector, including through prohibited export subsidies. Under these circumstances, there exists a serious threat of further material injury to the domestic industry.

III. CONCLUSION

Petitioner respectfully requests that Commerce initiate antidumping and countervailing duty investigations on CASTR from China, India, Taiwan, and Thailand, that the Commission find that the domestic industry is materially injured or threatened with injury by these imports, and that antidumping and countervailing duty orders be imposed to offset the dumping and subsidies found.

Respectfully submitted,



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EXHIBIT LIST

Exhibit #	Description	BPI / Public
I-1	Known Domestic Producers	Public
I-2	Declaration of Alan Logan	BPI
I-3	Petitioner's Data	BPI
I-4	ITC Determinations on Steel Threaded Rod, excerpts	Public
I-5	Scope	Public
I-6	Antidumping Order on Carbon Steel Threaded Rod from China	Public
I-7	HTSUS Excerpt and Customs Rulings	Public
I-8	Steel Threaded Rod Specifications	Public
I-9	Steel Treaded Rod Types and Grades	Public
I-10	Historical Import Statistics	Public
I-11	Distributors of CASTR	Public
I-12	Domestic Producer Website Excerpts	Public
I-13	Known Foreign Producers	Public
I-14	Import Statistics	Public
I-15	Known Importers	Public
I-16	Lost Sales Lost Revenue Allegations	BPI
I-17	<i>India — Export Related Measures</i> , Request to Establish a Panel by the United States, WT/DS541/4 (May 18, 2018)	Public
I-18	Indian Producer Website Excerpts	Public
I-19	Foreign Producer Website Excerpts	Public
I-20	Chalabyan, Avetik et al., "The current capacity shake-up in steel and how the industry is adapting," McKinsey & Company (January 2018)	Public