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**BEFORE THE  
U.S. INTERNATIONAL TRADE COMMISSION**

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**CARBON AND CERTAIN ALLOY STEEL WIRE ROD  
FROM THE PEOPLE'S REPUBLIC OF CHINA**

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**DOMESTIC PRODUCERS' PREHEARING BRIEF**

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**DOMESTIC PRODUCERS' PREHEARING BRIEF**

Domestic producers ArcelorMittal USA LLC, Charter Steel, Evraz Pueblo, Gerdau Ameristeel US, Inc. and Keystone Consolidated Industries (“Domestic Producers”) submit this prehearing brief in support of a finding of material injury, and the threat thereof, by reason of dumped and subsidized imports of carbon and certain alloy steel wire rod (“wire rod”) from China.

**I. INTRODUCTION**

Imports of dumped and subsidized Chinese wire rod have surged into the U.S. market in the past two and one half years, increasing from virtually nonexistent levels in 2011 to over 600,000 tons in 2013, and China quickly became the largest single source of imported wire rod. Despite the filing of petitions in January 2014, the imports did not decline, but continued to ramp up in the first half of 2014 to try to beat the imposition of preliminary countervailing duties by the Commerce Department. From a zero percent market share in 2011, dumped and subsidized imports surged to capture 11.7 percent of the U.S. market in 2013 and 12.8 percent of the U.S. market in interim 2014. ITC Prehearing Report dated Oct. 29, 2014 at C-3 (“ITC Prehrg. Rep.”). This market share gain came at the direct expense of the U.S. industry, which watched its production, shipments and employment plummet and its already significant idle capacity situation worsen despite growing U.S. demand for wire rod. Id.

The remarkable penetration of the U.S. market by Chinese wire rod producers was obtained through the use of aggressive low pricing. Imports from China undercut U.S. producer prices in 36 of 38 quarterly comparisons, or 95 percent of the time. Id. at V-18. The frequency and magnitude of that underselling increased in 2013 and interim 2014, when subject imports achieved their highest volume and market share levels, demonstrating that subject imports were



gaining share through the use of low prices. Id. at V-8-12. Purchasers have acknowledged that price is “very important” to their wire rod purchasing decisions and that the low prices offered by China were the main reason for buying the subject imports. See sections IV.A.2 and IV.C.4-5.

These persistent underselling practices had predictable effects on competing U.S. producers. U.S. industry prices fell by more than costs over the period of investigation (“POI”), and the industry was unable to increase prices as costs began to rise again in 2014. Net sales of the domestic industry dropped, operating profits of the industry plummeted by 50.9 percent from 2011 to 2013 and by a further 63 percent in interim 2014, and the industry’s operating profit to sales ratio declined from 7.0 percent in 2011 to 1.7 percent by the first half of 2014. ITC Prehrg. Rep. at C-3. When the domestic industry’s merchant market sales are examined, the situation is even more stark, with the industry’s operating profit ratio falling to only 1.1 percent by the end of the POI. Id. at C-5.

No other factor accounts for this precipitous decline in the domestic industry’s condition. Demand for wire rod increased over the POI. This demand growth should have led to increasing U.S. shipments, improved capacity utilization and new jobs for workers, but the opposite occurred. Non-subject imports also did not cause the injury suffered. The volumes of non-subject imports declined from 2011 to 2013 – as non-subject imports lost market share to China as well – and the prices of non-subject imports were well above those from China.

As if the devastating injury the U.S. industry has suffered to date is not enough, China is poised to continue its displacement of U.S. shipments and its destruction of U.S. industry prices and profits if remedial measures are not taken. The few responding Chinese producers alone have sufficient idle capacity to capture 44 percent of the U.S. market. The huge and rapid increase in Chinese market share, the almost uniform underselling and the marked shift by



purchasers from domestic to Chinese wire rod over the period demonstrate these trends are likely to continue absent the impositions of orders. The Chinese industry as a whole could displace all U.S. producer sales from idle capacity, with plenty to spare, and China continues to add even more capacity. The increasing export orientation of China and weak home market demand make increased import volumes a likely scenario, to the detriment of U.S. producers.

Finally, an affirmative critical circumstances finding in the countervailing duty case against China is warranted. After the petition filing, imports from China surged into the U.S. market to try to evade the imposition of the duties anticipated in June 2014. Purchasers and importers stockpiled inventories, preventing U.S. producers from selling product and causing continued declines in U.S. industry sales in interim 2014. No price relief occurred despite the petition filing, as subject imports grew even more aggressive in their low pricing. The domestic industry suffered its worst financial performance of the POI in the post-petition period. This import behavior, which seriously undermines the remedial effect of the order, is precisely the action that the critical circumstances provision was designed to remedy.

**II. THE DOMESTIC LIKE PRODUCT IS CO-EXTENSIVE WITH THE SCOPE OF THE PETITION AND CONSISTS OF ALL CARBON AND CERTAIN ALLOY STEEL WIRE ROD**

As it did in the preliminary determination, the Commission should find “a single domestic like product consisting of all steel wire rod, coextensive with the scope of investigation, on the basis that there are no clear dividing lines among the various types of steel wire rod.” Carbon and Certain Alloy Steel Wire Rod from China, Inv. Nos. 701-TA-512 and 731-TA-1248 (Prelim.), USITC Pub. 4458 (Mar. 2014) at 6 (“Wire Rod Prelim. Det.”); see also ITC Prehrg. Rep. at I-25-I-27. The Commission found that “the information in the record in these investigations concerning pertinent product characteristics does not justify any different



definition of the domestic like product.” Wire Rod Prelim. Det., USITC Pub. 4458 at 6. In addition, no party contested the like product definition during the preliminary investigation. Id.<sup>1</sup> Accordingly, consistent with its prior determinations, the Commission should conclude that the like product in this case is coterminous with the scope language and covers all hot-rolled products of carbon steel and alloy steel, in coils, of approximately circular cross section, less than 19.00 mm in solid cross-sectional diameter not specifically excluded from the scope.

### **III. THE DOMESTIC INDUSTRY CONSISTS OF ALL U.S. PRODUCERS OF WIRE ROD**

Section 771(4)(A) of the Tariff Act of 1930, as amended (the “Act”) defines the relevant industry as the “producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product consists of a major proportion of the total domestic production of the product.” 19 U.S.C. § 1677(4)(A). Based on this definition, as the Commission found in its preliminary determination, the domestic industry consists of all U.S. producers of wire rod.<sup>2</sup> There are no related party issues in this case, and there is no reason to exclude any domestic producer from the domestic industry.<sup>3</sup>

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<sup>1</sup> Counsel for the American Wire Producers Association (“AWPA”), a trade association whose members represent the vast majority of wire rod consumption in the United States, and counsel for Lincoln Electric, a purchaser of welding wire rod, both indicated that they did not challenge the like product proposed by petitioners. Transcript of ITC Preliminary Staff Conference conducted February 21, 2014 (“Conf. Tr.”) at 99 (Mr. Waite: “We accept the Commission’s previous like-product definitions and we accept the like-product definition proffered in this proceeding as well.”); id. at 100-102 (exchange between Mr. Grace and Ms. Turner). [

]

<sup>2</sup> See Wire Rod Prelim. Det., USITC Pub. 4458 at 8; see also ITC Prehrg. Rep. at III-2 (Table III-1) for the list of 10 domestic producers accounting for all domestic production of wire rod. All domestic producers support the petition. Id.

<sup>3</sup> See Wire Rod Prelim. Det., USITC Pub. 4458 at 8; see also ITC Prehrg. Rep. at III-3 (showing no U.S. producer of wire rod had direct imports or purchases from importers of subject (cont’d on next page)



#### IV. DUMPED AND SUBSIDIZED IMPORTS OF WIRE ROD FROM CHINA MATERIALLY INJURE THE DOMESTIC INDUSTRY

##### A. Conditions of Competition

##### 1. Supply and Demand

##### a. The Domestic Industry Has More Than Ample Capacity to Supply the Domestic Wire Rod Market, Which Has Experienced Stable and Slightly Increasing Demand

The domestic industry has more than enough capacity to supply current and imminent demand for wire rod. See, e.g., Conf. Tr. at 20 (Nystrom). The Prehearing Report shows capacity of the domestic industry to produce wire rod has been relatively stable over the POI, dipping slightly from 5,150,146 tons in 2011 to 5,117,686 tons in 2012 and then to 5,051,499 tons in 2013, a total decline of 1.9 percent. ITC Prehrg. Rep. at III-6 (Table III-3).<sup>4</sup> Capacity rose slightly between interim 2013 from 2,774,066 tons to 2,827,449 tons, an increase of 1.9 percent. Id. at III-5. This capacity does not account for the additional nearly 1.8 million tons of unused capacity allocated to non-subject products (rebar and other bar and rod products) manufactured on the same equipment. Compare id. at III-6 (Table III-3) with III-7 (Table III-4). All of that unused capacity could be used to produce wire rod.

The apparent domestic consumption (“ADC”) of wire rod during the POI rose from 5,130,187 tons in 2011 to 5,308,086 tons in 2013, an increase of 3.5 percent over the POI. Id. at C-3. ADC increased modestly again by 4.4 percent from interim 2013 to interim 2014. Id. Thus, when one accounts for all of the excess capacity available to the domestic industry to

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Chinese wire rod, and no U.S. producers are related to Chinese wire rod producers or importers of Chinese wire rod).

<sup>4</sup> While Charter and Nucor increased capacity over the period, Cascade had a 41.4 percent reduction in capacity, resulting in stable total domestic capacity over the period. ITC Prehrg. Rep. at III-5.



produce wire rod, including the excess capacity currently allocated to other non-subject merchandise that could be reallocated to wire rod production, domestic industry capacity exceeds apparent domestic consumption and has done so in every year of the POI, as demonstrated below.

<b>Comparison of Overall Domestic Capacity to Apparent Domestic Consumption (short tons)</b>				
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Jan.-June 2014</b>
Overall Dom. Capacity	8,405,250	8,505,250	9,405,250	4,738,085
Wire Rod Production	3,907,416	3,879,061	3,655,088	1,909,764
Available Capacity	6,473,544	6,502,484	6,846,227	3,311,216
ADC	5,130,187	5,328,648	5,308,068	2,855,970
Capacity Exceeding ADC	1,343,357	1,173,836	1,538,159	455,256
Source: ITC Prehrg. Rep. at III-6-III-7, C-3.				

Notably, the domestic wire rod industry has operated at levels well below capacity throughout the POI, demonstrating its ability to increase supply to purchasers as needed.<sup>5</sup> Given this significant unused production capacity available, the domestic industry has the ability to respond to any increase in wire rod demand that may occur in the imminent future. ITC Prehrg. Rep. at III-5. The surge in wire rod imports from China is therefore not being driven by any real or perceived shortage of wire rod in the U.S. marketplace.

Wire rod is sold to wire drawers to be drawn into wire products for use in a wide variety of manufacturing products. Id. at II-11-II-12. A large proportion of wire rod is used in the construction, automotive and energy industries, and demand for wire rod generally follows

<sup>5</sup> Domestic industry capacity utilization fell from 75.9 percent in 2011 to 72.4 percent in 2013, and fell further to 67.5 percent in interim 2014. ITC Prehrg. Rep. at III-6 (Table III-3). Total capacity utilization for all subject and non-subject products made in U.S. producers' wire rod facilities has been similarly low, falling from 69.5 percent in 2011 to 66.1 percent in 2013 as subject imports surged, and it remained low in interim 2014, at 70.4 percent. Id. at III-7 (Table III-4). This low overall capacity utilization demonstrates insufficient demand for alternative products to which unused capacity has been allocated.



demand trends in those industries. Conf. Tr. at 53. Most industry observers predict continued modest but uneven growth in demand for wire rod in the imminent future, just as the industry has experienced in early 2014. ITC Prehrg. Rep. at C-3. While there is no legal requirement that the domestic industry be able to supply the entire market to obtain relief from injurious unfair trade,<sup>6</sup> the substantial domestic production capacity in excess of consumption demonstrates that the U.S. wire rod industry was never short of capacity during the POI and is not likely to run short of wire rod capacity in the imminent future. There are also a number of sources of non-subject imports in the U.S. market to supply U.S. demand. Exh. 1. Imports of unfairly traded wire from China are not necessary to adequately supply the domestic market.<sup>7</sup>

**b. Imports from China Are Not Supplying Any Type of Wire Rod the U.S. Industry Does Not Produce**

The domestic industry is also capable of making wire rod for all of the end-uses types identified by the Commission, and the record shows that it produced significant volumes of wire rod in each of those end-use categories. ITC Prehrg. Rep. III-12 (Table III-6). This includes significant production in the smaller end-use categories such as tire cord, tire bead and welding wire rod which collectively accounted for only about [ ] percent of the total wire rod market

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<sup>6</sup> Xanthan Gum from Austria and China, Inv. Nos. 731-TA-1202-03 (Prelim.), USITC Pub. 4342 (July 2012) at 16 & n.89 (citing e.g., Softwood Lumber from Canada, Inv. Nos. 701-TA-414 and 731-TA-928 (Article 1904 NAFTA Remand) at 108 n.310 (Dec. 2003); Certain Activated Carbon from China, Inv. No. 731-TA-1103 (Prelim.), USITC Pub. 3852 (May 2006) at 19 n.134; Certain Orange Juice from Brazil, Inv. No. 731-TA-1089 (Final), USITC Pub. 3838 (Mar. 2006) at 20 n.143.

<sup>7</sup> Press reports indicate purchasers of wire rod agree with this assessment and predict no shortages of wire rod if unfairly traded Chinese wire rod is no longer available. See Exh. 2 [ ]



in 2013. Id. at III-12 and IV-11 (Table IV-4).<sup>8</sup> Importantly, the U.S. industry is also capable of making all of the wire products being imported into the United States from China. Conf. Tr. at 40 (Kerkvliet, Ashby, Nystrom) and 18 (Cannon); see also ITC Prehr. Rep. at III-12 and IV-9 (Table IV-4).

Importer Lincoln Electric's claim to require complete access to unfairly-traded Chinese wire rod sources to meet its needs for welding wire rod is overstated. Conf. Tr. at 121-22; [ ] Lincoln Electric confirms that six domestic producers can produce at least half of its 45 proprietary grades of welding wire rod, [

], and that two domestic producers are currently qualified as suppliers. Conf. Tr. at 87 (DeShane); [ ] Lincoln Electric itself has characterized imports of welding wire rod from China as "de minimis" and only a "supplemental" source. Conf. Tr. at 88. That characterization is confirmed by the data, as imports from China accounted for less than [ ] percent of total U.S. shipments of welding wire rod in 2013. ITC Prehr. Rep. at III-10 (Table III-5) and IV-11 (Table IV-4). There are also significant imports of non-subject welding wire rod, and [

[ ] Id. at IV-11 (Table IV-4); [ ] In short, Lincoln Electric has not demonstrated any general

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<sup>8</sup> The statement in the Prehearing Report that the domestic industry does not produce grade 1080 tire cord is incorrect. ITC Prehr. Rep. at III-13. [ ] domestic producers reported production of tire cord and tire bead of [ ] short tons during 2013. Id. at III-12 (Table III-6); U.S. Prod. QRs of [ ]

[ ] U.S. importers reported no shipments of tire cord or tire bead wire rod from China, while imports of this product from non-subject countries were significant. ITC Prehr. Rep. at IV-9 and IV-10 (Table IV-4). Access to unfairly traded Chinese tire cord wire rod is not necessary to serve the domestic market.



shortage of welding wire rod or shown that it is unable to purchase the welding wire rod it needs from sources other than China.<sup>9</sup>

\* \* \* \*

In sum, the evidence of record demonstrates that: (1) the domestic wire rod industry has more than enough capacity to serve the entire domestic wire rod market currently and for the foreseeable future; (2) the domestic industry is actively engaged in producing all of the types and grade groupings of wire rod identified by the Commission; and (3) there is no type of wire rod imported from China that the domestic industry cannot make.

## 2. Substitutability and Price Sensitivity

The high degree of substitutability between wire rod from different sources and the importance of price in purchasing decisions continue to be significant conditions of completion in the U.S. wire rod market. Representatives from the domestic industry testified at the preliminary conference that Chinese producers are gaining sales based on their aggressively low prices and not due to any other factor. Conf. Tr. at 11 and 14. In its preliminary determination, the Commission found that “domestically produced wire rod and subject imports of the same type, particularly in the industrial quality grades, tend to be highly substitutable,” and that “both the domestic like product and subject imports tend to be concentrated in the industrial quality grades.” Wire Rod Prelim. Det., USITC Pub. 4458 at 16-18. In the recent sunset review of wire rod from multiple countries, the Commission found that subject imports and domestically-produced wire rod of the same type are highly substitutable and that “price is a very important

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<sup>9</sup> Moreover, Lincoln Electric’s witness testified that despite having imported only de minimis quantities of Chinese welding wire rod during the POI, its U.S. operations have been successful and continuously more profitable every year since 2009. Conf. Tr. at 84-85.



factor in purchasing decisions.” Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad & Tobago, and Ukraine, Inv. Nos. 701-TA-417 and 731-TA-953, 957-959, 961, and 962 (Second Review), USITC Pub. 4472 (June 2014) at 43 (“Wire Rod Second Sunset Review”).

In the final phase of these investigations, the record continues to indicate that domestic and imported wire rod are highly substitutable and that the wire rod market is price sensitive. The Prehearing Report states: “where there are identical forms of wire rod, there is usually a high degree of substitutability between domestically produced wire rod and wire rod imported from China.” ITC Prehrg. Rep. at II-15. Most U.S. producers (9 of 10), importers (13 of 18), and purchasers (32 of 43) reported that U.S.-produced and Chinese wire rod are “always” or “frequently” interchangeable. Id. at II-26.

All but one responding purchaser rated price as a “very important” factor in purchasing decisions. Id. at II-19. The vast majority (49 of 53) of purchasers cited price as one of the top three factors considered in their purchasing decisions. Id. at II-16-17. Nearly as many (46 of 54) purchasers reported that they usually or sometimes purchase the lowest-priced product. Id. at II-18. Most U.S. producers (9 of 10), importers (10 of 18), and purchasers (31 of 43) stated that factors other than price were sometimes or never significant when comparing U.S.-produced and Chinese wire rod. Id. at II-27. Finally, numerous purchasers indicated the importance of price in their buying decisions in responding to allegations of lost sales and lost revenue. Id. at V-21-30; see also section IV.C.4 and Exh. 3.

Accordingly, record evidence continues to demonstrate that domestic and Chinese wire rod are highly substitutable and that price is very important in determining sales in the wire rod market.



**3. Captive Production**

During the POI, the domestic industry either internally-consumed or transferred to related firms between [ ] and [ ] percent of U.S. producers' domestic shipments of wire rod. ITC Prehrg. Rep. at III-10 (Table III-5). The domestic industry's combined captive production accounted for an increasing percentage of total U.S. shipments over the POI, as the domestic industry lost commercial sales to subject imports. See id. and sections IV.C.4 and IV.D.3.

In its preliminary determination, the Commission found that, while the statutory captive production provision did not apply, it nonetheless should consider as a condition of competition that a significant share of domestic production is captively consumed. Wire Rod Prelim. Det., USITC Pub. 4458 at 13-14. As a result, the Commission examined both merchant market data and data for the total U.S. market in its analysis. Id. at 14. Domestic Producers do not contest the Commission's preliminary decision that the statutory captive production requirements are not met here, but do urge the Commission to continue to consider domestic captive consumption as a relevant condition of competition and to examine both the U.S. merchant market and the total wire rod market in assessing the impact of wire rod imports from China.<sup>10</sup>

**B. Import Volumes from China Are Significant and Increasing**

**1. Significant Absolute and Relative Volume Levels of Subject Imports**

Import volumes from China are significant on both an absolute basis and relative to U.S. apparent domestic consumption and U.S. production. Imports from China stood at the

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<sup>10</sup> See, e.g., Hot-Rolled Steel Products from Argentina and South Africa, Inv. Nos. 701-TA-404 and 731-TA- 898 and 905 (Final), USITC Pub. 3446 (Aug. 2001) at 15-16; Hot-Rolled Steel Products from China, India, Indonesia, Taiwan, Thailand and Ukraine, Inv. Nos. 701-TA-405, 406, and 408 & 731-TA-899-901 and 906-908 (Second Review), USITC Pub. 4445 (Jan. 2014) at 47 & n.288; Uncovered Innerspring Units from South Africa and Vietnam, Inv. Nos. 731-TA-1141-1142 (Final), USITC Pub. 4051 (2008) at 14-15 n.77.



significant volume of 618,790 tons in 2013 and 365,273 tons in January-June 2014. ITC Prehrg. Rep. at C-3. China's extremely high import level represented the largest import source of any country supplying wire rod to the United States. See Exh. 1 and ITC Prehrg. Rep. at IV-5. China represented 36 percent of total wire rod imports in 2013 and interim 2014. Id. China also accounted for a substantial share of the U.S. market, at 11.7 percent in 2013 and an even higher 12.8 percent in the first half of 2014. Id. at C-3. Relative to U.S. production, imports from China were also significant, representing 16.9 percent of U.S. production in 2013 and 19.1 percent of U.S. production in the first half of 2014. Thus, on an absolute and relative volume basis, imports from China – now the largest import supplier of wire rod to the United States – are significant.

**2. Import Volumes from China Have Surged at a Rapid Pace to Penetrate the U.S. Market**

Imports from China rose at an unbelievably rapid pace over the POI. As the Commission stated in its preliminary determination, “{s}ubject imports were virtually nonexistent at the beginning of the period of investigation, but their volume increased dramatically – by 429,778 percent – between 2011 and 2013.” Wire Rod Prelim. Det., USITC Pub. 4458 at 17. Imports from China stood at only 144 tons in 2011 but surged to 241,966 tons in 2012, and then more than doubled to 618,790 tons in 2013, representing a growth rate of nearly 430,000 percent. ITC Prehrg. Rep. at C-3. During the interim period, imports from China continued to grow, rising from 274,888 tons in the first half of 2013 to 365,273 tons in the first half of 2014, a further increase of 32.9 percent. Id.

This absolute volume surge led to a substantial increase in Chinese market share and a double-digit growth rate from 2011-2013. Id. China's share of the U.S. market rose from 0.0



percent in 2011 to 4.5 percent in 2012, before jumping to 11.7 percent in 2013. Id. Chinese imports continued to grab U.S. market share in interim 2014 after the petition was filed, reaching a 12.8 percent share in the first half of 2014. Id. The share of the U.S. merchant market displayed even higher Chinese import penetration at 14.4 percent in 2013 and 15.7 percent in interim 2014. ITC Prehrg. Rep. at C-5.

While apparent domestic consumption increased somewhat over the POI, the percentage increase in Chinese wire rod imports was far greater, resulting in their sizeable market share gain. As discussed further in section IV.D., these increasing volumes of unfairly-traded imports came at the direct expense of U.S. producers' sales, leading to a loss in U.S. industry market share over the POI.

**C. Imports from China Are Significantly Underselling U.S. Prices, Causing Both Depression and Suppression of U.S. Producer Prices**

**1. Unfairly-Traded Imports Are Significantly Undercutting U.S. Prices**

The quarterly price comparisons in this investigation show significant and increasing incidences of underselling by imports from China during the POI. Subject imports undersold domestically-produced wire rod in 36 of 38 quarterly pricing comparisons, or 95 percent of the time. ITC Prehrg. Rep. at V-18. Notably, as the volume of subject imports increased over the period, direct competition with the domestic industry and instances of underselling intensified.



Year	Number of Instances of Underselling by Imports from China	Underselling Range by Imports from China
2011	[ ]	[ ]
2012	[ ]	[ ]
2013	[ ]	[ ]
Jan.-Jun. 2014	[ ]	[ ]

Source: ITC Prehrg. Rep. at V-8-12.

In 2011, when subject imports were virtually nonexistent, there was [ ] ITC Prehrg. Rep. at V-9. In 2012, when subject imports increased to nearly 242,000 short tons, there were [ ] possible comparisons, and [ ] of those instances ([ ]) showed underselling. Id. By 2013, when subject imports more than doubled to exceed 600,000 short tons, direct competition with U.S. producers was even more prevalent. Id. at V-8-12. Underselling was shown in [ ] possible quarterly pricing comparisons in 2013. Id. Similarly, in the first half of 2014, [ ] possible comparisons showed underselling by China. Id.

The margins of underselling also generally increased in the latter part of the POI as subject imports surged into the U.S. market. The average margins of underselling rose from a range of [ ] percent in 2012 to [ ] percent in 2013 and even further to [ ] percent in interim 2014. Id.

The record, therefore, demonstrates that underselling by the Chinese wire rod was significant and intensified over the course of the POI as subject import volumes increased.



## 2. Low Chinese Prices Depressed U.S. Prices Over the POI

The Commission's pricing data demonstrate that the significant underselling by the unfairly traded imports of Chinese wire rod had a depressing effect on U.S. producer prices. The quarterly pricing data for the five products identified by the Commission showed that U.S. prices fell significantly over the POI for each product. ITC Prehrg. Rep. at V-8 to V-12. Given that imports from China were virtually nonexistent in 2011, it is appropriate to compare U.S. pricing declines beginning in 2012.<sup>11</sup> As shown in the table below, domestic wire rod prices declined significantly from first quarter 2012 through second quarter 2014.

<b><u>Average Quarterly Prices of U.S.-Produced Wire Rod</u></b> <b>(\$/ton)</b>		
	<b>1Q2012</b>	<b>2Q2014</b>
Product 1	753.38	646.42
Product 2	719.16	648.82
Product 3	723.55	647.34
Product 4	759.19	712.13
Product 5	775.41	691.00

Source: ITC Prehrg. Rep. at V-8-12.

<sup>11</sup> Even comparing first quarter 2011 to fourth quarter 2013 or second quarter 2014, U.S. prices were declining and at lower levels in 2013 and interim 2014 than they were the beginning of the POI. ITC Prehrg. Rep. at V-11-12. As noted in the prehearing report, "{p}rices decreased during January 2011-June 2014." Id. at V-18.



Between the first quarter of 2012 and the second quarter of 2014, the domestic industry's quarterly average unit price fell for Product 1 by \$107 per ton, for Product 2 by \$70 per ton, for Product 3 by \$76 per ton for Product 4 by \$47 per ton and for Product 5 by \$84 per ton.<sup>12</sup> Id.

As the volume of imports of wire rod from China surged from 2012 to 2013, the price of Chinese imports also declined, as summarized below:

<b>Average Quarterly Prices of Wire Rod Imports from China (\$/ton)</b>		
	<b>2Q2012<sup>13</sup></b>	<b>2Q2014</b>
Product 1	[ ]	[ ]
Product 2	685.68	586.22
Product 3	[ ]	561.99
Product 4	[ ]	[ ]
Product 5	[ ]	[ ]

Source: ITC Prehrg. Rep. at V-8-12.

These low and declining Chinese prices forced U.S. prices down, causing depression of U.S. prices and resultant financial injury to U.S. producers. See section IV.D.

<sup>12</sup> The quarterly pricing data show that U.S. producers initially tried to raise prices during the first half of 2013 but were forced to lower prices in the second half of the year and in second quarter 2014 due to low Chinese import prices. ITC Prehrg. Rep. at V-8-12. The price of Chinese imports plunged to the lowest point of the POI in [ ] as U.S. pricing was also forced downward. Id.

<sup>13</sup> No Chinese pricing data were provided for first quarter 2012. ITC Prehrg. Rep. at V-8-V-12. The comparison period for products 3 and 4 was [ ] Id. at V-11-12.



**3. Chinese Wire Rod Prices Are Also Preventing U.S. Producers from Increasing Prices to Cover Increased Costs**

The Prehearing Report shows that the ratio of average cost of goods sold (“COGS”) to net sales value increased in each year of the POI and between the two interim periods, regardless of whether raw material costs were decreasing (as they did from 2011 until late 2013) or increasing (as they did in late 2013 and the first half of 2014). ITC Prehrg. Rep. at VI-3 and VI-5. That trend is true for both merchant market sales and total net sales. *Id.* Thus, the ratio of COGS to total net sales rose from 90.0 percent in 2011 to 91.7 percent in 2012 and to 92.4 percent in 2013, as prices fell faster than costs in a market that experienced a 3.5 percent growth in consumption. *Id.* The result was significant U.S. price depression for most of the POI, as discussed above.

Although raw material prices generally fell over the POI (ITC Prehrg. Rep. at V-1), raw material costs, in particular for scrap, began rising in late 2013 and continued to rise during the first half of 2014. ITC Prehrg. Rep. at V-2. The domestic industry was not able to raise prices sufficiently to cover these rising costs in 2014, leading to price suppression. Total unit COGS increased by \$34 per ton between the interim periods, while the unit net sales value increased by only \$14 per ton for total net sales, resulting in a net decline in the unit value of operating income by \$20 per ton. *Id.* at VI-4.

Purchasers consistently identified domestic producers as exercising price leadership when trying to increase prices. *Id.* at V-6. The domestic industry, which was already suffering from low operating profit margins, had to attempt to raise prices as COGS rose in late 2013 and 2014 to stave off further financial deterioration. Announcing price increases, however, is not the same as achieving them. Attempts to raise prices in 2014 to cover increasing costs have not been fully



successful in the face of the continued surge in imports of unfairly trade wire rod from China at prices that even more aggressively undersold the domestic industry. Indeed, while domestic prices did rise somewhat in the first quarter of 2014, they actually declined again in the second quarter. Id. at V-8-12. The increasing volume and market share of, and aggressive underselling by low-priced, dumped and subsidized Chinese wire rod has suppressed prices in 2014 and prevented the domestic industry from realizing those price increases sufficiently to offset rising costs.

**4. Lost Sales and Lost Revenue Examples Further Demonstrate the Adverse Price Effects of Subject Imports**

The information on lost sales and lost revenue collected from purchasers further demonstrate the significant adverse price effects of the subject imports in the market. The Commission staff was able to confirm POI lost sales of [ ] tons of wire rod worth [ ]

[ ] in which the purchasers agreed they bought Chinese wire rod that undersold the domestic wire rod offered. ITC Prehrg. Rep. at V-21-30 (Table V-10). While purchasers disagreed with or could not confirm or deny lost sales valued at approximately [ ], the questionnaire responses of many of those purchasers contain additional information demonstrating that they purchased Chinese wire rod instead of the domestic product based on price, as detailed in Exhibit 3.<sup>14</sup>

If the Commission adds to the confirmed lost sales allegations those allegations in which the purchasers confirmed the substance of the allegations in either their lost sales responses or their questionnaire responses, the record demonstrates that there are an additional [ ]

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<sup>14</sup> [ ] accounting for [ ] short tons of the lost sales alleged at a value of [ ] did not respond to the Commission. ITC Prehrg. Rep. at V-21-30.



] in lost sales allegations that should be treated as confirmed. See Exh. 3. That would bring the total confirmed lost sales to [ ], or over [ ] percent of all the allegations made and nearly [ ] percent of allegations for which the Commission received responses.

5. **Purchasers Corroborate the Adverse Price Effects of Imports from China**

Purchasers reported that the growth in import volumes from China has been a result of low price offerings, as summarized below:

- [ ] Purchasers' QR at II-2.
- [ ] Purchasers' QR at II-2.
- [ ] Purchasers' QR at II-2.
- [ ] Purchasers' QR at II-2.
- [ ] Purchasers' QR at II-2.
- [ ] Purchasers' QR at II-2.
- [ ] Purchasers' QR at II-2.
- [ ] Purchasers' QR at II-2.
- [ ] QR at III-a.



Imports from China, thus, increased in volume and market share through low-price offerings and underselling U.S.-produced wire rod.

**D. Unfairly Traded Imports from China Have Had a Significant Injurious Impact on the U.S. Industry**

**1. Declines in Virtually All U.S. Trade Variables Over the POI Demonstrate the Adverse Effects of Subject Imports**

The domestic industry suffered significant declines in trade variables over the POI despite market conditions that should have led to improvement, as subject imports took sales and market share from the domestic industry. Apparent domestic consumption was expanding modestly during the POI, growing by 3.5 percent between 2011 and 2013 and by a further 4.4 percent between interim 2013 and interim 2014. ITC Prehrg. Rep. at C-3. Raw material costs and Unit COGS fell between 2011 and 2013. Id. The domestic industry should have recorded improving trade variables over this period but did not because of unfairly traded imports from China. Id. Domestic market share fell from 75.6 to 67.8 percent between 2011 and 2013, all of which was taken by subject imports of Chinese wire rod. Id.

The situation worsened in the first half of 2014, as domestic industry unit COGS now began to rise, Chinese underselling intensified, and the market share of Chinese wire rod further increased to 12.8 percent. Id. As a result, rather than improving, the domestic industry experienced significant declines in all trade variables over the POI due to the steady and significant increase in subject import volume and market share driven by aggressive and pervasive underselling.

Domestic production fell from 3,907,416 tons in 2011 to 3,655,088 tons in 2013, a decline of 6.5 percent, and then declined by a further 3.1 percent from 1,970,026 tons in the first half of 2013 to 1,909,764 tons in the same period of 2014. Id. at C-3. The quantity of total U.S.



shipments similarly declined over this period, falling by 7.1 percent over the three year POI, and by a further 2.2 percent over the interim periods. Id. The U.S. industry's capacity utilization also fell, dropping from 75.9 percent in 2011 to 72.4 percent in 2013 and further to a low of 67.5 percent in interim 2014. Id.

The cutbacks in U.S. production had a commensurate negative effect on U.S. industry workers. Employment of production and related workers fell from 2,234 workers in 2011 to 2,194 workers in 2013. Id. Those workers who retained their jobs suffered shift reductions and temporary layoffs in many instances, as reflected in the 6.4 percent decline in hours worked and 5.7 percent decline in wages paid to workers over the three-year POI. Id.

These macro declines in trade variables were reflected in the experience of individual companies, who suffered production curtailments, shift reductions and worker layoffs. Keystone experienced numerous one-week outages in 2013, accompanied by worker layoffs, due to competition with Chinese wire rod. Conf. Tr. at 14-15. [

] AMUSA cut back from three shifts to two shifts at the end of 2012 even though the mill could operate as many as four shifts if the market warranted. Conf. Tr. at 24 and 47. Mr. Ashby of Evraz similarly testified that his company could increase from three to four shifts if the market permitted. Conf. Tr. at 40.

Another negative trend for the industry has been the increasing level of inventories over the POI. Domestic producer inventories rose by 38.1 percent from 2011 to 2013, and continued rising another 3.3 percent in interim 2014. ITC Prehrg. Rep. at C-3. Equally troubling, purchasers were "stocking up" on aggressively low-priced Chinese wire rod late in late 2013 through June of 2014. See section VI and Exh. 4. Thus, the trends in all trade variables



examined demonstrate the injurious effect of the large and increasing volumes of subject imports from China.

2. **Subject Imports Have Caused U.S. Net Sales and Profitability to Plummet**

The significant and growing volume and market share of subject imports was driven by aggressive and pervasive underselling that intensified at the end of the POI, with a devastating effect on domestic industry net sales and profits. The Commission preliminarily stated that despite apparent consumption expanding during the POI, the industry faced a continuously decreasing net sales value, an increase in the domestic producer's COGS to net sales ratio, operating income falling by more than half, and a commensurate steady decline in the operating income to net sales ratio over the three-year period. Wire Rod Prelim. Det., USITC Pub. 4458 at 20-21. These findings are confirmed by the record of the final investigation.

The industry's net sales value fell in each year of the POI, declining by 16.1 percent between 2011 to 2013. ITC Prehrg. Rep. at C-3. This decline reflected both the decrease in net sales volume over the period and prices that were falling faster than unit COGS over the period. Id. The U.S. industry's price depression was driven by the subject imports underselling the domestic industry in 95 percent of comparisons. Id. at V-19. Thus, while unit COGS fell by 7.0 percent (\$49 per ton) from 2011 to 2013, unit net sales value fell by 9.4 percent (\$73 per ton). Id. at C-3. Despite costs falling and the market expanding, domestic industry operating income fell by more than half over the POI, dropping from \$213.8 million in 2011 to \$104.9 million in 2013. Id. The ratio of operating income to net sales fell from 7.0 percent in 2011 to 4.1 percent in 2013. Id.



Conditions worsened significantly in interim 2014 despite continued growth in consumption. Id. at C-3. As the subject import market share peaked in the first half of 2014 and underselling intensified, the industry faced rising costs. ITC Prehrg. Rep. at C-3. Industry operating income fell by nearly two-thirds from \$63.6 million to \$23.5 million, and the ratio of operating income to net sales plummeted from an already poor 4.7 percent in interim 2013 to an unhealthy 1.7 percent in the first half of 2014. ITC Prehrg. Rep. at C-3. The domestic industry's weak and declining financial condition is directly related to the surge in lower-priced subject imports.

3. **Analysis of Merchant Market Sales Further Demonstrates Injury Caused by Subject Imports**

As discussed in section IV.A.3, the Commission should consider the impact of subject imports on domestic producer sales in the U.S. merchant market as a condition of competition in this case. Although data on the wire rod market as a whole unquestionably demonstrate that subject imports have caused material injury to the U.S. industry, an assessment of the effect of subject imports on commercial market sales shows those effects to an even greater degree. Table C-2 of the ITC Prehearing Report sets forth summary data on the U.S. merchant market. As those data demonstrate, subject imports have captured an increasing and even higher percentage of U.S. commercial sales at the expense of U.S. producers than of total sales. The U.S. merchant market share of imports from China rose from zero in 2011 to 5.6 percent in 2012, 14.4 percent in 2013, and further to 15.7 percent in interim 2014. ITC Prehrg. Rep. at C-5. Meanwhile, domestic producers' share of the U.S. merchant market dropped from 70.1 percent in 2011 to 65.0 percent in 2012, then to 60.3 percent in 2013 and further to 56.7 percent in interim 2014. Id.



Similarly, as Chinese shipments surged, the U.S. industry's commercial shipments showed an even greater decline of 11.9 percent from 2011 to 2013 as compared to total U.S. shipments. Id. The value of U.S. industry commercial sales dropped 19.9 percent over the three-year POI (compared to a 16.1 percent drop for total sales), operating income on U.S. merchant market shares plummeted by 58.3 percent over the POI, and the industry's operating profit to sales ratio on merchant market sales fell to 3.5 percent in 2013 and a period low of 1.1 percent in interim 2014. Id. Although subject imports have affected all U.S. sales of wire rod by depressing and suppressing U.S. prices, these imports intensified effects on the domestic industry's merchant market sales that must compete directly with subject imports demonstrates further the injury subject imports have caused.

#### **4. No Other Factors Are Responsible for the U.S. Industry's Declines**

In analyzing causation, the Commission recognized in its preliminary determination that it must "give full consideration, with adequate explanation, to non-attribution issues" but is "not . . . required to apply the replacement/benefit test that was included in Commission opinions subsequent to Bratsk." Wire Rod Prelim. Det., USITC Pub. 4458 at 11-12.<sup>15</sup> As detailed above,

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<sup>15</sup> In the preliminary determination, Commissioner Pinkert stated that he continues to apply the replacement/benefit test but found that nonsubject imports would not have replaced subject imports during the POI without a benefit to the domestic industry. Wire Rod Prelim. Det., USITC Pub. 4458 at 11 n.47 and 21 n.126. Specifically, Commissioner Pinkert found that "regardless of whether wire rod constitutes a commodity product," the record does not support a finding that the replacement/benefit test would be met given the relatively low market share of nonsubject imports, given that China is by far the largest global producer and exporter of wire rod, given the lack of indication of the propensity of other suppliers to replace China and given pricing information showing nonsubject imports sold at higher prices than subject imports. Id. at 21 n.126. The record developed in this final stage of the case continues to support each of these conclusions. See sections IV.B and IV.C, and Exh. 1. Moreover, wire rod should not be considered a commodity product, given the many and varied types of wire rod and respondents' testimony at the staff conference that all wire rod from different sources is not the same or interchangeable. See Carbon and Alloy Steel Wire Rod from Trinidad & Tobago, Inv. No. 731-TA-961 (Final) (Remand), USITC Pub. 3903 (2007) at 17-18; Conf. Tr. at 98.



the significant and declining trends the domestic industry has suffered in key trade and financial variables over the POI are attributable to, and correlate directly with, the increasing volumes of low-priced subject imports but not with other factors.

The increase in demand for wire rod over the period of investigation does not explain the domestic industry declines. Id. at C-3. Demand rose by 3.5 percent over the 2011-2013 period and by 4.4 percent over the interim 2014 period. Id. Rising demand should have led to increased production, shipments and employment for U.S. wire rod producers, but the opposite occurred due to the surge in unfairly-traded imports from China.

Non-subject imports are also not responsible for the injury that the U.S. industry has suffered. The volumes and market shares of non-subject imports declined over the 2011 to 2013 period, suffering a market share loss of 3.9 percent. Id. The declining U.S. market share and associated declines in other U.S. trade variables over the 2011 to 2013 period correlate with the increasing subject imports from China, not with falling volumes of non-subject imports, which suffered a similar fate as domestic producers. Only in the first half of 2014 were non-subject imports able to increase their share of the U.S. market. Even then, however, the non-subject import market share increase of 1.6 percentage points was less than the subject import market share increase of 2.7 percentage points over the interim period. Id.<sup>16</sup>

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<sup>16</sup> Notably, the subject imports, unlike non-subject imports, are concentrated in the industrial grades of wire rod, which also account for the largest proportion of domestic industry sales. Industrial grades that account for 77 percent of domestic production are produced by [ ] out of the ten reporting domestic producers. ITC Prehrg. Rep. at III-12. These grades also account for 98 percent of U.S. shipments of Chinese wire rod, and the market share of subject imports in the industrial grades was [ ] percent in 2013. See id. at III-12, IV-9 and IV-11. In contrast, industrial grades of wire rod accounted for only 19.9 percent of non-subject imports in 2013. Id. at IV-10. Thus, subject import volumes and pricing are likely to have a much greater impact on the domestic industry than non-subject imports.



More importantly, the pricing of the non-subject imports was nowhere near as low or aggressive as the dumped and subsidized imports from China and cannot be pointed to as the cause of the pricing and financial injury suffered by U.S. producers. The Commission gathered pricing data on imports from Canada, the major supplier of non-subject imports during the POI, as well as from Turkey, another non-subject import source. Id. at IV-7 and Appendix D. Unlike imports from China which predominantly undercut U.S. prices, the Commission found that non-subject imports largely oversold U.S. producer prices. Id. at D-3. Prices reported for imports from Canada and Turkey were higher than U.S. prices in 46 instances and lower in 29 instances. Id. Just as China undercut U.S. prices, China also undercut non-subject import prices. Prices of imports from Canada were higher than those of China in [ ] instances, while Turkish prices were higher than those of China in [ ] instances. Id. at D-12. Thus, in total, 39 of 45 comparisons showed lower Chinese import prices than the prices of non-subject imports. Id.<sup>17</sup> This pricing information corroborates the testimony of domestic industry witnesses at the preliminary stage of the case that China is the “price setter” and offers the lowest prices in the U.S. market. Conf. Tr. at 69, 73.

Exhibit 1 contains a detailed list breaking out other, non-subject import sources of significance during the POI. Although pricing data were not obtained from all of these sources, the average unit value (“AUV”) of the subject imports provide some basis of assessing relative

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<sup>17</sup> There is a typographical error at page D-3 of the Commission’s prehearing report that should be corrected. The report states: “In comparing nonsubject country pricing data with subject country pricing data, prices for product imported from Canada and Turkey were higher than prices for product imported from subject countries in 6 instances and lower in 39 instances.” Id. at D-3 (emphasis added). As the data on page D-12 of the report indicate, the sentence should say: “In comparing nonsubject country pricing data with subject country pricing data, prices for product imported from Canada and Turkey were higher than prices for product imported from subject countries in 39 instances and lower in 6 instances.”



price levels. The AUV of imports from China in 2012, 2013 and interim 2014 – when their volumes surged – were well below those of other imports. Exh. 1. By interim 2014, China’s AUV had fallen to \$491 per ton, below the AUV of non-subject imports from every other country. Id. The China AUV of \$491 per ton was substantially below the AUV of \$699 per ton of non-subject imports overall, demonstrating further that China is responsible for the injurious price effects U.S. producers have suffered. Id.

In sum, not only is there a direct correlation between the increasing volumes and market shares of the low-priced imports from China and the declining market shares and trade and financial variables of the U.S. industry, but no other factor can be identified as the cause of the domestic industry’s injury in this case.

**V. SUBJECT IMPORTS ALSO THREATEN MATERIAL INJURY TO THE DOMESTIC WIRE ROD INDUSTRY**

In addition to the evidence strongly supporting a finding of present material injury by reason of subject imports, there is also substantial evidence supporting a finding that the domestic wire rod industry is threatened with continued material injury by reason of subject imports. By any measure, Chinese wire rod producers have, and continue to add, massive production capacity that threatens to overwhelm the U.S. market.

**A. Data Submitted by the Few Responding Chinese Producers Show Massive and Increasing Capacity and Unused Capacity**

The seven responding Chinese producers account for less than [ ] percent of total Chinese wire rod production in 2014. See ITC Prehrg. Rep. at VII-8 and Exh. 5. The data of this limited sample of responding producers alone, however, shows substantial capacity, idle capacity and increasing capacity relative to U.S. consumption that threatens material injury to the U.S. industry.



1. **Reported Chinese Wire Rod Production Capacity is Massive**

Responding Chinese producers reported 18.4 million short tons of wire rod production capacity. ITC Prehrg. Rep. at VII-8 (Table VII-3). This capacity level represents over 320 percent of 2014 annualized U.S. apparent consumption. Id. at C-3.

<b>Wire Rod Capacity of Responding Chinese Producers<sup>18</sup></b>	
<b>2014</b>	<b>Production Capacity</b>
Responding Chinese Producers	18.4 million ST
U.S. Apparent Domestic Consumption	5.71 million ST
Percentage of U.S. Market	322 %

This capacity level is staggering, particularly given that it reflects data for only a small part of the total Chinese industry.

Moreover, there appear to be discrepancies in the data reported by the Chinese producers.

First, [

], Shagang's website reports that it has 6 million metric tons (i.e., 6.6 million short tons) of wire rod capacity. See Exh. 6 ([www.sha-steel.com/hongxing.html](http://www.sha-steel.com/hongxing.html)).

Second, [

J. Benxi

Imp. & Exp., however, submitted responses to the Commerce Department on behalf of affiliated

<sup>18</sup> Data for seven responding Chinese producers taken from ITC Prehrg. Rep. at VII-8 (Table VII-3). U.S. apparent domestic consumption annualized for 2014. ITC Prehrg. Rep. at C-3 (Table C-1).



exporter Bei Tai Iron and Steel Group Imp. and Exp. (Dalian) Co., Ltd. (“Betai Dalian”) and affiliated manufacturer Benxi Beifang Gaosu Steel Wire Rod Co., Ltd. (“Beifang Gaosu”). See Exh. 7. In its quantity and value questionnaire response submitted to the Commerce Department, Betai Dalian reported exporting roughly 9,900 tons of wire rod to the United States in the second half of 2014. See Exh. 7 (publicly ranged data). [

]. The Commission should instruct Benxi Imp. & Exp. to report production, capacity, and shipment data for both Betai Dalian and Beifang Gaosu as well.

**2. Reported Unused Chinese Capacity is Substantial**

Responding Chinese producers reported 2.5 million short tons of unused wire rod capacity for 2014.

<b>Unused Wire Rod Capacity of Responding Chinese Producers<sup>19</sup></b>	
<b>2014</b>	<b>Unused Capacity</b>
Responding Chinese Producers	2.5 million ST
U.S. Apparent Domestic Consumption	5.71 million ST
Percentage of U.S. Market	44 %

Thus, just the responding Chinese producers—that account for less than [ ] of total Chinese wire rod capacity—could capture an additional 44 percent of the U.S. market from their idle capacity, without diverting one ton of wire rod from other countries or customers. Id. This substantial volume of unused Chinese wire rod capacity provides a strong indication of the

<sup>19</sup> Data for seven responding Chinese producers taken from ITC Prehrg. Rep. at VII-8 (Table VII-3) (Jan.-June 2014 data annualized). U.S. apparent domestic consumption annualized for 2014. ITC Prehrg. Rep. at C-3 (Table C-1).



likelihood of further significant increases of imports of Chinese wire rod into the United States, absent relief. 19 U.S.C. § 1677(7)(F)(i)(II).

3. **Despite Massive Capacity, Responding Chinese Producers Continue to Add Further Capacity**

The Chinese wire rod industry has been engaged in numerous capacity expansions to add to its already huge capacity (and overcapacity) to produce wire rod. The seven responding Chinese producers reported an increase in wire rod capacity of roughly 552,000 tons from 2011 to 2013, and a further increase of 188,000 tons from 2013 to 2014. ITC Prehrg. Rep. at VII-8 (Table VII-3). Specifically, [

].<sup>20</sup> Further, despite [

]

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<sup>20</sup> [

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**B. Non-Responding Chinese Wire Rod Producers Have Substantially Greater Capacity and Unused Capacity Than Reporting Producers**

Total Chinese wire rod industry capacity dwarfs the U.S. wire rod industry and market. Based on [ ] data, total known Chinese wire rod capacity is over [ ] times the size of the U.S. wire rod market. See Exh. 5. Total unused wire rod capacity could supply the entire U.S. market more than [ ] times over without diverting any wire rod from existing customers.

<b>Wire Rod Capacity Estimates for Total Chinese Industry<sup>21</sup></b>		
<b>2014</b>	<b>Production Capacity</b>	<b>Unused Capacity</b>
Total Chinese Wire Rod Industry	[ ]	[ ]
U.S. Apparent Domestic Consumption	5.71 million ST	5.71 million ST
Percentage of U.S. Market	[ ] %	[ ]

Despite sending questionnaires to 29 Chinese producers and exporters of wire rod, the Commission received only seven useable questionnaire responses from the Chinese industry, accounting for less than [ ] percent of total estimated Chinese wire rod production in 2014. ITC Prehrg. Rep. at VII-8 (Table VII-3) (interim 2014 annualized); Exh. 5. Four Chinese wire rod producer/exporters—Baotou Steel international Economic and Trading Co., Ltd.; Beitai Dalian (see above); Jiangsu Yonggang Group Co., Ltd. (“Yonggang”); and Hunan Valin Xiangtan Iron & Steel Co., Ltd.—submitted quantity and value questionnaire responses to the Commerce Department in the preliminary phase of the Department’s antidumping investigation,

<sup>21</sup> See Exh. 5. Domestic Producers estimated total Chinese wire rod industry production capacity is based on [ ] metric tons for 2014, converted to shorts tons. Id. Domestic Producers estimated total unused Chinese wire rod capacity based on responding Chinese wire rod producers’ reported capacity utilization of 86.4 percent for Jan.-June 2014, which is likely a conservative estimate for non-responding producers. ITC Prehrg. Rep. at VII-8 (Table VII-3). U.S. interim 2014 apparent domestic consumption was annualized as an estimation of full-year 2014. Id. at C-3 (Table C-1).



but failed to respond to the Commission's foreign producer questionnaires, likely in recognition that their responses would not help their case. See Exh. 7. Those four producers reported shipping roughly 26,000 tons of wire rod to the United States in the second half of 2013, demonstrating interest in the U.S. market. See id. (publicly ranged data). Domestic Producers estimate these companies had at least [ ]

[ ] tons of unused wire rod capacity in 2014. See Exh. 5.

Including these four companies, Domestic Producers have identified [ ] non-responding Chinese wire rod producers. See Exh. 5. Of those, company-specific production capacity or expansion estimates have been obtained for [ ] producers. Id. Non-responding producers for which Domestic Producers were able to identify capacity estimates possess [ ] million tons of wire rod production capacity, and nearly [ ] million tons of excess capacity. See Exh. 5.

Capacity Estimates for [ ] Non-Responding Chinese Producers <sup>22</sup>		
2014	Production Capacity	Unused Capacity
Capacity Estimates for [ ] Non-Responding Chinese Producers	[ ]	[ ]
U.S. Apparent Domestic Consumption	5.71 million ST	5.71 million ST
Percentage of U.S. Market	[ ]	[ ]

<sup>22</sup> See Exh. 5. Capacity estimates based on [ ]). Unused capacity estimates based on responding Chinese wire rod producers' reported capacity utilization of 86.4 percent for Jan.-June 2014, which is likely a conservative estimate for non-responding producers. ITC Prehrg. Rep. at VII-8 (Table VII-3). U.S. apparent domestic consumption for interim 2014 was annualized as an estimation of full-year 2014 ADC. ITC Prehrg. Rep. at C-3 (Table C-1).



In addition, non-responding Chinese wire rod producers have made substantial capacity expansions during the POI:

- In early 2011, [ ].
- In late 2012, Hebei Xinjin Iron & Steel began running its second wire rod mill with a capacity of about 661,386 tons per year. See id. (“Hebei Xinjin Iron and Steel Co., Ltd. launched its second wire rod production line recently,” Nov. 1, 2012, Ganglian News); [ ].
- [ ]
- [ ]
- [ ]

Further, at least three Chinese producers have plans to add another [ ] tons of additional capacity in the near future. For example, [ ]<sup>23</sup>

[ ]<sup>24</sup>

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<sup>23</sup> See also Dom. Prod. Postconf. Brf. at Exh. 9 [ ]

<sup>24</sup> See also Dom. Prod. Postconf. Brf. at Exh. 9 (“Xilin Steel to commission 1,260 cubic meter blast furnace,” Apr. 9, 2012, [www.langesteel.com](http://www.langesteel.com)); id. at Exh. 12 ([ ]

(cont’d on next page)



These massive new and planned increases in Chinese wire rod production capacity during the POI provide a strong indication of the likelihood of further substantial increases in imports of Chinese wire rod into the United States, absent relief. See 19 U.S.C. § 1677(7)(F)(i)(II).

C. **Due to Weak Domestic Demand and Overcapacity, Chinese Wire Rod Export Volumes Are Growing and Prices are Declining**

Publicly-available data show that Chinese wire rod producers significantly increased their global exports over the POI. Chinese wire rod global exports rose by 172 percent from 2011 to 2013 and by a further 29 percent from interim 2013 to interim 2014. See Exh. 8. According to

[

D.

At the same time, Chinese wire rod export prices in 2014 have [

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I.



## 1

The vast majority of exported Chinese wire rod contains minimal amounts of boron (exceeding slightly 0.0008 percent by weight) that allows it to be classified for customs purposes as alloy wire rod in HTSUS subheading 7227.909 and, thus, earn a 9 percent VAT rebate on exports of alloy wire rod, providing further incentive to export. See ITC Prehrg. Rep. at VII-3-4. These facts, combined with the government subsidies discussed below and the weak home market demand, provide a strong incentive for Chinese producers to export wire rod.

**D. Subject Imports Rapidly Penetrated the U.S. Market Over the POI and Increasingly Target the United States**

The statute recognizes a significant rate of increase in subject imports or market penetration as an indication of threat of material injury. 19 U.S.C. § 1677(7)(F)(i)(III). Subject imports rapidly penetrated the U.S. market with massive increases in absolute volume: U.S. imports of Chinese wire rod increased by 429,759 percent from 2011 to 2013, and by a further 32 percent over the interim period. ITC Prehrg. Rep. at C-3 (Table C-1). As a result, Chinese wire rod exporters seized an increasing share of the U.S. market at the expense of U.S. producers, rising from a 0.003 percent U.S. market share in 2011 to a 11.7 percent market share in 2013, and a 12.8 percent market share in interim 2014, despite the filing of this case. Id.; see section IV.B.2.

Chinese wire rod producers are also increasingly targeting the U.S. market. From virtually no Chinese exports to the United States in 2011, the United States became the seventh top export market for Chinese wire rod producers in 2012, and then climbed to become the fourth largest export destination for Chinese wire rod in 2013. See Exh. 8. This surge



demonstrates both Chinese producers' interest in, and ability to, increase wire rod exports to the United States. Chinese wire rod producers and exporters actively market millions of tons of Chinese wire rod for export at very low prices. See Domestic Producers' Postconf. Brf. at 38-39 and Exh. 13 (showing 66,448 solicitations for sales of Chinese wire rod offered by 1,487 suppliers on [www.alibaba.com](http://www.alibaba.com), the largest marketplace for exports of Chinese steel products). Chinese wire rod producers' surging exports and increased focus on the U.S. market at low prices provide a strong indication of threat of material injury.

**E. Subject Imports Face Barriers in Third Country Markets**

Chinese wire rod exports are subject to several third-country barriers in major export markets, causing Chinese producers to seek a new outlet for these exports. Chinese wire rod has been subject to antidumping duties in the European Union since 2009. ITC Prehrg. Rep. at VII-12. In February 2013, Malaysia imposed antidumping duties on Chinese wire rod. Id. at VII-12. In January 2014, Indonesia initiated a safeguard investigation on imports of wire rod from China and, in June 2014, began requiring import permits for all alloy-added steel products. Id. In May 2014, Thailand imposed antidumping duties on Chinese wire rod. Exh. 9 ([

]). In October 2014, Turkey addressed low-priced Chinese wire rod imports with significantly increased import duties, ranging from 30 to 40 percent, up from 3 to 12 percent. Exh. 9 ([

]). Chinese wire rod previously exported to these markets will likely be diverted to new markets going forward, with the large and open U.S. market an attractive option.



**F. Subsidies Bestowed on Chinese Producers Will Cause Increased Exports**

The statute states that the Commission should consider the nature of any prohibited subsidies, particularly subsidies described in Articles 3 or 6.1 of the WTO's Agreement on Subsidies and Countervailing Measures ("ASCM"), and whether they are likely to cause imports of the subject merchandise to increase. See 19 U.S.C. § 1677(7)(F)(i)(I). In June 2014, the Commerce Department preliminarily determined that Chinese wire rod producers are eligible for a plethora of subsidies including preferential loans, VAT and tariff exemptions, and grants for antidumping investigations, with preliminary countervailable subsidy margins ranging from 10.30 to 86.31 percent. ITC Prehrg. Rep. at I-11 (Table 1-2). These seriously prejudicial subsidies violate Article 6.1 of the ASCM and are likely to lead to increases in subject imports.

**G. Subject Imports Will Further Depress and Suppress U.S. Prices**

Subject imports undersold U.S. producers' wire rod prices in 95 percent of quarterly pricing comparisons during the POI, forcing U.S. producers to cut prices. See sections IV.C.1-2. The frequency and intensity of underselling also increased significantly over the POI, demonstrating that such underselling, and the resulting price depression and suppression, are likely to continue and intensify absent relief. Moreover, the fragile condition of the domestic wire rod industry caused by the depressed pricing is evident in the industry's severe declines in production, shipments, and financial performance. See section IV.D.1. This vulnerable condition of the domestic industry makes it highly likely that further significant volumes of low-priced imports will be devastating to the domestic industry. Thus, the threat of further injury by subject imports is both real and imminent.



## VI. CRITICAL CIRCUMSTANCES

The Commerce Department preliminarily found “critical circumstances” in both the antidumping and countervailing duty investigations as to certain companies.<sup>25</sup> In the countervailing duty (“CVD”) case, the only company that Commerce excluded from its critical circumstances finding preliminarily, Benxi Steel, subsequently withdrew from the case and refused to permit verification. Petitioners have urged Commerce accordingly to issue a critical circumstances finding as to all Chinese producers, including Benxi, in its final analysis. Based on that anticipated Commerce final determination as well as the record facts on the behavior of subject importers here, the Domestic Producers urge the Commission to find critical circumstances as to all Chinese producers for purposes of imposing retroactive countervailing duties on imports from China.<sup>26</sup>

By law, when Commerce has issued an affirmative critical circumstances determination, the Commission must consider whether the imports subject to Commerce’s finding are “likely to undermine seriously the remedial effect” of the order. 19 U.S.C. § 1671d(b)(4)(A)(i). Factors to be considered include the timing and volume of imports, a rapid increase in inventories, and “any

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<sup>25</sup> Decision Memorandum for the Preliminary Determination of the Antidumping Duty Investigation of Carbon and Certain Alloy Steel Wire Rod from the People’s Republic of China (Dep’t Commerce Aug. 29, 2014) at 14-18, referenced in 79 Fed. Reg. 53,169 (Dep’t Commerce Sept. 8, 2014); Countervailing Duty Investigation of Carbon and Certain Alloy Steel Wire Rod from the People’s Republic of China: Decision Memorandum for the Preliminary Determination (Dep’t Commerce June 30, 2014) at 23-25 (“Wire Rod CVD Prelim. I&D Memo”) (Exh. 10), referenced in 79 Fed. Reg. 38,490 (Dep’t Commerce July 8, 2014) (prelim. determination).

<sup>26</sup> The Domestic Producers are not arguing that the Commission should find critical circumstances in the antidumping proceeding. Indeed, under the statute, imposition of retroactive duties going back 90 days from the publication of the antidumping determination on September 8, 2014, would be relatively meaningless, as there were virtually no imports from China during that period as a result of Commerce’s affirmative preliminary CVD decision in June 2014. Exh. 11.



other circumstances indicating the remedial effect” of the order will be undermined. Id. § 1671d(b)(4)(A)(ii). The legislative history states:

The provision is designed to provide prompt relief to domestic industries suffering from large volumes of, or a surge over a short period of, imports and to deter exporters whose merchandise is subject to an investigation from circumventing the intent of the law by increasing their exports to the United States during the period between initiation of an investigation and a preliminary determination by the Authority.

H.R. Rep. 96-317, 96<sup>th</sup> Cong., 1<sup>st</sup> Sess. 63 (1979). Here, the behavior of Chinese exporters in attempting to “beat” the imposition of duties by selling increased volumes of wire rod at extremely low prices into the United States is precisely the action that the critical circumstances provision was meant to remedy.

Once the petition was filed in this case on January 31, 2014,<sup>27</sup> importers and Chinese exporters took immediate steps to bring as much wire rod as possible into the United States before Commerce’s issuance of the CVD preliminary determination and resultant potential duty liability. The Commerce preliminary CVD determination was initially due on April 28, 2014 but, as a result of an extension request filed by the domestic industry on March 31, 2014, was extended to June 30, 2014.<sup>28</sup> Given this timing, traders responded by attempting to export as much wire rod to the United States before June to “beat” the duties, and then pulled back.

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<sup>27</sup> ITC Prehrg. Rep. at I-1.

<sup>28</sup> Carbon and Certain Alloy Steel Wire Rod From the People’s Republic of China: Postponement of Preliminary Determination in the Countervailing Duty Investigation, 79 Fed. Reg. 20,171, 20,171 (Dep’t Commerce Apr. 11, 2014).



This precise behavior [ ] is reflected in the official import statistics. Exhs. 2 and 11. Importers responded to the petition filing by ramping up imports from China as much as possible in the months preceding the Commerce CVD preliminary decision, in order to evade the CVD duties that were anticipated. In the four months after the petition was filed in January 2014 (February through May 2014), imports from China totaled 290,899 tons, as compared to 231,168 tons in the four months preceding the petition filing. Exh. 11.<sup>29</sup> This increase reflects a 25.8 percent surge in subject imports. Commerce found preliminarily in the CVD case that there was a “massive” surge in imports, given that imports in the three months following the filing of the petition increased by more than 15 percent as compared to imports in the three months preceding the petition filing.<sup>30</sup> Consistent with the Commerce regulations, which identify an increase of at least 15 percent over a “relatively short period” as indicating a “massive” surge in imports, Commerce found that the massive surge provision was met as to all Chinese producers except Benxi in its preliminary decision. 19 C.F.R. §§ 351.206(h), (i); Wire Rod CVD Prelim. I&D Memo at 23-25 (Exh. 10).

The Commission should similarly conclude that there has been a surge in imports from China based on these statistics. In particular, the Commission should examine imports over the four-months preceding and following the filing of the petition, and not the six-month period

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<sup>29</sup> The Domestic Producers have analyzed total imports from China rather than excluding any Chinese producers because, for purposes of the CVD case, the only company that Commerce excluded from its critical circumstances finding preliminarily, Benxi Steel, is a company that has subsequently refused to be verified and withdrawn from the Commerce proceeding. Accordingly, given that Commerce may no longer rely on Benxi’s data, an affirmative critical circumstances decision as to Benxi should be issued by Commerce in its final determination.

<sup>30</sup> Memorandum to the File from Terre Keaton Stefanova (AD/CVD Operations Office II) in Countervailing Duty Investigation: Carbon and Certain Alloy Steel Wire Rod from the People’s Republic of China regarding Massive Imports Analysis (Dep’t Commerce June 30, 2014) at 1-2 (“Massive Imports Analysis Memo”) (Exh. 10).



often relied upon by the Commission, given the timing of the CVD decision, the record evidence and the purpose of the provision. As the appellate court has recognized, Congress enacted the critical circumstances provision to deter exporters from increasing exports “during the period between initiation of an investigation and a preliminary determination by {the Commerce Department}.” ICC Indus., Inc. v. United States, 812 F.2d 694, 700 (Fed. Cir. 1987) (quoting H.R. Rep. 96-317 at 63). Use of a six-month period following the filing of the petition would encompass the month of July, a period after the preliminary determination was issued. Even the month of June is inappropriate for inclusion in the comparison period, given that [

] The huge drop-off in imports from China in June 2014 and thereafter attests to that fact. Id. In contrast, the import surge following the petition filing through the end of May 2014 demonstrates precisely that importers were trying to ramp up imports of wire rod before any duty liability accrued. The Commission has relied on data for shorter periods than six months in its critical circumstances analysis in other cases where the facts warranted and should do so here as well.<sup>31</sup>

A second statutory factor analyzed in the critical circumstances context is whether inventories have increased. A [

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<sup>31</sup> See, e.g., Synthetic Indigo from China, Inv. No. 731-TA-851 (Final), USITC Pub. 3310 (June 2000) at 15 (three months); Coumarin from the People’s Republic of China, Inv. No. 731-TA-677 (Final), USITC Pub. 2852 (Feb. 1995) at 16 (three months); Potassium Permanganate from the People’s Republic of China, Inv. No. 731-TA-125 (Final), USITC Pub. 1480 (Jan. 1984) at 13 (four months); Certain Lined Paper School Supplies from China, India, and Indonesia, Inv. Nos. 701-TA-442-443 and 731-TA-1095-1097 (Final), USITC Pub. 3884 (Sept. 2006) at 47 (three months); Certain Crepe Paper Products from China, Inv. No. 731-TA-1070A (Final), USITC Pub. 3749 (Jan. 2005) at 16 (three months).



] This stockpiling of inventories of Chinese wire rod by purchasers has undermined the effects of the case filing. Although the Commission typically looks at importer inventories rather than purchaser inventories in analyzing critical circumstances, the statute only instructs the Commission to look at “inventories.” 19 U.S.C. § 1671d(b)(4)(A)(ii)(II). A build-up of inventories by purchasers is equally harmful to U.S. producers by preventing their sales into the U.S. market, [

] Such a build-up of inventories by purchasers in anticipation of an order is the type of behavior undermining the efficacy of the order the statute was intended to address. If the Commission does not consider this behavior under the statutory factor dealing with inventories, it should consider it as an “other factor” under the statute.

Even if the Commission looks at importers’ inventories, it will find increased inventories over the 2011 to 2013 period. ITC Prehrg. Rep. at VII-10. Although inventories reported by responding importers in the first half of 2014 were below those in the first half of 2013, they exceeded inventories in full year 2012. Id. Moreover, the decline in importer inventories reflects [



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Finally, the statute instructs the Commission to consider whether there are “any other factors” indicating that the remedial effect of the order will be undermined absent the imposition of retroactive duties. The aggressive pricing behavior of the Chinese imports that hit new lows in undercutting U.S. producer prices after the petition was filed, causing further declines to the domestic industry’s already precarious financial condition, is such a factor. See section IV.C; ITC Prehrg. Rep. at V-8-V-12 and C-3. The Commission has recognized that injurious import pricing behavior during the period between the filing of the petition and the Commerce preliminary determination is a factor indicating that the subject imports are likely to seriously undermine the effect of an order, particularly where a substitutable product is at issue.<sup>32</sup>

As discussed in section IV.A.2, wire rod from China is highly substitutable for domestically-produced rod. In the period following the filing of the petition, not only did Chinese import volumes increase, but China used ever lower prices as the means to penetrate the U.S. market. During the first two quarters of 2014, underselling by China occurred for every product the Commission examined and often at the highest margins of underselling found over the entire POI. ITC Prehrg. Rep. at V-8 – V-12. Indeed, for Products 1 and 3, the [

] Id. at V-8, V-10. For all

five pricing product categories, [ ] margins of underselling by China occurred in

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<sup>32</sup> See, e.g., Synthetic Indigo from China, USITC Pub. 3310 (Final) at 15 (finding that prices of subject imports falling to their lowest levels post-petition, causing falling domestic prices in the post-petition period, along with a finding of substitutability of subject imports for the domestic product, supported a finding of critical circumstances).



interim 2014 after the petition filing. Id. The result was a decline in U.S. prices for every product in the second quarter 2014 from first quarter levels, as low-priced import volumes ramped up. Id. at V-8-V-12. These U.S. industry price declines – forced down by subject imports – caused the domestic industry’s financial condition to deteriorate even further in the first half of 2014. The domestic industry’s operating profit to sales ratio fell from 4.1 percent in 2013 to 1.7 percent in interim 2014 (and 1.1 percent based on merchant market sales alone) after the industry petitioned for relief from imports. Id.

This direct and serious injury that China caused to the domestic industry once it petitioned for relief, and before the Commerce Department could impose remedial countervailing duties against the imports from China, is the effect that the critical circumstances provision was designed to address. Under these circumstances, the Commission should find that critical circumstances exist for purposes of the CVD case so that remedial duties may be imposed on subsidized imports from China 90 days retroactively from the Commerce preliminary CVD determination.



**VII. CONCLUSION**

For the foregoing reasons, the Commission should issue an affirmative determination, as well as a finding of critical circumstances, in this final investigation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kathleen W. Cannon".

PAUL C. ROSENTHAL  
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BENJAMIN BLASE CARYL  
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Counsel to Domestic Producers

November 5, 2014

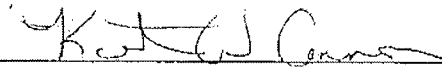


**CERTIFICATION**

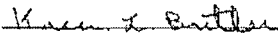
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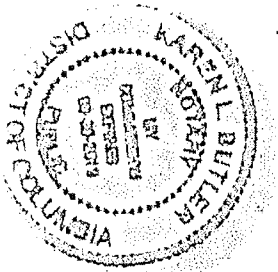
In accordance with section 201.6(b)(3)(iii) of the Commission's regulations, 19 C.F.R. § 201.6(b)(3)(iii), I, Kathleen W. Cannon, hereby certify on November 5, 2014, that information substantially identical to that for which business proprietary treatment has been requested in this document is not available to the general public.

In accordance with section 207.3(a) of the Commission's regulations, 19 C.F.R. § 207.3(a), I, Kathleen W. Cannon, hereby certify on November 5, 2014, that the information contained in this document is accurate and complete to the best of my knowledge.

  
\_\_\_\_\_  
Kathleen W. Cannon

Subscribed and sworn to before me on November 5, 2014.

  
\_\_\_\_\_  
Notary Public for the District of Columbia  
Karen L. Butler  
My Commission Expires: June 30, 2019





INDEX TO EXHIBITS	
Exhibit No.	Description
1	U.S. Imports of Wire Rod
2	Articles on Wire Rod Imports/Market Effects
3	Comments on Lost Sales and Lost Revenue Purchaser Responses
4	Importers' End-of-Period Inventories
5	Summary of Chinese Wire Rod Capacity and Supporting Documentation
6	Websites and Articles on Chinese Wire Rod Industry China Wire Rod
7	Excerpts of Selected Chinese Producers' Commerce Department Submissions
8	Export Data
9	Third Country Barriers to Chinese Wire Rod
10	Select Pages from Commerce Department Preliminary Countervailing Duty Determination Memorandum and Massive Imports Analysis Memorandum
11	Post-Petition Import Volume Increase



# EXHIBIT 1



**U.S. Imports of Carbon and Certain Alloy Steel Wire Rod**  
**Annual 2011 - 2013, January - June 2013 & 2014**

	Quantity (short tons)				
	2011	2012	2013	Jan - Jun 2013	Jan - Jun 2014
China	144	241,966	618,790	274,888	365,274
Canada	501,045	491,131	480,785	245,594	254,668
Japan	236,085	262,265	257,504	135,236	100,652
Brazil	116,513	102,517	96,639	51,070	60,028
Germany	91,884	72,546	73,003	27,997	31,399
United Kingdom	46,323	70,107	56,395	31,091	41,176
Korea	9,868	25,575	37,567	15,647	60,023
Turkey	109,574	165,820	33,182	31,306	52,914
Spain	19,574	28,743	32,725	22,134	6,277
Mexico	78,236	24,625	18,330	7,265	19,553
All Other	44,798	33,626	3,710	1,296	13,945
<i>Total non-subject</i>	<i>1,253,899</i>	<i>1,276,956</i>	<i>1,089,838</i>	<i>568,636</i>	<i>640,636</i>
<b>Total</b>	<b>1,254,043</b>	<b>1,518,922</b>	<b>1,708,629</b>	<b>843,524</b>	<b>1,005,909</b>

	Value(customs, USD)				
	2011	2012	2013	Jan - Jun 2013	Jan - Jun 2014
China	143,155	137,613,639	312,997,546	141,033,026	179,410,638
Canada	434,322,569	405,553,345	367,395,485	191,265,753	191,501,979
Japan	236,481,300	256,314,827	223,341,294	117,544,241	80,578,244
Brazil	96,687,407	77,296,223	59,808,851	31,827,762	36,025,681
Germany	99,289,856	71,713,200	65,740,662	26,600,666	26,359,543
United Kingdom	35,905,467	45,463,196	32,440,689	18,493,193	23,231,477
Korea	9,538,803	19,947,269	24,794,575	10,736,038	34,978,078
Turkey	73,003,185	107,415,401	19,033,059	18,005,506	29,351,535
Spain	15,885,952	20,511,896	22,555,806	14,939,833	4,626,179
Mexico	46,848,277	16,594,482	10,489,164	4,164,387	12,312,840
All Other	28,598,892	24,136,819	4,306,002	1,976,902	8,929,399
<i>Total non-subject</i>	<i>1,076,561,708</i>	<i>1,044,946,658</i>	<i>829,905,587</i>	<i>435,554,281</i>	<i>447,894,955</i>
<b>Total</b>	<b>1,076,704,863</b>	<b>1,182,560,297</b>	<b>1,142,903,133</b>	<b>576,587,307</b>	<b>627,305,593</b>

	AUV(\$/ST)				
	2011	2012	2013	Jan - Jun 2013	Jan - Jun 2014
China	994.46	568.73	505.82	513.06	491.17
Canada	866.83	825.75	764.16	778.79	751.97
Japan	1,001.68	977.31	867.33	869.18	800.56
Brazil	829.84	753.98	618.89	623.22	600.15
Germany	1,080.60	988.52	900.53	950.11	839.49
United Kingdom	775.11	648.48	575.24	594.81	564.20
Korea	966.63	779.95	660.00	686.15	582.75
Turkey	666.25	647.79	573.60	575.15	554.70
Spain	811.58	713.63	689.26	674.98	736.98
Mexico	598.81	673.88	572.25	573.20	629.71
All Other	638.39	717.80	1,160.73	1,524.92	640.31
<i>Total non-subject</i>	<i>858.57</i>	<i>818.31</i>	<i>761.49</i>	<i>765.96</i>	<i>699.14</i>
<b>Total</b>	<b>858.59</b>	<b>778.55</b>	<b>668.90</b>	<b>683.55</b>	<b>623.62</b>

Source: U.S. Department of Commerce and USITC



# EXHIBIT 2



**THE BUSINESS PROPRIETARY  
EXHIBIT IS NOT SUSCEPTIBLE TO  
SUMMARIZATION AND THEREFORE  
IS NOT PROVIDED WITH THIS  
PUBLIC VERSION**



# EXHIBIT 3



**PUBLIC VERSION**

### **Lost Sales and Lost Revenue** **Purchaser Responses**

As detailed below, despite purchasers stating that they disagreed with certain lost sales/lost revenue allegations, information submitted in purchaser questionnaire responses and otherwise of record corroborate the vast majority of the allegations.

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statements confirm the substance of the domestic industry's lost sales and lost revenue allegations [ ] These



## PUBLIC VERSION

] should, therefore, be treated as confirmed.

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## **PUBLIC VERSION**

] should be treated as confirmed.

[

] This lost sale should be treated as confirmed.

[

]



# EXHIBIT 4



**Importers' End-of-Period Inventories**  
(quantity in short tons)

	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>J-J 2013</u></b>	<b><u>J-J 2014</u></b>
Importer					
[					]

Source: Importers' QRs at II-3.



# EXHIBIT 5

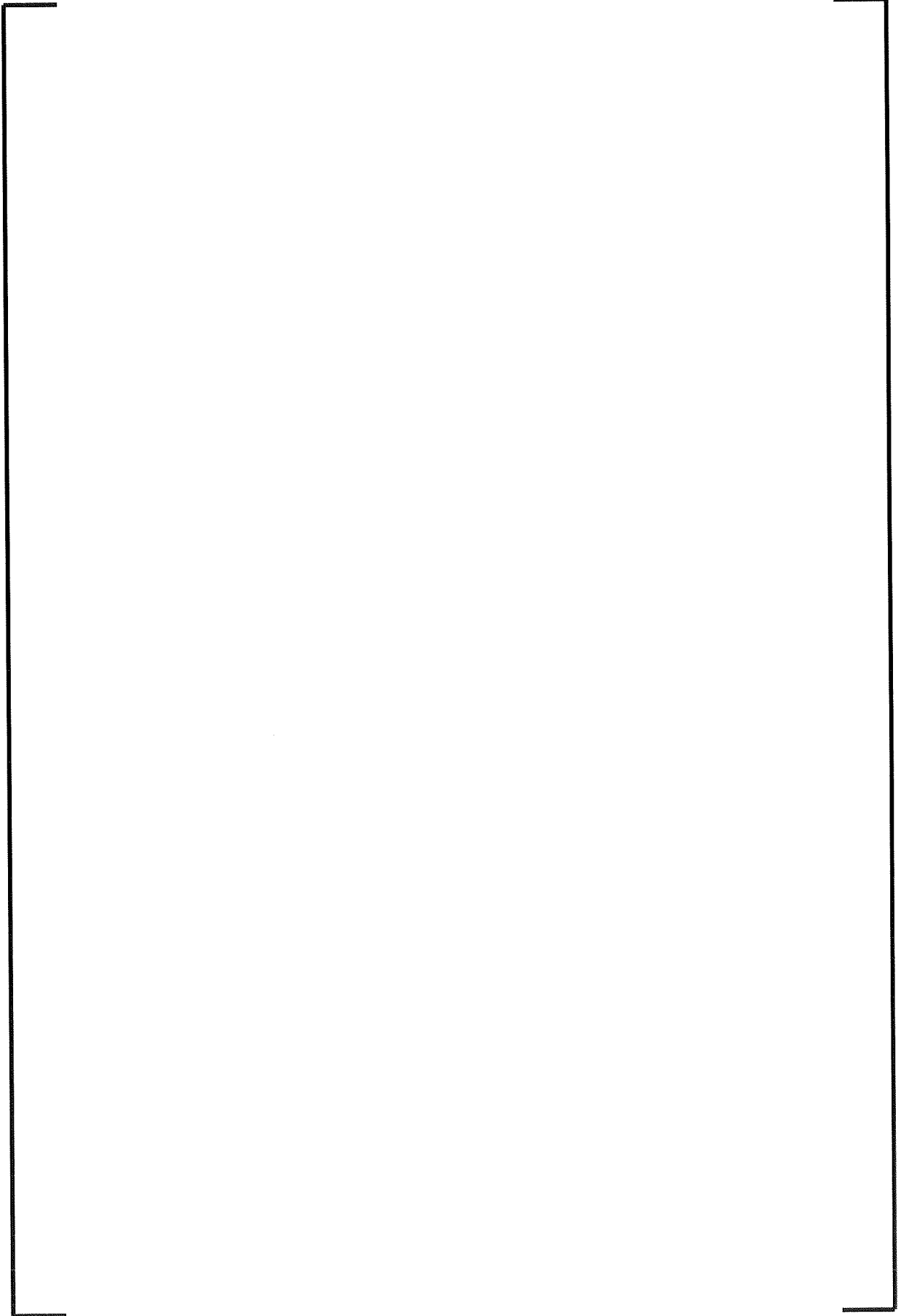


**Total Chinese Wire Rod Industry Production and Capacity Estimates**

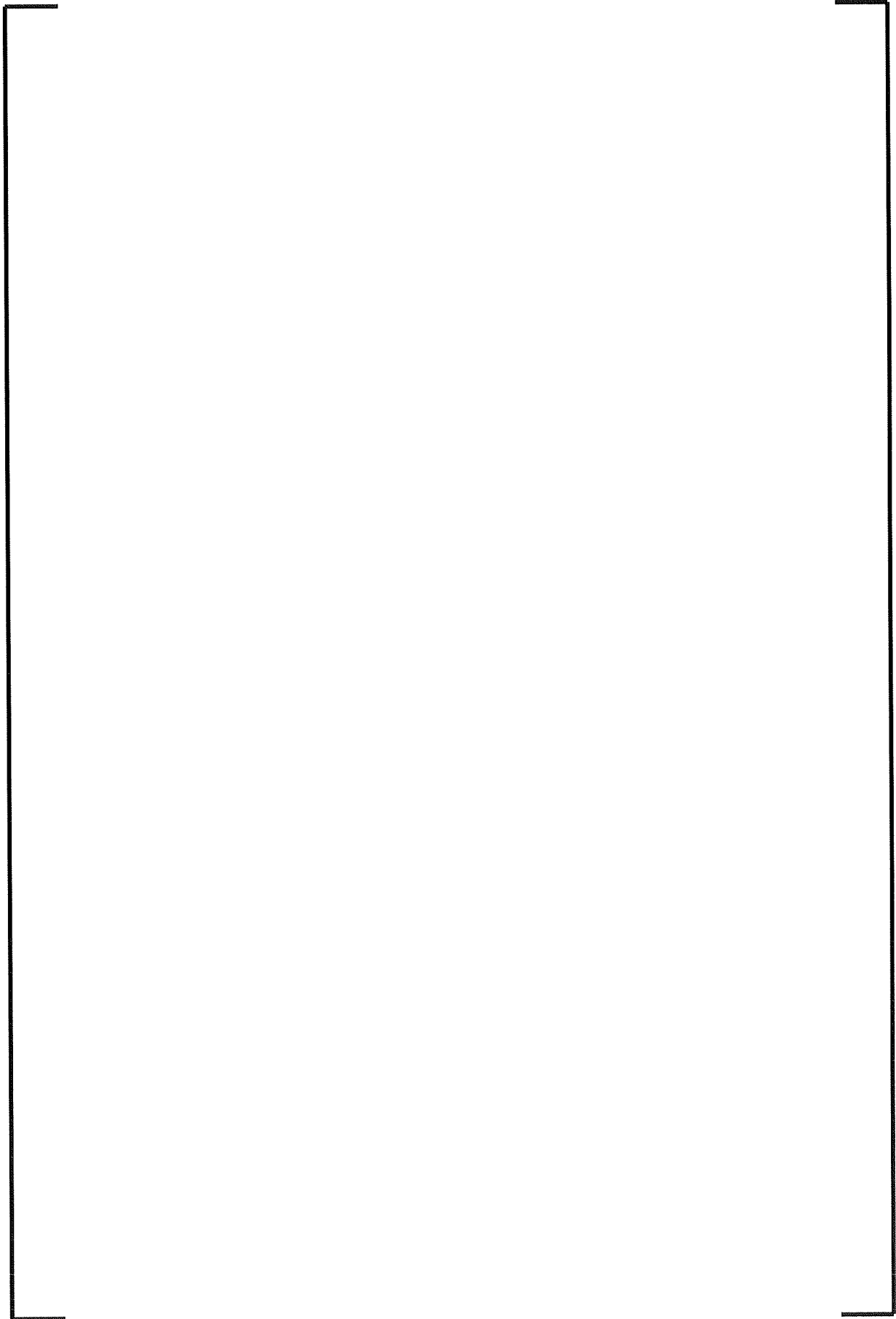
	<b>Capacity</b>	<b>Production</b>	<b>Unused Capacity</b>
<b>TOTAL Chinese Industry</b>	[ ]	[ ]	[ ]
<b>U.S. Apparent Consumption</b>	5.71 million ST	5.71 million ST	5.71 million ST
<b>Percentage of U.S. Market</b>	[ ]	[ ]	[ ]

**Source:** Domestic Producers estimate total Chinese wire rod industry production based on [ ] metric tons for 2014, converted to short tons. See [ ], appended hereto. Total Chinese production capacity is based on responding Chinese wire rod producers' reported capacity utilization of 86.4 percent for Jan.-June 2014, which is likely a conservative estimate for non-responding producers. ITC Prehrg. Rep. at VII-8 (Table VII-3). U.S. apparent domestic consumption annualized for 2014. Id. at C-3 (Table C-1).











**2013 PRODUCTION CAPACITY DATA FOR NON-RESPONDING CHINESE WIRE ROD PRODUCERS**  
**Short Tons (ST)**

<b>Chinese Producer</b>	<b>Wire Rod Production Capacity</b>	<b>Estimated Wire Rod Production</b>	<b>Estimated Unused Capacity</b>	<b>Expansion Plans</b>



Chinese Producer	Wire Rod Production Capacity	Estimated Wire Rod Production	Estimated Unused Capacity	Expansion Plans

Company-specific wire rod production capacity taken from appended articles, articles contained in Domestic Producers' Postconference Brief at Exh. 9, and [ ] contained in Domestic Producers' Postconference Brief at Exh. 12 (converted from metric to short tons where applicable, using 1.10231 short tons per short ton).

Company-specific wire rod production estimates calculated based on responding Chinese wire rod producers' combined capacity utilization of 86.4 percent for Jan.-June 2014 period.



Source: <http://steel.jdjob88.com/vvip/cm1354848143515/>

### **Company Introduction**

Hebei Iron and Steel Group Jiujiang Wire Co. Ltd. (“QJW”) is a large scale privately held enterprise, which is located in Qianan Municipality, Hebei Province. ...

QJW was founded in April 2002 with registration capital of 820 million RMB and fixed assets of 12 billion RMB. The number of employees is nearly 20,000. ...

QJW currently has 19 high speed wire rod production lines, 10 converter furnaces, 10 high furnaces, 12 coke furnaces and accommodating equipment for melting, annealing, electricity generation, and oxygen generation; QJW’s annual production capacities for iron, steel, and wire rod are 10 million MT each... and QJW’s main products include  $\Phi$  5.5mm —  $\Phi$  19mm high speed wire rods. ...

...





河北钢铁集团九江线材有限公司  
HEBEI IRON AND STEEL GROUP JIUJIANG WIRE CO., LTD.

公司简介

招聘职位

联系方式

公司网站

## 公司简介|Company Introduction



河北钢铁集团九江线材有限公司，是一家大型民营企业，地处河北省东北部迁安市境内，北依燕山，南临渤海，西接京津唐，享有得天独厚的资源条件和区位优势。

公司成立于2002年4月，注册资金8.2亿元，拥有固定资产120亿元，员工总数近20000人，下设线材一公司、线材二公司、焦化公司、气体公司、电能公司、铁合金公司、煤焦油精制公司、机电设备公司、供应公司、销售公司等10个二级公司。2004年11月，获得了自营进出口经营权，并通过了国家ISO9001：2000质量管理体系认证。

公司现有高速线材生产线19条、炼钢转炉10座、炼铁高炉12座、焦炉8座以及配套的烧结、球团、发电、制氧等设施，具备年产铁、钢、线材各1000万吨、焦炭420万吨、矿渣微粉240万吨、铁合金8万吨、煤焦油产品14万吨的生产能力，其中主要产品为Φ5.5mm—Φ19mm高速线材。产品远销华北、华东、华南等各大市场，九江线材在国内具有较强的市场竞争力，品牌知名度高，并成为线材市场价格的风向标；出口东亚、东南亚、西亚、欧洲、北非等国家和地区，建立了稳固的国际销售网络。九江人致力于市场开发和品牌建设，与50多家实力雄厚、销售网络健全的企业建立了广泛的合作，其中不乏跻身世界500强的天津物资集团、浙江物产集团等一大批在国际国内颇具影响力的大型钢材贸易企业。商赢天下，诚字先行，九江以共赢的合作模式和过硬的产品力，铸就中国民营企业的发展之魂。

公司坚持可持续发展战略，着力建设资源节约型和环境友好型企业，大力推进产品结构调整，走“优、特、专、精”发展之路，注重新产品研发，以普碳高速线材为基础，加大高附加值产品的开发力度，把碳素结构钢、弹簧钢、冷锻钢等中高端产品作为产品研发方向，努力构建九江线材超市。公司秉承“诚信为本、实在九江”的经营理念，以质量求生存，以信誉求发展，全力打造九江品牌，建设以专业为主体，科技、人才为支撑，地区网络为辅助，行业领先、管理一流的钢铁集团公司。

## 招聘职位|Job Applications

加热炉技师(2人)

中务部经理(1人)







Source: [http://www.qajjxc.cn/about\\_23.html](http://www.qajjxc.cn/about_23.html)

### **Brief Introduction of the Company**

Qiananshi Jiujiang Wire Co. Ltd. ("QJW") was founded in April 2002 with registration capital of 820 million RMB. QJW has 18 billion RMB of fixed assets and more than 20,000 employees, making it a large scale steel making enterprise with reasonable production modeling and advanced productive equipment and machineries.

...

...QJW has obtained that national quality management system certifications of ISO9001: 2008; QJW's main products include  $\Phi$  5.5mm —  $\Phi$  19mm high speed wire rods, which are sold to domestic markets in North China, East China, and South China and exported to many regions and countries in East Asia, Southeastern Asia, Europe, North America. ...

...





迁安市九江线材有限责任公司  
QIANANSHI JIUJIANG WIRE CO., LTD

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[公司简介](#) [组织机构](#) [资质荣誉](#) [大事记](#)

公告：[2014-10-20] “读佳作 诵九江”主题朗诵比赛开始报名啦！

请输入关键词

## 栏目导航

您的位置：首页 - 公司概况 - 公司简介

## 公司简介

公司简介

组织机构

资质荣誉

大事记

迁安市九江线材有限责任公司，成立于2002年4月，注册资金8.2亿元，拥有固定资产180亿元，职工20000余人，是一家规划布局合理、配套设施完善的大型钢铁联合企业。

公司下设原料总厂、炼铁总厂、炼钢总厂、轧钢总厂、焦化总厂、动力总厂、矿渣微粉厂、铁合金厂、煤焦油精制厂、机电设备公司、供应公司、销售公司等12个二级单位。

公司始终秉承“互信、合作、共赢”的经营理念，在国内外拥有50多家优质贸易合作伙伴，建立了稳固的销售网络。公司通过了国家ISO9001：2008质量管理体系认证，主导产品Φ5.5mm - Φ19mm高速线材，畅销华北、华东、华南等各大市场，并出口东亚、东南亚、欧洲、北美等国家和地区。九江线材品牌知名度高，具有较强的市场竞争力，深受广大客户信赖和好评。

九江人致力于创建资源节约型和环境友好型企业，实现了跨越式发展。展望未来，公司将继续坚定不移地加快产业产品结构调整，加大高附加值产品的研发力度，以普破高速线材为基础，大力开发碳素结构钢、弹簧钢、冷锻钢等中高端产品，增强企业核心竞争力，推动品质九江、诚信九江建设，努力打造名牌线材企业。



### 资质荣誉

Honor of qualification



### 留言建议

Message advice



### 友情链接

Friendly link



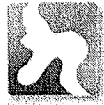
### 产品展示

Product Center

地址：迁安市九江线材有限责任公司 电话：0315-7054114 大港地址：迁安市双桥街796号 电话：0315-7051715

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迁安市九江线材有限责任公司

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公告：[2014-10-20] “读佳作 诵九江” 主题朗诵比赛开始报名啦！

## 栏目导航

您的位置：首页 - 产品与服务 - 线材

产品展示

Products

线材

Wire Rod

钢坯

焦炭

煤化工产品

硅锰合金

矿渣微粉

业务联系

留言建议



资质荣誉

Honor of qualification



留言建议

Message advice



友情链接

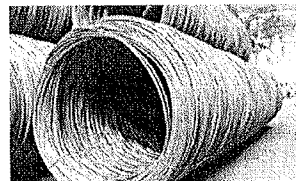
Friendly link



产品展示

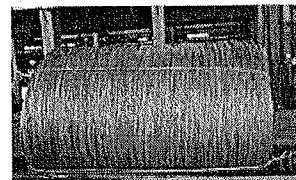
Product Center

线材 Wire Rod



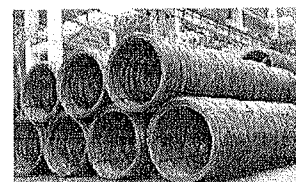
低碳钢热轧圆盘条 [2013-07-26]

Low Carbon Hot-Rolled Steel Wire Rod

[详细信息](#)

碳素结构钢圆盘条 [2013-07-26]

Structural Carbon Steel Wire Rod

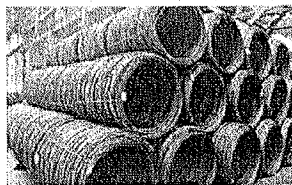
[详细信息](#)

优质碳素钢热轧盘条 [2013-07-20]

Premium Quality Carbon Steel Hot-Rolled Wire Rod


[详细信息](#)






低合金钢热轧盘条 [2013-07-20]

Low Alloy Steel Hot-Rolled Wire Rod

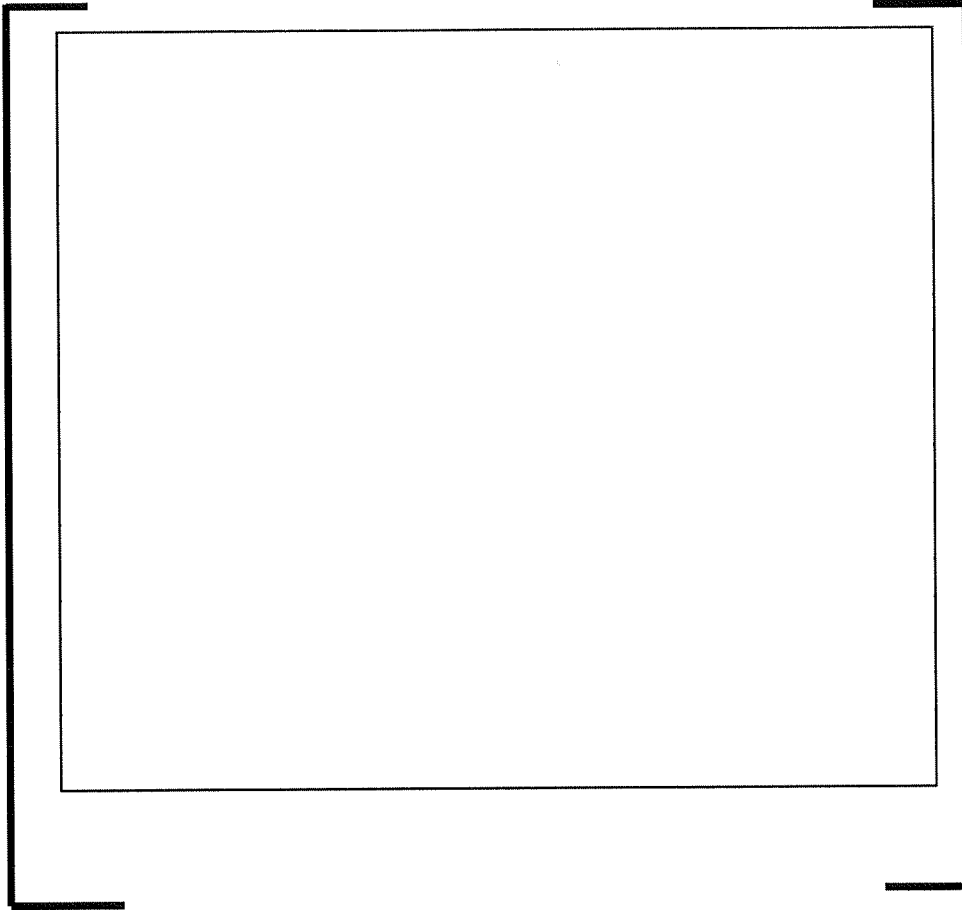
 详细信息

线材地址：迁安市木厂口镇松汀村南 电话 / 传真：0315-7056114 大钢地址：迁安市钢城东路689号 电话 / 传真：0315-7957716

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**Non-Responding Chinese Wire Rod Producers For Which  
Domestic Producers Have Not found Production Estimates**





# EXHIBIT 6



Source: <http://www.sha-steel.com/hongxing.html>

## **Brief Introduction of Zhangjiagang Hongxing Metal Products Co. Ltd.**

### **1. Company Profile**

Zhangjiagang Hongxing Metal Products Co. Ltd. (“HMP”) is a manufacturer of pre-stressed concrete strands that was invested by Jiangsu Shagang Group Co. Ltd. (“Shagang”). ...

...

### **5. Main Advantages**

...

5.3 Raw Inputs Advantage. HMP’s pre-stressed concrete stands have the major input of wire rods—SWRH82B wire rods that are all manufactured and supplied by the parent company Shagang. Shagang currently owns 7 advanced wire rod production lines with state-of-art equipment, and Shagang’s annual wire rod production capacity is about 6 million MT; in particular, SWRH82B wire rod, as the major wire rod product in Shagang’s product mix, has reached over 1 million MT annual sales, accounting for more than one third of China’s domestic similar products. ...

...





张家港宏兴金属制品有限公司简介

一、企业概况

张家港宏兴金属制品有限公司是由江苏沙钢集团有限公司投资兴建的预应力钢绞线专业生产企业，公司位于张家港经济开发区，毗邻S338省道，水陆交通便捷，公司总投资4.18亿元，规划引进8条全进口预应力钢绞线生产线，规划产能30万吨/年。其中一期工程投资2.2亿元，于2009年6月份动工建设，目前4条生产线均已调试完成，已经具备16万吨/年的生产能力。项目二期工程计划将于2011年8月全部投产。

二、产品结构：

序号	产品名称	材质	公称直径（mm）	结构	强度级别（MPa）	执行标准
1	预应力混凝土用钢绞线	SWRH82B	9.5	1×7	1470	GB/T5224-2003
			11.10		1570	
			12.7		1670	
			15.20		1720	
			15.70		1770	
			17.80		1860	
					1960	

其中，国内普遍使用的产品为1×7 1860MPa 15.20mm钢绞线。

三、产品主要用途

预应力混凝土用钢绞线简称预应力钢绞线（PC钢绞线），具有高强度、低松弛的特点。通过在混凝土中使用预应力钢绞线，提高了构件的承载能力，减少混凝土构件的断面，节省钢材30～40%，节省混凝土约40%；并提高预应力混凝土构件的寿命，提高建筑物的安全性和可靠性。同时可以大幅度提高桥梁跨度，减少立柱的产生，提高楼层使用率。广泛运用于桥梁、机场、高速公路、高层建筑、大坝、核电站等大型工程。

四、装备水平

1、主体设备：

设备名称	规格型号	制造厂家	年生产能力
连续拉丝机	LZ1200	意大利FROGERIO	16万吨
绞线生产线	XN1250	意大利FROGERIO	16万吨

2、检验设备：

设备名称	用途	能力	数量	备注
微机控制钢绞线试验机	钢绞线	600KN	1	
微机控制电液伺服万能试验机	钢绞线	300KN	1	
微机控制钢绞线松弛试验机	钢绞线	400KN	1	
反复弯折试验机	钢绞线	4-10	1	

五、主要优势

1、品牌优势 沙钢集团是国内最大的民营钢铁企业，也是国内唯一的世界500强民营企业，“沙钢”牌线材、建材、卷板、宽厚板等产品为国内众多金属制品、造船、机械等下游行业及世园园、京沪高铁等重点工程选用，张家港宏兴金属制品有限公司的预应力钢绞线系列产品同样使用“沙钢”品牌，在建筑行业知名度高，品牌优势明显。

2、装备优势 主体生产设备（连续式拉丝机、绞线机）全部引进世界公认的原版预应力钢绞线生产设备制造商意大利FROGERIO公司的最新型号设备，整体设备的装备水平世界一流。

3、原料优势 预应力钢绞线生产使用的母材全部为沙钢自产的SWRH82B系列优质盘条，沙钢集团目前拥有装备先进的线材生产线七条，年生产能力为600万吨，SWRH82B盘条作为线材重点品种，年销售量已经突破100万吨，占国内同类产品市场1/3强。



国内诸多工程如京沪高铁、杭州湾大桥、苏通大桥等均大量使用沙钢SWRH82B盘条加工生产的预应力钢筋线。

4、管理优势 公司经营管理团队主要领导有着多年金属制品企业管理经验，生产技术团队也由金属制品行业资深专家领军，严谨的作风和丰富的经验是为客户提供优质产品的保证。

5、物流优势 公司位于张家港市经济开发区，毗邻S338省道，距沙钢本部长江码头15公里，水陆运输便利，物流优势明显。

目前公司的质量管理已通过ISO9001认证体系，运作规范，人员、硬件设施等各方面配置均已到位。一流的装备保证、一流的管理水平、一流的员工素质，一丝不苟的严谨态度，确保了一流的产品质量。作为一个具有高度社会责任感的企業，我们将根据用户需求，面向市场，制造高质量的产品，以优质的服务，为用户提供值得信赖的预应力钢材，我们将以行业中领先者的姿态，为我国基础设施建设做出贡献。热忱欢迎各界朋友，光临指导，洽谈业务！

公司地址：张家港市经济开发区悦丰路2号

联系方式：市场营销开发科 刘建国 汤贤 马一斌

电话：0512-58953318

传真：0512-58953770

E-mail:hxmetal@163.com

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地址：江苏省张家港市锦丰镇 邮编：215625





**THE REMAINDER OF BUSINESS  
PROPRIETARY EXHIBIT IS NOT  
SUSCEPTIBLE TO SUMMARIZATION  
AND THEREFORE IS NOT PROVIDED  
WITH THIS PUBLIC VERSION**



# EXHIBIT 7



**GDLSK**  
GRUNFELD DESIDERIO LEDWITZ  
SILVERMAN KLESTADT LLP

NEW YORK  
WASHINGTON, DC  
LOS ANGELES  
HONG KONG

May 23, 2014

**RECEIVED**  
MAY 23 2014  
DEPT. OF COMMERCE  
ITA  
IMPORT ADMINISTRATION

Case No. A-570-012

Total Pages: 764

Investigation

POI: 07/01/13-12/31/13

**Business Proprietary Information Has  
Been Ranged or Deleted on Narrative  
Pages 9-10, 12-13, 16-17, 20, 24-25 and in  
Exhibits A-1 through A-16**

**PUBLIC VERSION**

**VIA ELECTRONIC FILING**

Hon. Penny Pritzker  
Secretary of Commerce  
U.S. Department of Commerce  
Enforcement and Compliance  
Fourteenth Street and Constitution Avenue, NW  
Room 1870  
Washington, D.C. 20230

Attn: Brian Smith and Brandon Custard

Re: Section A Response in the **Antidumping Duty Investigation on Carbon and  
Certain Alloy Steel Wire Rod from the People's Republic of China**

Dear Madame Secretary:

On behalf of our client, Benxi Beiyong Iron and Steel Group Imp. and Exp. Corp., Ltd.  
("Beiyong Imp. and Exp."), a Chinese exporter of the subject merchandise, we hereby submit our  
response to Section A of the Department's questionnaire issued in the above-referenced  
investigation. We note that this submission contains factual information under 19 CFR  
351.102(b)(21)(i).

This response contains business proprietary information, including corporate information,



sales information, accounting and financial information of Beiying Imp. and Exp. and its affiliates, 19 C.F.R. §351.105(c)(1), (4),(5), (6)&(11). The release of this information, in whole, or in part, could cause substantial harm to Beiying Imp. and Exp.'s competitive position. Accordingly, pursuant to 19 C.F.R. §351.304(a)(1)(i), we request that this information be treated as business proprietary information. Single brackets are used to identify business proprietary information herein. We agree to release this proprietary document to all persons covered by an Administrative Protective Order in this investigation.

Should you have any questions or require further information, please do not hesitate to contact the undersigned. Thank you for your consideration of this matter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bruce M. Mitchell / EFW".

Bruce M. Mitchell  
Mark E. Pardo  
Elaine F. Wang



## SECTION A

Organization, Accounting Practices,  
Markets and Merchandise1. Quantity and Value of Sales

- a. State the total quantity and value of the merchandise under consideration<sup>1</sup> that you sold during the period of investigation (POI) in the United States. A chart for reporting the sales quantity and value can be found at the end of this section. Complete a chart for all merchandise under consideration produced and sold by your company.

**Answer:** This section A is submitted on behalf of the exporter Benxi Beiying Iron and Steel Group Imp. and Exp. Corp., Ltd. ("the Company" or "Beiying Imp. and Exp."), its affiliated exporter, Bei Tai Iron and Steel Group Imp. and Exp. (Dalian) Co., Ltd. ("Betai Dalian")<sup>2</sup> and its affiliate manufacturers Benxi Beitai Gaosu Steel Wire Rod Co., Ltd. ("Beitai Gaosu") and Benxi Beifang Gaosu Steel Wire Rod Co., Ltd. ("Beifang Gaosu") (hereinafter collectively referred to as the "the Group"). Please refer to Exhibit A-1 for the total quantity and value of subject merchandise sold to the United States during the POI for both exporters. The Q&V totals submitted with this filing differ slightly from the aggregate of the Q&V totals previously submitted for Beiying Imp. and Exp. and Beitai Dalian. These differences are due to the facts that the original Q&V for Beitai Dalian inadvertently omitted the invoices related to one sales contract and that the original Q&V for Beiying Imp. and Exp. included 100% of the sales under one contract

<sup>1</sup> By "merchandise under consideration" we mean merchandise described in Appendix III of the questionnaire, regardless of market destination.

<sup>2</sup> We note that an SRA Response has already been filed on behalf of Betai Dalian. However, this response also includes information regarding Betai Dalian because the company believes it should also be treated as part of the Group entity.



when further review confirmed that some sales under this contract were shipped to a third country.

- b. Exclude your U.S. sales to **affiliated resellers**. Report instead the resales to the first unaffiliated customer.

**Answer:** The reported Q&V is based upon the first resale to an unaffiliated customer.

- c. If you export merchandise for entry into a foreign trade zone (FTZ) or into a bonded warehouse in the United States, this may affect the way we treat these sales. Please contact the official in charge to discuss the reporting requirements.

**Answer:** Not applicable since the Company did not make any sales of merchandise exported into an FTZ or into a bonded warehouse in the United States during the POI.

*Note: The Department presumes that a single weighted-average dumping margin is appropriate for all exporters in a non-market economy country. The Department may, however, consider requests for separate rates from individual exporters. Individual exporters requesting a separate rate must respond to the following questions in order for the Department to consider fully the issue of separate rates.*

2. Separate Rates

This section requests economic, industry, and company-specific information. All companies requesting a separate rate must respond to the following questions. The questions presented in this section are identical to the questions contained in the Separate-Rate Application. Because your company was selected as a mandatory respondent in this investigation, you have several options with regard to the manner in which to support your request for a separate rate:

- i. If you have already submitted a Separate Rate Application you may rely on that as the basis to support your request for a separate rate by stating this intention in your Section A questionnaire;
- ii. You may respond to the Separate Rate Section of this questionnaire and agree to withdraw your earlier Separate Rate Section from the record of this proceeding (if you select this option, please include the letter attached in **Appendix X** of this questionnaire, regarding the withdrawal of information, to your questionnaire response); or





NEW YORK  
WASHINGTON, DC  
LOS ANGELES  
HONG KONG

March 13, 2014

**Case No. A-570-012**

Total Pages: 7

Investigation

POI: 07/01/13-12/31/13

**Business Proprietary Information Has  
Been Ranged or Deleted in Attachment 1**

**PUBLIC VERSION**

**VIA ELECTRONIC FILING**

Hon. Penny Pritzker  
Secretary of Commerce  
U.S. Department of Commerce  
Enforcement and Compliance  
Fourteenth Street and Constitution Avenue, NW  
Room 1870  
Washington, D.C. 20230

Attn: Brian Smith and Terre Keaton Stefanova

Re: *Quantity and Value Submission* in the **Antidumping Duty Investigation on Carbon and  
Certain Alloy Steel Wire Rod from the People's Republic of China**

Dear Madame Secretary:

On behalf of our client, BEI TAI IRON AND STEEL GROUP IMP. AND EXP.  
(DALIAN) CO., LTD. ("Bei Tai"), a Chinese exporter of the subject merchandise, we hereby  
respond to the Department's Quantity and Value Questionnaire issued in the above referenced  
antidumping duty investigation. We note that this submission contains factual information under  
19 CFR 351.102(b)(21)(i).

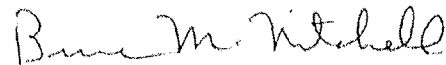
This response contains business proprietary information, including Bei Tai's sales  
quantity, sales value, and terms of sale to the U.S. 19 C.F.R. §351.105(c)(4),(5)&(11). The



release of this information, in whole, or in part, could cause substantial harm to Bei Tai's competitive position. Accordingly, pursuant to 19 C.F.R. §351.304(a)(1)(i), we request that this information be treated as business proprietary information. Single brackets are used to identify business proprietary information herein. We agree to release this proprietary document to all persons covered by an Administrative Protective Order in this investigation.

Should you have any questions or require further information, please do not hesitate to contact the undersigned. Thank you for your consideration of this matter.

Respectfully submitted,

A handwritten signature in cursive script that reads "Bruce M. Mitchell".

Bruce M. Mitchell  
Mark E. Pardo  
Elaine F. Wang  
*Counsel for Bei Tai*



A-570-012  
Total Number of Pages: 2  
Investigation  
AD/CVD Operations, Office II  
Quantity and Value Submission

---

**OFFICE OF AD/CVD ENFORCEMENT**  
**QUANTITY AND VALUE QUESTIONNAIRE**

---

**REQUESTER(S):**

Name: BEI TAI IRON AND STEEL GROUP IMP. AND EXP. (DALIAN) CO., LTD.  
Company Address: Room 1001, Xiwang Tower, No. 136 Zhongshan Road, Zhongshan District, Dalian, Liaoning Province, P. R. China  
Contact Name and Title: Sun Fucheng, Director of Long Product Export Contract Department  
Contact Telephone Number: 86-411-39669734  
Contact Fax Number: 86-411-39669717  
Contact Email Address: sunfucheng2005@126.com

**REPRESENTATION:**

Bruce M. Mitchell, Esq.  
Grunfeld, Desiderio, Lebowitz, Silverman & Klestadt LLP  
1201 New York Avenue, N.W.  
Suite 650  
Washington, D.C. 20005  
TEL: 202-783-6881  
FAX: 202-783-0405  
E-Mail: bmitchell@gdlsl.com

**CASE:** Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China

**PERIOD OF INVESTIGATION:** July 1, 2013 – December 31, 2013

**DATE OF INITIATION:** February 20, 2014

**DUE DATE FOR Q&V RESPONSE:** March 13, 2014

**OFFICIALS IN CHARGE:**

Brian Smith  
Senior International Trade Compliance Analyst  
AD/CVD Operations, Office II  
Telephone: (202) 482-1766  
brian.smith@trade.gov

Terre Keaton Stefanova  
International Trade Compliance Analyst  
AD/CVD Operations, Office II  
Telephone: (202) 482-1280  
terre.keaton@trade.gov



**ATTACHMENT I**  
**Quantity and Value of Sales of**  
**BEI TAI IRON AND STEEL GROUP IMP. AND EXP. (DALIAN) CO., LTD.**  
**AD Investigation on Carbon and Certain Alloy Steel Wire Rod (7/1/13-12/31/13)**

In providing the information in the chart below, please provide the total quantity (in metric tons) and total value (in U.S. dollars) of all your sales to the United States during the period July 1, 2013, through December 31, 2013, of merchandise covered by the scope of this investigation (see Attachment II), produced in the People's Republic of China.

Please include only sales exported by your company directly to the United States. However, if your company made sales to third-countries for which you have knowledge that the merchandise was ultimately destined for the United States, please separately identify these sales quantities and the location (i.e., countries) to which you made the sales. Please do not include any sales of subject merchandise manufactured in Hong Kong in your figures.

Even if you believe that you should be treated as a single entity along with other exporters, please do not report aggregate data for all of the companies that you believe should be treated as a single entity but separately report your company's quantity and value data below. Quantity and value data pertaining to other, possibly affiliated companies, that you believe should be treated together with your company as a single entity should be separately reported by those companies.

Market: United States	Total Quantity (Metric Tons)	Terms of Sale	Total Value (\$U.S.)
1. Export Price	[9900]	[       ]	[5,700,000]
2. Constructed Export Price	0	N/A	0
3. Further Manufactured	0	N/A	0
Total	[9900]	[       ]	[5,700,000]

8940655\_1



# Barnes/Richardson

*Global Trade Law*

11 Dupont Circle, NW  
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Washington, DC 20036

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Fax: 202 483-0092  
www.barnesrichardson.com

**Barnes, Richardson & Colburn, LLP**  
New York / Chicago / Washington, DC

475 Park Avenue South  
New York, NY 10016  
Tel: 212 725-0200  
Fax: 212 889-4135

303 East Wacker Drive  
Suite 1020  
Chicago, IL 60601  
Tel: 312 565-2000  
Fax: 312 565-1782

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Total Pages: 8  
Investigation  
E&C: Operations

**PUBLIC VERSION**

Business proprietary information removed  
from brackets in Attachment.

March 13, 2014

The Honorable Penny S. Pritzker  
The Secretary of Commerce  
Attention: Enforcement and Compliance  
Central Records Unit, Room 1870  
U.S. Department of Commerce  
14th Street and Constitution Avenue, NW  
Washington, DC 20230

Re: **Carbon and Certain Alloy Steel Wire Rod from the People's Republic of  
China: Quantity and Value Submission**

Dear Secretary Pritzker:

We hereby submit Baotou Steel International Economic and Trading Co., Ltd.'s response  
to the Department's Quantity and Value Questionnaire. Pursuant to 19 C.F.R. § 351.304, the  
bracketed information is being submitted subject to the Administrative Protective Order ("APO")





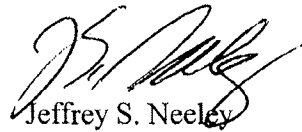
## Public Version

and consists of information that is, to the best of the undersigned's knowledge, not publicly available and could cause substantial harm to the company if released. Baotou Steel International Economic and Trading Co., Ltd. consents to release of the single-bracketed business proprietary information under APO.

Please contact us if you have any questions concerning this submission.

Respectfully submitted,  
BARNES RICHARDSON & COLBURN, LLP

By:



Jeffrey S. Neeley  
Michael S. Holton



## Public Version

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### OFFICE OF AD/CVD ENFORCEMENT QUANTITY AND VALUE QUESTIONNAIRE

---

**REQUESTERS(S):** Name: Baotou Steel International Economic and Trading Co., Ltd  
Address: Kun District, Baotou City, Inner Mongolia, China  
Contact Name and Title: Yang Chaolun Manager  
Tel: 86-472-2189821  
Fax: 86-472-2183708  
E-mail: [ ]

**REPRESENTATION:** Jeffrey S. Neeley  
Barnes, Richardson & Colburn, LLP  
11 DuPont Circle  
Washington, D.C. 20036  
(202)772-5585  
Email: [jneeley@barnesrichardson.com](mailto:jneeley@barnesrichardson.com)

**CASE:** Carbon and Certain Alloy Steel Wire Rod from the People's  
Republic of China

**PERIOD OF INVESTIGATION:** July 1, 2013 through December 31, 2013

**DATE OF INITIATION:** February 20, 2014

**DUE DATE FOR Q&V RESPONSE:** March 13, 2014

**OFFICIALS IN CHARGE:**

Brian Smith  
Senior International Trade Compliance Analyst  
AD/CVD Operations, Office II  
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Terre Keaton Stefanova  
International Trade Compliance Analyst  
AD/CVD Operation, Office II  
(202) 482-1280  
[terre.keaton@trade.gov](mailto:terre.keaton@trade.gov)



**Public Version****ATTACHMENT I****FORMAT FOR REPORTING QUANTITY AND VALUE OF SALES**

In providing the information in the chart below, please provide the total quantity (in metric tons) and total value (in U.S. dollars) of all your sales to the United States during the period July 1, 2013 through December 31, 2013, of merchandise covered by the scope of this investigation (*see* Attachment II), produced in the People's Republic of China.<sup>2</sup>

Please include only sales exported by your company directly to the United States. However, if your company made sales to third-countries for which you have knowledge that the merchandise was ultimately destined for the United States, please separately identify these sales quantities and the location (*i.e.*, countries) to which you made the sales. Please do not include any sales of subject merchandise manufactured in Hong Kong in your figures.

Even if you believe that you should be treated as a single entity along with other exporters, please do not report aggregate data for all of the companies that you believe should be treated as a single entity but separately report your company's quantity and value data below. Quantity and value data pertaining to other, possibly affiliated companies, that you believe should be treated together with your company as a single entity should be separately reported by those companies.

Market: United States	Total Quantity Metric Tons	Terms of Sale <sup>3</sup>	Total Value <sup>4</sup> (U.S. Dollars)
1. Export Price <sup>5</sup>	[	FOB	]
2. Constructed Export Price <sup>6</sup>			
3. Further Manufactured <sup>7</sup>			
Total	14,600	FOB	2,000,000 ]

<sup>2</sup> Please use the invoice date when determining which sales to include within the period noted above. Generally, the Department uses invoice date as the date of sale, as that is when the essential terms of sale are set. If you believe that another date besides the invoice date would provide a more accurate representation of your company's sales during the designated period, please report sales based on that date and provide a full explanation.

<sup>3</sup> To the extent possible, sales values should be reported based on the same terms (*e.g.*, FOB).

<sup>4</sup> Values should be expressed in U.S. dollars. Indicate any exchange rates used and their respective dates and sources.

<sup>5</sup> Generally, a U.S. sale is classified as an export price sale when the first sale to an unaffiliated person occurs before the goods are imported into the United States.

<sup>6</sup> Generally, a U.S. sale is classified as a constructed export price sale when the first sale to an unaffiliated person occurs after importation. However, if the first sale to the unaffiliated person is made by a person in the United States affiliated with the foreign exporter, constructed export price applies even if the sale occurs prior to importation. Do not report the sale to the affiliated party in the United States, rather report the sale made by the affiliated party to the unaffiliated customer in the United States. If you have sales of further manufactured merchandise, please report them under Item 3, rather than under Item 2.

<sup>7</sup> "Further manufactured" refers to merchandise that undergoes further manufacture or assembly in the United States before sale to the first unaffiliated customer.





NEW YORK  
WASHINGTON, DC  
LOS ANGELES  
HONG KONG

March 13, 2014

**Case No. A-570-012**

Total Pages: 7

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POI: 07/01/13-12/31/13

**Business Proprietary Information Has  
Been Ranged or Deleted in Attachment 1**

**PUBLIC VERSION**

**VIA ELECTRONIC FILING**

Hon. Penny Pritzker  
Secretary of Commerce  
U.S. Department of Commerce  
Enforcement and Compliance  
Fourteenth Street and Constitution Avenue, NW  
Room 1870  
Washington, D.C. 20230

Attn: Brian Smith and Terre Keaton Stefanova

Re: Quantity and Value Submission in the Antidumping Duty Investigation on Carbon and  
Certain Alloy Steel Wire Rod from the People's Republic of China

Dear Madame Secretary:

On behalf of our client, Jiangsu Yonggang Group Co., Ltd. ("Yonggang"), a Chinese producer and exporter of the subject merchandise, we hereby respond to the Department's Quantity and Value Questionnaire issued in the above referenced antidumping duty investigation. We note that this submission contains factual information under 19 CFR 351.102(b)(21)(i).

This response contains business proprietary information, including Yonggang's sales quantity, sales value, and terms of sale to the U.S. 19 C.F.R. §351.105(c)(4),(5)&(11). The



release of this information, in whole, or in part, could cause substantial harm to Yonggang's competitive position. Accordingly, pursuant to 19 C.F.R. §351.304(a)(1)(i), we request that this information be treated as business proprietary information. Single brackets are used to identify business proprietary information herein. We agree to release this proprietary document to all persons covered by an Administrative Protective Order in this investigation.

Should you have any questions or require further information, please do not hesitate to contact the undersigned. Thank you for your consideration of this matter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bruce M. Mitchell". The signature is fluid and cursive, with the first name "Bruce" and last name "Mitchell" clearly distinguishable.

Bruce M. Mitchell  
Mark E. Pardo  
Elaine F. Wang  
*Counsel for Yonggang*



A-570-012  
Total Number of Pages: 2  
Investigation  
AD/CVD Operations, Office II  
Quantity and Value Submission

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**OFFICE OF AD/CVD ENFORCEMENT**  
**QUANTITY AND VALUE QUESTIONNAIRE**

---

**REQUESTER(S):**

Name: Jiangsu Yonggang Group Co., Ltd. ("Yonggang")  
Company Address: Yonglian Industrial Park, Zhangjiagang City, Jiangsu, P. R.  
China, 215628  
Contact Name and Title: Tang Jian, Export Manager  
Contact Telephone Number: 86-512-58619588  
Contact Fax Number: 86-512-58612337  
Contact Email Address: marktang@yong-gang.com

**REPRESENTATION:**

Bruce M. Mitchell, Esq.  
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E-Mail: bmitchell@gdlsk.com

**CASE:** Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China

**PERIOD OF INVESTIGATION:** July 1, 2013 – December 31, 2013

**DATE OF INITIATION:** February 20, 2014

**DUE DATE FOR Q&V RESPONSE:** March 13, 2014

**OFFICIALS IN CHARGE:**

Brian Smith  
Senior International Trade Compliance Analyst  
AD/CVD Operations, Office II  
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Terre Keaton Stefanova  
International Trade Compliance Analyst  
AD/CVD Operations, Office II  
Telephone: (202) 482-1280  
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Public Version

**ATTACHMENT I**  
**Quantity and Value of Sales of**  
**Jiangsu Yonggang Group Co., Ltd.**  
**AD Investigation on Carbon and Certain Alloy Steel Wire Rod (7/1/13-12/31/13)**

In providing the information in the chart below, please provide the total quantity (in metric tons) and total value (in U.S. dollars) of all your sales to the United States during the period July 1, 2013, through December 31, 2013, of merchandise covered by the scope of this investigation (see Attachment II), produced in the People's Republic of China.

Please include only sales exported by your company directly to the United States. However, if your company made sales to third-countries for which you have knowledge that the merchandise was ultimately destined for the United States, please separately identify these sales quantities and the location (i.e., countries) to which you made the sales. Please do not include any sales of subject merchandise manufactured in Hong Kong in your figures.

Even if you believe that you should be treated as a single entity along with other exporters, please do not report aggregate data for all of the companies that you believe should be treated as a single entity but separately report your company's quantity and value data below. Quantity and value data pertaining to other, possibly affiliated companies, that you believe should be treated together with your company as a single entity should be separately reported by those companies.

Market: United States	Total Quantity (Metric Tons)	Terms of Sale	Total Value (\$U.S.)
1. Export Price	[298]	[ ]	[176,000]
2. Constructed Export Price	0	N/A	0
3. Further Manufactured	0	N/A	0
Total	[298]	[ ]	[176,000]

8940656\_1



# Barnes/Richardson

*Global Trade Law*

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New York, NY 10016  
Tel: 212 725-0200  
Fax: 212 889-4135

303 East Wacker Drive  
Suite 1020  
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Fax: 312 565-1782

Case No. A-570-012  
Total Pages: 8  
Investigation  
E&C: Operations

**PUBLIC VERSION**

Business proprietary information removed  
from brackets in Attachment.

March 13, 2014

The Honorable Penny S. Pritzker  
The Secretary of Commerce  
Attention: Enforcement and Compliance  
Central Records Unit, Room 1870  
U.S. Department of Commerce  
14th Street and Constitution Avenue, NW  
Washington, DC 20230

Re: **Carbon and Certain Alloy Steel Wire Rod from the People's Republic of  
China: Quantity and Value Submission**

Dear Secretary Pritzker:

We hereby submit Hunan Valin Xiangtan Iron & Steel Co., Ltd.'s response to the  
Department's Quantity and Value Questionnaire. Pursuant to 19 C.F.R. § 351.304, the bracketed  
information is being submitted subject to the Administrative Protective Order ("APO") and





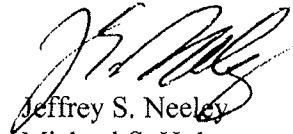
## Public Version

consists of information that is, to the best of the undersigned's knowledge, not publicly available and could cause substantial harm to the company if released. Hunan Valin Xiangtan Iron & Steel Co., Ltd. consents to release of the single-bracketed business proprietary information under APO.

Please contact us if you have any questions concerning this submission.

Respectfully submitted,  
BARNES RICHARDSON & COLBURN, LLP

By:



Jeffrey S. Neeley  
Michael S. Holton



**Public Version**

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**OFFICE OF AD/CVD ENFORCEMENT  
QUANTITY AND VALUE QUESTIONNAIRE**

---

**REQUESTERS(S):** Name: Hunan Valin Xiangtan Iron & Steel Co., Ltd  
Address: Gangcheng Road, Yuetang District, Xiangtan City  
Contact Name and Title: Xie Weiping Minister of Legal Affairs  
Tel: 86-731-58652511  
Fax: 86-731-58654832  
E-mail: [ ]

**REPRESENTATION:** Jeffrey S. Neeley  
Barnes, Richardson & Colburn, LLP  
11 DuPont Circle  
Washington, D.C. 20036  
(202)772-5585  
Email: jneeley@barnesrichardson.com

**CASE:** Carbon and Certain Alloy Steel Wire Rod from the People's  
Republic of China

**PERIOD OF INVESTIGATION:** July 1, 2013 through December 31, 2013

**DATE OF INITIATION:** February 20, 2014

**DUE DATE FOR Q&V RESPONSE:** March 13, 2014

**OFFICIALS IN CHARGE:**

Brian Smith  
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Terre Keaton Stefanova  
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Public Version

## ATTACHMENT I

## FORMAT FOR REPORTING QUANTITY AND VALUE OF SALES

In providing the information in the chart below, please provide the total quantity (in metric tons) and total value (in U.S. dollars) of all your sales to the United States during the period July 1, 2013 through December 31, 2013, of merchandise covered by the scope of this investigation (see Attachment II), produced in the People's Republic of China.<sup>2</sup>

Please include only sales exported by your company directly to the United States. However, if your company made sales to third-countries for which you have knowledge that the merchandise was ultimately destined for the United States, please separately identify these sales quantities and the location (*i.e.*, countries) to which you made the sales. Please do not include any sales of subject merchandise manufactured in Hong Kong in your figures.

Even if you believe that you should be treated as a single entity along with other exporters, please do not report aggregate data for all of the companies that you believe should be treated as a single entity but separately report your company's quantity and value data below. Quantity and value data pertaining to other, possibly affiliated companies, that you believe should be treated together with your company as a single entity should be separately reported by those companies.

Market: United States	Total Quantity Metric Tons	Terms of Sale <sup>3</sup>	Total Value <sup>4</sup> (U.S. Dollars)
1. Export Price <sup>5</sup>	[		]
2. Constructed Export Price <sup>6</sup>			
3. Further Manufactured <sup>7</sup>			
Total	1780		440,000 ]

<sup>2</sup> Please use the invoice date when determining which sales to include within the period noted above. Generally, the Department uses invoice date as the date of sale, as that is when the essential terms of sale are set. If you believe that another date besides the invoice date would provide a more accurate representation of your company's sales during the designated period, please report sales based on that date and provide a full explanation.

<sup>3</sup> To the extent possible, sales values should be reported based on the same terms (*e.g.*, FOB).

<sup>4</sup> Values should be expressed in U.S. dollars. Indicate any exchange rates used and their respective dates and sources.

<sup>5</sup> Generally, a U.S. sale is classified as an export price sale when the first sale to an unaffiliated person occurs before the goods are imported into the United States.

<sup>6</sup> Generally, a U.S. sale is classified as a constructed export price sale when the first sale to an unaffiliated person occurs after importation. However, if the first sale to the unaffiliated person is made by a person in the United States affiliated with the foreign exporter, constructed export price applies even if the sale occurs prior to importation. Do not report the sale to the affiliated party in the United States, rather report the sale made by the affiliated party to the unaffiliated customer in the United States. If you have sales of further manufactured merchandise, please report them under Item 3, rather than under Item 2.

<sup>7</sup> "Further manufactured" refers to merchandise that undergoes further manufacture or assembly in the United States before sale to the first unaffiliated customer.



# EXHIBIT 8



**Chinese Exports of Wire Rod\***  
Annual 2011-2013, Jan.-Jun. 2013 & 2014

	Quantity (short tons)				
	2011	2012	2013	Jan.-Jun. 2013	Jan.-Jun. 2014
Korea, South	1,108,344	1,271,882	1,222,575	626,506	654,451
Thailand	467,681	834,360	1,112,962	535,864	693,383
Vietnam	250,941	429,882	754,193	400,545	499,726
United States	1,316	332,372	691,906	295,602	250,519
Indonesia	106,089	420,898	610,571	340,480	408,911
Philippines	170,533	315,086	573,993	322,198	266,556
Malaysia	187,349	367,273	492,968	255,716	280,719
Singapore	28,196	177,379	325,380	137,373	198,692
Japan	307,550	396,604	286,355	127,137	247,961
Saudi Arabia	61,905	285,356	256,041	128,166	115,386
Turkey	54	3,237	7,641	1,957	28,175
European Union	4,401	1,864	394	394	1,379
Subtotal	2,689,903	4,831,092	6,326,944	3,169,587	3,616,305
All Others	520,295	1,256,472	2,398,831	1,065,355	1,863,346
Total	3,210,199	6,087,564	8,725,775	4,234,942	5,479,650

	Value (\$USD)				
	2011	2012	2013	Jan.-Jun. 2013	Jan.-Jun. 2014
Korea, South	724,949,155	737,938,875	632,065,490	332,495,745	321,110,546
Thailand	303,207,943	471,707,929	566,552,003	282,615,978	333,699,124
Vietnam	165,515,956	242,043,355	379,269,155	204,814,314	234,957,980
United States	1,245,488	178,154,580	340,534,365	150,984,724	120,221,813
Indonesia	71,626,818	239,089,912	316,999,544	180,613,079	200,044,871
Philippines	108,589,482	169,625,410	274,804,853	157,740,944	123,648,179
Malaysia	122,796,575	207,593,037	256,761,869	136,551,974	138,038,067
Singapore	17,624,559	97,846,656	161,012,337	69,895,048	94,350,250
Japan	203,227,521	225,965,817	145,432,538	66,977,633	120,591,870
Saudi Arabia	41,618,998	156,234,491	128,544,205	66,148,677	55,577,944
Turkey	80,769	2,430,293	4,444,261	1,465,871	13,488,800
European Union	4,562,942	1,353,813	263,218	263,218	2,080,688
Subtotal	1,760,402,495	2,726,200,062	3,201,976,359	1,648,838,116	1,742,240,644
All Others	348,568,799	678,727,571	1,190,978,927	545,898,392	879,811,157
Total	2,108,971,294	3,404,927,633	4,392,955,286	2,194,736,508	2,622,051,801

	AUV (\$USD/short tons)				
	2011	2012	2013	Jan.-Jun. 2013	Jan.-Jun. 2014
Korea, South	654.08	580.19	517.00	530.71	490.66
Thailand	648.32	565.35	509.05	527.40	481.26
Vietnam	659.58	563.05	502.88	511.34	470.17
United States	946.61	536.01	492.17	510.77	479.89
Indonesia	675.16	568.05	519.19	530.47	489.21
Philippines	636.77	538.35	478.76	489.58	463.87
Malaysia	655.44	565.23	520.85	534.00	491.73
Singapore	625.08	551.62	494.84	508.80	474.86
Japan	660.80	569.75	507.87	526.82	486.33
Saudi Arabia	672.31	547.51	502.04	516.12	481.67
Turkey	1,507.97	750.77	581.67	749.14	478.74
European Union	1,036.90	726.27	668.61	668.61	1,508.39
Subtotal	654.45	564.30	506.09	520.21	481.77
All Others	669.94	540.19	496.48	512.41	472.17
Total	656.96	559.33	503.45	518.24	478.51

\*includes HTS 7213.91, 7213.99, 7227.30, 7227.90

Source: China Customs



# EXHIBIT 9



**THE BUSINESS PROPRIETARY  
EXHIBIT IS NOT SUSCEPTIBLE TO  
SUMMARIZATION AND THEREFORE  
IS NOT PROVIDED WITH THIS  
PUBLIC VERSION**



# EXHIBIT 10





UNITED STATES DEPARTMENT OF COMMERCE  
International Trade Administration  
Washington, D.C. 20230

C-570-013  
Investigation  
POI: 01/01/2013-12/31/2013  
**Public Document**  
ADCVD Ops.II/RT/RK

**DATE:** June 30, 2014

**MEMORANDUM TO:** Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

**FROM:** Christian Marsh  
for Deputy Assistant Secretary ST  
for Antidumping and Countervailing Duty Operations

**SUBJECT:** Countervailing Duty Investigation of Carbon and Certain Alloy Steel  
Wire Rod from the People's Republic of China: Decision  
Memorandum for the Preliminary Determination

## I. SUMMARY

The Department of Commerce (Department) preliminarily determines that countervailable subsidies are being provided to producers and exporters of carbon and certain alloy steel wire rod (steel wire rod) from the People's Republic of China (PRC), as provided in section 703 of the Tariff Act of 1930, as amended (the Act).

## II. BACKGROUND

### A. Case History

On January 31, 2014, the Department received a countervailing duty (CVD) petition concerning imports of steel wire rod from the PRC, filed on behalf of ArcelorMittal USA LLC, Charter Steel, Evraz Pueblo (formerly Evraz Rocky Mountain Steel), Gerdau Ameristeel US Inc., Keystone Consolidated Industries, Inc., and Nucor Corporation (Nucor) (collectively, the petitioners).<sup>1</sup> On February 20, 2014, the Department initiated a CVD investigation of steel wire rod from the PRC.<sup>2</sup> Supplements to the petition and our consultations with the Government of the PRC (GOC) are described in the Initiation Checklist.

<sup>1</sup> See Petition for the Imposition of Countervailing Duties on Imports of Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China, dated January 31, 2014 (CVD petition or petition).

<sup>2</sup> See Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China: Initiation of Countervailing Duty Investigation, 79 FR 11085 (February 27, 2014) (Initiation Notice).





concerning Preferential Loans for SOEs, we are finding as AFA that this program is specific within the meaning of 771(5A) of the Act. We discuss this program further below under “Analysis of Programs.”

## **XII. CRITICAL CIRCUMSTANCES**

On June 4, 2014, the petitioners alleged that critical circumstances exist with respect to imports of steel wire rod from the PRC and submitted data extracted from official U.S. import statistics and Commerce Department Steel Import Monitoring Act licensing data in support of their allegation.<sup>135</sup> On June 5, 2014, the Department requested from Benxi Steel monthly shipment data of subject merchandise to the United States for the period October 2013 through May 2014.<sup>136</sup> On June 13, 2014, Benxi Steel submitted the requested data.<sup>137</sup>

In its critical circumstances allegation, the petitioners allege that there is a reasonable basis to believe that there are subsidies in this investigation which are inconsistent with the Subsidies and Countervailing Measures Agreement (SCM Agreement), including export subsidies and domestic substitution subsidies.<sup>138</sup> In particular, the petitioners cite to allegations including export subsidies, subsidies for inputs provided for LTAR, interest free or low interest loans, and direct government grants for which the Department initiated an investigation as evidence that the criteria are met.<sup>139</sup> The petitioners also claim that there have been massive imports of steel wire rod over a relatively short period.<sup>140</sup> The petitioners provided data which they contend demonstrate that imports of subject merchandise in the three months following the filing of the petition increased by more than 15 percent, as compared to the three month period before the filing of the petition, which is considered “massive” under 19 CFR 351.206(h)(2).<sup>141</sup>

Section 703(e)(1) of the Act provides that the Department will determine that critical circumstances exist if there is a reasonable basis to believe or suspect that: (A) the alleged countervailable subsidy is inconsistent with the Subsidies Agreement, and (B) there have been massive imports of the subject merchandise over a relatively short period. When determining whether an alleged countervailable subsidy is inconsistent with the Subsidies Agreement, the Department limits its findings to those subsidies contingent on export performance or on the use of domestic over imported goods (i.e., those prohibited under Article 3 of the Subsidies Agreement).<sup>142</sup> In determining whether imports of the subject merchandise have been “massive,” 19 CFR 351.206(h)(1) provides that the Department

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<sup>135</sup> See Letter to the Department from the petitioners, “Carbon and Certain Alloy Steel Wire Rod from People’s Republic of China – Critical Circumstances Allegation,” (June 4, 2014) (Critical Circumstances Allegation).

<sup>136</sup> See Letter to Benxi from the Department, “Antidumping and Countervailing Duty Investigations of Carbon and Certain Alloy Steel Wire Rod from the People’s Republic of China: Request for Shipment Quantity and Value Data,” (June 5, 2014).

<sup>137</sup> See Letter to the Department from Benxi Steel, “Benxi Steel Critical Circumstances Response – Countervailing Duty Investigation of Carbon and Certain Alloy Steel Wire Rod from the People’s Republic of China,” (June 13, 2014).

<sup>138</sup> See section 703(e)(1)(A) of the Act; see also Critical Circumstances Allegation at 5.

<sup>139</sup> See Critical Circumstances Allegation, at 6.

<sup>140</sup> See section 703(e)(1)(B) of the Act; see also Critical Circumstances Allegation at 9.

<sup>141</sup> See Critical Circumstances Allegation at 10 and Attachment 1.

<sup>142</sup> See, e.g., Notice of Preliminary Negative Determination of Critical Circumstances: Certain New Pneumatic Off the-Road Tires From the People’s Republic of China, 73 FR 21588, 21589-90 (April 22, 2008) (unchanged in the final determination), and Final Negative Critical Circumstances Determination: Carbon and Certain Alloy Steel Wire Rod From Germany, 67 FR 55808, 55809 (August 30, 2002).



normally will examine: (i) the volume and value of the imports; (ii) seasonal trends; and (iii) the share of domestic consumption accounted for by the imports. In addition, the Department will not consider imports to be massive unless imports during the “relatively short period” (comparison period) increased by at least 15 percent compared to imports during an “immediately preceding period of comparable duration” (base period).<sup>143</sup> 19 CFR 351.206(i) defines “relatively short period” as normally being the period beginning on the date the proceeding commences (*i.e.*, the date the petition is filed) and ending at least three months later. For consideration of this allegation, we used a three-month base period (*i.e.*, November 2013 through January 2014) and a three-month comparison period (*i.e.*, February 2014 through April 2014).

#### Benxi Steel

As discussed below, under “Analysis of Programs,” the Department finds that, during the POI, Benxi Steel received countervailable benefits under at least one program that is contingent upon export performance during the POR, *i.e.*, grants for antidumping investigations. Therefore, we preliminarily determine that there is a reasonable basis to believe or suspect that there is a program in this investigation which is inconsistent with the SCM Agreement. In determining whether there were massive imports from Benxi Steel, we analyzed Benxi Steel’s monthly shipment data for the period November 2013 through April 2014. These data indicate that there was not a massive increase in shipments of subject merchandise to the United States by Benxi Steel during the three-month period immediately following the filing of the petition on January 31, 2014.<sup>144</sup>

#### Hebei Iron & Steel

Because Hebei Iron & Steel is not participating in this investigation, consistent with Department practice, we based our critical circumstances determination for Hebei Iron & Steel on AFA, in accordance with sections 776(a) and (b) of the Act and 19 CFR 351.308(c).<sup>145</sup> As AFA, we preliminarily determine that Hebei Iron & Steel received countervailable benefits under programs that are contingent upon export performance. Also, as AFA, we preliminarily determine that imports of subject merchandise from Hebei Iron & Steel were massive over a relatively short period of time.

#### All Other Exporters

With regard to whether imports of subject merchandise by the “all other” exporters of steel wire rod from the PRC were massive, we preliminarily determine that because there is evidence of the existence of countervailable subsidies that are inconsistent with the Subsidies Agreement, an analysis is warranted as to whether there was a massive increase in shipments by the “all other” companies, in accordance with section 703(e)(1)(B) of the Act and 19 CFR 351.206(h). Therefore, we analyzed, in accordance with 19 CFR 351.206(i), monthly shipment data for the period November 2013 through April 2014, using shipment data from the U.S. Census Bureau downloaded from the Global Trade Atlas, adjusted to remove shipments reported by the only

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<sup>143</sup> See 19 CFR 351.206(h)(2).

<sup>144</sup> See Department Memorandum, “Massive Imports Analysis,” (June 30, 2014) (Critical Circumstances Memorandum).

<sup>145</sup> See, e.g., Final Determination of Sales at Less Than Fair Value and Affirmative Determination of Critical Circumstances: Small Diameter Graphite Electrodes from the People’s Republic of China, 74 FR 2049, 2052–53 (January 14, 2009).



exporter actively participating in this investigation, Benxi Steel. The resulting data indicate that there was a massive increase in shipments, as defined by 19 CFR 351.206(h).<sup>146</sup>

As a result of an affirmative preliminary determination of critical circumstances, in accordance with section 703(e)(2)(A) of the Act, we are directing CBP to suspend liquidation, with regard to all exporters of steel wire rod, except Benxi Steel, of any unliquidated entries of subject merchandise from the PRC entered, or withdrawn from warehouse for consumption, 90 days prior to the date of publication of the preliminary determination in the Federal Register.

### **XIII. ANALYSIS OF PROGRAMS**

Based upon our analysis and the responses to our questionnaires, we preliminarily determine the following:

#### **A. Programs Preliminarily Determined to Be Countervailable**

##### **1. Preferential Loans to SOEs<sup>147</sup>**

As explained above under “Use of Facts Otherwise Available and Adverse Inferences,” we requested information related to this program from the GOC twice. The GOC failed to provide adequate responses to our questions both times. As a result, necessary information is not on the record. In cases where an interested party withholds information that has been requested or where there is not enough information on the record for us to determine whether a program is specific, we use facts otherwise available.<sup>148</sup> Furthermore, an adverse inference is warranted where a party fails to cooperate by not acting to the best of its ability to comply with a request for information from the Department.<sup>149</sup> Therefore, as discussed, we determine, as AFA, that this program is specific to SOEs.

We also determine that loans from SOCBs to SOEs under this program constitute financial contributions, pursuant to sections 771(5)(B)(i) and 771(5)(D)(i) of the Act. They provide a benefit equal to the difference between what the recipients paid on their loans and the amount they would have paid on comparable commercial loans that the recipients could actually obtain on the market.<sup>150</sup> To calculate the benefit under the preferential loans for SOEs program, we used the benchmarks described under “Benchmark and Discount Rates” section above.<sup>151</sup> We divided the interest savings during the POI by the sales of the responding Benxi Steel companies during the POI, as described above in the “Attribution of Subsidies” section.

On this basis, we determine preliminarily that Benxi Steel received a countervailable subsidy of 4.92 percent ad valorem.

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<sup>146</sup> See Critical Circumstances Memorandum.

<sup>147</sup> Benxi Steel reported that “Beiyong Steel and its affiliates are SOEs because the ultimate shareholder is the state.” See BIQR3 at 41.

<sup>148</sup> See sections 776(a)(1) and 776(a)(2)(A) of the Act.

<sup>149</sup> See section 776(b) of the Act.

<sup>150</sup> See section 771(5)(E)(ii) of the Act.

<sup>151</sup> See 19 CFR 351.505(c).





UNITED STATES DEPARTMENT OF COMMERCE  
International Trade Administration  
Washington, D.C. 20230

C-570-013

Investigation

POI: 07/01/2013-12/31/2013

~~Proprietary Document~~

Public Version

AD/CVD OII: TKS

**DATE:** June 30, 2014

**MEMORANDUM TO:** The File

**FROM:** Terre Keaton Stefanova *TKS*  
International Trade Compliance Analyst  
AD/CVD Operations Office II

**RE:** Countervailing Duty Investigation: Carbon and Certain Alloy  
Steel Wire Rod from the People's Republic of China

**SUBJECT:** Massive Imports Analysis

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This memorandum contains the Department's preliminary analysis in determining whether imports of carbon and certain alloy steel wire rod (steel wire rod) from the People's Republic of China (China) have been massive under 19 CFR 351.206(h). This analysis was based on monthly shipment data of subject merchandise to the United States for the period October 2013 through May 2014, submitted by Benxi Beiyong Iron & Steel Group Import & Export Corp., Benxi Beiyong Iron & Steel (Group) Co., Ltd., and their responding cross-owned affiliates (collectively, Benxi Steel) on June 13, 2014; as well as data for U.S. imports of the subject merchandise obtained from the U.S. Census Bureau. The U.S. import data was downloaded from the Global Trade Atlas (GTA) (<http://www.gtis.com/gta/>) and converted from kilograms to metric tons.<sup>1</sup>

In determining whether imports of the subject merchandise have been massive, the Department compares import data during a period preceding the filing of the petition with an equal period of time following the filing of the petition. In this case, we compared the data for the three months prior to the January 31, 2014, filing of the petition (i.e., November 2013 through January 2014)

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<sup>1</sup> We queried the GTA for U.S. imports of the subject merchandise during the period November 2013 through April 2014, which were classified under the HTSUS numbers contained in the scope of the investigation, except for subheadings 7213.99.0090 and 7227.90.6090 because they may include products outside the scope of the investigation. We also included in our query HTSUS number 7227.90.6085 for the months of November and December 2013, because this HTSUS number was relevant to the subject merchandise in 2013. See Carbon and Certain Alloy Steel Wire Rod from the People's Republic of China: Initiation of Countervailing Duty Investigation, 79 FR 11085 (February 27, 2014), at footnote 21. See Table 2 below.





to the three months following the filing of the petition (i.e., February through April 2014).<sup>2</sup> As a result, we found an increase in imports of [ ] percent for Benxi Steel, which is not massive (i.e., not greater than 15 percent). We also found an increase in imports of [ ] percent for all others exporters, which is massive (i.e., using the China-wide import data, less the exports reported by Benxi Steel, reveals an increase greater than 15 percent). See Table 1 below.

<b>Table 1</b>					
<b>Steel Wire Rod from China: U.S. Imports -- Critical Circumstances Analysis</b>					
<b>Three Month Comparison (two 3-month periods)</b>					
<b>Company</b>	<b>China-Wide Imports</b>		<b>Benxi Steel Imports</b>		<b>China-Wide Less Benxi Steel</b>
<b>Quantity</b>	<b>Quantity (MT)</b>		<b>Quantity (MT)</b>		<b>Quantity (MT)</b>
Nov-2013	38,577	[			]
Dec-2013	50,454	[			]
Jan-2014	65,780	[			]
<b>Base Period</b>	<b>154,811</b>	[			]
Feb-2014	30,794	[			]
Mar-2014	50,133	[			]
Apr-2014	111,881	[			]
<b>Comp. Period</b>	<b>192,809</b>	[			]
<b>Difference</b>	<b>37,998</b>	[			]
<b>Percent Change</b>	<b>24.54%</b>	[			]
<b>Massive (&gt;15%)</b>			<b>No</b>		<b>Yes</b>

<sup>2</sup> We did not include the months of October 2013 and May 2014 in our comparison, as GTA data was not available for May 2014.



Table 2

## Steel Wire Rod from China U.S. Import Data by HTSUS

GTA (source: U.S. Dept of Commerce, Bureau of the Census)

Commodity	Year	Month	Quantity KG	
7227200030	2013	11	4,465,198.00	
7227906020	2013	11	465,847.00	
7227906085	2013	11	33,646,125.00	
			<b>38,577,170.00</b>	<b>Nov -13 Total</b>
7213913011	2013	12	34,292.00	
7227906020	2013	12	32,000.00	
7227906085	2013	12	50,387,707.00	
			<b>50,453,999.00</b>	<b>Dec-13 Total</b>
7213913093	2014	1	18,731,432.00	
7213916000	2014	1	616,226.00	
7227200030	2014	1	78,825.00	
7227906030	2014	1	41,457,017.00	
7227906035	2014	1	4,896,404.00	
			<b>65,779,904.00</b>	<b>Jan-14 Total</b>
7213913093	2014	2	2,193,096.00	
7213914500	2014	2	233,333.00	
7213916000	2014	2	624,852.00	
7227906030	2014	2	27,743,103.00	
			<b>30,794,384.00</b>	<b>Feb-14 Total</b>
7213913020	2014	3	176,635.00	
7213913093	2014	3	4,066,801.00	
7213914500	2014	3	87,884.00	
7227906030	2014	3	45,801,727.00	
			<b>50,133,047.00</b>	<b>Mar-14 Total</b>
7213913020	2014	4	690,024.00	
7213913093	2014	4	350,944.00	
7213916000	2014	4	7,840,449.00	
7227906030	2014	4	102,091,589.00	
7227906035	2014	4	908,180.00	
			<b>111,881,186.00</b>	<b>Apr-14 Total</b>



# EXHIBIT 11



**Post-Petition Import Volume Increase**

<b><u>Pre-Petition</u></b>		<b><u>Post-Petition</u></b>	
<b><u>Month</u></b>	<b><u>Imports (tons)</u></b>	<b><u>Month</u></b>	<b><u>Imports (tons)</u></b>
Oct. 2013	60,518	Feb. 2014	33,945
Nov. 2013	42,524	Mar. 2014	55,262
Dec. 2013	55,616	Apr. 2014	123,328
Jan. 2014	72,510	May 2014	78,364
<b>4-month total</b>	<b>231,168</b>	<b>4-month total</b>	<b>290,899</b>



**U.S. Imports of Wire Rod\***  
**2011**

	Quantity (short tons)											
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
China	19	3	-	-	-	2	-	54	24	42	-	-
Canada	43,428	37,876	47,498	42,734	51,717	45,792	45,616	44,276	39,922	35,009	31,728	35,448
Turkey	-	12,007	1,794	9,092	27,628	34,945	3,872	13,688	159	-	1,673	4,716
Japan	19,083	20,338	17,718	20,919	21,187	22,603	18,254	13,012	24,689	19,580	20,400	18,301
Germany	8,058	4,158	10,214	8,805	7,856	13,430	10,401	5,801	4,030	5,249	6,203	7,679
Mexico	14,230	3,739	15,686	9,763	12,440	8,592	2,625	3,317	272	4,935	91	2,546
United Kingdom	7,899	4,978	4,815	736	6,034	5,251	9,900	1,015	213	369	35	5,078
Brazil	7,364	3,219	12,051	13,586	12,513	8,114	13,186	5,348	8,812	18,423	4,562	9,335
Spain	745	-	2,185	1,457	683	318	1,223	813	4,734	538	1,655	5,222
Korea	1,282	-	19	373	370	-	1,631	1,287	-	4,905	-	-
All Other	26,934	6,706	311	497	284	369	4,931	86	4,441	109	84	45
<b>Total</b>	<b>129,042</b>	<b>93,024</b>	<b>112,291</b>	<b>107,964</b>	<b>140,712</b>	<b>139,415</b>	<b>111,641</b>	<b>88,698</b>	<b>87,298</b>	<b>89,159</b>	<b>66,431</b>	<b>88,369</b>

	Value (USD)											
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
China	21,000	2,300	-	-	-	2,112	-	69,421	17,364	30,958	-	-
Canada	34,651,716	31,747,543	39,994,143	36,807,036	45,151,178	39,357,133	40,568,970	39,952,827	36,037,905	31,647,517	28,317,142	30,089,459
Turkey	-	7,216,268	1,106,133	5,797,403	17,890,018	25,094,318	2,441,535	8,918,034	116,915	-	1,128,580	3,293,981
Japan	17,351,634	19,549,348	16,222,889	19,918,875	20,642,271	22,696,004	19,257,583	15,094,728	25,170,484	19,942,942	21,335,425	19,299,117
Germany	8,513,265	4,347,096	11,153,911	9,208,953	8,986,120	11,782,484	14,364,133	6,242,587	4,444,913	5,593,267	6,809,255	7,843,872
Mexico	9,249,761	2,037,734	8,328,901	5,384,779	7,484,632	5,117,679	1,559,800	2,077,121	204,316	3,517,146	67,773	1,818,635
United Kingdom	4,898,509	4,698,815	3,059,323	496,948	4,691,106	4,284,940	8,057,118	1,207,726	249,921	421,649	54,994	3,784,418
Brazil	5,043,409	2,179,466	8,621,703	10,125,860	10,976,030	7,373,595	12,234,985	4,815,299	8,087,522	15,622,678	3,868,431	7,738,429
Spain	618,020	-	1,606,526	1,283,191	677,169	311,987	1,199,746	775,079	3,818,085	488,217	1,368,632	3,739,300
Korea	1,209,801	-	29,617	386,066	389,710	-	1,496,140	1,494,463	-	4,533,006	-	-
All Other	13,612,276	4,244,350	557,596	759,782	484,380	815,461	3,950,144	176,519	3,493,969	301,429	90,690	112,296
<b>Total</b>	<b>95,169,391</b>	<b>76,022,920</b>	<b>90,680,742</b>	<b>90,168,893</b>	<b>117,372,614</b>	<b>116,835,713</b>	<b>105,130,154</b>	<b>80,823,804</b>	<b>81,641,394</b>	<b>82,098,809</b>	<b>63,040,922</b>	<b>77,719,507</b>

	AUV(\$/ST)											
	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
China	1,111.29	680.31	-	-	-	1,097.98	-	1,293.10	716.67	739.98	-	-
Canada	797.91	838.20	842.02	861.30	873.04	859.48	889.35	902.35	902.71	903.99	892.50	848.83
Turkey	-	601.01	616.53	637.63	647.54	718.11	630.49	651.53	734.00	-	674.68	698.52
Japan	909.27	961.23	915.62	952.17	974.30	1,004.12	1,054.96	1,160.07	1,019.49	1,018.53	1,045.87	1,054.53
Germany	1,056.54	1,045.51	1,092.02	1,045.82	1,143.92	877.35	1,381.01	1,076.17	1,102.93	1,065.54	1,097.72	1,021.45
Mexico	650.03	545.01	530.97	551.55	601.65	595.62	594.23	626.17	750.40	712.66	746.70	714.41
United Kingdom	620.13	943.95	635.43	675.57	777.38	816.10	813.81	1,189.82	1,171.42	1,142.68	1,550.09	745.32
Brazil	684.89	677.04	715.46	745.29	877.19	908.80	927.90	900.32	917.78	847.99	847.97	828.95
Spain	829.73	-	735.26	880.78	990.80	980.44	980.89	953.01	806.48	906.90	826.91	716.13
Korea	943.50	-	1,523.57	1,034.19	1,053.08	-	917.16	1,161.15	-	924.22	-	-
All Other	505.40	632.87	1,792.07	1,527.61	1,706.14	2,208.09	801.01	2,043.64	786.78	2,766.58	1,080.83	2,509.38
<b>Total</b>	<b>737.51</b>	<b>817.24</b>	<b>807.55</b>	<b>835.18</b>	<b>834.14</b>	<b>838.04</b>	<b>941.68</b>	<b>911.22</b>	<b>935.20</b>	<b>920.81</b>	<b>948.97</b>	<b>879.49</b>

Source: U.S. Department of Commerce and USITC

\* Consists of HTS#: 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093; 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, 7227.90.6035 and 7227.90.6085



**U.S. Imports of Wire Rod\***  
2012

	Quantity (short tons)											
	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
China	731	775	241	30,859	32,608	39,518	12,767	29,021	18	5,577	36,421	53,429
Canada	41,995	46,413	44,109	47,159	47,665	38,999	38,955	41,408	31,027	35,750	40,445	37,206
Turkey	8,015	26,286	26,091	44,680	8,256	13,342	5,831	13,536	8,777	1,463	9,541	-
Japan	18,964	26,792	23,876	23,101	26,874	16,576	24,871	17,342	29,230	18,687	24,048	11,903
Germany	5,715	4,516	11,245	5,143	9,422	11,941	4,567	3,101	3,643	4,917	3,807	4,529
Mexico	2,625	2,823	4,582	4,515	2,245	2,362	2,235	2,268	362	4	390	215
United Kingdom	5,726	13,580	-	16,097	2,122	346	5,888	2,985	8,916	9,960	4,487	-
Brazil	-	8,178	9,349	10,752	10,180	13,269	11,671	-	7,838	15,840	5,664	9,777
Spain	1,498	1,469	576	664	724	4,769	3,707	3,378	-	7,789	887	3,282
Korea	4,552	114	1,099	2,801	1,202	-	4,657	-	3,427	3,978	1,575	2,170
All Other	99	11,574	237	623	289	116	5,122	198	14,985	45	133	206
<b>Total</b>	<b>89,923</b>	<b>142,521</b>	<b>121,404</b>	<b>186,393</b>	<b>141,587</b>	<b>141,237</b>	<b>120,271</b>	<b>113,237</b>	<b>108,224</b>	<b>104,011</b>	<b>127,398</b>	<b>122,716</b>

	Value (USD)											
	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
China	825,213	559,292	199,812	18,450,877	21,537,904	22,986,276	7,356,501	17,049,095	10,736	3,038,730	19,034,849	26,564,354
Canada	36,693,231	41,616,157	38,264,973	40,698,864	40,468,298	33,295,381	30,909,587	31,701,206	25,066,498	27,986,280	30,155,522	28,697,348
Turkey	5,387,193	17,375,768	16,645,037	28,287,526	5,236,574	10,443,751	3,597,064	8,385,680	5,368,304	849,046	5,839,458	-
Japan	19,640,823	27,319,127	23,349,437	23,337,320	25,942,659	16,230,061	25,073,573	17,114,260	26,840,380	17,167,228	22,969,949	11,330,010
Germany	6,182,989	4,506,054	10,808,442	5,177,987	9,013,350	11,465,919	4,631,869	3,445,860	3,617,911	5,362,417	3,267,491	4,232,911
Mexico	1,844,129	2,034,678	3,045,926	3,032,439	1,502,436	1,578,196	1,512,083	1,503,597	226,133	2,563	199,449	112,853
United Kingdom	4,430,372	7,936,380	-	10,400,959	1,360,497	239,690	4,512,076	1,798,922	6,418,069	5,686,715	2,679,516	-
Brazil	-	6,809,719	7,196,238	8,452,118	7,854,606	10,435,430	9,092,723	-	5,727,294	11,460,770	3,914,324	6,353,001
Spain	1,208,001	1,249,279	442,358	522,629	563,686	3,793,292	2,365,325	2,610,432	-	4,686,951	633,026	2,436,917
Korea	3,630,058	140,506	867,280	2,256,895	993,541	-	3,637,538	-	2,241,272	3,216,447	922,783	2,040,949
All Other	243,355	7,163,741	299,452	525,185	598,559	300,767	3,433,143	274,701	10,505,273	89,971	141,240	561,432
<b>Total</b>	<b>80,085,364</b>	<b>116,710,701</b>	<b>101,118,955</b>	<b>141,142,799</b>	<b>115,072,110</b>	<b>110,768,763</b>	<b>96,121,482</b>	<b>83,883,753</b>	<b>86,021,870</b>	<b>79,547,118</b>	<b>89,757,607</b>	<b>82,329,775</b>

	AUV(\$/ST)											
	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
China	1,128.25	721.41	827.70	597.90	660.51	581.66	576.22	587.48	597.52	544.86	522.63	497.19
Canada	873.75	896.65	867.51	863.02	849.01	853.76	793.46	765.58	807.89	782.83	745.59	771.32
Turkey	672.10	661.02	637.97	633.11	634.27	782.76	616.89	619.51	611.62	580.18	612.03	-
Japan	1,035.68	1,019.68	977.94	1,010.25	965.33	979.14	1,008.14	986.87	918.24	918.66	955.15	951.88
Germany	1,081.80	997.78	961.20	1,006.75	956.64	960.24	1,014.24	1,111.15	993.15	1,090.50	858.30	934.62
Mexico	702.50	720.76	664.82	671.68	669.30	668.10	676.68	663.02	624.86	573.11	510.80	525.71
United Kingdom	773.66	584.40	-	646.15	641.15	693.01	766.30	602.64	719.83	570.95	597.24	-
Brazil	-	832.67	769.76	786.10	771.59	786.47	779.06	-	730.68	723.53	691.13	649.81
Spain	806.31	850.37	767.48	787.60	778.96	795.40	638.07	772.69	-	601.74	714.01	742.45
Korea	797.41	1,230.67	789.25	805.80	826.44	-	781.06	-	654.09	808.62	585.73	940.56
All Other	2,460.33	618.95	1,264.73	842.84	2,069.45	2,603.72	670.32	1,385.49	701.03	2,019.01	1,064.17	2,723.74
<b>Total</b>	<b>890.60</b>	<b>818.90</b>	<b>832.91</b>	<b>757.23</b>	<b>812.73</b>	<b>784.28</b>	<b>799.21</b>	<b>740.78</b>	<b>794.85</b>	<b>764.79</b>	<b>704.54</b>	<b>670.90</b>

Source: U.S. Department of Commerce and USITC

\* Consists of HTS#: 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093; 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, 7227.90.6035 and 7227.90.6085



**U.S. Imports of Wire Rod\***  
**2013**

	Quantity (short tons)											
	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
China	70,280	3,334	36,572	23,446	69,413	71,843	76,194	25,502	83,547	60,518	42,524	55,616
Canada	41,245	34,869	40,200	45,882	42,523	40,875	45,267	39,641	38,754	38,221	41,847	31,461
Turkey	622	-	5,310	9,456	14,814	1,104	-	1,245	631	-	-	-
Japan	23,952	16,584	26,407	18,775	31,838	17,680	23,576	19,458	20,756	16,427	18,180	23,869
Germany	2,918	5,707	3,475	6,004	3,502	6,391	11,892	4,804	6,447	8,916	3,983	8,962
Mexico	1,194	864	609	2,026	1,096	1,476	4,585	484	263	821	45	4,867
United Kingdom	4,515	4,622	182	6,075	15,405	291	4,457	7,315	189	8,095	1,108	4,140
Brazil	9,456	8,584	7,558	6,079	13,622	5,771	15,443	6,154	8,327	3,170	9,056	3,419
Spain	2,255	1,761	-	3,901	10,617	3,600	-	2,406	1,600	3,107	311	3,166
Korea	2,204	4,638	-	5,605	3,200	-	4,165	4,208	3,840	5,950	2,463	1,295
All Other	299	167	67	87	601	76	145	62	1,801	142	196	67
<b>Total</b>	<b>158,940</b>	<b>81,131</b>	<b>120,379</b>	<b>127,335</b>	<b>206,632</b>	<b>149,107</b>	<b>185,724</b>	<b>111,280</b>	<b>166,156</b>	<b>145,369</b>	<b>119,713</b>	<b>136,862</b>

	Value (USD)											
	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
China	34,685,278	1,656,539	18,514,576	11,808,725	36,064,181	38,303,727	39,980,952	13,180,653	41,171,585	28,997,893	21,063,466	27,569,971
Canada	32,391,061	27,417,442	30,713,180	36,312,570	33,275,026	31,156,474	33,343,353	29,783,545	29,296,173	28,609,813	31,131,724	23,965,124
Turkey	382,288	-	2,723,421	5,601,687	8,686,951	611,159	-	685,667	341,886	-	-	-
Japan	20,024,615	15,794,956	22,533,233	16,617,508	27,954,406	14,619,523	19,116,946	17,814,177	18,428,785	14,027,013	16,894,401	19,515,731
Germany	2,975,848	5,815,709	3,234,968	5,355,763	2,940,169	6,278,209	10,378,832	4,313,793	5,125,458	7,898,187	4,115,876	7,307,850
Mexico	651,558	489,804	335,236	1,187,703	642,727	857,359	2,682,778	267,948	148,800	454,358	20,493	2,750,400
United Kingdom	3,011,653	2,754,776	121,613	3,576,753	8,824,493	203,905	2,651,710	4,037,229	240,730	4,103,192	559,461	2,355,174
Brazil	6,097,039	5,369,008	4,646,792	3,659,039	8,384,551	3,671,333	9,726,334	3,866,052	5,050,684	1,953,461	5,290,881	2,093,677
Spain	1,614,583	1,361,825	-	2,738,922	6,550,850	2,673,653	-	1,670,695	1,119,602	2,249,970	238,151	2,337,555
Korea	1,452,304	3,089,552	-	3,995,552	2,198,630	-	2,404,153	3,174,161	2,208,825	3,821,767	1,527,386	922,245
All Other	518,020	438,733	253,268	215,971	374,933	175,977	337,852	157,825	1,068,006	207,852	421,651	135,914
<b>Total</b>	<b>103,804,247</b>	<b>64,188,344</b>	<b>83,076,287</b>	<b>91,070,193</b>	<b>135,896,917</b>	<b>98,551,319</b>	<b>120,622,910</b>	<b>78,951,745</b>	<b>104,200,534</b>	<b>92,323,506</b>	<b>81,263,490</b>	<b>88,953,641</b>

	AUV(\$/ST)											
	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
China	493.53	496.81	506.25	503.65	519.56	533.16	524.72	516.85	492.79	479.16	495.33	495.72
Canada	785.33	786.30	764.02	791.44	782.52	762.23	736.59	751.33	755.95	748.54	743.94	761.74
Turkey	614.91	-	512.88	592.39	586.38	553.84	-	550.66	541.85	-	-	-
Japan	836.02	952.41	853.31	885.10	878.01	826.89	810.86	915.51	887.86	853.89	929.29	817.61
Germany	1,019.66	1,019.02	930.84	892.04	839.60	982.42	872.75	897.88	794.99	885.86	1,033.23	815.41
Mexico	545.90	566.60	550.60	586.24	586.38	580.76	585.15	553.58	565.49	553.58	460.40	565.09
United Kingdom	666.99	595.99	668.51	588.81	572.82	699.76	594.97	551.90	1,276.85	506.86	504.86	568.89
Brazil	644.81	625.49	614.78	601.92	615.51	636.15	629.83	628.19	606.55	616.16	584.23	612.34
Spain	716.07	773.30	-	702.16	617.00	742.67	-	694.38	699.55	724.05	765.87	738.30
Korea	658.90	666.15	-	712.85	687.12	-	577.30	754.34	575.14	642.29	620.22	712.27
All Other	1,733.41	2,624.79	3,792.06	2,472.37	624.19	2,327.91	2,330.72	2,562.49	592.99	1,458.69	2,147.65	2,031.76
<b>Total</b>	<b>653.11</b>	<b>791.17</b>	<b>690.12</b>	<b>715.20</b>	<b>657.68</b>	<b>660.94</b>	<b>649.47</b>	<b>709.49</b>	<b>627.12</b>	<b>635.10</b>	<b>678.82</b>	<b>649.95</b>

Source: U.S. Department of Commerce and USITC

\* Consists of HTS#: 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093; 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, 7227.90.6035 and 7227.90.6085



U.S. Imports of Wire Rod\*

January - August 2014\*\*

Quantity (short tons)								
	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14
China	72,510	33,945	55,262	123,328	78,364	1,865	3,344	46
Canada	43,176	33,548	40,548	46,235	44,023	47,138	47,942	43,082
Turkey	-	-	-	895	3,391	48,628	-	19,589
Japan	13,623	15,979	19,584	20,347	16,043	15,077	17,196	13,301
Germany	3,959	5,493	5,424	4,253	10,668	1,602	9,877	5,044
Mexico	1,334	2,243	300	12,850	718	2,109	1,425	1,347
United Kingdom	7,217	4,999	6,272	10,300	5,010	7,380	351	4,585
Brazil	9,131	9,665	10,841	10,486	10,569	9,333	10,493	7,708
Spain	838	557	1,590	822	1,419	1,051	209	7,709
Korea	6,031	2,645	4,599	6,166	12,253	28,328	4,821	6,515
All Other	69	-	2,922	3,294	6,577	1,084	7,304	12,222
<b>Total</b>	<b>157,887</b>	<b>109,075</b>	<b>147,342</b>	<b>238,976</b>	<b>189,035</b>	<b>163,594</b>	<b>102,963</b>	<b>121,148</b>

Value (USD)								
	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14
China	36,233,950	17,645,990	26,804,978	60,176,561	37,613,682	935,477	1,614,535	25,830
Canada	33,271,986	25,047,900	30,848,907	34,049,922	32,925,858	35,357,406	35,584,249	32,053,116
Turkey	-	-	-	458,279	1,899,452	26,993,804	-	10,794,947
Japan	12,133,359	11,758,063	15,495,146	16,964,157	12,314,417	11,913,102	13,690,686	10,303,437
Germany	3,529,140	4,514,078	4,474,743	3,541,384	8,938,989	1,361,209	8,020,232	4,530,722
Mexico	710,894	1,189,248	158,967	8,653,417	412,703	1,187,611	810,091	754,813
United Kingdom	3,882,281	2,791,425	3,713,136	6,085,743	2,857,612	3,901,280	230,661	2,675,090
Brazil	5,581,689	5,700,664	6,537,540	6,375,127	6,399,253	5,431,408	6,121,358	4,475,259
Spain	577,288	364,227	1,274,439	665,308	907,790	837,127	162,667	4,586,992
Korea	3,595,057	1,649,980	2,839,690	3,782,058	7,137,915	15,973,378	3,024,798	3,637,454
All Other	173,484	-	1,777,337	2,116,051	3,878,411	984,116	4,498,030	6,721,655
<b>Total</b>	<b>99,689,128</b>	<b>70,661,575</b>	<b>93,924,883</b>	<b>142,868,007</b>	<b>115,286,082</b>	<b>104,875,918</b>	<b>73,757,307</b>	<b>80,559,315</b>

AUV(\$/ST)								
	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14
China	499.71	519.84	485.05	487.94	479.98	501.73	482.75	557.92
Canada	770.61	746.63	760.79	736.46	747.93	750.09	742.23	744.00
Turkey	-	-	-	512.16	560.13	555.11	-	551.08
Japan	890.65	735.86	791.23	833.74	767.57	790.17	796.15	774.64
Germany	891.43	821.71	825.06	832.59	837.95	849.64	812.01	898.17
Mexico	533.00	530.18	529.95	673.44	574.97	563.11	568.35	560.23
United Kingdom	537.97	558.45	592.03	590.87	570.41	528.64	657.62	583.46
Brazil	611.26	589.74	603.01	607.94	605.47	581.96	583.38	580.61
Spain	688.83	653.93	801.60	809.69	639.58	796.33	776.97	595.04
Korea	596.13	623.71	617.45	613.33	582.54	563.87	627.48	558.34
All Other	2,529.16	-	608.30	642.38	589.72	907.70	615.80	549.96
<b>Total</b>	<b>631.40</b>	<b>647.82</b>	<b>637.46</b>	<b>597.84</b>	<b>609.87</b>	<b>641.07</b>	<b>716.35</b>	<b>664.97</b>

Source: U.S. Department of Commerce and USITC

\* Consists of HTS#: 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093; 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, 7227.90.6035 and 7227.90.6085

\*\* HTS# 7227.90.6085 was divided into 7227.90.6030 and 7227.90.6035 in 2014.