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November 28, 2017

Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358 (Final)
NON-CONFIDENTIAL VERSION

VIA ELECTRONIC FILING AND HAND DELIVERY

Lisa R. Barton
Secretary to the Commission
U.S. International Trade Commission
500 E Street, SW
Washington, DC 20436

Re: ***Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom***: Nucor Corporation's Posthearing Brief

Dear Secretary Barton:

On behalf of Nucor Corporation ("Nucor"), petitioner and domestic interested party in this proceeding, please find enclosed two copies of the non-confidential version of Nucor's Posthearing Brief in the above-referenced proceeding.

The requisite certification is enclosed in accordance with Sections 201.6 and 207.3 of the Commission's rules. In addition, in accordance with Section 201.16 of the Commission's rules, the enclosed brief has been served on all parties entitled to receive it, as indicated on the attached public service list.

NON-CONFIDENTIAL VERSION

If you have any questions regarding this submission, please do not hesitate to contact the undersigned.

Respectfully submitted,

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Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom

Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358 (Final)

In accordance with section 207.3(a) of the Commission's rules (19 C.F.R. § 207.3(a)), I, Alan H. Price, of Wiley Rein LLP, counsel to Nucor Corporation, certify that under penalty of perjury under the laws of the United States of America and pursuant to the Commission's regulations:

(1) I have read the foregoing submission in the above referenced case;

(2) to the best of my knowledge and belief, the information contained therein is accurate and complete; and

(3) in accordance with section 201.6(b)(3)(iii) of the Commission's rules (19 C.F.R. § 201.6(b)(3)(iii)), information substantially identical to that for which we request confidential treatment is not available to the general public and the public disclosure of such information would cause substantial harm to the persons, firms, and other entities from which the information was obtained.

Alan H. Price

DISTRICT OF COLUMBIA: SS
Sworn and subscribed to before me
this November 27, 2017.

Natalia Xanthakos
Notary Public, District of Columbia
My Commission Expires 9/30/2019

Notary Public

My commission expires: 9/30/2019

NATALIA XANTHAKOS NOTARY PUBLIC MY COMMISSION EXPIRES 9/30/2019 DISTRICT OF COLUMBIA

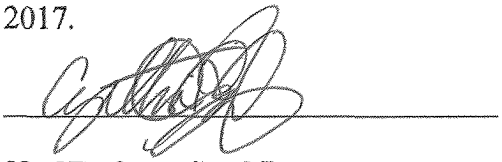
CERTIFICATE OF SERVICE

PUBLIC SERVICE

Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, the Republic of South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom

Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358
(Final)

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BEFORE THE
UNITED STATES INTERNATIONAL TRADE COMMISSION

CARBON AND CERTAIN ALLOY STEEL WIRE ROD FROM BELARUS, ITALY, KOREA, RUSSIA, SOUTH AFRICA, SPAIN, TURKEY, UKRAINE, UNITED ARAB EMIRATES, AND UNITED KINGDOM

Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358 (Final)

Business Proprietary Information removed on pages 4, 7-9 and 11-15, the Exhibit List, and Exhibits 1, 3-13, 15, 19, 23, 27-28, 42, and 44

NON-CONFIDENTIAL VERSION

NUCOR CORPORATION'S POSTHEARING BRIEF

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The record of this investigation, including testimony at the November 16, 2017 hearing ("Hearing"), confirms that the U.S. wire rod manufacturing industry has been materially injured by reason of subject imports from Belarus, Italy, Korea, Russia, Spain, South Africa, Turkey, Ukraine, United Arab Emirates ("UAE"), and United Kingdom ("U.K."). As explained in Answers to Commissioners' Questions, the agency should find that no subject imports are negligible.[1] This brief highlights the major concessions made by respondents at the Hearing and the most egregious misstatements of fact regarding domestic like product issues. We would emphasize that **all** of the quotes provided below from the Hearing are from **respondent** witnesses or their counsel.

I. DUMPED AND SUBSIZED SUBJECT IMPORTS ARE CAUSING MATERIAL INJURY TO THE DOMESTIC INDUSTRY

A. Conditions of Competition

1. Respondents Concede That Wire Rod Is Interchangeable Regardless of Source

Uncontested record evidence confirms that wire rod is substitutable regardless of source.[2] The vast majority of U.S. producers, importers, and purchasers reported that domestic wire rod is "always" or "frequently" interchangeable with that of subject countries.[3] This was corroborated at the Hearing. According to Mr. Frey, a respondent witness, "**{s}tandard wire rod is a pretty globally uniform product. It's the same in China, it's the same in Egypt as in the United States.**"[4] Mr. Stauffer added, "**. . . this is a fungible product across the world. Everybody can make it.**"[5] The Commission should take the respondents' statements at face value and continue to find that all wire rod is interchangeable.

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1 *See* Answers to Commissioners' Questions, attached as **Exhibit 1,** pp. 37-42. Nucor also discusses negligibility issues related to 1080 tire bead and tire cord wire rod in **Exhibit 1,** pp. 28-33.

2 *See* USITC Pub. 4693 (May 2017) ("Preliminary Determination") at 29; Prehearing Report (Nov. 2, 2017) ("Prehearing Staff Report") at II-31.

3 Prehearing Staff Report at II-31.

4 Hearing Transcript (Nov. 16, 2017) ("Hearing Tr.") at 212 (Mr. Frey) (emphasis added).

5 *Id.* at 191 (Mr. Stauffer) (emphasis added).

2. Respondents Confirm that Domestic Wire Rod Competes Directly With Subject Imports

Subject imports and the domestic wire rod compete head-to-head for sales across the continuum of wire rod products. Indeed, Mr. Frey explained at the Hearing:

> **I think the distinction is between U.S. domestic prices for steel, for wire rods versus global prices. The price for imports is primarily set on the global, like for imports, you have different choices where you can buy say from the Ukraine, from China, and only the best, most competitive price will get the order.**[6]

Similarly, Mr. Stauffer testified, "**Clearly, the Italians are competing with the Ukrainians, and the Ukrainians are competing with the Russians.**"[7] To clarify that respondents were conceding that there is head-to-head competition among subject imports, Chairman Schmidtlein asked, "**{s}o you're just pointing out that the importers are competing with each other**?"[8] And Mr. Stauffer responded, "**Yeah**."[9] Thus, both Petitioners and respondents agree that domestic wire rod competes directly with subject merchandise.

3. Respondents Confirm that Wire Rod Is Sold on the Basis of Price

The Commission should continue to find that "the record also indicates that price is an important consideration for purchasers of wire rod."[10] The majority of U.S. producers and purchasers "stated that non-price differences are either 'sometimes' or 'never' significant factors."[11] Indeed, at the Hearing, Mr. Cunningham testified that, "**you have a product that is a price-competitive product. Most transactions where you buy, you'll buy from the lower price.**"[12] Contrary to respondents' claim that multiple sourcing is necessary for the security of rod supply and to compete with vertically integrated producers,[13] U.S. purchasers have been increasing

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6 *Id.* at 188 (Mr. Frey) (emphasis added).
7 *Id.* at 190 (Mr. Stauffer) (emphasis added).
8 *Id.* at 191 (Chairman Schmidtlein) (emphasis added).
9 *Id.* (Mr. Stauffer) (emphasis added).
10 Preliminary Determination at 29.
11 Prehearing Staff Report at II-34.
12 Hearing Tr. at 214 (Mr. Cunningham) (emphasis added).
13 *See e.g.*, *id.* at 153 (Mr. Stauffer) and 205 (Mr. Johnson).

their purchases of imported wire rod based on their low prices. Indeed, in 2011, while U.S. producers held a 70 percent share of the market, by 2016, U.S. producers' market share declined to 58 percent.[14] The decline in domestic market share, which coincided with two surges of unfairly traded imports, does not represent a security of supply issue, rather this is a price issue. As Mr. Stauffer testified, "**we have an import component that allows us to compete with all of those products . . . all of those folks {(*i.e.*, foreign competitors)} have access to . . . the global price.**"[15]

Further, in *Rebar from Taiwan and Japan*, the Commission recently analyzed an industry that is more vertically integrated than the U.S. wire rod industry.[16] The agency found that "the record does not support any conclusion that domestic producers' affiliations with upstream ferrous scrap operations and downstream fabrication operations served to insulate these domestic producers from competition by subject imports."[17] The Commission rejected the respondents' vertical integration arguments in that case and should do so again here.

At the Hearing, respondents made clear that price is the paramount consideration in their decision to purchase subject imports, as they often referred to the need to source rod at globally "competitive" prices so that they can compete in their downstream industries.[18] Finally, U.S. purchasers made several references to obtaining "competitively" priced rod without mentioning other non-price factors,[19] which also demonstrates that wire rod is primarily sold on the basis of price and consumers simply want access to the cheapest wire rod.

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[14] *See Carbon and Certain Alloy Steel Wire Rod from China*, Inv. Nos. 701-TA-512 and 731-TA-1248, USITC Pub. 4509 (Jan. 2015) (Final) ("USITC Pub. 4509") at C-4 (Table C-2); Prehearing Staff Report at C-5 (Table C-2).

[15] Hearing Tr. at 240 (Mr. Stauffer).

[16] *See Steel Concrete Reinforcing Bar from Japan and Turkey*, Inv. Nos. 701-TA-564 and 731-TA-1338 and 1340, USITC Pub. 4705 (July 2017) (Final) at 26 ("USITC Pub. 4705").

[17] *Id.* at 27.

[18] *See*, *e.g.*, Hearing Tr. at 147, 150 (Mr. Johnson), 160 (Mr. Stauffer), 188 (Mr. Frey).

[19] *See*, *e.g.*, *id.* at 147, 150 (Mr. Johnson), 160 (Mr. Stauffer), 188 (Mr. Frey).

4. Respondents Confirm that the AWPA Is a Highly Organized Trade Association Committed to Opposing Trade Remedies for Unfairly Priced Imports of Wire Rod

The AWPA is a highly organized and sophisticated trade association formed in large part to oppose trade relief for wire rod producers.[20] A significant percentage of the AWPA's membership are publicly-traded, multinational corporations or owned by private equity groups.[21]

The AWPA has an established track record of opposing CASWR trade cases because its members want access to dumped and subsidized imports.[22] Indeed, even the AWPA webpage indicates that "{t}he mission of the American Wire Producers Association is to assure free access to the global supply of Carbon, Alloy and Stainless Steel Wire Rod."[23] At the Hearing, Mr. Stauffer explained that true reason for the AWPA's opposition to trade relief for the domestic industry, testifying that:

> **everybody else that's making finished wire products around the world . . . are using rod priced at the global level. The Chinese level and all the other countries doing that have the benefit of that. We're denied that based on this filing**.[24]

But as Secretary Ross recently stated, "[

].'"[25]

Interestingly, while the AWPA opposes trade relief for its suppliers, its members regularly avail themselves of the U.S. trade laws to protect their own industries from unfairly traded imports.[26] Indeed, the members of the AWPA have filed trade cases against the subject countries

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20 *See* AWPA Website Excerpts, attached as **Exhibit 2**.

21 For example, Insteel Industries, Inc., Leggett & Platt Wire Group, Tree Island Wire USA, Inc., Mid Continent Steel and Wire, Inc., Kiswire America Inc., Bekaert Corporation, Sumiden Wire Products Corporation, and Lincoln Electric Company are all publicly-traded or multinational companies. *See id*.

22 *See id.*

23 *Id.*

24 Hearing Tr. at 192 (Mr. Stauffer) (emphasis added).

25 *Ross: U.S. steel consumers should not be relying on 'subsidized, dumped product'*, Inside U.S. Trade (Nov. 14, 2017), attached as **Exhibit 3**.

26 *See* AWPA Website Excerpts, attached as **Exhibit 2**.

for dumped nails, innerspring units, and prestressed concrete strand.[27] In their own cases, the AWPA members have argued that dumped prices and a variety of subsidies provided by foreign governments are injurious,[28] yet in the current investigation – without denying the injurious impact of subject imports – the AWPA opposes similar relief for its suppliers.

B. Respondents Confirm That Subject Imports Had Significant Volume Effects

At the Hearing, respondents did not deny that subject imports increased 56 percent during the POI and took market share from the domestic industry.[29] Nor did they reject the proposition that "unfairly traded imports . . . {were} replac{ing} . . . unfairly traded imports."[30] In fact, after reviewing the Commission's product shift data, Mr. Cunningham concluded that such data "may say something about the extent to which **imports took an additional portion of the U.S. market.**"[31]

Respondents, however, made the spurious argument that when unfairly traded Chinese imports left the U.S. market, domestic producers recaptured substantially more "market share {than} they had before."[32] As further detailed in Answers to Commissioners' Questions,

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[27] *See Certain Steel Nails from Korea*, *Malaysia, Oman, Taiwan, and Vietnam*, Inv. Nos. 701-TA-521 and 731-TA-1252-1255 and 1257, USITC Pub. 4541 (July 2015) (Final); *See Uncovered Innerspring Units from China, South Africa*, and Vietnam, Inv. Nos. 731-TA-1140-1142, USITC Pub. 4459 (Apr. 2014) (Review); *See Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea*, *Mexico, and Thailand*, Inv. Nos. 701-TA-432 and 731-TA-1024-1028 and AA1921-188, USITC Pub. 4527 (April 2015) (Second and Fourth Reviews).

[28] *See e.g.*, Issues and Decisions Memorandum accompanying *Prestressed Concrete Steel Wire Strand from the People's Republic of China*, 75 Fed. Reg. 28,557 (Dep't Commerce May 21, 2010) (final affirm. countervailing duty deter.); Issues and Decisions Memorandum accompanying *Certain Kitchen Appliance Shelving and Racks from the People's Republic of China*, 74 Fed. Reg. 37,012 (Dep't Commerce July 27, 2009) (final affirm. countervailing duty deter.).

[29] *See generally*, Hearing Tr.

[30] *See id.* (Vice Chairman Johanson) at 193; Preliminary Determination at 31 ("Indeed, subject imports did not merely replace non-subject imports from China, they also took market share from the domestic industry in the merchant market where the products competed.").

[31] Hearing Tr. at 210-211 (Mr. Cunningham) (emphasis added).

[32] *See id.* at 195 (Mr. Cunningham) ("These companies here started out with a certain percentage of the market in the start of the Period of Investigation, 2014. One would have expected that with Chinese imports withdrawing from the market, they would have gotten a percentage of that decline in Chinese imports commensurate with the market share they had before . . . .).

respondents' analysis of domestic mill closures and resulting market share increases are factually and legally incorrect.[33] There is simply no legal basis to remove Lorain's or Georgetown's commercial shipment data to gerrymander alleged domestic market share increases.[34] But as detailed above, low-priced subject imports increased rapidly and took the market share that should have returned to the U.S. industry as a result of the China orders. Because respondents concede that subject imports stole market share from the U.S. industry and their sole volume argument does not pass muster, the Commission should find that subject imports have significant adverse volume effects.

C. Respondents Confirm That Subject Imports Caused Significant Negative Price Effects

While respondents initially argued that the decline in scrap prices "fully explain{s}" why U.S. prices fell further than raw materials,[35] the respondents quickly conceded that subject imports caused significant adverse price affects. Indeed, Mr. Cunningham boldly testified that:

> **we're not here to argue that there's no underselling. We're not here to argue that there are some cases in which the domestic customer buys from import sources at a lower price.**[36]

In fact, counsel for respondents posited that the Commission, "**might well find that there were adverse price effects on {the Georgetown} plant.**"[37] A subsequent exchange between Mr. Cunningham and Commissioner Broadbent cannot be over-emphasized:

> Commissioner Broadbent: **What does that mean to you, in the sense that they're saying they're buying imports {because} they're lower priced?**[38]
>
> Mr. Cunningham conceded: **I don't deny it**.[39]

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33 Answers to Commissioners' Questions, attached as **Exhibit 1**, pp. 69-82.

34 At best, the Commission may consider the reasons why a domestic producer ceased production, but the agency does not disregard their production and shipment data.

35 Hearing Tr. at 25 (Mr. Cunningham).

36 *Id.* at 209 (Mr. Cunningham) (emphasis added).

37 *Id.* at 182 (Mr. Cunningham) (emphasis added).

38 *Id.* at 211 (Commissioner Broadbent) (emphasis added).

39 *Id.* (Mr. Cunningham) (emphasis added).

After several confirmations that subject imports have significant negative price effects, the following exchange occurred:

> Commissioner Broadbent: "{**S}o you're conceding {price effects}, and … we need to go on to look at the impact.**"[40]
>
> Mr. Cunningham: "**Yeah**."[41]

The record shows that low-priced subject imports caused significant price depression and suppression during the POI, as U.S. wire rod prices dropped $187 per ton from 2014 to 2016, while raw materials declined by only $163 per ton.[42] The Commission recently analyzed similar facts in *Rebar from Taiwan and Japan*.[43] There, the agency found that, "{a}lthough declining raw material costs no doubt contributed to the decline in the prices for the domestic like product, they do not explain the full magnitude of the decline in prices" because U.S. prices fell further than raw materials.[44] Given that subject imports undersold the domestic wire rod [ ]% of the time by volume, purchasers report [

],[45] and respondents' concessions, the Commission should "go on to look at the impact."

D. Respondents Have Provided No Meaningful Rebuttal That Subject Imports Were A Cause of Material Injury to the Domestic Industry

The massive surge of low-priced subject imports and substantial underselling has materially injured the domestic wire rod industry by decreasing production, market share, sales volumes and values, operating income, and profit margins over the three-year POI.[46] The only contested issue was whether subject imports contributed to Republic Steel's decision to cease production at its Lorain, OH mill ("Lorain") or ArcelorMittal's decision to shutter its Georgetown,

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40 *Id.* (Commissioner Broadbent) (emphasis added).
41 *Id.* (Mr. Cunningham) (emphasis added).
42 *See* Prehearing Staff Report at VI-10 (Table VI-4). All references to tons in this brief reflect short tons.
43 *See* USITC Pub. 4705 at 23.
44 *See id.*
45 Prehearing Staff Report at V-29, V-37.
46 *Id.* at VI-8 (Table VI-3), C-4 (Table C-1), C-5 (Table C-2).

SC mill ("Georgetown"), as well as [ ].[47] Respondents have taken the staunch position that the closures of Georgetown and Lorain "have nothing to do with" subject imports.[48] According to the respondents, these facilities closed due to silt build-up and issues with dredging the Georgetown Harbor as well as demand issues related to non-subject products.[49] As such, those opposing relief argued at the Hearing that the agency should disregard Georgetown's and Lorain's exit from the industry. But the respondents reached this conclusion, as Commissioner Schmidtlein acknowledged, by applying a more stringent standard than the agency's material injury analysis.[50]

Curiously, respondent's counsel had no meaningful rebuttal regarding the contemporaneous statements from Georgetown and Republic explaining that subject imports were a cause of these facilities ceasing production.[51] In fact, [

].[52] The surge of low-priced subject imports and substantial underselling materially injured the domestic wire rod industry as seen in decreased production, market share, sales volumes and values, operating income, and profit margins over the three-year POI.[53] The closures of Georgetown and Lorain slightly mask the full extent of the injury caused by subject imports as [

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47 *See id.* at [ ], III-2; [ ].

48 *See e.g.*, Hearing Tr. at 137 (Mr. Trendl); 140, 142-143 (Mr. Shields).

49 *See e.g.*, *id.* at 137 (Mr. Trendl); 140, 142-143 (Mr. Shields).

50 *Id.* at 181 (Chairman Schmidtlein).

51 *See* Domestic Industry Presentation (Nov. 16, 2017) at 18, attached as **Exhibit 4**; Answers to Commissioners' Questions, attached as **Exhibit 1**, pp. 69-82.

52 *See* [ ], attached as **Exhibit 5**.

53 Prehearing Staff Report at VI-8 (Table VI-3), C-4 (Table C-1), C-5 (Table C-2).

].[54] However, it is indisputable that the profitability levels in the current investigation, even without Georgetown and Republic's data, are still much lower than those which the Commission previously found to be injurious in the China investigation.[55]

Finally, respondents' assertion that representatives from Georgetown or Lorain failed to attend the hearing after forcing these companies to shut down their U.S. wire rod production operations is the epitome of chutzpah.[56] Interestingly, while Steptoe and Johnson LLP brought representatives from British Steel to the Hearing, Steptoe also represents ArcelorMittal's Ukrainian operations at Commerce, which is the [

] and which was not present at the Hearing.[57] So what inference is to be drawn and against whom? Nucor submits that Mittal's public statements that imports were a factor in their closure says it all, and any attempt to draw inferences on their decision not to appear for either side is inappropriate. In sum, the record contains ample evidence, including respondents' own admissions, that subject imports are causing material injury to the U.S. industry. Therefore, the agency should determine that the U.S. wire rod industry is currently materially injured by subject imports.

E. Respondents Confirm that The Commission Should Discount the Post-Petition Volume, Price, and Impact Effects, Which are the Natural Result of Seeking Trade Relief

The Commission has a long-history of considering whether subject imports reacted to the filing of antidumping or countervailing duty petitions.[58] Section 1677(7)(I) of the Tariff Act of

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54 *Id.* at VI-2, n.7 (ArcelorMittal's plant closure in August 2015 [

]).

55 USITC Pub. 4509 at 20, C-3 (Table C-1).

56 Hearing Tr. at 253 (Ms. Noonan).

57 [ ].

58 *See LG Elecs., Inc. v. U.S. Int'l Trade Comm'n*, 26 F. Supp. 3d 1338, 1353 (Ct. Int'l Trade 2014) (holding that the Commission reasonably discounted weight of post-petition data).; *Corus Staal BV v. U.S. Int'l Trade Comm'n*, 27 C.I.T. 459, 470 (2003), *aff'd sub nom. Corus Staal BV v. U.S.I.T.C.*, 85 F. App'x 772 (Fed. Cir. 2004).

1930, as amended, specifically authorizes the Commission to "consider whether any change in the volume, price effects, or impact of imports of the subject merchandise since the filing of the petition . . . is related to the pendency of the investigation and, if so, the Commission may reduce the weight accorded to the data for the period after the filing of the petition in making its determination of material injury . . . ."[59] Indeed, "the statute was enacted to recognize explicitly that declining subject imports, increasing prices, and improvements in the domestic industry's condition are expected and natural consequences of the filing of a petition and subsequent affirmative preliminary determinations, and to prevent such natural consequences from precluding an affirmative determination."[60] Where subject imports retreat from the market due to the filing of petitions, the Commission has routinely discounted post-petition data concerning.[61]

The post-petition effects in this case are particularly clear, and respondents have confirmed the causal connection between subject imports and the injury suffered by the U.S. CASWR industry. As Mr. Cunningham testified, "**{s}ubject import volume declined after the filing of the Petitions. . . . Often that happens because there's a potential of imposing duties.**"[62] Similarly, Ms. Korbel followed-up by stating, "**Commissioner, I think it's pretty clear with margins in the range of 700% to 10% that it's going to stop imports after the imposition of the preliminary dumping margins.**"[63]

With a very moderate increase in U.S. prices and a decrease in subject imports due to the petitions, particularly in the third quarter, certain domestic financial indicators, such as operating

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59 19 U.S.C. § 1677(7)(I); *See also LG Elecs.*, 26 F. Supp. 3d at 1352-53.

60 *Light-Walled Rectangular Pipe & Tube from Mexico*, USITC Inv. No. 731-TA-1120, USITC Pub. 4272 (Feb. 2011) (Remand) ("USITC Pub. 4272") at 7.

61 *See LG Elecs.,* 26 F. Supp. 3d at 1353 (holding that the Commission reasonably discounted weight of post-petition data); *Corus Staal*, 27 C.I.T. at 470, *aff'd sub nom.*, 85 F. App'x 772 (holding that that the Commission reasonably "found that changes in subject import volume, price effects, and impact were related to the pendency of the investigation, {and the agency} acted within its discretion in discounting post-petition data.").

62 Hearing Tr. at 233 (Mr. Cunningham) (emphasis added).

63 *Id.* at 238 (Ms. Korbel) (emphasis added).

income and net sales began to improve.[64] Indeed, U.S. producers were able to make more sales at higher prices, which led to a gradual but minor increase in operating income (*i.e.*, [ ] percent during the interim period).[65] This is how trade remedies are supposed to work.[66] And the post-petition experience of the U.S. wire rod industry in this investigation underscores the reason why Congress enacted the post-petition effects provision in the first place. While the U.S. wire rod industry is far from healthy and current financial performance remains well below the levels the Commission previously found were injurious,[67] the agency should discount the weight of declining subject imports, as well as increasing prices and the financial performance of the U.S. industry.[68]

II. THE COMMISSION SHOULD FIND A SINGLE DOMESTIC LIKE PRODUCT

For the last 20 years, the Commission has consistently found that TB/TC wire rod is not a separate domestic like product.[69] Wire rod exists along a continuum of grades and types, and TB/TC wire rod is only one of those types.[70] While TB/TC products may have demanding specifications, the domestic industry produces equally or more demanding wire rod products, such as wire rod for valve spring wire, musical spring wire, bearing, and aircraft applications.[71] Like TB/TC wire rod, many of these grades of wire rod are drawn to similar diameters and are used in critical safety applications.[72] As explained in Answers to Commissioners' Questions,[73] no bright lines distinguish 1080 TB/TC wire rod from other types of wire rod, including other TB/TC rod.

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64 Prehearing Staff Report at C-5 (Table C-2).
65 *Id.* (Table C-2).
66 *See* USITC Pub. 4272.
67 *Compare* USITC Pub. 4509 at C-3 (Table C-1) *with* Prehearing Staff Report at C-5 (Table C-2).
68 19 U.S.C. § 1677(7)(I).
69 *See e.g.*, *Certain Steel Wire Rod from Canada, Germany, Trinidad & Tobago, and Venezuela*, Inv. Nos. 701-TA-368-371, USITC Pub. 3075 (Nov. 1997) (Final) ("USITC Pub. 3075") at 9 ("We conclude that the record does not establish a clear dividing line between tire cord wire rod and other steel wire rod.").
70 *See* Hearing Transcript at 92-93 (Mr. Nystrom).
71 *See id.* (Mr. Nystrom).
72 *See id.* at 110 (Mr. Nystrom); Nucor Billet Specification, Music Spring Quality, attached as **Exhibit 6**.
73 Answers to Commissioners' Questions, attached as **Exhibit 1**, pp. 1-28. *See* USITC Pub. 3075 at 7-9.

A. The Commission Should Analyze TB/TC Wire Rod Production Starting at the Rolling Stage

The Commission should commence its domestic like product analysis at the rolling stage where the production processes of TB/TC wire rod and all other wire rod are virtually identical.[74] In other steel cases, such as *Hot-Rolled Steel* and *CTL Plate*, the Commission routinely treats producers with rolling mill only operations as part of the domestic industry but not the upstream producers of semi-finished steel products, such as slab.[75] [

].[76] Thus, the Commission should examine the like product issues beginning at the rolling stage for wire rod.

B. Respondents' Domestic Like Product Arguments are Contradicted By Record Evidence

Throughout this proceeding, respondents have made several arguments that are factually wrong. This section highlights some of the respondents' most egregious misrepresentations of fact that occurred at the Hearing. For instance, Mr. Minnick, the CEO of Kiswire America, testified, "**The Commission dismissed the fact that this grade {(*i.e.*, 1080 TB/TC)} can only be made in a BOF facility….**"[77] This is false. [

].[78] While representatives from GSW and its counsel declined to attend the Hearing, GSW's public website states that the

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74 Preliminary Determination at 10, n.44 .

75 *See e.g.*, *Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom*, Inv. Nos. 701-TA-545-547 and 731-TA-1291-1297, USITC Pub. 4638 (Sept. 2016) (Final) at I-21 ("Broadly speaking, a producer of hot-rolled steel may be . . . a rolling-only operation, with no onsite steelmaking, using slabs purchased from other steelmakers (usually imported).").

76 *See* Statement of [ ], attached as **Exhibit 7**.

77 Hearing Tr. at 163-164 (Mr. Minnick) (emphasis added).

78 *See* [

].

company produces TB/TC wire rod "using a range of carbons from 0.6% to 0.7% to 0.8%."[79] Further, [

],[80] [

].[81] Nor did respondents request that the Commission collect data only on BOF production of 1080 TB/TC wire rod, given that BOF production is the crux of their argument.[82]

Additionally, Mr. Hughes, Bekaert's Director of Purchasing for North America and Mr. Connelly, testified that increasing carbon content in TB/TC wire rod was a "change from the past," which warrants the agency to overturn 20 years of consistent like product determinations:

> Mr. Connelly: **{G}rade 1080 is just the start of tire cord specs. There are higher carbon standards now. That's different. And we're having to produce . . . higher carbon.**
>
> Mr. Hughes: **It's basically the percentage of carbon that's actually in the steel wire. There – it's .8 percent carbon in 1080, 1070, .7. So it's as high as .9 and almost 1 percent.**
>
> Vice Chairman Johanson: And that's a change from the past?
>
> Mr. Hughes: **Oh, yeah, definitely**.[83]

This testimony was a gross misrepresentation of facts. [

].[84] 1090 and above TB/TC was produced in 2002

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[79] *See* Global Steel Wire Website, attached as Exhibit 20 to Nucor's Post-Conference Brief (Apr. 21, 2017) ("the use of high direct reduced iron (DRI/HBI) levels in the raw materials mix allows us to guarantee the regular attainment of the desired chemical composition.").

[80] *See* [ ], attached as **Exhibit 8**; [ ], attached as **Exhibit 9**; [ ], attached as **Exhibit 10**.

[81] *See e.g.*, POSCO Prehearing Brief (Nov. 9, 2017) at 1 ("Wire rod, Grade 1080 and higher for tire cord and bead wire production, with 0.8 percent and higher carbon content, measuring 5.0 mm or more but not more than 6.5 mm in cross-sectional diameter, low manganese content in the range of 0.25-0.6 percent, and having no inclusions greater than 20 microns.").

[82] *See e.g.*, POSCO's Comments on Draft Questionnaires (June 30, 2017); Kiswire Comments on Draft Questionnaires (June 30, 2017); Preliminary Determination at 9-10. Additionally, the respondents did not request that the Commission collect data to permit a negligibility calculation for an alternate like product definition.

[83] Hearing Tr. at 218 (Mr. Connelly and Mr. Hughes) (emphasis added). *See also id.* at 219 (Mr. Minnick), 221 (Mr. Cameron).

[84] [ ].

and acknowledged in the 2002 case.[85] While respondents testified that increasing carbon content in TB/TC rod represented an evolution of demand within the industry, Bekaert and others have been drawing wire from 1090 TB/TC and higher for almost 20 years.

Finally, in a blatantly inaccurate statement, Mr. Cameron testified that, "**And there's no evidence whatsoever that what these guys {(*i.e.*, GSW and BMZ)} produce would qualify for the U.S. tire manufacturers**."[86] Not only is [

],[87] [

],[88] while the company [

].[89] Further, [

],[90] a member of the AWPA,[91] [

].[92]

III. SUBJECT IMPORTS THREATEN THE DOMESTIC INDUSTRY WITH FURTHER MATERIAL INJURY

As explained in Nucor's Prehearing Brief, subject producers have substantial excess and divertible capacity and have a track record of rapidly shipping enormous volumes of low-priced wire rod to the attractive U.S. market.[93] Contrary to their claims, and as explained in Answers to Questions, the U.S. market is currently the highest priced market in the world.

At the Hearing, Turkish respondents argued that Turkish imports should not be cumulated

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85 *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, Turkey and Ukraine*, Inv. Nos. 701-TA-417-421 and 731-TA-953, 954, 956-959, 961, and 962, USITC Pub. 3546 (Oct. 2002) (Final) at 7-8.

86 Hearing Tr. at 257 (Mr. Cameron).

87 [ ], attached as **Exhibit 11**; [ ].

88 *See* [ ]. *See also* Prehearing Report at C-6 (Table C-3a).

89 [ ].

90 [ ], attached as **Exhibit 12**.

91 See AWPA Website Excerpts, attached as **Exhibit 2**.

92 [ ], attached as **Exhibit 12**.

93 *See* Nucor Prehearing Brief (Nov. 9, 2017) at 15-58.

with imports from other countries, and imports from Turkey do not threaten the U.S. industry with material injury.[94] But the Turkish respondents fail to mention that they were the number one supplier among subject imports in 2014, 2015, and 2017. And in 2016, when Turkish imports "declined by . . . 60 percent,"[95] Turkey was still the fourth largest supplier among subject imports and the slight dip in 2016 is not a reason why they should be decumulated and are not a threat given their status as the largest import source in 2017.

Additionally, while Spanish respondent, GSW, [

].[96] Further, [

].

As in its preliminary determination, the Commission should cumulate all subject countries for purposes of its threat determination. U.S. purchasers testified at the Hearing that they will purchase subject imports from lowest priced source.[97] These purchasers will shift from their current suppliers to buying all of their imports from any subject country that is left out of the order.

IV. CONCLUSION

For the foregoing reasons, Nucor requests that the Commission make an affirmative final determination that there is a reasonable indication of material injury and threat of material injury by reason of wire rod from the ten subject countries.

Respectfully submitted,

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WILEY REIN LLP
Counsel to Nucor Corporation

94 Hearing Tr. at 177 (Ms. Noonan).
95 *Id.* (Ms. Noonan).
96 Spanish Producers' Underselling Analysis, attached as **Exhibit 13**.
97 Hearing Tr. at 190 (Mr. Stauffer).

Exhibit List

Exhibit No.	Exhibit	Security
1	Answers to Commissioners' Questions	BPI
2	AWPA Website Excerpts	Public
3	*Ross: U.S. steel consumers should not be relying on 'subsidized, dumped product*', Inside U.S. Trade (Nov. 14, 2017)	BPI
4	Domestic Industry Presentation (Nov. 16, 2017)	BPI
5	[ ]	BPI
6	Nucor Billet Specification, Music Spring Quality	BPI
7	Statement of [ ]	BPI
8	[ ]	BPI
9	[ ]	BPI
10	[ ]	BPI
11	[ ]	BPI
12	[ ]	BPI
13	Spanish Producers' Underselling Analysis	BPI
14	Memorandum form Erin Kearney, Acting Director, Antidumping and Countervailing Duty Operations, Off. VI, to James Maeder, Senior Director preforming the duties of Deputy Assistant Sec'y for Antidumping and Countervailing Duty Operations, re: *Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, the Republic of Turkey, Ukraine, the United Arab Emirates, and the United Kingdom: Final Scope Memorandum* (Nov. 20, 2017)	Public
15	[ ]	BPI
16	POSCO, *Wire Rod* (2014)	Public
17	British Steel, *Steel products for tyre reinforcement* (2016)	Public
18	Bekaert, *Automotive* (website excerpts)	Public
19	Statement of [ ]	BPI
20	Eastern Metal Trading Company Website Excerpts	Public

Exhibit No.	Exhibit	Security
21	Hidetoshi Tanaka, *Resources Trend and Use of Direct Reduced Iron in Steelmaking Process*, Technology Review No. 33 (Feb. 2015)	Public
22	Reserved	N/A
23	[ ]	BPI
24	Reserved	N/A
25	Specifications for Steel Cord Above 1080 Prior to 2002	Public
26	HTSUS Chapter 72 Statistical Notes Excerpts	Public
27	U.K. Negligibility Analysis	BPI
28	Analysis of British Steel's Alternative Market Share Calculations	BPI
29	Insteel Industries Inc., *Investor FAQS* (website excerpts)	Public
30	Hearing Transcript, *Prestressed Concrete Steel Wire Strand from China*, Inv. Nos. 701-TA-464 and 731-TA-1160 (Final) (May 6, 2010)	Public
31	Press Release, ArcelorMittal, ArcelorMittal announces closure of Georgetown wire rod facility (May 14, 2015)	Public
32	Testimony of James Sanderson, President, United Steelworkers Local 7898, USTR Hearing on the "Global Steel Industry Situation" (April 12, 2016)	Public
33	Jason M. Rodriguez, *ArcelorMittal announces closure of Georgetown wire rod facility; 226 jobs to be impacted*, Myrtle Beach Online (May 14, 2015)	Public
34	*Employees expected scale back, not closure of Georgetown steel mill*, ABC News (May 14, 2015)	Public
35	David Wren, *Mill no more Steel plant's demise inevitable in face of cheap imports*, Post and Courier (Aug. 13, 2015)	Public
36	*Steel mill in Georgetown shutters doors, costing 226 jobs*, Post and Courier (Aug. 13, 2015)	Public
37	*Florida entrepreneur interested in Georgetown steel mill*, Associated Press (May 26, 2015)	Public
38	David Wren, *Liberty House says it's closing in on Georgetown steel mill purchase*, Post and Courier (Aug. 8, 2017)	Public
39	*Liberty House to buy ArcelorMittal's U.S. Georgetown steel plant*, Reuters (Apr. 21, 2017)	Public
40	Press Release, ArcelorMittal, Liberty agrees in principle with ArcelorMittal to buy Georgetown steelworks (Apr. 21, 2017)	Public

Exhibit No.	Exhibit	Security
41	Conference Transcript, *Titanium Sponge from Japan and Kazakhstan, Inv*. Nos. 701-TA-587 and 731-TA-1385-1386 (Preliminary) (Sept. 14, 2017) (excerpts)	Public
42	British Steel Hearing Handouts	BPI
43	Hearing Transcript, *Carbon and Alloy Steel Wire Rod from China*, Inv. Nos. 701-TA-512 and 731-TA-1248 (Final) (Nov. 12, 2014) (excerpts attached)	Public
44	[ ]	BPI

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I. DOMESTIC LIKE PRODUCT

WILLIAMSON (Hearing Tr. at 91): Let me turn to wire rod for tire cord and bead. Can other grades below 1080 be used for tire cord and tire bead?

COMMISSIONER WILLIAMSON (Hearing Tr. at 91-92): Does anybody have any idea of what share of the - what is their relative share? And it's something that might be addressed post-hearing? … How significant is that?

COMMISSIONER WILLIAMSON (Hearing Tr. at 92): What uses determine the grade of tire or bead? And is there any production equipment adjustments needed to make tire cord and tire bead wire rod?

COMMISSIONER WILLIAMSON (Hearing Tr. at 93): {D}o difference{s} between the EAF and BOF production processes impact the requirements that in - by end users. In other words, do your end users say, you gotta make it by this process or by that process?

COMMISSIONER WILLIAMSON (Hearing Tr. at 118): Just a couple of quick questions on the tire cord and tire bead. Do any of your firm's source billets from BOF, from the BOF process to produce wire rod, and how often do you buy billets for wire rod, particularly for the 1080 or other grades? If you wanted to do it post-hearing, it's fine.

CHAIRMAN SCHMIDTLEIN (Hearing Tr. at 110): Are there other high end products that require the same tightly managed process and sort of cleanliness of the steel?

CHAIRMAN SCHMIDTLEIN (Hearing Tr. at 110): And those are made in the same – . . . . {type of facilities?}

COMMISSIONER BROADBENT (Hearing Tr. at 103): So I'd like to go back to the like product argument with regard to 1080 tire cord and tire bead. So it's my understanding that in 2002, there was a scope exclusion in the wire rod case for this product and that in 2014, it was not excluded, but I don't believe anyone raised a like product argument in that case. So my question is what has changed since 2002?

COMMISSIONER BROADBENT (Hearing Tr. at 106): Can you respond to the argument from the respondents that the specifications have become more stringent for this over time?

COMMISSIONER WILLIAMSON (Hearing Tr. at 119): Are any U.S. producers currently pursuing certifications or capabilities to produce tire cord of a quality greater than the 1080 grade, and again that might be a post-hearing one too. And then Table 1-8 shows U.S. production of grade 1080 and higher. Do we know if this production involved any electric arc furnaces? So I'm asking not what you're capable of, but what's actually happening.

A. ALL WIRE ROD, INCLUDING GRADE 1080 WIRE ROD FOR TIRE CORD, REPRESENTS A SINGLE LIKE PRODUCTS

The respondents have argued that grade 1080 wire rod for tire cord is so different from other grades of wire rod that it constitutes a separate like product.[1] As the Commission noted in its 2002 determination regarding wire rod from various countries, however, "the record reflects only minimal differences among grades of tire cord wire rod."[2] The Commission has repeatedly reached the same conclusion in subsequent investigations and reviews,[3] including in its preliminary determination in this investigation.[4]

1. The Commission Has Repeatedly Determined that Grade 1080 Wire Rod for Tire Cord is Part of the Same Like Product as All Other Wire Rod

Applying its well-established six-factor test for identifying the like product, the Commission has consistently found that

- ***Physical characteristics and uses***. "All categories of wire rod are intermediate circular, hot-rolled products that are sold in irregularly wound coils. Wire rod is used primarily for subsequent drawing and finishing into

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[1] *See, e.g* Letter from Trade Pacific PLLC to Sec'y Int'l Trade Comm'n re: *Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom: Prehearing Brief of POSCO* (Nov. 9, 2017) ("POSCO Prehearing Brief") at 3; Letter from Vorys, Sater, Seymour and Pease LLP to Sec'y Int'l Trade Comm'n re: *Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom: Prehearing Brief* (Nov. 9, 2017) ("AWPA Prehearing Brief") at 31; Letter from Steptoe & Johnson LLP to Sec'y Int'l Trade Comm'n re: *Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom Inv. No(s). 701-TA-573-574 and 731-A-1349-1358 (Final): Pre-Hearing Brief of British Steel Ltd.* (Nov. 9, 2017) ("British Steel Prehearing Brief") at 22.

[2] *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, Turkey, and Ukraine*, Investigations Nos. 701-TA-417-421 and 731-TA-953, 954, 956-959, 961, and 962, USITC Pub. 3546 (Oct. 2002) (Final) ("USITC Pub. 3546") at 8.

[3] *See Carbon and Certain Alloy Steel Wire Rod from China, Germany, and Turkey*, Investigation Nos. 731-TA-1099-1101, USITC Pub. 3832 (Jan. 2006) (Preliminary) ("USITC Pub. 3832") at 9; *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine*, Investigation Nos. 701-TA-417 and 731-TA-953, 954, 957-959, 961, and 962, USITC Pub. 4014 (June 2008) (Review) at 7-8; *Carbon and Certain Alloy Steel Wire Rod from China*, Investigation Nos. 701-TA-512 and 731-TA-1248, USITC Pub. 4509 (Jan. 2015) (Final) ("USITC Pub. 4509") at 5-6.

[4] *Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom*, Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358, USITC Pub. 4693 (May 2017) (Preliminary) ("Preliminary Determination") at 8-12.

wire and wire products, but is also used to make fasteners and other products. There is no clear demarcation between low-end and high-end wire rod products, but rather a continuum of at least 11 major categories of products, defined by end use, ranging from low carbon industrial wire rod used for nails and wire garment hangers, to medium to high carbon wire rod used for tire bead and prestressed concrete strand, to the highest-end products, including the more specialized high-end CHQ and tire cord wire rod." [5]

- ***Interchangeability***. While all wire rod products are not interchangeable, there is significant overlap in metallurgical properties, physical characteristics, and uses.[6] Limited interchangeability in some end uses is consistent with a wide range of wire rod products.[7]
- ***Channels of distribution***. All wire rod, including wire rod for tire cord and bead, is sold to end users.[8]
- ***Manufacturing facilities, production processes, and production employees***. In the United States, all wire rod, including that for tire cord and tire bead, is made in the same facilities, using the same production processes and production employees, as other wire rod products.[9]
- ***Producer and customer perceptions***. Customers have the same perceptions of other high-quality wire rod products as they have for wire rod for tire cord.[10]
- ***Prices***. While prices for various wire rod products vary, wire rod for tire cord and bead commands higher prices, as do other high-quality wire rod products.[11] Again, price differences are consistent with a wide range of wire rod product.[12]

In the preliminary determination, the Commission explained that, in an assessing a product such as wire rod that constitutes a continuum of products, the Commission looks for a "clear

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5 USITC Pub. 3832 at 9 (internal citations omitted).

6 *Id*. at 10.

7 USITC Pub. 4509 at 6.

8 Preliminary Determination at 10; USITC Pub. 3832 at 10.

9 Preliminary Determination at 9-10; USITC Pub. 3832 at 10.

10 Preliminary Determination at 10-11; USITC Pub. 3832 at 11.

11 Preliminary Determination at 11; USITC Pub. 3832 at 11.

12 USITC Pub. 4509 at 6.

dividing line."[13] It found no such line with respect to wire rod for tire cord and bead. Accordingly, the Commission determined once again that all wire rod constitutes a single like product.[14]

The Commerce Department recently addressed this same issue in its final scope memorandum in its antidumping and countervailing duty investigations of wire rod from the subject countries. The Department reached exactly the same conclusions as the Commission. The Department concluded that

- The physical characteristics of 1080 wire rod for tire cord did not distinguish it from other types of wire rod;[15]
- The fact that customers expected grade 1080 wire rod to meet stringent requirements did not differentiate it from other wire rod products with exacting specifications, such as music spring wire;[16]
- With regard to production process, "even if certain or all U.S. producers were unable to produce certain TC/TB wire rod at any given moment in time, that would not demonstrate the products defined by POSCO and British Steel as certain TC/TB wire rod constitutes a separate class or kind of merchandise, regardless of any customers' expectations";[17]
- Grade 1080 wire rod for tire cord and bead had the same ultimate use as other wire rod, which is to be drawn into wire;[18]
- "With regard to channels of trade, no party contests that wire rod other than certain TC/TB wire rod is sold directly to users, as is certain TC/TB wire rod."[19]

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13 Preliminary Determination at 11.

14 *Id*.

15 *See* Memorandum from Erin Kearney, Acting Director, Antidumping and Countervailing Duty Operations, Off. VI, to James Maeder, Senior Director preforming the duties of Deputy Assistant Sec'y for Antidumping and Countervailing Duty Operations, re: *Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, the Republic of Turkey, Ukraine, the United Arab Emirates, and the United Kingdom: Final Scope Memorandum* (Nov. 20, 2017) at 14-15 ("Final Scope Memorandum"), attached as **Exhibit 14**.

16 *Id*. at 15-16.

17 *Id*. at 16.

18 *Id*. at 17.

19 *Id*.

- Grade 1080 wire rod for tire cord and bead is advertised in the same manner as other wire rod, and often in the same brochures and other marketing materials.[20]

The Department concluded that "there is no basis for finding certain TC/TB wire rod to constitute a class or kind of merchandise that is distinct from the other merchandise described by the scope as it is currently written, and we recommend not amending the scope in this regard."[21]

2. The Information Collected by the Commission Confirms the Existence of a Single Like Product

a. Grades below 1080 are also used to produce tire cord and bead

All the evidence obtained by the Commission since its preliminary determination support this conclusion. With respect to the narrow question of whether grades below 1080 are used to produce wire rod for tire cord and bead, the Commission noted in its 2002 and 2006 determinations that grades of steel used for tire cord include 1070, 1080, and 1090.[22] A witness for the respondents at the hearing admitted that other grades of steel, including 1070, are used to produce tire cord and bead.[23] As the Commission noted in its 2002 determination, "the record reflects only minimal differences among grades of tire cord wire rod."[24] Rather than representing a distinct product, grade 1080 wire rod for tire cord and bead is simply one product in a range of different product that can be used for this application.

Even a cursory review of specifications for wire rod for tire cord and bead by producers [ ] confirms this conclusion. The "80" in grade 1080 reflects carbon content – in

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20 *Id*. at 18.

21 *Id*.

22 USITC Pub. 3546 at 8; USITC Pub. 3832 at 9.

23 *See, e.g.*, Hearing Transcript, *Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, the Republic of South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom,* Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358 (Final) (Nov. 16, 2017) ("Hearing Tr.") at 220 (Mr. Minnick).

24 USITC Pub. 3546 at 8.

this case, 0.80 percent.[25] [

].[26] [

].[27] [

].[28] Significantly, [

][29]

The foreign producers' own sales literature supports the conclusions of both the Commission and the Commerce Department that grade 1080 wire rod for tire cord and bead is part of the same like product as other wire rod. A review of their sales literature shows why. POSCO's product brochure states that it manufactures tire core quality wire rod in grades 1069, 1070, 1080, and 1090.[30] Grade 1080 can have a carbon content as low as 0.75 – overlapping the permissible carbon content for grade 1070.[31] POSCO's published specifications for the chemistry of grade 1070 show that, with the exception of carbon content, they are *identical* to those for grades 1080 and 1090.[32] Internal quality characteristics, including micro structure and decarburization depth,

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[25] *See* Prehearing Report, *Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom*, Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358 (Final) (Nov. 2, 2017) ("Prehearing Staff Report") at I-25 n.32.

[26] *See* [ ], attached as **Exhibit 15**.

[27] [
], attached as **Exhibit 8**.

[28] [
], attached as **Exhibit 9**.

[29] *See* [ ], attached as **Exhibit 10**.

[30] POSCO, *Wire Rod* (2014) at 11, attached as **Exhibit 16**.

[31] *Id*. at 24.

[32] *Id*.

are also identical.[33] Indeed, the only characteristic for which POSCO reports grade 1070 as differing from grade 1080 is with respect to tensile strength,[34] and tensile strength is itself a function of carbon content.[35] In its final scope memorandum, the Commerce Department identified several aspects of the POSCO specifications brochure that undercut POSCO's arguments that 1080 wire rod represents a separate "class or kind of merchandise," to use the Commerce terminology.[36]

British Steel also offers wire rod for tire reinforcement – tire cord and tire bead – in grades 60, 70, 80, and 90C + CR.[37] Like POSCO, the chemistry requirements with respect to silicon, phosphorus, and chromium are identical between all four grades.[38] With respect to manganese, grade 70 has a lower maximum limit (0.58) than grade 80 (0.60).[39] Grades 60, 70, and 80 all have a "typical cast" of 0.50 for manganese.[40]

b. [

]

[

]41 [

33 *Id.* at 12.

34 *Id.*

35 Prehearing Staff Report at I-16, n.20.

36 *See* Final Scope Memorandum at 13-16.

37 British Steel, *Steel products for tyre reinforcement* (2016), attached as **Exhibit 17**.

38 *Id.*

39 *Id.*

40 *Id.*

41 [ ], attached as **Exhibit 9**.

].[42]

TABLE 1

[ ]

Grade	C	Si	Mn	P	S	Ni	Cr	Pb
[								]
[								]

[

].[43] [

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POSCO and British Steel have argued that there is a bright line between grade 1080 wire rod and above for tire bead and tire cord. Their own product specifications prove the opposite – that these products constitute a continuum, with the only real difference between 1080 and 1070 being the carbon content. This is of course the difference between all grades of wire rod. This alone gives the Commission an ample basis for confirming its prior determinations that grade 1080 for tire bead and tire cord is the same like product as all other wire rod products.

The U.S. purchasers' own operations also belie their insistence that grade 1080 and above wire rod is some sort of special product. To the contrary, purchasers of wire rod like Bekaert and [ ] themselves buy a wide variety of wire rod for a broad range of applications even within

[42] [ ], attached as **Exhibit 9**.

[43] *See* [ ], attached as **Exhibit 10.**

a single sector, such as automotive.[44] Grade 1080 and above wire rod for tire cord is simply one of the many different types of wire rod they purchase to produce a vast variety of products.

c. Grades below 1080 account for a [ ] portion of the market for wire rod for tire cord and bead

Before assessing the relative shares of different grades of the total market for wire rod for tire cord, it may be useful to put this market in perspective. Over the period of review, imports of grade 1080 and above wire rod for tire cord and bead constituted [ ] of all subject imports of wire rod.

Nucor estimates that wire rod with a carbon content of less than 0.80% accounts for approximately [ ] percent of the market for tire cord and tire bead. As discussed above, various tire cord producers have specifications calling for a carbon content of less than 0.80%. Based upon conversations with its customers, Nucor understands that, while the proportion for grade 1080 has grown, this is in large part a consequence of the exclusion of grade 1080 wire rod for tire cord from the 2002 antidumping orders. [

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It is Nucor's experience that, [

],[45] demonstrating again that there is a continuum of wire rod products used for tire cord, as well as for wire rod products in general. In fact, Nucor recently [ ] sale of "high carbon wire rod," grade 1072 and 1080, produced by [ ], for tire bead quality had been refused and that was being resold for

[44] *See, e.g.,* Bekaert, *Automotive* (website excerpts), attached as **Exhibit 18**.

[45] *See* Statement of [ ], attached as **Exhibit 19**.

other applications.[46] This vividly demonstrates that grade 1080 wire rod for tire cord or tire bead is neither uniquely different from grade 1072 and can and is used for other purposes as well.

d. All wire rod, including wire rod for tire cord and bead is manufactured in the same facilities, on the same equipment, with the same personnel

Tire cord and tire bead are manufactured on the same equipment as other wire rod product.[47] No special equipment is necessary. Because tire cord and tire bead must be manufactured to certain physical specifications, the equipment used must be capable of meeting those specifications. This is true of the manufacture of other types of wire rod with tight tolerances, such as music spring wire, as well.[48] [

].[49] As discussed below, Nucor currently produces tire bead on the same equipment in Darlington used to produce other wire rod products.[50] The grade of wire rod used to produce tire cord or tire bead can depend upon the tire cord or bead producer's (*i.e.*, the wire rod purchaser's) individual requirements. As **Exhibits 8-11** show, [

]. Regardless of any difference in specification requested by the customer, however, the basic production equipment remains the same as that used for other wire rod products.

e. Production of grade 1080 wire rod for tire cord and bead does not require the use of the BOF process

The respondents argue that grade 1080 steel for wire rod for tire cord and bead can be made only using the basic oxygen furnace ("BOF") method of production.[51] It is significant that the

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46 Eastern Metal Trading Company Website Excerpts, attached as **Exhibit 20**

47 Prehearing Staff Report at I-23.

48 *See id.* at D-4, D-5.

49 *See* Statement of [ ], attached as **Exhibit 19**.

50 Prehearing Staff Report at D-5.

51 *See, e.g.,* POSCO Prehearing Brief at 8-9; AWPA Prehearing Brief at 30; British Steel Prehearing Brief at 21.

respondents did not include any such requirement in their definition of 1080 grade wire rod for tire cord or bead.[52] This may be because at least some purchasers in fact purchase grade 1080 wire rod from producers using an EAF process, despite very selective testimony attempting to convey a different set of facts. As a consequence, the Commission did not collect any data on the production of grade 1080 by process, and this has facilitated a less than accurate narrative to be presented by the respondent.

In fact, grade 1080 wire rod for tire cord and bead can be made in an EAF or a BOF process. Even if one were to accept the respondents' assertion, they respondents seem to think that the fact that the steel for this product could be produced only in a BOF somehow constitutes a "bright line" between grade 1080 steel and other grades used for wire rod. In its preliminary determination, the Commission explained that this argument is legally irrelevant. As the Commission explained,

> However, whether grade 1080 tire cord and tire bead wire rod meeting certain performance specifications can only be manufactured using the BOF process, which is the crux of respondents' arguments, is not probative to a like product analysis in these investigations. This is because the domestic like product analysis compares different domestically produced products and as respondents recognize, no domestic wire rod producer uses the BOF process. Rather, domestic wire rod mills use the electric arc furnace ("EAF") production process to produce wire rod. Consequently, there is no distinction in production facilities and manufacturing processes between domestically produced grade 1080 tire cord and tire bead wire rod and other domestically produced wire products.[53]

The respondents have not made any argument addressing this legal conclusion.

The respondents repeatedly state that the steel used in grade 1080 wire rod for tire cord and bead can be produced only in BOFs.[54] This is simply incorrect. The issue for purchasers is that

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[52] Prehearing Staff Report at I-25 n.32.

[53] Preliminary Determination at 9-10.

[54] *See, e.g.,* POSCO Prehearing Brief at 8-9; AWPA Prehearing Brief at 30; British Steel Prehearing Brief at 21.

the steel used in the wire rod meet their specifications for chemistry and mechanical properties. Many of these specifications require high levels of "cleanliness," meaning that the amounts of residual element in the steel, such as silicon, manganese, or phosphorus, are below certain levels. If the steel producer can meet these requirements, whether a BOF or EAF used is irrelevant. As Mr. Nystrom explained at the hearing, EAFs can be used to produce demanding grades of steel

> Really, what you're looking for is a specific cleanliness level, specific chemistry control. You can arrive at that so long as you use high levels of pig iron, direct reduced iron or other purer iron units. And so that can be done using an EAF process where you use a lot of DRI. Or that can be done using a basic oxygen process, a BOF furnace, which uses a lot of pig iron that would come from a blast furnace.[55]

The respondents state that EAFs primarily use scrap as their raw material for most grades.[56] While U.S. EAF producers use steel scrap as their primary raw material, this is not necessarily true in the rest of the world. For example, EAF producers in the Middle East typically use direct reduced iron (DRI) as their primary input, with little or no scrap.[57] As Mr. Nystrom explained, EAF producers can use very high percentages of DRI to achieve levels of cleanliness that might not be possible using scrap alone.

The record establishes that U.S. producers [

]. [ ].[58] [ ].[59] [

[55] Hearing Tr. at 93 (Mr. Nystrom).

[56] *See, e.g.,* POSCO Prehearing Brief at 8.

[57] *See, e.g.,* Hidetoshi Tanaka, *Resources Trend and Use of Direct Reduced Iron in Steelmaking Process*, Kobelco Technology Review No. 33 (Feb. 2015) at 2, attached as **Exhibit 21**

[58] Prehearing Staff Report at I-28.

[59] *Id*. at I-18 [ ].

].[60] Other U.S. producers who have not participated in this investigation [

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[ ].

During the period of investigation, [

].[62] In fact, during the period of investigation, [

].[63] [

],[64] as does [ ].[65]

In making their argument, respondents seem to be claiming that the use of BOFs to produce steel for grade 1080 wire rod constitutes some sort of bright line between grade 1080 and other products. In fact, as the Commission is well aware, BOFs are used to produce a wide range of steels, from the lowest to the highest grades. [

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60 *See* Statement of [ ], attached as **Exhibit 19**.

61 Hearing Tr. at 46 (Mr. Nystrom).

62 *See* [
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63 [ ].

64 [ ].

65 *See* Prehearing Staff Report at VII-3 and C-7.

].[66]

The arguments of respondents that the production of grade 1080 wire rod for tire cord and tire beads requires the use of a BOF conveniently ignores a key legal distinction and two salient facts. As the Commission has repeatedly found, the domestic industry includes all companies that produce the actual product – in this case, wire rod.[67] A wire rod producer need not melt its own steel to be a member of the domestic industry. Whether a producer purchases billets from a BOF or an EAF is legally irrelevant.

First, respondents state that EAFs cannot be used to produce grade 1080 for tire cord because EAFs use scrap as their primary raw material, and the use of scrap introduces impurities into the steel beyond the levels allowed for grade 1080 for tire cord.[68] Scrap is not the only raw material that can be used in an EAF, however. To the contrary, the staff report notes that EAF producers can use direct reduced iron (DRI), hot-briquetted iron (HBI) or pig iron to meet quality standards for grade 1080, among others.[69] If necessary, EAF producers can use charges of DRI, HBI, or pig iron of 90 percent or more if necessary to satisfy chemistry requirements. This is a common practice in parts of the world where natural gas is cheap and scrap is scarce, such as the

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66 *See* Statement of [ ], attached as **Exhibit 7**.

67 *See* Preliminary Determination at 12-13; *see also, e.g., Certain Corrosion-Resistant Steel Products from China, India, Italy, Korea, and Taiwan,* Inv. Nos. 701-TA-534-537 and 731-TA-1274-1278, USITC Pub. 4620 (July 2016) (Final) ("USITC Pub. 4620") at III-1-III-3 (industry producing corrosion-resistant steel products included firms melting steel, rolling purchased steel, and coating purchased steel, regardless of whether the steel was domestically produced or not).

68 *See, e.g.,* British Steel Prehearing Brief at 21-22. In fact, BOFs commonly include a scrap charge as well, largely for purposes of regulating temperature.

69 *See* Prehearing Staff Report at I-18 n.25.

Middle East,[70] and is the process used by respondents in several countries to produce steel for wire rod.[71]

The second flawed argument of respondents in this regard is to confuse the melting of steel with the rolling of steel. As the staff report makes clear, it is the rolling stage that imparts the wire rod's physical properties."[72] The chemistry of the steel, on the other hand, is determined largely at the melt and ladle stages.[73] A wire rod producer does not necessarily need to produce the steel it rolls into wire rod. To the contrary, it can purchase billets meeting the requirements for many grades, including grade 1080, from another steel producer, and roll them in its own facility.[74] These billets may be made in BOFs or EAFs. Indeed, Nucor has two rolling mills that are not connected to steelmaking facilities, so that all inputs for those mills are brought in as billets, including billets purchased outside the United States.[75]

[

]. In any case, even if the billets were imported, if they are rolled into wire rod in the United States, they would be considered domestic product. Whether those billets were made in an EAF or a BOF, or in the United States or abroad, is legally irrelevant.

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70 *See* Hidetoshi Tanaka, *Resources Trend and Use of Direct Reduced Iron in Steelmaking Process*, Kobelco Technology Review No. 33 (Feb. 2015) at 2, attached as **Exhibit 21**.

71 *See* Prehearing Staff Report at C-3 (showing imports from United Arab Emirates).

72 *Id.* at I-20.

73 *Id*. at I-18-I-19.

74 Hearing Tr. at 46 (Mr. Nystrom).

75 *Id*. at 47 (Mr. Nystrom).

Were the requirement to use a BOF to produce grade 1080 steel as paramount as the arguments of the respondents argue, [

].[76] [

].[77] [

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f. Domestic producers purchase billets for wire rod production for a number of reasons

The respondents' arguments regarding the need for BOFs to produce grade 1080 wire rod is ultimately rather puzzling. Even if it is true, domestic wire rod producers can and do purchase billets to use in the production of wire rod. As noted above, it is the rolling of the wire rod, not the melting of the steel, that constitutes production of the subject product.[79] Even if domestic producers purchase billets made in BOFs from foreign producers to produce grade 1080 wire rod, that would nonetheless constitute domestic production.

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[76] *See* [ ], attached as **Exhibit 10**; **[**], attached as **Exhibit 23**.

[77] *See* [ ], attached as **Exhibit 8**.

[78] *See* [

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[79] *See* Preliminary Determination at I-13-I-14.

[80] Statement of [ ], attached as **Exhibit 7**.

].[81]

[

].[82] [

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This list alone demonstrates that production of the steel for wire rod in a BOF does not represent any sort of a bright line between grade 1080 for tire cord and bead and other grades of steel used for wire rod. [

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[

].[84] [

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].[85]

g. Other high end wire rod products require tightly managed production processes with stringent specifications

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81 *See* Statement of [ ], attached as **Exhibit 7**.

82 *See id.*

83 *See id.*

84 *Id.*

85 *Id.*

A number of other high end products require the same tightly managed process and level of cleanliness as tire bead and tire cord. Indeed, at the hearing a representative of the domestic industry identified bearing quality and aircraft quality wire rod as products with exacting specifications, including cleanness and inclusions.[86] A number of other wire rod products require specifications similar to those for grade 1080 wire rod for tire cord and tire bead. The staff report identifies a number of wire rod, including high-carbon, cold-heading quality, and other special quality products, as being "high quality rod products."[87] The staff report notes that music spring wire and tire cord wire both include "{r}estrictive requirements for chemistry, cleanliness, segregation, decarburization, and surface imperfections."[88] Other types of wire rod products also require special characteristics; welding quality, for example, has restrictive characteristics for chemistry, while scrapless nut quality must have internal soundness and good internal quality.[89] This simply emphasizes that each variety of wire rod identified by the Commission has its own requirements, and that those requirements may be as exacting as those for tire cord quality wire rod.[90]

The product specifications of a major foreign producer, POSCO, reveal that stringent chemistry limits are not unique to grade 1080 for tire cord and tire bead. As noted above, the chemistry requirements for grade 1070 are, except for carbon, identical to those for grade 1080.

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86 Hearing Tr. at 93 (Mr. Nystrom).

87 Prehearing Staff Report at I-18 n.25.

88 *Id.* at I-17.

89 *Id.*

90 *See also* Final Scope Memorandum at 15.

Other products sold by POSCO also have chemistry requirements similar to or even more stringent than those for grade 1080 for tire cord and bead, as shown in the following table.[91]

TABLE 2
CHEMICAL SPECIFICATIONS FOR POSCO WIRE ROD PRODUCTS

Product	C	Si	Mn	P	S	Cu
Tire Cord 70S	0.65-0.75	0.15-0.30	0.30-0.60	0.30Max	0.030Max	-
Tire Cord 80S	0.75-0.88	0.15-0.30	0.30-0.60	0.30Max	0.030Max	-
High Carbon Steel for Micro Cable	0.58-0.66	0.10-.030	0.30-0.70	0.020Max	0.020Max	0.020Max
High Carbon for Bridge Cable, Grade 82	0.79-0.86	0.70-1.10	0.60-0.90	0.20Max	0.20Max	0.020Max
Steel for Oil Tempered Wire, Grade 70	0.66-0.71	0.15-0.30	0.85-1.15	0.020Max	0.20Max	0.20Max

As this table shows, none of these other products has the exact same chemistry as grade 1080 for tire cord and bead, which is to be expected with a continuum of products. With respect to some elements, the other products have less strict requirements than for grade 1080 for tire cord and bead, while for other products, the specifications are more stringent. The POSCO specification for grade 1080 wire rod for tire cord, for example, does not contain any limit on copper, while all the other products do. This comparison does not establish that wire rod for tire cord is either harder or easier to make than other products. It simply demonstrates that, contrary to the arguments of the respondents, there is nothing about the chemistry or mechanical properties of grade 1080 wire rod for tire cord and bead that makes it so different from grade 1070, on the one hand, and from the specifications for wire rod for other applications, on the other, that so differentiates it as to require it to be treated as a wholly different like product.

[91] POSCO, *Wire Rod* (2014) at 24, 26, attached as **Exhibit 16**.

The staff report identifies music spring wire as a product with "restrictive requirements" for chemistry, cleanness, and other characteristics. Nucor produces wire rod for music spring wire. The following table compares the requirements for the billets used to produce music spring wire[92] to the specifications for grade 1080 wire rod for tire cord produced by POSCO.[93]

TABLE 3
SPECIFICATIONS FOR GRADE 1080 FOR TIRE CORD AND FOR MUSIC SPRING WIRE

Product	C	Si	Mn	P	S
Grade 1080 for Tire Cord	[				]
Grade 1084 for Music Spring Wire	[				]

In addition, the specification for music spring wire [ ].[94] POSCO grade 1090 for tire cord includes a specification for chromium, but there is no such limit for grade 1080.[95] In terms of chemistry, grade 1084 for music spring wire is [ ] than grade 1080 for wire rod. Yet the respondents have not argued that wire rod for music spring wire is a separate like product as well. This comparison demonstrates once again that wire rod products exist along a continuum, and that grade 1080 and above wire rod for tire cord and tire bead are an integral part of that continuum.

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92 Nucor Billet Specification, Music Spring Quality, attached as **Exhibit 6**.

93 POSCO, *Wire Rod* (2014) at 24, attached as **Exhibit 16**. [ ].

94 Nucor Billet Specification, Music Spring Quality, attached as **Exhibit 6**.

95 POSCO, *Wire Rod* (2014) at 24, attached as **Exhibit 16**.

As noted above, all wire rod, including these specialized products, are made on the same basic equipment, in the same facilities, with the same production workers. As explained in the Prehearing Staff Report,

> Domestic producers manufacture various types of wire rod on essentially the same equipment, in the same facilities, and with the same production personnel. While changes to production processes are limited, changes in chemical composition, alloying elements and other raw materials, stand fittings, and cooling speed determine the quality of the wire rod produced. The basic equipment, machinery, facilities, and production personnel, however, remain the same for the production of industrial quality, tire cord quality, welding quality, and cold heading quality wire rod.[96]

Nucor produces all wire rod using the same equipment.[97] [

], for example.[98] While the precise process used to produce a particular product will differ, the same equipment and personnel are always involved, whether the grade being produced is fairly basic or quite specialized.

3. The Market Conditions for Wire Rod for Tire Cord Are Substantially the Same as in 2002

In the 2002 investigation of steel wire rod from various countries, grade 1080 wire rod used for tire cord and tire bead was excluded from the scope of the investigation at the request of petitioners.[99] There was domestic production of grade 1080 wire rod for tire cord and tire bead at the time of the investigation.[100] Mr. Rosenthal stated at the hearing that this exemption was done

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96 Prehearing Staff Report at I-23.

97 Hearing Tr. at 110 (Mr. Nystrom).

98 *See* Statement of [ ], attached as **Exhibit 19**.

99 *Carbon and Certain Alloy Steel Wire Rod from Canada*, 67 Fed. Reg. 5984, 5986 (Dep't Commerce Feb. 8, 2002) (prelim. affirm. countervailing duty deter.).

100 USITC Pub. 3546 at 8 n.25.

to accommodate certain customers of the domestic industry.[101] Nucor was not a member of the domestic wire rod industry at that time, and did not participate in that investigation. It accordingly defers to the response of Gerdau Steel and Keystone in their Answers to Questions.

a. There have been no significant changes in market conditions for wire rod for tire cord since the original 2002 investigation

Significantly, the petitioners argued in the injury phase of the 2002 investigation that, despite its exclusion from the scope of the Commerce investigation, the Commission should include grade 1080 wire rod for tire cord and tire bead in the definition of the like product.[102] The Commission agreed, stating that

> As a general matter, the record demonstrates no clear demarcation between the various types of wire rod products, but rather indicates a continuum of at least 11 major categories of products, ranging from low carbon wire rod such as industrial wire rod used for nails and coat hangers, to medium to high carbon wire rod, such as that used for tire bead and prestressed concrete strand, to the highest-end products, including CHQ, CSPBIC, and tire cord wire rod. In cases such as the present one, where the domestically manufactured merchandise consists of a broad continuum of similar products, the Commission does not consider each item of merchandise to be a separate domestic like product that is only "like" its counterpart in the scope, but considers the continuum itself to constitute the domestic like product.
>
> As discussed below, we find a single domestic like product consisting of all carbon and certain alloy steel wire rod included within Commerce's scope, and including the grade 1080 tire bead and tire cord quality wire rod that has been excluded from Commerce's scope.[103]

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101 Hearing Tr. at 103 (Mr. Rosenthal).

102 USITC Pub. 3546 at 7.

103 *Id.* at 7-8.

The domestic industry did not request any such exclusion of tire cord or tire bead from the scope of the 2014 investigation of steel wire rod from China.[104] Significantly, no party argued in this proceeding that 1080 wire rod for tire cord was not part of the single like product.[105] The Commission again found that all wire rod, including wire rod for tire cord and tire bead, constituted a single like product.[106] The Commission has accordingly consistently concluded that wire rod represents a single like product, a conclusion it affirmed in its preliminary determination in this investigation.[107]

b. There is no evidence in the record that specifications for wire rod for tire cord have become more stringent over time

The respondents also argue that the trend towards larger tires has increased demand for higher strength wire rod, such as grade 1080.[108] While this might explain relative changes in demand for various grades of wire rod, it does not explain why grade 1080 is so different from grades 1070 and lower as to constitute a separate like product. To the contrary, this simply reflect a move along the continuum of wire rod products, as reflected in Mr. Cameron's description of this development as an "evolution."[109]

As explained above, the respondents have argued for a purely artificial distinction between grade 1080 and above wire rod and the lower grades used for tire cord and bead. However, their claim that specifications have become more stringent over time is misplaced. In the first place, the

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104 USITC Pub. 4509 at I-23.

105 *Id.* at 6.

106 *Id.* at 5-6, I-23 – I-24.

107 Preliminary Determination at 8.

108 Hearing Tr. at 220-21 (Mr. Cameron).

109 *Id.* at 221 (Mr. Cameron).

more stringent specifications applied to *tires*, not to tire cord or beads.[110] The more stringent standards apparently encouraged (though they did not require) the use of tire cord with a higher tensile strength, resulting in at least some shift from lower to higher carbon content wire rod, the standards for the tire cord itself did not change.

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These specifications for higher grades are not recent. The Commission explicitly referenced grade 1090 wire rod for tire cord in both its 2002 and 2008 determinations.[113] Some purchasers and suppliers [ ] well before 2002.

[

].[114] [ ] published specifications for wire rod for tire cord with a carbon content of up to 0.96 percent in 1995.[115] Specifications for wire rod for tire cord requiring elevated levels of carbon are not new, and certainly do not establish that those grades represent the creation of a product separate from all other tire cord.

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110 *See id.* at 171 (Mr. Norberg).

111 [

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112 [ ].

113 USITC Pub. 3546 at 8; USITC Pub. 3832 at 9.

114 *See* [ ].

115 Specifications for Steel Cord Above 1080 Prior to 2002, attached as **Exhibit 25**.

4. [ ]

[ ] – produced wire rod for tire cord and tire bead during the period of investigation.[116] [ ] – produced grade 1080 and above.[117] [ ].[118]

It is important to note that [ ].[119] Over the period of investigation, the domestic industry supplied between [ ] of apparent consumption of grade 1080 and higher wire rod for tire cord and bead.[120] This directly refutes the respondents' claims that the domestic industry is not capable of producing grade 1080 for tire cord and tire bead in commercial quantities.[121]

As the staff report shows, the domestic industry has [ ] to make grade 1080 and above. As explained above, the domestic industry uses the same equipment, facilities, machinery, and personnel to make grade 1080 that it uses to make other wire rod products.[122] The staff report indicates that, with respect to potential production of grade 1080 and above for tire cord and tire bead, the domestic industry used [ ] of the capacity available to make this product.[123]

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116 Prehearing Staff Report at I-28.

117 *Id.*

118 *See* Statement of [ ], attached as **Exhibit 19**.

119 Prehearing Staff Report at I-28.

120 *Id.* at C-6.

121 *See, e.g.,* POSCO Prehearing Brief at 1; AWPA Prehearing Brief at 2; British Steel Prehearing Brief at 3.

122 Prehearing Staff Report at I-23.

123 *Id.* at C-7.

[

]124 In addition, [

]125 [

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[

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The respondents argue that grade 1080 and above wire rod commands a substantial price premium. They argue further that, given the price premium for this product, that the domestic producers are not making it shows that they are incapable of doing so.126 The record disproves this argument. [

124 *See* Statement of [ ], attached as **Exhibit 19**.

125 Statement of [ ], attached as **Exhibit 7**.

126 *See* British Steel Prehearing Brief at 28.

].[127] [

].[128] Even if prices for grade 1080 wire rod for tire cord and bead were above those of some other wire rod products, these higher prices did not differentiate grade 1080 from other products of similar quality.

The respondents' argument that the alleged failure of the domestic industry to produce grade 1080, despite the supposed price premium, ignores another obvious fact. [

].[129]

The domestic wire rod industry did not make more grade 1080 for tire cord in part because dumped and subsidized imports had pushed prices for that product so low that the industry could not make a profit on it. It is this, rather than the domestic industry's inability to produce the product to specifications, that explains why the domestic industry did not make more grade 1080 wire rod for tire cord.

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127 *See* Prehearing Staff Report at C-7 and C-9.

128 *See id.* at C-7, V-20.

129 *See id.* at C-7, C-9.

II. NEGLIGIBILITY AND INJURY ANALYSIS FOR TIRE CORD AND BEAD

COMMISSIONER BROADBENT (Hearing Tr. at 105): If we were to split the products and find that there is a separate like product for tire cord and bead, based on the data that we collected, and the fact that non-subject gained market share in that market, U.S. lost, but so did subject, do you think the record would support an affirmative determination if we were to find separate like products?

COMMISSIONER BROADBENT (Hearing Tr. at 106): Maybe Mr. Price, do you have any view of whether or not the record would support an affirmative?

As explained above, there is no evidence whatsoever supporting the assertion that grade 1080 and above wire rod used for tire cord and tire bead is a separate like product. To the contrary, the evidence of record definitively establishes that wire rod encompasses a continuum of products, and that wire rod for tire cord and tire bead are only one part of the continuum. If the Commission does treat grade 1080 wire rod for tire cord and bead as a separate like product, it should not find that imports from any country were negligible. While the record with respect to injury does not contain the information needed for a fully informed determination by the Commission, it is sufficient to support a finding of material injury or material retardation.

A. IF THE COMMISSION WERE TO SEPARATE GRADE 1080 WIRE ROD FOR TIRE CORD AND BEAD AS A SEPARATE PRODUCT, IT SHOULD NOT TREAT ANY IMPORTS AS NEGLIGIBLE

If the Commission separated 1080 TB/TC wire rod as a separate domestic like product, the agency should find that no country is negligible. In its Prehearing Brief, British Steel makes an untimely argument that imports of non-tire cord and tire bead wire rod from the U.K. are negligible if the Commission determines that 1080 TB/TC wire rod is a separate like product.[130] British

[130] *See* British Steel Prehearing Brief at 29-34.

Steel's failure to raise this issue in its comments on draft questionnaires prevented the Commission from collecting monthly import data on 1080 TB/TC wire rod and renders this issue moot. The Commission recently rejected untimely like product arguments based on a similar set of facts. For example, in *Aluminum Extrusions from China*, the Commission found:

> **The Commission's rules require parties to identify "{a}ll requests for collecting new information," such as requests to collect data on proposed domestic like products, at the time they submit their comments on the draft questionnaires**. Electrolux failed to identify any possible product manufactured domestically that was "most similar in characteristics and uses" with the subject kitchen appliance components, **let alone make such an argument on a timely basis by the time of its comments on the draft questionnaires.** After reviewing the parties' comments and staff recommendations, the Commission approved the issuance of questionnaires on October 31, 2016 that did not include domestic like product questions or separate trade or financial data tables for kitchen appliance components. Thus, we reject Electrolux's request to define kitchen appliance components as a separate domestic like product based on Electrolux's own statements that there is no domestic production of kitchen appliance components and Electrolux's failure to identify on a timely basis any "most similar" merchandise manufactured domestically on which the Commission could base its data collection efforts.[131]

Because British Steel and other respondents failed to raise timely any potential negligibility issues in their comments on draft questionnaires,[132] the Commission should reject British Steel's negligibility argument.

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131 *See Certain Aluminum Extrusions from China*, Inv. Nos. 701-TA-475 and 731-TA-1177, USITC Pub. 4677 (Mar. 2017) (Review) at 13-14 (citations omitted) (emphasis added).

132 *See generally*, Letter from Steptoe & Johnson LLP to Sec'y Int'l Trade Comm'n, re: *Carbon and Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom: Comments on Draft Questionnaires* (June 30, 2017); Letter from Trade Pacific to Sec'y Int'l Trade Comm'n, re: *Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom: Comments on Draft Questionnaires* (June 30, 2017); Letter from Morris, Manning & Martin, LLP, to Sec'y Int'l Trade Comm'n, re: *Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom, Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358 (Final): Comments on Draft Questionnaires* (June 30, 2017); Letter from White & Case LLP to Sec'y Int'l Trade Comm'n, re: *Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom Investigation Nos. 701-TA-573-574 and 731-TA-1349-1358 (Final): Comments on Draft Questionnaires* (June 30, 2017).

Nevertheless, the U.S. Harmonized Tariff Schedule ("HTSUS") information that British Steel relies upon to make its domestic like product and negligibility argument is flawed. In its Prehearing Brief, British Steel calculated its market share based on the tire cord specification in the HTSUS, which is not specific to 1080 TB/TC wire rod. The HTSUS defines tire cord wire rod as:

> Rod measuring 5.0 mm or more but not more than 6.0 mm in cross-sectional diameter, with an average partial decarburization of no more than 70 micrometers in depth (maximum 200 micrometers); having no non-deformable inclusions with a thickness (measured perpendicular to the rolling direction) greater than 20 micrometers; and, containing by weight the following elements in proportions:
>
> – 0.68 percent or more carbon,
> – less than 0.01 percent of aluminum,
> – 0.040 percent or less, in aggregate, of phosphorus and sulfur,
> – 0.008 percent or less of nitrogen, and
> – not more than 0.55 percent, in the aggregate, of copper, nickel and chromium.[133]

The respondents have emphatically argued that only 1080 and above TB/TC wire rod should be characterized as a separate like product, but the HTSUS tire cord subheading does not delineate subject product and 1080 TB/TC wire rod.

Additionally, the quantities reported under the HTSUS conflict with the reported shipments of 1080 TB/TC wire rod. For instance, [ ] tons of 1080 TB/TC wire rod to the United States but there are [ ] under the TB/TC wire rod subheading in 2016.[134] Similarly, [ ] tons of wire rod to the United States but [ ] were classified under the TB/TC wire rod subheading.[135] On the other hand, the HTSUS [

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133 *See* HTSUS Chapter 72 Statistical Notes Excerpts, attached as **Exhibit 26**.

134 *See* [ ].

135 *See* [ ].

][136] but import statistics show exports of [ ]. As such, the HTSUS data is not reasonable approximation of the volume of TB/TC wire rod entering the United States, let alone the subcategory of 1080 TB/TC wire rod. The discrepancies in the import data underscore the fact that even subject producers' own importers do not know where to draw the line between 1080 TB/TC wire rod and all other wire rod products.

Moreover, the HTSUS data does not correspond to U.S. importer data regarding non-subject imports. For instance, in 2016, U.S. importers reported bringing in [ ] tons of non-subject 1080 TB/TC wire rod,[137] but official import statistics show that [ ] tons non-subject 1080 TB/TC imports entered the United States under the TB/TC subheading.

The HTSUS data also does not separate basic oxygen furnace ("BOF") production for 1080 TB/TC wire rod and electric arc furnace ("EAF") production. The crux of respondents' like product argument is that U.S. producers cannot produce 1080 TB/TC because they do not utilize BOF technology.[138] As explained above, this argument is without merit. But if the Commission were to accept this argument, then all EAF production of 1080 TB/TC wire rod from Spain should be excluded from the Commission's negligibility volume analysis, and imports from countries below the three percent threshold would collectively account for more than seven percent of total imports, even under British Steel's flawed calculation. As such, British Steel's negligibility arguments fail.

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136 *See* [ ]. *See also* [ ].

137 *See* U.K. Negligibility Analysis, attached as **Exhibit 27**.

138 *See* Preliminary Determination at 9-10.

Given the discrepancies regarding the actual volume of 1080 TB/TC wire rod, and that subject producers can [ ],[139] the import statistics for all wire rod represent the best available information. As described in Nucor's Pre-Hearing Brief, this information demonstrates that no subject country's imports should be treated as negligible.

Even if the Commission used British Steel's flawed calculations on tire cord and tire bead, the Commission should still find that imports of non-tire cord and tire bead wire rod from U.K. are likely to imminently exceed the negligibility threshold. During the negligibility period (*i.e.* March 2016 to February 2017), imports of wire rod from the U.K. excluding the TB/TC HTSUS subheading [ ].[140] Further, imports from the U.K. account for the [ ] percent of the arranged subject imports over the next year.[141] And even after Commerce imposed preliminary duties, British imports account for [ ] percent of total arranged imports in Q4 2017, [ ].[142] Moreover, British producers reported [ ] short tons in 2016.[143] Given that British producers reported [ ], these producers will simply shift production to any rod product not under order.[144] As imports from the U.K. continued to pour into the United States after the

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139 *See e.g.*, [ ].

140 *See* U.K. Negligibility Analysis, attached as **Exhibit 27**.

141 *See* Prehearing Staff Report at VII-71 (Table VII-39).

142 *Id.*

143 See Letter from Wiley Rein LLP to Sec'y Int'l Trade Comm'n re: *Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom: Nucor Corporation's Prehearing Brief* (Nov. 9, 2017) ("Nucor Prehearing Brief") at 45.

144 *See* [ ].

imposition of the orders, the Commission should find that British imports are likely to imminently exceed the negligibility threshold.

B. IF THE COMMISSION WERE TO TREAT GRADE 1080 WIRE ROD FOR A TIRE CORD AS A SEPARATE LIKE PRODUCT, THE INFORMATION OF RECORD SUPPORTS A FINDING THAT THE DOMESTIC INDUSTRY HAS SUFFERED INJURY BY REASON OF THE SUBJECT IMPORTS

The Commission does not have the information that would be necessary to make a fully informed injury finding regarding grade 1080 and above wire rod for tire cord and tire bead. Any such determination would require defining the like product, and the Commission would need to address the issue of why the like product would only be grade 1080 and above, rather than all wire rod for tire cord and tire bead. Obviously, this issue has not been addressed in this investigation.

The ability of the Commission to perform any analysis of price effects in a separate injury determination is also severely limited. The Commission did not collect any pricing product information for wire rod used for tire cord or tire bead, rendering a meaningful underselling analysis difficult. In addition, as discussed in detail above, because of the manner in which the respondents requested that the Commission collect data regarding grade 1080, the Commission does not have any data that would allow it to perform a valid analysis of negligibility, were grade 1080 treated as a separate like product. The Commission has no reason to consider any of these issues, though, because the record definitively confirms the Commission's repeated conclusion that wire rod represents a single like product, and that wire rod for tire cord and tire bead are part of that like product.

1. Subject Imports of Grade 1080 and Above Wire Rod for Tire Cord and Bead Have Caused Material Injury to the Domestic Industry

In response to Commissioner Broadbent's question, the record contains information showing that, if grade 1080 and above wire rod for tire cord and bead were treated as a separate like product, the domestic industry suffered material injury by reason of the subject imports.[145] The record supports such a finding with respect to each prong of the injury requirement.

Volume of imports. Subject imports of grade 1080 and above wire rod for tire cord and bead [ ].[146] Subject imports [ ],[147] although [ ].[148]

Price effects. As noted above, the Commission did not include any wire rod for tire cord or bead in its pricing products. It accordingly lacks the information necessary for a detailed underselling analysis. Comparison of the average unit values of subject imports to those for the domestic product shows that [ ].[149] Nucor's Posthearing Brief contains a detailed discussion of [ ].[150]

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145 *See* Hearing Tr. at 105 (Commissioner Broadbent).

146 Prehearing Staff Report at C-7.

147 *Id.* at C-7.

148 *See* Nucor Posthearing Brief at 6-7.

149 Prehearing Staff Report at C-7.

150 *See* Nucor Posthearing Brief at 6-7.

Injury to the domestic industry. The record establishes that the portion of the domestic wire rod industry producing grade 1080 wire rod for tire cord and bead also suffered injury during the period of investigation. [

].[151] The domestic industry's market share [

].[152] Again, much of this [

]. The domestic industry's average unit values [ ].[153] [

].[154]

[

].[155] Other financial indicators, including the number of workers, hours worked, and capital expenditures, also showed [

].[156]

The industry's [

]. As Commissioner Broadbent noted, non-subject imports also played a role in the market. Any attempt to distinguish the impact of subject imports from those of non-subject imports would

151 Prehearing Staff Report at C-6, C-7.

152 *Id.* at C-6.

153 *Id.* at C-7.

154 *Id.*

155 *Id.*

156 *See id.*

require significantly more information than the Commission has collected. On the basis of the record before it, though, the Commission can conclude that, even if it were to consider the portion of the domestic industry producing grade 1080 wire rod for tire cord and bead separately, the performance of that portion of the industry supports a finding of injury by reason of the subject imports.

2. The Record Also Contains Evidence of Material Retardation by Reason of the Subject Imports

As well as injury or threat of injury, the Commission is also directed to determine whether "the establishment of an industry in the United States is materially retarded" by reason of the subject imports.[157] The respondents argue that the that the domestic wire rod industry is incapable of supplying the U.S. market with grade 1080 and higher wire rod for tire cord and bead at all, or at least in commercial quantities.[158] [

]. In addition, [ ] produce some grade 1080 wire rod. As the respondents themselves stress, the U.S. producers currently account for [

].[159] If it were to find, against the weight of all evidence and its repeated previous determinations, that grade 1080 wire rod for tire cord represents a separate like product, and were it to determine that the domestic industry has not suffered material injury by reason of the subject imports, the Commission should nonetheless find that the sale of dumped and subsidized grade 1080 wire rod in the U.S. market has materially retarded the establishment of a U.S. industry making that product. As shown above, [

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157 19 U.S.C. § 1671; 19 U.S.C. § 1673.

158 *See* British Steel Prehearing Brief at 3; AWPA Prehearing Brief at 2; POSCO Prehearing Brief at 11-12.

159 Prehearing Staff Report at C-6.

]. Without relief from the adverse effects of dumped and subsidized imports, [ ], preventing the establishment of the industry that the respondents deny currently exists.

NEGLIGIBILITY

VICE CHAIRMAN JOHANSON (Hearing Tr. at 134): The Italian respondent has argued that subject imports from Italy are negligible, that the statutory exception to negligibility does not apply to Italian imports in this investigation, and that there's no potential that subject imports from Italy will imminently exceed three percent of total imports, and this can be seen in Ferrier Nord's brief at page one. Could you all please respond to these arguments, either now or in your post-hearing brief?

As the Commission found in its preliminary determination, "subject imports from Italy in the countervailing duty investigation are not negligible for purposes of {the} analysis of reasonable indication of threat of material injury."[160] The final phase record clearly demonstrates that Italian imports satisfy the statutory exception to negligibility, which requires that the Commission "shall not treat imports as negligible if it determines that there is a potential that imports from a country . . . will imminently account for more than 3 percent of the volume of all such merchandise imported into the United States . . . ."[161] The most probative indicator of whether Italian imports have the potential to "imminently exceed" the negligibility threshold, is whether Italian imports, in fact, exceeded the three percent threshold in a 12-month period after the petitions were filed. Official import statistics show that wire rod from Italy eclipsed the 3 percent threshold in April 2017, accounting for 3.2 percent of total imports, from March 2016-April 2017.[162] And in the first four months of 2017, which represents 99 percent of all wire rod shipped from Italy, imports of Italian wire rod import accounted for 5.7 percent of total imports.[163]

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160 *See* Preliminary Determination at 17.

161 *See* 19 U.S.C. § 1677(24)(A)(iv).

162 *See* Prehearing Staff Report at IV-22 – IV-24 (Table IV-11); *see also id.* at IV-21 - IV-22 (Table IV-11).

163 *See id.* at IV-21 - IV-22 (Table IV-11).

In addition to record evidence that confirms Italian imports exceeded the negligibility threshold, the Commission has analyzed the country's share of total imports using a shorter period that begins when such imports started to accelerate.[164] In its preliminary determination, the Commission found that:

> The record indicates that imports from Italy accounted for less than 0.5 percent of total imports until August 2016 when the volume of imports from Italy began to increase. For the seven-month period beginning in August 2016 through February 2017, imports from Italy accounted for 4.4 percent of total imports; these subject imports from Italy increased on a monthly basis throughout the negligibility period. We also observe that subject imports from Italy account for [ ] percent of all reported arranged imports for the second quarter of 2017. In light of the recent upward trend of subject imports from Italy as a percentage of total imports, we find that subject imports from Italy have the potential imminently to exceed the 3 percent negligibility threshold for purposes of determining threat of material injury.[165]

The Commission has also examined additional factors to determine whether imports will imminently exceed the 3 percent threshold, including market penetration, share of total imports during the POI, and absolute and relative excess production capacity.[166] Italy's wire rod production capacity is massive and Italian producers have substantial excess and divertible capacity.

Italian producers' production capacity has [ ] over the last three years and it totaled [ ] short tons in 2016, equal to [ ] percent of production capacity in 2016 reported by responding U.S. producers and [ ] percent of total production capacity in 2016 for all responding foreign producers.[167] Excess and divertible production capacity in Italy, while

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164 *See* Preliminary Determination at 17.

165 *See id.*

166 *See*, *e.g.*, *Certain Steel Concrete Reinforcing Bars From Belarus, China, Korea, Latvia, and Moldova*, Inv. Nos. 731-TA-873-874 and 877-879, USITC Pub. 3440 (July 2001) (Final) at 10-11.

167 Prehearing Staff Report at VII-11 (Table VII-5), C-3 (Table C-1), VII-67 (Table VII-36).

remaining constant over the last few years, has been similarly extensive, with [

].[168] This was equal to [

], and enough to cover [

].[169]

Ample evidence also suggests that Italian producers of the subject product are investing to expand production capacity.[170] Over the last few years, Italian producers have [

].[171] Most recently, [

].[172] Additionally, earlier this year, [

].[173]

Unsurprisingly, responding Italian producers [

].[174]

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168 Petitioner defines excess and divertible capacity as the sum of exports to other countries, unused capacity, and ending inventories. *See id.* at VII-11 (Table VII-5).

169 *See id.* at C-4 (Table C-1), C-5 (Table C-2).

170 *See* Information on Foreign Subject Producers and CASWR Industries in the Subject Countries, attached as Exhibit I-15, Attachment 2 (Italy) to Letter from Kelley Drye & Warren LLP and Wiley Rein LLP to Sec'y of Commerce and Sec'y of U.S. Int'l Trade Comm'n, re *Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, the Republic of South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom - Petitions for the Imposition of Antidumping and Countervailing Duties* (Mar. 28, 2017) ("Petition"), Volume I.

171 *See id.*

172 [ ], attached as Exhibit 2A to Letter from Wiley Rein LLP to Sec'y Int'l Trade Comm'n re: *Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom: Nucor Corporation's Post-Conference Brief and Answers to Staff Questions* (Apr. 21, 2017) ("Nucor Post-Conference Brief"); [ ], attached as Exhibit 2B to Nucor Post-Conference Brief.

173 [ ], attached as Exhibit 3 to Nucor Prehearing Brief.

174 Prehearing Staff Report at VII-10-VII-11 (Table VII-5).

Additionally, Commerce has found that the Italian government provides CASWR producers with a number of significant countervailable export subsidies to encourage the exportation of Italian CASWR to the United States.[175] Specifically, Commerce found that Italian government provides export credit subsidies to Italian producers to support and encourage the exportation of metallurgical products like CASWR.[176] Further, the Italian government provides a range of electricity subsidies to its CASWR producers, which ultimately allow the subject producers to maintain and increase production.[177] Consequently, the subsidies provided by the Italian government allowed subsidized Italian imports to exceed the three-percent negligibility threshold.

Further, for purposes of the Commission's threat analysis, the agency has consistently cumulated imports from countries that will imminently exceed the negligibility threshold with all other subject imports.[178] The record demonstrates that there is a reasonable overlap of competition between all subject imports eligible for cumulation and between imports from each of these subject countries and the domestic like product. In fact, as Mr. Stauffer conceded at the Commission Hearing:

> Clearly, the Italians are competing with the Ukrainians, and the Ukrainians are competing with the Russians. . . . {T}his is a fungible product across the world.

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175 *See* Preliminary Decision Memorandum accompanying *Carbon and Alloy Steel Wire Rod From Italy*, 82 Fed. Reg. 41,931 (Dep't Commerce Sept. 5, 2017) (prelim. affirm. countervailing duty deter.).

176 *See id.* at Appendix.

177 *See id.* at 13-14, 18, Appendix.

178 *See Cold-Rolled Steel from Brazil, India, Korea, Russia, and the United Kingdom*, Inv. Nos. 701-TA-540, 542-544 and 731-TA-1283, 1285, 1287, and 1289-1290, USITC Pub. 4637 (Sept. 2016) (Final) at 23-25 (cumulating imports from India that were imminently likely to exceed the negligibility threshold with all other subject imports); *Certain Oil Country Tubular Goods from India, Korea, the Philippines, Taiwan, Thailand, Turkey, Ukraine, and Vietnam*, Inv. Nos. 701-TA-499-500 and 731-TA-1215-1217 and 1219-1223, USITC Pub. 4489 (Sept. 2014) (Final) at 50-51 (cumulating imports from Taiwan that were imminently likely to exceed the negligibility threshold with all other subject imports).

> Everybody can make it. So if you have an opportunity to export it, you will enter the global market and you'll have to be competitive to do that.[179]

Accordingly, Italian wire rod imports are not negligible for purposes of the agency's threat analysis and for the reasons discussed in Nucor's Prehearing Brief,[180] the Commission should find that subject imports, including those from Italy, threaten the domestic industry with further material injury.

Finally, while the record and import data does not support such a finding, British Steel argues that if the Commission separates 1080 TB/TC wire rod as a separate domestic like product, that Italian imports would not be negligible.[181] As explained above and in Answers to Commissioners' Questions, British Steel's negligibility arguments are without merit and should be rejected as the data is so flawed that it is unusable since the respondents did not request that the Commission collect data for a negligibility calculation for an alternate like product. Instead, the Commission should rely on data for all wire rod as the facts available if the Commission were to find that 1080 and above TB/TC wire rod were a separate like product.

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179 Hearing Tr. at 190-91 (Mr. Stauffer).

180 *See* Nucor Prehearing Brief at 15-58.

181 *See* British Steel Prehearing Brief at 21-22.

III. SUBJECT IMPORTS AND THE 2015 ORDER AGAINST CHINA

COMMISSIONER BROADBENT (Hearing Tr. at 65): And which year are you talking about? {Addressing Mr. Price, who noted, "{t}here was a huge volume of imports switched from domestic producers to imports because of price."}

COMMISSIONER BROADBENT (Hearing Tr. at 66): But they're basically shifting from buying from China to buying from the subject countries?

COMMISSIONER BROADBENT (Hearing Tr. at 71): So when the Chinese competition stopped as a result of the order, you tried to make sales but those purchasers went to the new subject imports?

COMMISSIONER BROADBENT (Hearing Tr. at 95): Does that account for the decline in the Chinese imports and - I'm just trying to figure out what's going on with the domestic industry in the face of decline in Chinese imports and increase in subject imports.

COMMISSIONER WILLIAMSON (Hearing Tr. at 123): {D}o the remaining domestic producers have the ability to supply the U.S. market after imports from China left the market and ArcelorMittal and Republic closed their wire rod mills? Should I assume the answer is yes?

COMMISSIONER WILLIAMSON (Hearing Tr. at 123): Have any of you been unable to supply wire rod to customers, have been unable to supply it within the time frames requested by a potential customer?

This case represents a one-two punch.[182] The first blow came from China, and it was recognized by the Commission in January 2015, when the agency found that the U.S. wire rod industry was being materially injured by a massive surge of imports from China.[183] Chinese imports had surged from 144 short tons in 2011 to 618,790 short tons in 2013, at the direct expense of the domestic industry.[184] In rapid succession, the second blow came from the countries subject to this investigation. According to the Prehearing Staff Report, as the first punch from China receded following the imposition of an order in 2015, subject imports rapidly increased to 701,654

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182 *See* Hearing Tr. at 20 (Mr. Price).

183 *See* USITC Pub. 4509 at 1.

184 *Id.* at 15.

short tons in 2016.[185] Subject imports' market share increased, while U.S. producers' market continued to decline.[186]

Any breathing room that the 2015 order could have provided the U.S. wire rod industry was immediately stolen by dumped and subsidized imports from the ten subject countries. Unfairly priced imports from these ten countries surged into the U.S. market, and did so at even higher levels than Chinese imports before them. In 2016, subject imports reached 701,654 short tons,[187] and their market share rose from 10.2 percent in 2014 to 16.5 percent in 2016, as domestic producers' U.S. shipments, market share, production and capacity levels, and numerous financial indicators, all declined.[188] To a great degree, these imports inflicted even more damage on the U.S. industry than Chinese imports had done. In fact, the domestic industry's investigation period and interim profits are both significantly below the 7 percent operating profit levels that existed in 2011, before the one-two punch, and are now at [ ] percent.[189] Moreover, after the first blow from Chinese imports, the market share held by the domestic industry fell from 70.1 percent in 2011 to 60.3 percent in 2013,[190] and during the second blow, domestic market share has further decreased to [ ] percent in interim 2017.[191]

In the preliminary phase of this investigation, respondents raised an odd, illogical, and meritless claim that subject import volumes in this investigation were not significant because they

185 *See* Prehearing Staff Report at C-4 (Table C-1).

186 *See id.* at C-3 (Table C-1).

187 *Id.* at C-4 (Table C-1).

188 *See id.* at C-5 (Table C-2).

189 *See id.*

190 USITC Pub. 4509 at IV-18 (Table IV-8).

191 *See* Prehearing Staff Report at C-5 (Table C-2).

merely replaced other dumped and subsidized imports from China and returned to their pre-Chinese surge levels.[192] In response, the Commission flatly rejected this argument, stating that:

> {T}his argument is not relevant in the context of our statutory inquiry, which concerns whether subject import volume or the increase in that volume – and not total import volume – is significant. Moreover as discussed above . . . , cumulated subject imports competed directly with domestically produced wire rod during the period of investigation. Indeed, subject imports did not merely replace nonsubject imports from China, they also took market share from the domestic industry in the merchant market where the products competed.193

As such, the Commission found that "the volume of cumulated subject imports from Belarus, Italy, Korea, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom and the increase in that volume are significant both in absolute terms and relative to consumption in the United States."[194]

In their prehearing briefs and during the hearing, Turkish and British respondents have again raised the same argument. The Turkish respondents again argue that subject imports "merely replaced some non-subject sources during the POI,"[195] and British Steel similarly argues that subject imports only took volume from non-subject imports, adding a baffling assertion that "U.S. producers captured a larger share of the decline in Chinese imports than would have been expected . . . ."[196] However, as in the preliminary phase of this investigation, the Commission should again reject the respondents' argument.

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192 *See* Preliminary Determination at 31.

193 *Id.* (internal citations omitted).

194 *Id.*

195 *See* Letter from Arent Fox LLP to Sec'y Int'l Trade Comm'n re: *Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom Inv. Nos. 701-TA-573-574 and 731-A-1349-1358 (Final): Turkish Exporters' & Producers' Pre-Hearing Brief* (Nov. 9, 2017) ("Turkish Exporters and Producers Prehearing Brief") at 15; *see also id.* at 13-15.

196 *See* British Steel Prehearing Brief at 2; *see also id.* at 18-20.

As in the preliminary phase of this investigation, the statutory inquiry before the Commission "concerns whether subject import volume or the increase in that volume – and not total import volume – is significant."[197] The Prehearing Staff Report confirms that subject import volumes were large and increasing. Subject imports of wire rod pummeled the U.S. market during the period of investigation, with almost 2.4 million short tons entering the United States from 2014 through September 2017.[198] In a [

], this volume was significant.[199] From 2014 to 2016 alone, subject imports totaled over 1.8 million short tons.[200] Subject imports also increased significantly during the investigation period, from 449,609 short tons in 2014 to 701,654 short tons in 2016, representing a staggering 56.1 percent increase.[201]

Likewise, as was the case during the preliminary phase, "cumulated subject imports {during the period of investigation} competed directly with domestically produced wire rod during the period of investigation."[202] The record in this investigation confirms that producers in all subject countries primarily sell standard quality wire rod that competes with the domestic like product on a daily basis.[203] As the Prehearing Staff Report states, "almost all U.S. producers stated that domestically wire rod is 'always' interchangeable with product from subject countries," and

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197 *See* Preliminary Determination at 31 (internal citation omitted); Section 771(7)(C)(i) of the Tariff Act of 1930, *codified as amended at* 19 U.S.C. § 1677(7)(C)(i) (providing that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant").

198 *See* Prehearing Staff Report at C-4 (Table C-1). That is, 449,609 (2014) + 671,866 (2015) + 701,654 (2016) + 543,592 (Jan. – Sept. 2017) = 2,366,721 short tons.

199 *See id.* at C-3 (Table C-1).

200 *See id.*

201 *See id.* at C-4 (Table C-1).

202 *See* Preliminary Determination at 31.

203 *See* Nucor Prehearing Brief at 5-6.

"importers and purchasers generally reported that U.S.-produced wire rod is 'frequently' interchangeable with that from subject countries."[204] That subject producers compete directly with domestic wire rod producers is further confirmed by the [ ] short tons of wire rod that responding U.S. purchasers have reported shifting from U.S. producers to subject imports on the basis of price.[205] Given that this is an approximately [ ], the volume that responding U.S. purchasers alone have reported switching from domestic product to subject imports – which is necessarily an understated number – is significant.[206] Notably, in *Corrosion-Resistant Steel Products*, the Commission found that a shift of 259,000 short tons in an approximately 20 million short ton market contributed to a finding of significant underselling and price effects (*i.e.*, [ ].[207]

In addition, both in the total market and merchant market where subject imports and the domestic like product compete, U.S. producers' market share declined as subject import market share increased over the investigation and interim periods.[208] This confirms that dumped and subsidized subject imports stole market share from the domestic industry. While U.S. producers' market share was already depressed from first wave of subject imports and did not return to the domestic industry upon imposition of the orders,[209] U.S. producers' market share nevertheless continued to decrease during the POI, and financial indicators declined, as unfairly traded subject imports surged into the U.S. market and undersold the domestic like product in approximately [ ]

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204 *See* Prehearing Staff Report at II-31.

205 *See id.* at V-37 (Table V-13).

206 *See id.* at C-3 (Table C-1).

207 *See* USITC Pub. 4620 at 27, V-26, C-3 (Table C-1).

208 *See* Prehearing Staff Report at C-3 - C-4 (Table C-1), C-5 (Table C-2).

209 *See* USITC Pub. 4509 at 15.

percent of comparisons.[210] Accordingly, the record in this investigation confirms that, as the Commission found in its preliminary determination, "subject imports did not merely replace nonsubject imports from China, they also took market share from the domestic industry in the merchant market where the products competed."[211] Consequently, the Commission should continue to reject the respondents' claim.

In its prehearing brief, British Steel argues that "{t}he Commission has frequently dealt with cases where non-subject imports have declined during the POI, at the same time that subject imports have increased," and argues that on this basis, the Commission should find that subject import volume did not injure the domestic industry.[212] However, British Steel's argument rests heavily on the improper removal of ArcelorMittal's and Republic's data from the Commission's analysis.[213] As Petitioners explain in a separate Answer to Commissioners Questions, ArcelorMittal's and Republic's data is properly included in U.S. industry data, and there is no reason to exclude it, particularly in light of contemporaneous evidence, news articles, and statements from the companies themselves that demonstrate that both companies were forced to shut down due to unfairly traded imports. In the separate Answer, Petitioners also demonstrate the egregious (and misleading) mathematical flaw in British Steel's data modifications (*i.e.*, that they have removed ArcelorMittal's data from the numerator but not from the denominator in their

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210 Spanish Producers' Underselling Analysis, attached as **Exhibit 13**; *see also* Prehearing Staff Report at V-29, C-3 – C-4 (Table C-1).

211 *See* Preliminary Determination at 31.

212 British Steel Prehearing Brief at 18; *id.* at 18-19.

213 *See id.* at 19 ("Since shipments by the U.S. industry (excluding Arcelor Mittal and Republic, whose exits from the industry were not caused by subject imports, as discussed above in Section III) increased over the POI, the conclusion is inescapable that subject imports' increase came at the expense of non-subject imports, not at the expense of the domestic industry." (emphasis added)).

proposed data modification).[214] Further, British Steel's entire argument fails to consider the significant evidence of price suppression and depression on the record, including high underselling rates and margins and [ ] wire rod shifted from domestic to import sources, as well as the declining conditions of the domestic industry as subject imports increased.[215]

British Steel also claims that the Commission "considered almost the same volume and market share fact pattern as that presented here, and reached a unanimous negative determination" in *Certain Carbon Steel Butt-Weld Pipe Fittings from France, India, Israel, Malaysia, the Republic of Korea, Thailand, the United Kingdom, and Venezuela*.[216] However, that determination is inapposite. As an initial matter, while "U.S. producers' merchant market shipments and merchant market shares" increased during the POI in *Carbon Steel Butt-Weld Pipe Fittings*, the same is not true here. As the Prehearing Staff Report shows, and explained above, U.S. producers' total and merchant market shipments declined over the investigation period.[217] Indeed, it appears that British Steel's assertion that domestic producers' shipments increased again only relies on British Steel's baseless and erroneous mutation of U.S. producers' data to remove ArcelorMittal's and Republic's information.[218] However, as Petitioners have already explained, ArcelorMittal's and Republic's data are properly included in the data for the entire U.S. industry, and there is no reason to exclude them.

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214 *See* Analysis of British Steel's Alternative Market Share Calculations, attached as **Exhibit 28**; British Steel Prehearing Brief at 19.

215 *See* Prehearing Staff Report at C-3 – C-4 (Table C-1).

216 *See* British Steel Prehearing Brief at 19-20 (citing *Certain Carbon Steel Butt-Weld Pipe Fittings from France, India, Israel, Malaysia, The Republic of Korea, Thailand, The United Kingdom, and Venezuela*, Inv. Nos. 701-TA-360-361 and 731-TA-688-695, USITC Pub. 2870 (Apr. 1995) (Final) ("USITC Pub. 2870")).

217 *See* Prehearing Staff Report at C-4 (Table C-1), C-5 (Table C-2).

218 *See* British Steel Prehearing Brief at 19.

Moreover, British Steel ignores the central role of domestic industry indicators in the Commission's material injury analysis in *Carbon Steel Butt-Weld Pipe Fittings*, which are clearly distinguishable from the record in this investigation. In *Carbon Steel Butt-Weld Pipe Fittings*, not only was there a "lack of any decline in domestic market share," there were also "{n}o significant price-suppressing or depressing effects by the subject imports," with "only one specific lost sales allegation . . . made and confirmed."[219] Indeed, "most indicators of the condition of the industry improved over the period reviewed."[220] In its threat analysis in that case, the Commission similarly relied on its finding that "the record indicates no significant price-suppressing or depressing effects," and on "the generally favorable and improving condition of the domestic industry."[221] The Commission also declined to cumulate subject imports for purposes of its threat analysis, finding virtually all individual import volumes negligible.[222] By contrast, the record of this investigation not only strongly supports the cumulation of all subject imports and a finding of large and increasing subject import volumes, it also supports an unequivocal finding of price suppression and depression, with [ ] percent underselling and [ ] tons shifted from domestic producers to subject importers [ ],[223] and it shows that the condition of the domestic industry has declined across virtually all financial indicators.[224] Further, counsel

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219 USITC Pub. 2870 at I-27.

220 *Id.* (emphasis added).

221 *Id.* at I-29.

222 *See id.* at I-29 – I-30.

223 *See* Spanish Producers' Underselling Analysis, attached as **Exhibit 13**; Prehearing Staff Report at V-37 (Table V-13).

224 *See* Prehearing Staff Report at C-4 (Table C-1).

to British Steel conceded at the Hearing that subject imports caused significant adverse price effects.[225]

The statute specifically directs the Commission to determine material injury or threat on the basis of volume, price, and impact.[226] Deviating from the statutory inquiry, as Turkish and British respondents propose, directly contradicts the original intent of Congress, and should be summarily rejected. As explained above, this case reflects a devastating one-two punch by Chinese and then subject importers, with the domestic wire rod industry first facing material injury and threat by dumped and subsidized Chinese imports, and then facing an even more devastating blow by dumped and subsidized imports from the subject countries. Interpreting this scenario as subject importers simply "taking over" for Chinese importers, and imposing no consequences for subject importers' equally and even more injurious actions, is illogical and effectively normalizes actions that are patently harmful and unlawful. Stolen goods are stolen goods, regardless of whether the robber is substituted by another.

In addition, British Steel cites "a negative determination" in *Polyvinyl Alcohol from Germany and Japan* in support of its argument, again on the basis of British Steel's erroneous belief that domestic producers' volume and market share increased over the POI.[227] British Steel claims that in that case, "{t}he increases for both subject imports and domestic producers occurred, despite a decline in apparent domestic consumption, because of large declines in the volume of

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225 *See* Hearing Tr. at 181-182 (Mr. Cunningham).

226 *See* Section 771(7)(B) of the Tariff Act of 1930, *codified as amended at* 19 U.S.C. § 1677(7)(B).

227 *See* British Steel Prehearing Brief at 20 and 20 n.52 (citing *Polyvinyl Alcohol From Germany and Japan*, Inv. Nos. 731-TA-1015-1016, USITC Pub. 3604 (June 2003) (Final) ("USITC Pub. 3604")).

non-subject imports from China and Taiwan."[228] This is incorrect and a complete mischaracterization of that determination.

In *Polyvinyl Alcohol from Germany and Japan*, the only "negative determination" made by the Commission pertained to Germany, and the reason for that determination had nothing to do with subject imports somehow justly replacing non-subject imports from China or Taiwan.[229] In fact, the Commission did not mention China or Taiwan at all in its final analysis on German imports.[230] Instead, the Commission in its final analysis as to Germany relied heavily on the small and declining presence of German imports in the U.S. market.[231] Specifically, the Commission found that "{b}ecause the record indicates that subject imports from Germany have an extremely small and declining presence in the U.S. market, we conclude there is not a likelihood that these imports will increase to a significant level in the imminent future."[232] It was explicitly because the Commission found no likelihood of significant levels of subject imports from Germany that the agency made a negative determination.[233] Moreover, in contrast with German imports in *Polyvinyl Alcohol from Germany and Japan*, subject imports in this investigation were not small and declining, but significant and growing, as the Prehearing Staff Report confirms,[234] and [

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228 *See* British Steel Prehearing Brief at 20 n.52.

229 *Compare* British Steel Prehearing Brief at 20 n.52, *with* USITC Pub. 3604 at 34-36. *See also* USITC Pub. 3604 at 1-2 (establishing affirmative threat determination as to Japan and negative determination as to Germany).

230 *See* USITC Pub. 3604 at 34-36.

231 *See id.*

232 *Id.* at 34.

233 *See id.* at 36.

234 *See* Prehearing Staff Report at C-3 – C-4 (Table C-1).

235 *See id.* at V-37 (Table V-13).

Nor is there any merit to respondents' claim, during the hearing, that "the year that imports from China disappeared from the market," it "le{ft} U.S. purchasers scrambling to find alternative sources of supply."[236] In 2015, when Chinese imports fell to 1,672 short tons from 374,785 short tons in 2014, U.S. producers had the capacity to supply [ ] percent of the [ ] U.S. market.[237] Moreover, as Mr. Armstrong and Mr. Ashby of Keystone testified at the hearing, U.S. producers actively made offers to U.S. customers following the order against China, but were rebuffed on the basis of price. As Mr. Asby testified, "{t}here was no opportunity to get back in, although we tried to do that, because {U.S. purchasers} wanted to buy low-priced imports."[238] Accordingly, it was not the case that the order against Chinese wire rod left U.S. purchasers "scrambling" for alternative source; the industry continuously sought to increase their sales, and had ample idle capacity, but purchasers turned to subject imports specifically on the basis of low pricing.

Further, to the extent that that respondents argue that the injury to the U.S. industry caused by subject imports is somehow attenuated by the harm that was initially caused by Chinese imports, the Commission should reject that argument as baseless and contrary to both the facts on the record and the governing statute. Consistent with the factors Congress intended the Commission to consider, the record in this case shows an absolute and relative increase of subject imports over the investigation period, overwhelming underselling by subject imports, and declining financial and operative conditions in the domestic industry, all of which firmly warrant an affirmative finding of material injury.

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236 *See* Hearing Tr. at 175 (Mr. Frey).

237 *See* Prehearing Staff Report at C-3 – C-4 (Table C-1).

238 *See* Hearing Tr. at 71 (Mr. Ashby).

Contrary to the respondents' claims, subject imports did not "merely" take volume from Chinese producers, nor were Chinese producers ever entitled to any particular volume of sales. Instead, Chinese imports first undersold and captured wire rod sales from domestic producers through unfair market practices, and when these practices were curbed, the importers that are now subject to this investigation took it upon themselves to similarly capture sales through unfair market practices. These synchronized actions have affected U.S. producers' market share and forced the domestic industry into an uninterrupted state of financial and operational injury. Indeed, when Commissioner Broadbent asked Mr. Armstrong whether Keystone, "when the Chinese competition stopped as a result of the order," had "tried to make sales but those purchasers went to the new subject imports," Mr. Armstrong responded that this was exactly what happened.[239] As Mr. Armstrong testified, "we know for a fact that some of the customers which had been the largest customers for Keystone for many, many years, many years, and we were very pleased and proud to supply them, went directly to {subject} imports," and "{i}f they didn't go directly to {subject} imports {after the order on China}, they directly used the import prices . . . to achieve prices that we just simply could not sustain."[240]

[239] *Id.* at 71 (Commissioner Broadbent and Mr. Armstrong).

[240] *Id.* at 68 (Mr. Armstrong).

IV. MULTIPLE SOURCING & VERTICAL INTEGRATION

COMMISSIONER BROADBENT (Hearing Tr. at 64): {C}an the increase in the volume of subject imports be explained by purchasers' desire for multiple sources of supply, since a lot of purchasers are facing integrated producers and to be dependent on your competition for the inputs is –

COMMISSIONER BROADBENT (Hearing Tr. at 69): But I think the argument is they need an alternative to having to buy from these integrated competitors that they have.

COMMISSIONER BROADBENT (Hearing Tr. at 69): But they're all integrated, right?

COMMISSIONER WILLIAMSON (Hearing Tr. at 119): Several of the domestic producers are vertically integrated. Should this factor into the Commission's material injury analysis, and if so how?

COMMISSIONER WILLIAMSON (Hearing Tr. at 120): {I}f there's a mill who experiences issues with supplier availability of wire rod, does the firm fulfill contracts and outside orders before covering its own internal needs for downstream wire rod?

COMMISSIONER WILLIAMSON (Hearing Tr. at 204): This morning, petitioners were asked about purchasers need for multiple sources. They noted that there are seven domestic producers and nonsubject import sources. So the petitioners argue that purchasers buy subject imports because they are cheaper. So how do you respond to that? I know someone has already talked about the need for alternative sources, but aren't there alternative sources in the U.S.?

The surge in subject imports was not a result of preferences by U.S. purchasers for alternative sources of supply given certain U.S. producers' vertical integration. As demonstrated by the questionnaires submitted to the Commission, U.S. purchasers [

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[241] *See* Letter from Kelley Drye & Warren LLP to Sec'y Int'l Trade Comm'n, re: *Carbon and Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom* (Nov. 9, 2017) ("Gerdau, Keystone, and Charter Prehearing Brief") at 33-35; Prehearing Staff Report at V-35 – V-37 (Table V-13).

].”[242] [

].”[243] Likewise, [

].”[244] On the record of this investigation, [

].”[245] Notably, responding U.S. purchasers alone have reported shifting a [ ] short tons of wire rod from domestic to subject import sources, [ ].[246]

U.S. purchasers do not have a desire for alternative sources of supply; wire rod customers in the United States make their purchasing decisions on the basis of the lowest price, and subject imports have been able to offer the cheapest prices through products that are dumped and heavily subsidized. Indeed, in 2011, while U.S. producers held a 70 percent share of the market, by 2016, U.S. producers' market share declined to 58 percent.[247] The decline in domestic market share, which coincided with two surges of unfairly traded imports, does not represent a security of supply issue, rather this is a price issue. As Mr. Stauffer testified:

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242 *See* [ ].

243 *See* [ ].

244 *See* [

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246 *See* Prehearing Staff Report at V-37 (Table V-13).

247 *See* USITC Pub. 4509 at C-4 (Table C-2); Prehearing Staff Report at C-5, (Table C-2).

> we have an **import component that allows us to compete** with all of those {downstream} products … **all of those folks {(*i.e.*, foreign competitors)} have access to … the global price.**[248]

Likewise, counsel for respondents explained,

> **you have a product that is a price-competitive product. Most transactions where you buy, you'll buy from the lower price**.[249]

U.S. producers have ample capacity to supply [ ] demand in the U.S. market. In 2014 and 2015, the U.S. industry could have supplied approximately [ ] of all U.S. wire rod consumption.[250] Moreover, U.S. producers do not discriminate among their customers – as the record shows, domestic wire rod producers sell to all customers at the same prices. At the hearing, Chris Armstrong of Keystone testified that "Keystone's probably the most integrated steel producer here," and yet "we have constantly and always would sell rod directly to the customers, even those that compete with products that we do sell."[251] In fact, Mr. Armstrong added, "we'd prefer to sell to those customers,"[252] and it was only because of sales stolen by China and then subject imports that Keystone was forced to expand into the integrated market.[253] Mr. Armstrong testified that Keystone "by far {supplies} more rod to external customers than we do to our own internal customers," and do so at market prices.[254]

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248 Hearing Tr. at 240 (Mr. Stauffer) (emphasis added).

249 *Id.* at 214 (Mr. Cunningham) (emphasis added).

250 *See* Prehearing Staff Report at C-3 – C-4 (Table C-1). That is, in 2014, [

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251 Hearing Tr. at 69-70 (Mr. Armstrong).

252 *Id.* at 70 (Mr. Armstrong) (emphasis added).

253 *Id.* at 70-71 (Mr. Armstrong).

254 *See id.* at 120 (Mr. Armstrong) ("We supply those rods at market prices, the same market prices so we can – that's the way we can tell how our internal companies are performing against the market.").

To the extent U.S. producers have developed integrated practices, these were "purely . . strategic reaction{s} to that harm and damage caused to us by losing rod volume and margin as a result of the imports."[255] Moreover, these practices have ultimately been overshadowed by unfairly priced subject imports.[256]

In fact, in response to Commissioner Williamson's question on whether "the firm fulfill{s} contracts and outside orders before covering its own internal needs for downstream wire rod," Mr. Armstrong of Keystone responded with an unequivocal "no."[257] Mr. Armstrong stated that "quite the opposite," "I can attest to the fact that we will place on hold, push back our own internal needs of rod to satisfy external rod requirements."[258] Internal customers are essentially only satisfied "when those external customers don't want {the company's} production capacity."[259] Integrated U.S. producers do not turn away external customers, nor do they have any plans or reason to do so.[260] To the contrary, "{t}he external customers get service above our internal customers."[261]

Likewise, Marcelo Canosa of Gerdau testified that the U.S. industry "ha{s} eight producers in North America that can supply wire rod" to customers looking for supply alternatives.[262] Moreover, Mr. Canosa testified that a "very small proportion of what we produce goes to our own wire operations, very small, and they're separate P&Ls. So we treat them as an external customer," meaning that "{t}he price that we transfer to them is market price at the local market."[263] In

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255 *See id.* at 120 (Mr. Armstrong).

256 *See id.* (Mr. Armstrong).

257 *Id.* at 120-121 (Mr. Armstrong).

258 *Id.* at 121 (Mr. Armstrong).

259 *See id.* (Mr. Armstrong).

260 *See*, *e.g.*, *id.* at 122 (Mr. Armstrong).

261 *Id.* (Mr. Armstrong) (emphasis added).

262 *See id.* at 69 (Mr. Canosa).

263 *Id.* at 119 (Mr. Canosa).

addition, Mr. Eric Nystrom of Nucor Corporation testified that Nucor "depend{s} on external customers for the vast majority of our sales."[264] Indeed, Mr. Nystrom stated, "the volumes along internally would be nowhere near enough to sustain a wire rod operation."[265] In fact, Mr. Nystrom stated that:

> The amount of downstream business that we have that's internal is very small, and our external customers are going to drive the success of our business. We transact at market prices. We're very careful to treat everybody fairly including external compared to our internal because if we lose that trust with our customers, of course we won't be their supplier of choice.[266]

As such, U.S. producers like Nucor, Gerdau, and Keystone depend heavily on sales to external customers,[267] directly rebutting any claims that surges in subject imports were caused by preferences for additional sources, rather than preferences for the lowest, unsustainable price. Further, the Prehearing Staff Report confirms that the U.S. industry had ample and increasing idle capacity over the period of investigation, reaching [ ] percent in the most recent interim period.[268] This only further confirms that U.S. wire rod manufacturers did not lose sales to subject imports due to U.S. purchasers' preference for multiple or alternative sourcing.

Finally, Nucor notes that respondents in the recent *Rebar* investigations had raised a similar vertical integration/multiple sourcing argument, and the Commission specifically rejected it.[269] In *Rebar*, Turkish respondents argued that vertical integration in the domestic industry and domestic

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264 *See id.*at 72 (Mr. Nystrom) (emphasis added).

265 *See id.* (Mr. Nystrom).

266 *Id.* at 122 (Mr. Nystrom).

267 *See id.* at 72 (Mr. Nystrom).

268 *See* Prehearing Staff Report at C-4 (Table C-1).

269 *See Steel Concrete Reinforcing Bar from Japan and Turkey*, Inv. Nos. 701-TA-564 and 731-TA-1338 and 1340, USITC Pub. 4705 (July 2017) (Final) ("USITC Pub. 4705") at 26-27.

preference programs insulated the U.S. rebar industry from competition from subject imports.[270] However, the Commission correctly noted that, among other factors, transfers to related companies occurred at market prices, and domestic producers were forced to sell to related entities merely to compete with subject imports.[271] As such, the Commission found that "the record does not support any conclusion that domestic producers' affiliations with upstream ferrous scrap operations and downstream fabrication operations served to insulate these domestic producers from competition by subject imports."[272] There is no reason why the Commission should not similarly reject the respondents' arguments here.

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270 *See id.* at 26.

271 *See id.* at 26-27.

272 *See id.* at 27.

V. RAW MATERIALS AND WIRE ROD PRICING

CHAIRMAN SCHMIDTLEIN (Hearing Tr. at 72): So can you respond to the argument that when you look at unit COGS, that's what accounts for the decline in price, since you see a greater decline whether you look at the merchant market or the total market in unit COGS?

CHAIRMAN SCHMIDTLEIN (Hearing Tr. at 75): So your contracts aren't tied to what the raw material cost in any way?

VICE CHAIRMAN JOHANSON (Hearing Tr. at 198): Going back to the whole scrap issue, Petitioners argue specifically that unit net sales fell to a greater degree than did raw materials from 2014 to 2016, leading to a decline in the industry's operating income. This is argued in Gerdau's brief at page 37. Is this evidence of price depression?

COMMISSIONER WILLIAMSON (Hearing Tr. at 200): We have just been talking about the relationship between scrap and wire rod, and you made it clear that there's a correlation. But I was wondering is - Petitioners have said subject imports have squeezed the domestic industry profit margins. Are they wrong about that?

> COMMISSIONER WILLIAMSON (Hearing Tr. at 201): You're saying it's basically the scrap price? What I'm saying, I guess, does imports have any role in this?
>
> COMMISSIONER WILLIAMSON (Hearing Tr. at 202): {I}f they're saying there's a price squeeze and they're saying that imports are contributing to that, do you disagree with that?

Subject imports depressed and suppressed U.S. wire rod prices. In fact, counsel to respondents incontrovertibly conceded subject imports had negative effects on U.S. producers' wire rod pricing:[273]

> COMMISSIONER BROADBENT: Well, what do you mean, what does that mean to you, in the sense that they're saying they're buying imports 'cuz they're lower priced?
>
> MR. CUNNINGHAM: **I don't deny it. I would not question the fact that in the transactions and the volumes quoted here** –
>
> . . . .

[273] *See generally* Hearing Tr. at 211 (Commissioner Broadbent and Mr. Cunningham).

> COMMISSIONER BROADBENT: - so you're conceding {price effects} and just, we need to go on to look at the impact.
>
> MR. CUNNINGHAM: **Yeah.**[274]

This record contains clear and incontestable evidence of price depression and suppression.

As counsel for Nucor stated at the hearing, when subject imports accelerated into the U.S. market, they caused U.S. wire rod prices to collapse, and "{a}lready depressed prices fell more than raw material costs."[275] Critically, as demonstrated in *Steel Concrete Reinforcing Bar from Japan and Turkey*, the Commission specifically looks at raw material costs, rather than other types of costs, in analyzing costs and prices.[276] As the Prehearing Staff Report confirms, wire rod prices during the POI fell further and faster than raw material costs,[277] such that the spread between unit commercial sales values and unit raw material costs was lower at the end of the investigation period than at the beginning.[278] Over the POI, unit commercial sales value fell by $187 per short ton, while unit raw material costs fell by $163 per short ton.[279] As such, unit net sales values fell at a rate of $24 per ton greater than the decline in unit raw material costs.[280] And as wire rod prices fell further than raw materials, domestic industry shipments and profits also declined.[281] Consequently, the price depressing and suppressing effects of subject imports harmed both U.S. producers' sales volumes and the industry's profitability.

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274 *See id*. at 211 (emphasis added).

275 *See id*. at 22 (Mr. Price).

276 *See* USITC Pub. 4705 at 23.

277 *See* Prehearing Staff Report at VI-10 (Table VI-4).

278 *See id*. at VI-9 (Table VI-3). That is, while the spread between unit sales value and unit raw material costs was $285 in the beginning of the investigation period ($716 - $431), it was $263 at the end of the investigation period ($530 - $267). *See id.*

279 *See id*. at VI-10 (Table VI-4)

280 *See id*.

281 *Compare id*. at VI-9 (Table VI-3), *with id.* at C-4 (Table C-1).

As Gerdau, Keystone, and Charter Steel explained in their prehearing brief, if it were really the case that raw material costs, rather than subject imports, caused the domestic industry's prices to fall during the POI, domestic producers would have increased their profits.[282] However, the exact opposite occurred. The U.S. industry's financial performance during the POI "remained at inadequate, harmful levels throughout."[283] And the reason is evident from the responses provided by U.S. purchasers in their questionnaires, where [

],[284] and [ ].[285] As counsel for Gerdau, Keystone, and Charter Steel stated at the hearing, "{i}t's not just raw material prices or costs that were going down. Prices were going down because customers said you better drop them if you want to get the sale. That's the truth. That's what they admitted to."[286]

In their questionnaires, numerous purchasers reported [

]. For example, [

].[287] Similarly, [

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282 *See* Gerdau, Keystone, and Charter Prehearing Brief at 4.

283 *Id.* at 4. *See also* Hearing Tr. at 37 (Mr. Rosenthal).

284 *See* Prehearing Staff Report at V-35 – V-37 (Table V-13); *id.* at V-37 (Table V-13) ([

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285 *See id*. at V-39 – V-40 (Table V-15).

286 *See* Hearing Tr. at 32 (Mr. Rosenthal).

287 *See* [ ].

288 *See* [ ].

].[289] In addition, [

].[290] Moreover, Mr. Cunningham, counsel to respondents, conceded to subject imports underselling the domestic like product and forcing domestic producers to reduce prices: "{W}e're not here to argue that there's no underselling. We're not here to argue that there are some cases in which the domestic customer buys from import sources at a lower price."[291]

Moreover, it would be incorrect to assume that a decline in raw material prices would necessarily force wire rod prices down. Indeed, with lower raw material costs, a domestic producer may choose to keep its prices steady to expand its metal margin and potentially collect greater profits. The choice, however, would depend on supply and demand factors, including the impact of subject imports. In fact, strong demand conditions could result in a producer raising prices despite lower raw material costs. And even steady or declining demand could prompt a raise in prices if supply conditions sufficiently decline. However, the surge of dumped and subsidized subject imports made any such choice impossible for U.S. producers. As Mr. Nystrom of Nucor testified at the hearing:

> {I}f scrap falls it's not our desire to just drop price with scrap. We try every day to grow {the} margin, but that's driven by this over abundance of supply of very cheap imports and we're forced to match it because the one thing you can't do as a steel mill is lose volume {in a} capital-intensive business.[292]

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289 *See* [ ].

290 *See* [ ].

291 *See* Hearing Tr. at 209 (Mr. Cunningham) (emphasis added).

292 *See id*. at 80 (Mr. Nystrom).

Similarly, U.S. producer [

].”[293] Accordingly, the decline in wire rod prices is not due to falling raw material prices. Instead, unfairly priced imports cause such declines, and it has been these imports from the subject countries that have caused the domestic industry’s dismal and declining financial performance.

In the Commission’s recent determination in *Steel Concrete Reinforcing Bar from Japan and Turkey*, the Commission rejected similar arguments regarding raw material prices from respondents in the agency’s investigation of rebar, a long product like wire rod. In that investigation, the Commission flatly rejected respondents’ arguments, finding that “{a}lthough declining raw material costs no doubt contributed to the decline in the prices for the domestic like product, they do not explain the full magnitude of the decline in prices.”[294] Instead, “subject imports depressed the prices of the domestic like product to a significant degree.”[295] The Commission based its determination, in part, on Petitioners’ argument that “U.S. producers’ average unit sales values . . . fell by more than the decline in raw material costs . . . , as U.S. producers tried to recapture market share lost to low-priced subject imports.”[296] The Commission also noted – [ ] – that “numerous purchasers reported in their responses to the questionnaire that the domestic industry cut prices to compete with lower-priced subject

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293 [ ].

294 *See* USITC Pub. 4705 at 23 (emphasis added).

295 *See id.* (emphasis added).

296 *See id.*

imports."[297] As it found in that investigation, the Commission should similarly determine on the basis of the record in this investigation that raw material costs do not explain the full magnitude of price declines in U.S. wire rod.

In their prehearing briefs and at the Commission's hearing, respondents – rather than dealing with the fact that wire rod prices actually fell further and faster than raw material costs – argued that raw material costs somehow drove wire rod prices because "U.S. producers' average cost of goods sold (COGS) declined by a greater percentage than the average unit value of their commercial sales."[298] This argument is confusing, misleading, illogical, and meritless. Indeed, because wire rod prices should always be higher than scrap prices, a 1 percent change in one is not equivalent to a 1 percent change in the other. A comparison of declining percentages is irrelevant to the actual fact that as subject imports were surging into the U.S. market, and U.S. producers were financially hurting, the prices of U.S. wire rod producers were pressured to go down faster and further than raw material costs.

Respondents have attempted to manipulate the data reported in the Commission's Prehearing Staff Report to achieve their desired results. As it did in *Steel Concrete Reinforcing Bar from Japan and Turkey*, the Commission in this investigation should rely on record evidence that U.S. producers' average unit sales values fell by more than the decline in raw material costs,[299] and that numerous purchasers [

].[300] Increasing quantities of subject imports at dumped and subsidized prices, not raw material costs, placed significant downward pressure on the price for U.S.-produced wire rod.

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297 *See id.*

298 *See* British Steel Prehearing Brief at 1 (emphasis added).

299 *See* Prehearing Staff Report at VI-10 (Table VI-4).

300 *See id.* at V-39 – V-40 (Table V-15).

In addition, respondents argue that "the decline in the price of scrap steel, the major cost element in wire rod production has a particularly important effect on wire rod prices."[301] However, as Mr. Ashby of Keystone testified, scrap costs are "not the only costs that we have in our business. We have lots of other costs that are involved in manufacturing our products," but "when we try to describe other costs, it really doesn't matter. It always gets down to the price."[302] Indeed, as noted in Nucor's prehearing brief and by counsel for Nucor during the hearing, the recent increase in wire rod prices was not due to increases in scrap prices, but rather as an effect of the filing of the petition.[303] Moreover, U.S. purchaser Insteel itself has effectively admitted that input prices (*i.e.*, scrap costs for U.S. wire rod producers, or wire rod costs for purchasers like Insteel) do not determine the price of the final, finished good (*i.e.*, wire rod, or the purchasers' product, respectively):[304]

> It is not possible to generalize as to how changes in steel prices impact {Insteel's} financial results. Ultimately the relative strength of demand for our products and competitive dynamics determine whether margins expand or contract during a period of rising or falling wire rod prices.[305]

A substitution of "our products" with "wire rod," and "wire rod prices" with "scrap prices," confirms that U.S. purchasers would agree that scrap prices do not drive wire rod prices.

Similarly, in their own trade cases against unfairly traded downstream products, AWPA members have made the argument that prices for finished wire products are not explained by movements in scrap. For instance, in *Prestressed Concrete Steel Wire Strand from China*, U.S.

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301 *See* British Steel Prehearing Brief at 15; *see also id.* at 15-18.

302 *See* Hearing Tr. at 115 (Mr. Ashby) (emphasis added).

303 *See id*. at 116 (Mr. Pickard); Nucor Prehearing Brief at 3-4.

304 *See id*. at 116 (Mr. Price).

305 Insteel Industries Inc., *Investor FAQs* (website excerpts) (emphasis added), attached as **Exhibit 29**; *see* Hearing Tr. at 116-117 (Mr. Price) (emphasis added).

purchaser Sumiden conceded that "with {unfair} competition from China and the pricing pressure of the {subject} import, you know, {selling prices for strand} were no longer connected to the wire rod {*i.e.*, input} costs as having to react to the price pressures of the Chinese strand."[306] In the same proceeding, when asked by former Vice Chairman Pearson whether prices of wire strand "normally rise and fall with the cost or the price of wire rod,"[307] another producer responded "{n}ot necessarily," because "{t}here is no mechanism that automatically adjusts down the price of the strand on the basis of the cost of the raw material."[308] And the witness for Insteel in that same proceeding testified that "{i}t is not axiomatic that {prices and raw material costs} move in tandem."[309]

As Mr. Price, counsel for Nucor, summarized, "{a U.S. producer's} ability to expand or contract {their} margin depends on the price pressure and discipline being provided by the subject imports. And it's the subject imports in this case that had enormous negative impacts on the domestic industry's prices."[310] In fact, "as {trade} cases get filed and you start to get some effects of the cases, you start to see the industry start to be able to increase its spread over raw materials."[311] [

].[312] [

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306 Hearing Transcript, *Prestressed Concrete Steel Wire Strand from China*, Inv. Nos. 701-TA-464 and 731-TA-1160 (May 6, 2010) at 72 (Mr. Cornelius), excerpts attached as **Exhibit 30**.

307 *Id.* at 129 (Vice Chairman Pearson).

308 *Id.* at 129 (Mr. Selhorst).

309 *Id.* at 129-30 (Mr. Woltz).

310 Hearing Tr. at 117 (Mr. Price).

311 *Id.* at 117 (Mr. Price).

312 *See* [ ].

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In sum, contrary to the respondents' arguments, it is surging subject imports of wire rod that caused prices to fall and the domestic industry's financial and operational performance to decline.

VI. DOMESTIC MILL CLOSURES AND FINANCIAL IMPACT OF DOMESTIC MILL CLOSURES (SURVIVOR BIAS)

VICE CHAIRMAN JOHANSON (Hearing Tr. at 81): Respondents take the position that factors other than subject imports explain the closure of the plant in Georgetown, South Carolina. For example, at page 19 of their brief, Turkish Respondents contend that this facility was built in 1969 and was an aged, outdated facility with high energy and operating costs. How do you respond to these allegations and other factors that Respondents have identified, including reports of silt buildup that prevented certain raw materials from being imported into the port near the facility and Nucor's construction of a state-of-the-art rod mill nearby. And for further reference, you might want to look at page 10 of the British Steel brief and pages 23 to 25 of the American Wire Producers Association brief.

COMMISSIONER BROADBENT (Hearing Tr. at 100-101): I happened to see some article that that plan in Georgetown was up river of a big silt barrier that the Corps of Engineers decided not to dredge, so they couldn't get any of their import product.

VICE CHAIRMAN JOHANSON (Hearing Tr. at 111): I concluded my last round of questions discussing the plant in Georgetown, South Carolina. I'd now like to talk a little bit about the plant in Lorain, Ohio. Respondents dispute that subject imports explain the closure of the Republic's steel facility in Lorain, Ohio, pointing instead to among other matters the idling of U.S. steel and major bar producer and the decline in oil gas markets. And this can be seen in the American Wire Producers Association brief at page 25. How do you all respond to these claims regarding the plant in Lorain, Ohio?

COMMISSIONER WILLIAMSON (Hearing Tr. at 90): I was just wondering, how useful is the data in Table 6-3 for our analysis, given the fact that ArcelorMittal's data is not in the data set after 2015 and Republic is not in there at all.

In the preliminary phase of this investigation, the Commission properly found that there is a reasonable indication that the domestic industry is injured by reason of imports of wire rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom.[313] The data available to the Commission in the final phase of this investigation continues to demonstrate that unfairly traded imports of wire rod from subject countries have injured the domestic industry. In particular, two U.S. manufacturers were forced out of the market during the period of investigation ("POI"), illustrating the catastrophic impact the surge of subject

[313] *See* Preliminary Determination.

imports has had on the domestic industry. Respondents' arguments that the closure of these two domestic mills are for reasons unrelated to the surge of unfairly traded imports of wire rod and that data for these mills should be excluded from the Commission's analysis for the final determination[314] are inaccurate as a factual matter and improper under the statute and the Commission's precedent.

A. ARCELORMITTAL AND REPUBLIC STEEL WERE FORCED OUT OF THE DOMESTIC WIRE ROD INDUSTRY BY SUBJECT IMPORTS

Respondents claim that the closure of ArcelorMittal's Georgetown, South Carolina ("Georgetown") and Republic Steel's Lorain, Ohio ("Lorain") wire rod mills were caused by factors unrelated to subject imports. The evidence, including contemporaneous statements and news articles as well as statements by company officials, directly contradict respondents' claims.

In August 2015, ArcelorMittal shuttered its U.S. wire rod production operations indefinitely.[315] By this time, subject imports had already replaced the unfairly traded Chinese imports, which started to decline in mid-2014. In addition, at the time of the closure, ArcelorMittal itself made statements expressly stating that the mill was closing due to pressure from unfairly traded imports of wire rod. Specifically, ArcelorMittal issued a press release announcing the mill's closure explaining that the mill was closing due to "challenging market conditions," including "the rise of imports," noting that the mill "has been severely impacted by waves of unfairly traded steel imports from China and other countries."[316] The press release quoted P.S. Venkat, CEO of ArcelorMittal Long Carbon North America who explained that despite the Georgetown mill being

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[314] British Steel Prehearing Brief at 3-12; AWPA Prehearing Brief at 22-28; Turkish Exporters and Producers Prehearing Brief at 19-20; Hearing Tr. at 24-25, 178-180 (Mr. Cunningham), 139 (Mr. Trendl).

[315] *See* Preliminary Determination at 28.

[316] *See* Press Release, ArcelorMittal, ArcelorMittal announces closure of Georgetown wire rod facility (May 14, 2015), attached as **Exhibit 31**.

a "very productive plant," that "{i}mports have really been damaging to the Georgetown facility…"[317] These statements were echoed in the testimony of James Sanderson, president of United Steel Workers Local 7898, who represented steelworkers at Georgetown in a hearing before the Office of the United States Trade Representative regarding the situation of the global steel industry,[318] confirming that "{t}he plant produced wire rod in the United States and closed its doors in 2015 because it could no longer compete with unfair foreign steel wire imports."[319] Mr. Sanderson further explained that "{u}nfair trade has had an enormously corrosive effect on the nation's manufacturers and workers" and that it "has certainly hurt the steelworkers in Georgetown in the form of bankruptcies, plant closures and layoffs."[320]

Contemporaneous news articles also confirm the critical role that unfairly traded imports played in the closing of the Georgetown mill.[321] For instance, one article clarified that the decision to close the mill was purely economic, quoting ArcelorMittal spokeswoman Mary Beth Holdford stating that the closure was caused in part by "surging imports."[322] Respondents themselves reference many of these same articles that demonstrate that unfairly traded imports were a cause

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317 *See id*.

318 *See Request for Comments and Notice of Public Hearing Concerning Policy Recommendations on the Global Steel Industry Situation and Impact on U.S. Steel Industry and Market*, 81 Fed. Reg. 11,638 (Off. of the U.S. Trade Representative Mar. 4, 2016).

319 *See* Testimony of James Sanderson, President, United Steelworkers Local 7898, USTR Hearing on the "Global Steel Industry Situation" (Apr. 12, 2016), attached as **Exhibit 32**.

320 *See id*.

321 *See, e.g.*, Jason M. Rodriguez, *ArcelorMittal announces closure of Georgetown wire rod facility; 226 jobs to be impacted*, Myrtle Beach Online (May 14, 2015), attached as **Exhibit 33**; *Employees expected scale back, not closure of Georgetown steel mill*, ABC News (May 14, 2015), attached as **Exhibit 34**; David Wren, *Mill no more Steel plant's demise inevitable in face of cheap imports*, Post and Courier (Aug. 13, 2015), attached as **Exhibit 35**; *Steel mill in Georgetown shutters doors, costing 226 jobs*, Post and Courier (Aug. 13, 2015), attached as **Exhibit 36**; *Florida entrepreneur interested in Georgetown steel mill*, Associated Press (May 26, 2015), attached as **Exhibit 37**.

322 David Wren, *Mill no more Steel plant's demise inevitable in face of cheap imports*, Post and Courier (Aug. 13, 2015), attached as **Exhibit 35**.

of Georgetown's closure, yet vehemently argued at the Hearing that subject imports had nothing to do with the mill shutting down production.[323]

In particular, respondents' characterization of the Georgetown mill as outdated and incapable of being used as a production facility[324] are belied by the fact that Liberty House Group, a U.K. metals manufacturer, plans to move forward with an acquisition of the Georgetown mill.[325] Indeed, in its prehearing brief, AWPA conceded that the Georgetown mill may return to production, noting that "Liberty House is aware of the mill's history and is ready to dive into the troubled property anyway."[326] Regardless of whether the acquisition is ultimately completed, that Liberty House Group has agreed in principle to purchase the mill undermines respondents' arguments that the Georgetown mill closed because it is outdated.

Respondents' heavy focus on the issue of silting in the Georgetown Harbor[327] is also misplaced. Scrap iron and other materials can be delivered to the Georgetown mill by barge from shipments made to deep-water ports in Charleston, South Carolina or Wilmington, North Carolina.[328] Indeed, the Georgetown mill had ceased production of DRI well before the POI and well before it was forced to shut down because of unfairly traded imports.[329] Further, if market

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323 Turkish Exporters and Producers Prehearing Brief at Exhibit 5.

324 British Steel Prehearing Brief at 10; Turkish Exporters and Producers Prehearing Brief at 19; AWPA Prehearing Brief at 23-25.

325 David Wren, *Liberty House says it's closing in on Georgetown steel mill purchase*, Post and Courier (Aug. 8, 2017), attached as **Exhibit 38**; *Liberty House to buy ArcelorMittal's U.S. Georgetown steel plant*, Reuters (Apr. 21, 2017), attached as **Exhibit 39**; Press Release, ArcelorMittal, Liberty agrees in principle with ArcelorMittal to buy Georgetown steelworks (Apr. 21, 2017), attached as **Exhibit 40**.

326 AWPA Prehearing Brief at 27.

327 Hearing Tr. at 24, 181, 186-187 (Mr. Cunningham); Turkish Exporters and Producers Prehearing Brief at 19; AWPA Prehearing Brief at 23; British Steel Prehearing Brief at 10.

328 David Wren, *Liberty House says it's closing in on Georgetown steel mill purchase*, Post and Courier (Aug. 8, 2017), attached as **Exhibit 38**.

329 Hearing Tr. at 85 (Mr. Price).

conditions were favorable, ArcelorMittal could have very well invested in dredging the harbor itself, especially with the costs spread out over time.[330] It was the deteriorating market conditions caused by subject imports that prevented the domestic industry, including ArcelorMittal, from earning adequate returns on investment necessary to stay competitive.

The Commission itself has repeatedly confirmed that unfairly traded imports of wire rod injure the domestic industry. Most recently, in January 2015, the Commission issued an affirmative final determination that the domestic industry, which included ArcelorMittal's Georgetown mill, was being injured from unfairly traded imports of wire rod.[331] Indeed, as Chairman Schmidtlein indicated at the Hearing, to claim that subject imports had no impact on the Georgetown mill is in effect suggesting that the Commission should disregard its decision in January 2015, where it plainly found that imports of unfairly traded wire rod from China injured the domestic industry, including ArcelorMittal.[332]

Republic was also forced to cease production at its Lorain mill in March 2016.[333] Statements directly from Republic Steel establish that unfairly traded imports played a part in the idling of the wire rod mill. [

]334 [

330 *See id*. at 101-102 (Mr. Rosenthal);

331 *See id*. at 185-186 (Chairman Schmidtlein); USITC Pub. 4509.

332 Hearing Tr. 185-186 (Chairman Schmidtlein); USITC Pub. 4509.

333 *See* Preliminary Determination.

334 *See* [

], attached as **Exhibit 5**.

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As such, respondents' characterizations of the closure of Republic Steel's Lorain wire rod mill as a mere side effect of Republic Steel's shutdown of its bar operations[336] is inaccurate.

Finally, workers at both Georgetown and Lorain received Trade Adjustment Assistance ("TAA") after production operations were shut down,[337] which demonstrates that subject imports were a cause of the closures. As the Commission is aware, that workers qualified for the TAA program establishes that the U.S. Department of Labor found pursuant to statutory criteria that foreign trade was an important cause of job loss (or threatened job loss or wage reduction).

B. THERE IS NO FACUTAL OR LEGAL BASIS TO REMOVE DATA FOR DOMESTIC MANUFACTURERS PUSHED OUT OF THE MARKET BY SUBJECT IMPORTS FOR THE COMMISSION'S INJURY DETERMINATION

As ArcelorMittal's Georgetown and Republic Steel's Lorain wire rod mills were forced to close in part because of injury from unfairly traded imports, respondents' arguments that data for these two mills should be removed from the data that will form the basis of the Commission's final determination are improper. The legal standard guiding the Commission in the final phase of antidumping and countervailing duty investigations requires that in determining whether a domestic industry is materially injured or threatened with material injury by reason of the imports under investigation, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product in the context of U.S. production operations.[338] In assessing whether the domestic industry

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335 *See id.*

336 British Steel Prehearing Brief at 11-12; AWPA Prehearing Brief at 25-26.; Hearing Tr. at 139-140 (Mr. Trendl), at 187 (Mr. Cunningham), at 153-154 (Mr. Stauffer).

337 Hearing Tr. at 59 (Ms. Hart), 87 (Ms. Hart), 82 (Mr. Rosenthal), 101 (Ms. Cannon), and 245 (Mr. Pickard).

338 *See, e.g.*, USITC Pub. 4705 at 13.

is materially injured by reason of subject imports, the Commission considers all relevant economic factors that bear on the state of the industry in the United States and no single factor is dispositive.[339] The "by reason of" standard requires that subject imports are more than a minimal or tangential cause of injury; however, this aspect of the injury analysis is left to the Commission's reasonable exercise of its discretion.[340] While the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.[341] Further, the "by reason of" standard does not require that unfairly traded imports be the "principal" cause of injury.[342]

The law is clear that the Commission must evaluate the domestic industry as a whole when assessing whether subject imports have caused material injury.[343] Indeed, as the Commission explained in the second review of the antidumping duty order on low enriched uranium from France, "the Commission generally does not exclude a firm that produced the domestic like product during the period of investigation or review from its definition of the domestic industry

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339 *See, e.g.*, *id*. 13-14.

340 *See, e.g.*, *id*. at 14.

341 *See, e.g.*, *id*.

342 *See, e.g.*, *id*. at 15.

343 *See, e.g.*, *Certain Steel Nails from China*, Inv. No. 731-TA-1114, USITC Pub. 4022 (July 2008) (Final) at 22 ("As directed by statute, the Commission focuses on the domestic industry 'as a whole,' not on individual firms in the industry, and, in doing so, takes the domestic industry, including any differences in competitive position between different producers, as it finds it."); *Certain Lined Paper School Supplies from China, India, and Indonesia*, Inv. Nos. 701-TA-442-443 and 731-TA-1095-1097, USITC Pub. 3884 (Sept. 2006) (Final) at 36 n.268 ("The Court of International Trade 'has repeatedly affirmed … that "Congress intended the {Commission} determine whether or not the domestic industry (as a whole) has experienced material injury due to the imports. This language defies the suggestion that the {Commission} must make a disaggregated analysis of material injury."'"); *Small Diameter Graphite Electrodes from China*, Inv. No. 731-TA-1143, USITC Pub. 4062 (Feb. 2009) (Final) ("However, the statute requires the Commission to focus on the domestic industry 'as a whole' and data for the industry as a whole, described above, demonstrate the material injury by reason of subject imports.").

because the firm ceased domestic production during the period."[344] The Commission will generally incorporate the data reported by such firms into domestic industry data and then consider the "relevance of the firms' exit from the domestic industry to its injury or likely injury analysis."[345] This is because, as the U.S. Court of International Trade has previously held, "the Commission must base its analysis of the likely impact of the subject imports on the domestic industry 'as a whole' and should include in that analysis producers that exited the industry during the period of review."[346]

As Chairman Schmidtlein emphasized at the Hearing, the statute requires the Commission to find that subject imports were a cause of injury, not that subject imports were the only cause of injury.[347] Further, as Chairman Schmidtlein recognized, respondents are suggesting that the Commission impose a more stringent standard for the analysis of impact as part of the injury determination than what is required by for the injury determination itself:

> {I}f overall the material injury requirement is not a but for test, you know, you have to show that it's a cause. It doesn't have to be the only cause, it doesn't have to be the primary cause. So why would we – why would we apply a more stringent standard of this question, of whether or not to include a member of the domestic industry in the analysis of impact?[348]

The statute directs the Commission, in assessing the impact of subject imports, to evaluate all relevant economic factors which have a bearing on the state of the industry.[349] Again, no single

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344 *Low Enriched Uranium From France*, Inv. No. 731-TA-909, USITC Pub. 4436 (Dec. 2013) (Final) at 10.

345 *Id*. at 10-11.

346 *Id*. at 11 (citing *NSK Corp. v. United States*, 712 F. Supp. 2d 1356, 1364 n.13 (Ct. Int'l Trade 2010), *rev'd on other grounds*, 716 F.3d 1352 (Fed. Cir. 2013); *Nevinnomysskiy Azot v. United States*, 565 F. Supp. 2d 1357, 1373-74 (Ct. Int'l Trade 2008).

347 Hearing Tr. at 180-181 (Chairman Schmidtlein).

348 *Id*. at 181 (Chairman Schmidtlein).

349 *See, e.g.*, USITC Pub. 4705 at 24.

factor is dispositive.[350] As explained above, contemporaneous evidence and statements by the very companies that were forced to shutter production demonstrate that unfairly traded imports of wire rod indeed played a significant role in the closure of Georgetown and Lorain during the POI. Accordingly, the Commission should not disregard data from these mills in making its final determination.

British Steel's reliance on certain cases in arguing that the Commission should selectively ignore ArcelorMittal and Republic Steel's data[351] is misplaced. Critically, in the cases British Steel relies on, the Commission found that the shutdown of operations was not attributable to subject imports. In *Titanium Sponge from Japan and Kazakhstan*, one of the two domestic producers ceased domestic production during the POI.[352] The producer that ceased production during the POI testified itself to the Commission during the investigation that the closure had nothing to do with the subject imports.[353] Similarly, in *Liquid Sulfur Dioxide from Canada*, the producer that exited the market also asserted that it left the market for reasons unrelated to subject imports.[354] The Commission also found in *Steel Wire Rope from China and India* that the exit of two producers from the industry during the period of investigation was not attributable to subject imports.[355] In contrast, in the instant investigation, the very companies that had to idle production

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350 *See, e.g.*, *id.*

351 British Steel Prehearing Brief at 7-8; Hearing Tr. at 179-180 (Mr. Cunningham).

352 *Titanium Sponge from Japan and Kazakhstan*, Inv. Nos. 701-TA-587 and 731-TA-1385-1386, USITC Pub. 4736 (Oct. 2017) (Preliminary) ("USITC Pub. 4736") at 23. Nucor also notes that Titanium Metals Corporation has appealed the Commission's negative preliminary determination and filed a summons on November 15, 2017 (CIT Ct. No. 17-00270).

353 Hearing Tr. at 248 (Mr. Rosenthal); Conference Transcript, *Titanium Sponge from Japan and Kazakhstan*, Inv. Nos. 701-TA-587 and 731-TA-1385-1386 (Preliminary) (Sept. 14, 2017) at 14 (Ms. Cannon), excerpts attached as **Exhibit 41**.

354 *Liquid Sulfur Dioxide From Canada*, Inv. No. 731-TA-1098, USITC Pub. 3826 (Dec. 2005) (Preliminary) ("USITC Pub. 3826") at 21.

355 *Steel Wire Rope From China and India*, Inv. Nos. 731-TA-868-869, USITC Pub. 3406 (Mar. 2001) (Final) ("USITC Pub. 3406") at 19 n. 151.

during the POI have explicitly stated that unfairly traded imports contributed to the ceasing of production. Further, as explained above, while the Commission may take into consideration the exit of domestic producers during the POI as one of many factors in its overall injury analysis,[356] it does not engage in the type of artificial data manipulation that respondents are advocating that the Commission should do in this investigation.[357]

C. RESPONDENTS' ALTERNATIVE MARKET SHARE CALCULATIONS ARE FLAWED

That respondents would like the Commission to ignore data for the closed mills only for purposes of analyzing market share and volume, and not otherwise,[358] (and in doing so essentially conceding that the Commission could find that there were adverse price effects on the Georgetown mill)[359] illustrates that respondents are merely attempting to jerry rig the Commission's data to yield a favorable result for respondents. A deeper analysis of the market share calculations that British Steel has offered to the Commission is telling. At the Hearing, British Steel offered alternative calculations of market share for the U.S. industry based on an alleged removal of data for ArcelorMittal and Republic Steel's idled facilities.[360] These calculations proffered that the alleged new market share for the U.S. industry [ ]. It appears

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356 *See* USITC Pub. 4736 at 29, 38; USITC Pub. 3826 at 19-23.

357 In *Titanium Sponge*, the Commission provided an alternate summary data table pertaining to a related party exclusion. USITC Pub. 4736 at 9-11, C-4 (Table C-2). Similarly, in *Liquid Sulfur Dioxide,* the Commission provided alternate data tables excluding data for another domestic producer, who remained in operations during the relevant period, related to a different issue. USITC Pub. 3826 at Tables C-4 through C-6, Appendix D. While in *Steel Wire Rope*, the Commission did offer an alternate table presenting consolidated industry income excluding the results of operations of the companies that exited the industry during the period of investigation, the Commission provided that it did so because "there may be differences in the ways the companies calculated the data, there may be a possibility that extraordinary items were included in the financial results, and the data may not be verifiable." USITC Pub. 3406 at VI-3.

358 Hearing Tr. at 182 (Mr. Cunningham).

359 *Id*.

360 *See id*. at 138-139 (Mr. Cunningham); British Steel Hearing Handouts, attached as **Exhibit 42**.

that British Steel's calculations are mathematically flawed. [

].[361] This is simply an invalid and misleading calculation.[362]

To take respondents' suggestions literally, the Commission would have to remove [ ] tons worth of ArcelorMittal's domestic shipments [

].[363] These [ ] tons of wire rod were sold during the POI: these figures cannot simply be erased and removed from the domestic industry that the Commission is analyzing. Further, removing these shipments from the Commission's data [

]. For instance, removing ArcelorMittal's shipments from the data [

] would lead to [ ]. While, as the Commission is aware, [ ], removing these shipments would show [

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361 *See* Analysis of British Steel's Alternative Market Share Calculations, attached as **Exhibit 28**.

362 Nucor also notes that while at the Hearing, British Steel offered alternative market share calculations based on the removal of ArcelorMittal and Republic Steel data from the data from the preliminary staff report, in British Steel's prehearing brief, British Steel offered yet again a different set of numbers for market share based on the removal of ArcelorMittal and Republic Steel's data from the data in the Commission's prehearing staff report. *See* British Steel Prehearing Brief at 5-6. The numbers offered in British Steel's prehearing report [ ] for U.S. shipments and [ ] for subject imports. *See id*. at 5-6. In deriving these numbers, it appears that British Steel [

]. All of this only underscores British Steel's attempts to manipulate the Commission's data in an artificial manner that does not truly reflect the financial state of the industry.

363 *See* [ ].

364 *See id*. at [ ].

Nucor also notes that a close analysis of the Commission's data in the final phase of this investigation to account for the Georgetown mill's closure during the POI would actually further support a finding of injury by reason of subject imports because of "survivor bias." The [

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]366 The chart below illustrates the degree to which the shuttering of ArcelorMittal's Georgetown mill caused by the surge in subject imports impacted the domestic industry's financial performance.

365 As further discussed below, part of this modest improvement is also attributable to post-petition effects.

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[

]367 Without ArcelorMittal's daunting financial performance in the data set, [

].368 While it would be improper to remove ArcelorMittal's financial performance from the domestic industry data set, the evidence demonstrates a materially injured industry with or without them.

D. CONCLUSION

Unfairly traded imports of wire rod were a significant cause of the idling of ArcelorMittal's Georgetown and Republic Steel's Lorain wire rod mills during the POI. The companies themselves have confirmed this. Accordingly, the Commission should dismiss respondents'

367 *See* [ ].

368 *Id.* [ ].

requests to manipulate the Commission's data to ignore data for these mills in assessing certain aspects of the Commission's injury determination. The law and the Commission's precedent is clear that the Commission takes the domestic industry as a whole in making its injury determination. If respondents' suggestions are taken seriously, arguably, this could lead to a result where domestic producers are pushed out of the market due to injury from subject imports and one by one, corresponding data for these producers would be removed from the Commission's data set until there is no domestic industry left.

VII. POST-PETITION EFFECTS

VICE CHAIRMAN JOHANSON (Hearing Tr. at 114): Do scrap prices rather than any post-petition effects explain price increases later in the period of investigation?

COMMISSIONER BROADBENT (Hearing Tr. at 233): It appears that cumulated subject import volume declined after the filing of the Petitions. Was this decline{} in subject import volume attributable to the pendency of the investigations?

COMMISSIONER WILLIAMSON (Hearing Tr. at 237): It appears that cumulative subject import volume declined after the filing of the Petition. Was this decline of subject import volume attributed to the pendency of the investigation and if it has already been asked just tell me.

The statute expressly provides the Commission with the authority to discount the weight accorded to data for the period after the filing of a petition in making its determination of material injury and threat of material injury.[369] Section 771(7)(I) of the Tariff Act of 1930, *codified as amended at* 19 U.S.C. § 1677(7)(I), provides that the Commission

> {S}hall consider whether any change in the volume, price effects, or impact of imports of the subject merchandise since the filing of the petition . . . is related to the pendency of the investigation and, if so, the Commission may reduce the weight accorded to the data for the period after the filing of the petition in making its determination of material injury . . . .[370]

The Statement of Administrative Action ("SAA") is clear that the Commission has the discretion to presume that a significant change in data concerning imports or their effects was related to the

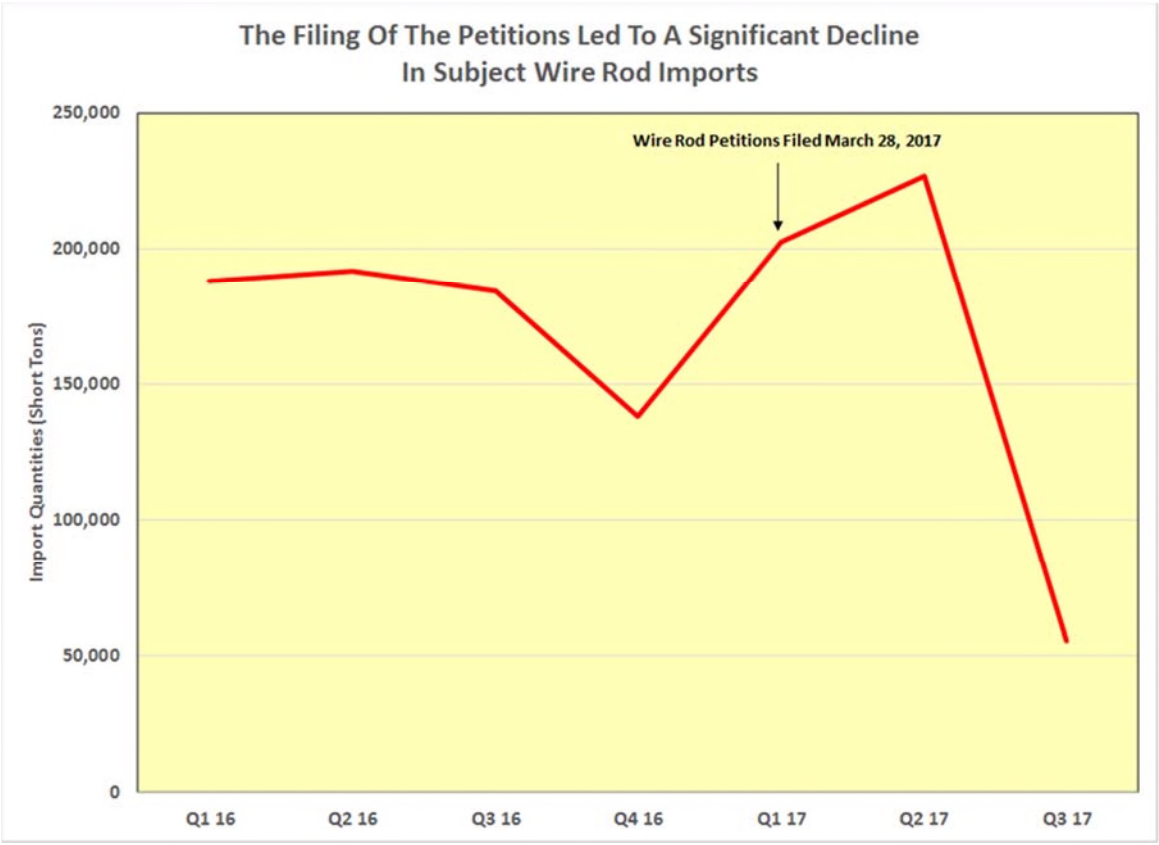
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369 *See* 19 U.S.C. § 1677(7)(I).

370 According to the Statement of Administrative Action, the grant of this discretion is in recognition that the filing of the petition "can create an artificially low demand for subject imports, thereby distorting post-petition data compiled by the Commission." Uruguay Round Agreements Act, Statement of Administrative Action, H.R. Doc. No. 103-316, vol. 1, at 854 (1994), *reprinted in* 1994 U.S.C.C.A.N. 4040, 4186 ("SAA"). Indeed, "the statute was enacted to recognize explicitly that declining subject imports, increasing prices, and improvements in the domestic industry's condition are expected and natural consequences of the filing of a petition and subsequent affirmative preliminary determinations, and to prevent such natural consequences from precluding an affirmative determination." *Light-Walled Rectangular Pipe and Tube from Mexico*, Inv. No. 731-TA-1120, USITC Pub. 4272 (Feb. 2011) (Remand) at 7; *see also LG Elecs., Inc. v. U.S. Int'l Trade Comm'n*, 26 F. Supp. 3d 1338 (Ct. Int'l Trade 2014) (holding that the Commission reasonably discounted weight of post-petition data); *Corus Staal BV v. U.S. Int'l Trade Comm'n*, 27 C.I.T. 459, 470 (2003), *aff'd sub nom. Corus Staal BV v. U.SI.T.C.*, 85 F. App'x 772 (Fed. Cir. 2004) (holding that that the Commission reasonably "found that changes in subject import volume, price effects, and impact were related to the pendency of the investigation, {and the agency} acted within its discretion in discounting post-petition data").

filing of the petition.[371] Indeed, in the absence of sufficient evidence rebutting that presumption and establishing that such change is related to factors other than the pendency of the investigation, the Commission may reduce the weight to be accorded to the affected data.[372]

The post-petition effects in this case are clear:



Source: Official U.S. import statistics using HTS statistical reporting numbers 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, and 7227.90.6035. Data accessed November 7, 2017.

Over the three-year period of investigation ("POI"), subject imports surged into the U.S. market, hammering the domestic industry, as reflected in the fact that prices dropped, domestic

371 *See* SAA at 854, 1994 U.S.C.C.A.N. at 4186.

372 *Id.*

producers' profits plummeted, and workers lost their jobs.[373] Due to the filing of these petitions, while subject imports from Spain, South Africa, Russia, Turkey, and the United Kingdom rushed to beat the imposition of preliminary duties,[374] subject imports started to retreat from the market, particularly in the third quarter (after preliminary duties were imposed).[375] As a result, the domestic industry was able to raise prices slightly and saw moderate improvements in financial performance, [ ].[376]

U.S. purchasers confirm the post-petition effects on subject imports:

- [ ][377]
- [ ][378]
- [ ][379]
- [ ][380] [ ][381]
- [ ][382]
- [

[373] Hearing Tr. at 22-23 (Mr. Price); *Id.* at 117-118 (Mr. Rosenthal); Prehearing Staff Report at C-3 - C-4 (Table C-1), C-5 (Table C-2).

[374] Hearing Tr. at 38 (Mr. Rosenthal).

[375] Prehearing Staff Report at C-3 - C-4 (Table C-1).

[376] *Id.* at C-5 (Table C-2).; Hearing Tr. at 132 (Mr. Rosenthal), 133 (Mr. Price).

[377] *See* [ ].

[378] *See* [ ].

[379] *See* [ ].

[380] *See* [ ].

[381] *See* [ ].

[382] *See* [ ].

]{383}

- [

]{384}

Similarly, at the Hearing, the Respondents conceded that subject imports reacted to the pendency of the investigations. As Mr. Cunningham testified, "{s}ubject import volume declined after the filing of the Petitions. . . . Often that happens because there's a potential of imposing duties."{385} Likewise, Ms. Korbel followed-up by stating, "Commissioner, I think it's pretty clear with margins in the range of 700% to 10% that it's going to stop imports after the imposition of the preliminary dumping margins."{386}

The modest improvement in financial performance in the interim period is attributable to subject imports retreating from the U.S. market after the case was filed.{387} However, the U.S. industry's financial performance is still below the level the Commission found to be injurious in the China investigation. Thus, the domestic industry is still vulnerable to a renewed surged of subject imports if relief is not granted.

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383 *See* [ ].

384 *See* [ ].

385 Hearing Tr. at 233 (Mr. Cunningham).

386 *Id.* at 238 (Ms. Korbel).

387 The Prehearing Staff Report also recognizes that [

].

VIII. CRITICAL CIRCUMSTANCES

COMMISSIONER BROADBENT (Hearing Tr. at 131): So you're arguing that we have both critical circumstances and post-petition effects. Can it be both at the same time, and what do you think are the role of the 232 investigation? Is that bringing more imports into the market, as Senator Wyden seems to be saying?

The record of this investigation contains evidence of both post-petition effects and critical circumstances. Specifically, subject imports in the aggregate declined as a result of the filing of the petitions and thus application of the post-petition provision is appropriate.[388] However, certain subject countries did rush imports into the United States, threatening to undermine the effectiveness of the order, and accordingly affirmative critical circumstances determinations are merited for these subject countries.

Even counsel to Respondents appeared to concede that there can be both a post-petition effect, as well as actions that merit an affirmative critical circumstances determination. Specifically, as Mr. Cunningham testified:

> Subject import volume declined after the filing of the Petitions. . . . Often that happens because there's a potential of imposing duties. Sometimes, the other way around people hustle to get the stuff in before a duty . . . .[389]

Subject imports from Russia, Spain, South Africa, Turkey, and U.K. surged into the U.S. market over the POI, and continued to do so after the petitions were filed, in a rush to beat the imposition of preliminary cash deposits. Accordingly, the Department of Commerce made an affirmative preliminary finding of critical circumstances with respect to certain companies for all of these countries.[390] Using a four-month period to account for possible early preliminary

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388 *Id.* at C-3-C-4 (Table C-1).

389 Hearing Transcript at 233 (Mr. Cunningham).

390 Prehearing Staff Report at IV-7 - IV-8.

determinations, Russian imports increased [ ] percent.[391] Under the Commission's traditional six-month analysis, subject imports from South Africa, U.K., Spain, and Turkey increased 432 percent, 194.1 percent, [ ] percent, and [ ] percent, respectively.[392] This has the potential to undermine the effectiveness of any orders that may be issued.

While subject imports as a whole have slightly retreated from the U.S. market due to the pendency of the investigation, substantial inventories of subject merchandise threaten to limit the extent of relief that may be afforded to the domestic industry. The Commission's staff report confirms that importer inventories of [ ] continued to grow significantly.[393] However, the inventory levels captured by the Commission's staff report do not indicate the full extent of the volume of inventories of subject merchandise that may continue to undersell domestic product.[394] Specifically, in addition to importers, purchasers themselves often hold sizeable inventories of subject merchandise. For instance, as Mr. Moffitt, Vice President of Purchasing for the Heico Wire Group testified to the Commission:

> Imported rod comes in consignments of 5 to 30,000 tons . . . {and} must be carried in inventory for longer periods of time because of the larger consignments . . . .[395]

Similarly, Mr. Frey, Vice President for Long Products of Tata International Americas testified that:

> When {U.S. rod consumers} opt for imported rods instead, they generally have to buy larger increments of steel, which leads to bloated inventories . . . .[396]

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391 *Id.* at IV-10 (Table IV-4).

392 *Id.* at IV-9, IV-11 - IV-13.

393 *Id.* at C-3 - C-4 (Table C-1).

394 Hearing Tr. at 38-39 (Mr. Rosenthal).

395 *Id.* at 156 (Mr. Moffitt).

396 *Id.* at 176 (Mr. Frey).

Given these concessions and the fact that during the interim period, imports from these countries maintained high levels or grew to even higher levels,[397] it is likely that much of this volume is sitting in the inventories of purchasers. Precisely because of substantial volumes in inventories, while domestic producers have been able to raise prices slightly due to post-petition effects, they have not been able to raises prices by as much as would be expected with the imposition of preliminary duties.[398] Indeed, Mr. Armstrong of Keystone Consolidated Industries, Inc. ("Keystone") testified at the Hearing that during the pendency of the investigation, Keystone has attempted to raise prices and made price increase announcements but has been unsuccessful.[399] In response to price increase announcements Keystone made after the petition was filed, in the second quarter, customers simply turned to the subject imports that were continuing to surge into the U.S. market.[400] After subject imports slightly retreated from the U.S. market in the third quarter, Keystone again attempted to raise prices but was unable to reap any benefit.[401] It became apparent that customers themselves had inventories of cheap subject imports that they could turn to instead of purchasing domestic product at higher prices.[402] Because of this inventory overhang, purchasers are projected to be working through their stockpile of subject imports until well into the first quarter of 2018.[403]

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397 Prehearing Staff Report at C-3 - C-4 (Table C-1).

398 Hearing Tr. at 132-133 (Mr. Rosenthal).

399 *Id.* at 76-77 (Mr. Armstrong).

400 *Id.*

401 *Id.*

402 *Id.*

403 *Id.* at 132 (Mr. Rosenthal).

The injurious effects of the surge of subject imports and the resulting sizeable inventories are particularly tangible when considering the capital-intensive nature of the industry.[404] In this type of industry, sustained profits are necessary to fund investment.[405] As domestic producers have been unable to earn reasonable rates of return on investment, the delay in domestic producers being able to recover sales orders due to inventories of low-priced imports prevents investment for the future necessary for domestic producers to maintain competitiveness in the global market in the long term.[406] Thus, the negative financial consequences due to the delay in domestic producers being able to recover sales orders has particularly harmful lagging effects. The sizeable inventories of low-priced imports that purchasers hold, in addition to the existing inventories of importers, thus threaten to undermine the remedial effect of the orders that may be issued.

Accordingly, the record of this investigation contains evidence of both post-petition effects and critical circumstances. Specifically, and as stated above, subject imports in the aggregate declined as a result of the filing of the petitions and there was a corresponding (albeit slight) increase in the performance of the domestic industry. However, certain producers in certain subject countries did rush imports into the United States – specifically Russia, Spain, South Africa, Turkey, and U.K., and affirmative critical circumstances are merited as to these countries.

404 *Id.* at 133 (Mr. Price).

405 *See id.*

406 *See id.*

IX. BUY AMERICA

COMMISSIONER WILLIAMSON (Hearing Tr. at 231): Okay, thank you. Do purchase{rs} have to meet buy America requirements? I think someone else mentioned buy America requirements and I guess the question is – {...} how significant is that in the demand picture.

The Commission has consistently found that Buy America(n) provisions do not insulate domestic wire rod producers from subject import competition.[407] Indeed, in the prior investigation on *Carbon and Certain Alloy Steel Wire Rod from China*, the Commission found that despite claims by respondents that Buy America(n) provisions shield U.S. producers from competition with subject imports, "such preferences account for only a limited portion of U.S. shipments" and further, "there is no indication that these provisions have served to insulate the domestic industry from subject import competition."[408] The Commission recently again confirmed that Buy America(n) provisions do not insulate domestic manufacturers from unfair trade competition in *Steel Concrete Reinforcing Bar from Japan and Turkey*. In particular, the Commission found it significant that despite the allegations that Buy America(n) requirements insulate the domestic industry, the data demonstrated that these alleged preferences did not prevent subject imports from making significant volume and market share gains during the period of investigation and concluded that the preference programs do not insulate the domestic industry from direct competition with subject imports or from the adverse effects of the low-priced subject imports.[409]

The record in the instant investigation supports the same conclusion. Any suggestions that Buy America(n) provisions insulate the domestic industry are completely undermined by the sheer

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[407] USITC Pub. 4509 at 21; *Steel Concrete Reinforcing Bar from Japan, Taiwan, and Turkey*, Inv Nos. 701-TA-564 and 731-TA-1338-1340, USITC Pub. 4648 (Nov. 2016) (Preliminary) at 16, 21, 36; USITC Pub. 4705 at 20, 27, and II-14.

[408] USITC Pub. 4509 at 21.

[409] USITC Pub. 4705 at 20, 27, and II-14.

volume of subject imports that entered the U.S. market over the POI and the pervasive underselling by subject imports.[410] As domestic producers have confirmed, the portion of the market that is potentially subject to Buy America(n) provisions is very small.[411]

At the time of purchase, producers of wire rod, and sometimes even the customers themselves, generally do not know whether or not the wire rod will ultimately be used in Buy America(n) projects.[412] Indeed, the Commission's pre-hearing staff report indicates that overwhelmingly, purchasers as well as their customers never or only sometimes make purchasing decisions based on the country of origin.[413] Further, as provided in the Commission's pre-hearing staff report, "{t}he most often cited top three factors firms consider in their purchasing decisions for wire rod were price (36 firms), quality (35 firms), and availability and supply (17 firms)."[414] Unsurprisingly, the majority of purchasers reported that they usually purchase the lowest-priced product.[415] Thus, as the Commission has consistently found, Buy America(n) provisions simply do not insulate domestic producers from competition from low-priced imports.

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410 *See* Prehearing Staff Report at C-3 – C-4 (Table C-1); V-30 (Table V-10a) – V-31 (Table V-10b).

411 *See* Conference Transcript, *Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, the Republic of South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom,* Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358 (Preliminary) (Apr. 18, 2017) at 166-167 (Mr. Nystrom), 167 (Mr. Armstrong).

412 Hearing Transcript, *Carbon and Alloy Steel Wire Rod from China,* Inv. Nos. 701-TA-512 and 731-TA-1248 (Final) (Nov. 12, 2014) at 57 (Mr. Nystrom), 57 (Mr. Brachbill), 57 (Mr. Kerkvliet), 58 (Mr. Ashby), 73 (Mr. Nystrom); 73-74 (Mr. Rosenthal), attached as **Exhibit 43**.

413 Prehearing Staff Report at II-13 (Table II-4).

414 *Id*. at II-13.

415 *Id*. at II-14.

X. U.S. PRICES

MR. CORKRAN (Hearing Tr. at 239): {O}ne question please for Mr. Stauffer. I believe you testified today that U.S. prices were now below global prices, was that the initial testimony? I was looking at published price data and it looked like through June there was a domestic premium, a U.S. premium still. When did that change in your view?

Throughout the POI, prices in the United States were consistently greater than the prices subject producers could obtain in their home markets or in other non-subject markets.[416] Contrary to Mr. Stauffer's testimony "that the prices in the global market are higher than in the domestic today,"[417] [

].[418] Going forward, [

].[419] The United States remains a large, open, and attractive market for subject producers to ship their excess capacity. These export oriented subject producers will continue to flood the U.S. market with low-priced wire rod absent final trade relief.

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416 *See* Prehearing Staff Report at VII-75 (Table VII-41); *see also* [
], attached as **Exhibit 44**.

417 *See* Hearing Tr. at 240 (Mr. Stauffer); *see also id.* at 241 (Mr. Moffit).

418 *See* [
], attached as Exhibit 12 to Nucor Prehearing Brief.

419 [ ], attached as **Exhibit 44**.

EXHIBIT 2

AWPA
American Wire Producers Association

ABOUT US

The AWPA is the leading voice of the ferrous wire and wire products industry in North America.
AWPA members include wire producers located in the United States, Canada and Mexico, manufacturers and distributors of wire rod, and suppliers of machinery, dies, and equipment to the wire industry.



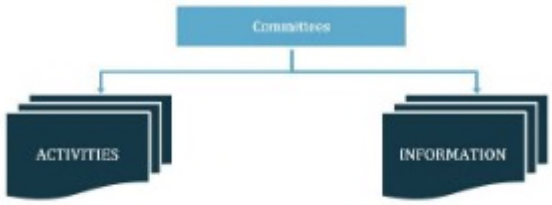
AWPA Profile

Manufacturers of ferrous Wire and Wire Products, located in the United States of America, make up the voting members of the association. Presidents, CEOs, Purchasing Managers and other senior level company leadership all participate in meetings and activities of the association. Operations staff are also involved in meetings and association programs. Canadian and Mexican Wire Manufacturers and Suppliers to the industry are involved at every level of leadership and programming.



What is Ferrous Wire?

Ferrous *adjective* fer·rous \ˈfer-əs, ˈfe-rəs\ Ferrous is an adjective used to indicate the presence of iron. The word is derived from the Latin word *ferrum* (“iron”). Ferrous metals include carbon steel, stainless steel and alloy steel. *Ferrous Wire and Wire Products are Everywhere.* AWPA member companies make hundreds of kinds of wire and wire products including bright, galvanized and tempered wire; wire mesh, netting and fencing; wire strand and rope; and garment hangers and nails.





Committee Structure

AWPA Committees are the venue to discuss issues of importance to the industry.

Contact Us

See a list of AWPA staff members or send an email.

FIND A MANUFACTURER



AWPA Member Companies Manufacture Wire and Wire Products in North America and Around the World

Do you need to find a Wire Manufacturer or a Wire Product Manufacturer? Search the AWPA members and get a list of manufacturers that make the products you need. We'll provide the Company Names, Locations and Sales Contact information for your future suppliers.

FIND A MANUFACTURER



AWPA MEMBERS

A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z

All America Threaded Products, Inc.	Denver, CO
American Wire Research	Wilmerding, PA
ArcelorMittal Long Products	Chicago, IL
ASW Pengg	Bedford Heights, OH
Aztech Lubricants, LLC	Wayne, OK
Bekaert Corporation	Marietta, GA
Belkap Steel LLC	Miami, FL
Beta Steel	Sterling Heights, MI
British Steel	Scunthorpe, North Lincolnshire, United Kingdom
Cascade Steel Rolling Mills, Inc.	Mcminnville, OR
Cavert Wire Company, Inc.	Rural Hall, NC

Central Wire Industries	Union, IL
Charter Steel	Saukville, WI
Chemetall US	Canton, OH
Cincinnati Thermal Spray	Springfield, NJ
Coastal Wire Company Inc.	Georgetown, SC
Commodity General Trading USA, LLC	Aventura, FL
Condat Corporation	Saline, MI
Deacero S.A.PI. de C.V.	San Pedro Garza Garcia, Nuevo Leon, Mexico
Duferco Steel Inc.	Matawan, NJ
Emerald Steel Processing, LLC	Madison Heights, MI
Enkotec Company Inc.	Solon, OH
EVRAZ North America	Pueblo, CO
Ferrostaal Steel Canada Inc.	Whitby, ON, Canada
Fort Wayne Metals Research Products Corporation	Fort Wayne, IN
G3 Steel Group, LLC	Troy, MI
Gerdau	Tampa, FL
Hawthorne Wire Services, Ltd.	Lakewood, OH
Heico Wire Group	Irwindale, CA
HSM Solutions	Hickory, NC
Insteel Industries Inc.	Mount Airy, NC
International Technical Coatings, Inc.	Phoenix, AZ
Ivaco Rolling Mills Ltd.	L'Orignal, ON, Canada

IWM International	Hanover, PA
Johnstown Wire Technologies Inc.	Johnstown, PA
Kanematsu USA Inc.	Arlington Heights, IL
Keysteel Corp.	New Caney, TX
Keystone Steel & Wire Company	Peoria, IL
King Steel Corporation	Grand Blanc, MI
Kiswire America Inc.	Norcross, GA
Kroman Celik Sanayii AS	Kocaeli, Turkey
Krueger Steel & Wire	Elmhurst, IL
Kurt Orban Partners LLC	Burlingame, CA
Leggett & Platt, Inc.	Carthage, MO
Lincoln Electric Company	Cleveland, OH
M&B Metal Products Company	Leeds, AL
Macsteel International USA Corporation	Wayzata, MN
Mapes Piano String Company	Elizabethton, TN
MAR-MAC Industries, Inc.	McBee, SC
Mario Frigerio S.p.A.	Molteno, Italy
Merchants Metals LLC	Atlanta, GA
Mid Continent Steel and Wire Inc.	Poplar Bluff, MO
MID-SHIP Logistics	Port Washington, NY
Mid-South Wire Company	Nashville, TN
Morgan-Koch Corporation	Worcester, MA
Mount Joy Wire Corporation	Mount Joy, PA

Nucor	Norfolk, NE
O'Brien Wire Products of Texas, Inc.	Houston, TX
Oklahoma Steel & Wire Company, Inc.	Madill, OK
Outokumpu Stainless, Inc.	Sheffield, United Kingdom, United Kingdom
Paramount Die	Abingdon, MD
Parkway-Kew Corporation	North Brunswick, NJ
Peerless Chain Company	Winona, MN
Precision Metal Services, Inc.	Montgomeryville, PA
Protec Inc.	Durham, NC
Saarstahl USA	Rochester Hills, MI
SSW Holding Company, Inc.	Elizabethtown, KY
Steel Resources LLC	Sudbury, MA
Stemcor USA Inc.	New York, NY
Sumiden Wire Products Corporation	Dickson, TN
Suzuki Garphyttan Corporation	South Bend, IN
Tata International	Schaumburg, IL
Taubensee Steel & Wire Company	Wheeling, IL
Tokusen USA, Inc.	Conway, AR
Traxit North America, LLC	Germantown, TN
Tree Island Steel	Walnut, CA
Tri Star Metals LLC	Freeport, IL
Ulbrich Shaped Wire	North Haven, CT

Uniwire International Ltd.	New York, NY
Vulcan Steel Products	Pelham, AL
WAFIOS Machinery Corporation	Branford, CT
Wire Mesh Corporation	The Woodlands, TX
WireCo WorldGroup	Prairie Village, KS
WireTech, Inc.	Commerce, CA
Yongxing Special Stainless America LLC	Sugarland, TX
ZAPP Precision Wire, Inc.	Summerville, SC

GOVERNMENT AFFAIRS

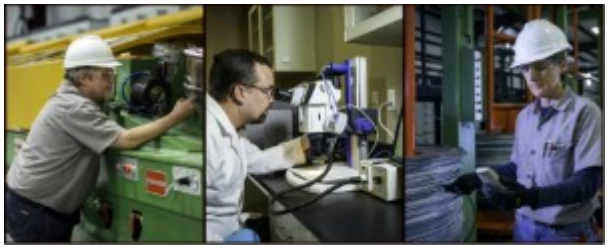
The Advocacy work done by the AWPA and its members is based on fostering the global competitiveness of North American wire producers. The foundation of this work is in the **International Trade Policy Mission** statements of the association.

- **The mission of the American Wire Producers Association is to assure free access to the global supply of Carbon, Alloy and Stainless Steel Wire Rod.**
- AWPA supports and promotes US policy, legislation and international agreements which seek to eliminate trade-distorting subsidies and government intervention in the free market.
- AWPA supports compliance by the United States and our trading partners with international trade agreements and enforcement of the obligations of our trading partners that they have undertaken in those agreements.
- AWPA supports broad international trade liberalization with effective reciprocal market access.



Legislation & Government Policy

New AWPA policy positions are discussed and decided upon by the members of the Government



State-by-State Employment Data

See how important the industry is to your state and the national economy! How many plants? Total

Relations Advisory Committee (GRAC). Here is what's on the Agenda, now.

Number of Industry Employees? Total Industry Wages?



US House Wire & Wire Products Caucus

AWPA values the legislators who have agreed to join the wire industry Caucus. Is your Representative a Member? If not, ASK!



International Trade Cases

Ossit peribus cimagnimus, simus doluptatem dis ipsa volorec epudit fugitatur, sedi ommo tes aut facest ut ium.



Environmental, Health & Safety

The AWPA Environmental Affairs Subcommittee monitors regulations that affect the industry. Find the latest issues of interest here.



congress.gov

AWPA has sent you an Action Alert – and you need to know the names and contact information for your legislators. Here is your resource.

AMERICAN WIRE PRODUCERS ASSOCIATION

STATUS OF U.S. ANTIDUMPING (AD) AND COUNTERVAILING DUTY (CVD) ORDERS ON STEEL WIRE AND WIRE PRODUCTS

BY COUNTRY

SEPTEMBER 2017

COUNTRY	PRODUCT	TYPE OF ORDER	DATE OF ORDER
CHINA	STEEL NAILS	AD	August 1, 2008
	STEEL WIRE GARMENT HANGERS	AD	October 6, 2008
	UNCOVERED INNERSPRING UNITS	AD	February 19, 2009
	STEEL THREADED ROD	AD	April 14, 2009
	WIRE SHELVING	AD	September 14, 2009
	WIRE SHELVING	CVD	September 14, 2009
	PRESTRESSED CONCRETE STEEL WIRE STRAND	AD	June 29, 2010
	PRESTRESSED CONCRETE STEEL WIRE STRAND	CVD	July 7, 2010
	STEEL GRATING	AD	July 23, 2010
	STEEL GRATING	CVD	July 23, 2010
	PRESTRESSED CONCRETE RAIL TIE WIRE	AD	June 24, 2014
VIETNAM	UNCOVERED INNERSPRING UNITS	AD	December 11, 2008
	STEEL WIRE GARMENT HANGERS	AD	February 5, 2013
	STEEL WIRE GARMENT HANGERS	CVD	February 5, 2013
	STEEL NAILS	AD	July 13, 2015
	STEEL NAILS	CVD	July 14, 2015
INDIA	PRESTRESSED CONCRETE STEEL WIRE STRAND	AD	January 28, 2004
	PRESTRESSED CONCRETE STEEL WIRE STRAND	CVD	February 4, 2004
KOREA	PRESTRESSED CONCRETE STEEL WIRE STRAND	AD	January 28, 2004
	STEEL NAILS	AD	July 13, 2015
MEXICO	PRESTRESSED CONCRETE STEEL WIRE STRAND	AD	January 28, 2004
	PRESTRESSED CONCRETE RAIL TIE WIRE	AD	June 24, 2014

COUNTRY	PRODUCT	TYPE OF ORDER	DATE OF ORDER
TAIWAN	STEEL WIRE GARMENT HANGERS	AD	December 10, 2012
	STEEL NAILS	AD	July 13, 2015
BRAZIL	PRESTRESSED CONCRETE STEEL WIRE STRAND	AD	January 28, 2004
JAPAN	PRESTRESSED CONCRETE STEEL WIRE STRAND	AD	December 8, 1978
MALAYSIA	STEEL NAILS	AD	July 13, 2015
OMAN	STEEL NAILS	AD	July 13, 2015
SOUTH AFRICA	UNCOVERED INNERSPRING UNITS	AD	December 11, 2008
THAILAND	PRESTRESSED CONCRETE STEEL WIRE STRAND	AD	January 28, 2004
U.A.E.	STEEL NAILS	AD	May 10, 2011

AMERICAN WIRE PRODUCERS ASSOCIATION

STATUS OF U.S. ANTIDUMPING (AD) AND COUNTERVAILING DUTY (CVD) ORDERS ON STEEL WIRE AND WIRE PRODUCTS

BY PRODUCT

SEPTEMBER 2017

PRODUCT	COUNTRY	TYPE OF ORDER	DATE OF ORDER
STEEL NAILS	CHINA	AD	August 1, 2008
	UNITED ARAB EMIRATES	AD	May 10, 2011
	KOREA	AD	July 13, 2015
	MALAYSIA	AD	July 13, 2015
	OMAN	AD	July 13, 2015
	TAIWAN	AD	July 13, 2015
	VIETNAM	AD	July 13, 2015
	VIETNAM	CVD	July 14, 2015
STEEL WIRE GARMENT HANGERS	CHINA	AD	October 6, 2008
	TAIWAN	AD	December 10, 2012
	VIETNAM	AD	February 5, 2013
	VIETNAM	CVD	February 5, 2013
UNCOVERED INNERSPRING UNITS	CHINA	AD	February 19, 2009
	SOUTH AFRICA	AD	December 11, 2008
	VIETNAM	AD	December 11, 2008
STEEL THREADED ROD	CHINA	AD	April 14, 2009
WIRE SHELVING	CHINA	AD	September 14, 2009
	CHINA	CVD	September 14, 2009
PRESTRESSED CONCRETE STEEL WIRE STRAND	CHINA	AD	June 29, 2010
	CHINA	CVD	July 7, 2010
	BRAZIL	AD	January 28, 2004
	INDIA	AD	January 28, 2004
	INDIA	CVD	February 4, 2004
	JAPAN	AD	December 8, 1978
	KOREA	AD	January 28, 2004
	MEXICO	AD	January 28, 2004
	THAILAND	AD	January 28, 2004

STEEL GRATING	CHINA	AD	July 23, 2010
	CHINA	CVD	July 23, 2010
PRESTRESSED CONCRETE RAIL TIE WIRE	CHINA	AD	June 24, 2014
	MEXICO	AD	June 24, 2014

EXHIBIT 3

EXHIBIT
REDACTED
IN FULL

EXHIBIT 4

PUBLIC VERSION

Certain Carbon and Alloy Steel Wire Rod from Belarus, Italy, The Republic of Korea, The Russian Federation, The Republic of South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and The United Kingdom

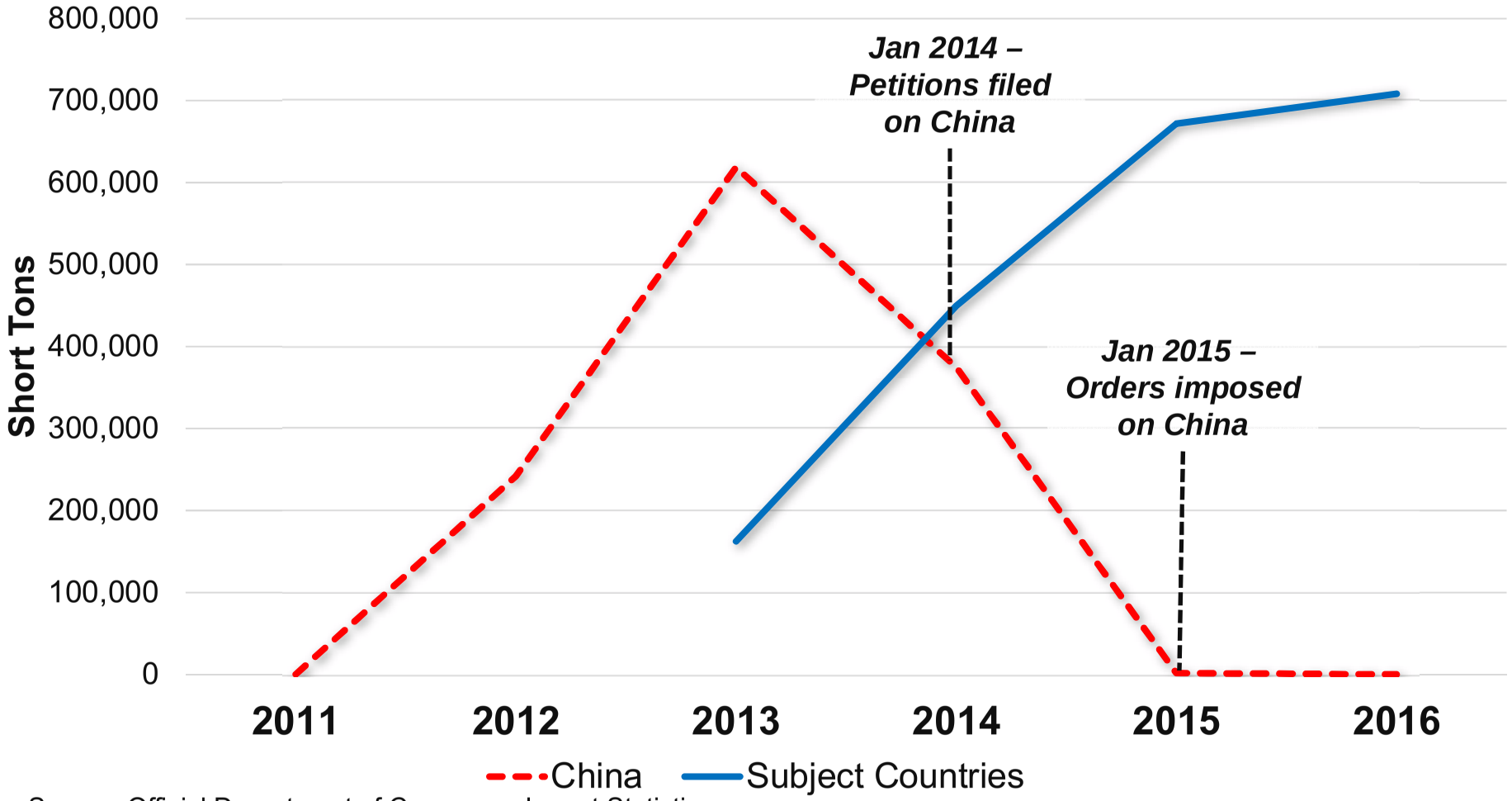
Domestic Industry Presentation by Paul Rosenthal, Kelley Drye & Warren LLP

November 16, 2017

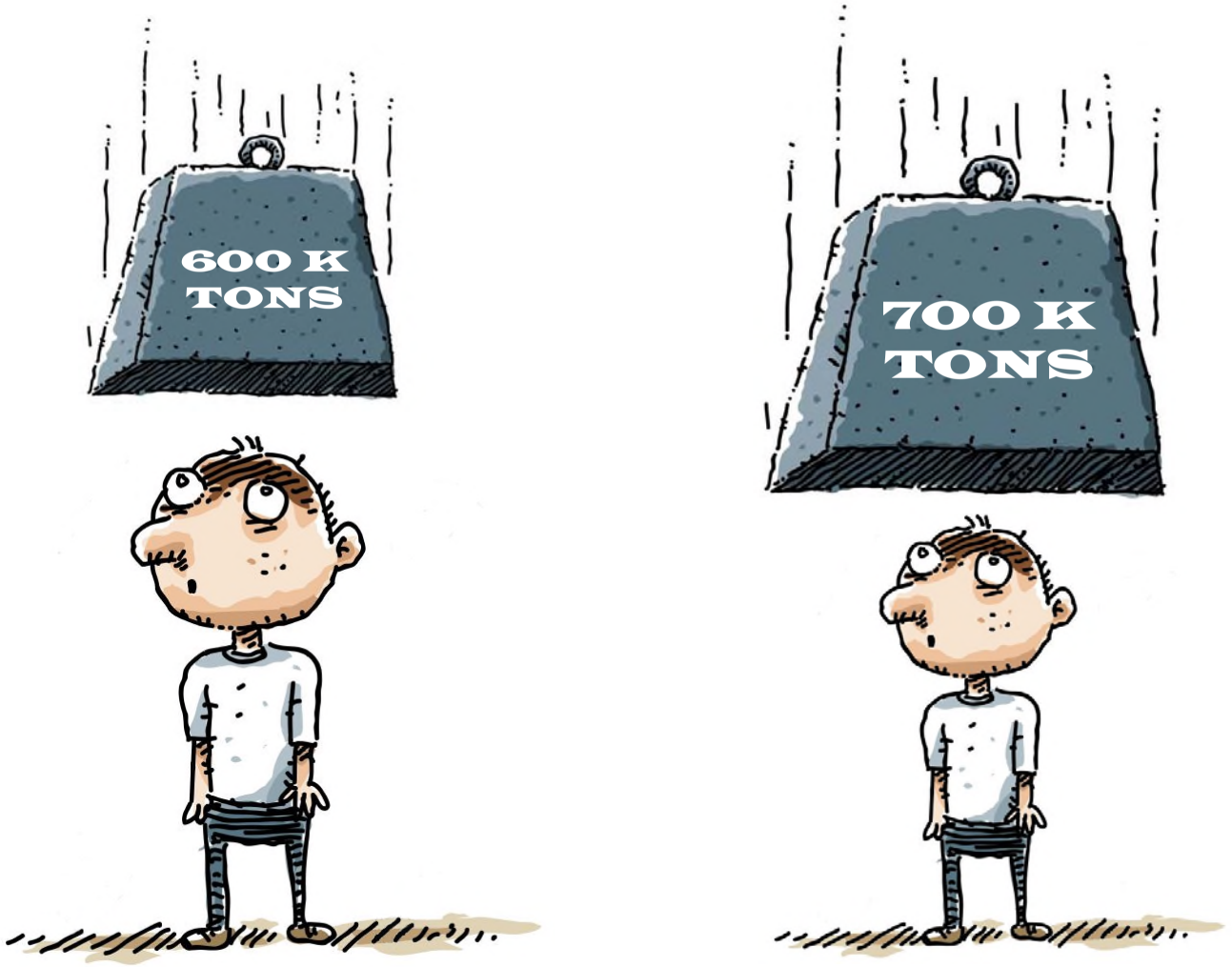
Prepared by Georgetown Economic Services, LLC

KELLEY DRYE

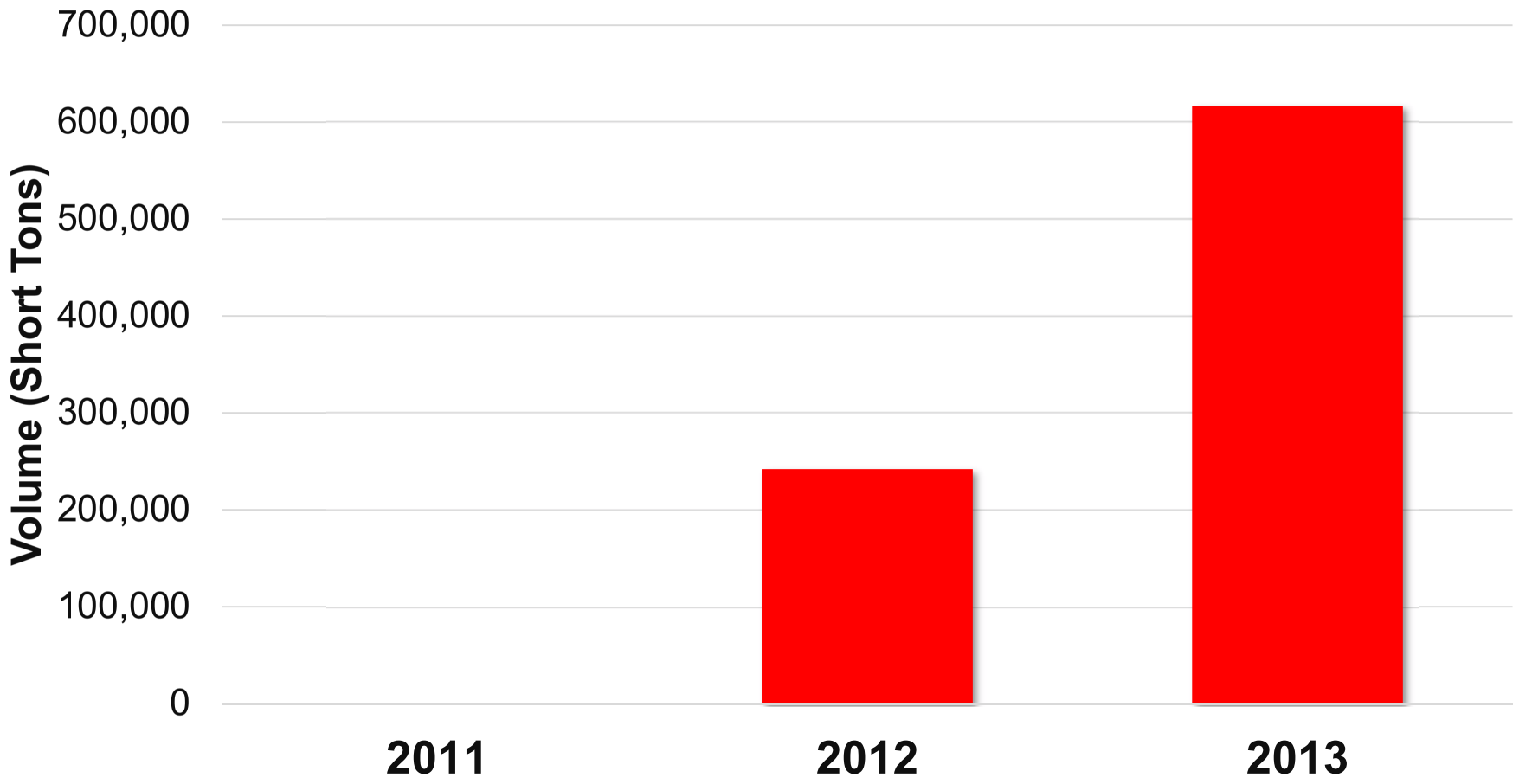
Unfairly-Traded Subject Imports Surged Over the POI to Replace the Decline in Imports from China



Source: Official Department of Commerce Import Statistics.

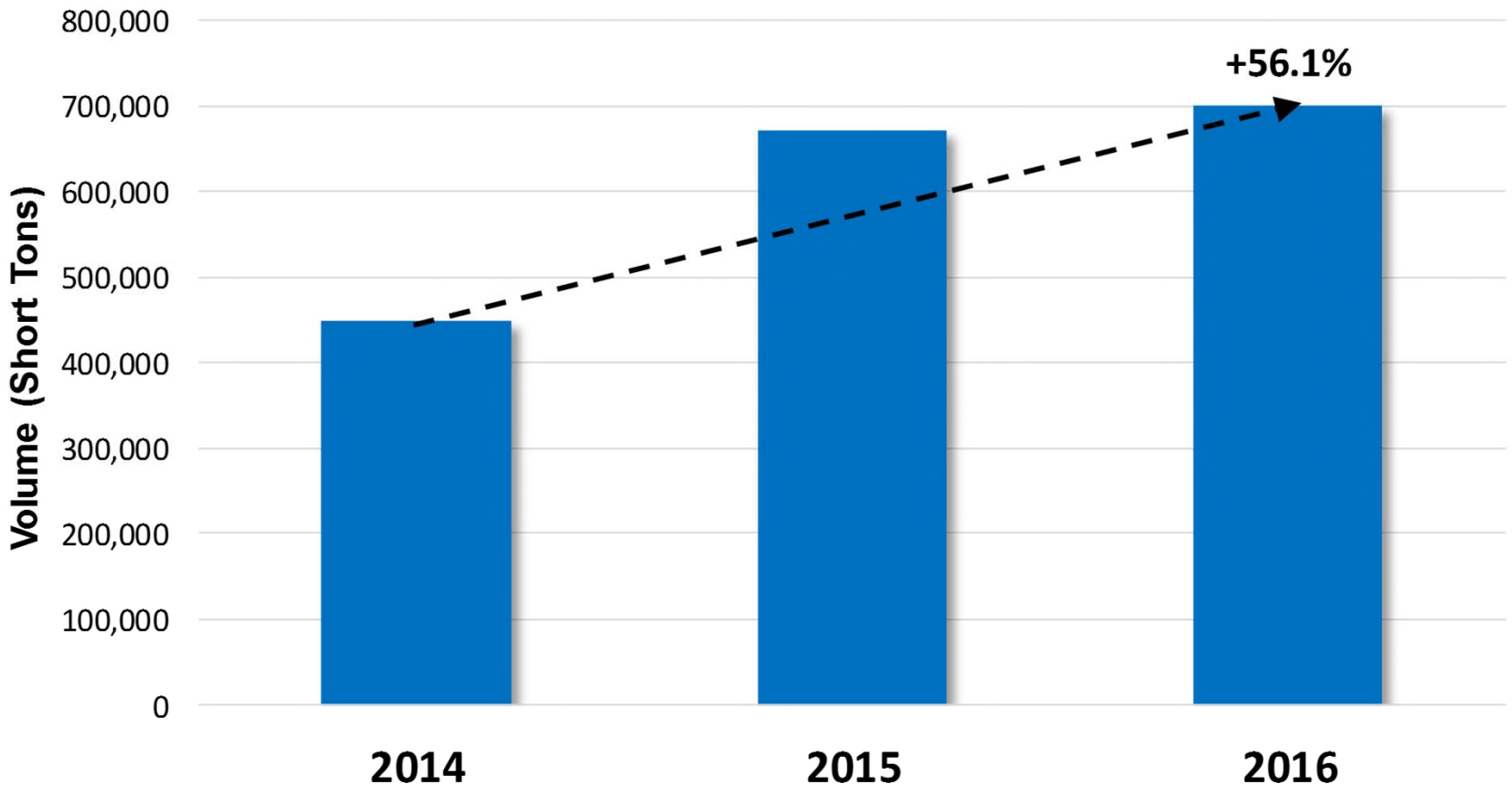

600 K
TONS
700 K
TONS

U.S. Imports from China Surged from 2011 to 2013



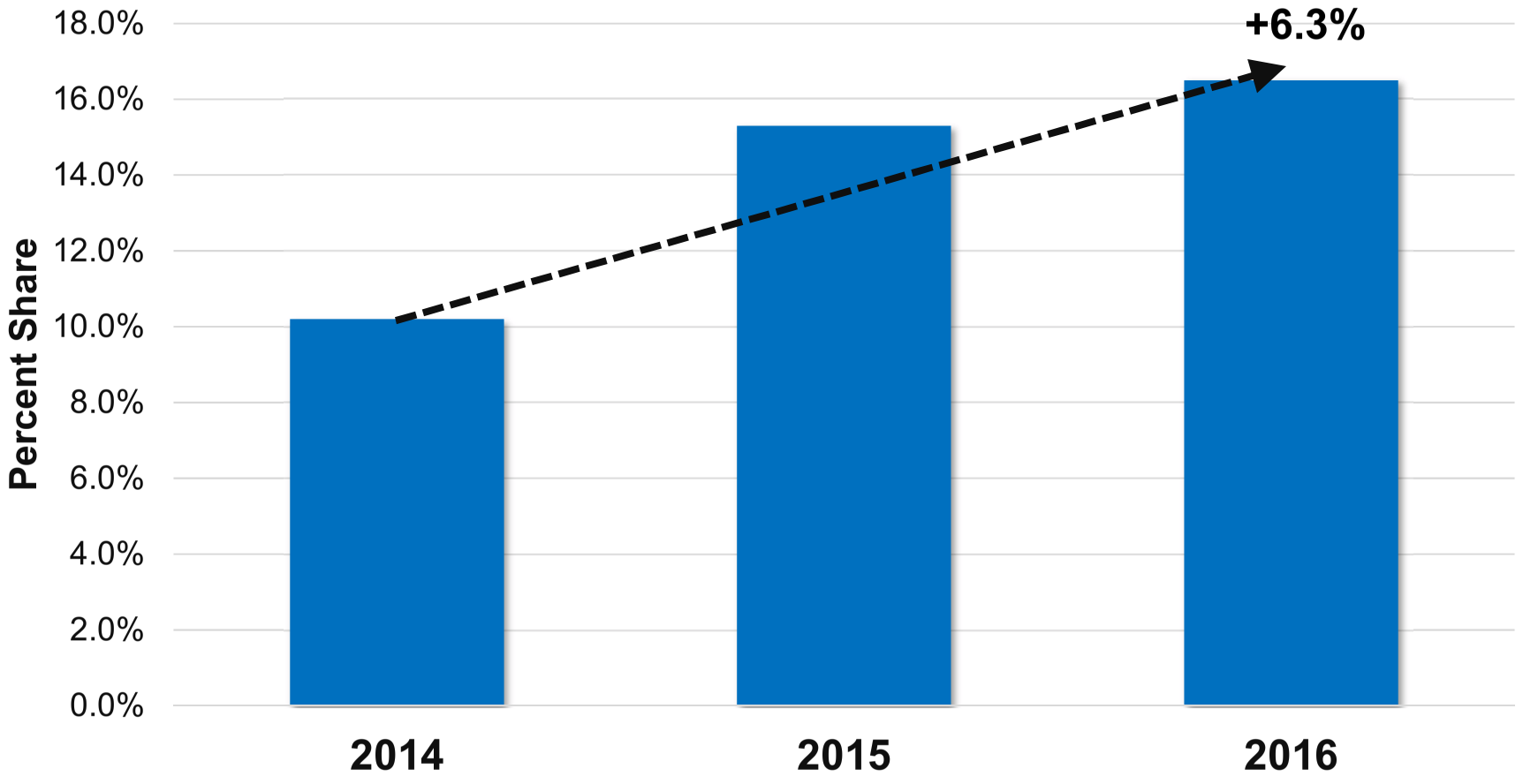
Source: USITC Pub. 4509 at C-3.

Subject Imports Quickly Replaced China and Reached Even Higher Volume Levels



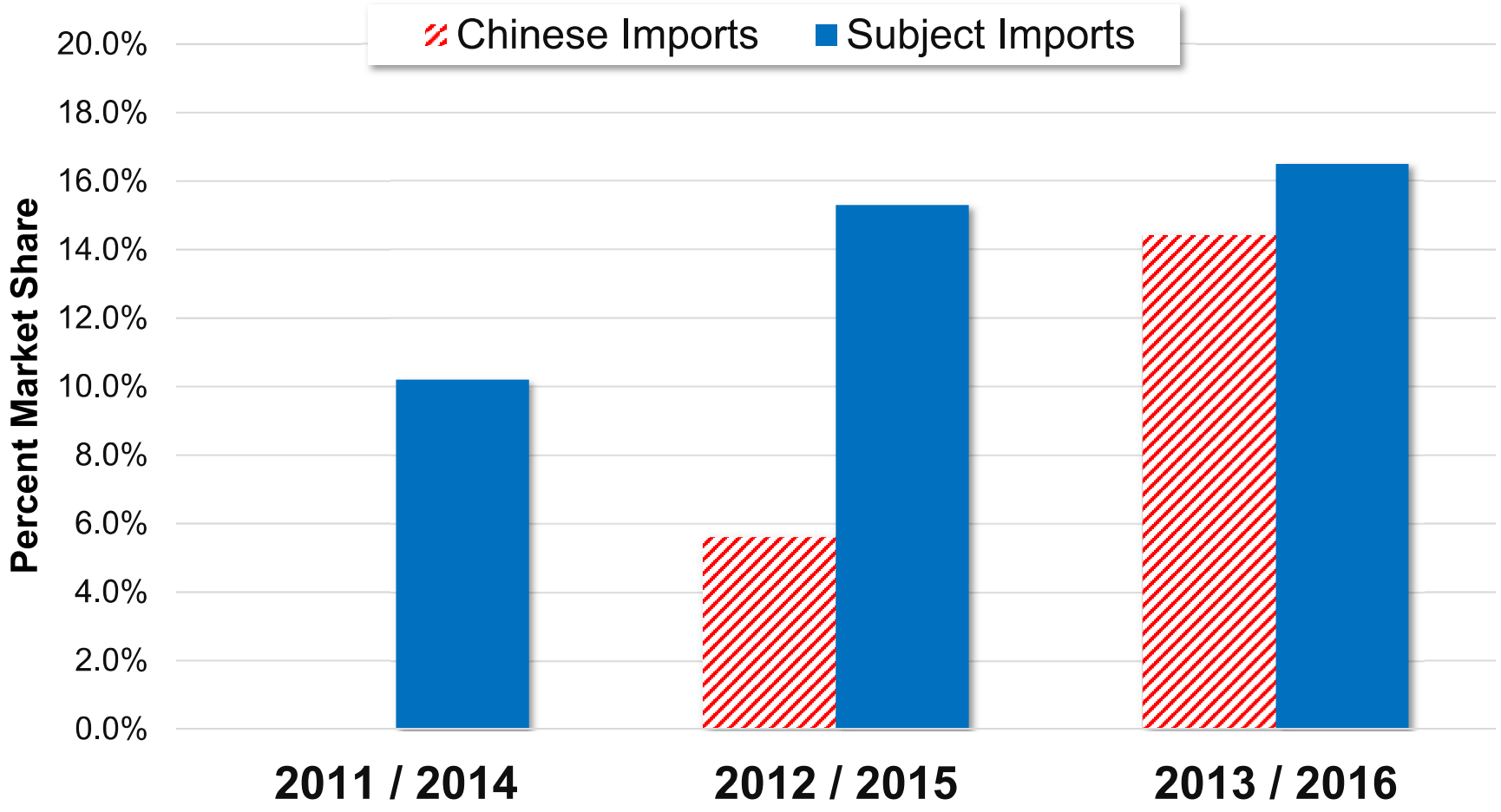
Source: ITC Prehrg. Rep. at IV-4 (Table IV-2).

Subject Imports Captured an Increasing Share of the U.S. Market From 2014 to 2016



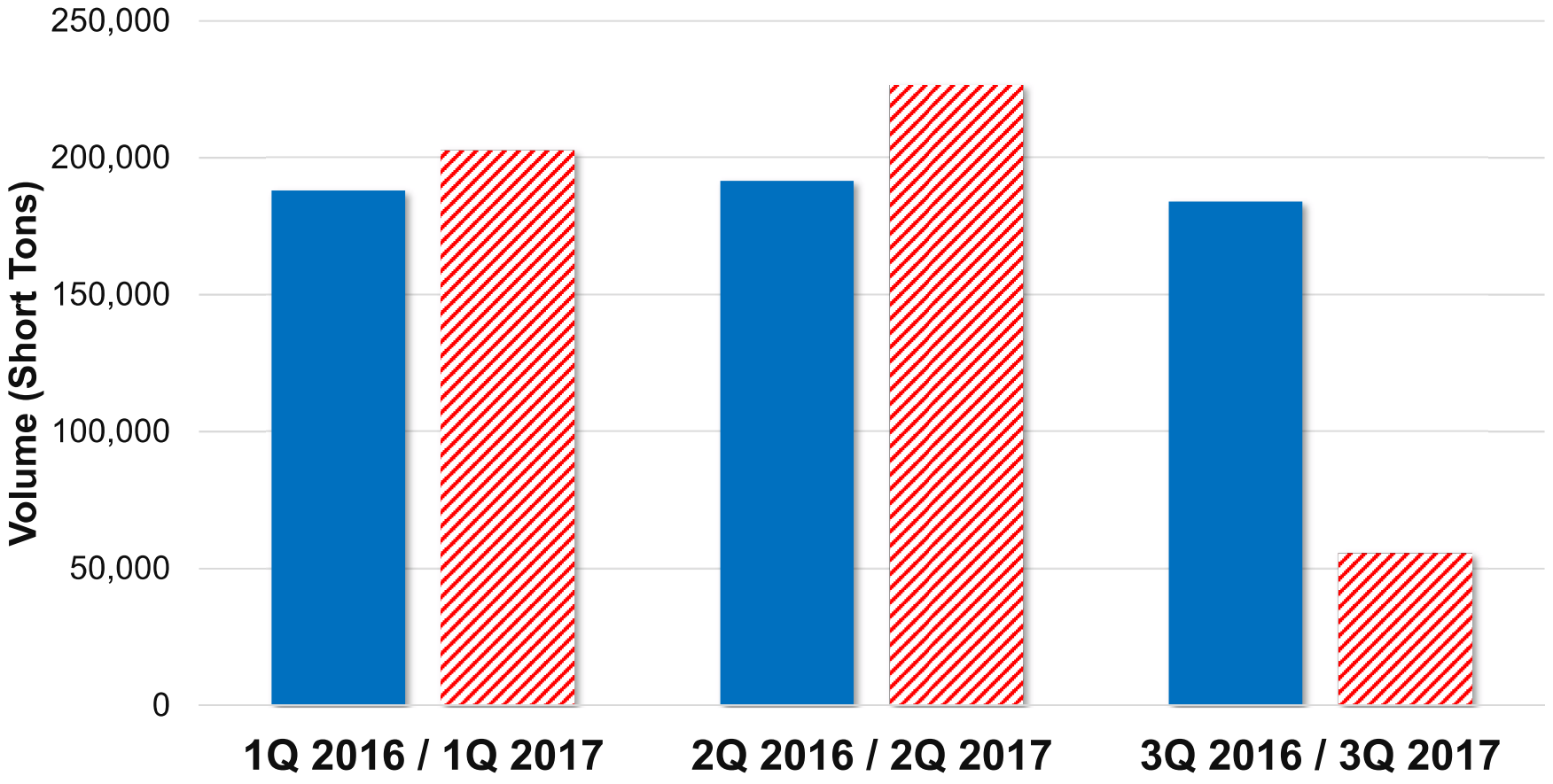
Source: ITC Prehrg. Rep. at IV-31 (Table IV-15).

Subject Market Shares Exceeded Those of China in Every Respective Year of the Investigatory Periods



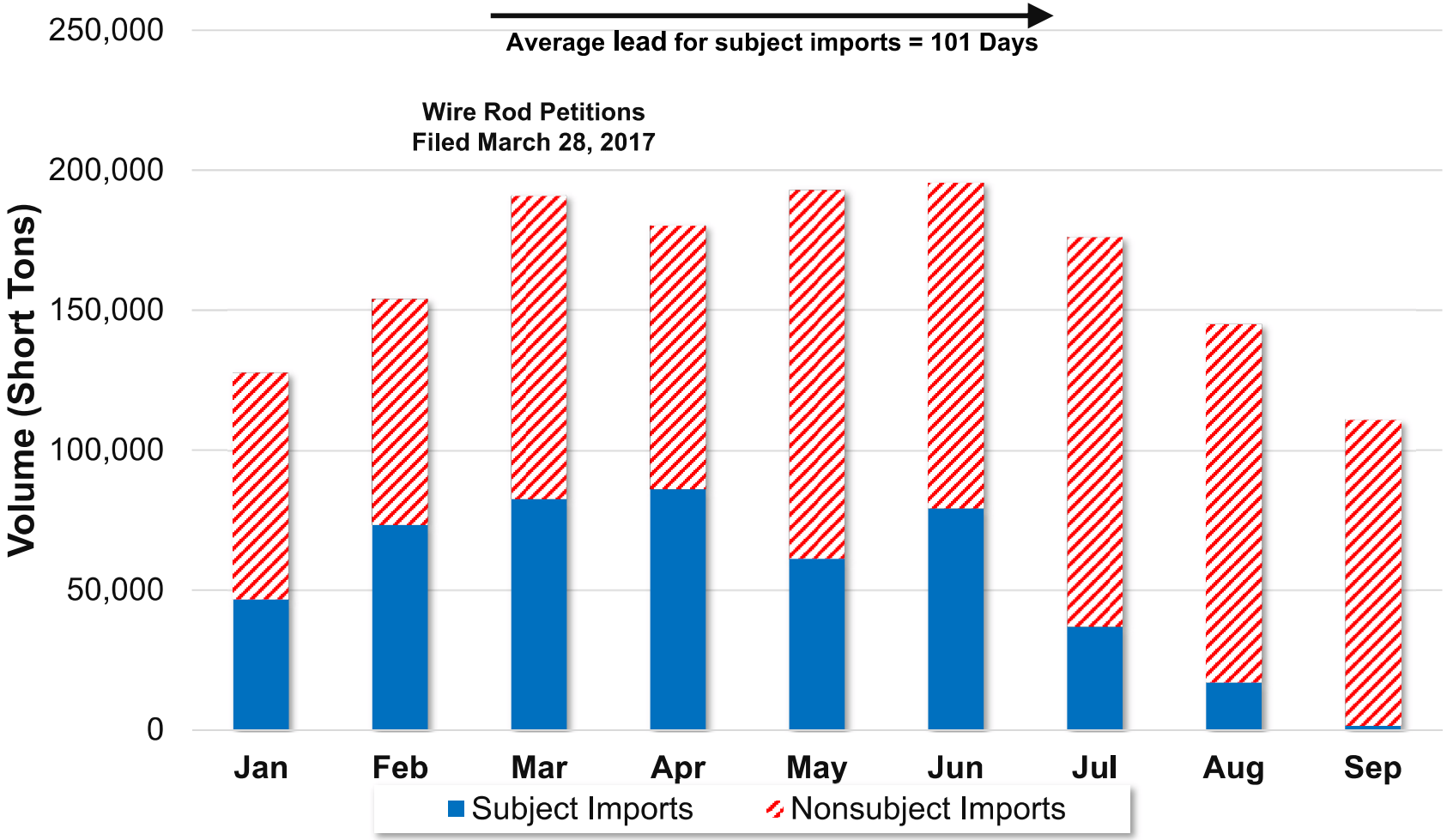
Source: ITC Prehrg. Rep. at C-5 (Table C-2) and USITC Pub. 4509 at C-4.

Subject Imports' Surge Continued Through the First Half of 2017



Source: KDW Prehrg. Brf. at Exh. 6.

The Filing of the Petitions in 2017 Led to a Significant Decrease in Subject Wire Rod Imports



Source: U.S. Department of Commerce.

Subject Imports Undersold the U.S. Product in the Vast Majority of Quarterly Comparisons as Well as Based on Volume

	Number of Quarters – Underselling by Subject Imports	Underselling Volume by Subject Imports	Number of Quarters – Overselling by Subject Imports	Overselling Volume by Subject Imports	Percent Underselling based on Number	Percent Underselling based on Volume
Total	192	1,263,228	39	245,916	83.1%	83.7%

Source: ITC Prehrg. Rep. at V-29.

Virtually All of U.S. Purchasers Reported Subject Imports Were Lower Priced and That They Shifted Purchases To Subject Imports Principally Due To Price

Number of purchasers having purchased CASWR from subject countries instead of domestic CASWR	Number of purchasers reporting that imports were lower priced	Percent purchasers reporting that price was lower	Number of purchasers that reported shifting purchases principally due to price	Quantity of subject country purchases instead of domestic purchases where subject imports were lower priced (*tons*)
24	18	75.0%	17	[ ]

Source: ITC Prehrg. Rep. at V-35-37 (Table V-13).

Purchasers Overwhelmingly Reported That Subject Imports Were Priced Lower Than the Domestic Product

Source: KDW Prehrg. Brf. at 34-35.

Purchasers Reported U.S. Producers Were Forced to Lower Prices to Compete With Subject Imports

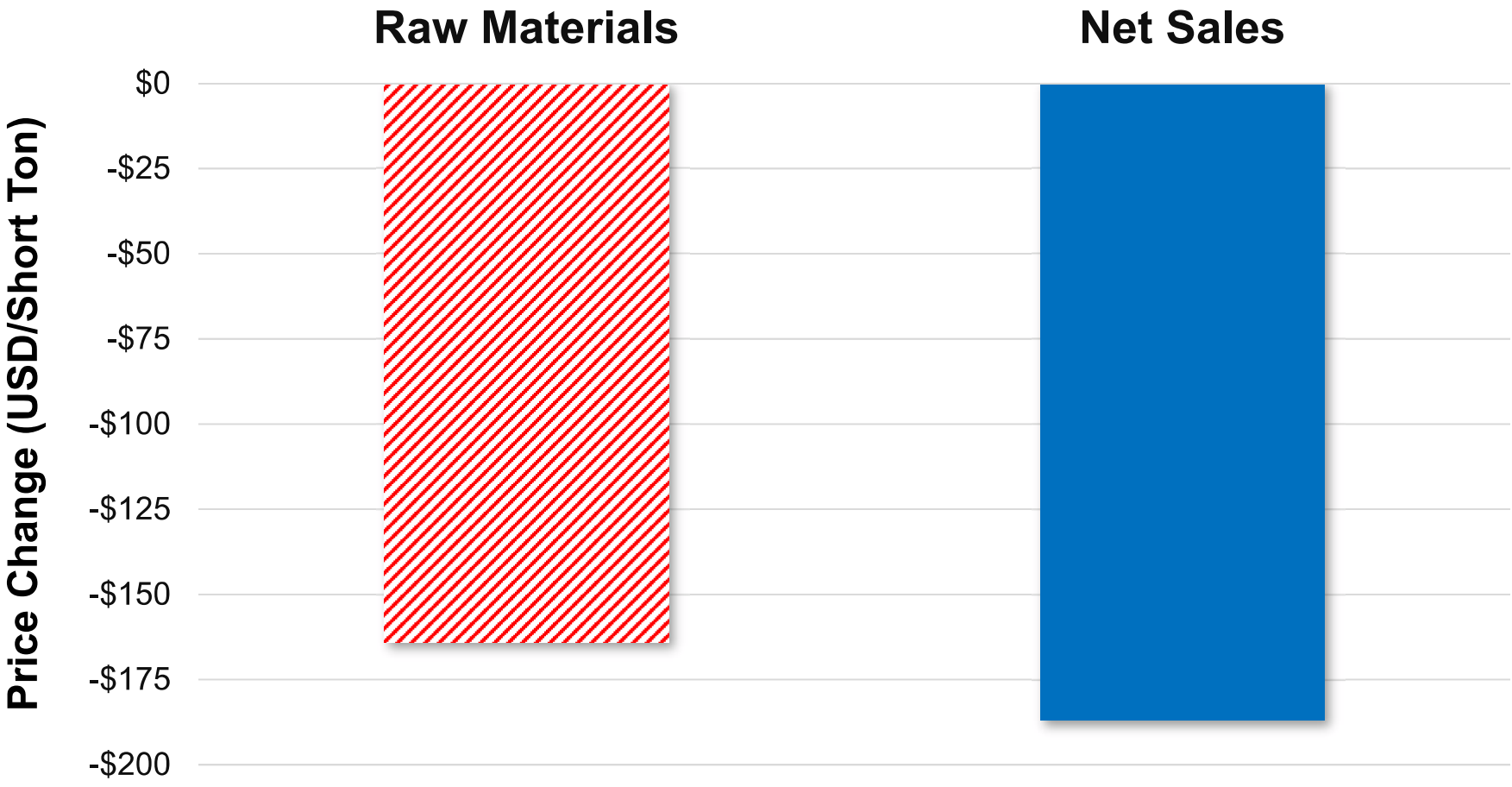
Count of purchasers reporting U.S. producers reduced prices	Simple average of estimated U.S. price reduction (*percent*)	Range of estimated U.S. price reductions (*percent*)
9	[ ]	5.0 – 15.0%

Source: ITC Prehrg. Rep. at V-41 (Table V-16).

Purchasers Reported U.S. Producers Were Forced to Lower Prices to Compete With Subject Imports

Source: ITC Prehrg. Rep. at V-39-50 (Table V-15).

Unit Net Sales Values Declined More Than Unit Raw Material Costs from 2014 to 2016



Source: ITC Prehrg. Rep. at VI-10 (Table VI-4).

Domestic Producer Prices Fell Precipitously from First Quarter 2014 to Third Quarter 2017

Source: ITC Prehrg. Rep. at V-9 to V-20.

Domestic Industry Trade Indicators Declined From Already Low Levels from 2014 to 2016

- Capacity
- Production
- Domestic Shipment Volume
- Domestic Shipment Value
- Market Share
- Production-Related Workers

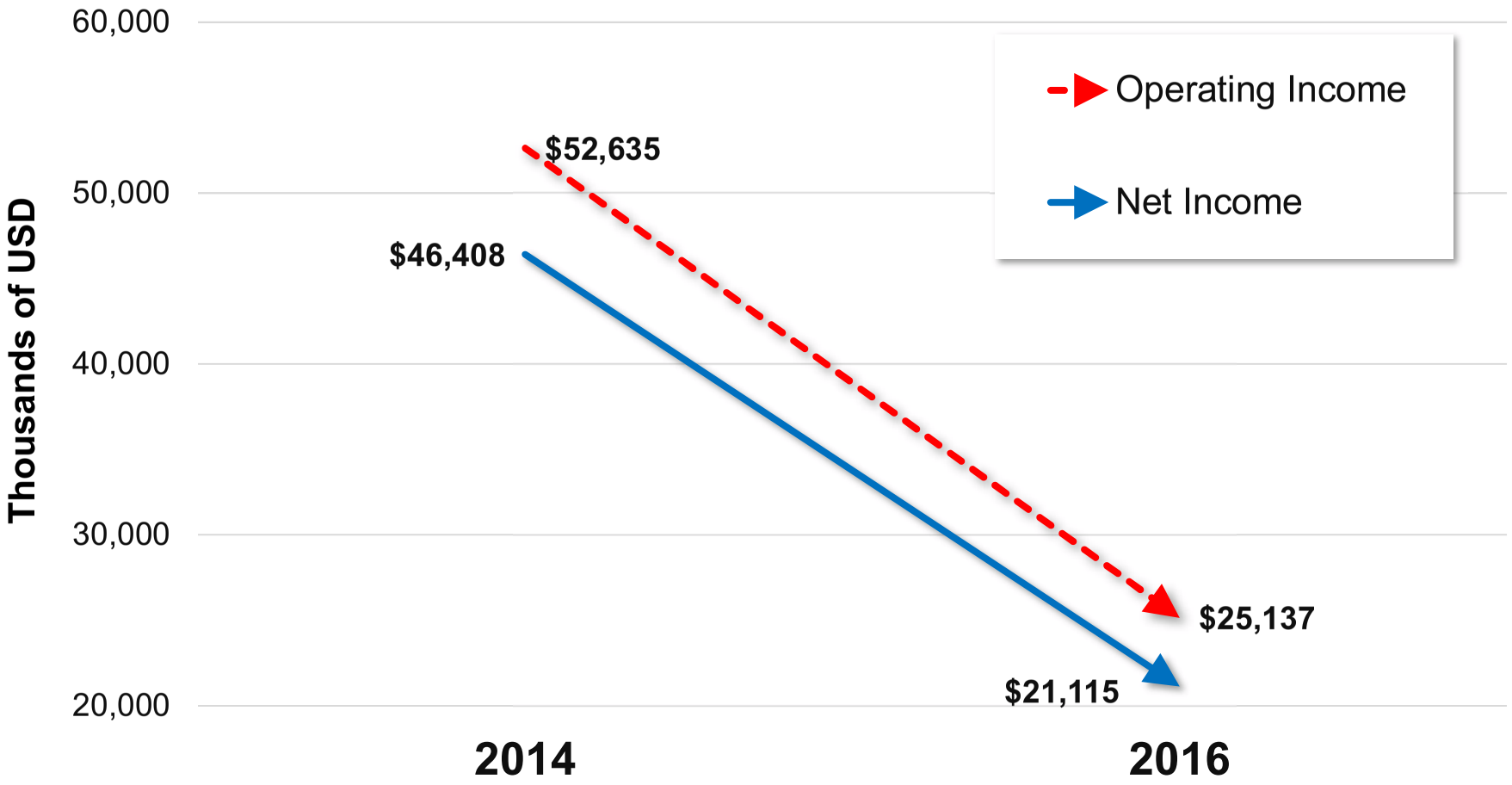
Source: ITC Prehrg. Rep. at C-5.

Domestic Industry Financial Indicators Declined Substantially from 2014 to 2016

- Net Sales Value
- Gross Profit
- Operating Income
- Net Income
- Operating Income/Net Sales
- Net Income/Net Sales

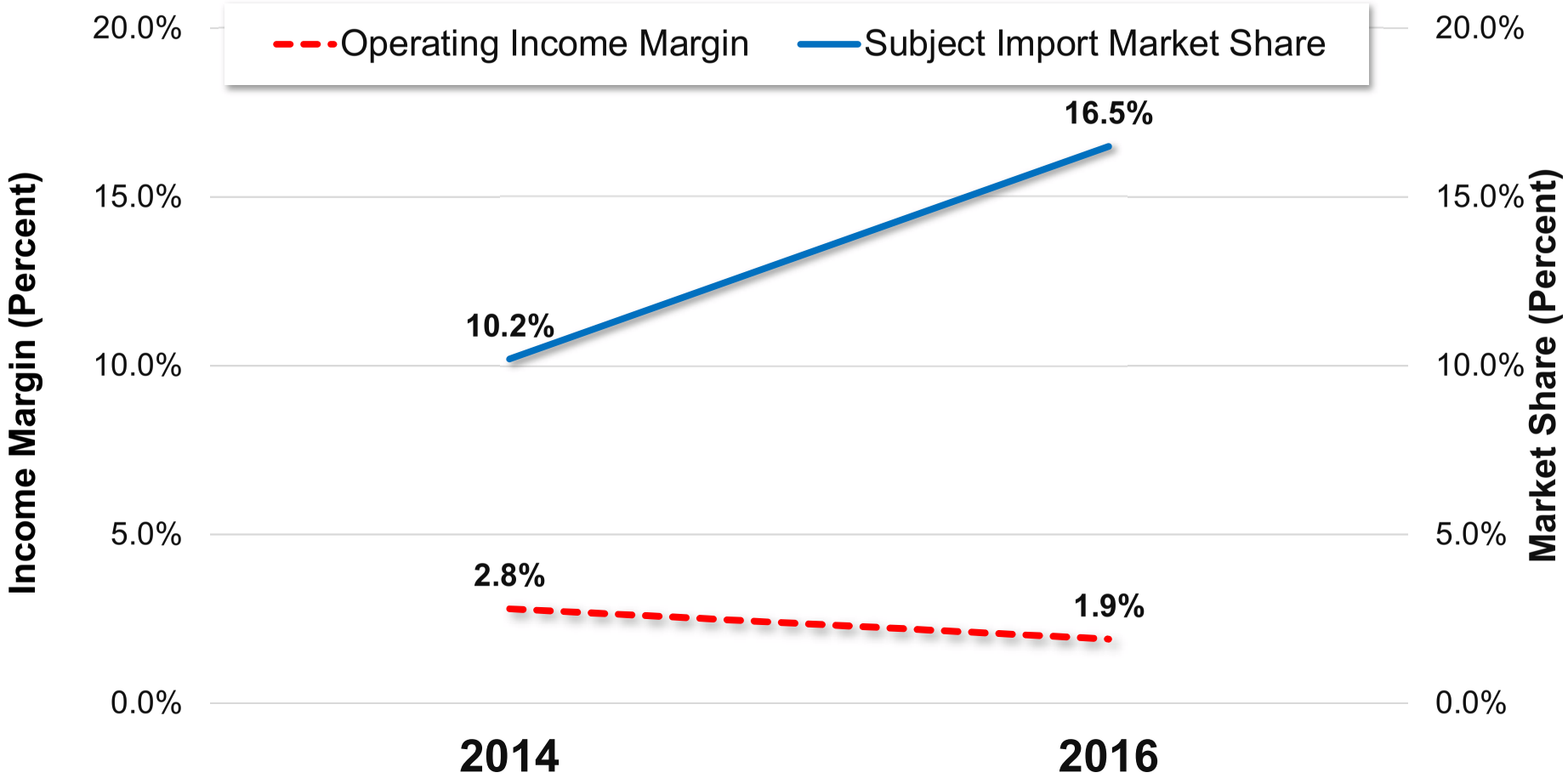
Source: ITC Prehrg. Rep. at C-5.

U.S. Producers' Profitability Plummeted by More Than 50% from 2014 to 2016



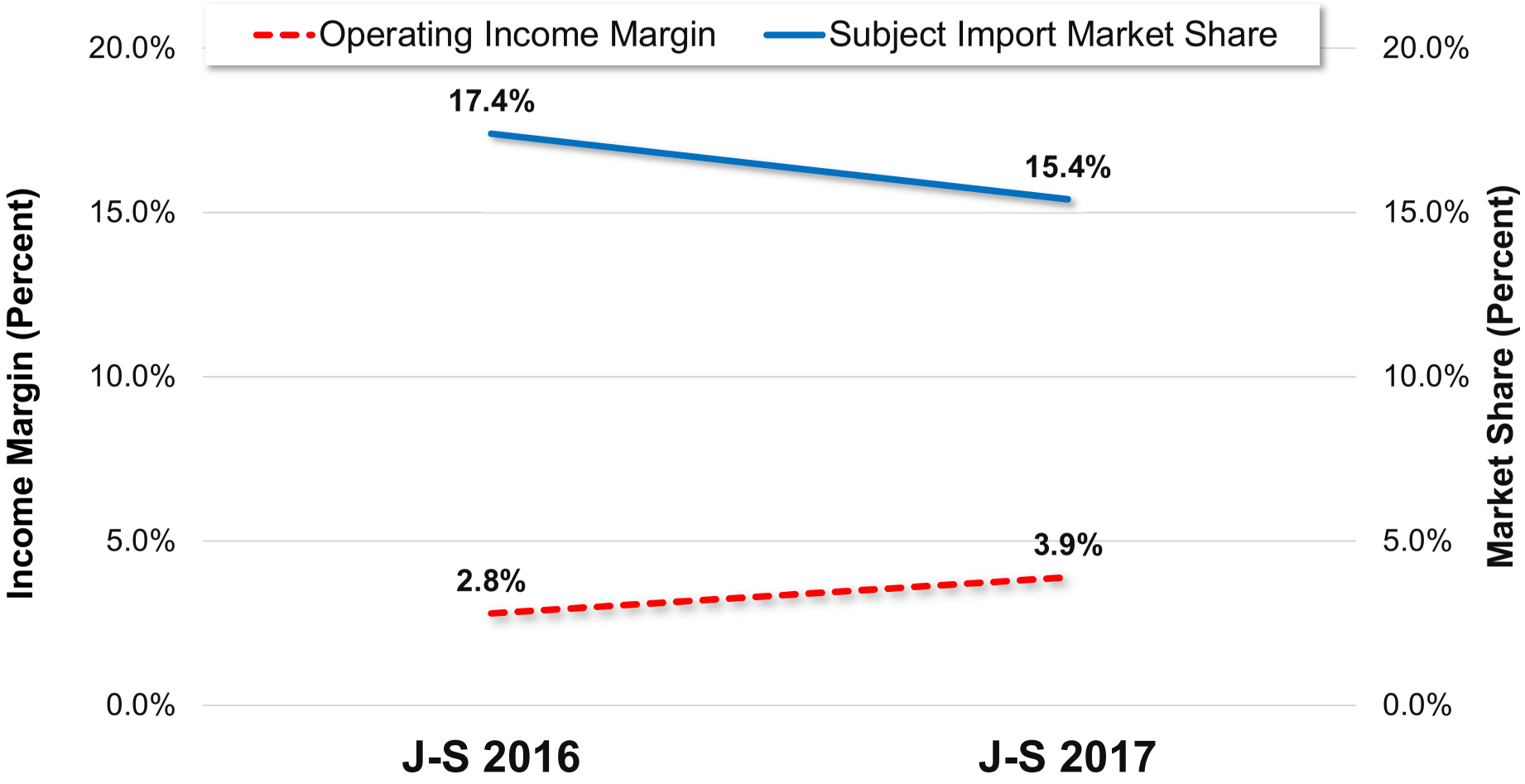
Source: ITC Prehrg. Rep. at C-5 (Table C-2).

U.S. Producers' Profit Ratios Were Abysmal And Declining from 2014 to 2016



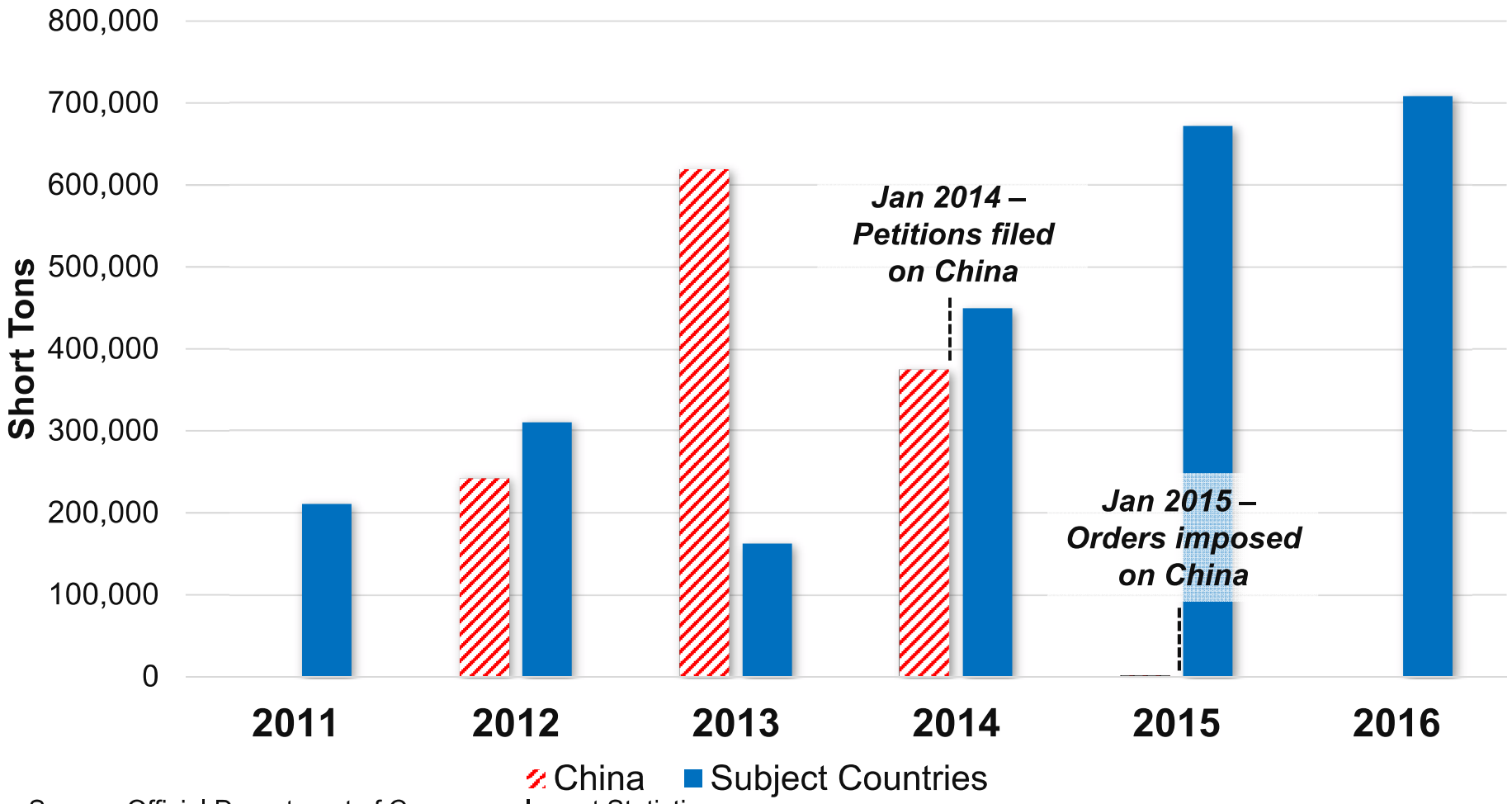
Source: ITC Prehrg. Rep. at C-5 (Table C-2).

Only After Imports Began to Decline Did Profits Improve



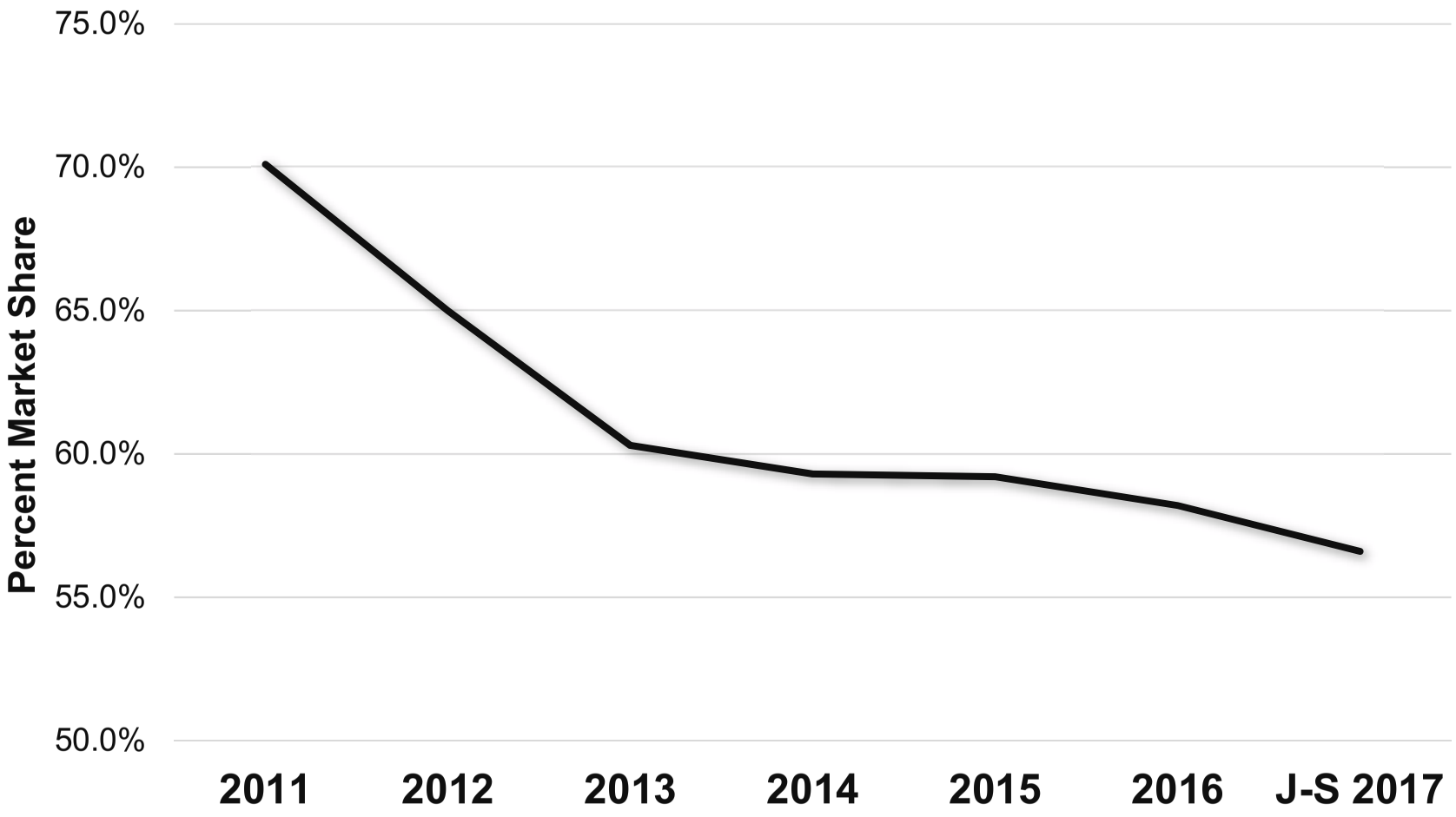
Source: ITC Prehrg. Rep. at C-5 (Table C-2).

Surging Subject Imports More Than Replaced Import Volumes from China



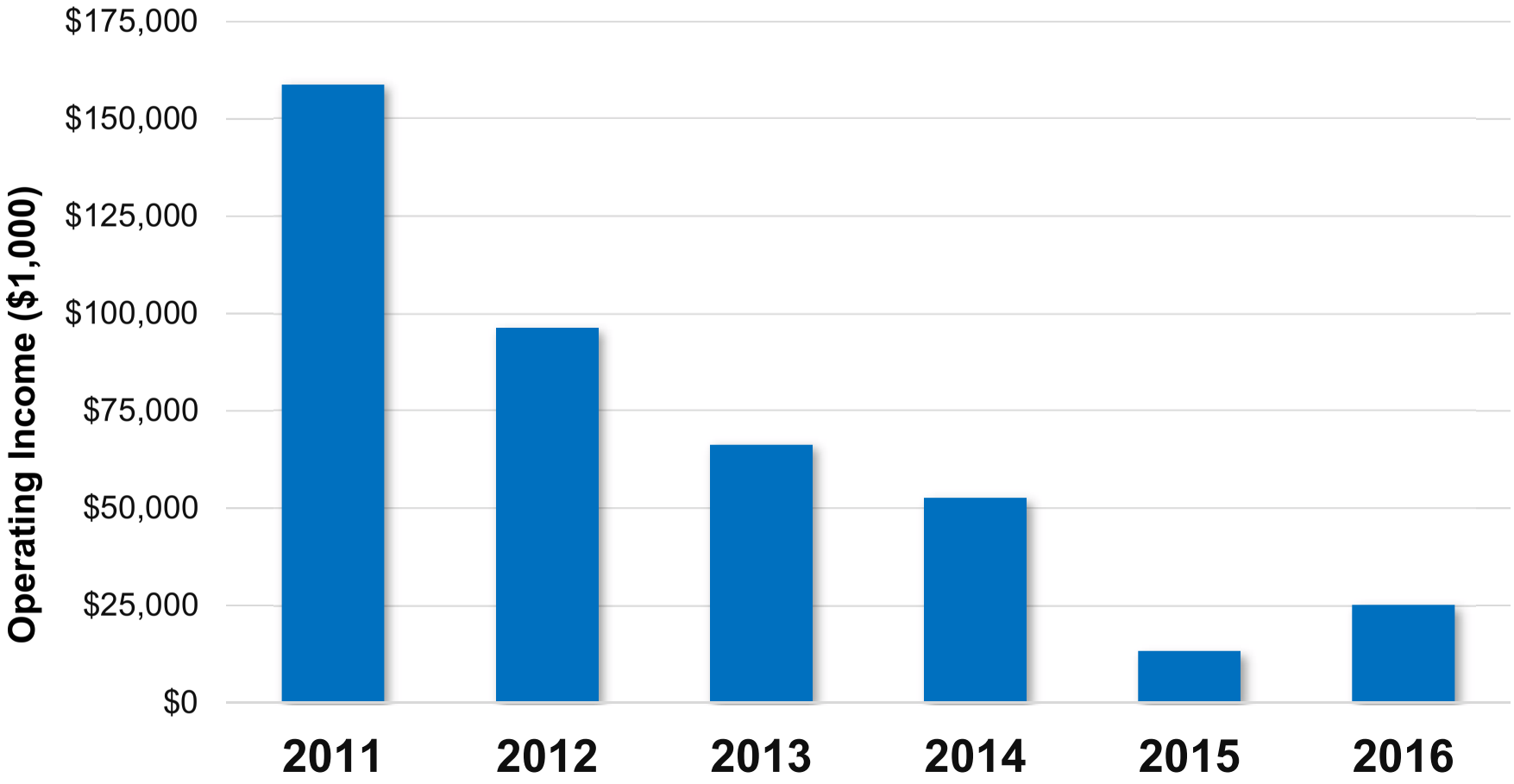
Source: Official Department of Commerce Import Statistics.

U.S. Producers' Market Share Declined from 2011 to Interim 2017



Source: ITC Prehrg. Rep. at C-5 (Table C-2) and USITC Pub. 4509 at C-4.

Surging Subject Imports Prevented the U.S. Industry from Improving Financially Once Orders Were Imposed on China

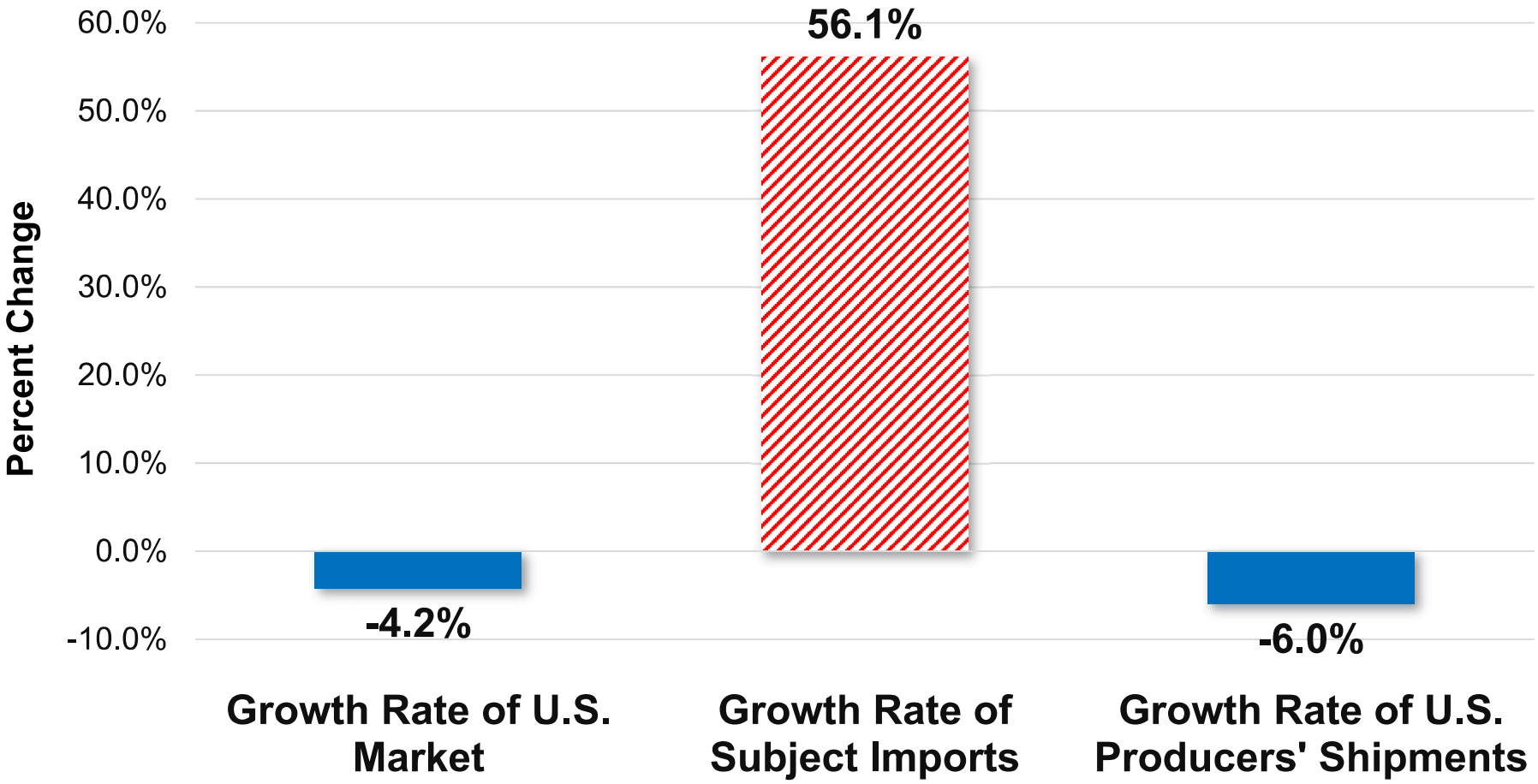


Source: USITC Pub. 4509 at C-4, ITC Prehrg. Rep. at C-5.

Capital Expenditures Fell Significantly Since the End of the China Trade Case

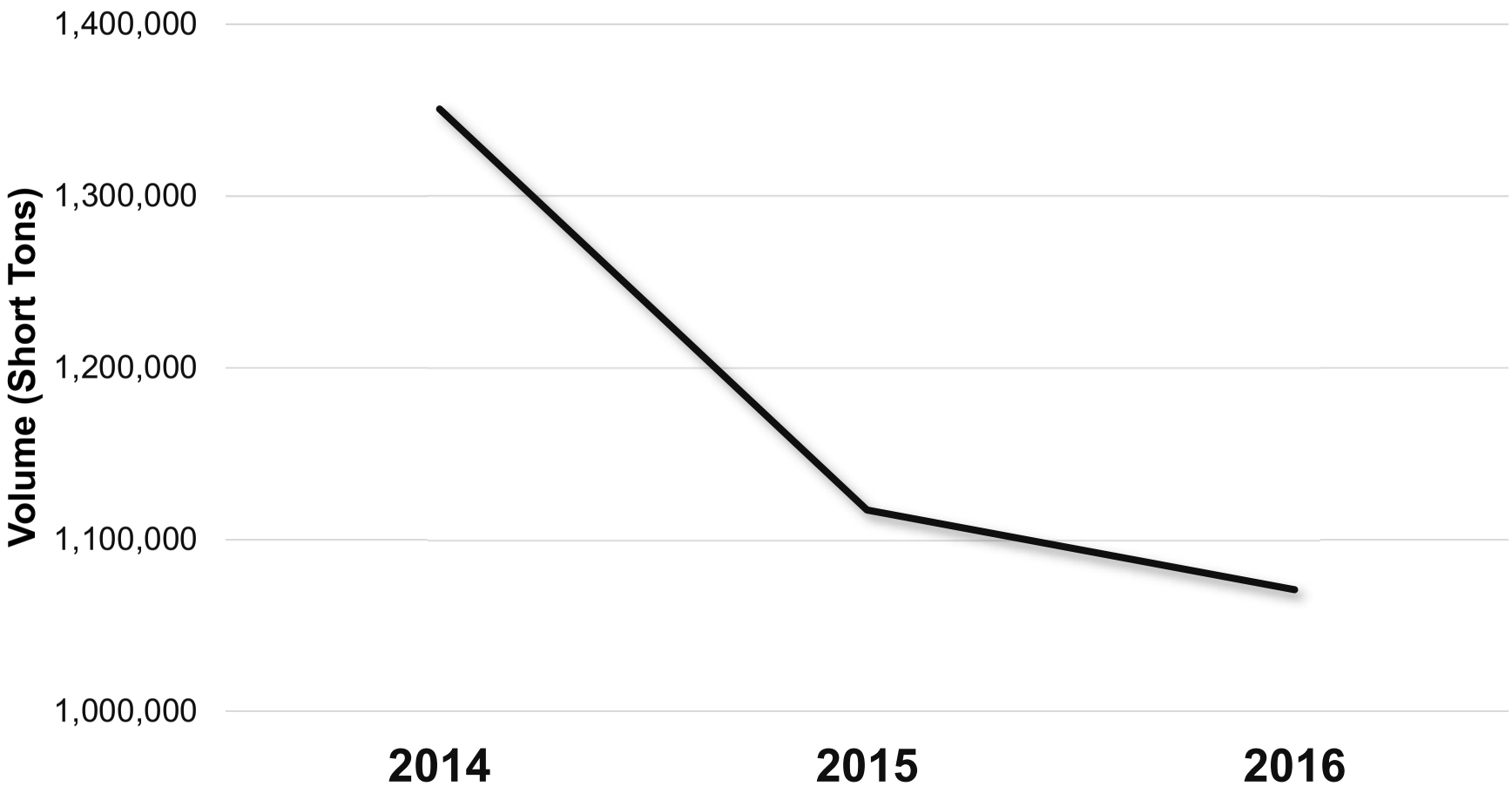
Source: USITC Pub. 4509 at C-4, ITC Prehrg. Rep. at VI-15.

The Surge in Subject Imports Caused U.S. Producers' Shipments to Fall More Rapidly than the Decline in Demand from 2014 to 2016



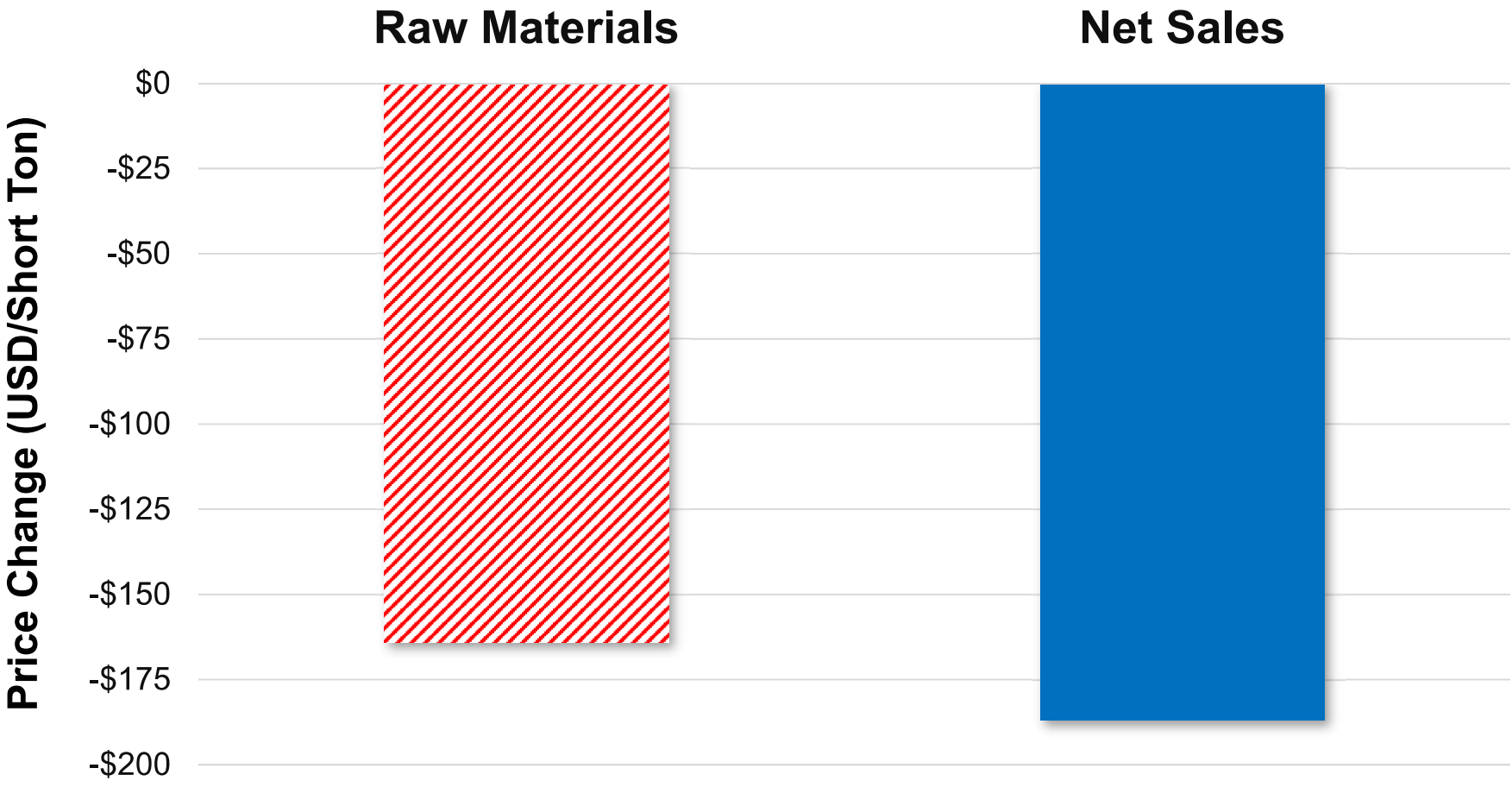
Source: ITC Prehrg. Rep. at C-4-5 (Tables C-1 and C-2).

Non-Subject Imports Declined Over the POI



Source: ITC Prehrg. Rep. at IV-4 (Table IV-2).

Unit Net Sales Values Declined More Than Unit Raw Material Costs from 2014 to 2016



Source: ITC Prehrg. Rep. at VI-10 (Table VI-4).

ArcelorMittal USA and Republic Both Cite Unfairly Traded Imports as a Reason for their Closure

- *"ArcelorMittal Georgetown, the company's primary producer of wire rod in the United States, has been severely impacted by waves of unfairly traded steel imports from China and other countries. Even in the most recent quarter, wire rod imports rose to account for 36 percent of the U.S. market."*

  – ArcelorMittal (5/14/15)

- *"With a negative 2016 economic forecast and the continued dumping of steel imports, Republic had no other option but to idle the Lorain plant."*

  – Republic Steel (1/17/16)

Source: KDW Prehrg. Exh. 5.

Based on ITC Questionnaires, Subject Producers Have Sufficient Excess Capacity to Increase Exports to the U.S.

[ ]

Source: ITC Prehrg. Rep. at IV-4 (Table IV-2) and VII-67 (Table VII-36).

Subject Countries Have More Excess Capacity to Produce CASWR Than The Entire U.S. Market

Source: [ ]

Critical Circumstances Exist

- Commerce has found critical circumstances for Russia, South Africa, Spain, Turkey (except for Habas and Icdas), and the United Kingdom.
- Imports from each of the five subject countries rapidly increased following the filing of the petition.
  - Russia up [ ]
  - South Africa up [ ]
  - Spain up [ ]
  - Turkey up [ ]
  - United Kingdom up [ ]
- Inventory levels of the subject imports also increased rapidly.
- The remedial effect of the orders would be seriously undermined absent retroactive imposition of duties.

Source: ITC Prehrg. Rep. at IV-9 to IV-13.

There Is a Single Like Product Encompassing All In-Scope CASWR, Including Grade 1080 Tire Cord and Tire Bead CASWR

- The Commission has consistently found a single continuum like product consisting of all 11 types of CASWR in every investigation dating back to 1997.
- The Commission expressly found grade 1080 tire cord and tire bead CASWR to be within the same continuum like product as all other CASWR in each previous case in which it examined the question (e.g., CASWR from Brazil 2002; CASWR from China 2014).
- In the Preliminary Determination, the Commission again found grade 1080 tire cord and tire bead CASWR to be within the same continuum like product as all other CASWR after applying its six-factor test.
- No facts have changed and respondents have offered no new arguments.

1080 Tire Cord and Tire Bead Account for a Small Share of the U.S. Market and the Increase in Subject Imports

1080 tire cord and tire bead accounted for:

- only [ ] of the U.S. merchant market in 2016.
- only [ ] of the increase in subject imports from 2014 to 2016.

Source: ITC Prehrg. Rep. at C-3-7.



EXHIBIT 5

EXHIBIT
REDACTED
IN FULL

EXHIBIT 6

EXHIBIT
REDACTED
IN FULL

EXHIBIT 7

STATEMENT OF [ ]

1. [ ]
2. [ ]
3. [ ]
4. [ ]
5. [.]
6. [ ]

Name: [ ]

[ ]

Date: 11/22/17

EXHIBIT 8

EXHIBIT
REDACTED
IN FULL

EXHIBIT 9

EXHIBIT
REDACTED
IN FULL

EXHIBIT 10

EXHIBIT
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EXHIBIT 11

EXHIBIT
REDACTED
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EXHIBIT 12

EXHIBIT
REDACTED
IN FULL

EXHIBIT 13

EXHIBIT
REDACTED
IN FULL

EXHIBIT 14

Barcode:3643774-01 A-489-831 INV - Investigation -

A-822-806, A-475-836, A-580-891,
A-821-824, A-791-823, A-469-816,
A-489-831, A-823-816, A-520-808,
A-412-826, C-475-837, C-489-832
Investigations
Public Document
E&C VI: SB

November 20, 2017

MEMORANDUM TO: James Maeder
Senior Director
performing the duties of Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

FROM: Erin Kearney EK
Acting Director
Antidumping and Countervailing Duty Operations, Office VI

SUBJECT: Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, the Republic of Turkey, Ukraine, the United Arab Emirates, and the United Kingdom: Final Scope Memorandum

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BACKGROUND

On August 7, 2017, the Department of Commerce (the Department) issued a preliminary scope decision memorandum pertaining to scope comments received in the antidumping duty (AD) investigations concerning imports of carbon and alloy steel wire rod (wire rod) from Belarus, Italy, the Republic of Korea (Korea), the Russian Federation (Russia), South Africa, Spain, the Republic of Turkey (Turkey), Ukraine, the United Arab Emirates (UAE), and the United Kingdom (UK), and countervailing duty (CVD) investigations concerning wire rod from Italy and Turkey.[1] The deadlines for scope case briefs and scope rebuttal briefs were September 6, 2017, and September 13, 2017, respectively.[2]

The Department received scope case briefs from the following parties, both of which had submitted comments that were addressed in the Preliminary Scope Memorandum:[3]

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[1] *See* "Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, the Republic of Turkey, Ukraine, the United Arab Emirates, and the United Kingdom: Scope Comments Decision Memorandum for the Preliminary Determinations," dated August 7, 2017 ("Preliminary Scope Decision Memorandum").

[2] *Id.* at 4.

[3] The Preliminary Scope Memorandum also addressed comments raised by Cooper Tire and Rubber Company (Cooper). *See* Preliminary Scope Memorandum at 19. Cooper did not submit a scope case brief.

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1) Letter from POSCO dated September 6, 2017, entitled "Scope Issues Case Brief" (POSCO Scope Case Brief); and

2) Letter from British Steel Limited (British Steel) dated September 6, 2017, entitled "British Steel's Scope Case Brief" (British Steel Scope Case Brief).

The Department received a scope rebuttal brief from the following parties:

1) Letter from Gerdau Ameristeel US Inc., Keystone Consolidated Industries, Inc., Nucor Corporation, and Charter Steel (collectively, the petitioners) dated September 13, 2017, entitled "Rebuttal Brief in Response to the Scope Case Briefs of British Steel and POSCO" (Petitioners Scope Rebuttal Brief).

SCOPE

The Preliminary Scope Decision Memorandum indicated the scope of the investigations reads as follows:

> The merchandise covered by this investigation are certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, less than 19.00 mm in actual solid cross-sectional diameter. Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high-nickel steel; (d) ball bearing steel; or (e) concrete reinforcing bars and rods. Also excluded are free cutting steel (also known as free machining steel) products (*i.e.*, products that contain by weight one or more of the following elements: 0.1 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorous, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium). All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.
>
> The products under investigation are currently classifiable under subheadings 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, and 7227.90.6035 of the HTSUS. Products entered under subheadings 7213.99.0090 and 7227.90.6090 of the HTSUS also may be included in this scope if they meet the physical description of subject merchandise above. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

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SCOPE ISSUES

Issue 1: Requested Exclusion of Certain TC/TB Wire Rod

Comments

- British Steel indicates the Department was incorrect in its Preliminary Scope Decision Memorandum to question the clarity of the parameters British Steel had used to define the proposed exclusion.[4] British Steel states the excluded product should be "defined as: Wire rod, Grade 1080 and higher for tire cord and bead wire production, with 0.8 percent and higher carbon content, measuring 5.0 mm or more but not more than 6.5 mm in cross-sectional diameter, low manganese content in the range of 0.25 – 0.6 percent, and having no inclusions greater than 20 microns."[5]
- POSCO also defends the adequacy of its definition of certain TC/TB wire rod against the Department's assertions to the contrary in its Preliminary Scope Decision Memorandum. POSCO indicates exclusions currently in the scope (*e.g.*, for "stainless steel," "tool steel," *etc.*) do not contain definitions based on the properties of these categories of products, and it is not clear why POSCO's definition of certain TC/TB wire rod is inadequate when those other exclusions do not possess definitions.[6] POSCO claims its definition of certain TC/TB wire rod is more than adequate for U.S. Customs and Border Protection to enforce with no undue difficulties and, in any case, if the Department had concerns about POSCO's proposed language, it should have asked POSCO to submit additional information as required by 19 U.S.C. § 1677m(d).[7] POSCO states the exclusion should be stated as follows: "Also excluded from the scope are grade 1080 and higher wire rod for tire cord and bead wire production, which is defined as containing 0.8 percent and higher carbon content, measuring 5.0 mm or more but not more than 6.5 mm in cross-sectional diameter, low manganese content in the range of 0.25 – 0.60 percent, having no inclusions greater than 20 microns."[8]
- POSCO states that if the Department continues to have concerns about this language, it could revert to the "previous scope definition" used to exclude such products from prior investigations, but argues the Department would need to revise that definition so it would reflect more recent requirements for tire cord and tire bead wire rod products reflected in POSCO's proposed description, so that it: (a) includes grades "higher" than grade 1080, rather than just grade 1080; (b) requires 0.8 percent or more of carbon; and (c) requires "low manganese content."[9] POSCO states additional changes would be needed to the "previous

[4] *See* British Steel Scope Case Brief at 4-5.
[5] *Id.* at 2-3. The Department has inserted a hyphen within what British Steel referenced as "crosssectional." *Id.* at 2. British Steel refers to the merchandise for short as "1080 TC/TB." *Id.* However, the Department continues to refer to the merchandise as "certain TC/TB wire rod." Note that the descriptions provided by British Steel and POSCO are virtually identical (compare this definition to that provided by POSCO in POSCO Scope Case Brief at 12), and the very minor differences in the wording and punctuation have no impact on the analyses below.
[6] *See* POSCO Scope Case Brief at 3-4. POSCO abbreviates the product it wants excluded as "TC/TB wire rod." *Id.* at 2. However, the Department continues to use the expression "certain TC/TB wire rod," because it is evident that the merchandise proposed for exclusion involves only some products categorized as tire cord quality wire rod and tire bead wire rod. For further discussion, *see* Issue 2, below.
[7] *Id.* at 4-5.
[8] *Id.* at 11-12.
[9] *Id.* at 12. The "previous scope definition" of the "exclusion" were actually two distinct descriptions, one for various tire cord quality products and the other for various tire bead quality products, with these followed by

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scope definition" to modify other chemical requirement. POSCO does not identify those other needed changes, but offers to provide information to help the Department identify such changes. However, POSCO reiterates that its own description of certain TC/TB wire rod "is clear, concise, and easily administrable," and should be used.[10]

- British Steel requests that the Department exclude from the scope of the investigations certain TC/TB wire rod because the same product had been excluded from a prior wire rod investigation that occurred approximately fifteen years ago, and claims that it demonstrated in its Scope Comments that what has changed since an earlier wire rod scope that excluded the product only further underscores the difference between certain TC/TB wire rod and all other wire rod.[11] POSCO also argues that case precedent supports exclusion of certain TC/TB wire rod.[12]
- British Steel, citing the Department's Preliminary Scope Decision Memorandum, claims it is undisputed that the petitioners do not make certain TC/TB wire rod, and argues that the final scope should not cover a product that, if it had constituted the entire scope of a petition, would have resulted in the Department's rejection of such a petition because of the petitioners' lack of standing.[13] POSCO states the domestic industry previously showed no interest in such products, still does not appear to manufacture them, and has not demonstrated why relief should be provided for the products.[14]
- British Steel and POSCO both argue that the factors outlined in *Diversified Products*[15] also support excluding certain TC/TB wire rod from these investigations.[16]
- The petitioners state the specific products that POSCO and British Steel want excluded from the scope are expressly covered under the plain language of the scope, and that neither POSCO nor British Steel have demonstrated otherwise.[17]

Rebuttal Comments

- The petitioners state they specifically intended their petitions to cover all carbon and alloy steel wire rod, including merchandise at issue, regardless of various *Diversified Products* criteria factors (*e.g.*, physical characteristics, end use, *etc.*), and the petitioners state that the Department was correct in its Preliminary Scope Decision Memorandum in noting that the analysis of the *Diversified Products* criteria in this scope context is unnecessary, as the Department analyzes those factors to determine whether a product is covered by the scope

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additional language pertaining to potential end-use certification requirements. *Id.* at 10-11, citing *Notice of Antidumping Duty Orders: Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, 67 FR 65945 (October 29, 2002)* and *Notice of Countervailing Duty Orders: Carbon and Certain Alloy Steel Wire Rod from Brazil and Canada*, 67 FR 64871 (October 22, 2002).

[10] *Id.* at 12.

[11] *See* British Steel Scope Case Brief at 2-4, (citing Letter from British Steel entitled, "British Steel's Scope Comments," dated May 12, 2017 (British Steel Scope Comments) at 6-8). British Steel cites specifically to the final investigation that preceded the institution of one of the aforementioned earlier orders cited by POSCO. *Id.* at 3 (citing *Notice of Final Determination of Sales at Less Than Fair Value and Final Negative Critical Circumstances: Carbon and Certain Alloy Steel Wire Rod from Brazil*, 67 FR 55792 (August 30, 2002)).

[12] *See* POSCO Scope Case Brief at 10-11.

[13] *Id.* at 2-3.

[14] *See* POSCO Scope Case Brief at 11-12.

[15] *See Diversified Prods. Corp. v. United States*, 572 F. Supp. 883 (1983); *see also* 19 C.F.R. 351.225(k)(2).

[16] *See* British Steel Scope Case Brief at 4-6 and POSCO Scope Case Brief at 2-10, respectively.

[17] *See* Petitioners Scope Rebuttal Brief at 4.

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only after orders are issued and where the order language is ambiguous, neither condition of which exists here.[18]

- The petitioners acknowledge, as the Department noted in its Preliminary Scope Decision Memorandum, that the Department may review the *Diversified Products* criteria to determine if products comprise separate classes or kinds, and state that the Department properly found that all the wire rod described by the scope constitutes a single class or kind.[19]
- The petitioners state that British Steel is incorrect in concluding the scope should exclude certain TC/TB wire rod because the petitioners do not produce it, as the petitioners "produce a competitive product or are capable of producing a similar or competitive product," and, in any case, there is no requirement that the petitioners produce every product covered by the scope.[20]
- The petitioners state British Steel is incorrect in concluding the scope should exclude certain TC/TB wire rod because of the exclusion of certain merchandise from a prior investigation, given it was the petitioners in that earlier investigation that intentionally excluded the merchandise in question. Unlike that investigation, the petitioners note, in these current investigations the petitioners intended to cover the products at issue in the scope.[21]

Department's Position:

As an initial matter, while POSCO alludes to the possible presence of properties in certain TC/TB wire rod beyond those identified in the definition POSCO and British Steel have proposed for exclusion, both parties have stated that their proposed definition is sufficient and adequate to define the products in question. In order to address the comments and rebuttal comments raised by parties, the Department is utilizing the definition proposed by POSCO and British Steel: "grade 1080 and higher wire rod for tire cord and bead wire production, which is defined as containing 0.8 percent and higher carbon content, measuring 5.0 mm or more but not more than 6.5 mm in cross-sectional diameter, low manganese content in the range of 0.25 – 0.60 percent, having no inclusions greater than 20 microns."[22]

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[18] *Id.* at 4-5.
[19] *Id.* at 5.
[20] *Id.* at 11.
[21] *Id.* at 11-12.
[22] The wording differences between this version, which is the one proposed by POSCO in its scope case brief, and the one proposed by British Steel in its scope case brief, are inconsequential. This definition virtually mirrors, word-for-word, that identified by the Department in its Preliminary Scope Decision Memorandum, which also adequately represented the slightly varying versions that POSCO and British Steel each had suggested in their scope comments submissions. *See* Preliminary Scope Decision Memorandum at 3 (footnote 11). Both POSCO and British Steel in their scope case briefs clarify that the descriptions they provided are adequate as constituting a complete definition. Nevertheless, the Department notes that the definition makes no distinction between "tire cord" wire rod and "tire bead" wire rod, despite the fact that product exclusions from prior investigations included different definitions for excluded tire cord wire rod and excluded tire bead wire rod, and despite the fact that the HTSUS contains a definition of tire cord quality wire rod that makes no reference to tire bead quality wire rod. *See, e.g.*, *Notice of Antidumping Duty Orders: Carbon and Certain Alloy Steel Wire Rod from Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine*, 67 FR 65945, 65946 (October 29, 2002) and Letter to the Secretary of Commerce and the Secretary of the U.S. International Trade Commission, "Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, the Republic of South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom – Petitioners for the Imposition of Antidumping and Countervailing Duties," dated March 28, 2017 (the Petition) at Exhibit I-6. The reason why two different terms are used to describe products that are defined in identical ways is unclear. Contrary to POSCO's assertion, the Department is under no

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There is no dispute that the scope as written does not exclude certain TC/TB wire rod products, and that none of the properties in the definition provided by POSCO and British Steel can be interpreted to exclude any of those products from the scope as written. Regardless of the extent of the possible similarities or differences between "certain TC/TB wire rod" and the various tire cord quality and tire bead quality wire rod products excluded from the prior investigations cited by POSCO and British Steel, there is no requirement that any such products be excluded from the scope of the current investigations. As the Department noted in its Preliminary Scope Decision Memorandum, it was the petitioners in prior investigations who requested the exclusion of certain products, including ones identified for tire cord and tire bead applications; the Department did not determine such products should be excluded based upon any scope or class or kind analysis.[23] In the current investigations, the petitioners oppose excluding the products in question, and it is the Department's practice to provide ample deference to the petitioners in establishment of the scope.[24]

With regard to claims that the petitioners are unable to produce certain TC/TB wire rod, the Department reiterates that even if such claims were true, there is no requirement that the petitioners in an investigation, or the domestic industry as a whole, be able to produce every single possible item that is covered by the scope.[25] Rather, the plain language of the statute provides that the domestic industry must produce products "which {are} like, or in the absence of like, most similar in characteristics and uses" to the "class or kind of merchandise that is within the scope of an investigation."[26]

The question of whether certain TC/TB wire rod constitutes a distinct class or kind of merchandise than the other wire rods also described by the current scope is a distinct issue from whether certain TC/TB wire rod is covered by the investigations. If certain TC/TB wire rod were found to be a distinct class or kind, it could still be covered by the investigations, unless some other factors (*e.g.*, analysis of industry standing, injury, *etc.*) resulted in negative rulings by the Department or the United States International Trade Commission (ITC) for that distinct class or kind. The class or kind issue is discussed in Issue 2, below, and as noted there, the

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obligation to assist parties in devising descriptions of products that such parties believe should be excluded from the scope. In any case, as noted below, no need exists for developing alternative versions of descriptions of certain TC/TB wire rod associated with the class or kind analysis, given that the record supports finding subject merchandise as defined by the existing scope to be a single class or kind.

[23] *See* Preliminary Scope Decision Memorandum at 13, citing *e.g. Initiation of Antidumping Duty Investigations: Steel Wire Rod from Canada, Germany, Trinidad and Tobago, and Venezuela*, 62 FR 13854, 13854-55 (March 24, 1997).

[24] *See, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Large Residential Washers from the Republic of Korea*, 77 FR 75988 (December 26, 2012) and accompanying Issues and Decision Memorandum at 6-7 and 11; *Certain Steel Wheels from the People's Republic of China: Notice of Final Determination of Sales at Less Than Fair Value and Partial Affirmative Final Determination of Critical Circumstances*, 77 FR 17021 (March 23, 2012) and accompanying Issues and Decision Memorandum at 5.

[25] *See, e.g., Light-Walled Rectangular Pipe and Tube from Mexico: Notice of Final Determination of Sales at Less Than Fair Value*, 69 FR 53677 (September 2, 2004) and accompanying Issues and Decision Memorandum at Comment 5, and *Notice of Final Determination of Sales at Less Than Fair Value; Certain Hot-Rolled Carbon Steel Flat Products from The Netherlands*, 66 FR 50408 (October 3, 2001) and accompanying Issues and Decision Memorandum at Comment 6.

[26] *See* Section 771(10) & (25) of the Act.

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Department is concluding, as it did in its Preliminary Scope Decision Memorandum, that there is no basis for finding that certain TC/TB wire rod constitutes a single class or kind.

In short, there is no basis for excluding certain TC/TB wire rod from the scope of the investigations, and we recommend not amending the scope in this regard.

Issue 2: Class or Kind of Certain TC/TB Wire Rod

Comments

- British Steel and POSCO both argue that the factors outlined in *Diversified Products* (*i.e.*, (1 the general physical characteristics of the merchandise, (2) the expectations of the ultimate purchaser, (3) the ultimate use of the merchandise, (4) the channels of trade in which the merchandise moves, and (5) the manner in which the product is advertised or displayed)[27] demonstrate that certain TC/TB wire rod is in a different class or kind than the other products described by the current scope of the investigations, and that this supports excluding certain TC/TB wire rod from these investigations.[28]
- With regard to general physical characteristics, British Steel states that "{w}hile there may be some overlap in certain physical characteristics, such as diameter," between certain TC/TB wire rod and "other wire rod products," British Steel's definition of certain TC/TB wire rod adequately define the product it wants excluded from the scope for purposes of enforcement, and sufficiently distinguish it from other wire rod products.[29]
- With regard to general physical characteristics, POSCO first refers to carbon content. POSCO states that certain TC/TB wire rod has "much higher carbon content – at or above 0.8 percent – than other industrial grades of wire rod," and states that the carbon content for those other industrial grades of wire rod "is usually no higher than 0.2 percent for low carbon wire rod and 0.62 to 0.8 percent for high carbon wire rod."[30]
- POSCO also asserts that certain TC/TB wire rod "must be free of impurities and surface defects." POSCO claims "that customers typically demand guarantees" that these products "cannot have inclusions greater than 20 microns," that they "have carbon segregation per heat average of 3.0 mm or better using the European Method NFA 04-114," and that they "have a surface quality with no surface defects of a length greater than 0.20 mm." POSCO claims these "stringent" requirements "do not typically exist for other qualities of wire rod."[31]
- POSCO also claims that certain TC/TB wire rod has "significant chemical and mechanical distinctions from high carbon steel wire rod and mild (low/medium) carbon steel wire rod,

[27] *Diversified Prods. Corp. v. United States*, 572 F. Supp. 883 (1983); *see also* 19 C.F.R. 351.225(k)(2).
[28] *See* British Steel Scope Case Brief at 4-6 and POSCO Scope Case Brief at 2-10, respectively.
[29] *See* British Steel Scope Case Brief at 4-5.
[30] *See* POSCO Scope Case Brief at 3. Note that POSCO's initial reference here to the product it wants excluded refers only to grade 1080 tire cord and tire bead wire rod, but the context, and POSCO's conclusory statement that "the carbon content for TC/TB wire rod that is the subject of this scope issue is higher than that of normal high carbon wire rod" indicate POSCO is referring to the entire range of grades it wants excluded (*i.e.*, grade 1080 and higher). *Id.*
[31] *Id.* Note that POSCO never amended its description of the merchandise at issue (*i.e.*, "certain TC/TB wire rod") to incorporate such factors as segregation or surface defect length and, in any case, POSCO has qualified references to these factors as representing what "customers typically demand," not what is always required.

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especially with regard to the heightened control of non-metallic inclusions and surface cracking for purposes of reducing breakage (failure rates)."[32] POSCO claims that the technology used by the U.S. steel industry to produce the steel used to make wire rod (*i.e.*, electric furnaces) is incapable of preventing excessive levels of chemical impurities such as copper, nickel, phosphorus, chromium, manganese, molybdenum, sulfur, and tin, or to satisfactorily limit the presence of non-metallic inclusions, and, as a result, the wire rod produced from steel made in electric arc furnaces has a greater likelihood of surface cracking and a higher breakage rate than wire rod produced from steel made in basic oxygen furnaces "because of deterioration to its drawability and mechanical descaling" associated with the former.[33] POSCO does not identify measures for many of these additional distinctions between certain TC/TB wire rod (which it claims it can produce because it does not use electric arc furnaces to produce the steel it uses to make wire rod) and the wire rod that U.S. producers are capable of producing. However, as noted above in Issue 1, POSCO offers to assist the Department in further refining the definition of certain TC/TB wire rod to cover whatever properties are deemed necessary to distinguish it from other wire rod products.[34]

- POSCO states the Department refers to an industry publication that allegedly makes no distinction between variations in chemistry or inclusion size requirements across different types of tire cord wire rod. POSCO states that the industry publication in question is not on the record, and should be placed on the record for parties to have an opportunity to comment on whether it is a reliable basis for such a finding. POSCO notes the ITC's analysis to which the Department alludes "refers to very simple characteristics among different products without mentioning any details of the mechanical and chemical contents," unlike "the specifications shown in POSCO's product brochure," which POSCO suggests includes products POSCO characterizes as certain TC/TB wire rod.[35]
- With regard to customer expectations, British Steel states the expectations of customers of certain TC/TB wire rod differ from those of customers of other wire rod. British Steel argues this is because customers of certain TC/TB wire rod require that suppliers meet stringent certification requirements that do not apply to "the standard wire rod" described in the scope, and that certain TC/TB wire rod are suitable for the "high-strength, low-weight applications" required because they are made from steel made in basic oxygen furnaces.[36]
- POSCO also states that customer expectations of customers of certain TC/TB wire rod differ from those of customers of other wire rod because of the very stringent requirements expected of the former products. POSCO claims no auto manufacturer would accept tires that have not been certified as meeting the requirements of certain TC/TB wire rod, and no tire manufacturer would take the risk of using such wire rod in its tire production process. POSCO states that, conversely, no customer would choose to purchase certain TC/TB wire rod for industrial or construction applications because such wire rod, designed for specific tire-related applications, would be more costly than what the customer would require for those industrial or construction applications.[37]

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[32] *Id.*
[33] *Id.* at 5-6.
[34] *Id.* at 3-5.
[35] *Id.* at 8-9.
[36] *See* British Steel Scope Case Brief at 5.
[37] *See* POSCO Scope Case Brief at 8.

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- With regard to ultimate use, British Steel states that certain TC/TB wire rod is distinguishable from other wire rod because only certain TC/TB wire rod "is suitable for use in the construction of high performance automotive tires."[38] British Steel states it does not dispute that other wire rod, like certain TC/TB wire rod, is also intended to be drawn into wire, but British Steel argues this has no bearing on the Department's scope determination in this investigation because what distinguishes certain TC/TB wire rod from other wire rod is that the type of wire ultimately drawn from certain TC/TB wire rod "is entirely distinguishable" from the type of wire ultimately drawn from other types of wire rod. As a result of the differences in the wire drawn from the varying input wire rods, British Steel notes, there is a "complete lack of overlap between the ultimate use" of certain 1080 TC/TB wire rod and other wire rod.[39]
- POSCO states that certain TC/TB wire rod is "solely used to produce tire cord and tire bead for the automotive sector," while, "{i}n contrast, other wire rod can be used in a multitude of other downstream products, such as fasteners, valves, mesh, etc."[40] POSCO states "it is inaccurate and simplistic to state," as the Department did in its Preliminary Scope Decision Memorandum, that "most wire rod is intended for drawing into wire, because "not all wire is the same," and notes that POSCO's wire rod brochure "clearly distinguishes between the different applications for products falling within the 'general wire rod' product group, including the specific ultimate uses of 'tire cord steel.'"[41] POSCO indicates the automobile industry requires wire rod manufacturers undergo an exacting quality approval process in order to qualify to sell to the automobile industry inputs (*e.g.*, wire rod) used in "every part that goes into a car."[42]
- Regarding channels of trade, British Steel claims that only the products referenced as certain TC/TB wire rod "{are} sold exclusively to end users," and that "{d}istributors do not purchase" certain TC/TB wire rod. British Steel states this is because producers of certain TC/TB wire rod develop their product specifications "through direct engagement with the end user customer." British Steel characterizes this as a "qualification-based channel of trade," which it states does not exist for other wire rod products. Therefore, British Steel concludes that the Department's focus in its Preliminary Scope Decision Memorandum on the fact that both certain TC/TB wire rod and other wire rod products are sold directly to end users is "myopic."[43]
- Similarly, POSCO refers to the Department's emphasis on the fact that both certain TC/TB wire rod and other wire products are sold to end users is an "overly simplistic finding." POSCO concludes this because certain TC/TB wire rod "is sold to wire makers who resell to U.S. tire makers (*e.g.*, Bridgestone, Michelin, *etc.*) for ultimate sale to auto manufacturers," while "{o}ther wire rod products, on the other hand, are sold for construction and other industrial applications...." Therefore, POSCO concludes, "the channels of distribution {of certain TC/TB wire rod versus other wire rod} are very different with only a limited degree of overlap as {certain} TC/TB wire rod is exclusive to the automotive sector."[44]

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[38] *See* British Steel Scope Case Brief at 5.
[39] *Id.* at 5-6.
[40] See POSCO Scope Case Brief at 6-7.
[41] *Id.* at 7.
[42] *Id.*
[43] *See* British Steel Scope Case Brief at 6.
[44] *See* POSCO Scope Case Brief at 7.

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- British Steel claims that the differences between certain TC/TB wire rod and other wire rod are reflected in the manner of advertising and display.[45] British Steel cites back to British Steel's Scope Comments, which indicated that because certain TC/TB wire rod "is generally sold directly to an industrial end user (and is generally not sold at the retail level), the manner of display is not a relevant criterion for this product."[46] British Steel also stated that as certain TC/TB wire rod "is suitable for larger tires and the standard wire rod encompassed by the scope does not possess the specifications necessary for this application, the advertising of {certain TC/TB wire rod} differs commensurately from the advertising for the standard wire rod products described in the scope."[47]
- POSCO also claims the differences between certain TC/TB wire rod and other wire rod are reflected in the manner of advertising. POSCO claims manufacturers of certain TC/TB wire rod advertise their products as distinct types of wire rod because of their "higher quality" and "specialized use," and that the products are sold at prices seventy percent higher than "other quality wire rods in the U.S. market."[48] POSCO states its wire rod product brochure shows "various applications of each type of product, including how the intended applications for 'tire cord steel' differ from all other wire rod qualities."[49]

Rebuttal Comments

- The petitioners note the Department concluded, in its Preliminary Scope Decision Memorandum, that each of the *Diversified Products* criteria support a finding that certain TC/TB wire rod is in the same class or kind as the other steel wire rod covered by the scope, and agree with the Department's conclusion that only one class or kind exists under the scope.[50]
- The petitioners state the Department, in its Preliminary Scope Decision Memorandum, properly rejected British Steel's and POSCO's arguments that certain TC/TB wire rod differed significantly from other wire rod covered by the scope with respect to general physical characteristics.[51] With regard to general physical characteristics, the petitioners state British Steel and POSCO have failed to identify any clear physical demarcations between certain TC/TB wire rod and other types of wire rod, a point noted by the Department and the ITC in earlier stages of their respective investigations.[52] The petitioners concur with the Department and the ITC on their conclusions that there is overlap of product characteristics of certain TC/TB wire rod and other wire rod products.[53]

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[45] *See* British Steel Scope Case Brief at 6 (citing Letter from British Steel entitled, "British Steel's Scope Comments," dated May 12, 2017 (British Steel Scope Comments) at 15).
[46] *See* British Steel Scope Comments at 15 (footnote 31).
[47] *Id.* at 15.
[48] *See* POSCO Scope Case Brief at 10.
[49] *Id.*
[50] *See* Petitioners Scope Rebuttal Brief at 6.
[51] *Id.* at 7.
[52] *Id.* at 7-8, citing Preliminary Scope Decision Memorandum at 16-17 (in turn citing *Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom, Investigation Nos. 701-TA-573-574 and 731-TA-1349-1358 (Preliminary)*, Publication 4693 (May 2017) (*Preliminary ITC Report*), at 9.
[53] *Id.*, citing Preliminary Scope Decision Memorandum at 16 (in turn citing *Preliminary ITC Report* at 8).

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- With regard to expectations of purchasers, the petitioners state that British Steel's arguments pertain to the alleged need for steel made in basic oxygen furnaces and to stringent quality controls, not customer expectations. The petitioners state British Steel ignores types of wire rod other than certain TC/TB wire rod that are subject to stringent quality requirements, such as those cited by the Department in its Preliminary Scope Decision Memorandum (*e.g.*, wire rod for production of music spring wire) and by the ITC in its concurrent investigation.[54] Petitioners state the implication of British Steel's argument is that each of the different "types" of wire rod (*e.g.*, wire rod music spring wire, wire rod for prestressed concrete steel wire, *etc.*) would potentially be a separate class or kind of merchandise, which would undermine the domestic industry's ability to obtain relief.[55]
- With regard to ultimate use, the petitioners state POSCO's argument that tire cord quality wire rod is used only for automobile tire reinforcement while other types of wire rod can be used for a multitude of other downstream products is misleading and inaccurate, as the former is used in rubber hose applications. The petitioners state that types of wire rod other than certain TC/TB wire rod are also used in the automotive industry.[56] With regard to British Steel's statement that the type of wire drawn from certain TC/TB wire rod is entirely distinguishable from the type of wire ultimately drawn from other types of wire rod, petitioners state that this is also true of prestressed wire made from grade 1080 wire rod, and that British Steel's argument just underscores the Department's preliminary finding that all wire rod subsumed within the scope is a single class or kind of merchandise (as well as the ITC's preliminary finding that all wire rod subsumed within the scope is a single like product).[57]
- With regard to channels of trade, the petitioners reject POSCO's distinction between sales of certain TC/TB wire rod used to make wire used by tire makers and sales of other rods used for "construction and industrial applications," noting that tire makers are also industrial users. Petitioners reject British Steel's claim that sales of certain TC/TB wire rod are through a distinct "qualification-based channel of trade," as that is no more a distinct channel of trade than sales of other types of wire rod with unique specifications (*e.g.*, 1080 grade wire rod used to manufacture prestressed concrete wire rod) for other types of industrial users.[58]
- With regard to the manner in which the product is advertised or displayed, the petitioners state the Department found correctly, in its Preliminary Scope Decision Memorandum, that neither British Steel nor POSCO provided any evidence that certain TC/TB wire rod is advertised in any way different from other wire rod covered by the scope, and that nothing in those parties' scope case briefs should result in change to that finding.[59]

Department's Position: Section 771(25) of the Act defines "subject merchandise" as "the class or kind of merchandise that is within the scope of an investigation" or other proceeding covered by the statute. The Department did not segregate multiple classes or kinds in its initiation of the

[54] *Id.*, citing Preliminary Scope Decision Memorandum at 17; *see also Preliminary ITC Report* at 10-11.
[55] *Id.* at 8-9.
[56] *Id.* at 9 (citing *Notice of Final Determination of Sales at Less Than Fair Value and Final Negative Critical Circumstances: Carbon and Certain Alloy Steel Wire Rod from Brazil*, 67 FR 55792, 55794, and 55799 (August 30, 2002)).
[57] *Id.* (footnote 30).
[58] *Id.* at 10.
[59] *Id.*

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investigations.[60] Consequently, to this point in the investigations, certain TC/TB wire rod have been covered by the same scope as other wire rod products.

The Department has in the past, based its determination of whether the merchandise, as described in the scope of a proceeding, constitutes a single class or kind of merchandise on an evaluation of the criteria set forth by the Court of International Trade (CIT) in *Diversified Products*, which look to differences in: (1) the general physical characteristics of the merchandise, (2) the expectations of the ultimate purchaser, (3) the ultimate use of the merchandise, (4) the channels of trade in which the merchandise moves, and (5) the manner in which the product is advertised or displayed.[61]

With regard to physical characteristics, British Steel acknowledges only some overlap between certain TC/TB wire rod and other wire rod products, such as diameter, but there is significant additional overlap, as discussed in response to POSCO's more detailed arguments regarding product characteristics, below.

POSCO argues the Department should consider the specifications shown in POSCO's wire rod product brochure" for "details of the mechanical and chemical contents" of particular wire rod products, rather than relying on references to sources, such as an industry publication cited by the ITC, that allude to very simple characteristics among differing products.[62] However,

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[60] *See Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, the Republic of Turkey, Ukraine, United Arab Emirates, and United Kingdom: Initiation of Less-Than-Fair-Value Investigations*, 82 FR 19207 (April 26, 2017) *(AD Initiation Notice); Carbon and Alloy Steel Wire Rod from Italy and Turkey: Initiation of Countervailing Duty Investigations,* 82 FR 19213 (April 26, 2017) *(CVD Initiation Notice).*

[61] *See Diversified Prods. Corp. v. United States*, 572 F. Supp. 883 (1983); *see also* 19 C.F.R. 351.225(k)(2). *See also e.g. Hydrofluorocarbon Blends and Components Thereof From the People's Republic of China: Final Determination of Sales at Less Than Fair Value and Final Affirmative Determination of Critical Circumstances*, 81 FR 42314 (June 29, 2016), and accompanying Issues and Decision Memorandum at General Comment 1; *Notice of Final Determination of Sales at Less Than Fair Value: Small Diameter Circular Seamless Carbon and Alloy Steel, Standard, Line and Pressure Pipe From Germany*, 60 FR 31974 (June 19, 1995); *Pure and Alloy Magnesium From Canada: Final Affirmative Determination; Rescission of Investigation and Partial Dismissal of Petition*, 57 FR 30939 (July 13, 1992).

[62] *See* POSCO Scope Case Brief at 9. The Department notes that the Department cited the information from the industry publication not in the context of the physical characteristics *Diversified Products* Criteria factor, but in the context of customer expectations, another *Diversified Products* Criteria factor. *See* Preliminary Scope Memorandum at 17. POSCO is correct that the information in the publication does not pertain to detailed physical characteristics, but the Department referred to "important general characteristics" for 'tire cord' wire rod," as described in that publication, versus "important general characteristics" for "wire rod suitable for music spring wire applications," and also cited a list from that industry publication "that summarizes various types of wire rod," and that the types identified in that list "make{ } no distinction between different variations of tire cord wire rod" based on any of those general criteria. *Id.* The list is entitled "Wire rod: Quality, end uses, and important characteristics" (which appear in three columns), and while the "end uses" vary for wire rod that is "music spring wire" quality versus wire rod that is "tire cord" quality, the description in the "important characteristic" column is identical for each (*i.e.*, "{r}estrictive requirements for chemistry, cleanliness, segregation, decarburization, surface imperfections." *See Preliminary ITC Report* at I-11 to I-12 (Table I-2) (citing information the ITC indicated it extracted from *Iron and Steel Society, Steel Products Manual: Carbon Steel Wire and Rods*, August 1993, pp. 35-37). It is correct that the information from that source cited by the ITC does not state that the actual detailed physical properties of those two general types of wire rod are the same, but it does indicate that customers would expect relatively "restrictive" requirements for the various groups of properties referenced. Furthermore, the list of types made no reference to different general types of tire cord wire rod (that is, no distinction between any of the

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information in POSCO's brochure indicates that certain TC/TB wire rod is not substantially different from at least some of the other wire rods covered by the scope, which neither POSCO nor British Steel claim constitute distinct classes or kinds of merchandise.

While certain TC/TB wire rod has much higher carbon content than some wire rod, which POSCO refers to as "industrial" wire rod, other wire rods also have similarly high levels of carbon, as evident, for example, from the very same POSCO brochure that POSCO references.[63] Certain TC/TB wire rod, as defined by POSCO and British Steel, includes products of grade 1080 or above. POSCO's wire rod brochure indicates typical grade 1080 products require a minimum of 0.75 percent carbon, along with a maximum allowable carbon content level of 0.88 percent.[64] This carbon content range of 0.75 – 0.88 percent corresponds exactly to that of "Tire Cord Steel" a product referenced in the brochure as Class 2 / POSCORD80S.[65] The definition, of certain TC/TB wire rod provided by POSCO and British Steel, requires that the product be at least 0.8 percent carbon by weight, and therefore the reference to "0.8" percent, as opposed to "0.80" percent, appears to indicate that products with as little as 0.75 percent carbon could meet the definition described by POSCO and British Steel.[66]

The POSCO Wire Rod Brochure identifies the chemical requirements of numerous products, other than those identified as pertaining to tire cord wire rod or tire bead wire rod, that have a minimum carbon content requirement that is either 0.75 percent or higher. Just focusing upon such other products for which the minimum carbon content requirement is 0.80 percent or higher (*e.g.*, not including a product whose minimum carbon content is 0.78 percent, even though that could be interpreted as rounding to 0.8 percent), the Department identifies the following (brochure page number references in parentheses): SAE/AISI "product codes" 1084, 1085, 1086, 1090, and 1095 (page 16); JIS "Piano Steel" product codes SWRS82A, SWRS82B, and SWRS92A (page 17); JIS "Bearing Steel" product codes SUJ1, SUJ2, SUJ3, SUJ4, and SUJ5 (page 18); and "High Carbon Steel for Bridge Cable" product codes POSCABLE82, POSCABLE86, POSCABLE90, and POSCABLE92 (page 24). In other words, these types of wire rod products have carbon content requirements comparable to that of certain TC/TB wire rod.

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specific types tire cord wire rod POSCO and British Steel wish excluded from the scope (i.e., certain TC/TB wire rod), versus those they do not claim fall in a separate class or kind than other wire rod covered by the scope). *Id.* Both POSCO and British Steel emphasize the unusually stringent requirements of certain TC/TB wire rod, as opposed to other types of wire rod, and this reference by the Department was to support its contention that various types of wire rod (*e.g.*, tire cord wire rod other than certain TC/TB wire rod, and wire rod used for the production of music spring wire) are also subject to demanding expectations from customers.

[63] *See* Memorandum entitled, "POSCO Brochure" dated September 7, 2017 (POSCO Wire Rod Brochure).

[64] *Id.* at 16.

[65] *Id.* at 24.

[66] While it is not possible to interpret 0.75 percent to meet a requirement of no less than 0.80 percent, it is conceivable that 0.75 percent could be interpreted by POSCO and/or British Steel as meeting a requirement of no less than 0.8 percent, if the 0.75 percent is first rounded to the nearest one-tenth percent (i.e., rounded to 0.8 percent) before comparing it to the requirement. The analysis that follows would be little changed if one were to interpret no less than 0.8 percent to mean the same thing as no less than 0.80 percent, other than that there would be even more products in POSCO's brochure with carbon requirements that would be consistent with the carbon requirement of certain TC/TB wire rod.

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Similarly, regarding manganese content, there are numerous products identified in the POSCO Wire Rod Brochure with manganese content ranges comparable to the 0.25 – 0.60 "low manganese" levels of certain TC/TB wire rod, including some of those with comparable carbon requirements, namely: SAE/AISI "product codes" 1086 and 1090, each with range 0.30 – 0.50 percent (page 16); JIS "Piano Steel" product codes SWRS82A and SWRS92A, each with range 0.30 – 0.60 percent (page 17); JIS "Bearing Steel" product code SUJ4, with maximum 0.50 percent (page 18); and "High Carbon Steel for Bridge Cable" product codes POSCABLE90 and POSCABLE92, each with range 0.30 – 0.60 percent (page 24). While the required minimum content of manganese for certain TC/TB wire rod, at 0.25 percent, is slightly below that of the aforementioned grades for other wire rod products, certain TC/TB wire rod may possess as much manganese as all of those grades referenced above.

Furthermore, all of the references to "tire cord steel" in the POSCO Wire Rod Brochure have a low manganese content range, *i.e.* 0.30 – 0.60 percent, whether they have a carbon content range below those of certain TC/TB wire rod (*e.g.*, Class 1 POSCORD70S) or a carbon content range that overlaps with or is consistent with that of certain TC/TB wire rod (*i.e.*, Class 2 POSCORD80S, Class 3 POSCORD90, and Class 3 POSCORD92CR).[67] Therefore, some of POSCO's tire cord wire rods that do not meet the definition of certain TC/TB wire rod have very similar chemical content requirements as those that do. The only difference is that the former may not have a manganese content greater than or equal to 0.25 percent and less than 0.30 percent.[68]

With regard to the 5.0 – 6.5 mm cross-sectional diameter requirements of certain TC/TB wire rod, neither British Steel nor POSCO have indicated why such dimensions are exceptional, let alone why exceptional wire rod sizes should be relevant for the analysis of class or kind. In any case, the POSCO Wire Rod Brochure, while generally devoid of references to diameter ranges of specific wire rod products, does identify some products other than tire cord wire rod or tire bead wire rod (*i.e.*, bearing steel wire rod and carbon steel for cold heading & forging wire rod) that POSCO offers within the diameter range of certain TC/TB wire rod.[69] Furthermore, the sample products identified by the ITC in its preliminary report for analysis of pricing information, none of which are categorized as tire cord wire rod or tire bead wire rod, all possess diameter ranges that overlap with that defined for certain TC/TB wire rod.[70]

With regard to the "no inclusions greater than 20 microns" requirement of certain TC/TB wire rod, an even tighter requirement is identified in the POSCO Wire Rod Brochure for Spring Steel

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[67] *Id.*

[68] This minor difference pertaining to allowable manganese content, along with the other requirements identified for certain TC/TB wire rod that are not referenced in POSCO's Wire Rod Brochure for tire cord wire rod products (*e.g.*, maximum inclusion size of 20 microns), does not prevent POSCO from stating the obvious, that the brochure references its tire cord wire rod products in a general way that also includes certain TC/TB wire rod. *See* POSCO Scope Case Brief at 10.

[69] *See* POSCO Wire Rod Brochure at 13.

[70] The ITC identified five such products, classified as industrial quality wire rod, mesh quality wire rod, or grades for spring applications, and each identify diameter ranges that include 5.5 mm through 6.5 mm, which in turn fall within the 5.0 mm – 6.5 mm range for certain TC/TB wire rod. *See Preliminary ITC Report* at 32 (footnote 195) and V-5.

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wire rods for engine valve applications.[71] Even if the requirement for certain TC/TB wire rod were considered exceptional, which is not clear from the record, it is not evident that such a variation, alone or in conjunction with other properties identified for certain TC/TB wire rod, are enough to significantly differentiate certain TC/TB wire rod for purposes of class or kind analysis.

POSCO, in its scope case brief, referred to some properties beyond those in its (and British Steel's) definition of certain TC/TB wire rod (*e.g.*, relating to carbon segregation, surface defects, *etc.*) associated with prior exclusions, in past investigations, of various tire cord wire rod and tire bead wire rod products. However, given POSCO and British Steel have insisted their definition of certain TC/TB wire rod is sufficient to define the products they feel should be excluded, there is no need to attempt to address such additional properties.[72]

Even if parties could devise product requirements for a wire rod unique from every other existing wire rod product in existence, that would not ensure such a product should be considered substantially different with regard to physical characteristics than other wire rod, let alone be a sufficient basis for categorizing it as a separate class or kind from other wire rod products. In any case, as noted above, certain TC/TB wire rod, based solely on the characteristics identified in its definition (*i.e.*, carbon content, manganese content, diameter, and size of inclusions), shares various physical characteristics with other wire rods covered by the scope, and there are various other physical characteristics associated with wire rod for which the definition of certain TC/TB wire make no distinction in comparison to other wire rods covered by the scope.[73]

With regard to customer expectations, as noted above, a list of general categories of types of wire rod cited by the ITC, in its Preliminary Report, makes no distinction between certain TC/TB wire rod and other wire rod used for tire cord production, and indicates that customers for another type, wire rod for music spring wire production, can expect the product, like that of tire cord wire rod generally, to meet stringent requirements. Also the POSCO Wire Rod Brochure provides the same general description of what customers might expect from tire cord wire rod, with no distinction by variation (that is, for certain TC/TB wire rod versus other variations of wire rod used for such applications): "{i}t is used for automobile tire reinforcement materials, made of stranded codes {sic} after a wire extending process, that makes high carbon steel wire rods into

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[71] *See* POSCO Wire Rod Brochure at 12.

[72] The Department notes, nevertheless, that while the POSCO Wire Rod Brochure indicates that POSCO's "Low Carbon Steel Wire Rod" products do not appear to require testing for segregation, the various other POSCO wire rod products do. *See* POSCO Wire Rod Brochure at 9. No details appear regarding segregation requirements, so no conclusions can be drawn regarding comparability of those requirements versus those identified for certain TC/TB wire rod. *Id.*

[73] Examples of such physical characteristics are evident from the POSCO Wire Rod Brochure. The brochure, for tire cord steel wire rod products, refers to other properties, including the following: percentage content by weight of additional elements (*i.e.*, silicon, phosphorus, sulfur, and chromium), tensile strength, and decarburization depth. These apply to various tire cord wire products advertised in the brochure. *See* POSCO Wire Rod Brochure at 12 and 24. None of the POSCO tire cord wire rod product identified in the brochure, as discussed above, meet all the requirements of certain TC/TB wire rod. However, the definition of certain TC/TB wire rod proposed by POSCO and British Steel makes no reference to such other properties (*e.g.*, percentage silicon content, percentage phosphorus content, tensile strength, *etc.*), and therefore there is no basis for concluding such properties differ significantly, or even at all, between certain TC/TB wire rod and other wire rod products, including tire cord wire products not meeting the precise definition of certain TC/TB wire rod.

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micro wires," with a "{d}iameter range from 0.4-0.15 mm, and strict quality control is implemented to endure the stress incurred from high speed processing."[74] Of course, there will be some variation in expectations for every individual product, but there is no hint of substantial variations in expectations between certain TC/TB wire rod and other wire rod for tire cord applications, or even between certain TC/TB wire rod and various wire rod products used for applications other than tire cord.[75]

As noted, POSCO claims that no auto manufacturer would accept tires that have not been produced with wire rod certified to meet the requirements of "certain TC/TB wire rod," and that no tire manufacturer would take the risk of using such wire rod in its tire production process. However, as discussed immediately above, and elsewhere in this memorandum, even POSCO itself advertises tire cord wire rod not meeting the requirements of the definition of certain TC/TB wire rod. Furthermore, other sources on the record indicate certain U.S. producers do make products that are classified as tire cord quality wire rod, and presumably some tire manufacturers purchase such wire rod for the manufacture of tires.[76]

With regard to the steel production process used to produce the billets used to produce wire rod, even if customers' expectations were such that they believed U.S. mini-mill producers could not produce adequate tire cord quality or tire bead quality wire rod from billets made from liquid steel made in electric steelmaking furnaces, neither POSCO nor British Steel have claimed that such U.S. wire rod producers would be unable to import billets made from liquid steel made from a combination blast furnace and basic oxygen furnace steel process.[77] Furthermore, even if certain or all U.S. producers were unable to produce certain TC/TB wire rod at any given moment in time, that would not demonstrate the products defined by POSCO and British Steel as certainTC/TB wire rod constitutes a separate class or kind of merchandise, regardless of any customers' expectations.[78]

With regard to ultimate use, as the Department noted in its Preliminary Scope Decision Memorandum, most wire rod is intended for drawing into wire.[79] The record supports such a

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[74] *See* POSCO Wire Rod Brochure at 11. As noted above, certain TC/TB wire rod does not meet the exact requirements of the tire cord wire products listed in the brochure, due to the slight variation in manganese content range. However, POSCO itself has referred to the brochure as pertinent for this analysis, and the brochure itself indicates the applications described within the brochure "are for general reference only," and that for a "specific application," a party should "consult with {a POSCO} representative specializing in the products" the party wishes to order." *Id.* Variations from what is described in the brochure are to be expected.

[75] The ITC has referred to various types of wire rod in addition to "tire cord quality" as "high quality" products that mini-mills are capable of producing from steel made through electric furnaces (*e.g.*, "cold heading quality," *etc.*). *See, e.g., Carbon and Certain Alloy Steel Wire Rod from China, Investigation Nos. 701-TA-512 and 731-TA-1248 (Final)*, Publication 4509, January 2015 (*ITC Final China Report*), at page I-18 to I-19 (footnote 30), cited in the Petition at Exhibit I-5.

[76] *See, e.g., ITC Final China Report* at page I-18 to I-19 (footnote 30), cited in the Petition at Exhibit I-5 ("Mini-mills that produce high quality rod products, such as high carbon, cold heading quality, *tire cord quality*, and/or other special quality wire rod....") (emphasis added).

[77] *Id.* ("...with addition of scrap blends and substitute materials, Nucor reportedly has the full capability to produce all steel grades currently being imported, using the EAF process compared to the BOF process").

[78] If such were the case, then each and every proprietary product developed by a foreign producer could be claimed to constitute a different class or kind than all other types of merchandise, which obviously is not the intention of the statute.

[79] *See* Preliminary Scope Decision Memorandum at 17.

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generalization.[80] This is something fundamental that certain TC/TB wire rod has in common with many other types of wire rod. At a more specific level, certain TC/TB wire rod is intended for processing (*e.g.*, drawing) into wire suitable for uses in tire manufacturing, but so are other types of tire cord wire rod and tire bead wire rod products (*i.e.*, those not meeting the definition of certain TC/TB wire rod). British Steel and POSCO would have the Department distinguish even more finely with regard to usage of certain TC/TB wire rod for more specialized uses, but the claims made by British Steel and POSCO steel regarding such uses of certain TC/TB wire rod vary. While POSCO refers to the general use of such products for reinforcement of car tires, and cites statements by other parties to that effect,[81] British Steel's statements appear to focus on more limited tire applications than POSCO's, referring to "high-strength, low-weight applications" associated with "the construction of high performance automotive tires."[82] British Steel's use of more specific terms such as "high performance" may simply be its way of referring to products made in part from its materials in exemplary terms. If so, as noted it is evident that tire cord wire rod not meeting the requirements of certain TC/TB wire rod are also used for the construction of tires.[83] Furthermore, as noted by petitioners, information on the record indicates tire cord wire rod is also used for rubber hose applications.[84] In short, as noted by the ITC, "the wire rod industry is composed of so many different applications, that the only clear dividing line is between wire rod and other steel products."[85]

With regard to channels of trade, no party contests that wire rod other than certain TC/TB wire rod is sold directly to users, as is certain TC/TB wire rod. Also, as the Department noted in the Preliminary Scope Decision Memorandum, the ITC has noted that two prominent U.S wire rod customers purchased both tire cord wire rod and tire bead wire rod and other types of wire rod. Furthermore, if tire cord wire rod and tire bead wire rod are sold more exclusively to end users than various other types of wire rod, and if, unlike some other types of wire rod, they are subject to the development of unique specifications and qualifications between suppliers and ultimate downstream users, such characterizations would apply to tire cord wire rod and tire bead wire rod other than certain TC/TB wire rod, as well as certain TC/TB wire rod. Furthermore, other types of wire rod products are described as "highly specialized" (*e.g.*, suspension spring wire rod),[86] and British Steel has not cited precedent for differentiating channels of trade, for a *Diversified Products* Criteria analysis, based upon the degree or frequency in which products described by a scope are "specialized."

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[80] *See ITC Final China Report* at I-16.
[81] *See* POSCO Scope Comments at 3 and at, Attachment (statements by Terry Hughes of "Bekaert Corporation in North America" and John Ryoo of "POSCO America"), and POSCO Scope Case Brief at 6.
[82] *See* Britisb Steel Scope Comments at 12-13 and British Steel Scope Case Brief at 5.
[83] *See, e.g.,* the discussions elsewhere in this memorandum about tire cord wire rod products described in POSCO's Wire Rod Brochure, some of which differ in chemical requirements from certain TC/TB wire rod in multiple ways.
[84] *See* POSCO Scope Comments at Attachment (statement by Terry Hughes referring to "steel tire cord wire rod used in the manufacture of tire and high pressure hoses.").
[85] *See Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, Turkey and Ukraine, Investigation Nos. 701-TA-417-421 and 731-TA-953, 954, 956-959, 961, and 962 (Final)*, Publication 3546 (October 2002), at 13, cited in the Petition at 13-14.
[86] *See Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom, Investigation Nos. 701-TA-573-574 and 731-TA-1349-1358 (Preliminary)*, Publication 4693 (May 2017), at 9.

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With regard to the manner in which the product is advertised or displayed, the Department, in its Preliminary Scope Decision Memorandum, noted that neither British Steel nor POSCO provided evidence regarding this factor in support of its claim that certain TC/TB wire rod is a distinct class or kind of merchandise than other merchandise described by the scope of the investigations.[87] POSCO argues in its scope case brief that "{m}anufacturers of grade 1080 and higher TC/TB wire rod advertise their products as distinct types of wire rod because of their higher quality, specialized use, and are sold at prices that are around 70 percent higher than other quality wire rods in the U.S. market," citing its May 12, 2017 scope comments and the POSCO Wire Rod Brochure (the latter "showing various applications of each type of product, including how the intended applications for 'tire cord steel' differ from all other wire rod qualities.").[88]

The Department does not dispute that tire cord wire rod, and other types of wire rod, are identified distinctly in advertising information such as, for example, the POSCO Wire Rod Brochure. However, neither POSCO nor British Steel have demonstrated that there are differences in the manner of advertising. In fact, not only are various types of wire rod, including tire cord wire rod, advertised by POSCO in the same brochure, but they are described on the very same pages of the brochure.[89] Furthermore, references to tire cord steel wire rod in the brochure include, together in the same small chemical composition chart on the bottom of one page, higher carbon content products (*i.e.*, Class 2 POSCORD80S, Class 3 POSCORD90, and Class 3 POSCORD92CR) like those described by the definition of certain TC/TB wire rod, and lower carbon content products (*i.e.*, Class 1 POSCORD70S).[90] For tire cord wire rod, as for other products, customers may need to consult with suppliers to determine more specific or precise product requirements.[91] However, the POSCO Wire Rod Brochure presents a range of POSCO wire rod products which by all appearances are covered by the scope, including a range of different tire cord wire rod products including some like certain TC/TB wire rod, with the exception of the minor variation in minimum percent manganese requirements discussed above.[92]

In short, there is no basis for finding certain TC/TB wire rod to constitute a class or kind of merchandise that is distinct from the other merchandise described by the scope as it is currently written, and we recommend not amending the scope in this regard.

Issue 3: Downstream Wire Products

Comments

- POSCO states that the Department should change the definition of the scope of the investigations so it explicitly excludes all downstream wire products. POSCO indicates the

[87] *See* Preliminary Scope Decision Memorandum at 18.
[88] *See* POSCO Scope Case Brief at 10.
[89] *See, e.g.,* POSCO Wire Rod Brochure at pages 11, 12, 24 for pages on which tire cord is described along with other types of wire rod.
[90] *Id.* at 14.
[91] *See, e.g.,* POSCO Wire Rod Brochure reference on page 11 for reference to the general nature of brochure descriptions.
[92] The brochure makes no reference to "tire bead wire rod" but, as noted above, POSCO and British Steel have made no distinction between tire bead wire rod and tire cord wire rod in their definition of certain TC/TB wire rod.

scope, as currently worded, may be interpreted to include wire products because the language does not refer to the expression "wire rod," states "{a}ll products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope," and does not contain language specifically excluding downstream wire products.[93]

- POSCO states that steel wire rod is distinguishable from steel wire not only in terms of physical characteristics, but also with respect to customer expectations, end uses, channels of distribution, and manner of advertising or display.[94]
- POSCO states the U.S. International Trade Commission distinguished between wire rod and wire in its final determination in a previous wire rod investigation, as did petitioners in their petitions in the current wire rod investigations, confirming their "perception that clear dividing lines exist between wire rod and downstream wire products."[95]
- POSCO states "the Department should clarify its scope definition to confirm that the scope is limited to 'wire rod' products, and excludes any downstream articles such as cold-headed quality ('CHQ') wire that has been produced from CHQ wire rod, regardless of the process."[96]
- POSCO also notes that, contrary to the Department's assertion in its Preliminary Scope Decision Memorandum, POSCO "never posited that heat treatment of wire rod, in and of itself, removes wire rod from the scope of the investigations."[97]

Rebuttal Comments

- The petitioners state the Department properly found, in its Preliminary Scope Decision Memorandum, that there is no need to explicitly exclude products properly classified as cold-drawn wire products, given the current scope does not suggest that cold-drawn wire products are covered. The petitioners state CBP has administered wire and wire rod orders for many years with no apparent difficulty involving instances of wire being captured by wire rod orders, or vice versa, and conclude the scope should not be modified in response to POSCO's request regarding wire.[98]

Department's Position:

As the Department noted in its Preliminary Scope Decision Memorandum, there is no need to include language in the scope of the investigations that explicitly excludes cold-drawn wire products, because the scope is limited to wire rod products.

The Department is uncertain what POSCO means now by "downstream wire products." POSCO claims in its scope case brief that it did not, in its scope comments, assert that products may be designated as "wire" solely as a result of heat treatment of wire rod.[99] However, POSCO did in fact make such a claim in its scope comments. Referring to "carbon steel wire rod for cold

[93] *See* POSCO Scope Case Brief at 13-14.
[94] *Id.* at 14-15.
[95] *Id.* at 15-16.
[96] *Id.* at 14.
[97] *Id.* at 13.
[98] *See* Petitioners Scope Rebuttal Brief at 12.
[99] *See* POSCO Scope Case Brief at 13.

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heading quality and cold forging," which it refers to as CHQ wire rod, POSCO states it processes "CHQ wire rod into CHQ wire *either* through heat treatment or through a cold-drawing process, both of which change the size and tensile strength such that the downstream wire rod product has different physical characteristics from the CHQ wire rod."[100] The reference to "either" in this context indicates that POSCO believes heat treatment alone is enough to transform wire rod into wire. POSCO referred to tensile strength *and* size terminology when describing the effects of the heat treatment: "{w}ith heat treatment, there is a change in microstructure from ferrite and pearlite into spherodizing cementite; the tensile strength of the wire is much higher than the rod; and the size tolerance decreases from +0.40mm to +0.10mm."[101]

It is not evident which wire rod products POSCO believes may be transformed into wire through just a heat treatment process. Nor is the range of products which some parties might choose to identify by name as "wire" evident, particularly if a party had some motivation for doing so to try to avoid the imposition of duties.[102] Inserting a simple statement in the scope of the investigations indicating that "downstream wire products" are excluded from the scope would not serve to clarify such an ambiguity, if one exists but rather, could open up the scope to numerous potential exclusions based on ambiguous criteria.[103]

Furthermore, while POSCO's arguments in its scope case brief focus upon wire rod versus wire, POSCO at one point states "any downstream articles such as cold-headed quality ('CHQ') wire that has been produced from CHQ wire rod, regardless of the process."[104] As noted, there is no

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[100] *See* Letter from POSCO entitled, "Comments on Scope of the Investigations," dated May 12, 2017 (POSCO Scope Comments) at 9-10 (emphasis added).

[101] *See* POSCO Scope Comments at 10. Neither alterations in the strength properties of a wire rod (resulting, for example, from a heat treatment) nor certain adjustments to the dimensions of a wire rod (resulting, for example, from descaling or other surface processing that may remove some amount of surface material), or a combination of both, serve to transform a wire rod into a wire. Petitioners noted, immediately after the scope they proposed in their amendment to the petitions, that wire rod is "primarily for subsequent drawing and finishing by wire drawers," thereby referencing the process by which wire rod is transformed into wire. *See* Letter from petitioners entitled "Petitioners' Amendment to Volume I Relating to General Issues" dated April 4, 2017 (Petitions Amendment) at 5. This is consistent with the ITC's description of the process by which wire rod is transformed into wire. *See, e.g., ITC Final China Report,* at page I-5, and *Preliminary ITC Report*, at 7.

[102] Simply running wire rod through a wire drawing process does not guarantee the product is thereby transformed into a wire. As an extreme example, if the settings of that wire drawing process were such that the wire rod that passed through it was in no way transformed by the process, the product exiting the process would not be considered "wire" but, rather, to remain "wire rod," regardless of what a party might call such a product.

[103] The Department notes that while tariff numbers listed with the scope are not considered dispositive, none of the tariff numbers covering products classified as "wire" under the HTSUS are listed with the scope. For tariff code classification purposes, wire, as opposed to wire rod and other products referenced in the HTSUS, is defined as "{c}old-formed products in coils, of any uniform solid cross section along their whole length, which do not conform to the definition of flat-rolled products." *See* the Petition at Exhibit I-6. Wire rod that has been subsequently "cold-formed" into wire through cold drawing are not covered by the scope of these wire rod investigations, as noted in the Preliminary Scope Decision Memorandum. Also, a product that has been transformed from wire rod into wire through some other cold forming operation, such as cold extrusion that involves pushing the wire rod through a die that produces wire, rather than drawing it through a die that produces wire, would also not be covered by the scope of these wire rod investigations. In contrast, processing such as shaving or peeling, which remove portions of metal to remove surface defects or otherwise improve the uniformity of surface, does not transform a wire rod into a product outside of the scope.

[104] *See* POSCO Scope Case Brief at 14.

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basis for excluding wire rod that has simply been heat treated, and it is unclear what POSCO means by "any downstream articles."

In short, there is no basis for modifying the scope to exclude drawn wire products which no parties, including the petitioners, have claimed are covered by the scope, and no basis for including exclusion language pertaining to additional "downstream articles," whatever POSCO may mean by such a reference. Therefore, we recommend not amending the scope in this regard.

Recommendation

We recommend that the Department adopt the positions outlined above. As a result, the scope language is unchanged from that established in the Initiation Notices and reaffirmed in the Preliminary Scope Decision Memorandum.

☒	☐
Agree	Disagree

11/20/2017

X James Maeder

Signed by: JAMES MAEDER
James Maeder
Senior Director
performing the duties of Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

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EXHIBIT 15

EXHIBIT
REDACTED
IN FULL

EXHIBIT 16

posco

WIRE ROD





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WIRE ROD

posco

Pohang Steelworks



Upon completion of its first-phase manufacturing facility in 1973, Pohang Steelworks, Korea's first integrated steel mill, was finally completed after 4 stages of construction at Young-il Bay in February 1981.
POSCO is capable of producing and processing a variety of carbon steels and stainless steels. The company's global competitiveness was further enhanced when we opened the world's first FINEX commercialization facility in May 2007.

Main products hot-rolled steel, plate, cold-rolled steel, wire rod, electrical steel, stainless steel, API steel, etc.
Crude steel production 16.185 million tons (as of 2013)

The POSCO Quality

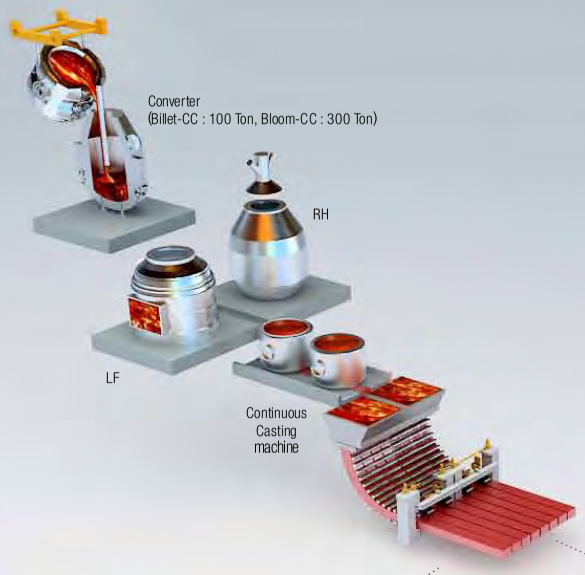
Ultra-High Quality Products Which Touch the Customer's Soul

- **Customer Inside**: We create the best value for customers by keeping their needs foremost.
- **Basic Inside**: We focus on fundamentals and principles, eliminating deviation and waste.
- **Synergy Inside**: We seek to grow alongside our supplier chain through trust and communications.



Manufacturing Processes & Equipment

In order to deliver quality products POSCO is equipped with the latest fully-automated, computer-controlled, cutting-edge facilities and technologies. These tools guarantee products of the highest precision and quality for our customers.





Billet Conditioning

To improve the surface quality of wire rods, billets are descaled by shot blasting, and inspected for surface flaws by magnetic particle tester. Grinding machines are used to remove any surface flaws. In addition, continuos ultrasonic testing is conducted to guarantee the prime quality



Reheating

Reheating furnace is carefully examined, to produce prime materials in customers' desired properties. To prevent decarburization, billets are preheated at a low temperature, followed by a full heating process, to suit a right temperature for billets' rolling procedure. The rolling speed and fuel-to-air ratio in the reheating furnaces are fully controlled.



Rolling

The rolling procedure must be carefully controlled, to adjust temperature, pressure and deformation rate to form customers' desired characteristics.
Moreover, surface roughness, sizes, and deviations are subject to adjustment to prevent any flaws.



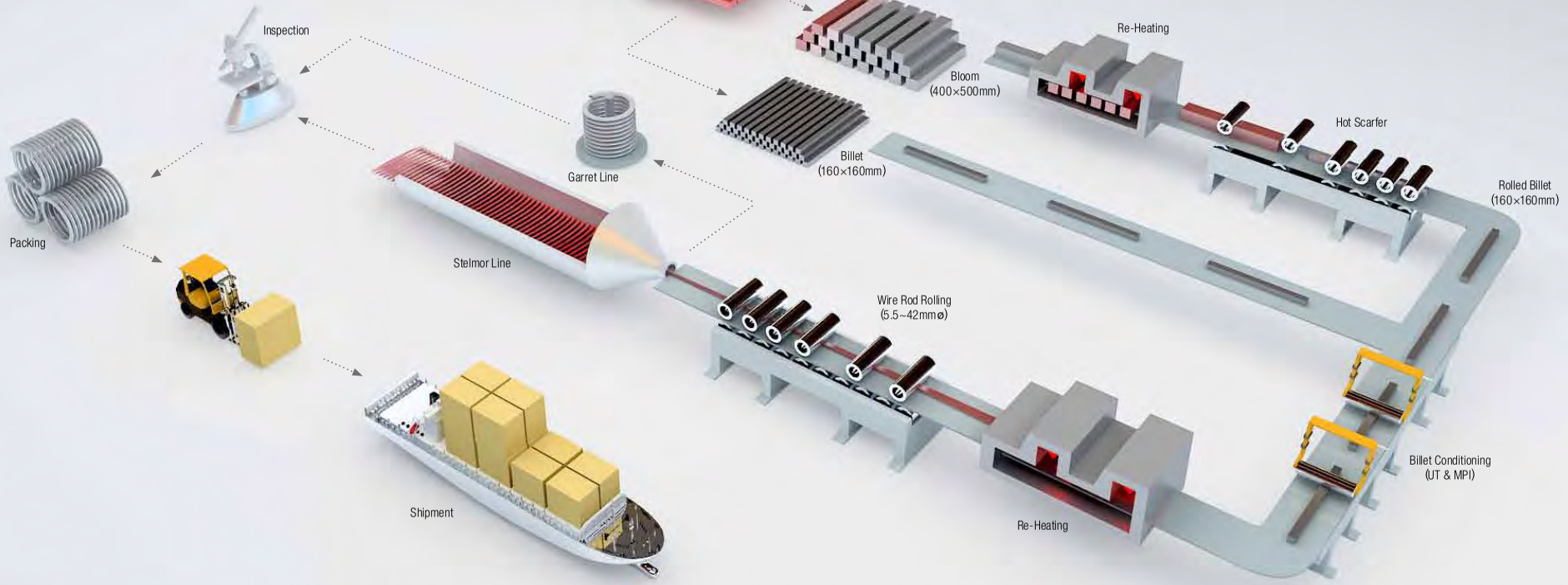
Cooling

Precise control of temperature, air volume, speed, opening and closing of slow-cooling sections are all variables that affect physical properties. Uniform fast-cooling methods are used for high carbon steel wires, and slow-cooling method is applied for alloy and low-carbon steel.



Inspection

Samples of leading and trailing edges of wire rods are collected for quality assurance tests, which include surface flaw detection. Once wire rods are deemed prime, products are then packaged and tagged to clients' requirements.



Introduction to POSCO Wire Rod Plants

In order to produce high-quality products, our plants are equipped with state-of-the-art facilities and utilize the latest processing techniques.

POSCO's wire rod products, renowned for their quality, are used in a number of areas, ranging from very basic industrial materials to specialized manufacturing facilities equipment. Through the use of cutting-edge facilities and automated systems, POSCO maintains consistent efforts in the development and manufacture of higher quality wire rod products.

Division		#1 Wire Rod Mill	#2 Wire Rod Mill	#3 Wire Rod Mill	#4 Wire Rod Mill
Production Capacity (10 thousand tons)		70	55	88	80
Billets	Unit Weight (tons)	2	2	2	2
	Size(mm)	160×160×10,200	160×160×10,200	160×160×10,200	160×160×10,200
Wire Rod Size(mmΦ)		5.5~13.0	5.5~42.0	5.5~16.0	5.5~22.0
Rolling Mills' Strand	Strand	2	1	2	1
	Type	Horizontal	Horizontal, Vertical	Horizontal, HV	Horizontal, Vertical
	Pass	30	31	31	30
	Line Speed (m/sec)	75	95	110	110
Size(mm)	Capacity(T/H)	110	80	140	150
	Type	Walking Beam	Walking Beam	Walking Beam	Walking Beam
Cooling Equipments		Stelmor	Stelmor, Garret	Stelmor	Stelmor
Major Products		Low Carbon Steel / High Carbon Steel / High Tensile Steel / Free-cutting Steel / Tire Cord Steel	Piano Wire Rods / Bearing Steel / Spring Steel / Welding Steel / Free-cutting Steel / Tire Cord Steel / Carbon Steel for Cold Heading & Forging, Low-alloyed Steel / Carbon Steel for Machine Structural Use		

Quality Testing

Accurate Inspection Conducted Prior to Delivering Good Quality Products.

Since the inspections during all the production processes from steelmaking via billet rolling to wire rod rolling are accurately conducted by the computers, All the products age produced in prime. Dimensional accuracy of the end product is assured through continuous, automated inspection processes. In addition, in order to produce superior wire rods, it goes through various kind of final product.

Test Item	Up-Set	Tensile Strength	Reduction of Area	Segregation	Decar-burization	Cleanness Level	Structure
Low Carbon Steel Wire Rod	○	–	–	–	–	–	–
High Carbon Steel Wire Rod	○	○	△	○	△	○	○
Piano Wire Rods	○	○	○	○	○	○	○
Steel for Cold Heating & Forging Carbon Steel for Machine Structural Use Free-Cutting Steel	○	△	–	△	○	○	–
Bearing Steel Spring Steel	○	△	△	○	○	○	○

Applications

⚠ These applications are for general reference only. For your specific application, please consult with our representative specializing in the products you wish to order.

Low Carbon Steel

As a low carbon steel product containing 0.06~0.22% of C-content, it is used for producing various kinds of galvanized steel wires, nails and iron nets, etc.

- **POSCO** POSFIS5M1, 6M1, 6B
- **JIS** SWRM6~22
- **SAE** 1006~1022
- **DIN** D5-1, D9-1
- **ASTM** A510

High Carbon Steel

As a high carbon steel product, it is required to control the fine pearlite, in order to secure the maintenance of high strength and wire extendibility. It is used for wire ropes, precision springs, bead wires and common PC steel wires, etc.

- **JIS** SWRH27~82A/B
- **SAE** 1026~1095
- **BS** D26-2, 95-2

Piano Wire Steel

It is mainly used in applications for high-strength bead wires, LR PC steel wires, and music wires. It is a high carbon clean steel with extendibility of micro-wire, high strength and superior fatigue resistance.

- **POSCO** POSCABLE82, 86, 90, 92
  POSMICRO62
- **JIS** SWRS62A/B~92A

Low-alloyed Steel

Material used for tightening major machine parts such as high strength bolts, nuts shafts & etc. Therefore, it is made with a high strength product added with alloying elements Cr, Ni and Mo and, etc.

- **POSCO** POSCM435, 440C, POSCH45FCR, POSCM13
  POSMA45RM, POSTEN20W, 30W
- **JIS** SCR415~440/H, SCR415, 420, 440
- **SAE** 1541, 4037, 4140, 8740H

High Tensile Strength Steel

PC steel bar used for concrete utility poles and piles. It is the carbon steel for machine structural application added with small quantity of Boron or large quantity of Si. And it has a high elastic constraint and good tension release capability compared to common steel products.

- **POSCO** PSPC22, 30B~35B, 30SI~35SI, 32SIB/32SIBM
- **SAE** 10B30~35

Steel for Welding Wire

It is necessary to micro-control the elements to guarantee the welding performance and the material characteristics of deposited metal. And in order to secure the wire extendibility, TS bias control and slow-cooling of wire rods are applied. This product is used for CO2 electrodes, submerged and common ones, etc.

- **POSCO** POSWELD1A/1B/1CM, 2A/2B/2J/2S, 4B/4D, 23/41/50/60
- **JIS** SWRY11, SWRY11L

Carbon Steel for Cold Heading & Forging

Carbon steel wire rods made from cold forging are used for a wide range of applications, such as automobile components, industrial machinery, bolt, nut screw, in ways of cold-rolling, forging and extrusion, etc.

- **POSCO** POSCH6ASP
- **JIS** SWRCH6A~22A, 10K~50K
- **SAE** 1006~1060

Free-cutting Steel

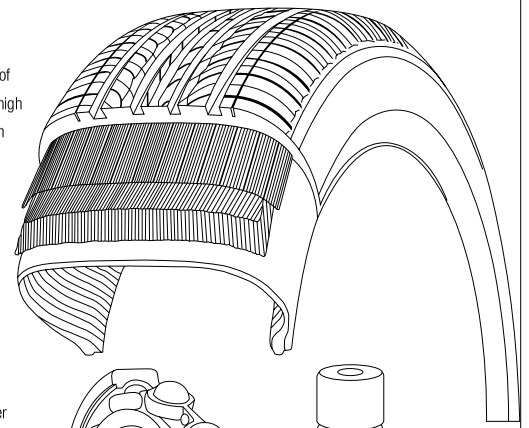
As a kind of steel with which the machine capability is enhanced with some added free-cutting P and S etc., it is used for some materials of automobiles and home electronics parts.

- **POSCO** POSCUT1B, 2B, 3B, 1S
- **JIS** SUM11~43
- **SAE** SAE1215, 1146, 1151

Tire Cord Steel

It is used for automobile tire reinforcement materials, made of stranded codes after a wire extending process, that makes high carbon steel wire rods into micro wires. Diameter range from 0.4~0.15mm, and a strict quality control is implemented to endure the stress incurred from high speed processing.

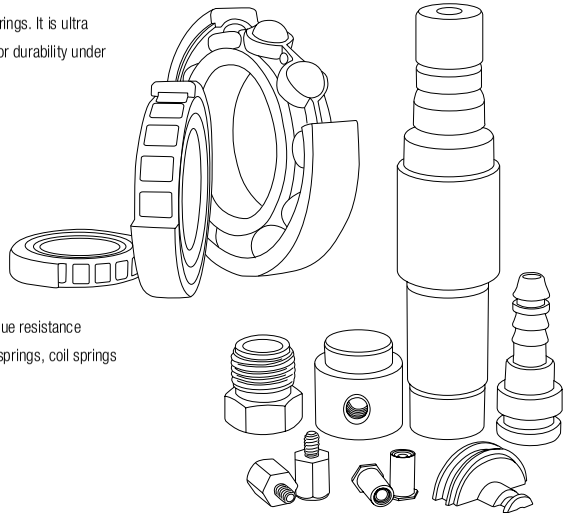
- **POSCO** POSCORD70, 80, 90, 92CR, 92Si
- **AISI** 1069, 1070, 1080, 1090



Bearing Steel

It is used for balls, rollers, and races of bearings. It is ultra clean high alloy steel materials, with superior durability under heavy loading.

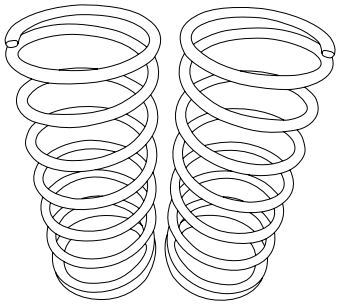
- **POCO** POS55CR
- **JIS** SUJ1~5
- **SAE** 52100



Spring Steel

Ultra clean alloying steel, with superior fatigue resistance property. It is mostly used for engine valve springs, coil springs for suspensions and stabilizer bar.

- **POSCO** POSHIS120D/S,130D
- **JIS** SUP6, 7, 9/A/D, 11A, 12/12V
- **SAE** 9254/D/S/V/HV
- **DIN** 50CrV4, 54SiCrV6



Carbon Steel for Machine Structural Use

Carbon Steel for Machine Structural Use transmitting the drive-power of various kinds of shafts of machine parts, after being produced through hot working environment and surface finishing process.

- **JIS** S10~55C
- **SAE** 1022~1060

Quality Assurance

TIre Cord Steel

■ **Tensile strength**

Specification	Wire Rod	Steel Cord
POSCORD70S	961~1108MPa	2800MPa
POSCORD80S	1078~1216MPa	3200MPa
POSCORD92CR	1147~1274MPa	3600MPa

■ **Internal Quality**

Center Segregation	Micro Structure	Decarburization Depth
≤ 1(Grade)	Fine Pearlite (Resolvable Pearlite, Cementite, Martensite : Zero)	DM-T ≤ 0.10mm

Spring Steel

■ **For Engine Valve**

Size of Non-Metalic Inclusions	Decarburization Depth	Surface Defects
Max-T ≤ 15㎛	DM-T ≤ 0.05mm	≤ 0.05mm

■ **For Suspension**

Specification	Decarburization Depth		Surface Defects
SAE9254	DM-F ≤ 0.03mm	DM-T ≤ 0.20mm	≤ 0.08mm
SAE9254S		DM-T ≤ 0.15mm	≤ 0.05mm
POSHS120D		DM-T ≤ 0.20mm	≤ 0.08mm
POSHIS120S	DM-F ≤ 0.03mm	DM-T ≤ 0.15mm	≤ 0.05mm

Bearing Steel

■ **Surface Quality**

Wire rod size	Decarburization Depth / Surface Defects	Quality	Diameter tolerance
5.5~13.5mmΦ	≤ (0.01×Diameter)mm	≤ 0.30mm	±0.20mm
14.0~25.0mmΦ	≤ (0.008×Diameter)mm	≤ 0.35mm	±0.25mm
25.5~35.0mmΦ		≤ 0.40mm	±0.30mm
35.5~42.0mmΦ		≤ 0.50mm	±0.35mm

■ **Non-metallic inclusion** (ASTM E45 Method A)

(Unit : Grade)

Division	Sulfide		Alumina		Silicate		Oxide		DS Type	T(O)
	Thin	Heavy	Thin	Heavy	Thin	Heavy	Thin	Heavy		
*Special	1.5	1.0	1.0	0	0	0	0.5	0	1.5	≤ 10ppm
Common	2.0	1.0	1.5	0.5	0	0	1.0	0.5	1.5	≤ 12ppm

* Please consult with your POSCO representative before ordering this product.

Carbon Steel for Cold Heading & Forging

■ **Surface Quality**

Wire rod size	Quality	Diameter tolerance
5.5~13.5mmΦ	≤ 0.35mm	±0.25mm
14.0~25.0mmΦ	≤ 0.40mm	±0.30mm
25.5~33.5mmΦ	≤ 0.50mm	±0.40mm
34.0~42.5mmΦ	≤ 0.60mm	±0.50mm

Wire rod size	Surface Defects	
	Y1*, Y2*,Y4* Use	Y7* Use
5.5~13.5mmΦ	≤ 0.05mm	±0.03mm
14.0~34.0mmΦ	≤ 0.07mm	±0.05mm

Wire rod size	Decarburization Depth
5.5~14.5mmΦ	DM-T ≤ 0.15mm, DM-F ≤ 0.02mm
15.0~25.0mmΦ	DM-T ≤ 0.20mm, DM-F ≤ 0.03mm
25.5~42.0mmΦ	DM-T ≤ 0.25mm, DM-F ≤ 0.04mm

Specifications: Chemical Composition

Low Carbon Steel

■ JIS

Product code	Chemical Compositions(%)					
	C	Si	Mn	P	S	Cu
SWRM6	0.08 Max.	-	0.60 Max.	0.045 Max.	0.045 Max.	-
SWRM8	0.10 Max.	-	0.60 Max.	0.045 Max.	0.045 Max.	-
SWRM10	0.08~0.13	-	0.30~0.60	0.045 Max.	0.045 Max.	-
SWRM12	0.10~0.15	-	0.30~0.60	0.045 Max.	0.045 Max.	-
SWRM15	0.13~0.18	-	0.30~0.60	0.045 Max.	0.045 Max.	-
SWRM17	0.15~0.20	-	0.30~0.60	0.045 Max.	0.045 Max.	-
SWRM20	0.18~0.23	-	0.30~0.60	0.045 Max.	0.045 Max.	-
SWRM22	0.20~0.25	-	0.30~0.60	0.045 Max.	0.045 Max.	-

Remarks) In case, it is specified as a kind of killed steel, the letter, 'K', is attached after the end of the marking word.

■ SAE/AISI

Product code	Chemical Compositions(%)				
	C	Si	Mn	P	S
1005	0.06 Max.		0.35 Max.	0.040 Max.	0.050 Max.
1006	0.08 Max.		0.25~0.40	0.040 Max.	0.050 Max.
1008	0.10 Max.		0.30~0.50	0.040 Max.	0.050 Max.
1010	0.08~0.13		0.30~0.60	0.040 Max.	0.050 Max.
1012	0.10~0.15		0.30~0.60	0.040 Max.	0.050 Max.
1013	0.11~0.16		0.50~0.80	0.040 Max.	0.050 Max.
1015	0.13~0.18	0.10 Max.	0.30~0.60	0.040 Max.	0.050 Max.
1016	0.13~0.18	0.10~0.20	0.60~0.90	0.040 Max.	0.050 Max.
1017	0.15~0.20	0.15~0.30	0.30~0.60	0.040 Max.	0.050 Max.
1018	0.15~0.20	0.20~0.40	0.60~0.90	0.040 Max.	0.050 Max.
1019	0.15~0.20	0.30~0.60	0.70~1.00	0.040 Max.	0.050 Max.
1020	0.18~0.23		0.30~0.60	0.040 Max.	0.050 Max.
1021	0.18~0.23		0.60~0.90	0.040 Max.	0.050 Max.
1022	0.18~0.23		0.70~1.00	0.040 Max.	0.050 Max.
1023	0.20~0.25		0.30~0.60	0.040 Max.	0.050 Max.
1025	0.22~0.28		0.30~0.60	0.040 Max.	0.050 Max.
1026	0.22~0.28		0.60~0.90	0.040 Max.	0.050 Max.

Remarks) The silicon content is different from specifications. Thus, please confirm it by consulting our associates.

High Carbon Steel

■ JIS

Product code	Chemical Compositions(%)					
	C	Si	Mn	P	S	Cr
SWRH27	0.24~0.31	0.15~0.35	0.30~0.60	0.030 Max.	0.030 Max.	-
SWRH37	0.34~0.41	0.15~0.35	0.30~0.60	0.030 Max.	0.030 Max.	-
SWRH42A	0.39~0.46	0.15~0.35	0.30~0.60	0.030 Max.	0.030 Max.	-
SWRH42B	0.39~0.46	0.15~0.35	0.60~0.90	0.030 Max.	0.030 Max.	-
SWRH47A	0.44~0.51	0.15~0.35	0.30~0.60	0.030 Max.	0.030 Max.	-
SWRH47B	0.44~0.51	0.15~0.35	0.60~0.90	0.030 Max.	0.030 Max.	-
SWRH52A	0.49~0.56	0.15~0.35	0.30~0.60	0.030 Max.	0.030 Max.	-
SWRH52B	0.49~0.56	0.15~0.35	0.60~0.90	0.030 Max.	0.030 Max.	-
SWRH57A	0.54~0.61	0.15~0.35	0.30~0.60	0.030 Max.	0.030 Max.	-
SWRH57B	0.54~0.61	0.15~0.35	0.60~0.90	0.030 Max.	0.030 Max.	-
SWRH62A	0.59~0.66	0.15~0.35	0.30~0.60	0.030 Max.	0.030 Max.	-
SWRH62B	0.59~0.66	0.15~0.35	0.60~0.90	0.030 Max.	0.030 Max.	-
SWRH67A	0.64~0.71	0.15~0.35	0.30~0.60	0.030 Max.	0.030 Max.	-
SWRH67B	0.64~0.71	0.15~0.35	0.60~0.90	0.030 Max.	0.030 Max.	-
SWRH72A	0.69~0.76	0.15~0.35	0.30~0.60	0.030 Max.	0.030 Max.	-
SWRH72B	0.69~0.76	0.15~0.35	0.60~0.90	0.030 Max.	0.030 Max.	-
SWRH77A	0.74~0.81	0.15~0.35	0.30~0.60	0.030 Max.	0.030 Max.	-
SWRH77B	0.74~0.81	0.15~0.35	0.60~0.90	0.030 Max.	0.030 Max.	-
SWRH82A	0.79~0.86	0.15~0.35	0.30~0.60	0.030 Max.	0.030 Max.	-
SWRH82B	0.79~0.86	0.15~0.35	0.60~0.90	0.030 Max.	0.030 Max.	-

Remarks) The carbon content specified (in the table) can be reduced by 0.01% from the maximum or increased by 0.01% from the minimum subject to customer agreement.

Specifications: Chemical Composition

■ SAE/AISI

Product code	Chemical Compositions(%)				
	C	Si	Mn	P	S
1029	0.25~0.31		0.60~0.90	0.040 Max.	0.050 Max.
1030	0.28~0.34		0.60~0.90	0.040 Max.	0.050 Max.
1035	0.32~0.38		0.60~0.90	0.040 Max.	0.050 Max.
1037	0.35~0.38		0.70~1.00	0.040 Max.	0.050 Max.
1038	0.35~0.42		0.60~0.90	0.040 Max.	0.050 Max.
1039	0.37~0.44		0.70~1.00	0.040 Max.	0.050 Max.
1040	0.37~0.44		0.60~0.90	0.040 Max.	0.050 Max.
1042	0.40~0.47		0.60~0.90	0.040 Max.	0.050 Max.
1043	0.40~0.47		0.70~1.00	0.040 Max.	0.050 Max.
1044	0.43~0.50		0.30~0.60	0.040 Max.	0.050 Max.
1045	0.43~0.50		0.60~0.90	0.040 Max.	0.050 Max.
1046	0.43~0.50	0.10 Max.	0.70~1.00	0.040 Max.	0.050 Max.
1049	0.46~0.53	0.07~0.15	0.60~0.90	0.040 Max.	0.050 Max.
1050	0.48~0.55	0.10~0.20	0.60~0.90	0.040 Max.	0.050 Max.
1053	0.48~0.55	0.15~0.30	0.70~1.00	0.040 Max.	0.050 Max.
1055	0.50~0.60	0.20~0.40	0.60~0.90	0.040 Max.	0.050 Max.
1059	0.55~0.65	0.30~0.60	0.50~0.80	0.040 Max.	0.050 Max.
1060	0.55~0.65		0.60~0.90	0.040 Max.	0.050 Max.
1064	0.60~0.70		0.50~0.80	0.040 Max.	0.050 Max.
1065	0.60~0.70		0.60~0.90	0.040 Max.	0.050 Max.
1069	0.65~0.75		0.40~0.70	0.040 Max.	0.050 Max.
1070	0.65~0.75		0.60~0.90	0.040 Max.	0.050 Max.
1074	0.70~0.80		0.50~0.80	0.040 Max.	0.050 Max.
1075	0.70~0.80		0.40~0.70	0.040 Max.	0.050 Max.
1078	0.72~0.85		0.30~0.60	0.040 Max.	0.050 Max.
1080	0.75~0.88		0.60~0.90	0.040 Max.	0.050 Max.
1084	0.80~0.93		0.60~0.90	0.040 Max.	0.050 Max.
1085	0.80~0.93		0.70~1.00	0.040 Max.	0.050 Max.
1086	0.80~0.93		0.30~0.50	0.040 Max.	0.050 Max.
1090	0.85~0.98		0.60~0.90	0.040 Max.	0.050 Max.
1095	0.90~1.03		0.30~0.50	0.040 Max.	0.050 Max.

Remarks) The silicon content is different from specifications. Thus, please confirm it by consulting our associates.

Piano Steel

■ JIS

Product code	Chemical Compositions(%)						
	C	Si	Mn	P	S	Cu	Cr
SWRS62A	0.60~0.65	0.12~0.32	0.30~0.60	0~0.025	0~0.025	0~0.20	-
SWRS62B	0.60~0.65	0.12~0.32	0.60~0.90	0~0.025	0~0.025	0~0.20	-
SWRS67A	0.65~0.70	0.12~0.32	0.30~0.60	0~0.025	0~0.025	0~0.20	-
SWRS67B	0.65~0.70	0.12~0.32	0.60~0.90	0~0.025	0~0.025	0~0.20	-
SWRS72A	0.70~0.75	0.12~0.32	0.30~0.60	0~0.025	0~0.025	0~0.20	-
SWRS72B	0.70~0.75	0.12~0.32	0.60~0.90	0~0.025	0~0.025	0~0.20	-
SWRS77A	0.75~0.82	0.12~0.32	0.30~0.60	0~0.030	0~0.030	0~0.20	-
SWRS77B	0.75~0.80	0.12~0.32	0.60~0.90	0~0.025	0~0.025	0~0.20	-
SWRS80B	0.78~0.83	0.12~0.32	0.60~0.90	0~0.025	0~0.025	0~0.20	-
SWRS82A	0.80~0.85	0.12~0.32	0.30~0.60	0~0.025	0~0.025	0~0.20	-
SWRS82B	0.80~0.85	0.12~0.32	0.60~0.90	0~0.025	0~0.025	0~0.20	-
SWRS92A	0.90~0.95	0.12~0.32	0.30~0.60	0~0.025	0~0.025	0~0.20	-

Specifications: Chemical Composition

Steel for Welding Wire

■ JIS

Product code	Chemical Compositions(%)							
	C	Si	Mn	P	S	Al	Cu	Tl+Zr
SWRY11	0.09 Max.	0.03 Max.	0.35~0.65	0.02 Max.	0.023 Max.	-	0.20 Max.	-
SWRY11L	0.08 Max.	0.03 Max.	0.35~0.65	0.013 Max.	0.010 Max.	-	0.10 Max.	-

Spring Steel

■ JIS

Product code	Chemical Compositions(%)						
	C	Si	Mn	P	S	Cr	Others
SUP6	0.56~0.64	1.50~1.80	0.70~1.00	0.035 Max.	0.035 Max.	-	-
SUP7	0.56~0.64	1.80~2.20	0.70~1.00	0.035 Max.	0.035 Max.	-	-
SUP9	0.52~0.60	0.15~0.35	0.65~0.95	0.035 Max.	0.035 Max.	0.65~0.95	-
SUP9A	0.56~0.64	0.15~0.35	0.70~1.00	0.035 Max.	0.035 Max.	0.70~1.00	-
SUP11A	0.56~0.64	0.15~0.35	0.70~1.00	0.035 Max.	0.035 Max.	0.70~1.00	B : 0.0005Min
SUP12	0.51~0.59	0.20~1.60	0.60~0.90	0.035 Max.	0.035 Max.	0.60~0.90	-

Remarks) The maximum Cu content is 0.30%.

■ SAE/DIN

Product code	Chemical Compositions(%)						
	C	Si	Mn	P	S	Cr	Others
SAE9254	0.51~0.59	1.20~1.60	0.60~0.80	0.035 Max.	0.040 Max.	0.60~0.80	-
DIN-50CRV4	0.47~0.55	0.15~0.40	0.70~1.10	0.030 Max.	0.030 Max.	0.90~1.20	V : 0.10~0.20
DIN-54SICRV6	0.51~0.59	1.20~1.60	0.50~0.80	0.035 Max.	0.040 Max.	0.50~0.80	V : 0.10~0.20

Remarks) The maximum Cu content is 0.30%.

Bearing Steel

■ JIS

Product code	Chemical Compositions(%)							
	C	Si	Mn	P	S	Cr	Mo	Others
SUJ1	0.95~1.10	0.15~0.35	0.50 Max.	0.25 Max.	0.25 Max.	0.90~1.20	0.08 Max.	Cu : 0.20 Max. Ni : 0.25 Max.
SUJ2	0.95~1.10	0.15~0.35	0.50 Max.	0.25 Max.	0.25 Max.	1.30~1.60	0.08 Max.	
SUJ3	0.95~1.10	0.40~0.70	0.90~1.15	0.25 Max.	0.25 Max.	0.90~1.20	0.08 Max.	
SUJ4	0.95~1.10	0.15~0.35	0.50 Max.	0.25 Max.	0.25 Max.	1.30~1.60	0.10~0.25	
SUJ5	0.95~1.10	0.40~0.70	0.90~1.15	0.25 Max.	0.25 Max.	0.90~1.20	0.10~0.25	

Remarks) In accordance with the general agreement between producer and customer, non-listed elements may be present in the final product in quantities not to exceed 0.25%.

Free-cutting Steel

■ JIS

Product code	Chemical Compositions(%)			
	C	Mn	P	S
SUM11	0.08~0.13	0.30~0.60	0.040 Max.	0.08~0.13
SUM12	0.08~0.13	0.60~0.90	0.040 Max.	0.08~0.13
SUM21	0.13 Max.	0.70~1.00	0.07~0.12	0.16~0.23
SUM22	0.13 Max.	0.70~1.00	0.07~0.12	0.24~0.33
SUM23	0.09 Max.	0.75~1.05	0.04~0.09	0.26~0.35
SUM25	0.15 Max.	0.90~1.40	0.07~0.12	0.30~0.40
SUM31	0.14~0.20	1.00~1.30	0.040 Max.	0.08~0.13
SUM32	0.12~0.20	0.60~1.10	0.040 Max.	0.10~0.20
SUM41	0.32~0.39	1.35~1.65	0.040 Max.	0.08~0.13
SUM42	0.37~0.45	1.35~1.65	0.040 Max.	0.08~0.13
SUM43	0.40~0.48	1.35~1.65	0.040 Max.	0.24~0.33

Remarks) Silicon content is not specified in principle. Depending on application, the amount will be decided upon by agreement between buyer and supplier. The range or limiting value can be chosen from among three conditions: less than 0.10%, between 0.10~0.20%, or between 0.15~0.35%.

■ SAE/AISI

Product code	Chemical Compositions(%)				
	C	Si	Mn	P	S
1108	0.08~0.13	-	0.50~0.80	0.040 Max.	0.08~0.13
1110	0.08~0.13	0.10 Max.	0.30~0.60	0.040 Max.	0.08~0.13
1117	0.14~0.20	-	1.00~1.30	0.040 Max.	0.08~0.13
1118	0.12~0.20	-	1.30~1.60	0.040 Max.	0.08~0.13
1137	0.32~0.39	0.10 Max.	1.35~1.65	0.040 Max.	0.08~0.13
1139	0.35~0.43	0.10~0.20	1.35~1.65	0.040 Max.	0.13~0.20
1140	0.37~0.44	0.15~0.35	0.70~1.00	0.040 Max.	0.08~0.13
1141	0.37~0.45	-	1.35~1.65	0.040 Max.	0.08~0.13
1144	0.40~0.48	-	1.35~1.65	0.040 Max.	0.24~0.33
1146	0.42~0.49	-	0.70~1.00	0.040 Max.	0.08~0.13
1151	0.48~0.55	-	0.70~1.00	0.040 Max.	0.08~0.13
1211	0.13 Max.	-	0.60~0.90	0.07~0.12	0.10~0.15
1212	0.13 Max.	-	0.70~1.00	0.07~0.12	0.16~0.23
1213	0.13 Max.	-	0.70~1.00	0.07~0.12	0.24~0.33
1214	0.09 Max.	-	0.75~1.05	0.04~0.09	0.26~0.35
1215	0.09 Max.	-	0.75~1.05	0.04~0.09	0.26~0.35

Specifications: Chemical Composition

Carbon Steel for Cold Heading & Forging

■ JIS

Product code	Chemical Compositions (%)					
	C	Si	Mn	P	S	Al
SWRCH6A	0.08 Max.	0.10 Max.	0.60 Max.	0.030 Max.	0.035 Max.	0.02 Min.
SWRCH8A	0.10 Max.	0.10 Max.	0.60 Max.	0.030 Max.	0.035 Max.	0.02 Min.
SWRCH10A	0.08~0.13	0.10 Max.	0.30~0.60	0.030 Max.	0.035 Max.	0.02 Min.
SWRCH12A	0.10~0.15	0.10 Max.	0.30~0.60	0.030 Max.	0.035 Max.	0.02 Min.
SWRCH15A	0.13~0.18	0.10 Max.	0.30~0.60	0.030 Max.	0.035 Max.	0.02 Min.
SWRCH16A	0.13~0.18	0.10 Max.	0.60~0.90	0.030 Max.	0.035 Max.	0.02 Min.
SWRCH18A	0.15~0.20	0.10 Max.	0.60~0.90	0.030 Max.	0.035 Max.	0.02 Min.
SWRCH19A	0.15~0.20	0.10 Max.	0.70~1.00	0.030 Max.	0.035 Max.	0.02 Min.
SWRCH20A	0.18~0.23	0.10 Max.	0.30~0.60	0.030 Max.	0.035 Max.	0.02 Min.
SWRCH22A	0.18~0.23	0.10 Max.	0.70~1.00	0.030 Max.	0.035 Max.	0.02 Min.
SWRCH10K	0.08~0.13	0.10~0.35	0.30~0.60	0.030 Max.	0.035 Max.	-
SWRCH12K	0.10~0.15	0.10~0.35	0.30~0.60	0.030 Max.	0.035 Max.	-
SWRCH15K	0.13~0.18	0.10~0.35	0.30~0.60	0.030 Max.	0.035 Max.	-
SWRCH16K	0.13~0.18	0.10~0.35	0.60~0.90	0.030 Max.	0.035 Max.	-
SWRCH17K	0.15~0.20	0.10~0.35	0.30~0.60	0.030 Max.	0.035 Max.	-
SWRCH18K	0.15~0.20	0.10~0.35	0.60~0.90	0.030 Max.	0.035 Max.	-
SWRCH20K	0.18~0.23	0.10~0.35	0.30~0.60	0.030 Max.	0.035 Max.	-
SWRCH22K	0.18~0.23	0.10~0.35	0.70~1.00	0.030 Max.	0.035 Max.	-
SWRCH24K	0.19~0.25	0.10~0.35	1.35~1.65	0.030 Max.	0.035 Max.	-
SWRCH25K	0.22~0.28	0.10~0.35	0.30~0.60	0.030 Max.	0.035 Max.	-
SWRCH27K	0.22~0.29	0.10~0.35	1.20~1.50	0.030 Max.	0.035 Max.	-
SWRCH30K	0.27~0.33	0.10~0.35	0.60~0.90	0.030 Max.	0.035 Max.	-
SWRCH33K	0.30~0.36	0.10~0.35	0.60~0.90	0.030 Max.	0.035 Max.	-
SWRCH35K	0.32~0.38	0.10~0.35	0.60~0.90	0.030 Max.	0.035 Max.	-
SWRCH38K	0.35~0.41	0.10~0.35	0.60~0.90	0.030 Max.	0.035 Max.	-
SWRCH40K	0.37~0.43	0.10~0.35	0.60~0.90	0.030 Max.	0.035 Max.	-
SWRCH41K	0.36~0.44	0.10~0.35	1.35~1.65	0.030 Max.	0.035 Max.	-
SWRCH43K	0.40~0.46	0.10~0.35	0.60~0.90	0.030 Max.	0.035 Max.	-
SWRCH45K	0.42~0.48	0.10~0.35	0.60~0.90	0.030 Max.	0.035 Max.	-
SWRCH48K	0.45~0.51	0.10~0.35	0.60~0.90	0.030 Max.	0.035 Max.	-
SWRCH50K	0.47~0.53	0.10~0.35	0.60~0.90	0.030 Max.	0.035 Max.	-

Low-alloyed Steel

■ JIS

Product code		Chemical Compositions (%)							
		C	Si	Mn	P	S	Al	Cu	Ti+Zr
Ni I Cr	SNC236	0.32~0.40	0.15~0.35	0.50~0.80	0.030 Max.	0.030 Max.	1.00~1.50	0.50~0.90	Cu 0.30 Max.
	SNC415	0.12~0.18		0.35~0.65			2.00~2.50	0.20~0.50	
	SNC631	0.27~0.35					2.50~3.00	0.60~1.00	
	SNC815	0.12~0.18					3.00~3.50	0.70~1.00	
	SNC836	0.32~0.40						0.60~1.00	
Ni I Cr I Mo	SNCM220	0.17~0.23	0.15~0.35	0.60~0.90	0.030 Max.	S 0.030 Max. Cu 0.30 Max.	0.40~0.70	0.40~0.65	0.15~0.30
	SNCM240	0.38~0.43		0.70~1.00					
	SNCM415	0.12~0.18		0.40~0.70			1.60~2.00		
	SNCM420	0.17~0.23							
	SNCM431	0.27~0.35		0.60~0.90				0.60~1.00	
	SNCM439	0.36~0.43							
	SNCM447	0.44~0.50							
	SNCM616	0.13~0.20		0.80~1.20			2.80~3.20	1.40~1.80	0.40~0.60
	SNCM625	0.20~0.30		0.35~0.60			3.00~3.50	1.00~1.50	0.15~0.30
	SNCM630	0.25~0.35					2.50~3.50	2.50~3.50	0.50~0.70
	SNCM815	0.12~0.18		0.30~0.60			4.00~4.50	0.70~1.00	0.15~0.30
Cr	SCr415	0.13~0.18	0.15~0.35	0.60~0.85	0.030 Max.	0.030 Max.	0.25 Max.	0.90~1.20	Cu 0.30 Max.
	SCr420	0.18~0.23							
	SCr430	0.28~0.33							
	SCr435	0.33~0.38							
	SCr440	0.38~0.43							
	SCr445	0.43~0.48							
Cr I Mo	SCM415	0.13~0.18	0.15~0.35	0.60~0.85	0.030 Max.	0.030 Max.	Ni 0.25 Max. Cu 0.30 Max.	0.90~1.20	0.15~0.30
	SCM418	0.16~0.21							
	SCM420	0.18~0.23							
	SCM421	0.17~0.23		0.70~1.00					
	SCM430	0.28~0.33		0.60~0.85					
	SCM432	0.27~0.37		0.30~0.60				1.00~1.50	
	SCM435	0.33~0.38		0.60~0.85				0.90~1.20	
	SCM440	0.38~0.43							
	SCM445	0.43~0.48							
	SCM822	0.20~0.25							0.35~0.45
Mn	SMn420	0.17~0.23	0.15~0.35	1.20~1.50	0.030 Max.	0.030 Max.	0.25 Max.	0.35 Max.	Cu 0.30 Max.
	SMn433	0.30~0.36							
	SMn438	0.35~0.41		1.35~1.65					
	SMn443	0.40~0.46							
Cr	SMnC420	0.17~0.23	0.15~0.35	1.20~1.50	0.030 Max.	0.030 Max.	0.25 Max.	0.35~0.70	Cu 0.30 Max.
	SMnC430	0.40~0.46		1.35~1.65					

Specifications: Chemical Composition

■ SAE/AISI

Product code	Chemical Compositions (%)							
	C	Si	Mn	P	S	Ni	Cr	Mo
1513	0.10~0.16	0.10 Max.	1.10~1.40	0.40 Max.	0.050 Max.	-	-	-
1522	0.18~0.24	0.15~0.30	1.10~1.40	0.40 Max.	0.050 Max.	-	-	-
1524	0.19~0.25	0.20~0.40	1.35~1.65	0.40 Max.	0.050 Max.	-	-	-
1526	0.22~0.29	-	1.10~1.40	0.40 Max.	0.050 Max.	-	-	-
1527	0.22~0.29	-	1.20~1.50	0.40 Max.	0.050 Max.	-	-	-
1536	0.30~0.37	-	1.20~1.50	0.40 Max.	0.050 Max.	-	-	-
1541	0.36~0.44	0.10~0.20	1.35~1.65	0.40 Max.	0.050 Max.	-	-	-
1548	0.44~0.52	0.20~0.40	1.10~1.40	0.40 Max.	0.050 Max.	-	-	-
4118	0.18~0.23	0.15~0.30	0.70~0.90	0.35 Max.	0.040 Max.	-	0.40~0.60	0.08~0.15
4130	0.28~0.33	0.15~0.30	0.40~0.60	0.35 Max.	0.040 Max.	-	0.80~1.10	0.15~0.25
4135	0.33~0.38	0.15~0.30	0.70~0.90	0.35 Max.	0.040 Max.	-	0.80~1.10	0.15~0.25
4137	0.35~0.40	0.15~0.30	0.70~0.90	0.35 Max.	0.040 Max.	-	0.80~1.10	0.15~0.25
4140	0.38~0.43	0.15~0.30	0.75~1.00	0.35 Max.	0.040 Max.	-	0.80~1.10	0.15~0.25
4142	0.40~0.45	0.15~0.30	0.75~1.00	0.35 Max.	0.040 Max.	-	0.80~1.10	0.15~0.25
4145	0.43~0.48	0.15~0.30	0.75~1.00	0.35 Max.	0.040 Max.	-	0.80~1.10	0.15~0.25
4147	0.45~0.50	0.15~0.30	0.75~1.00	0.35 Max.	0.040 Max.	-	0.80~1.10	0.15~0.25
4150	0.48~0.53	0.15~0.30	0.75~1.00	0.35 Max.	0.040 Max.	-	0.80~1.10	0.15~0.25
4161	0.56~0.64	0.15~0.30	0.75~1.00	0.35 Max.	0.040 Max.	-	0.70~0.90	0.25~0.35
5115	0.13~0.18	0.15~0.30	0.70~0.90	0.35 Max.	0.040 Max.	-	0.70~0.90	-
5120	0.17~0.22	0.15~0.30	0.70~0.90	0.35 Max.	0.040 Max.	-	0.70~0.90	-
5130	0.28~0.33	0.15~0.30	0.70~0.90	0.35 Max.	0.040 Max.	-	0.80~1.10	-
5132	0.30~0.35	0.15~0.30	0.60~0.80	0.35 Max.	0.040 Max.	-	0.75~1.00	-
5135	0.33~0.38	0.15~0.30	0.60~0.80	0.35 Max.	0.040 Max.	-	0.80~1.05	-
5140	0.38~0.43	0.15~0.30	0.70~0.90	0.35 Max.	0.040 Max.	-	0.70~0.90	-
8620	0.18~0.23	0.15~0.30	0.70~0.90	0.35 Max.	0.040 Max.	0.40~0.70	0.40~0.65	0.15~0.25
8622	0.20~0.25	0.15~0.30	0.70~0.90	0.35 Max.	0.040 Max.	0.40~0.70	0.40~0.65	0.15~0.25
8625	0.23~0.28	0.15~0.30	0.70~0.90	0.35 Max.	0.040 Max.	0.40~0.70	0.40~0.65	0.15~0.25
8627	0.25~0.30	0.15~0.30	0.70~0.90	0.35 Max.	0.040 Max.	0.40~0.70	0.40~0.65	0.15~0.25
8630	0.28~0.33	0.15~0.30	0.70~0.90	0.35 Max.	0.040 Max.	0.40~0.70	0.40~0.65	0.15~0.25
8637	0.35~0.40	0.15~0.30	0.75~1.00	0.35 Max.	0.040 Max.	0.40~0.70	0.40~0.65	0.15~0.25
8640	0.38~0.43	0.15~0.30	0.75~1.00	0.35 Max.	0.040 Max.	0.40~0.70	0.40~0.65	0.15~0.25
8642	0.40~0.45	0.15~0.30	0.75~1.00	0.35 Max.	0.040 Max.	0.40~0.70	0.40~0.65	0.15~0.25
8645	0.43~0.48	0.15~0.30	0.75~1.00	0.35 Max.	0.040 Max.	0.40~0.70	0.40~0.65	0.15~0.25

Carbon Steel for Machine Structural Use

■ JIS

Product code	Chemical Compositions (%)				
	C	Si	Mn	P	S
S10C	0.08~0.13	0.15~0.35	0.30~0.60	0.030 Max.	0.035 Max.
S12C	0.10~0.15	0.15~0.35	0.30~0.60	0.030 Max.	0.035 Max.
S15C	0.13~0.18	0.15~0.35	0.30~0.60	0.030 Max.	0.035 Max.
S17C	0.15~0.20	0.15~0.35	0.30~0.60	0.030 Max.	0.030 Max.
S20C	0.18~0.23	0.15~0.35	0.30~0.60	0.030 Max.	0.030 Max.
S22C	0.20~0.25	0.15~0.35	0.30~0.60	0.030 Max.	0.030 Max.
S25C	0.22~0.28	0.15~0.35	0.30~0.60	0.030 Max.	0.030 Max.
S28C	0.25~0.31	0.15~0.35	0.60~0.90	0.030 Max.	0.030 Max.
S30C	0.27~0.33	0.15~0.35	0.60~0.90	0.030 Max.	0.030 Max.
S33C	0.30~0.36	0.15~0.35	0.60~0.90	0.030 Max.	0.025 Max.
S35C	0.32~0.38	0.15~0.35	0.60~0.90	0.030 Max.	0.025 Max.
S38C	0.35~0.41	0.15~0.35	0.60~0.90	0.030 Max.	0.025 Max.
S40C	0.37~0.43	0.15~0.35	0.60~0.90	0.030 Max.	0.025 Max.
S43C	0.40~0.46	0.15~0.35	0.60~0.90	0.030 Max.	0.025 Max.
S45C	0.42~0.48	0.15~0.35	0.60~0.90	0.030 Max.	0.025 Max.
S48C	0.45~0.51	0.15~0.35	0.60~0.90	0.030 Max.	0.025 Max.
S50C	0.47~0.53	0.15~0.35	0.60~0.90	0.030 Max.	0.025 Max.
S53C	0.50~0.56	0.15~0.35	0.60~0.90	0.030 Max.	0.025 Max.
S55C	0.52~0.58	0.15~0.35	0.60~0.90	0.030 Max.	0.025 Max.
S58C	0.55~0.61	0.15~0.35	0.60~0.90	0.030 Max.	0.025 Max.
S09CK	0.07~0.12	0.15~0.35	0.30~0.60	0.025 Max.	0.025 Max.
S15CK	0.13~0.18	0.15~0.35	0.30~0.60	0.025 Max.	0.025 Max.
S20CK	0.18~0.23	0.15~0.35	0.30~0.60	0.025 Max.	0.025 Max.

Remarks) 1. Cu, Ni, Cr and Ni + Cr amounts included in S09CK, S15CK and S20CK steels must not exceed 0.25%, 0.20%, 0.20% and 0.30% respectively.
For all other steels these amounts must not exceed 0.30%, 0.20%, 0.20% and 0.35% respectively.
2. In the case that a buyer requests a chemical analysis, the tolerances of the product analysis follow the specifications listed in Table 2 of JIS G 0321.

Specifications: Chemical Composition

POSCO Standard

■ Low Carbon Steel

Product code	Chemical Compositions(%)					
	C	Si	Mn	P	S	Cu
POSFIS5M1	0.02 Max.	0.07 Max.	0.10~0.40	0.030 Max.	0.030 Max.	-
POSFIS6M1	0.04 Max.	0.07 Max.	0.20~0.50	0.040 Max.	0.040 Max.	-
POSFIS6B	0.05 Max.	0.07 Max.	0.60 Max.	0.040 Max.	0.040 Max.	-

■ High Carbon Steel for Micro Cable

Product code	Chemical Compositions(%)						
	C	Si	Mn	P	S	Cu	Cr
POSMICRO62	0.58~0.66	0.10~0.30	0.30~0.70	0.020 Max.	0.020 Max.	0.020 Max.	0.020 Max.

■ High Carbon Steel for Bridge Cable

Product code	Chemical Compositions(%)						
	C	Si	Mn	P	S	Cu	Cr
POSCABLE82	0.79~0.86	0.70~1.10	0.60~0.90	0.020 Max.	0.020 Max.	0.020 Max.	0.10 Max.
POSCABLE86	0.82~0.89	0.70~1.10	0.60~0.90	0.020 Max.	0.020 Max.	0.020 Max.	0.10 Max.
POSCABLE90	0.87~0.94	1.00~1.40	0.30~0.60	0.020 Max.	0.020 Max.	0.020 Max.	0.15~0.45
POSCABLE92	0.89~0.96	1.10~1.50	0.30~0.60	0.020 Max.	0.020 Max.	0.030 Max.	0.15~0.45

■ Tire Cord Steel

Product code		Chemical Compositions(%)					
		C	Si	Mn	P	S	Cr
Class1	POSCORD70S	0.65~0.75	0.15~0.30	0.30~0.60	0.030 Max.	0.030 Max.	-
Class2	POSCORD80S	0.75~0.88	0.15~0.30	0.30~0.60	0.030 Max.	0.030 Max.	-
Class3	POSCORD90	0.90~0.96	0.15~0.30	0.30~0.60	0.030 Max.	0.030 Max.	-
	POSCORD92CR	0.90~0.96	0.15~0.30	0.30~0.60	0.030 Max.	0.030 Max.	0.10~0.30

■ High Tensile Strength Steel

Product code		Chemical Compositions(%)							
		C	Si	Mn	P	S	Cu	B	Ti
Class1	PSPC22	0.20~0.25	0.10~0.40	0.70~1.00	0.035 Max.	0.030 Max.	-	50ppm Max.	-
	PSPC30B	0.27~0.32	0.15~0.35	0.60~0.90	0.035 Max.	0.030 Max.	0.020 Max.	5ppm Min.	-
	PSPC32B	0.29~0.34	0.15~0.35	0.60~0.90	0.035 Max.	0.030 Max.	0.020 Max.	5ppm Min.	-
	PSPC35B	0.32~0.38	0.15~0.35	0.60~0.90	0.035 Max.	0.030 Max.	0.020 Max.	5ppm Min.	-
Class2	PSPC30SI	0.27~0.32	1.60~1.90	0.60~0.90	0.035 Max.	0.030 Max.	0.020 Max.	-	-
	PSPC32SI	0.29~0.34	1.60~1.90	0.60~0.90	0.035 Max.	0.030 Max.	0.020 Max.	-	-
	PSPC35SI	0.32~0.38	1.60~1.90	0.60~0.90	0.035 Max.	0.030 Max.	0.020 Max.	-	-
Class3	PSPC32SIB	0.29~0.36	0.50~2.00	0.55~0.95	0.035 Max.	0.030 Max.	0.020 Max.	5ppm Min.	0.01~0.06
	PSPC32SIBM	0.29~0.36	0.50~2.00	0.80~1.20	0.030 Max.	0.025 Max.	0.250 Max.	5ppm Min.	0.01~0.05

■ Steel for Welding Wire

Product code	Chemical Compositions(%)						
	C	Si	Mn	P	S	Cu	Remark
POSWELD1A	0.15 Max.	0.40~1.00	0.85~1.60	0.030 Max.	0.030 Max.	0.50 Max.	-
POSWELD1B		0.40~1.00	1.00~1.60				Al : 0.1 Max. Ti+Zr : 0.13 Max
POSWELD1C	0.07 Max.	0.40~0.70	0.90~1.40				Al : 0.05~0.15 Max. V, Ni : 0.05~0.15 Max. V, Ni : 0.02~0.12 Max.
POSWELD1CM	0.05~0.15	0.30~0.80	0.60~1.50	0.025 Max.	0.025 Max.	0.20 Max.	Cr : 1.0~1.5 Mo : 0.4~0.65
POSWELD2A	0.15 Max.	0.55~1.10	1.25~1.90	0.030 Max.	0.030 Max.	0.50 Max.	-
POSWELD2B	0.15 Max.	0.55~1.10	1.40~1.90				Al : 0.10 Max. Ti+Zr : 0.30 Max
POSWELD2J	0.08 Max.	0.55~1.10	1.25~1.60				-
POSWELD2S	0.08 Max.	0.55~1.10	1.25~1.90	0.030 Max.	0.01~0.03		-
POSWELD2M0	0.07~0.12	0.50~0.80	1.60~2.10	0.025 Max.	0.025 Max.	0.50 Max.	Mo:0.40~0.65
POSWELD3CM	0.05~0.15	0.30~0.80	0.50~0.80	0.025 Max.	0.025 Max.	0.20 Max.	Cr : 1.0~1.5 Mo : 0.4~0.65
POSWELD4B	0.15 Max.	0.55~1.10	1.40~2.60	0.025 Max.	0.025 Max.	0.50 Max.	Al : 0.10 Max. Ti+Zr : 0.30 Max
POSWELD4D							Ni : 0.15 Max. Cr : 0.15 Max. Mo : 0.60 Max. Ti+Zr : 0.30 Max.
POSWELD23	0.13 Max.	0.15~0.45	0.80~1.30	0.030 Max.	0.030 Max.		-
POSWELD41	0.17 Max.	0.05 Max.	1.80~2.20	0.030 Max.	0.030 Max.		
POSWELD50	0.15 Max.	0.05 Max.	1.80~2.20	0.030 Max.	0.030 Max.		
POSWELD60	0.17 Max.	0.2 Max.	1.65~2.15	0.030 Max.	0.030 Max.	0.35 Max.	Mo:0.45~0.65
POSWELD12K	0.06~0.15	0.20~0.65	1.50~2.00	0.025 Max.	0.025 Max.	0.35 Max.	Mo:0.40~0.60

Specifications: Chemical Composition

■ Spring Steel

Product code	Chemical Compositions(%)						
	C	Si	Mn	P	S	Cr	Other
POSHIS120D	0.40~0.54	1.80~2.60	0.50~1.00	0.025 Max.	0.025 Max.	0.50~1.50	V, Ni
POSHIS120S	0.46~0.60	1.20~2.00	0.50~1.00	0.025 Max.	0.025 Max.	0.50~1.00	V, Ni
POSHIS130D	0.51~0.59	1.80~2.60	0.50~1.00	0.025 Max.	0.025 Max.	0.50~1.50	V, Ni, B, Ti

■ Steel for Oil Tempered Wire

Product code	Chemical Compositions(%)					
	C	Si	Mn	P	S	Cu
POT62C	0.60~0.65	0.15~0.30	0.85~1.15	0.020 Max.	0.020 Max.	0.20 Max.
POT67C	0.65~0.70	0.15~0.30	0.85~1.15	0.020 Max.	0.020 Max.	0.20 Max.
POT70C	0.66~0.71	0.15~0.30	0.80~1.10	0.020 Max.	0.020 Max.	0.15 Max.

■ Free-cutting Steel

Product code	Chemical Compositions(%)					
	C	Si	Mn	P	S	Cu
POSCUT1A	0.13 Max.	-	1.0~1.50	0.06~0.12	0.24~0.40	0.04~0.30
POSCUT1S	0.09 Max.	0.15 Max.	0.75~2.0	0.04~0.09	0.26~0.60	-
PSW10	0.08~0.13	0.15 Max.	0.60~0.90	0.06~0.10	0.035 Max.	-

■ Steel for Spark Plug

Product code	Chemical Compositions(%)					
	C	Si	Mn	P	S	S-Al
POSCH6ASP	0.08 Max.	0.07 Max.	0.25~0.45	0.030 Max.	0.030 Max.	0.02 Min.

■ Soft Magnetic Iron

Product code	Chemical Compositions(%)				
	C	Si	Mn	P	S
JIS-SUYB1	0.01 Max.	0.05 Max.	0.20~0.30	0.020 Max.	0.015 Max.

■ Weather Resistance Steel

Product code	Chemical Compositions(%)								
	C	Si	Mn	P	S	S-Al	Cu	Ni	Cr
POSTEN20W	0.20~0.25	0.15~0.25	0.70~0.90	0.030 Max.	0.030 Max.	0.03~0.08	0.30~0.50	0.30~0.50	0.60~0.90

■ Micro-alloyed Steel

Product code	Chemical Compositions(%)								
	C	Si	Mn	P	S	S-Al	Ni	V	N(ppm)
POSMA40	0.35~0.45	0.40~0.90	0.80~1.20	0.025 Max.	0.08 Max.	0.01~0.08	-	0.12 Max.	150 Max.
POSMA45R	0.43~0.47	0.20~0.40	1.10~1.50	0.030 Max.	0.060 Max.	0.01~0.07	0.20 Max.	0.11 Max.	120 Max.
POSMA45RS	-	-	-	-	-	-	-	-	-

Manufacturable Dimensions

■ **Available sizes**

Wire Rod Mill	Unit	Size(mm, inch)																			
#1 Wire Rod Mill	mm	5.5	6.5	7.0	-	8.0	8.5	9.0	-	10.0	-	11.0	12.0	-	13.0	-	14.0	-	-	-	-
	inch	0.216	0.256	0.276	-	0.315	0.335	0.354	-	0.394	-	0.433	0.472	-	0.512	-	0.551	-	-	-	-
#2 Wire Rod Mill	mm	8.0	9.0	10.0	-	11.0	12.0	13.0	-	14.0	-	15.0	16.0	-	17.0	-	18.0	-	19.0	-	20.0
	inch	0.315	0.354	0.394	-	0.433	0.472	0.512	-	0.551	-	0.591	0.630	-	0.669	-	0.709	-	0.748	-	0.787
	mm	21.0	22.0	23.0	-	24.0	25.0	26.0	-	27.0	-	28.0	30.0	-	32.0	-	34.0	-	38.0	-	42.0
	inch	0.827	0.866	0.906	-	0.945	0.984	1.023	-	1.063	-	1.102	1.181	-	1.260	-	1.339	-	1.496	-	1.654
#3 Wire Rod Mill	mm	5.5	6.5	7.0	7.5	8.0	8.5	9.0	9.5	10.0	10.5	11.0	12.0	12.5	13.0	13.5	14.0	14.5	15.0	15.5	16.0
	inch	0.216	0.256	0.267	0.295	0.315	0.335	0.354	0.374	0.394	0.413	0.433	0.472	0.492	0.512	0.531	0.551	0.571	0.591	0.610	0.630
#4 Wire Rod Mill	mm	5.5	6.5	7.0	7.5	8.0	8.5	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	17.0	18.0	19.0	20.0	21.0	22.0
	inch	0.216	0.256	0.267	0.295	0.315	0.335	0.354	0.394	0.433	0.472	0.512	0.551	0.591	0.630	0.669	0.709	0.748	0.787	0.827	0.866

※ The available sizes are subject to change. Please consult with the POSCO representative before ordering.

■ **Coil Dimensions**

Division	Diameter (mm/inch)	Coil Weight		Min. Inner Dia. / Max. Outer Dia. / Max. Length		Coil Direction
		lbs	Kg	mm	inch	
#1 Wire Rod Mill	5.5~13.0/ 0.216~0.512	4,400	1,300~ 2,000	850/1500/1900	33.465/59.055 74.803	Counter clock wise
#2 Wire Rod Mill	5.5~42.0/ 0.216~1.654			850/1700/1900	33.464/66.929 74.803	
#3 Wire Rod Mill	5.5~16.0/ 0.216~0.630			850/1500/1900	33.464/59.055 74.803	
#4 Wire Rod Mill	5.5~22.0/ 0.216~0.866			850/1250/1900	33.464/49.2125 74.803	

Product packaging

In order to avoid Various damages that can occur during the shipping and handling process, POSCO has adopted the following proven packaging methods. Upon customer request, pre-order information or consultation shall be provided.


Exposed packing


End-pad packing

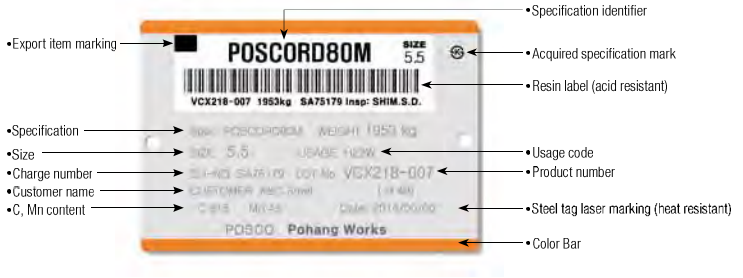

Outer packing


Total packing
(both inner and outer covering)


Wrapping packing

Labeling

To provide increased visibility and positive product identification, a resin label with white background is added after the pickling process. Also, a steel tag laser marking is applied as well, in case the resin label should be damaged during a subsequent heating process.



Damage prevented during shipping and handling processes

In order to prevent damages that could occur after wire rod rolling, POSCO uses special equipment and standardized work processes throughout packing, warehousing, transporting and loading.


Warehousing


Transporting


Loading

Certificates



KOLAS



ISO/TS 16949:2009



ISO 9001:2008



ISO 14001:2004

WIRE ROD

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Jeollanam-do 545-711, Korea
TEL 82-61-790-0114
FAX 82-61-790-7000

posco www.posco.com www.steel-n.com

EXHIBIT 17

BRITISH STEEL

Steel products for tyre reinforcement

High carbon wire rod for tyre bead and cord

Technical Data Sheet 2016



We produce high-strength steel to meet the demands of the global tyre industry striving to manufacture lighter and more durable tyres and improve fuel economy and vehicle performance.

Our focus on customer specifications

Our tyre reinforcement cord is manufactured to meet individual customer specifications. Tensile strength is altered by adapting the steel microstructure, while scale characteristics can be tailored to suit each customer's preferred descaling method. This ensures we deliver a steel solution that meets your exact needs, drawing on our application knowledge and material development expertise.

Rigorous testing for quality assurance

The quality of our products is assured by rigorous testing procedures conducted in well-equipped laboratories to verify stringent criteria such as segregation, steel cleanness, scale, surface quality, decarburisation, chemical composition, size, shape and tensile strength properties. Our products meet the required standards for the most challenging and safety-critical applications.

British Steel is accredited to both ISO9001:2008 for our quality management system and ISO14001:2004 for our environmental management system.

Delivering quality

Despatch of wire rod coils through our purpose-built wire rod service centre or Automated Coil Warehouse allows British Steel to offer an efficient delivery service. These streamlined despatch facilities are equipped with bespoke handling equipment which, combined with minimal handling and an anti-abrasive flooring system, minimises storage and handling damage.

Technical support from our specialists

Our team of experienced metallurgists provide dedicated technical support to our customers, including selection of the most appropriate steel grade and size, detailed metallurgical analysis to solve specific processing problems, and the development of new and more advanced grades of steel for increasingly demanding applications.

Wire rod dimensions

Rod diameter	5.5 mm
Coil weight	1800 - 2200kg
Coil length	1350 - 1700mm
Coil dimensions	Outside diameter: 1250mm max Inside diameter: 850mm min

Note: Standard tyre reinforcement wire rod dimensional tolerances: Gauge +/-0.20mm, ovality 0.3mm max

Tyre reinforcement steel grades

The table below indicates the standard chemical analysis limits for British Steel's tyre reinforcement grades. Other grades and analysis limits can be considered and are available upon request.

Steel grade

	Analysis (%)	C	Si	Mn	P	S	Cr	Tensile (MPa)	Reduction of area (%)
60C	Max	0.65	0.30	0.60	0.020	0.020			
	Min	0.60	0.15	0.40					
	Typical cast	0.62	0.20	0.50	0.008	0.008		940	46
70C	Max	0.75	0.30	0.58	0.020	0.020			
	Min	0.70	0.15	0.44					
	Typical cast	0.72	0.20	0.50	0.008	0.008		1,030	40
80C	Max	0.85	0.30	0.60	0.020	0.020			
	Min	0.80	0.15	0.46					
	Typical cast	0.83	0.20	0.50	0.008	0.008		1,130	38
90C+Cr	Max	0.96	0.30	0.45	0.020	0.020	0.28		
	Min	0.90	0.15	0.30			0.18		
	Typical cast	0.92	0.20	0.38	0.008	0.008	0.22	1,260	34

BRITISHSTEEL.CO.UK

A | PO Box 1, Brigg Road, Scunthorpe, North Lincolnshire, DN16 1BP
T | 44 (0)1724 402582 E | wirerod@longssteel.com

WTDSHC:ENG:062016

Care has been taken to ensure that the contents of this publication are accurate, but British Steel Limited and its subsidiaries and associated undertakings (having the meaning set out in the Companies Act 2006) do not accept responsibility or liability for errors or information that is found to be misleading.

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EXHIBIT 18

Automotive

Did you know?

- One out of four tires around the world is reinforced with Bekaert tire cord
- Thanks to the technology of coated high carbon flat spring wire a next generation window wiper was developed based on 6 parts instead of 23 parts with 50% weight reduction and better aerodynamic behavior.

Exhaust systems



- Gasoline Particulate Filter media
- Heating cables for selective catalytic reduction tubes and tanks
- Heating cord (for selective catalytic reduction)
- Metal fiber media for diesel exhaust filtration

Steering system



- Bezinal® XC coated wire for an improved coilability of critical springs
- Bezinal® XP coated wire for reliable, highly corrosion resistant springs
- Control cable
- Mesh wire for airbag filter
- Springs for locks and brakes (Bezinal®)

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Close



- Stainless steel fibers for heatable textiles

Interior (door)



- Automotive rope wire
- Bekipor® fiber media for sound attenuation
- Casing wire (wire for conduits/outer casings)
- Control cable
- Power springs
- Sealing wire
- Springs for locks and brakes (Bezinal®)
- Window regulator cord for vehicles

Interior



- Beki-Shield® stainless steel fibers for conductive plastics
- Automotive rope wire
- Bekipor® fiber media for sound attenuation
- Casing wire (wire for conduits/outer casings)
- Flexible shaft wire
- Power springs
- Sun visor wire

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Close



- Flat blade wire
- Wiper arm wire
- Wiper blade wire
- Wiper spring and hook wire

Exterior



- Bead wire for tires
- Casing wire (wire for conduits/outer casings)
- Pierce nut wire
- Reinforcing canvas for trailers
- Spoke wire
- Steel cord for tire reinforcement
- TAWI® coating
- Wheel weight wire

Drive train



- Beki-Shield® stainless steel fibers for conductive plastics
- Bezinal® XC coated wire for an improved coilability of critical springs
- Bezinal® XP coated wire for reliable, highly corrosion resistant springs
- Clutch spring wires
- Control cable
- Crankcase ventilation filter media
- Fine cord for timing belts

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Corner



- Bead wire for tires
- Bezinal® XC coated wire for an improved coilability of critical springs
- Bezinal® XP coated wire for reliable, highly corrosion resistant springs
- Off the road tire and rubber track reinforcement in mining
- Oil seal wire
- Springs for locks and brakes (Bezinal®)
- Steel cord for tire reinforcement
- Suspension spring wire
- TAWI® coating
- Wheel weight wire

Exterior (bumpers)



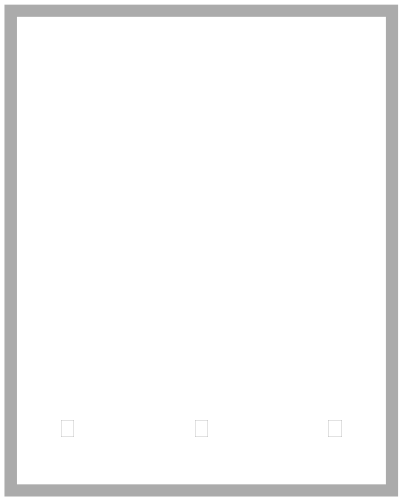
- EASI – Lightweight Steel Cord Reinforced Plastic Impact Parts

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Bekaert Fencing North America

Bridon-Bekaert The Ropes Group



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EXHIBIT 19

STATEMENT OF [ ]

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EXHIBIT 20

Current Inventory

SHEET PILING - PITTSBURGH, PA (/SHEET-PILING/)

PS 31 SHEET PILING - PITTSBURGH, PA (/PS-31-SHEET-PILING-PITTSBURGH-PA/)

ALLOY STEEL ROUND BARS - PHILADELPHIA, PA (/ROUND-BARS/)

CR COILS CSB - MIDDLETON, MA (/CR-COILS-CSB-MIDDLETON-MA/)

HIGH CARBON WIRE ROD - SAVANNAH, GA (/HIGH-CARBON-WIRE-ROD-SAVANNAH-GA/)

36" PIPE ALLENTOWN (/36-PIPE-ALLENTOWN/)

A36 STEEL ANGLE - WILMINGTON, DE (/A36-STEEL-ANGLE-WILMINGTON-DE/)

High Carbon Wire Rod

C1072	5.5mm	2 coils	9,064#
C1080	5.5mm	3 coils	13,442#
		Total Weight	22,506#

Tire Bead Quality – refused for minor rust or improper packaging

any loose coils have been rebanded. Produced in the UK.

FOB Savannah, GA $.18 lb.

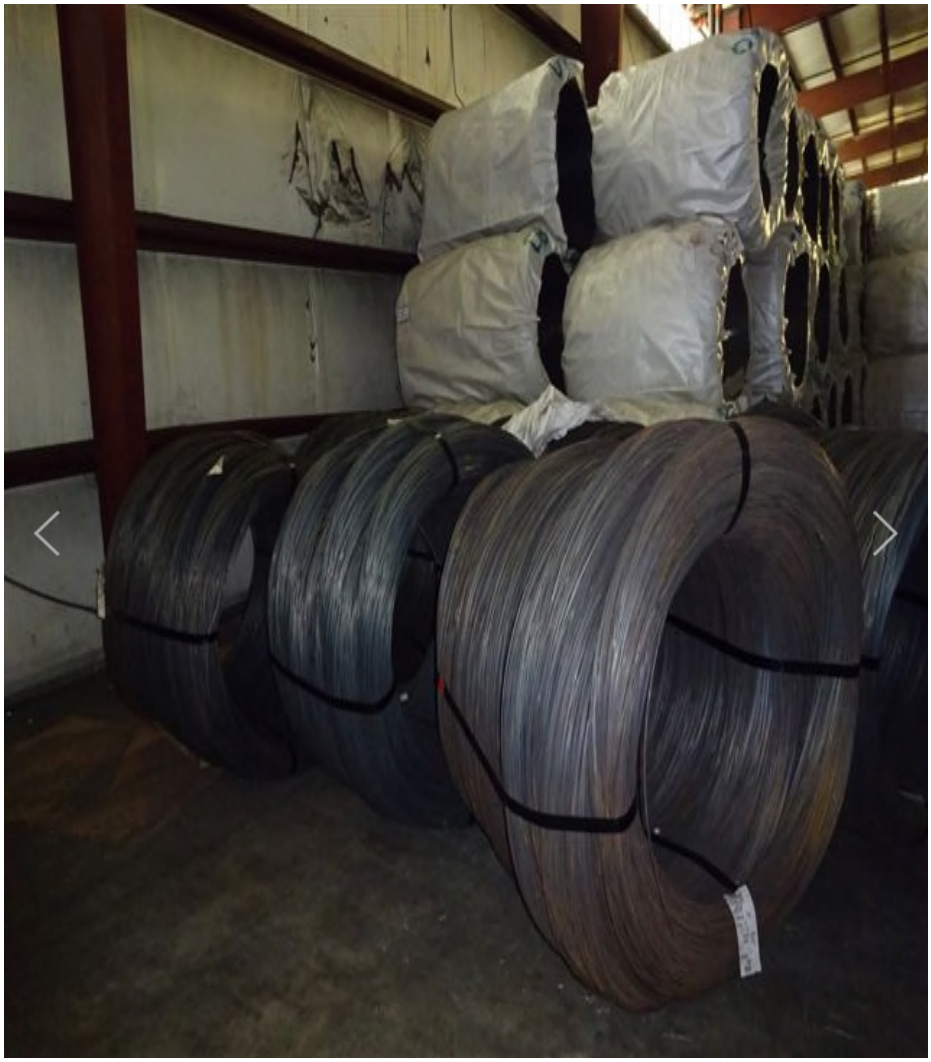
















EXHIBIT 21

Resources Trend and Use of Direct Reduced Iron in Steelmaking Process

Dr. Hidetoshi TANAKA *1

*1 Technology & process Engineering Dept., Iron Unit Div., Engineering Business

Expectations are rising for new ironmaking processes that can utilize a wide variety of materials and fuels and also are environmentally friendly. The direct reduction (DR) process is one such ironmaking process that can substitute for blast-furnace (BF) ironmaking. This new process can utilize inexpensive shale gas, which enables its plants to be built at various locations. The DR process may be adapted for coal-based processing, which will contribute to the stable supply of direct reduced iron (DRI). This paper outlines the DR technologies developed by Kobe Steel and includes a survey on the contribution of DRI as a substitute for scrap used in electric arc furnaces (EAFs) and as a burden material in BFs.

Introduction

It was believed that the blast furnace (BF) ironmaking process would continue to predominate for some time in the future. However, the process seems to be reaching a turning point due to various problems: e.g., i) the soaring prices of iron ore and coking coal, resulting from the rapid growth of crude steel production in China, ii) the service life issues of coke ovens, and iii) environmental issues such as CO_2 reduction.

On the other hand, shale gas has grabbed much attention. In the U.S., it is not only influencing energy security, but affecting a number of industries, including iron and steel.

This paper focuses on steelmaking processes that utilize direct reduced iron (hereinafter referred to as "DRI"), taking up the aspects of environmental protection and resource depletion. It reviews the present status of the direct reduction (hereinafter referred to as "DR") technology at Kobe Steel and examines the role played by DRI in achieving a paradigm shift in the iron and steel industry.

1. Resources trend surrounding iron and steel industry

As shown in **Fig. 1**, world crude steel production exceeded 1.5 billion tonnes in 2011 owing to the increasing production of crude steel in China, and this value is steadily increasing.[1)] Almost 70% of the crude steel was produced by blast furnace / basic oxygen furnace (BF/BOF) process.

In the meantime, as shown in **Fig. 2**, the world steel stock exceeded 23 billion tonnes as a result of the crude steel production in the past and, accordingly, the amount of scrap generated is increasing steadily year by year.[2)] In other words, a so-called "urban mine" has emerged, providing the source of iron for, and promoting the use of, electric-arc-furnace (EAF) processes.

This rapid increase in crude steel production has also resulted in significant increases, as shown in **Fig. 3**, in the prices of iron ore and coking coal, the principal raw materials of iron and steel.[3)] There are some background factors: e.g., i) the current BF process relies heavily on high-grade ore mined in Brazil and Australia and on special coking coal with small reserves, and ii) several suppliers of the raw

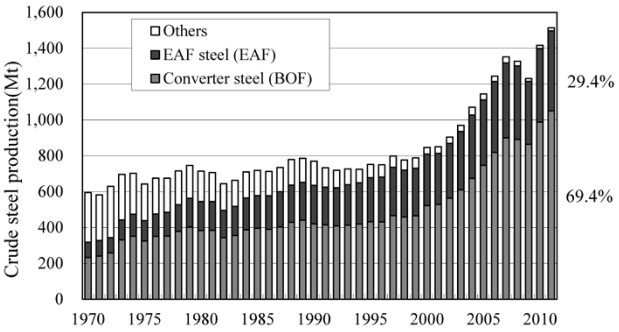


Fig. 1 Changes in world crude steel production [1)]

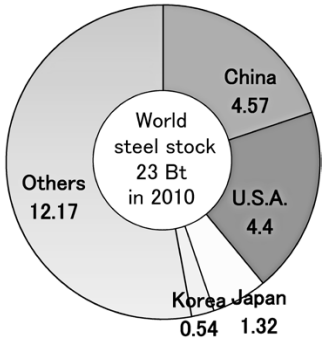


Fig. 2 World steel stock in 2010 [2)]

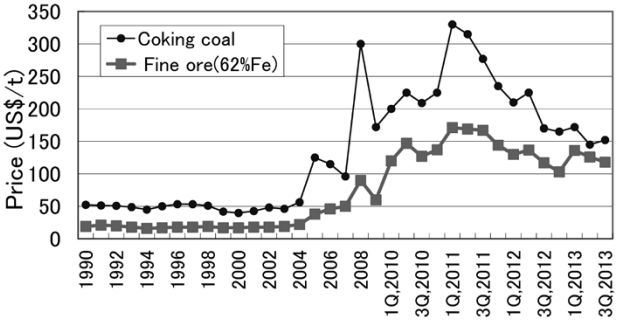


Fig. 3 Price changes in iron ore and coking coal [3)]

materials have merged and become oligopolistic.

On the other hand, thanks to the beginning of commercial production of shale gas in North America, the price of natural gas dropped from 11.5 $/mmBTU in 2008 to 3.7 $/mmBTU in 2012.[4] Accordingly, the price of electricity for industrial use is expected to see a further decrease from its 2011 price of 7 ¢ /kwh.

2. Status of world DRI production

Direct reduction is a process for reducing iron ore in the solid state. It requires much less capital investment than the BF process and requires no coke. Therefore, DR plants have been built mainly in oil and natural gas producing countries to supply raw iron for EAF processes. Particularly in the Middle East, where only a limited amount of scrap is generated, DRI is used as the principal raw material to produce steel in EAFs.

Fig. 4 shows the transition of world DRI production. The DRI production has increased by a factor of almost 100, from approximately 0.8 million tonnes in the 1970s to approximately 74 million tonnes in 2012. Currently, DRI accounts for 16% of the raw material charged into EAFs. Recently, the demand for DRI has also been increasing in developed countries, and the amount of DRI carried by sea reached 14.7 million tonnes in 2012.[5]

Table 1 [6] summarizes the typical characteristics of DRI. DRI has many pores left after the oxygen is removed by reduction reaction and can easily be re-oxidized. Therefore, DRI has a risk of generating heat and igniting, making its maritime transport difficult. For this reason, DRI was originally consumed solely within ironworks. It was against this background that production technology was developed for hot briquetted iron (hereinafter referred to as "HBI"); the technology involves the hot compacting of DRI to increase its apparent density and thus prevent re-oxidation. This technology has facilitated marine transport and enabled the raw iron to be supplied to the global market.

The change in the production volume of HBI by processes is shown in **Fig. 5**.[7] Approximately 80% of HBI is currently produced by the MIDREX® [note 1] process. As will be described later, the MIDREX process, thanks to its unique reductant gas composition, can discharge DRI at a higher temperature than the HYL process, which mainly relies on hydrogen reduction. Thus the MIDREX process is more suitable for producing HBI.

DR processes roughly fall into two classes depending on the reductant used: namely, natural gas based and coal based. **Fig. 6** [5] shows the world production volume of DRI in 2012 and the ratio of DRI produced by each process. The MIDREX process and HYL process, both using natural gas as the reductant, account for approximately 75% of the total production. The remainder is produced by other processes using coal. Midrex Technologies,

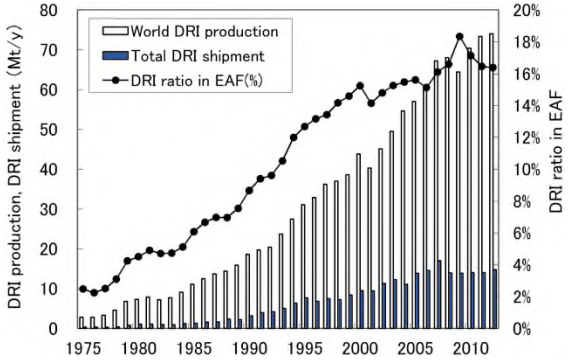


Fig. 4 Changes in world DRI production and DRI shipments by year [5]

Table1 Characteristics of DRI and HBI [6]

	DRI	HBI
T.Fe(%)	90～94	←
M.Fe(%)	83～89	←
Metallization(%)	92～95	←
Carbon(%)	1.0～3.5	←
Gangue (%)	2.8～6.0	←
Bulk Density(t/m^3)	1.6～1.9	←
Apparent Density(t/m^3)	3.4～3.6	5.0～5.6

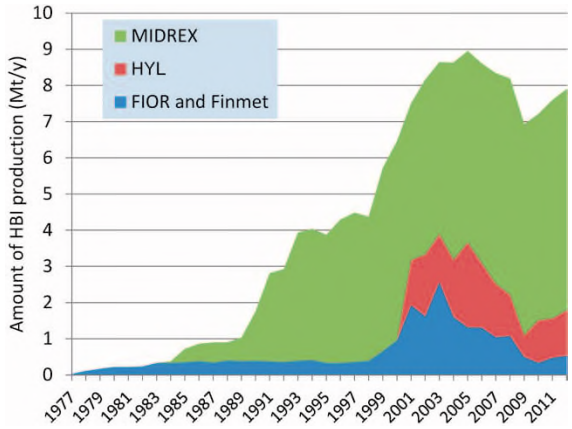


Fig. 5 Yearly HBI production by process [7]

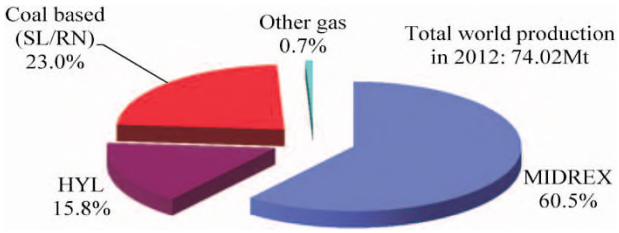


Fig. 6 World DRI production processes in 2012 [5]

note 1) "MIDREX" is a registered trademark of Kobe Steel.

Inc., the leading company in DR processing, is a wholly-owned subsidiary of Kobe Steel.

3. Direct Reduction Technology

3.1 Kobe Steel's natural-gas-based DR process

Fig. 7 depicts the flow of the MIDREX process.[8] Either pellets or ore lumps are charged into a shaft furnace from the furnace top, reduced inside the furnace and discharged from the bottom as DRI. Conventionally, the DRI was discharged after cooling; however, it is now being discharged hot and then transferred to the steelmaking process downstream so as to improve the energy consumption rate and productivity of the EAFs.

The reduction reaction of the iron oxide occurring inside the shaft furnace is expressed by (1) and (2):

$$Fe_2O_3 + 3H_2 \rightarrow 2Fe + 3H_2O : \Delta H^0 = 72.82\text{kJ} \quad \cdots\cdots (1)$$

$$Fe_2O_3 + 3CO \rightarrow 2Fe + 3CO_2 : \Delta H^0 = -42.98\text{kJ} \cdots (2)$$

Equation (1) represents the reduction reaction by hydrogen and is highly endothermic, while Equation (2) represents the reduction reaction by CO gas and, conversely, is exothermic. Thus the temperature distribution in the furnace varies depending on the ratio of the reduction reactions (1) and (2) occurring in it. It should be noted that the DR process that uses natural gas as reductant exploits the contribution of hydrogen to the reduction, as expressed by Equation (1), and is reported to emit significantly less CO_2 compared with the BF process with coal reductant.[8]

The main feature of the MIDREX process lies in the composition of its reductant gas. In this process, the CO_2 in the exhaust gas of the reduction reaction, emitted from the furnace top, is effectively utilized as a reforming agent of natural gas, as expressed by Equation (3).

$$CH_4 + CO_2 \rightarrow 2CO + 2H_2 \quad \cdots\cdots (3)$$

As a result, the concentration ratio of H_2/CO in the reductant gas becomes 1.5, which is much richer in CO gas than that of the HYL process with H_2/CO of 3 to 5. This distinguishes the MIDREX process from others by its feature of easily being able to maintain a higher temperature inside the furnace.

The MIDREX plants have been operated mainly in oil producing regions with abundant natural gas. There were 63 plants in operation as of 2012.[5] **Fig. 8** shows the rated production capacities of the MIDREX plants built so far. Currently, work is in progress to develop the SUPER MEGAMOD, a further scale-up of the shaft furnace with a projected

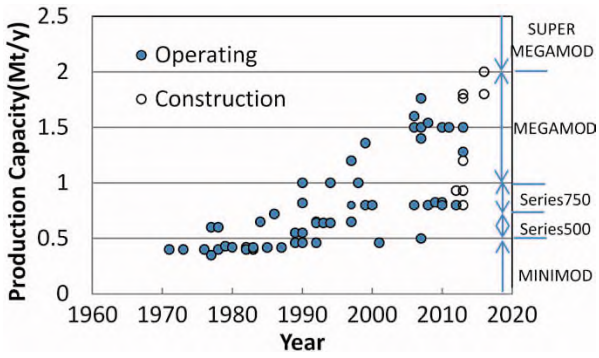


Fig. 8 Rated capacities of MIDREX plant by year

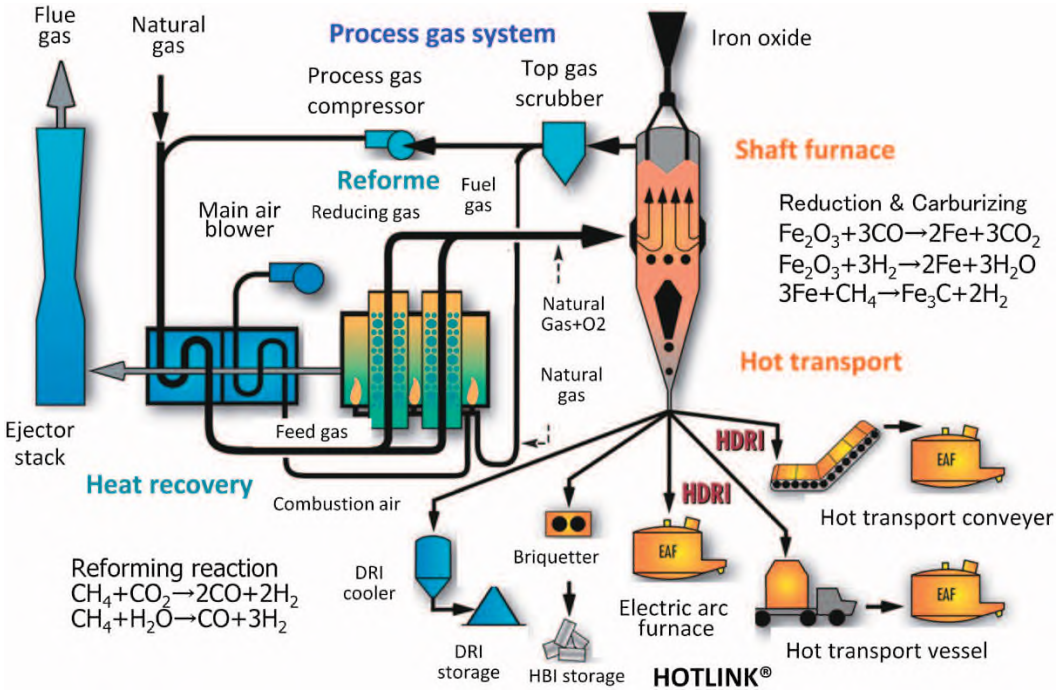


Fig. 7 MIDREX process flow sheet[8]

capacity of 2 million tonnes per year. A DR plant with 2 million tonne capacity, is to be launched in Texas in the U.S. in 2016. The plant capacities are becoming larger year by year.[9)]

Fig. 9 compares the processes in their 2011 capacities and production volumes.[10)] As is evident from this chart, the MIDREX process has achieved a production volume that is close to its capacity, which indicates that it has a more stable operation than other processes. This is one of the reasons for its world share of 60%.

The MIDREX process used to be operated at limited locations. To alleviate this restriction, attempts have been made to diversify fuels as shown in **Table 2**.[11)] This includes the use of reductants such as the off-gas from the COREX process and synthesis gas produced by a coal gasifier. In particular, a DR plant with a capacity of 1.8 million t/y is gathering attention. The order for this plant was placed by Jindal Steel & Power Limited, an Indian steel manufacturer, at the end of 2009. This plant is worthy of attention because it utilizes synthesis gas produced by a coal gasifier as its reductant and enables the use of Indian coal with high ash content for the production of DRI.

Coke oven gas (hereinafter "COG") can also be used for the production of DRI, since it contains chemical energy in the form of highly concentrated H_2 and CH_4. A new partial-oxidation system as shown in **Fig.10** may be introduced to convert COG into synthesis gas suitable for the MIDREX process and to produce DRI in a shaft furnace. The DRI thus produced can be used in BFs and in BOFs, which not only reduces CO_2 emissions, but also increases productivity by 30%, according to a report.[12)]

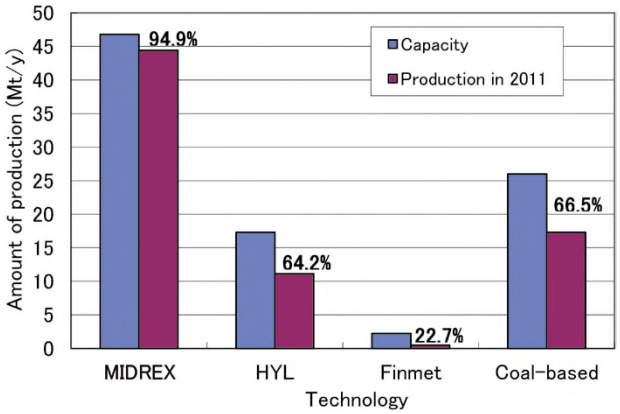


Fig. 9 World DRI capacity and production per technology in 2011 [10)]

Table 2 MIDREX process energy source flexibility [11)]

	Energy source	Reducing gas H_2/CO	MIDREX plant reference	Start-up
COREX/MIDREX plant	COREX offgas	0.3-0.4	Arcelor Mittal South	1999
		0.5-0.6	JSW Projects Limited	Construction
MIDREX NG Plant	Natural gas	1.5-1.7	Numerous (60 modules operation)	Since 1969
MXCOL Plant	Coal gasifier	2.0	JSPL Angul	Construction

3.2 Kobe Steel's Coal-based DR process

The rotary kiln process has been used for a long time as a DR process based on coal. This process, however, has the disadvantages of being relatively small in scale, suffering from long downtime due to the formation of kiln rings, and consuming a large amount of coal. This has limited the plant locations, to India, for example.[13)]

As another DR process using coal, the reduction of carbon composite agglomerates began to attract attention in the 1990s. It was found that, when iron oxide and carbon are closely placed in agglomerates, the reduction reaction occurs at lower temperatures and at higher rates.[14)] These carbon composite agglomerates, however, are fragile. To compensate for the reduction in physical strength, a new process, FASTMET ® note 2), was developed; it involves a rotary hearth furnace (hereinafter "RHF") that allows the reduction reaction to occur statically. This process is promising as a DR process allowing the use of inexpensive coal, and it is being put to practical use to treat steel mill dust, as shown in **Table 3**.[15)]

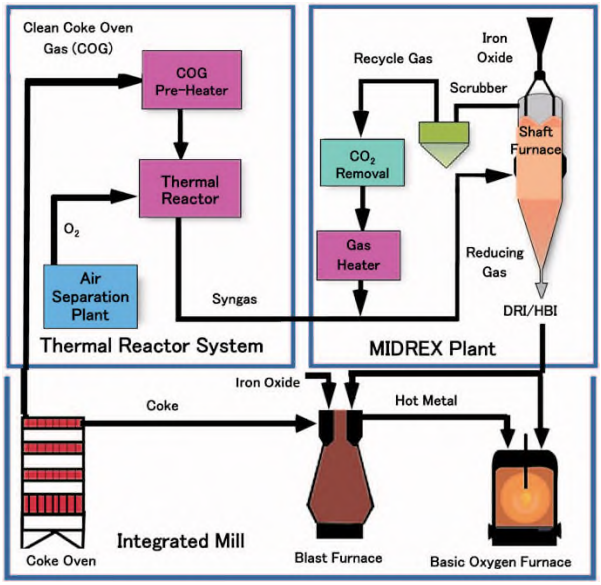


Fig.10 Using COG for MIDREX process [12)]

Table 3 FASTMET commercial plants [15)]

Company	Location	Dust (t/y)	Start up
NSSMC	Hirohata No.1	190,000	April. 2000
	Hirohata No.2	190,000	Feb. 2005
	Hirohata No.3	190,000	Dec. 2008
	Hirohata No.4	220,000	Oct. 2011
JFE	Nishinihon	190,000	Apr. 2009
KSL	Kakogawa	14,000	April 2001

note 2) "FASTMET" is a registered trademark of Kobe Steel.

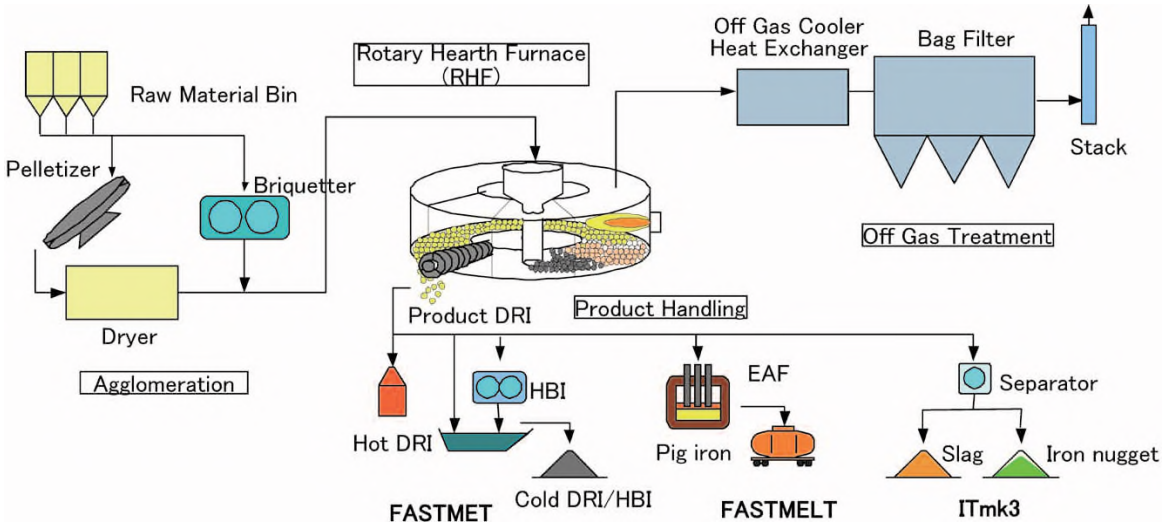


Fig.11 Flow sheet of Kobe's coal-based direct reduction process

This technology has led to the development of a next-generation ironmaking process, ITmk3® note 3) ([ai ti:] mark three). This process is attractive, since it can produce iron nuggets, the equivalent of pig iron, in one step in a rotary hearth furnace. A first commercial plant with an annual capacity of 500 thousand tonnes was inaugurated in Minnesota, U.S., in January 2010.[16] **Fig.11** depicts the flow of Kobe Steel's coal-based DR process using an RHF.

4. Future perspective

4.1 Expansion of ironmaking process using iron scrap

Fig.12 combines and shows the forecasted world steel demand and the forecasted scrap generation.[17), 18)] These forecasts are made on the basis of construction, civil engineering and transportation, the sectors that account for 70% of the total amount. The gap between these two forecasts (black column) indicates the insufficient quantity of iron, which cannot be compensated for by scrap alone. In order to fill this gap, iron must be newly made from iron ore. As for the future, this deficiency of iron is forecasted to increase, reaching 1.6 billion tonnes around 2020, and to decrease thereafter [19]. This is a forecast and the actual time may vary, but it will happen sooner or later. In other words, the increasing scrap generation implies that ironmaking processes using iron scrap as their principal raw material will possibly play an important role.

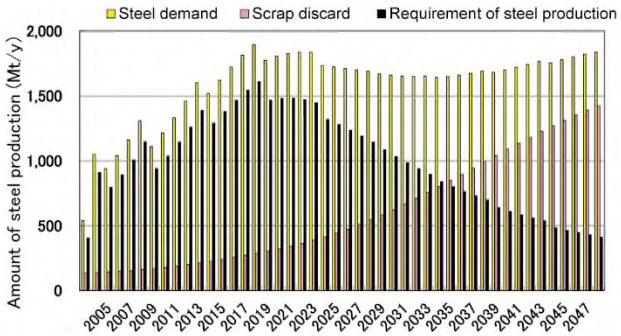


Fig.12 Necessary amount of steel production forecasted from steel demand and scrap discard [19]

Scrap iron usually contains tramp elements such as Cu and Sn. An increase in their content adversely affects the processing quality in the downstream processes including continuous casting and rolling. This is the reason why EAFs, using scrap as their principal raw material, have been applied primarily to steel grades for construction with relaxed quality requirements. These tramp elements are difficult to remove by treating hot metal and/or molten steel. Thus, in order to control their content, clean scrap must be selected for the raw material, or the scrap must be diluted by clean raw iron such as DRI or pig iron. In the U.S., clean raw iron is added in the amount of 65 to 70% to dilute the scrap melted in EAFs. This process can even produce high-grade steel that compares with the steel produced by BOFs.[20] Another advantage is that the carbon in the clean raw iron resolves the issue of nitrogen, a problem intrinsic to EAFs. [21]

Fig.13 shows the energy consumption and CO_2 emissions of EAF processes that use scrap and DRI. Comparison was made with the BF/BOF process.[8] The energy consumption and CO_2 emissions become minimal when 100% scrap is used, which reduces CO_2 emission to a quarter. If scrap and DRI are combined, a common practice in the US, a significant CO_2 reduction is expected in comparison with the BF/BOF process because natural gas is used to

note 3) "ITmk3" is a registered trademark of Kobe Steel.

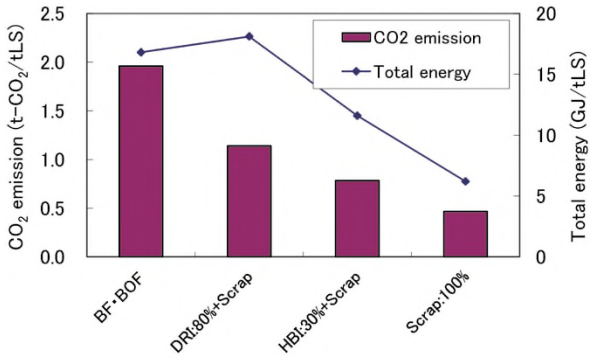


Fig.13 Energy consumption and carbon emissions for steelmaking routes [8]

produce the DRI charged.

In the US, the volume of crude steel produced by EAFs has been exceeding that produced by the BF/BOF process since 2002. There, EAF integrated mini-mills are prevailing. These EAF integrated mini-mills use scrap and DRI as a source for their iron and produce thin sheets. In 2011, approximately 60% of the crude steel was produced by the EAF process.[1] Therefore, a stable supply of DRI for diluting degraded scrap is important for the sustainable growth of EAF processes in the future.

4.2 Expansion of DRI production in North America

Recently, the gas-based DR process has been scaled up (to greater than 2 million t/y/unit). In North America, where the emergence of shale gas has made electric power and natural gas readily available at lower cost, a number of projects are being actively pursued to implement upstream ironmaking based on this process (**Table 4**).[22] The reason for the introduction of the process is said to be that, when compared with the BF process of the same scale, the DR process emits 1/3 amount of carbon and the DRI facilities require only half the investment.[23]

Table 4 Status of gas-based DRI projects in North America [22]

Company	Location	Capacity (kt)	Status	Start-up
Nucor	Louisiana	2,500	Confirmed	2013
Nucor	Louisiana	2,500	Permitted- not approved	2015+
Voestalpine	Texas	2,000	Confirmed- needs permitting	2016
Bluescope	Ohio	1,000	Under consideration	2016+
Essar Steel	Minnesota	2,500	Permitted- not approved	2016+
Severstal NA	Mississippi & Trinidad	n/a	1.5 tpy project rejected	
US Steel	Minnesota	n/a	Under consideration	2016+
Total		10,500		

As described above, as a result of increased scrap generation and the reduced price for natural gas in the U.S., the DR process is being revisited as an ironmaking process with less environmental burden. The amount of DRI production in North America is expected to grow sharply in the future.

4.3 Use of DRI as energy container

The past records indicate that charging DRI into a BF is expected to bring about positive effects such as increased production, a decreased reductant ratio, a decrease in agglomerates and reduction of CO_2.[24] A laboratory study has shown that the upper limit of DRI that can be charged into a BF may be as high as 100%.[25] In actual operation at the AK Steel Corporation, the amount of DRI recorded as charged into their BF reached a monthly average of 227 kg/t [26], indicating that up to approximately 20% can be charged without causing any problem.

Fig.14 compares the current ironmaking with future small-scale, independent on-site ironmaking. This independent on-site ironmaking offers a new business model in which the energy of the reduction reaction, which accounts for three-fourths of the

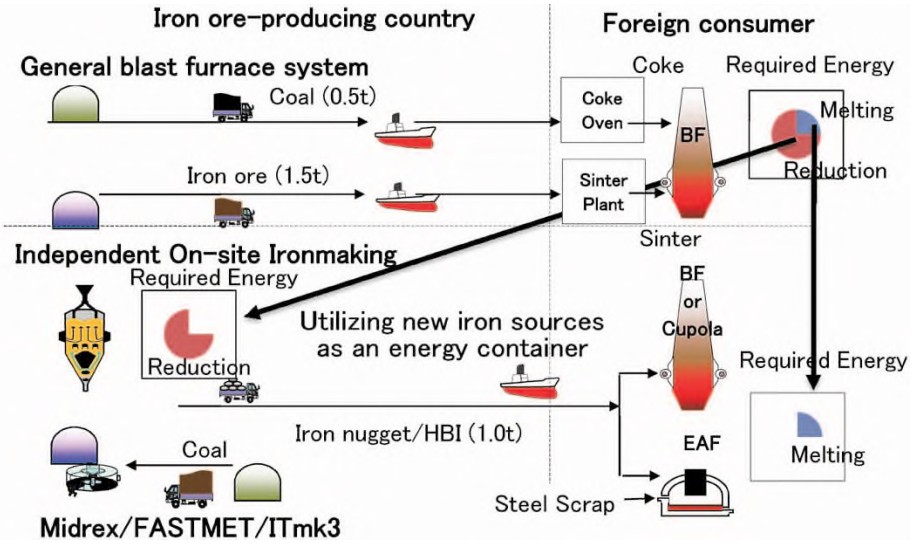


Fig.14 General blast furnace system and future independent on-site ironmaking model

energy used for ironmaking, is shifted to a third country to exploit DRI as an energy container, while halving the transported amount of the raw materials required for ironmaking. One example is the MIDREX plant with 2 million t/y capacity that a European company, voestalpine AG, announced to build in Texas, U.S.[9] In this project, iron ore pellets produced in Brazil will be transferred to Texas to be reduced by inexpensive shale gas, and the product HBI will be shipped to Austria to be used by ironworks there. This project thus will reduce CO_2 emissions. Kobe Steel's MIDREX process, which can produce HBI with ease, is more advantageous in exploiting DRI as an energy container.

There are future concerns including CO_2 reduction, the service life of coke ovens, the environmental issues of sintering plants and the elasticity of BF production. Against this background, the use of inexpensively produced DRI in integrated ironworks may be promoted further, depending on the price trends of iron ore and coking coal governing the cost of pig iron made by BFs.

Conclusions

The U.S. iron and steel industry, the precursor of the Japanese iron and steel industry, passed the period of its maturity in the 1950s and saw the decline of BFs in the 2000s. In place of these BFs, Nucor-type mini-mills using scrap have emerged. Equipped with state-of-the-art technologies including the continuous casting of thin slabs, they are continuing their highly efficient production on a small scale. As evident from the history of the iron and steel industry in the U.S., the time is approaching when the industry will rely on scrap as its raw iron, which will be generated in large quantities.

On the other hand, the lower price of natural gas resulting from the commercial production of shale gas in North America is promoting the gas-based DR process. In addition, the development of the coal-based DR process that exploits the ubiquitous energy of coal has relaxed the restrictions on the locations of DR plants, which, in the past, could be built only in natural gas producing countries. This is expected to facilitate a stable supply of clean raw iron.

On the other hand, the lower price of natural gas resulting from the commercial production of shale gas in North America is promoting the gas-based DR process. In addition, the development of a coal-based DR process that exploits the ubiquitous energy of coal has relaxed the restrictions on the locations of DR plants, which, in the past, could be built only in natural gas producing countries. This is expected to facilitate a stable supply of clean raw iron. As a result, DRI can be combined with scrap, adding versatility in the production of high-grade steel by EAFs, and can also be used for BF etc. as an energy container, an effective way of suppressing CO_2 emissions. Kobe Steel will strive to contribute to problem solving in the iron and steel industry through its own DR process.

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Note) The names of companies and products cited herein may be trademarks or the registered trademarks of their respective owners.

EXHIBIT 22

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EXHIBIT 23

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EXHIBIT 24

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EXHIBIT 25

UDC669.14.018.2-427

Strengthening of Steel Wire for Tire Cord

Toshihiko Takahashi*1
Hitoshi Tashiro*3
Seiki Nishida*1
Ikuo Ochiai*2
Shoichi Ohashi*1
Toshimi Tarui*1

Abstract:

To prevent the occurrence of delamination that hinders the strength increase of steel wire for tire cord, plastic anisotropy must be prevented from developing in the steel wire. It was found to be effective to this end to strengthen the patented wire and enhance work hardening in the drawing stage. A hypereutectoid chromium steel was developed according to these guideprinciples, and tire cord wire with a tensile strength of 3,600 MPa was successfully made from the new steel and put to practical use.

1. Introduction

The steel cord is the most important tire reinforcement and is used in more than 1 million tons per year throughout the world. The tensile strength of tire cord wire was initially 2,800 MPa and then increased to 3,400 MPa in the late 1980s, thanks to the progress of technology for reducing nonmetallic inclusions and center segregation[1]. The steady demand for reducing the tire weight to improve the fuel economy of automobiles resuted in mounting calls for steel cords with higher strength.

To meet the demand, the authors worked to develop tire cord wire with a tensile strength of 3,600 to 4,000 MPa, with the aim of attaining one-half of the theoretical limit of 10,000 MPa for the tensile strength of steel.

The desired strength of tire cord wire is obtainable by cold drawing piano wire. In principle, the strength of wire can be increased to any desired degree by increasing the extent of cold working. In reality, however, it is difficult to do so because the wire is found to lose its ductility with increasing strength with the result that it is cracked in the process of bunching. The development of technology for bunchability is a key to the strengthening of tire cord wire[1].

After clarifying the mechanism of wire cracking in the bunching stage and developing methods to prevent cracking, the authors succeeded in the development and commercialization of 3,600 MPa tensile strength tire cord wire. Realization of a tire cord wire with a tensile strength of over 4,000 MPa is already in sight. The details of these developments are described below.

*1 Technical Development Bureau
*2 Technical Development Bureau (presently Suzuki Metal Industry Co., Ltd.)
*3 Kamaishi Works

2. Experimental Methods

Steels with varying contents of carbon and chromium, which are basic pearlite steel strengthening elements, were used as test materials. The chemical compositions of typical test steels are given in **Table 1**. Manganese has little strengthening effect, is likely to segregate at the center portion, and retards the pearlite transformation. Therefore, its content was held at a low 0.3%. Each steel was melted in a vacuum furnace in the laboratory or in a production furnace, and was rolled to a 5.5 mm diameter rod at a wire rod mill.

The patenting treatment was performed in a lead furnace. The

Table 1 Chemical compositions of test steels (wt%)

Steel	C	Si	Mn	Cr	P	S	Al
1	0.82	0.20	0.52	0.01	0.004	0.003	0.001
2	0.82	0.19	0.32	0.19	0.001	0.001	0.002
3	0.92	0.21	0.32	0.00	0.002	0.001	0.001
4	0.92	0.21	0.31	0.22	0.002	0.001	0.001
5	0.96	0.21	0.30	0.21	0.005	0.003	0.001

Production Technology of Wire Rod for High Tensile Strength Steel Cord

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[*1] Wire Rod Production Department, Kakogawa Works, Iron & Steel Business

The wire rod for steel cord is designed for high tensile strength. The steel cord is typically used to reduce tire weight. For several years, such steel cord has also been used as saw wire to cut silicon ingots. The saw wire is more highly tensile and has a smaller diameter. Therefore, an appropriate wire rod is required for manufacturing such saw wire. This report describes the technology to control non-metallic inclusions and the wire rod with superior drawingability needed for manufacturing the high strength wire used for steel cord and saw wire.

Introduction

Steel cord, with its excellent strength and resilience, is used in various industrial applications such as reinforcing materials for tires and conveyor belts.

The steel cord used for automobile tire reinforcement is a strand of fine wires of ultrafine drawn steel, called filaments. The downside of steel cord is its specific strength, lower than that of other reinforcing materials consisting of chemical fibers such as rayon, nylon and polyester; this is a downside that increases the weight of tires. On the other hand, steel cord has the advantages of a high modulus of rigidity, as well as excellent thermal conductivity, which prolongs the life of tires significantly and provides automobiles with superior traveling performance and driving stability.

With the proliferation of automobiles in newly developing countries, the use of steel cord is expected to increase dramatically. To meet the market needs for lighter tires, improved fuel economy and a simplified manufacturing process, there is a demand for steel cord that can be produced in larger quantities and with even higher strength.

Meanwhile, the market for solar energy generation has been rapidly growing in the last several years, since it emits no CO_2 during power generation and is in accord with the global effort to reduce the environmental burden. The silicon wafers used for solar panels are sliced from silicon ingots using saw wires (**Fig. 1**). To improve the yield of the material to be sliced, a saw wire must have a fine diameter. A sliced wafer, on the other hand, is required to have a cut surface with strain suppressed in order to achieve high efficiency in power generation. As a means for suppressing the strain on the cut surface, it is effective to increase the strength of the saw wires. Here again, high strength wires are demanded, as in the case of steel cord.

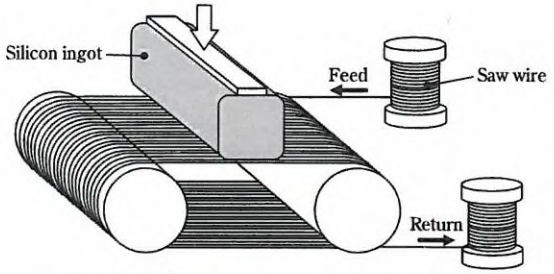


Fig. 1 Schematic of cutting of silicon ingot

This paper describes some approaches taken to reduce the diameter of steel cord and to simplify the production process. Also described is the projected future of the wire rods used for steel cord.

1. Qualities required of steel cord

Table 1 shows typical chemical compositions of wire rods produced by Kobe Steel for steel cords. **Fig. 2** shows the trend toward increasing the strength of steel cord [1]. The tensile strength of a filament with a diameter of 0.20mm was 2,800MPa in the 1970s, 3,300MPa in the 1980s, and reached a high-strength of 3,600MPa in the early 1990s and 4,000MPa in the late 1990s [2), 3)]. Steel cord strengthened by wire drawing

Table 1 Chemical compositions of wire rod for steel cord

(mass%)

Steel grade	C	Si	Mn	P	S	Cr
KSC72	0.70-0.75	0.15-0.30	0.40-0.60	≦0.020	≦0.020	≦0.05
KSC82	0.80-0.85	0.15-0.30	0.40-0.60	≦0.020	≦0.020	≦0.05
KSC90	0.88-0.93	0.15-0.30	0.40-0.60	≦0.020	≦0.020	≦0.05
KSC92-E	0.90-0.95	0.10-0.25	0.30-0.50	≦0.020	≦0.020	0.10-0.30
KSC105-E	1.02-1.07	0.15-0.30	0.20-0.40	≦0.020	≦0.020	0.10-0.30

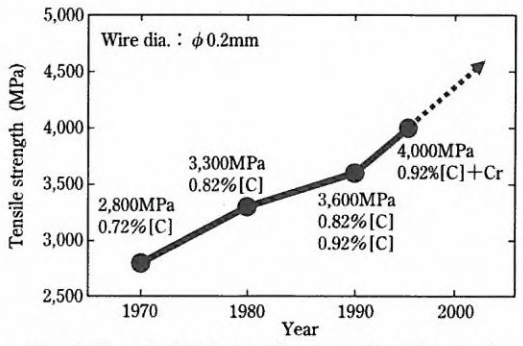


Fig. 2 Trend of high tensile strength of tire cord

(Keynote article)

A Hundred Years of Technology and Product Development at Kobe Steel

Dr. Hiroshi SATOH
Executive Vice President
Head of Technical Development Group

For 100 years, ever since its foundation in 1905, Kobe Steel has been one of the world's leaders in the development and commercialization of new technologies and products. As well as continuing the development of the technologies and products featured in its original business, the company quickly extended its scope into totally new technologies and products leading to new business opportunities.

In 1905, it was National Policy to grow the Steel and Heavy Industries in Japan. In this social climate Kobe Steel started to manufacture steel and industrial machinery as its first steps as a material and machinery company. The technical and commercial synergies produced by these separate undertakings in the material and machinery fields created opportunities for new products, which over the years have grown into Kobe Steel's current, diversified, business.

In this article we describe how the progressive development of our technologies over the last hundred years has led to our current products and technologies, and we outline our view of the intended direction of our future R&D effort to support our core businesses and develop new businesses.

1. Milestones in the last 100 years

Kobe Steel began on the first of September 1905 as the Casting and Forging Division of Suzuki Shoten (a partnership trading company) at the Wakinohama district of Kobe city. The domestic steel industry in 1905 was still in its early developmental stage, and lagged far behind western countries in terms of technologies and experience. It took us three months of struggle before we succeeded in discharging our first melt from the 3.5t open-hearth furnace. By the 1920s we had accumulated operational know-how and had introduced state-of-the-art equipment, including a 1200t forging press, the largest in the country at the time of installation in 1913. This technical innovation enabled us to produce large-size cast and forged steel products. We received a bulk order from the Kaigun-Koushou (Naval Arsenal), then regarded as the most stringent customer in quality requirements. The Casting and Forging Division grew continuously and built up, through in-house development and acquisition, technologies to produce the world's largest propellers at that time for supertankers. In 1976 we introduced an 8000t forging press, one of the world's largest, and since then have led the world in the area of large-size cast and forged steel products with high reliability.

In 1959 the Kobe Works achieved a major milestone with the 'blowing-in' of its No.1 blast furnace, and we made the first step from an open-hearth manufacturer toward an integrated, blast furnace, steel manufacturer. Now, the Kobe Works is one of the world's largest plants specialized in the production of wire and rods, and produces high-quality, high-strength wires used for automotive valve-springs, suspension springs, various gears and bearings, and also suspension-bridge cables.

In the 1960s the Japanese steel manufacturing industry was becoming the supply base of the world with its annual crude steel production approaching 100 million tons. To meet growing demand for steel, we inaugurated the Kakogawa Works and blew-in the No.1 blast furnace there in



8000t forging press

supplement fuel, became operational as the KOBELCO-PCI system. In the system, a portion of the coke is charged at the center of the furnace throat during the PC injection to optimize the ratio between the ore and the coke volumes and to stabilize the operation. This led the No.1 blast furnace of the Kakogawa Works to achieve the world record of monthly PC ratio in 1998.

2.2 Steelmaking technology

Since our beginning as an open-hearth manufacturer, we have developed specific steelmaking technologies for our various products. In order to reduce the impurities in steel to the minimum, the dephosphorization of hot metal was put into practice by using a converter-type, dephosphorization furnace in 1983 at the Kobe Works. Also, we developed our original top-and-bottom-blown converter which can cover production from ultra-low carbon to high carbon steels. In continuous casting, we introduced electromagnetic stirring technology to produce defect-free castings and developed a technology, in 1989, to use the tundish repeatedly while still hot, which allows an efficient production of high-mix, low-volume products.

2.3 Ultra high-strength wire

The high-strength wire which is one of our representative products is mainly used for the valve springs of automotive engines. Since the valve spring is used under one of the severest conditions among automotive parts, there is a requirement for an extremely high reliability and an increasing demand for higher strength. To meet this requirement, we established production technologies for long-life, super-high strength, wires by establishing purification technologies, including the removal of non-metallic inclusions, and by intensive research on the alloying content and spring fabrication technology. Currently we hold 50% of the worldwide market share of the high strength steel wires for automotive valve springs. Steel cord for tire reinforcement is another of our main wire products. Steel cord not only increases the life of tires but also improves the drivability and steering stability, and is now used in almost all tires. As in the case of valve spring wires, there is an increasing demand for higher strength for the steel tire cord and currently we are producing ultra-high strength steel cord having tensile strength as high as 4,000 MPa.

2.4 High strength thick plate for high heat-input welding

The "oil shock" in the 1970s forced the shipbuilding industry in Japan to build larger and more energy-efficient ships at lower cost using high strength steel plates. However, the high strength steel plate at that time required a larger number of welding passes with lower heat input compared to mild steel. This is due to the higher carbon equivalent content, which causes deterioration in toughness of the welded joint and the heat affected zone (HAZ). In order to solve this problem, we developed a technology to improve the toughness of the HAZ by adding a small quantity of Ti to disperse fine particles of TiN in the alloy. Also developed for the same purpose was the thermo-mechanically-controlled-process (TMCP) technology to control the microstructure of the alloy by applying on-line water cooling immediately after the rolling process. More recent development of a technology called the "Low Carbon Bainitic Substructure" refines the microstructure of the HAZ, enabling one-pass welding of 590MPa class high-strength steel plates with thickness up to 100 mm without sacrificing the toughness of the HAZ.

2.5 High strength steel sheet for automobiles

Since early on, we have continued to develop our original high tensile-strength steel sheet (High-Ten), recognizing that the use of High-Ten in automotive body parts is very effective in reducing the thickness of the parts and thus in reducing the weights of vehicles. Our technical potential in High-Ten technology started to gain reputation when we developed a 980MPa class cold-rolled complex steel with high ductility called "100kg High-Ten". When we started the development work in 1984, the ductility of the steel was only slightly more than 10%, however, a new technique for producing solid-solution hardening by additional Si resulted in the successful development of a 980MPa class steel with ductility of 20%, which can endure the complex and severe press-forming used in the production of the door guard bars or the reinforcement members of automotive doors. Various other High-Ten products were developed including ductile, retained-austenite, steel using the transformation induced plasticity (TRIP) effect and hot-dip galvannealed alloy steel having good spot-weldability and coatability.

EXHIBIT 26

SECTION XV

BASE METALS AND ARTICLES
OF BASE METAL

Notes

1. This section does not cover:

   (a) Prepared paints, inks or other products with a basis of metallic flakes or powder (headings 3207 to 3210, 3212, 3213 or 3215);

   (b) Ferrocerium or other pyrophoric alloys (heading 3606);

   (c) Headgear or parts thereof of heading 6506 or 6507;

   (d) Umbrella frames or other articles of heading 6603;

   (e) Goods of chapter 71 (for example, precious metal alloys, base metal clad with precious metal, imitation jewelry);

   (f) Articles of section XVI (machinery, mechanical appliances and electrical goods);

   (g) Assembled railway or tramway track (heading 8608) or other articles of section XVII (vehicles, ships and boats, aircraft);

   (h) Instruments or apparatus of section XVIII, including clock or watch springs;

   (ij) Lead shot prepared for ammunition (heading 9306) or other articles of section XIX (arms and ammunition);

   (k) Articles of chapter 94 (for example, furniture, mattress supports, lamps and lighting fittings, illuminated signs, prefabricated buildings);

   (l) Articles of chapter 95 (for example, toys, games, sports equipment);

   (m) Hand sieves, buttons, pens, pencil-holders, pen nibs, monopods, bipods, tripods and similar articles or other articles of chapter 96 (miscellaneous manufactured articles); or

   (n) Articles of chapter 97 (for example, works of art).

2. Throughout the tariff schedule, the expression "parts of general use" means:

   (a) Articles of heading 7307, 7312, 7315, 7317 or 7318 and similar articles of other base metals;

   (b) Springs and leaves for springs, of base metal, other than clock or watch springs (heading 9114); and

   (c) Articles of heading 8301, 8302, 8308 or 8310 and frames and mirrors, of base metal, of heading 8306.

   In chapters 73 to 76 and 78 to 82 (but not in heading 7315) references to parts of goods do not include references to parts of general use as defined above.

   Subject to the preceding paragraph and to note 1 to chapter 83, the articles of chapter 82 or 83 are excluded from chapters 72 to 76 and 78 to 81.

3. Throughout the schedule, the expression "base metals" means: iron and steel, copper, nickel, aluminum, lead, zinc, tin, tungsten (wolfram), molybdenum, tantalum, magnesium, cobalt, bismuth, cadmium, titanium, zirconium, antimony, manganese, beryllium, chromium, germanium, vanadium, gallium, hafnium, indium, niobium (columbium), rhenium and thallium.

4. Throughout the schedule, the term "cermets" means products containing a microscopic heterogeneous combination of a metallic component and a ceramic component. The term "cermets" includes sintered metal carbides (metal carbides sintered with a metal).

5. Classification of alloys (other than ferroalloys and master alloys as defined in chapters 72 and 74):

   (a) An alloy of base metals is to be classified as an alloy of the metal which predominates by weight over each of the other metals.

Statistical Notes (con.)

(f) Shredded scrap includes, but is not necessarily limited to:

Shredded clippings (ISRI number 212); and shredded automobile scrap (ISRI numbers 210 and 211);

(g) Cut plate and structural includes but is not necessarily limited to:

Billet, bloom and forge crops (ISRI number 229); bar crops, punchings and plate scrap (ISRI numbers 230 and 234); plate and structural (ISRI numbers 231, 232, 236, 237 and 238); chargeable ingots and ingot butts (ISRI number 241); and chargeable slab crops (ISRI number 249).

4. Tire cord-quality steel wire rod

Rod measuring 5.0 mm or more but not more than 6.0 mm in cross-sectional diameter, with an average partial decarburization of no more than 70 micrometers in depth (maximum 200 micrometers); having no non-deformable inclusions with a thickness (measured perpendicular to the rolling direction) greater than 20 micrometers; and, containing by weight the following elements in proportions:

– 0.68 percent or more carbon,

– less than 0.01 percent of aluminum,

– 0.040 percent or less, in aggregate, of phosphorus and sulfur,

– 0.008 percent or less of nitrogen, and

– not more than 0.55 percent, in the aggregate, of copper, nickel and chromium.

5. Cold Heading Quality (CHQ)

Rod suitable for cold heading, forging, or thread rolling, and meeting standard ASTM F2282.

6. Welding quality wire rod

Rod measuring less than 10 mm in diameter having less than 0.2 percent carbon, less than 0.04 percent sulfur, and less than 0.04 percent phosphorus, suitable for drawing or rolling to final size for use as:

(i) an uncoated or plated or copper coated solid welding wire or rod;

(ii) the core wire or core rod for covered shielded metal arc (“SMAW”) welding electrode, or

(iii) the formed jacket of a flux cored welding electrode

that is suitable for consumption in the electric arc welding process.

7. Spring round wire

For the purposes of statistical reporting number 7223.00.1005, the term “spring round wire” means wire suitable for the manufacture of springs and meeting ASTM standard A313.

Heading/ Subheading	Stat. Suf- fix	Article Description	Unit of Quantity	Rates of Duty 1 General	Rates of Duty 1 Special	Rates of Duty 2
7213		Bars and rods, hot-rolled, in irregularly wound coils, of iron or nonalloy steel:				
7213.10.00	00	Concrete reinforcing bars and rods	kg	Free		20%
7213.20.00		Other, of free-cutting steel		Free		5.5%
	10	Containing by weight 0.1 percent or more of lead	kg			
	80	Other	kg			
		Other:				
7213.91		Of circular cross section measuring less than 14 mm in diameter:				
7213.91.30		Not tempered, not treated and not partly manufactured		Free		5.5%
	11	Tire cord-quality steel wire rod as defined in statistical note 4 of this chapter	kg			
	15	Of Cold Heading Quality (CHQ) steel, as defined in statistical note 5 to this chapter	kg			
	20	Of welding quality wire rods as defined in statistical note 6 to this chapter	kg			
	93	Other	kg			
		Other:				
7213.91.45	00	Containing by weight 0.6 percent or more of carbon	kg	Free		5.5%
7213.91.60	00	Other	kg	Free		6%
7213.99.00		Other		Free		5.5%
		Of circular cross section:				
	30	With a diameter of 14 mm or more but less than 19 mm	kg			
	60	With a diameter of 19 mm or more	kg			
	90	Other	kg			

EXHIBIT 27

EXHIBIT
REDACTED
IN FULL

EXHIBIT 28

EXHIBIT
REDACTED
IN FULL

EXHIBIT 29

Investors

Company Overview

Corporate Governance

Company News

Financial Information

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- What does Insteel Industries do?
- What is the appropriate industry classification for Insteel?
- Where does Insteel operate?
- Do escalating steel prices have a positive or negative impact on Insteel's financial performance?

  It is not possible to generalize as to how changes in steel prices impact Insteel's financial results. Ultimately the relative strength of demand for our products and competitive dynamics determine whether margins expand or contract during periods of rising or falling wire rod prices.

- Is Insteel significantly impacted by import competition?
- What are Insteel's plans for the use of any excess cash flow that is generated?
- When does Insteel's fiscal year end?
- Where is Insteel's main office?
- Where is Insteel's common stock traded?
- Does Insteel pay cash dividends?
- Can Investors purchase shares directly from Insteel?
- Does Insteel offer a dividend reinvestment plan?
- Whom do I contact about my shareholdings in Insteel?

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EXHIBIT 30

UNITED STATES
INTERNATIONAL TRADE COMMISSION

In the Matter of:	)	
	)	Investigation Nos.:
PRESTRESSED CONCRETE STEEL	)	701-TA-464 and
WIRE STRAND FROM CHINA	)	731-TA-1160 (Final)

Pages: 1 through 152

Place: Washington, D.C.

Date: May 6, 2010

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2008 saw exactly the opposite where between January and about August prices rose dramatically, and by the end of 2008 they were almost back to where they began in January, and the magnitude of that change was totally unprecedented where I think those prices nearly doubled in eight months and then crashed by 50 percent in four months. That's not the kind of correlation that the market has exhibited over the entire time I've been in the business. It's just a different cup of tea altogether.

COMMISSIONER PINKERT: Any other comments on that issue?

MR. CORNELIUS: Yes, I would add that as Mr. Woltz said, you know, normally the price is pretty highly correlated between the two, and there is some movement there, but what happened in 2008 with the competition from China and the pricing pressure of the import, you know, we were no longer connected to the wire rod costs as having to react to the price pressures of the Chinese strand, and I think you will see that the price fell faster as a result for the strand.

COMMISSIONER PINKERT: Thank you.

Now in some of the testimony today we heard about the failure to cooperate with the investigation

EXHIBIT 31

ArcelorMittal announces closure of Georgetown wire rod facility

05.14.2015

Chicago, May 14, 2015 – Due to challenging market conditions facing the USA business, ArcelorMittal has made the difficult decision to close its wire rod facility in Georgetown, S.C. The closure is expected to be complete in Q3 2015, pending customer requirements.

ArcelorMittal Georgetown, the company's primary producer of wire rod in the United States, has been severely impacted by waves of unfairly traded steel imports from China and other countries. Even in the most recent quarter, wire rod imports rose to account for 36 percent of the US market.

The facility was first idled in 2009 following the economic recession and was brought back online in February 2011 with a revised labor agreement and gain sharing program aimed at lowering fixed costs and rewarding employees when jointly identified production and quality targets were achieved.

"Despite our joint efforts and a highly productive workforce, the facility has incurred significant losses since the restart due to high input costs and imports," said P.S. Venkat, CEO, ArcelorMittal Long Carbon North America. "Georgetown is a very productive plant, making 300,000 tons of product per year with fewer than 200 full-time ArcelorMittal employees -- that's about 1,500 tons per worker. Imports have really been damaging to the Georgetown facility, and the business overall."

This development will impact 226 employees including salaried employees, hourly members of United Steelworkers Local 7898 and onsite contractors.

Due to challenges facing the ArcelorMittal USA -- the rise of imports, increasing competition within key domestic markets, and high legacy costs -- the company has been forced to take a deeper look at all USA operations in an effort to eliminate inefficiencies while investing in facilities that can compete effectively in all market conditions.

ArcelorMittal remains focused on running its best assets at world-class production levels and optimizing capabilities to meet market demand, without any loss of production or market share.

No other ArcelorMittal facilities are affected at this time.

About ArcelorMittal

ArcelorMittal is the world's leading steel and mining company, with a presence in 60 countries and an industrial footprint in 19 countries. Guided by a philosophy to produce safe, sustainable steel, we are the leading supplier of quality steel in the major global steel markets including automotive, construction, household appliances and packaging, with world-class research and development and outstanding distribution networks.

Through our core values of sustainability, quality and leadership, we operate responsibly with respect to the health, safety and wellbeing of our employees, contractors and the communities in which we operate.

For us, steel is the fabric of life, as it is at the heart of the modern world from railways to cars and washing machines. We are actively researching and producing steel-based technologies and solutions that make many of the products and components people use in their everyday lives more energy efficient.

We are one of the world's five largest producers of iron ore and metallurgical coal and our mining business is an essential part of our growth strategy. With a geographically diversified portfolio of iron ore and coal assets, we are strategically positioned to serve our network of steel plants and the external global market. While our steel operations are important customers, our supply to the external market is increasing as we grow.

In 2014, ArcelorMittal had revenues of US$79.3 billion and crude steel production of 93.1 million metric tons, while own iron ore production reached 63.9 million metric tons.

ArcelorMittal is listed on the stock exchanges of New York (MT), Amsterdam (MT), Paris (MT), Luxembourg (MT) and on the Spanish stock exchanges of Barcelona, Bilbao, Madrid and Valencia (MTS).

For more information about ArcelorMittal please visit: corporate.arcelormittal.com or usa.arcelormittal.com.

<< Back to announcements

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EXHIBIT 32

Testimony of
James Sanderson
Steelworker
ArcelorMittal Georgetown
President
United Steelworkers Local 7898
Before the
Office of the United States Trade Representative
Hearing on the
"Global Steel Industry Situation"
April 12, 2016

Assistant U.S. Trade Representative Jim Sanford and members of the panel, I want to thank you for taking the time to examine the state of the global steel industry and for inviting me to testify on behalf of the thousands of workers, who, like me, are unable to work because of the current crisis.

My name is James Sanderson, and I am president of United Steel Workers Local 7898. I proudly represented steelworkers at the ArcelorMittal mill in Georgetown, South Carolina. The plant produced wire rod in the United States and closed its doors in 2015 because it could no longer complete with unfair foreign steel wire imports. The closing left 226 workers without jobs.

The USW is the largest industrial union in North America with more than 850,000 active members. The USW represents workers in the domestic wire rod industry at numerous facilities in addition to ArcelorMittal Georgetown, including another ArcelorMittal mill in Indiana; Cascade Steel Rolling Mills in Oregon; Evraz Pueblo in Colorado; Gerdau Ameristeel US in Texas; Republic Engineered Products in Ohio; and Sterling Steel Company in Illinois.

I'm here today to testify on behalf of all our steelworker members, retirees and their families as to why it is essential that the administration do more to provide relief from unfairly traded imports of steel and address global overcapacity in steel manufacturing.

For years, our union has been fighting against foreign governments and companies seeking to gain an unfair advantage by violating trade rules. Unfair trade has had an enormously corrosive effect on the nation's manufacturers and workers. From personal experience, I can tell you that it has certainly hurt the steelworkers in Georgetown in the form of bankruptcies, plant closures and layoffs.

In the 1990's, the Georgetown mill suffered greatly due to unfair competition from imports, leading it to the brink of closure. Between 2001 and 2007, the steel workers at Georgetown endured two bankruptcies, four different ownership structures, and a nine-month closure in 2003. We also watched as a sister mill in Kansas City was permanently closed in 2001 with the loss of 650 jobs.

Since then, many other steel mills closed across the country, costing steelworkers' jobs, retirees' benefits, and many communities their sense of security. The United Steelworkers Union fought tirelessly to save those jobs throughout the industry and to secure some benefits for our many retirees who were so inequitably stripped of benefits earned over a lifetime of hard work in a challenging environment. It was no different at Georgetown. The union and its members worked with ownership to do everything possible to make the Georgetown wire rod mill competitive.

The trade orders against dumped and subsidized wire rod imports from countries like Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago and Ukraine were extremely important to Georgetown's survival. Early on, they helped to keep Georgetown's workers from suffering the same permanent fate as the steelworkers at the Kansas City mill, and they set the stage for Georgetown to eventually become part of ArcelorMittal.

Unfortunately, this reprieve was short lived. By the end of 2012, unfairly traded imports of wire rod from China were pouring into the U.S. market, forcing the company to again lay off an entire production shift, putting 40 steelworkers out of work. And while the plant was able to stay open for a while longer, in July of last year, ArcelorMittal shut down the entire plant, leaving 226 workers without jobs. These employment numbers represent American workers, each having families and communities that relied on the continued viability of the U.S. steel wire rod industry.

American steelworkers continue to do everything we can to ensure the viability of the industry. But we cannot stop the injury that is caused by the massive overcapacity, government subsidies, and unfair pricing of products from other countries we have to compete with – but you can. No U.S. steelworker should have to lose a job because we allow unfairly traded steel into this country.

On behalf of our U.S. Steelworker members, retirees, and their families all over the country, I urge the administration assure unfairly traded steel does not have unrestricted access to the United States market and that you defend American jobs from global overcapacity in steel manufacturing.

EXHIBIT 33

BLACK FRIDAY SALE GameStop
WIN THIS HOLIDAY SEASON WITH THE BEST DEALS IN GAMING
SHOP DEALS



LOCAL

ArcelorMittal announces closure of Georgetown wire rod facility; 226 jobs to be impacted

BY JASON M. RODRIGUEZ
jrodriguez@thesunnews.com

MAY 14, 2015 09:59 AM
UPDATED MAY 14, 2015 08:25 PM

More than 220 skilled laborers and professionals at ArcelorMittal in Georgetown will lose their jobs later this year as the company announced Thursday it is closing its wire rod facility.

"Challenging market conditions facing the USA business" are to blame for the closure, according to the company. The closure, which will impact 226 employees, is expected to be complete between July and August, pending customer orders.

Brian Tucker, director of the Georgetown County Economic Development Department, said despite attempting to get confirmation of the closing prior to Thursday were unsuccessful, he said his department has already been working through expansion plans for up to five industries in Georgetown County with similar skill sets.

"All of those expansion plans include job creation and additional hiring," Tucker said. "The folks at the steel mill have tremendous experience. They have a very specific set of skills. That experience and those skill sets are very much in demand. We'll work with our existing industries, and we'll work with ArcelorMittal and the Department of Employment and Workforce and people who are vested to try to find a home and a new position for as

many of these folks that we possibly can.

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“With all of that said, it doesn’t make it go away or make it any better. But we’re going to work through it and we’re going to make the best of it.”

The closure was made officially public Thursday through a new release.

“ArcelorMittal Georgetown, the company’s primary producer of wire rod in the United States, has been severely impacted by waves of unfairly traded steel imports from China and other countries,” according to a press release from the company. “Even in the most recent quarter, wire rod imports rose to account for 36 percent of the US market.”

The rise of imports, increasing competition within key domestic markets, and high legacy costs has forced the company to take a deeper look at all operations throughout the nation “in an effort to eliminate inefficiencies while investing in facilities that can compete effectively in all market conditions.”



No other ArcelorMittal facilities are affected at this time.

Mary Beth Holdford, spokeswoman for ArcelorMittal, could not be reached for comment Thursday.

ArcelorMittal has had a storied past with the Georgetown community.

The mill was shut down in July 2009 due to a lack of orders amid the struggling economy.

About six weeks after the mill shut down, the company asked for concessions to stave off the impact of the economic slowdown. Members of Steelworkers Union Local 7898 voted to decline the company's offer of a reduced 32-hour work week and a $3.65-per-hour pay cut when there are order shortages.

In June 2010, the workers voted to approve concessions that included a $2.00-an-hour wage cut, but did away with a previous request that would have increased insurance costs. The workers were promised an additional $1 an hour more in late 2011.

In early 2011, ArcelorMittal was back in production mode, often reaching 300,000 tons of production per year, according to company CEO P.S. Venkat.

In March 2014, ArcelorMittal was shut down while plant officials tried to pinpoint the cause of a leak that caused oil to spill into the Sampit River.

Tucker said any hit to the county’s workforce of more than 25,000 people is a tough one and the economic development department’s next step is to coordinate with the workforce and job placement centers to get employer information placed in a statewide database, assist in finding existing job openings and start matching skill sets.

“We will reach out to the employees and I’m sure the company will help us in that transitional process,” Tucker said. “The timing of the announcement is very unfortunate. We’re going to work through that and we’re going to plow ahead.”

Georgetown steel mill timeline

1968 | German industrialist Willy Korf begins building a steel mill on the site of the old Atlantic coast lumber mill in downtown Georgetown

1969 | The steel mill begins production

1983 | The government of Kuwait, a majority investor, seizes the mill after the Korf Industries empire crumbles

Late 1980s | Kuwait sells the mill to investors who also own the former Waccamaw Pottery complex

2001 | Steel mill owners file for bankruptcy, sell the plant for $53 million to MidCoast Industries

October 2003 | MidCoast files for bankruptcy and closes the mill

June 2004 | Mittal Steel, the world's largest steel producer, merges with ISG

June 2006 | Mittal merges with Arcelor to form a global steel giant

July 2009 | Mill closes as demand drops amid the Great Recession

January 2011 | ArcelorMittal reopens the mill

May 2015 | ArcelorMittal announces closure of Georgetown plant

*Contact **JASON M. RODRIGUEZ** at 626-0301 or on Twitter @TSN_JRodriguez.*

MORE INFORMATION

For more information on available jobs throughout South Carolina, log on to www.sces.org and click on "Job Seekers."

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EXHIBIT 34

AA

ADVERTISEMENT

Employees expected scale back, not closure of Georgetown steel mill

Thursday, May 14th 2015

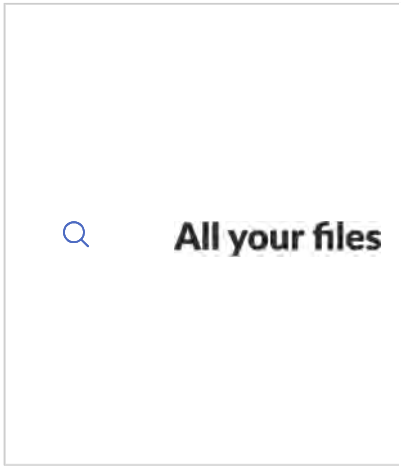


AA

GEORGETOWN, S.C. (WCIV) -- ArcelorMittal announced Thursday that it "made the difficult decision" and was shutting down its Georgetown wire rod facility later this year.

There are currently 226 employees at the facility.

The company said on its website that it has been "severely impacted by waves of unfairly traded steel imports from China and other countries. Even in the most recent quarter, wire rod imports rose to account for 36 percent of the US market."



James Sanderson, the president of the United Steelworkers union in Georgetown said Arcelor Mittal made the announcement to them around 10 a.m., something that surprised the employees. More than 170 of the employees at the mill are union workers, most of which have been at the plant at least a decade.

"It's sad, but there's not a manufacturing job that's safe in this country," Sanderson said, who has

been working at the plant for 40 years. "We knew we would have some scale back, but this was a total surprise." AA

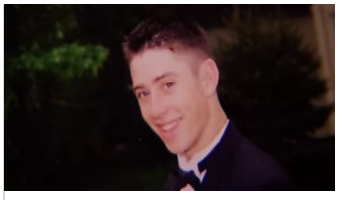
The employees have a pre-negotiated severance package, Sanderson said, but they are still waiting on continued talks with Arcelor Mittal management.

This is not the first time the steel mill was shuttered. In 2009, the economic downturn forced it to close its doors for about two years. In 2011, it returned with a new labor agreement, the company said.

"Despite our joint efforts and a highly productive workforce, the facility has incurred significant losses since the restart due to high input costs and imports," said P.S. Venkat, CEO, ArcelorMittal Long Carbon North America. "Georgetown is a very productive plant, making 300,000 tons of product per year with fewer than 200 full-time ArcelorMittal employees -- that's about 1,500 tons per worker. Imports have really been damaging to the Georgetown facility, and the business overall."

Arcelor Mittal said it was looking at all of its U.S.-based operations to find places to make cuts so the company can remain competitive. However, no other cuts at its other facilities in the U.S. are affected.

MORE TO EXPLORE



22-year-old Portland resident to be honored in...
(http://abcnews4.com/news/entertainment/22-year-old-portland-resident-to-be-honored-in-rose-parade)



The Charleston Animal Society kicks off the 18th...
(http://abcnews4.com/news/local/the-charleston-animal-society-kicks-off-the-18th-annual-chili-cook-off-and-oyster-roast)



Florence man wanted for intentionally...
(http://abcnews4.com/news/local/florence-man-wanted-for-intentionally-burning-wife-caught-in-new-york)



Wolfgang Van Halen urges fans not to be duped...
(http://abcnews4.com/news/offbeat/wolfgang-van-halen-urges-fans-not-to-be-duped-by-dads-instagram-impostor)

EXHIBIT 35

Promotion

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http://www.postandcourier.com/business/mill-no-more-steel-plant-s-demise-inevitable-in-face/article_c6c4d713-52ef-5cc7-b7d0-900bde832f93.html

Mill no more Steel plant's demise inevitable in face of cheap imports

David Wren Aug 13, 2015



Georgetown's steel mill, which closed this week, sits along the Sampit River near downtown's historic Front Street.

Buy Now

Even if the Georgetown steel mill had survived to this point, China's surprising decision Tuesday to devalue its currency likely would have been the 46-year-old plant's death blow.

And it could be a death sentence for other sites in the struggling U.S. steel industry.

ArcelorMittal's mill some 60 miles up the coast from Charleston officially shut down Thursday, but production stopped weeks ago, leaving 226 people without jobs.

"Rolling mill operations were completed in early July, and shipments of finished product concluded last month," ArcelorMittal spokeswoman Mary Beth Holdford said.

The decision to close the mill — once ArcelorMittal's leading wire rod producer — was purely economic, Holdford said, "caused by surging imports, increasing competition within key domestic markets, and Georgetown-specific issues such as input costs and transportation costs."

All of those factors were in place before the People's Bank of China — that country's equivalent to the Federal Reserve — devalued the yuan by nearly 2 percent, sparking fears of a worldwide currency war.

With China's economic growth slowing, the bank said devaluation was necessary to boost the competitiveness of the world's second-largest economy. When the yuan loses value, Chinese goods become less expensive, and that makes it harder for companies in other countries to compete.

A cheaper yuan means even cheaper Chinese steel, something that would have made the Georgetown mill's future difficult to rationalize.

"The U.S. steel industry is more vulnerable to China's devaluation than any other industry," said Douglas Woodward, an economist at the University of South Carolina. Woodward said the U.S. can expect to see Chinese imports rise across the country, making it "impossible for domestic manufacturers to have any pricing power."

The currency declines likely won't stop with China. Other steel-producing countries like India and Brazil might institute copycat devaluations to keep their exports competitive, Woodward said. All of which makes it less likely that the Fed will raise interest rates this year — a move that would strengthen the dollar and make U.S. goods even less desirable on the world market.

The full impact might take a couple of years to realize, because many manufacturers have annual or biennial contracts for the purchase of commodities like steel.

"Everyone will have to look at this from a long-term perspective," Woodward said.

That's true for the city of Georgetown as well, which is losing about $500,000 in annual tax and business license revenue from the steel mill. While some bemoan the loss of jobs, others see the possibility of revitalization at a blighted site that sits along U.S. Highway 17 and the Sampit River, at the end of the city's historic Front Street.

"Everybody living near the property is happy that the noise will be reduced and the pollution will go away," said Jack Scoville, the city's mayor. "The negative is the people who worked there won't find jobs that pay as well. There are an awful lot of people interested in doing something good with that property."

Scoville said the city's planning commission is studying the site and will make recommendations about what it thinks should be done, but ultimately the decision is up to ArcelorMittal.

"The site is very valuable," Scoville said. "They have no intention of giving it away."

Georgetown has been through this kind of economic turmoil before. The steel mill shut its doors for nearly two years beginning in 2009 amid the Great Recession, re-emerging in 2011 with a new labor agreement. Before that, Mitt Romney's Bain Capital LLC bought the mill in 1993, earning multimillion-dollar dividends and annual management fees of $900,000 before taking the mill into bankruptcy. Midcoast Industries bought the plant out of bankruptcy in 2002, only to put it back into bankruptcy a year later.

Mittal Steel, later ArcelorMittal, bought the property in 2005.

All along, cheap Chinese imports have been the plant's — and the industry's — nemesis.

Romney, in an interview during his 2012 presidential run, said Bain Capital's 2001 decision to ditch the Georgetown mill was "in part because of — well, in this case, dumping from places like China into this country."

In 2004, Dan DiMicco, then CEO of steel giant Nucor Corp., told the company's mill workers in Huger that China was destroying their American jobs.

Fast-forward to 2015 and U.S. steelmakers are petitioning the U.S. International Trade Commission to impose anti-dumping duties on imported steel from China, alleging unfair pricing.

USC's Woodward said he doesn't think such tactics would be successful over the long-term because China simply produces too much steel — more than 100 million excess tons in 2014 — in the face of that country's slowing demand for the product.

"They have to offload that steel," he said. "If you're in a business that's competing with China, it's going to be very difficult."

Scoville said the Georgetown mill's absence won't have the economic impact now that it might have had years ago, when the bankruptcies and shutdown rumors sent shockwaves through the city.

"Our overall economy is heating up because tourism-related businesses, retail stores and restaurants are doing well," he said. "This won't be as bad as it was (in 2009) when they closed down."

In short, Scoville said, Georgetown's future looks bright with or without the mill.

The steel industry's future is another matter. Holdford, ArcelorMittal's spokeswoman, said the "company remains open to considering credible interest from potential buyers" of the Georgetown property.

To date, none have surfaced.

Reach David Wren at 937-5550 or on Twitter at @David_Wren_

EXHIBIT 36

Promotion

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http://www.postandcourier.com/business/steel-mill-in-georgetown-shutters-doors-costing-jobs/article_217cfa93-4ecc-58c1-bb83-55726f724684.html

Steel mill in Georgetown shutters doors, costing 226 jobs

Associated Press Aug 13, 2015



ArcelorMittal said its Georgetown wire rod mill could no longer compete with foreign imports.

Buy Now

The Georgetown steel mill is now closed and the city is looking toward the future.

Multiple media outlets report while the official closing was Thursday, production at the mill actually stopped last month. The mill owner announced earlier this year it was closing the plant leaving 226 workers without jobs.

The plant was ArcelorMittal's main producer of wire rod in the United States. The company said it could no longer compete with foreign steel wire imports it said are being unfairly traded domestically.

Mayor Jack Scoville told WCIV-TV the city will lose up to a half million dollars in tax and business fee revenue. Scoville says there are no immediate plans for the property, but the city planning committee will conduct a study of the site.

EXHIBIT 37

Promotion

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http://www.postandcourier.com/business/florida-entrepreneur-interested-in-georgetown-steel-mill/article_434696f5-739a-509a-9af0-67128eeb616c.html

Florida entrepreneur interested in Georgetown steel mill

Associated Press May 26, 2015



This 2004 file photo shows steel coils that were being produced at Georgetown Steel.

Buy Now

GEORGETOWN — A Florida entrepreneur who tried twice before to buy the Georgetown steel mill says he's again interested in acquiring the mill and preventing it from permanently shutting its doors this summer.

Joseph Wortley of Boca Raton, Fla., plans to meet with plant officials and tour the mill this week, he told The Sun News of Myrtle Beach.

"That plant deserves to live and be producing steel," Wortley said. "This is not just a whim. My family was in the steel business for 80 years. I grew up in the steel business."

The mill's owner, ArcelorMittal, announced earlier this month it will close the mill by the end of August, leaving 226 workers without jobs. The company said the mill can no longer compete with foreign steel wire imports.

Wortley said he thinks the mill can make a profit because it makes high-quality steel rod.

This is not the first time Wortley has tried to purchase the steel mill.

In the 2001 bankruptcy of GS Industries, the mill's former owner, Wortley bid $45 million, but was beaten by Midcoast Industries' bid of $53 million, despite the fact that Wortley then raised his bid to $72.8 million.

Wortley sued after the sale, but the lawsuit stalled and Midcoast filed for bankruptcy. Wortley's attempt to buy Midcoast's interests also failed, and the steel mill eventually ended up in the hands of ArcelorMittal.

Before the mill can be legally shut down, the workers' union is also allowed to buy the plant and run it itself.

"We are very much adamant that we are going to do everything we can to keep our plant working," said James Sanderson, president of United Steelworkers Local 7898.

The steel mill, which opened in 1969, is located along a curve in the Sampit River, just a few blocks from Georgetown's Harborwalk.

EXHIBIT 38

Promotion

Click here for introductory subscription savings.

http://www.postandcourier.com/business/liberty-house-says-it-s-closing-in-on-georgetown-steel/article_c78fca1c-7c43-11e7-9232-036e17368909.html

TOP STORY

Liberty House says it's closing in on Georgetown steel mill purchase

By David Wren dwren@postandcourier.com Aug 8, 2017



The Georgetown steel mill, which has found a tentative buyer in London-based Liberty House Group, has been idled since August 2015. File/Grace Beahm/Staff

Buy Now

The U.K. metals manufacturer that wants to buy the shuttered Georgetown steel plant is weeks from closing on the transaction, a spokesman told The Post and Courier, but the company is worried that a plan to rezone the property might scuttle the deal.

"It's been a long journey to get here, but we're very close to the end," said Gordon Spelich, spokesman for London-based Liberty House Group, which plans to buy the mill from ArcelorMittal for an undisclosed price. "We're moving forward with everything we need to do to get to the closing."

An ArcelorMittal spokeswoman did not respond to a request for comments.

Liberty House met last week with the United Steelworkers to begin drafting a work agreement with the union, which Spelich said should be finalized in a couple of weeks.

And concerns over the Port of Georgetown's ability to handle shipments of material to the mill have subsided, with assurances that barges can still navigate the fast-silting harbor.

The potential rezoning, however, would be a "show stopper," Spelich said.

Georgetown City Council has tentative plans to rezone the steel mill site away from heavy industrial use when it meets Aug. 17, although a final agenda won't be set until later this week. The city has worked with consultants on a plan to transform the property into a mix of housing, light industry and offices since ArcelorMittal shut down the facility two years ago.

Georgetown Mayor Jack Scoville said the city wants Liberty House to reopen the mill and would like to grandfather the company's use of the site into any rezoning plan. But if the mill closes again with Liberty House at the helm, that's it.

"We're not trying to impede the reopening," Scoville said, adding that the rezoning would let the city move ahead with redevelopment if Liberty House ever ceases production for more than a year.

"The mill has closed three times in the past decade and, quite frankly, there is a lot of uncertainty in the steel market," Scoville said. "Experts we've talked to say they are not optimistic about its success."

Spelich said any rezoning, including one with a grandfather clause, worries him.

"If we restart the facility successfully and things are going well, we don't want anything to impair our ability to run the facility and make money," he said. That includes a possible future sale to another steelmaker, which might not be allowed if the property is rezoned.

Scoville and Spelich said they plan to meet with other city officlals next week to talk about plans for the site and the rezoning ultimately might not make it on the council's agenda.

James Sanderson, the local steelworkers' union president, has called a news conference for Wednesday afternoon to put pressure on city officials to delay the rezoning.

Meanwhile, Spelich said he met last month with Georgetown County and South Carolina officials to discuss incentives Liberty House might qualify for if it reopens the steel mill. Those would include tax credits for creating jobs and paying a reduced fee instead of property taxes to the county.

"We are just trying to get whatever is available to assist us in the restart," he said. "They want some additional information from us, and we're working on that now."

Brian Tucker, the county's economic development director, said the discussions are in "the very preliminary stages."

Adrienne Fairwell, spokeswoman for the S.C. Commerce Department, said Liberty House has not applied for any incentives through the Coordinating Council for Economic Development, but any discussions between the parties would be confidential.

Spelich also met with the State Ports Authority to talk about using the Georgetown port to transport materials to the mill site. Spokeswoman Erin Dhand said the authority told Spelich that the port "remains open for both warehousing and barge/vessel traffic" but is limited by its current 18-foot depth.

While Liberty has said it would like to see the port's harbor eventually dredged to its normal 27-foot depth, Dhand said "there is no real hope" that will happen because of the expense and lack of a funding source. She said the SPA also continues to talk with Georgetown officials about redevelopment of the port site, which is located adjacent to the steel mill.

Georgetown's port handled a record 1.68 million tons of cargo at its height in fiscal 1999, with shipments of wire rods produced at the steel mill accounting for more than half of that total. During the past fiscal year, which ended June 30, the Georgetown port handled about 7,400 tons of cargo.

Spelich said Liberty House would send scrap iron and other materials to Georgetown by barge from shipments made to deep-water ports in either Charleston or Wilmington, N.C.

Luxembourg-based ArcelorMittal, the world's largest integrated steel and mining company, has owned the Georgetown steel plant in some form since 2004.

Liberty House Group operates steel and aluminum factories in the United Kingdom, Middle East and Asia. The company has been on a buying spree in recent months, announcing plans to acquire a shipbuilding business in India, an automotive engine manufacturer in Europe as well as Tata Steel sites in the United Kingdom.

Reach David Wren at 843-937-5550 or on Twitter at @David_Wren_

David Wren

EXHIBIT 39

REUTERS

#DEALS
APRIL 21, 2017 / 7:51 AM / 7 MONTHS AGO

Liberty House to buy ArcelorMittal's U.S. Georgetown steel plant

Reuters Staff

LONDON (Reuters) - Metals group Liberty House Group has agreed to buy the Georgetown Steelworks plant from Arcelor Mittal in its first major U.S. acquisition, the companies said on Friday.

Workers stand near the logo of ArcelorMittal, the world's largest producer of steel, at the steel plant in Ghent, Belgium, July 7, 2016. REUTERS/Francois Lenoir

London-based Liberty will buy the plant based in South Carolina, including its 540,000 tonne a year electric arc furnace and 680,000 tonne a year rod mill, the joint statement said. It did not disclose the cost of deal.

The Georgetown plant was closed in August 2015 and directly employed more than 320 workers.

"Acquiring the plant at Georgetown, with its ability to recycle scrap steel in an arc furnace, gives us a strong platform from which to launch our strategy in the USA," said Liberty House executive chairman Sanjeev Gupta.

The provisional deal marks the "first significant step in Liberty's plan to make major investments in the U.S. steel industry", the statement said.

Liberty House was in talks with the United Steelworks union on recruiting a workforce to re-open the plant.

ArcelorMittal said in February that it expected apparent steel consumption in the United States and in Brazil to rise 4 percent this year.

Reporting by Zandi Shabalala, editing by David Evans

Our Standards: *The Thomson Reuters Trust Principles.*

EXHIBIT 40

Liberty agrees in principle with ArcelorMittal to buy Georgetown steelworks - 'First step in major US growth plan'

04.21.2017

Global industrial and metals group, Liberty House, has reached an agreement in principle with ArcelorMittal to purchase Georgetown Steelworks in South Carolina, including its 600,000-ton a year electric arc furnace and 750,000-ton a year rod mill.

The proposed deal, which follows several months of discussion, is subject to agreement on final terms between the two parties and completion of due diligence by Liberty over the coming weeks.

If completed as planned, the acquisition will give Liberty the opportunity to reopen and revitalize this pivotal business, which was an important part of the state's industrial infrastructure for 47 years before its closure in August 2015. It would also mark the first significant step in Liberty's plan to make major investments in the US steel industry.

Confirming the provisional agreement, John Brett, president and CEO of ArcelorMittal USA, said:

"We are pleased to have an agreement in principle with Liberty House on the sale and restart of our former wire rod mill in Georgetown, S.C. We have achieved our goal of identifying a purchaser with extensive steel experience and a commitment to returning this site to its steelmaking capability. We hope the community will welcome this opportunity that will preserve the facility and equipment and create good jobs with good wages. We look forward to working with the city of Georgetown and all impacted stakeholders while we finalize this important agreement with Liberty in the near future."

Executive chairman of the Liberty House Group, Sanjeev Gupta said:

"This is a landmark day for Georgetown and its residents, particularly families with a previous stake in the steel industry who will now get a chance to rediscover what was lost. Our agreement in principle with ArcelorMittal opens the door to the eventual restoration of several hundred jobs, both directly and in the supply chain, and it gives this region's economy a new industrial focus. We look forward to completing this agreement with ArcelorMittal and to securing the support of various stakeholders, including State Government and other authorities, to help make this vision a reality."

Mr Gupta added: *"This is a key first step for us in the USA. We're keen to apply the same low-carbon GREENSTEEL vision here as we are doing in the UK. Acquiring the plant at Georgetown, with its ability to recycle scrap steel in an arc furnace, gives us a strong platform from which to launch our strategy in the USA. We're confident that, with the right support from the community and authorities, we can make Georgetown and other US steel plants competitive, profitable and sustainable."*

Liberty House has also been in discussion with the United Steelworkers and is confident that the union will support and assist in the process of recruiting a workforce to re-open the plant and rebuild the business.

About ArcelorMittal

ArcelorMittal is the world's leading steel and mining company, with a presence in 60 countries and an industrial footprint in 19 countries. Guided by a philosophy to produce safe, sustainable steel, we are the leading supplier of quality steel in the major global steel markets including automotive, construction, household appliances and packaging, with world-class research and development and outstanding distribution networks.

Through our core values of sustainability, quality and leadership, we operate responsibly with respect to the health, safety and well-being of our employees, contractors and the communities in which we operate.

For us, steel is the fabric of life, as it is at the heart of the modern world from railways to cars and washing machines. We are actively researching and producing steel-based technologies and solutions that make many of the products and components people use in their everyday lives more energy efficient.

We are one of the world's five largest producers of iron ore and metallurgical coal. With a geographically diversified portfolio of iron ore and coal assets, we are strategically positioned to serve our network of steel plants and the external global market. While our steel operations are important customers, our supply to the external market is increasing as we grow.

In 2016, ArcelorMittal had revenues of $56.8 billion and crude steel production of 90.8 million metric tons, while own iron ore production reached 55.2 million metric tons. ArcelorMittal is listed on the stock exchanges of New York (MT), Amsterdam (MT), Paris (MT), Luxembourg (MT) and on the Spanish stock exchanges of Barcelona, Bilbao, Madrid and Valencia (MTS).

For more information about ArcelorMittal please visit corporate.arcelormittal.com or usa.arcelormittal.com.

<< Back to announcements

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EXHIBIT 41

UNITED STATES
INTERNATIONAL TRADE COMMISSION

In the Matter of:	)	**Investigation Nos.:**
TITANIUM SPONGE FROM JAPAN	)	**701-TA-587 AND 731-TA-1385-1386**
AND KAZAKHSTAN	)	**(PRELIMINARY)**

Pages: 1 - 207
Place: Washington, D.C.
Date: Thursday, September 14, 2017

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OPENING STATEMENT OF KATHLEEN CANNON

MS. CANNON: Good morning, Mr. Anderson and members of the Commission staff. I am Kathleen Cannon with Kelley Drye appearing today on behalf of Allegheny Technologies, Incorporated or ATI.

While typically you see me appearing on behalf a petitioner and supporting the imposition of trade duties, this case is highly unusual in many respects and has led ATI, a U.S. producer that has used the trade laws on many occasions to oppose the case.

The facts presented by the petition do not demonstrate the injurious volume and price effects of subject imports on a domestic industry that justify relief under the trade laws. To begin with, most of the injury alleged in the petition and by Mr. Horgan this morning is not the TIMET the petitioner, but purportedly to ATI based on the idling of its sponge facility in Rowley, Utah. And Mr. Sims will discuss, the idling of ATI's Rowley facility was driven by many factors unrelated to the subject imports. A duty on imports will not remedy the problems for ATI.

Notably, prior to filing the petition, TIMET did not contact ATI to confirm the accuracy of any of its injury allegations or to ask for ATI to join as a petitioner, as would be expected if the import-related injury to ATI were

EXHIBIT 42

Confidential Attachment A

From Preliminary Determination

		2014	2015	2016	Change, 2014-2016
Shipments	[				]
Market Share	[				]

U.S. Industry, excluding Arcelor Mittal & Republic

		2014	2015	2016	Change, 2014-2016
Shipments	[				]
Market Share	[				]

U.S. Industry, excluding Arcelor Mittal

		2014	2015	2016	Change, 2014-2016
Shipments	[				]
Market Share	[				]

U.S. Industry, excluding Republic

		2014	2015	2016	Change, 2014-2016
Shipments	[				]
Market Share	[				]

Source: Preliminary Staff Report & Acelor Mittal (Final) & Republic (Preliminary) Questionnaire Responses at Table II-7.

EXHIBIT 43

UNITED STATES
INTERNATIONAL TRADE COMMISSION

In the Matter of:	)	**Investigation Nos.:**
CARBON AND CERTAIN ALLOY STEEL	)	**701-TA-512 AND**
WIRE ROD FROM CHINA	)	**731-TA-1248 (FINAL)**

Pages: 1 - 215
Place: Washington, D.C.
Date: Wednesday, November 12, 2014



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the market and where do you see demand for Buy America or Buy American sales heading, looking towards the future?

MR. NYSTROM: Eric Nystrom with Nucor. Our customers don't necessarily come to us and tell us projects that they need Buy American for and projects that they don't so we don't necessarily have good information. It is my understanding and belief that not a large amount of our product does go into Buy American, but when we sell our products to our customers, it's basically you know, they are not going to volunteer this has to be for a Buy American project and they are coming to us basically with very low pricing competitive offers that we must compete with.

MR. BRACHBILL: Mark Brachbill from Keystone Consolidated. Essentially we see the same thing that Eric and his group does. We price a product with a customer's specification, and what the final usage of that product is we really don't know.

MR. KERKVLIET: Jim Kerkvliet from Gerdau. Echoing the comments from both Mark and Eric, customers will seldom tell them specifically that it has to be made in the United States or for Buy America, but to answer your question further about the outlook for the market, you know, based upon our experience in other products that we produce, infrastructure spent in the United States has basically from the Great Recession has not recovered at all.

The Surface Transportation Act has not been re-established and so other markets have grown, albeit very small, the infrastructure built in the United States has stayed relatively flat to even declined like 1 1/2% so as a percentage overall, the made in America continues to be a very, very small piece and it's a declining piece of the overall market base.

COMMISSIONER JOHANSON: Yes Mr. Ashby?

MR. ASHBY: Steve Ashby at Evraz. I would just say that we have tried to identify it as well and had similar experiences with the rest of the group here, but it's relatively insignificant in terms of customers actually coming to us and asking us to Buy America.

COMMISSIONER JOHANSON: All right thank you for your responses, my time has expired.

CHAIRMAN BROADBENT: Commissioner Kieff?

COMMISSIONER KIEFF: Thank you Madame Chairman. Let me begin by thanking both the morning panel and the afternoon panel for coming today. It's very helpful to us to have the participation by both Petitioners and Respondents and we greatly benefit from the input from both sides. I personally won't be here for the rest of the day but I really look forward to the information that will be gathered during the hearing from my colleagues here on the panel as well as from the two panels out there and I look

mean isn't this something that you should be marketing, solving their concerns about getting cross-wise with the Buy America restrictions you can assure them that they won't by using your product? It was just interesting to me that no one discusses this with customers.

MR. NYSTROM: Eric Nystrom with Nucor.

You know, it's not that we don't necessarily discuss it with the customer, but from their perspective when they're buying raw materials for their business they're not going to share with you when exactly they need it, and they're not going to be willing to offer up premiums, per say. So, it's not that we don't try to figure out what percentage of their business is going to Buy America, but it's very difficult to get hard and fast figures.

And again, in our experience, as we mentioned earlier, it does not appear that a lot of their volume is going to be dedicated to "Buy America" type projects.

MR. ROSENTHAL: One of the interesting things since we represent a number of downstream wire industries, they'll tell you that their Buy America percentages are relatively small, and as a negotiating tactic they don't want to tell their suppliers, well gee, I need this for a Buy America project because they'll think, well gee, I can expect to pay more. They'll just say I know you're producing in the United States. I will buy your product if

it's at the right price. But we k now that, overall, the percentage of sales that go into Buy America are relatively small and it's, as these guys are back as an intermediate product producer, they don't have a lot of visibility into the exact number.

MR. SANDERSON: James Sanderson, Georgetown.

One thing that we have done jointly, the companies and the union, we have got together and we have put "Made in USA" on the labels on every call that we ship from our Georgetown plant, but we don't see any type of increase in sales because of that.

MR. PRICE: Alan Price, Wiley Rein.

The Commission explored this "Buy America" issue and similar issues in the very recent rebar investigation against Mexico and Turkey.

I would say that "Buy America" is even less important factor in this market. We don't think it's a significant issue. Certainly, it is a small portion of the market share. As Mr. Kierkvliet testified, it's a shrinking portion of the market. And as you heard, the customers don't say charge me a premium because this is a Buy America project. They intentionally don't tell the industry that. So, it's small. It's shrinking. And we don't know selling into it. The customers don't say charge us more. So, at the end of the day, it is not an insulating factor in terms

EXHIBIT 44

EXHIBIT
REDACTED
IN FULL

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November 28, 2017

Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358 (Final)
NON-CONFIDENTIAL VERSION

VIA ELECTRONIC FILING AND HAND DELIVERY

Lisa R. Barton
Secretary to the Commission
U.S. International Trade Commission
500 E Street, SW
Washington, DC 20436

Re: ***Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom***: Nucor Corporation's Posthearing Brief

Dear Secretary Barton:

On behalf of Nucor Corporation ("Nucor"), petitioner and domestic interested party in this proceeding, please find enclosed two copies of the non-confidential version of Nucor's Posthearing Brief in the above-referenced proceeding.

The requisite certification is enclosed in accordance with Sections 201.6 and 207.3 of the Commission's rules. In addition, in accordance with Section 201.16 of the Commission's rules, the enclosed brief has been served on all parties entitled to receive it, as indicated on the attached public service list.

NON-CONFIDENTIAL VERSION

If you have any questions regarding this submission, please do not hesitate to contact the undersigned.

Respectfully submitted,

Alan H. Price, Esq.
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Derick Holt, Esq.

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Counsel to Nucor Corporation

ATTORNEY CERTIFICATION

Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom

Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358 (Final)

In accordance with section 207.3(a) of the Commission's rules (19 C.F.R. § 207.3(a)), I, Alan H. Price, of Wiley Rein LLP, counsel to Nucor Corporation, certify that under penalty of perjury under the laws of the United States of America and pursuant to the Commission's regulations:

(1) I have read the foregoing submission in the above referenced case;

(2) to the best of my knowledge and belief, the information contained therein is accurate and complete; and

(3) in accordance with section 201.6(b)(3)(iii) of the Commission's rules (19 C.F.R. § 201.6(b)(3)(iii)), information substantially identical to that for which we request confidential treatment is not available to the general public and the public disclosure of such information would cause substantial harm to the persons, firms, and other entities from which the information was obtained.

Alan H. Price

DISTRICT OF COLUMBIA: SS
Sworn and subscribed to before me
this November 27, 2017.

Natalia Xanthakos
Notary Public, District of Columbia
My Commission Expires 9/30/2019

Notary Public

My commission expires: 9/30/2019

NATALIA XANTHAKOS NOTARY PUBLIC MY COMMISSION EXPIRES 9/30/2019 DISTRICT OF COLUMBIA

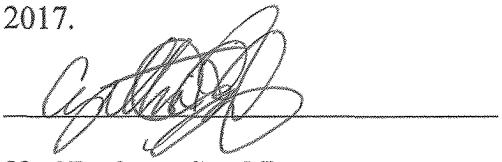
CERTIFICATE OF SERVICE

PUBLIC SERVICE

Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, the Republic of South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom

Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358
(Final)

I certify that a copy of this document was served on the following parties, via hand delivery or UPS Worldwide Express(*), on November 28, 2017.



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BEFORE THE
UNITED STATES INTERNATIONAL TRADE COMMISSION

CARBON AND CERTAIN ALLOY STEEL WIRE ROD FROM BELARUS, ITALY, KOREA, RUSSIA, SOUTH AFRICA, SPAIN, TURKEY, UKRAINE, UNITED ARAB EMIRATES, AND UNITED KINGDOM

Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358 (Final)

Business Proprietary Information removed on pages 4, 7-9 and 11-15, the Exhibit List, and Exhibits 1, 3-13, 15, 19, 23, 27-28, 42, and 44

NON-CONFIDENTIAL VERSION

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The record of this investigation, including testimony at the November 16, 2017 hearing ("Hearing"), confirms that the U.S. wire rod manufacturing industry has been materially injured by reason of subject imports from Belarus, Italy, Korea, Russia, Spain, South Africa, Turkey, Ukraine, United Arab Emirates ("UAE"), and United Kingdom ("U.K."). As explained in Answers to Commissioners' Questions, the agency should find that no subject imports are negligible.[1] This brief highlights the major concessions made by respondents at the Hearing and the most egregious misstatements of fact regarding domestic like product issues. We would emphasize that **all** of the quotes provided below from the Hearing are from **respondent** witnesses or their counsel.

I. DUMPED AND SUBSIZED SUBJECT IMPORTS ARE CAUSING MATERIAL INJURY TO THE DOMESTIC INDUSTRY

A. Conditions of Competition

1. Respondents Concede That Wire Rod Is Interchangeable Regardless of Source

Uncontested record evidence confirms that wire rod is substitutable regardless of source.[2] The vast majority of U.S. producers, importers, and purchasers reported that domestic wire rod is "always" or "frequently" interchangeable with that of subject countries.[3] This was corroborated at the Hearing. According to Mr. Frey, a respondent witness, "**{s}tandard wire rod is a pretty globally uniform product. It's the same in China, it's the same in Egypt as in the United States.**"[4] Mr. Stauffer added, "**. . . this is a fungible product across the world. Everybody can make it.**"[5] The Commission should take the respondents' statements at face value and continue to find that all wire rod is interchangeable.

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1 *See* Answers to Commissioners' Questions, attached as **Exhibit 1,** pp. 37-42. Nucor also discusses negligibility issues related to 1080 tire bead and tire cord wire rod in **Exhibit 1,** pp. 28-33.

2 *See* USITC Pub. 4693 (May 2017) ("Preliminary Determination") at 29; Prehearing Report (Nov. 2, 2017) ("Prehearing Staff Report") at II-31.

3 Prehearing Staff Report at II-31.

4 Hearing Transcript (Nov. 16, 2017) ("Hearing Tr.") at 212 (Mr. Frey) (emphasis added).

5 *Id.* at 191 (Mr. Stauffer) (emphasis added).

2. Respondents Confirm that Domestic Wire Rod Competes Directly With Subject Imports

Subject imports and the domestic wire rod compete head-to-head for sales across the continuum of wire rod products. Indeed, Mr. Frey explained at the Hearing:

> **I think the distinction is between U.S. domestic prices for steel, for wire rods versus global prices. The price for imports is primarily set on the global, like for imports, you have different choices where you can buy say from the Ukraine, from China, and only the best, most competitive price will get the order.**[6]

Similarly, Mr. Stauffer testified, "**Clearly, the Italians are competing with the Ukrainians, and the Ukrainians are competing with the Russians.**"[7] To clarify that respondents were conceding that there is head-to-head competition among subject imports, Chairman Schmidtlein asked, "**{s}o you're just pointing out that the importers are competing with each other**?"[8] And Mr. Stauffer responded, "**Yeah**."[9] Thus, both Petitioners and respondents agree that domestic wire rod competes directly with subject merchandise.

3. Respondents Confirm that Wire Rod Is Sold on the Basis of Price

The Commission should continue to find that "the record also indicates that price is an important consideration for purchasers of wire rod."[10] The majority of U.S. producers and purchasers "stated that non-price differences are either 'sometimes' or 'never' significant factors."[11] Indeed, at the Hearing, Mr. Cunningham testified that, "**you have a product that is a price-competitive product. Most transactions where you buy, you'll buy from the lower price.**"[12] Contrary to respondents' claim that multiple sourcing is necessary for the security of rod supply and to compete with vertically integrated producers,[13] U.S. purchasers have been increasing

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6 *Id.* at 188 (Mr. Frey) (emphasis added).
7 *Id.* at 190 (Mr. Stauffer) (emphasis added).
8 *Id.* at 191 (Chairman Schmidtlein) (emphasis added).
9 *Id.* (Mr. Stauffer) (emphasis added).
10 Preliminary Determination at 29.
11 Prehearing Staff Report at II-34.
12 Hearing Tr. at 214 (Mr. Cunningham) (emphasis added).
13 *See e.g.*, *id.* at 153 (Mr. Stauffer) and 205 (Mr. Johnson).

their purchases of imported wire rod based on their low prices. Indeed, in 2011, while U.S. producers held a 70 percent share of the market, by 2016, U.S. producers' market share declined to 58 percent.[14] The decline in domestic market share, which coincided with two surges of unfairly traded imports, does not represent a security of supply issue, rather this is a price issue. As Mr. Stauffer testified, "**we have an import component that allows us to compete with all of those products . . . all of those folks {(*i.e.*, foreign competitors)} have access to . . . the global price.**"[15]

Further, in *Rebar from Taiwan and Japan*, the Commission recently analyzed an industry that is more vertically integrated than the U.S. wire rod industry.[16] The agency found that "the record does not support any conclusion that domestic producers' affiliations with upstream ferrous scrap operations and downstream fabrication operations served to insulate these domestic producers from competition by subject imports."[17] The Commission rejected the respondents' vertical integration arguments in that case and should do so again here.

At the Hearing, respondents made clear that price is the paramount consideration in their decision to purchase subject imports, as they often referred to the need to source rod at globally "competitive" prices so that they can compete in their downstream industries.[18] Finally, U.S. purchasers made several references to obtaining "competitively" priced rod without mentioning other non-price factors,[19] which also demonstrates that wire rod is primarily sold on the basis of price and consumers simply want access to the cheapest wire rod.

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[14] *See Carbon and Certain Alloy Steel Wire Rod from China*, Inv. Nos. 701-TA-512 and 731-TA-1248, USITC Pub. 4509 (Jan. 2015) (Final) ("USITC Pub. 4509") at C-4 (Table C-2); Prehearing Staff Report at C-5 (Table C-2).

[15] Hearing Tr. at 240 (Mr. Stauffer).

[16] *See Steel Concrete Reinforcing Bar from Japan and Turkey*, Inv. Nos. 701-TA-564 and 731-TA-1338 and 1340, USITC Pub. 4705 (July 2017) (Final) at 26 ("USITC Pub. 4705").

[17] *Id.* at 27.

[18] *See*, *e.g.*, Hearing Tr. at 147, 150 (Mr. Johnson), 160 (Mr. Stauffer), 188 (Mr. Frey).

[19] *See*, *e.g.*, *id.* at 147, 150 (Mr. Johnson), 160 (Mr. Stauffer), 188 (Mr. Frey).

4. Respondents Confirm that the AWPA Is a Highly Organized Trade Association Committed to Opposing Trade Remedies for Unfairly Priced Imports of Wire Rod

The AWPA is a highly organized and sophisticated trade association formed in large part to oppose trade relief for wire rod producers.[20] A significant percentage of the AWPA's membership are publicly-traded, multinational corporations or owned by private equity groups.[21]

The AWPA has an established track record of opposing CASWR trade cases because its members want access to dumped and subsidized imports.[22] Indeed, even the AWPA webpage indicates that "{t}he mission of the American Wire Producers Association is to assure free access to the global supply of Carbon, Alloy and Stainless Steel Wire Rod."[23] At the Hearing, Mr. Stauffer explained that true reason for the AWPA's opposition to trade relief for the domestic industry, testifying that:

> **everybody else that's making finished wire products around the world . . . are using rod priced at the global level. The Chinese level and all the other countries doing that have the benefit of that. We're denied that based on this filing**.[24]

But as Secretary Ross recently stated, "[

].'"[25]

Interestingly, while the AWPA opposes trade relief for its suppliers, its members regularly avail themselves of the U.S. trade laws to protect their own industries from unfairly traded imports.[26] Indeed, the members of the AWPA have filed trade cases against the subject countries

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20 *See* AWPA Website Excerpts, attached as **Exhibit 2**.

21 For example, Insteel Industries, Inc., Leggett & Platt Wire Group, Tree Island Wire USA, Inc., Mid Continent Steel and Wire, Inc., Kiswire America Inc., Bekaert Corporation, Sumiden Wire Products Corporation, and Lincoln Electric Company are all publicly-traded or multinational companies. *See id*.

22 *See id.*

23 *Id.*

24 Hearing Tr. at 192 (Mr. Stauffer) (emphasis added).

25 *Ross: U.S. steel consumers should not be relying on 'subsidized, dumped product'*, Inside U.S. Trade (Nov. 14, 2017), attached as **Exhibit 3**.

26 *See* AWPA Website Excerpts, attached as **Exhibit 2**.

for dumped nails, innerspring units, and prestressed concrete strand.[27] In their own cases, the AWPA members have argued that dumped prices and a variety of subsidies provided by foreign governments are injurious,[28] yet in the current investigation – without denying the injurious impact of subject imports – the AWPA opposes similar relief for its suppliers.

B. Respondents Confirm That Subject Imports Had Significant Volume Effects

At the Hearing, respondents did not deny that subject imports increased 56 percent during the POI and took market share from the domestic industry.[29] Nor did they reject the proposition that "unfairly traded imports . . . {were} replac{ing} . . . unfairly traded imports."[30] In fact, after reviewing the Commission's product shift data, Mr. Cunningham concluded that such data "may say something about the extent to which **imports took an additional portion of the U.S. market.**"[31]

Respondents, however, made the spurious argument that when unfairly traded Chinese imports left the U.S. market, domestic producers recaptured substantially more "market share {than} they had before."[32] As further detailed in Answers to Commissioners' Questions,

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[27] *See Certain Steel Nails from Korea*, *Malaysia, Oman, Taiwan, and Vietnam*, Inv. Nos. 701-TA-521 and 731-TA-1252-1255 and 1257, USITC Pub. 4541 (July 2015) (Final); *See Uncovered Innerspring Units from China, South Africa*, and Vietnam, Inv. Nos. 731-TA-1140-1142, USITC Pub. 4459 (Apr. 2014) (Review); *See Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea*, *Mexico, and Thailand*, Inv. Nos. 701-TA-432 and 731-TA-1024-1028 and AA1921-188, USITC Pub. 4527 (April 2015) (Second and Fourth Reviews).

[28] *See e.g.*, Issues and Decisions Memorandum accompanying *Prestressed Concrete Steel Wire Strand from the People's Republic of China*, 75 Fed. Reg. 28,557 (Dep't Commerce May 21, 2010) (final affirm. countervailing duty deter.); Issues and Decisions Memorandum accompanying *Certain Kitchen Appliance Shelving and Racks from the People's Republic of China*, 74 Fed. Reg. 37,012 (Dep't Commerce July 27, 2009) (final affirm. countervailing duty deter.).

[29] *See generally*, Hearing Tr.

[30] *See id.* (Vice Chairman Johanson) at 193; Preliminary Determination at 31 ("Indeed, subject imports did not merely replace non-subject imports from China, they also took market share from the domestic industry in the merchant market where the products competed.").

[31] Hearing Tr. at 210-211 (Mr. Cunningham) (emphasis added).

[32] *See id.* at 195 (Mr. Cunningham) ("These companies here started out with a certain percentage of the market in the start of the Period of Investigation, 2014. One would have expected that with Chinese imports withdrawing from the market, they would have gotten a percentage of that decline in Chinese imports commensurate with the market share they had before . . . .).

respondents' analysis of domestic mill closures and resulting market share increases are factually and legally incorrect.[33] There is simply no legal basis to remove Lorain's or Georgetown's commercial shipment data to gerrymander alleged domestic market share increases.[34] But as detailed above, low-priced subject imports increased rapidly and took the market share that should have returned to the U.S. industry as a result of the China orders. Because respondents concede that subject imports stole market share from the U.S. industry and their sole volume argument does not pass muster, the Commission should find that subject imports have significant adverse volume effects.

C. Respondents Confirm That Subject Imports Caused Significant Negative Price Effects

While respondents initially argued that the decline in scrap prices "fully explain{s}" why U.S. prices fell further than raw materials,[35] the respondents quickly conceded that subject imports caused significant adverse price affects. Indeed, Mr. Cunningham boldly testified that:

> **we're not here to argue that there's no underselling. We're not here to argue that there are some cases in which the domestic customer buys from import sources at a lower price.**[36]

In fact, counsel for respondents posited that the Commission, "**might well find that there were adverse price effects on {the Georgetown} plant.**"[37] A subsequent exchange between Mr. Cunningham and Commissioner Broadbent cannot be over-emphasized:

> Commissioner Broadbent: **What does that mean to you, in the sense that they're saying they're buying imports {because} they're lower priced?**[38]
>
> Mr. Cunningham conceded: **I don't deny it**.[39]

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33 Answers to Commissioners' Questions, attached as **Exhibit 1**, pp. 69-82.

34 At best, the Commission may consider the reasons why a domestic producer ceased production, but the agency does not disregard their production and shipment data.

35 Hearing Tr. at 25 (Mr. Cunningham).

36 *Id.* at 209 (Mr. Cunningham) (emphasis added).

37 *Id.* at 182 (Mr. Cunningham) (emphasis added).

38 *Id.* at 211 (Commissioner Broadbent) (emphasis added).

39 *Id.* (Mr. Cunningham) (emphasis added).

After several confirmations that subject imports have significant negative price effects, the following exchange occurred:

> Commissioner Broadbent: "{**S}o you're conceding {price effects}, and … we need to go on to look at the impact.**"[40]
>
> Mr. Cunningham: "**Yeah**."[41]

The record shows that low-priced subject imports caused significant price depression and suppression during the POI, as U.S. wire rod prices dropped $187 per ton from 2014 to 2016, while raw materials declined by only $163 per ton.[42] The Commission recently analyzed similar facts in *Rebar from Taiwan and Japan*.[43] There, the agency found that, "{a}lthough declining raw material costs no doubt contributed to the decline in the prices for the domestic like product, they do not explain the full magnitude of the decline in prices" because U.S. prices fell further than raw materials.[44] Given that subject imports undersold the domestic wire rod [ ]% of the time by volume, purchasers report [

],[45] and respondents' concessions, the Commission should "go on to look at the impact."

D. Respondents Have Provided No Meaningful Rebuttal That Subject Imports Were A Cause of Material Injury to the Domestic Industry

The massive surge of low-priced subject imports and substantial underselling has materially injured the domestic wire rod industry by decreasing production, market share, sales volumes and values, operating income, and profit margins over the three-year POI.[46] The only contested issue was whether subject imports contributed to Republic Steel's decision to cease production at its Lorain, OH mill ("Lorain") or ArcelorMittal's decision to shutter its Georgetown,

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40 *Id.* (Commissioner Broadbent) (emphasis added).
41 *Id.* (Mr. Cunningham) (emphasis added).
42 *See* Prehearing Staff Report at VI-10 (Table VI-4). All references to tons in this brief reflect short tons.
43 *See* USITC Pub. 4705 at 23.
44 *See id.*
45 Prehearing Staff Report at V-29, V-37.
46 *Id.* at VI-8 (Table VI-3), C-4 (Table C-1), C-5 (Table C-2).

SC mill ("Georgetown"), as well as [ ].[47] Respondents have taken the staunch position that the closures of Georgetown and Lorain "have nothing to do with" subject imports.[48] According to the respondents, these facilities closed due to silt build-up and issues with dredging the Georgetown Harbor as well as demand issues related to non-subject products.[49] As such, those opposing relief argued at the Hearing that the agency should disregard Georgetown's and Lorain's exit from the industry. But the respondents reached this conclusion, as Commissioner Schmidtlein acknowledged, by applying a more stringent standard than the agency's material injury analysis.[50]

Curiously, respondent's counsel had no meaningful rebuttal regarding the contemporaneous statements from Georgetown and Republic explaining that subject imports were a cause of these facilities ceasing production.[51] In fact, [

].[52] The surge of low-priced subject imports and substantial underselling materially injured the domestic wire rod industry as seen in decreased production, market share, sales volumes and values, operating income, and profit margins over the three-year POI.[53] The closures of Georgetown and Lorain slightly mask the full extent of the injury caused by subject imports as [

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47 *See id.* at [ ], III-2; [ ].

48 *See e.g.*, Hearing Tr. at 137 (Mr. Trendl); 140, 142-143 (Mr. Shields).

49 *See e.g.*, *id.* at 137 (Mr. Trendl); 140, 142-143 (Mr. Shields).

50 *Id.* at 181 (Chairman Schmidtlein).

51 *See* Domestic Industry Presentation (Nov. 16, 2017) at 18, attached as **Exhibit 4**; Answers to Commissioners' Questions, attached as **Exhibit 1**, pp. 69-82.

52 *See* [ ], attached as **Exhibit 5**.

53 Prehearing Staff Report at VI-8 (Table VI-3), C-4 (Table C-1), C-5 (Table C-2).

].[54] However, it is indisputable that the profitability levels in the current investigation, even without Georgetown and Republic's data, are still much lower than those which the Commission previously found to be injurious in the China investigation.[55]

Finally, respondents' assertion that representatives from Georgetown or Lorain failed to attend the hearing after forcing these companies to shut down their U.S. wire rod production operations is the epitome of chutzpah.[56] Interestingly, while Steptoe and Johnson LLP brought representatives from British Steel to the Hearing, Steptoe also represents ArcelorMittal's Ukrainian operations at Commerce, which is the [

] and which was not present at the Hearing.[57] So what inference is to be drawn and against whom? Nucor submits that Mittal's public statements that imports were a factor in their closure says it all, and any attempt to draw inferences on their decision not to appear for either side is inappropriate. In sum, the record contains ample evidence, including respondents' own admissions, that subject imports are causing material injury to the U.S. industry. Therefore, the agency should determine that the U.S. wire rod industry is currently materially injured by subject imports.

E. Respondents Confirm that The Commission Should Discount the Post-Petition Volume, Price, and Impact Effects, Which are the Natural Result of Seeking Trade Relief

The Commission has a long-history of considering whether subject imports reacted to the filing of antidumping or countervailing duty petitions.[58] Section 1677(7)(I) of the Tariff Act of

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54 *Id.* at VI-2, n.7 (ArcelorMittal's plant closure in August 2015 [

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55 USITC Pub. 4509 at 20, C-3 (Table C-1).

56 Hearing Tr. at 253 (Ms. Noonan).

57 [ ].

58 *See LG Elecs., Inc. v. U.S. Int'l Trade Comm'n*, 26 F. Supp. 3d 1338, 1353 (Ct. Int'l Trade 2014) (holding that the Commission reasonably discounted weight of post-petition data).; *Corus Staal BV v. U.S. Int'l Trade Comm'n*, 27 C.I.T. 459, 470 (2003), *aff'd sub nom. Corus Staal BV v. U.S.I.T.C.*, 85 F. App'x 772 (Fed. Cir. 2004).

1930, as amended, specifically authorizes the Commission to "consider whether any change in the volume, price effects, or impact of imports of the subject merchandise since the filing of the petition . . . is related to the pendency of the investigation and, if so, the Commission may reduce the weight accorded to the data for the period after the filing of the petition in making its determination of material injury . . . ."[59] Indeed, "the statute was enacted to recognize explicitly that declining subject imports, increasing prices, and improvements in the domestic industry's condition are expected and natural consequences of the filing of a petition and subsequent affirmative preliminary determinations, and to prevent such natural consequences from precluding an affirmative determination."[60] Where subject imports retreat from the market due to the filing of petitions, the Commission has routinely discounted post-petition data concerning.[61]

The post-petition effects in this case are particularly clear, and respondents have confirmed the causal connection between subject imports and the injury suffered by the U.S. CASWR industry. As Mr. Cunningham testified, "**{s}ubject import volume declined after the filing of the Petitions. . . . Often that happens because there's a potential of imposing duties.**"[62] Similarly, Ms. Korbel followed-up by stating, "**Commissioner, I think it's pretty clear with margins in the range of 700% to 10% that it's going to stop imports after the imposition of the preliminary dumping margins.**"[63]

With a very moderate increase in U.S. prices and a decrease in subject imports due to the petitions, particularly in the third quarter, certain domestic financial indicators, such as operating

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59 19 U.S.C. § 1677(7)(I); *See also LG Elecs.*, 26 F. Supp. 3d at 1352-53.

60 *Light-Walled Rectangular Pipe & Tube from Mexico*, USITC Inv. No. 731-TA-1120, USITC Pub. 4272 (Feb. 2011) (Remand) ("USITC Pub. 4272") at 7.

61 *See LG Elecs.,* 26 F. Supp. 3d at 1353 (holding that the Commission reasonably discounted weight of post-petition data); *Corus Staal*, 27 C.I.T. at 470, *aff'd sub nom.*, 85 F. App'x 772 (holding that that the Commission reasonably "found that changes in subject import volume, price effects, and impact were related to the pendency of the investigation, {and the agency} acted within its discretion in discounting post-petition data.").

62 Hearing Tr. at 233 (Mr. Cunningham) (emphasis added).

63 *Id.* at 238 (Ms. Korbel) (emphasis added).

income and net sales began to improve.[64] Indeed, U.S. producers were able to make more sales at higher prices, which led to a gradual but minor increase in operating income (*i.e.*, [ ] percent during the interim period).[65] This is how trade remedies are supposed to work.[66] And the post-petition experience of the U.S. wire rod industry in this investigation underscores the reason why Congress enacted the post-petition effects provision in the first place. While the U.S. wire rod industry is far from healthy and current financial performance remains well below the levels the Commission previously found were injurious,[67] the agency should discount the weight of declining subject imports, as well as increasing prices and the financial performance of the U.S. industry.[68]

II. THE COMMISSION SHOULD FIND A SINGLE DOMESTIC LIKE PRODUCT

For the last 20 years, the Commission has consistently found that TB/TC wire rod is not a separate domestic like product.[69] Wire rod exists along a continuum of grades and types, and TB/TC wire rod is only one of those types.[70] While TB/TC products may have demanding specifications, the domestic industry produces equally or more demanding wire rod products, such as wire rod for valve spring wire, musical spring wire, bearing, and aircraft applications.[71] Like TB/TC wire rod, many of these grades of wire rod are drawn to similar diameters and are used in critical safety applications.[72] As explained in Answers to Commissioners' Questions,[73] no bright lines distinguish 1080 TB/TC wire rod from other types of wire rod, including other TB/TC rod.

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64 Prehearing Staff Report at C-5 (Table C-2).
65 *Id.* (Table C-2).
66 *See* USITC Pub. 4272.
67 *Compare* USITC Pub. 4509 at C-3 (Table C-1) *with* Prehearing Staff Report at C-5 (Table C-2).
68 19 U.S.C. § 1677(7)(I).
69 *See e.g.*, *Certain Steel Wire Rod from Canada, Germany, Trinidad & Tobago, and Venezuela*, Inv. Nos. 701-TA-368-371, USITC Pub. 3075 (Nov. 1997) (Final) ("USITC Pub. 3075") at 9 ("We conclude that the record does not establish a clear dividing line between tire cord wire rod and other steel wire rod.").
70 *See* Hearing Transcript at 92-93 (Mr. Nystrom).
71 *See id.* (Mr. Nystrom).
72 *See id.* at 110 (Mr. Nystrom); Nucor Billet Specification, Music Spring Quality, attached as **Exhibit 6**.
73 Answers to Commissioners' Questions, attached as **Exhibit 1**, pp. 1-28. *See* USITC Pub. 3075 at 7-9.

A. The Commission Should Analyze TB/TC Wire Rod Production Starting at the Rolling Stage

The Commission should commence its domestic like product analysis at the rolling stage where the production processes of TB/TC wire rod and all other wire rod are virtually identical.[74] In other steel cases, such as *Hot-Rolled Steel* and *CTL Plate*, the Commission routinely treats producers with rolling mill only operations as part of the domestic industry but not the upstream producers of semi-finished steel products, such as slab.[75] [

].[76] Thus, the Commission should examine the like product issues beginning at the rolling stage for wire rod.

B. Respondents' Domestic Like Product Arguments are Contradicted By Record Evidence

Throughout this proceeding, respondents have made several arguments that are factually wrong. This section highlights some of the respondents' most egregious misrepresentations of fact that occurred at the Hearing. For instance, Mr. Minnick, the CEO of Kiswire America, testified, "**The Commission dismissed the fact that this grade {(*i.e.*, 1080 TB/TC)} can only be made in a BOF facility….**"[77] This is false. [

].[78] While representatives from GSW and its counsel declined to attend the Hearing, GSW's public website states that the

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74 Preliminary Determination at 10, n.44 .

75 *See e.g.*, *Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, Korea, the Netherlands, Turkey, and the United Kingdom*, Inv. Nos. 701-TA-545-547 and 731-TA-1291-1297, USITC Pub. 4638 (Sept. 2016) (Final) at I-21 ("Broadly speaking, a producer of hot-rolled steel may be . . . a rolling-only operation, with no onsite steelmaking, using slabs purchased from other steelmakers (usually imported).").

76 *See* Statement of [ ], attached as **Exhibit 7**.

77 Hearing Tr. at 163-164 (Mr. Minnick) (emphasis added).

78 *See* [

].

company produces TB/TC wire rod "using a range of carbons from 0.6% to 0.7% to 0.8%."[79] Further, [

],[80] [

].[81] Nor did respondents request that the Commission collect data only on BOF production of 1080 TB/TC wire rod, given that BOF production is the crux of their argument.[82]

Additionally, Mr. Hughes, Bekaert's Director of Purchasing for North America and Mr. Connelly, testified that increasing carbon content in TB/TC wire rod was a "change from the past," which warrants the agency to overturn 20 years of consistent like product determinations:

> Mr. Connelly: **{G}rade 1080 is just the start of tire cord specs. There are higher carbon standards now. That's different. And we're having to produce . . . higher carbon.**
>
> Mr. Hughes: **It's basically the percentage of carbon that's actually in the steel wire. There – it's .8 percent carbon in 1080, 1070, .7. So it's as high as .9 and almost 1 percent.**
>
> Vice Chairman Johanson: And that's a change from the past?
>
> Mr. Hughes: **Oh, yeah, definitely**.[83]

This testimony was a gross misrepresentation of facts. [

].[84] 1090 and above TB/TC was produced in 2002

---

[79] *See* Global Steel Wire Website, attached as Exhibit 20 to Nucor's Post-Conference Brief (Apr. 21, 2017) ("the use of high direct reduced iron (DRI/HBI) levels in the raw materials mix allows us to guarantee the regular attainment of the desired chemical composition.").

[80] *See* [ ], attached as **Exhibit 8**; [ ], attached as **Exhibit 9**; [ ], attached as **Exhibit 10**.

[81] *See e.g.*, POSCO Prehearing Brief (Nov. 9, 2017) at 1 ("Wire rod, Grade 1080 and higher for tire cord and bead wire production, with 0.8 percent and higher carbon content, measuring 5.0 mm or more but not more than 6.5 mm in cross-sectional diameter, low manganese content in the range of 0.25-0.6 percent, and having no inclusions greater than 20 microns.").

[82] *See e.g.*, POSCO's Comments on Draft Questionnaires (June 30, 2017); Kiswire Comments on Draft Questionnaires (June 30, 2017); Preliminary Determination at 9-10. Additionally, the respondents did not request that the Commission collect data to permit a negligibility calculation for an alternate like product definition.

[83] Hearing Tr. at 218 (Mr. Connelly and Mr. Hughes) (emphasis added). *See also id.* at 219 (Mr. Minnick), 221 (Mr. Cameron).

[84] [ ].

and acknowledged in the 2002 case.[85] While respondents testified that increasing carbon content in TB/TC rod represented an evolution of demand within the industry, Bekaert and others have been drawing wire from 1090 TB/TC and higher for almost 20 years.

Finally, in a blatantly inaccurate statement, Mr. Cameron testified that, "**And there's no evidence whatsoever that what these guys {(*i.e.*, GSW and BMZ)} produce would qualify for the U.S. tire manufacturers**."[86] Not only is [

],[87] [

],[88] while the company [

].[89] Further, [

],[90] a member of the AWPA,[91] [

].[92]

III. SUBJECT IMPORTS THREATEN THE DOMESTIC INDUSTRY WITH FURTHER MATERIAL INJURY

As explained in Nucor's Prehearing Brief, subject producers have substantial excess and divertible capacity and have a track record of rapidly shipping enormous volumes of low-priced wire rod to the attractive U.S. market.[93] Contrary to their claims, and as explained in Answers to Questions, the U.S. market is currently the highest priced market in the world.

At the Hearing, Turkish respondents argued that Turkish imports should not be cumulated

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85 *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, Turkey and Ukraine*, Inv. Nos. 701-TA-417-421 and 731-TA-953, 954, 956-959, 961, and 962, USITC Pub. 3546 (Oct. 2002) (Final) at 7-8.

86 Hearing Tr. at 257 (Mr. Cameron).

87 [ ], attached as **Exhibit 11**; [ ].

88 *See* [ ]. *See also* Prehearing Report at C-6 (Table C-3a).

89 [ ].

90 [ ], attached as **Exhibit 12**.

91 See AWPA Website Excerpts, attached as **Exhibit 2**.

92 [ ], attached as **Exhibit 12**.

93 *See* Nucor Prehearing Brief (Nov. 9, 2017) at 15-58.

with imports from other countries, and imports from Turkey do not threaten the U.S. industry with material injury.[94] But the Turkish respondents fail to mention that they were the number one supplier among subject imports in 2014, 2015, and 2017. And in 2016, when Turkish imports "declined by . . . 60 percent,"[95] Turkey was still the fourth largest supplier among subject imports and the slight dip in 2016 is not a reason why they should be decumulated and are not a threat given their status as the largest import source in 2017.

Additionally, while Spanish respondent, GSW, [

].[96] Further, [

].

As in its preliminary determination, the Commission should cumulate all subject countries for purposes of its threat determination. U.S. purchasers testified at the Hearing that they will purchase subject imports from lowest priced source.[97] These purchasers will shift from their current suppliers to buying all of their imports from any subject country that is left out of the order.

IV. CONCLUSION

For the foregoing reasons, Nucor requests that the Commission make an affirmative final determination that there is a reasonable indication of material injury and threat of material injury by reason of wire rod from the ten subject countries.

Respectfully submitted,

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WILEY REIN LLP
Counsel to Nucor Corporation

94 Hearing Tr. at 177 (Ms. Noonan).
95 *Id.* (Ms. Noonan).
96 Spanish Producers' Underselling Analysis, attached as **Exhibit 13**.
97 Hearing Tr. at 190 (Mr. Stauffer).

Exhibit List

Exhibit No.	Exhibit	Security
1	Answers to Commissioners' Questions	BPI
2	AWPA Website Excerpts	Public
3	*Ross: U.S. steel consumers should not be relying on 'subsidized, dumped product*', Inside U.S. Trade (Nov. 14, 2017)	BPI
4	Domestic Industry Presentation (Nov. 16, 2017)	BPI
5	[ ]	BPI
6	Nucor Billet Specification, Music Spring Quality	BPI
7	Statement of [ ]	BPI
8	[ ]	BPI
9	[ ]	BPI
10	[ ]	BPI
11	[ ]	BPI
12	[ ]	BPI
13	Spanish Producers' Underselling Analysis	BPI
14	Memorandum form Erin Kearney, Acting Director, Antidumping and Countervailing Duty Operations, Off. VI, to James Maeder, Senior Director preforming the duties of Deputy Assistant Sec'y for Antidumping and Countervailing Duty Operations, re: *Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, the Republic of Turkey, Ukraine, the United Arab Emirates, and the United Kingdom: Final Scope Memorandum* (Nov. 20, 2017)	Public
15	[ ]	BPI
16	POSCO, *Wire Rod* (2014)	Public
17	British Steel, *Steel products for tyre reinforcement* (2016)	Public
18	Bekaert, *Automotive* (website excerpts)	Public
19	Statement of [ ]	BPI
20	Eastern Metal Trading Company Website Excerpts	Public

Exhibit No.	Exhibit	Security
21	Hidetoshi Tanaka, *Resources Trend and Use of Direct Reduced Iron in Steelmaking Process*, Technology Review No. 33 (Feb. 2015)	Public
22	Reserved	N/A
23	[ ]	BPI
24	Reserved	N/A
25	Specifications for Steel Cord Above 1080 Prior to 2002	Public
26	HTSUS Chapter 72 Statistical Notes Excerpts	Public
27	U.K. Negligibility Analysis	BPI
28	Analysis of British Steel's Alternative Market Share Calculations	BPI
29	Insteel Industries Inc., *Investor FAQS* (website excerpts)	Public
30	Hearing Transcript, *Prestressed Concrete Steel Wire Strand from China*, Inv. Nos. 701-TA-464 and 731-TA-1160 (Final) (May 6, 2010)	Public
31	Press Release, ArcelorMittal, ArcelorMittal announces closure of Georgetown wire rod facility (May 14, 2015)	Public
32	Testimony of James Sanderson, President, United Steelworkers Local 7898, USTR Hearing on the "Global Steel Industry Situation" (April 12, 2016)	Public
33	Jason M. Rodriguez, *ArcelorMittal announces closure of Georgetown wire rod facility; 226 jobs to be impacted*, Myrtle Beach Online (May 14, 2015)	Public
34	*Employees expected scale back, not closure of Georgetown steel mill*, ABC News (May 14, 2015)	Public
35	David Wren, *Mill no more Steel plant's demise inevitable in face of cheap imports*, Post and Courier (Aug. 13, 2015)	Public
36	*Steel mill in Georgetown shutters doors, costing 226 jobs*, Post and Courier (Aug. 13, 2015)	Public
37	*Florida entrepreneur interested in Georgetown steel mill*, Associated Press (May 26, 2015)	Public
38	David Wren, *Liberty House says it's closing in on Georgetown steel mill purchase*, Post and Courier (Aug. 8, 2017)	Public
39	*Liberty House to buy ArcelorMittal's U.S. Georgetown steel plant*, Reuters (Apr. 21, 2017)	Public
40	Press Release, ArcelorMittal, Liberty agrees in principle with ArcelorMittal to buy Georgetown steelworks (Apr. 21, 2017)	Public

Exhibit No.	Exhibit	Security
41	Conference Transcript, *Titanium Sponge from Japan and Kazakhstan, Inv*. Nos. 701-TA-587 and 731-TA-1385-1386 (Preliminary) (Sept. 14, 2017) (excerpts)	Public
42	British Steel Hearing Handouts	BPI
43	Hearing Transcript, *Carbon and Alloy Steel Wire Rod from China*, Inv. Nos. 701-TA-512 and 731-TA-1248 (Final) (Nov. 12, 2014) (excerpts attached)	Public
44	[ ]	BPI

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I. DOMESTIC LIKE PRODUCT

WILLIAMSON (Hearing Tr. at 91): Let me turn to wire rod for tire cord and bead. Can other grades below 1080 be used for tire cord and tire bead?

COMMISSIONER WILLIAMSON (Hearing Tr. at 91-92): Does anybody have any idea of what share of the - what is their relative share? And it's something that might be addressed post-hearing? … How significant is that?

COMMISSIONER WILLIAMSON (Hearing Tr. at 92): What uses determine the grade of tire or bead? And is there any production equipment adjustments needed to make tire cord and tire bead wire rod?

COMMISSIONER WILLIAMSON (Hearing Tr. at 93): {D}o difference{s} between the EAF and BOF production processes impact the requirements that in - by end users. In other words, do your end users say, you gotta make it by this process or by that process?

COMMISSIONER WILLIAMSON (Hearing Tr. at 118): Just a couple of quick questions on the tire cord and tire bead. Do any of your firm's source billets from BOF, from the BOF process to produce wire rod, and how often do you buy billets for wire rod, particularly for the 1080 or other grades? If you wanted to do it post-hearing, it's fine.

CHAIRMAN SCHMIDTLEIN (Hearing Tr. at 110): Are there other high end products that require the same tightly managed process and sort of cleanliness of the steel?

CHAIRMAN SCHMIDTLEIN (Hearing Tr. at 110): And those are made in the same – . . . . {type of facilities?}

COMMISSIONER BROADBENT (Hearing Tr. at 103): So I'd like to go back to the like product argument with regard to 1080 tire cord and tire bead. So it's my understanding that in 2002, there was a scope exclusion in the wire rod case for this product and that in 2014, it was not excluded, but I don't believe anyone raised a like product argument in that case. So my question is what has changed since 2002?

COMMISSIONER BROADBENT (Hearing Tr. at 106): Can you respond to the argument from the respondents that the specifications have become more stringent for this over time?

COMMISSIONER WILLIAMSON (Hearing Tr. at 119): Are any U.S. producers currently pursuing certifications or capabilities to produce tire cord of a quality greater than the 1080 grade, and again that might be a post-hearing one too. And then Table 1-8 shows U.S. production of grade 1080 and higher. Do we know if this production involved any electric arc furnaces? So I'm asking not what you're capable of, but what's actually happening.

A. ALL WIRE ROD, INCLUDING GRADE 1080 WIRE ROD FOR TIRE CORD, REPRESENTS A SINGLE LIKE PRODUCTS

The respondents have argued that grade 1080 wire rod for tire cord is so different from other grades of wire rod that it constitutes a separate like product.[1] As the Commission noted in its 2002 determination regarding wire rod from various countries, however, "the record reflects only minimal differences among grades of tire cord wire rod."[2] The Commission has repeatedly reached the same conclusion in subsequent investigations and reviews,[3] including in its preliminary determination in this investigation.[4]

1. The Commission Has Repeatedly Determined that Grade 1080 Wire Rod for Tire Cord is Part of the Same Like Product as All Other Wire Rod

Applying its well-established six-factor test for identifying the like product, the Commission has consistently found that

- ***Physical characteristics and uses***. "All categories of wire rod are intermediate circular, hot-rolled products that are sold in irregularly wound coils. Wire rod is used primarily for subsequent drawing and finishing into

---

[1] *See, e.g* Letter from Trade Pacific PLLC to Sec'y Int'l Trade Comm'n re: *Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom: Prehearing Brief of POSCO* (Nov. 9, 2017) ("POSCO Prehearing Brief") at 3; Letter from Vorys, Sater, Seymour and Pease LLP to Sec'y Int'l Trade Comm'n re: *Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom: Prehearing Brief* (Nov. 9, 2017) ("AWPA Prehearing Brief") at 31; Letter from Steptoe & Johnson LLP to Sec'y Int'l Trade Comm'n re: *Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom Inv. No(s). 701-TA-573-574 and 731-A-1349-1358 (Final): Pre-Hearing Brief of British Steel Ltd.* (Nov. 9, 2017) ("British Steel Prehearing Brief") at 22.

[2] *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, Turkey, and Ukraine*, Investigations Nos. 701-TA-417-421 and 731-TA-953, 954, 956-959, 961, and 962, USITC Pub. 3546 (Oct. 2002) (Final) ("USITC Pub. 3546") at 8.

[3] *See Carbon and Certain Alloy Steel Wire Rod from China, Germany, and Turkey*, Investigation Nos. 731-TA-1099-1101, USITC Pub. 3832 (Jan. 2006) (Preliminary) ("USITC Pub. 3832") at 9; *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine*, Investigation Nos. 701-TA-417 and 731-TA-953, 954, 957-959, 961, and 962, USITC Pub. 4014 (June 2008) (Review) at 7-8; *Carbon and Certain Alloy Steel Wire Rod from China*, Investigation Nos. 701-TA-512 and 731-TA-1248, USITC Pub. 4509 (Jan. 2015) (Final) ("USITC Pub. 4509") at 5-6.

[4] *Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom*, Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358, USITC Pub. 4693 (May 2017) (Preliminary) ("Preliminary Determination") at 8-12.

wire and wire products, but is also used to make fasteners and other products. There is no clear demarcation between low-end and high-end wire rod products, but rather a continuum of at least 11 major categories of products, defined by end use, ranging from low carbon industrial wire rod used for nails and wire garment hangers, to medium to high carbon wire rod used for tire bead and prestressed concrete strand, to the highest-end products, including the more specialized high-end CHQ and tire cord wire rod." [5]

- ***Interchangeability***. While all wire rod products are not interchangeable, there is significant overlap in metallurgical properties, physical characteristics, and uses.[6] Limited interchangeability in some end uses is consistent with a wide range of wire rod products.[7]
- ***Channels of distribution***. All wire rod, including wire rod for tire cord and bead, is sold to end users.[8]
- ***Manufacturing facilities, production processes, and production employees***. In the United States, all wire rod, including that for tire cord and tire bead, is made in the same facilities, using the same production processes and production employees, as other wire rod products.[9]
- ***Producer and customer perceptions***. Customers have the same perceptions of other high-quality wire rod products as they have for wire rod for tire cord.[10]
- ***Prices***. While prices for various wire rod products vary, wire rod for tire cord and bead commands higher prices, as do other high-quality wire rod products.[11] Again, price differences are consistent with a wide range of wire rod product.[12]

In the preliminary determination, the Commission explained that, in an assessing a product such as wire rod that constitutes a continuum of products, the Commission looks for a "clear

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5 USITC Pub. 3832 at 9 (internal citations omitted).

6 *Id*. at 10.

7 USITC Pub. 4509 at 6.

8 Preliminary Determination at 10; USITC Pub. 3832 at 10.

9 Preliminary Determination at 9-10; USITC Pub. 3832 at 10.

10 Preliminary Determination at 10-11; USITC Pub. 3832 at 11.

11 Preliminary Determination at 11; USITC Pub. 3832 at 11.

12 USITC Pub. 4509 at 6.

dividing line."[13] It found no such line with respect to wire rod for tire cord and bead. Accordingly, the Commission determined once again that all wire rod constitutes a single like product.[14]

The Commerce Department recently addressed this same issue in its final scope memorandum in its antidumping and countervailing duty investigations of wire rod from the subject countries. The Department reached exactly the same conclusions as the Commission. The Department concluded that

- The physical characteristics of 1080 wire rod for tire cord did not distinguish it from other types of wire rod;[15]
- The fact that customers expected grade 1080 wire rod to meet stringent requirements did not differentiate it from other wire rod products with exacting specifications, such as music spring wire;[16]
- With regard to production process, "even if certain or all U.S. producers were unable to produce certain TC/TB wire rod at any given moment in time, that would not demonstrate the products defined by POSCO and British Steel as certain TC/TB wire rod constitutes a separate class or kind of merchandise, regardless of any customers' expectations";[17]
- Grade 1080 wire rod for tire cord and bead had the same ultimate use as other wire rod, which is to be drawn into wire;[18]
- "With regard to channels of trade, no party contests that wire rod other than certain TC/TB wire rod is sold directly to users, as is certain TC/TB wire rod."[19]

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13 Preliminary Determination at 11.

14 *Id*.

15 *See* Memorandum from Erin Kearney, Acting Director, Antidumping and Countervailing Duty Operations, Off. VI, to James Maeder, Senior Director preforming the duties of Deputy Assistant Sec'y for Antidumping and Countervailing Duty Operations, re: *Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, South Africa, Spain, the Republic of Turkey, Ukraine, the United Arab Emirates, and the United Kingdom: Final Scope Memorandum* (Nov. 20, 2017) at 14-15 ("Final Scope Memorandum"), attached as **Exhibit 14**.

16 *Id*. at 15-16.

17 *Id*. at 16.

18 *Id*. at 17.

19 *Id*.

- Grade 1080 wire rod for tire cord and bead is advertised in the same manner as other wire rod, and often in the same brochures and other marketing materials.[20]

The Department concluded that "there is no basis for finding certain TC/TB wire rod to constitute a class or kind of merchandise that is distinct from the other merchandise described by the scope as it is currently written, and we recommend not amending the scope in this regard."[21]

2. The Information Collected by the Commission Confirms the Existence of a Single Like Product

a. Grades below 1080 are also used to produce tire cord and bead

All the evidence obtained by the Commission since its preliminary determination support this conclusion. With respect to the narrow question of whether grades below 1080 are used to produce wire rod for tire cord and bead, the Commission noted in its 2002 and 2006 determinations that grades of steel used for tire cord include 1070, 1080, and 1090.[22] A witness for the respondents at the hearing admitted that other grades of steel, including 1070, are used to produce tire cord and bead.[23] As the Commission noted in its 2002 determination, "the record reflects only minimal differences among grades of tire cord wire rod."[24] Rather than representing a distinct product, grade 1080 wire rod for tire cord and bead is simply one product in a range of different product that can be used for this application.

Even a cursory review of specifications for wire rod for tire cord and bead by producers [ ] confirms this conclusion. The "80" in grade 1080 reflects carbon content – in

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20 *Id*. at 18.

21 *Id*.

22 USITC Pub. 3546 at 8; USITC Pub. 3832 at 9.

23 *See, e.g.*, Hearing Transcript, *Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, the Republic of South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom,* Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358 (Final) (Nov. 16, 2017) ("Hearing Tr.") at 220 (Mr. Minnick).

24 USITC Pub. 3546 at 8.

this case, 0.80 percent.[25] [

].[26] [

].[27] [

].[28] Significantly, [

][29]

The foreign producers' own sales literature supports the conclusions of both the Commission and the Commerce Department that grade 1080 wire rod for tire cord and bead is part of the same like product as other wire rod. A review of their sales literature shows why. POSCO's product brochure states that it manufactures tire core quality wire rod in grades 1069, 1070, 1080, and 1090.[30] Grade 1080 can have a carbon content as low as 0.75 – overlapping the permissible carbon content for grade 1070.[31] POSCO's published specifications for the chemistry of grade 1070 show that, with the exception of carbon content, they are *identical* to those for grades 1080 and 1090.[32] Internal quality characteristics, including micro structure and decarburization depth,

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[25] *See* Prehearing Report, *Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom*, Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358 (Final) (Nov. 2, 2017) ("Prehearing Staff Report") at I-25 n.32.

[26] *See* [ ], attached as **Exhibit 15**.

[27] [
], attached as **Exhibit 8**.

[28] [
], attached as **Exhibit 9**.

[29] *See* [ ], attached as **Exhibit 10**.

[30] POSCO, *Wire Rod* (2014) at 11, attached as **Exhibit 16**.

[31] *Id*. at 24.

[32] *Id*.

are also identical.[33] Indeed, the only characteristic for which POSCO reports grade 1070 as differing from grade 1080 is with respect to tensile strength,[34] and tensile strength is itself a function of carbon content.[35] In its final scope memorandum, the Commerce Department identified several aspects of the POSCO specifications brochure that undercut POSCO's arguments that 1080 wire rod represents a separate "class or kind of merchandise," to use the Commerce terminology.[36]

British Steel also offers wire rod for tire reinforcement – tire cord and tire bead – in grades 60, 70, 80, and 90C + CR.[37] Like POSCO, the chemistry requirements with respect to silicon, phosphorus, and chromium are identical between all four grades.[38] With respect to manganese, grade 70 has a lower maximum limit (0.58) than grade 80 (0.60).[39] Grades 60, 70, and 80 all have a "typical cast" of 0.50 for manganese.[40]

b. [

]

[

]41 [

33 *Id.* at 12.

34 *Id.*

35 Prehearing Staff Report at I-16, n.20.

36 *See* Final Scope Memorandum at 13-16.

37 British Steel, *Steel products for tyre reinforcement* (2016), attached as **Exhibit 17**.

38 *Id.*

39 *Id.*

40 *Id.*

41 [ ], attached as **Exhibit 9**.

].[42]

TABLE 1

[ ]

Grade	C	Si	Mn	P	S	Ni	Cr	Pb
[								]
[								]

[

].[43] [

].

POSCO and British Steel have argued that there is a bright line between grade 1080 wire rod and above for tire bead and tire cord. Their own product specifications prove the opposite – that these products constitute a continuum, with the only real difference between 1080 and 1070 being the carbon content. This is of course the difference between all grades of wire rod. This alone gives the Commission an ample basis for confirming its prior determinations that grade 1080 for tire bead and tire cord is the same like product as all other wire rod products.

The U.S. purchasers' own operations also belie their insistence that grade 1080 and above wire rod is some sort of special product. To the contrary, purchasers of wire rod like Bekaert and [ ] themselves buy a wide variety of wire rod for a broad range of applications even within

[42] [ ], attached as **Exhibit 9**.

[43] *See* [ ], attached as **Exhibit 10.**

a single sector, such as automotive.[44] Grade 1080 and above wire rod for tire cord is simply one of the many different types of wire rod they purchase to produce a vast variety of products.

c. Grades below 1080 account for a [ ] portion of the market for wire rod for tire cord and bead

Before assessing the relative shares of different grades of the total market for wire rod for tire cord, it may be useful to put this market in perspective. Over the period of review, imports of grade 1080 and above wire rod for tire cord and bead constituted [ ] of all subject imports of wire rod.

Nucor estimates that wire rod with a carbon content of less than 0.80% accounts for approximately [ ] percent of the market for tire cord and tire bead. As discussed above, various tire cord producers have specifications calling for a carbon content of less than 0.80%. Based upon conversations with its customers, Nucor understands that, while the proportion for grade 1080 has grown, this is in large part a consequence of the exclusion of grade 1080 wire rod for tire cord from the 2002 antidumping orders. [

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It is Nucor's experience that, [

],[45] demonstrating again that there is a continuum of wire rod products used for tire cord, as well as for wire rod products in general. In fact, Nucor recently [ ] sale of "high carbon wire rod," grade 1072 and 1080, produced by [ ], for tire bead quality had been refused and that was being resold for

[44] *See, e.g.,* Bekaert, *Automotive* (website excerpts), attached as **Exhibit 18**.

[45] *See* Statement of [ ], attached as **Exhibit 19**.

other applications.[46] This vividly demonstrates that grade 1080 wire rod for tire cord or tire bead is neither uniquely different from grade 1072 and can and is used for other purposes as well.

d. All wire rod, including wire rod for tire cord and bead is manufactured in the same facilities, on the same equipment, with the same personnel

Tire cord and tire bead are manufactured on the same equipment as other wire rod product.[47] No special equipment is necessary. Because tire cord and tire bead must be manufactured to certain physical specifications, the equipment used must be capable of meeting those specifications. This is true of the manufacture of other types of wire rod with tight tolerances, such as music spring wire, as well.[48] [

].[49] As discussed below, Nucor currently produces tire bead on the same equipment in Darlington used to produce other wire rod products.[50] The grade of wire rod used to produce tire cord or tire bead can depend upon the tire cord or bead producer's (*i.e.*, the wire rod purchaser's) individual requirements. As **Exhibits 8-11** show, [

]. Regardless of any difference in specification requested by the customer, however, the basic production equipment remains the same as that used for other wire rod products.

e. Production of grade 1080 wire rod for tire cord and bead does not require the use of the BOF process

The respondents argue that grade 1080 steel for wire rod for tire cord and bead can be made only using the basic oxygen furnace ("BOF") method of production.[51] It is significant that the

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46 Eastern Metal Trading Company Website Excerpts, attached as **Exhibit 20**

47 Prehearing Staff Report at I-23.

48 *See id.* at D-4, D-5.

49 *See* Statement of [ ], attached as **Exhibit 19**.

50 Prehearing Staff Report at D-5.

51 *See, e.g.,* POSCO Prehearing Brief at 8-9; AWPA Prehearing Brief at 30; British Steel Prehearing Brief at 21.

respondents did not include any such requirement in their definition of 1080 grade wire rod for tire cord or bead.[52] This may be because at least some purchasers in fact purchase grade 1080 wire rod from producers using an EAF process, despite very selective testimony attempting to convey a different set of facts. As a consequence, the Commission did not collect any data on the production of grade 1080 by process, and this has facilitated a less than accurate narrative to be presented by the respondent.

In fact, grade 1080 wire rod for tire cord and bead can be made in an EAF or a BOF process. Even if one were to accept the respondents' assertion, they respondents seem to think that the fact that the steel for this product could be produced only in a BOF somehow constitutes a "bright line" between grade 1080 steel and other grades used for wire rod. In its preliminary determination, the Commission explained that this argument is legally irrelevant. As the Commission explained,

> However, whether grade 1080 tire cord and tire bead wire rod meeting certain performance specifications can only be manufactured using the BOF process, which is the crux of respondents' arguments, is not probative to a like product analysis in these investigations. This is because the domestic like product analysis compares different domestically produced products and as respondents recognize, no domestic wire rod producer uses the BOF process. Rather, domestic wire rod mills use the electric arc furnace ("EAF") production process to produce wire rod. Consequently, there is no distinction in production facilities and manufacturing processes between domestically produced grade 1080 tire cord and tire bead wire rod and other domestically produced wire products.[53]

The respondents have not made any argument addressing this legal conclusion.

The respondents repeatedly state that the steel used in grade 1080 wire rod for tire cord and bead can be produced only in BOFs.[54] This is simply incorrect. The issue for purchasers is that

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[52] Prehearing Staff Report at I-25 n.32.

[53] Preliminary Determination at 9-10.

[54] *See, e.g.,* POSCO Prehearing Brief at 8-9; AWPA Prehearing Brief at 30; British Steel Prehearing Brief at 21.

the steel used in the wire rod meet their specifications for chemistry and mechanical properties. Many of these specifications require high levels of "cleanliness," meaning that the amounts of residual element in the steel, such as silicon, manganese, or phosphorus, are below certain levels. If the steel producer can meet these requirements, whether a BOF or EAF used is irrelevant. As Mr. Nystrom explained at the hearing, EAFs can be used to produce demanding grades of steel

> Really, what you're looking for is a specific cleanliness level, specific chemistry control. You can arrive at that so long as you use high levels of pig iron, direct reduced iron or other purer iron units. And so that can be done using an EAF process where you use a lot of DRI. Or that can be done using a basic oxygen process, a BOF furnace, which uses a lot of pig iron that would come from a blast furnace.[55]

The respondents state that EAFs primarily use scrap as their raw material for most grades.[56] While U.S. EAF producers use steel scrap as their primary raw material, this is not necessarily true in the rest of the world. For example, EAF producers in the Middle East typically use direct reduced iron (DRI) as their primary input, with little or no scrap.[57] As Mr. Nystrom explained, EAF producers can use very high percentages of DRI to achieve levels of cleanliness that might not be possible using scrap alone.

The record establishes that U.S. producers [

]. [ ].[58] [ ].[59] [

[55] Hearing Tr. at 93 (Mr. Nystrom).

[56] *See, e.g.,* POSCO Prehearing Brief at 8.

[57] *See, e.g.,* Hidetoshi Tanaka, *Resources Trend and Use of Direct Reduced Iron in Steelmaking Process*, Kobelco Technology Review No. 33 (Feb. 2015) at 2, attached as **Exhibit 21**

[58] Prehearing Staff Report at I-28.

[59] *Id*. at I-18 [ ].

].[60] Other U.S. producers who have not participated in this investigation [

].[61]

[ ].

During the period of investigation, [

].[62] In fact, during the period of investigation, [

].[63] [

],[64] as does [ ].[65]

In making their argument, respondents seem to be claiming that the use of BOFs to produce steel for grade 1080 wire rod constitutes some sort of bright line between grade 1080 and other products. In fact, as the Commission is well aware, BOFs are used to produce a wide range of steels, from the lowest to the highest grades. [

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60 *See* Statement of [ ], attached as **Exhibit 19**.

61 Hearing Tr. at 46 (Mr. Nystrom).

62 *See* [
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63 [ ].

64 [ ].

65 *See* Prehearing Staff Report at VII-3 and C-7.

].[66]

The arguments of respondents that the production of grade 1080 wire rod for tire cord and tire beads requires the use of a BOF conveniently ignores a key legal distinction and two salient facts. As the Commission has repeatedly found, the domestic industry includes all companies that produce the actual product – in this case, wire rod.[67] A wire rod producer need not melt its own steel to be a member of the domestic industry. Whether a producer purchases billets from a BOF or an EAF is legally irrelevant.

First, respondents state that EAFs cannot be used to produce grade 1080 for tire cord because EAFs use scrap as their primary raw material, and the use of scrap introduces impurities into the steel beyond the levels allowed for grade 1080 for tire cord.[68] Scrap is not the only raw material that can be used in an EAF, however. To the contrary, the staff report notes that EAF producers can use direct reduced iron (DRI), hot-briquetted iron (HBI) or pig iron to meet quality standards for grade 1080, among others.[69] If necessary, EAF producers can use charges of DRI, HBI, or pig iron of 90 percent or more if necessary to satisfy chemistry requirements. This is a common practice in parts of the world where natural gas is cheap and scrap is scarce, such as the

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66 *See* Statement of [ ], attached as **Exhibit 7**.

67 *See* Preliminary Determination at 12-13; *see also, e.g., Certain Corrosion-Resistant Steel Products from China, India, Italy, Korea, and Taiwan,* Inv. Nos. 701-TA-534-537 and 731-TA-1274-1278, USITC Pub. 4620 (July 2016) (Final) ("USITC Pub. 4620") at III-1-III-3 (industry producing corrosion-resistant steel products included firms melting steel, rolling purchased steel, and coating purchased steel, regardless of whether the steel was domestically produced or not).

68 *See, e.g.,* British Steel Prehearing Brief at 21-22. In fact, BOFs commonly include a scrap charge as well, largely for purposes of regulating temperature.

69 *See* Prehearing Staff Report at I-18 n.25.

Middle East,[70] and is the process used by respondents in several countries to produce steel for wire rod.[71]

The second flawed argument of respondents in this regard is to confuse the melting of steel with the rolling of steel. As the staff report makes clear, it is the rolling stage that imparts the wire rod's physical properties."[72] The chemistry of the steel, on the other hand, is determined largely at the melt and ladle stages.[73] A wire rod producer does not necessarily need to produce the steel it rolls into wire rod. To the contrary, it can purchase billets meeting the requirements for many grades, including grade 1080, from another steel producer, and roll them in its own facility.[74] These billets may be made in BOFs or EAFs. Indeed, Nucor has two rolling mills that are not connected to steelmaking facilities, so that all inputs for those mills are brought in as billets, including billets purchased outside the United States.[75]

[

]. In any case, even if the billets were imported, if they are rolled into wire rod in the United States, they would be considered domestic product. Whether those billets were made in an EAF or a BOF, or in the United States or abroad, is legally irrelevant.

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70 *See* Hidetoshi Tanaka, *Resources Trend and Use of Direct Reduced Iron in Steelmaking Process*, Kobelco Technology Review No. 33 (Feb. 2015) at 2, attached as **Exhibit 21**.

71 *See* Prehearing Staff Report at C-3 (showing imports from United Arab Emirates).

72 *Id.* at I-20.

73 *Id*. at I-18-I-19.

74 Hearing Tr. at 46 (Mr. Nystrom).

75 *Id*. at 47 (Mr. Nystrom).

Were the requirement to use a BOF to produce grade 1080 steel as paramount as the arguments of the respondents argue, [

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].[77] [

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f. Domestic producers purchase billets for wire rod production for a number of reasons

The respondents' arguments regarding the need for BOFs to produce grade 1080 wire rod is ultimately rather puzzling. Even if it is true, domestic wire rod producers can and do purchase billets to use in the production of wire rod. As noted above, it is the rolling of the wire rod, not the melting of the steel, that constitutes production of the subject product.[79] Even if domestic producers purchase billets made in BOFs from foreign producers to produce grade 1080 wire rod, that would nonetheless constitute domestic production.

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[76] *See* [ ], attached as **Exhibit 10**; **[**], attached as **Exhibit 23**.

[77] *See* [ ], attached as **Exhibit 8**.

[78] *See* [

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[79] *See* Preliminary Determination at I-13-I-14.

[80] Statement of [ ], attached as **Exhibit 7**.

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].[82] [

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This list alone demonstrates that production of the steel for wire rod in a BOF does not represent any sort of a bright line between grade 1080 for tire cord and bead and other grades of steel used for wire rod. [

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].[84] [

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g. Other high end wire rod products require tightly managed production processes with stringent specifications

81 *See* Statement of [ ], attached as **Exhibit 7**.

82 *See id.*

83 *See id.*

84 *Id.*

85 *Id.*

A number of other high end products require the same tightly managed process and level of cleanliness as tire bead and tire cord. Indeed, at the hearing a representative of the domestic industry identified bearing quality and aircraft quality wire rod as products with exacting specifications, including cleanness and inclusions.[86] A number of other wire rod products require specifications similar to those for grade 1080 wire rod for tire cord and tire bead. The staff report identifies a number of wire rod, including high-carbon, cold-heading quality, and other special quality products, as being "high quality rod products."[87] The staff report notes that music spring wire and tire cord wire both include "{r}estrictive requirements for chemistry, cleanliness, segregation, decarburization, and surface imperfections."[88] Other types of wire rod products also require special characteristics; welding quality, for example, has restrictive characteristics for chemistry, while scrapless nut quality must have internal soundness and good internal quality.[89] This simply emphasizes that each variety of wire rod identified by the Commission has its own requirements, and that those requirements may be as exacting as those for tire cord quality wire rod.[90]

The product specifications of a major foreign producer, POSCO, reveal that stringent chemistry limits are not unique to grade 1080 for tire cord and tire bead. As noted above, the chemistry requirements for grade 1070 are, except for carbon, identical to those for grade 1080.

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86 Hearing Tr. at 93 (Mr. Nystrom).

87 Prehearing Staff Report at I-18 n.25.

88 *Id.* at I-17.

89 *Id.*

90 *See also* Final Scope Memorandum at 15.

Other products sold by POSCO also have chemistry requirements similar to or even more stringent than those for grade 1080 for tire cord and bead, as shown in the following table.[91]

TABLE 2
CHEMICAL SPECIFICATIONS FOR POSCO WIRE ROD PRODUCTS

Product	C	Si	Mn	P	S	Cu
Tire Cord 70S	0.65-0.75	0.15-0.30	0.30-0.60	0.30Max	0.030Max	-
Tire Cord 80S	0.75-0.88	0.15-0.30	0.30-0.60	0.30Max	0.030Max	-
High Carbon Steel for Micro Cable	0.58-0.66	0.10-.030	0.30-0.70	0.020Max	0.020Max	0.020Max
High Carbon for Bridge Cable, Grade 82	0.79-0.86	0.70-1.10	0.60-0.90	0.20Max	0.20Max	0.020Max
Steel for Oil Tempered Wire, Grade 70	0.66-0.71	0.15-0.30	0.85-1.15	0.020Max	0.20Max	0.20Max

As this table shows, none of these other products has the exact same chemistry as grade 1080 for tire cord and bead, which is to be expected with a continuum of products. With respect to some elements, the other products have less strict requirements than for grade 1080 for tire cord and bead, while for other products, the specifications are more stringent. The POSCO specification for grade 1080 wire rod for tire cord, for example, does not contain any limit on copper, while all the other products do. This comparison does not establish that wire rod for tire cord is either harder or easier to make than other products. It simply demonstrates that, contrary to the arguments of the respondents, there is nothing about the chemistry or mechanical properties of grade 1080 wire rod for tire cord and bead that makes it so different from grade 1070, on the one hand, and from the specifications for wire rod for other applications, on the other, that so differentiates it as to require it to be treated as a wholly different like product.

[91] POSCO, *Wire Rod* (2014) at 24, 26, attached as **Exhibit 16**.

The staff report identifies music spring wire as a product with "restrictive requirements" for chemistry, cleanness, and other characteristics. Nucor produces wire rod for music spring wire. The following table compares the requirements for the billets used to produce music spring wire[92] to the specifications for grade 1080 wire rod for tire cord produced by POSCO.[93]

TABLE 3
SPECIFICATIONS FOR GRADE 1080 FOR TIRE CORD AND FOR MUSIC SPRING WIRE

Product	C	Si	Mn	P	S
Grade 1080 for Tire Cord	[				]
Grade 1084 for Music Spring Wire	[				]

In addition, the specification for music spring wire [ ].[94] POSCO grade 1090 for tire cord includes a specification for chromium, but there is no such limit for grade 1080.[95] In terms of chemistry, grade 1084 for music spring wire is [ ] than grade 1080 for wire rod. Yet the respondents have not argued that wire rod for music spring wire is a separate like product as well. This comparison demonstrates once again that wire rod products exist along a continuum, and that grade 1080 and above wire rod for tire cord and tire bead are an integral part of that continuum.

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92 Nucor Billet Specification, Music Spring Quality, attached as **Exhibit 6**.

93 POSCO, *Wire Rod* (2014) at 24, attached as **Exhibit 16**. [ ].

94 Nucor Billet Specification, Music Spring Quality, attached as **Exhibit 6**.

95 POSCO, *Wire Rod* (2014) at 24, attached as **Exhibit 16**.

As noted above, all wire rod, including these specialized products, are made on the same basic equipment, in the same facilities, with the same production workers. As explained in the Prehearing Staff Report,

> Domestic producers manufacture various types of wire rod on essentially the same equipment, in the same facilities, and with the same production personnel. While changes to production processes are limited, changes in chemical composition, alloying elements and other raw materials, stand fittings, and cooling speed determine the quality of the wire rod produced. The basic equipment, machinery, facilities, and production personnel, however, remain the same for the production of industrial quality, tire cord quality, welding quality, and cold heading quality wire rod.[96]

Nucor produces all wire rod using the same equipment.[97] [

], for example.[98] While the precise process used to produce a particular product will differ, the same equipment and personnel are always involved, whether the grade being produced is fairly basic or quite specialized.

3. The Market Conditions for Wire Rod for Tire Cord Are Substantially the Same as in 2002

In the 2002 investigation of steel wire rod from various countries, grade 1080 wire rod used for tire cord and tire bead was excluded from the scope of the investigation at the request of petitioners.[99] There was domestic production of grade 1080 wire rod for tire cord and tire bead at the time of the investigation.[100] Mr. Rosenthal stated at the hearing that this exemption was done

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96 Prehearing Staff Report at I-23.

97 Hearing Tr. at 110 (Mr. Nystrom).

98 *See* Statement of [ ], attached as **Exhibit 19**.

99 *Carbon and Certain Alloy Steel Wire Rod from Canada*, 67 Fed. Reg. 5984, 5986 (Dep't Commerce Feb. 8, 2002) (prelim. affirm. countervailing duty deter.).

100 USITC Pub. 3546 at 8 n.25.

to accommodate certain customers of the domestic industry.[101] Nucor was not a member of the domestic wire rod industry at that time, and did not participate in that investigation. It accordingly defers to the response of Gerdau Steel and Keystone in their Answers to Questions.

a. There have been no significant changes in market conditions for wire rod for tire cord since the original 2002 investigation

Significantly, the petitioners argued in the injury phase of the 2002 investigation that, despite its exclusion from the scope of the Commerce investigation, the Commission should include grade 1080 wire rod for tire cord and tire bead in the definition of the like product.[102] The Commission agreed, stating that

> As a general matter, the record demonstrates no clear demarcation between the various types of wire rod products, but rather indicates a continuum of at least 11 major categories of products, ranging from low carbon wire rod such as industrial wire rod used for nails and coat hangers, to medium to high carbon wire rod, such as that used for tire bead and prestressed concrete strand, to the highest-end products, including CHQ, CSPBIC, and tire cord wire rod. In cases such as the present one, where the domestically manufactured merchandise consists of a broad continuum of similar products, the Commission does not consider each item of merchandise to be a separate domestic like product that is only "like" its counterpart in the scope, but considers the continuum itself to constitute the domestic like product.
>
> As discussed below, we find a single domestic like product consisting of all carbon and certain alloy steel wire rod included within Commerce's scope, and including the grade 1080 tire bead and tire cord quality wire rod that has been excluded from Commerce's scope.[103]

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101 Hearing Tr. at 103 (Mr. Rosenthal).

102 USITC Pub. 3546 at 7.

103 *Id.* at 7-8.

The domestic industry did not request any such exclusion of tire cord or tire bead from the scope of the 2014 investigation of steel wire rod from China.[104] Significantly, no party argued in this proceeding that 1080 wire rod for tire cord was not part of the single like product.[105] The Commission again found that all wire rod, including wire rod for tire cord and tire bead, constituted a single like product.[106] The Commission has accordingly consistently concluded that wire rod represents a single like product, a conclusion it affirmed in its preliminary determination in this investigation.[107]

b. There is no evidence in the record that specifications for wire rod for tire cord have become more stringent over time

The respondents also argue that the trend towards larger tires has increased demand for higher strength wire rod, such as grade 1080.[108] While this might explain relative changes in demand for various grades of wire rod, it does not explain why grade 1080 is so different from grades 1070 and lower as to constitute a separate like product. To the contrary, this simply reflect a move along the continuum of wire rod products, as reflected in Mr. Cameron's description of this development as an "evolution."[109]

As explained above, the respondents have argued for a purely artificial distinction between grade 1080 and above wire rod and the lower grades used for tire cord and bead. However, their claim that specifications have become more stringent over time is misplaced. In the first place, the

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104 USITC Pub. 4509 at I-23.

105 *Id.* at 6.

106 *Id.* at 5-6, I-23 – I-24.

107 Preliminary Determination at 8.

108 Hearing Tr. at 220-21 (Mr. Cameron).

109 *Id.* at 221 (Mr. Cameron).

more stringent specifications applied to *tires*, not to tire cord or beads.[110] The more stringent standards apparently encouraged (though they did not require) the use of tire cord with a higher tensile strength, resulting in at least some shift from lower to higher carbon content wire rod, the standards for the tire cord itself did not change.

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These specifications for higher grades are not recent. The Commission explicitly referenced grade 1090 wire rod for tire cord in both its 2002 and 2008 determinations.[113] Some purchasers and suppliers [ ] well before 2002.

[

].[114] [ ] published specifications for wire rod for tire cord with a carbon content of up to 0.96 percent in 1995.[115] Specifications for wire rod for tire cord requiring elevated levels of carbon are not new, and certainly do not establish that those grades represent the creation of a product separate from all other tire cord.

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110 *See id.* at 171 (Mr. Norberg).

111 [

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112 [ ].

113 USITC Pub. 3546 at 8; USITC Pub. 3832 at 9.

114 *See* [ ].

115 Specifications for Steel Cord Above 1080 Prior to 2002, attached as **Exhibit 25**.

4. [ ]

[ ] – produced wire rod for tire cord and tire bead during the period of investigation.[116] [ ] – produced grade 1080 and above.[117] [ ].[118]

It is important to note that [ ].[119] Over the period of investigation, the domestic industry supplied between [ ] of apparent consumption of grade 1080 and higher wire rod for tire cord and bead.[120] This directly refutes the respondents' claims that the domestic industry is not capable of producing grade 1080 for tire cord and tire bead in commercial quantities.[121]

As the staff report shows, the domestic industry has [ ] to make grade 1080 and above. As explained above, the domestic industry uses the same equipment, facilities, machinery, and personnel to make grade 1080 that it uses to make other wire rod products.[122] The staff report indicates that, with respect to potential production of grade 1080 and above for tire cord and tire bead, the domestic industry used [ ] of the capacity available to make this product.[123]

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116 Prehearing Staff Report at I-28.

117 *Id.*

118 *See* Statement of [ ], attached as **Exhibit 19**.

119 Prehearing Staff Report at I-28.

120 *Id.* at C-6.

121 *See, e.g.,* POSCO Prehearing Brief at 1; AWPA Prehearing Brief at 2; British Steel Prehearing Brief at 3.

122 Prehearing Staff Report at I-23.

123 *Id.* at C-7.

[

]124 In addition, [

]125 [

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The respondents argue that grade 1080 and above wire rod commands a substantial price premium. They argue further that, given the price premium for this product, that the domestic producers are not making it shows that they are incapable of doing so.126 The record disproves this argument. [

124 *See* Statement of [ ], attached as **Exhibit 19**.

125 Statement of [ ], attached as **Exhibit 7**.

126 *See* British Steel Prehearing Brief at 28.

].[127] [

].[128] Even if prices for grade 1080 wire rod for tire cord and bead were above those of some other wire rod products, these higher prices did not differentiate grade 1080 from other products of similar quality.

The respondents' argument that the alleged failure of the domestic industry to produce grade 1080, despite the supposed price premium, ignores another obvious fact. [

].[129]

The domestic wire rod industry did not make more grade 1080 for tire cord in part because dumped and subsidized imports had pushed prices for that product so low that the industry could not make a profit on it. It is this, rather than the domestic industry's inability to produce the product to specifications, that explains why the domestic industry did not make more grade 1080 wire rod for tire cord.

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127 *See* Prehearing Staff Report at C-7 and C-9.

128 *See id.* at C-7, V-20.

129 *See id.* at C-7, C-9.

II. NEGLIGIBILITY AND INJURY ANALYSIS FOR TIRE CORD AND BEAD

COMMISSIONER BROADBENT (Hearing Tr. at 105): If we were to split the products and find that there is a separate like product for tire cord and bead, based on the data that we collected, and the fact that non-subject gained market share in that market, U.S. lost, but so did subject, do you think the record would support an affirmative determination if we were to find separate like products?

COMMISSIONER BROADBENT (Hearing Tr. at 106): Maybe Mr. Price, do you have any view of whether or not the record would support an affirmative?

As explained above, there is no evidence whatsoever supporting the assertion that grade 1080 and above wire rod used for tire cord and tire bead is a separate like product. To the contrary, the evidence of record definitively establishes that wire rod encompasses a continuum of products, and that wire rod for tire cord and tire bead are only one part of the continuum. If the Commission does treat grade 1080 wire rod for tire cord and bead as a separate like product, it should not find that imports from any country were negligible. While the record with respect to injury does not contain the information needed for a fully informed determination by the Commission, it is sufficient to support a finding of material injury or material retardation.

A. IF THE COMMISSION WERE TO SEPARATE GRADE 1080 WIRE ROD FOR TIRE CORD AND BEAD AS A SEPARATE PRODUCT, IT SHOULD NOT TREAT ANY IMPORTS AS NEGLIGIBLE

If the Commission separated 1080 TB/TC wire rod as a separate domestic like product, the agency should find that no country is negligible. In its Prehearing Brief, British Steel makes an untimely argument that imports of non-tire cord and tire bead wire rod from the U.K. are negligible if the Commission determines that 1080 TB/TC wire rod is a separate like product.[130] British

[130] *See* British Steel Prehearing Brief at 29-34.

Steel's failure to raise this issue in its comments on draft questionnaires prevented the Commission from collecting monthly import data on 1080 TB/TC wire rod and renders this issue moot. The Commission recently rejected untimely like product arguments based on a similar set of facts. For example, in *Aluminum Extrusions from China*, the Commission found:

> **The Commission's rules require parties to identify "{a}ll requests for collecting new information," such as requests to collect data on proposed domestic like products, at the time they submit their comments on the draft questionnaires**. Electrolux failed to identify any possible product manufactured domestically that was "most similar in characteristics and uses" with the subject kitchen appliance components, **let alone make such an argument on a timely basis by the time of its comments on the draft questionnaires.** After reviewing the parties' comments and staff recommendations, the Commission approved the issuance of questionnaires on October 31, 2016 that did not include domestic like product questions or separate trade or financial data tables for kitchen appliance components. Thus, we reject Electrolux's request to define kitchen appliance components as a separate domestic like product based on Electrolux's own statements that there is no domestic production of kitchen appliance components and Electrolux's failure to identify on a timely basis any "most similar" merchandise manufactured domestically on which the Commission could base its data collection efforts.[131]

Because British Steel and other respondents failed to raise timely any potential negligibility issues in their comments on draft questionnaires,[132] the Commission should reject British Steel's negligibility argument.

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131 *See Certain Aluminum Extrusions from China*, Inv. Nos. 701-TA-475 and 731-TA-1177, USITC Pub. 4677 (Mar. 2017) (Review) at 13-14 (citations omitted) (emphasis added).

132 *See generally*, Letter from Steptoe & Johnson LLP to Sec'y Int'l Trade Comm'n, re: *Carbon and Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom: Comments on Draft Questionnaires* (June 30, 2017); Letter from Trade Pacific to Sec'y Int'l Trade Comm'n, re: *Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom: Comments on Draft Questionnaires* (June 30, 2017); Letter from Morris, Manning & Martin, LLP, to Sec'y Int'l Trade Comm'n, re: *Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom, Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358 (Final): Comments on Draft Questionnaires* (June 30, 2017); Letter from White & Case LLP to Sec'y Int'l Trade Comm'n, re: *Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom Investigation Nos. 701-TA-573-574 and 731-TA-1349-1358 (Final): Comments on Draft Questionnaires* (June 30, 2017).

Nevertheless, the U.S. Harmonized Tariff Schedule ("HTSUS") information that British Steel relies upon to make its domestic like product and negligibility argument is flawed. In its Prehearing Brief, British Steel calculated its market share based on the tire cord specification in the HTSUS, which is not specific to 1080 TB/TC wire rod. The HTSUS defines tire cord wire rod as:

> Rod measuring 5.0 mm or more but not more than 6.0 mm in cross-sectional diameter, with an average partial decarburization of no more than 70 micrometers in depth (maximum 200 micrometers); having no non-deformable inclusions with a thickness (measured perpendicular to the rolling direction) greater than 20 micrometers; and, containing by weight the following elements in proportions:
>
> – 0.68 percent or more carbon,
> – less than 0.01 percent of aluminum,
> – 0.040 percent or less, in aggregate, of phosphorus and sulfur,
> – 0.008 percent or less of nitrogen, and
> – not more than 0.55 percent, in the aggregate, of copper, nickel and chromium.[133]

The respondents have emphatically argued that only 1080 and above TB/TC wire rod should be characterized as a separate like product, but the HTSUS tire cord subheading does not delineate subject product and 1080 TB/TC wire rod.

Additionally, the quantities reported under the HTSUS conflict with the reported shipments of 1080 TB/TC wire rod. For instance, [ ] tons of 1080 TB/TC wire rod to the United States but there are [ ] under the TB/TC wire rod subheading in 2016.[134] Similarly, [ ] tons of wire rod to the United States but [ ] were classified under the TB/TC wire rod subheading.[135] On the other hand, the HTSUS [

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133 *See* HTSUS Chapter 72 Statistical Notes Excerpts, attached as **Exhibit 26**.

134 *See* [ ].

135 *See* [ ].

][136] but import statistics show exports of [ ]. As such, the HTSUS data is not reasonable approximation of the volume of TB/TC wire rod entering the United States, let alone the subcategory of 1080 TB/TC wire rod. The discrepancies in the import data underscore the fact that even subject producers' own importers do not know where to draw the line between 1080 TB/TC wire rod and all other wire rod products.

Moreover, the HTSUS data does not correspond to U.S. importer data regarding non-subject imports. For instance, in 2016, U.S. importers reported bringing in [ ] tons of non-subject 1080 TB/TC wire rod,[137] but official import statistics show that [ ] tons non-subject 1080 TB/TC imports entered the United States under the TB/TC subheading.

The HTSUS data also does not separate basic oxygen furnace ("BOF") production for 1080 TB/TC wire rod and electric arc furnace ("EAF") production. The crux of respondents' like product argument is that U.S. producers cannot produce 1080 TB/TC because they do not utilize BOF technology.[138] As explained above, this argument is without merit. But if the Commission were to accept this argument, then all EAF production of 1080 TB/TC wire rod from Spain should be excluded from the Commission's negligibility volume analysis, and imports from countries below the three percent threshold would collectively account for more than seven percent of total imports, even under British Steel's flawed calculation. As such, British Steel's negligibility arguments fail.

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136 *See* [ ]. *See also* [ ].

137 *See* U.K. Negligibility Analysis, attached as **Exhibit 27**.

138 *See* Preliminary Determination at 9-10.

Given the discrepancies regarding the actual volume of 1080 TB/TC wire rod, and that subject producers can [ ],[139] the import statistics for all wire rod represent the best available information. As described in Nucor's Pre-Hearing Brief, this information demonstrates that no subject country's imports should be treated as negligible.

Even if the Commission used British Steel's flawed calculations on tire cord and tire bead, the Commission should still find that imports of non-tire cord and tire bead wire rod from U.K. are likely to imminently exceed the negligibility threshold. During the negligibility period (*i.e.* March 2016 to February 2017), imports of wire rod from the U.K. excluding the TB/TC HTSUS subheading [ ].[140] Further, imports from the U.K. account for the [ ] percent of the arranged subject imports over the next year.[141] And even after Commerce imposed preliminary duties, British imports account for [ ] percent of total arranged imports in Q4 2017, [ ].[142] Moreover, British producers reported [ ] short tons in 2016.[143] Given that British producers reported [ ], these producers will simply shift production to any rod product not under order.[144] As imports from the U.K. continued to pour into the United States after the

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139 *See e.g.*, [ ].

140 *See* U.K. Negligibility Analysis, attached as **Exhibit 27**.

141 *See* Prehearing Staff Report at VII-71 (Table VII-39).

142 *Id.*

143 See Letter from Wiley Rein LLP to Sec'y Int'l Trade Comm'n re: *Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom: Nucor Corporation's Prehearing Brief* (Nov. 9, 2017) ("Nucor Prehearing Brief") at 45.

144 *See* [ ].

imposition of the orders, the Commission should find that British imports are likely to imminently exceed the negligibility threshold.

B. IF THE COMMISSION WERE TO TREAT GRADE 1080 WIRE ROD FOR A TIRE CORD AS A SEPARATE LIKE PRODUCT, THE INFORMATION OF RECORD SUPPORTS A FINDING THAT THE DOMESTIC INDUSTRY HAS SUFFERED INJURY BY REASON OF THE SUBJECT IMPORTS

The Commission does not have the information that would be necessary to make a fully informed injury finding regarding grade 1080 and above wire rod for tire cord and tire bead. Any such determination would require defining the like product, and the Commission would need to address the issue of why the like product would only be grade 1080 and above, rather than all wire rod for tire cord and tire bead. Obviously, this issue has not been addressed in this investigation.

The ability of the Commission to perform any analysis of price effects in a separate injury determination is also severely limited. The Commission did not collect any pricing product information for wire rod used for tire cord or tire bead, rendering a meaningful underselling analysis difficult. In addition, as discussed in detail above, because of the manner in which the respondents requested that the Commission collect data regarding grade 1080, the Commission does not have any data that would allow it to perform a valid analysis of negligibility, were grade 1080 treated as a separate like product. The Commission has no reason to consider any of these issues, though, because the record definitively confirms the Commission's repeated conclusion that wire rod represents a single like product, and that wire rod for tire cord and tire bead are part of that like product.

1. Subject Imports of Grade 1080 and Above Wire Rod for Tire Cord and Bead Have Caused Material Injury to the Domestic Industry

In response to Commissioner Broadbent's question, the record contains information showing that, if grade 1080 and above wire rod for tire cord and bead were treated as a separate like product, the domestic industry suffered material injury by reason of the subject imports.[145] The record supports such a finding with respect to each prong of the injury requirement.

Volume of imports. Subject imports of grade 1080 and above wire rod for tire cord and bead [ ].[146] Subject imports [ ],[147] although [ ].[148]

Price effects. As noted above, the Commission did not include any wire rod for tire cord or bead in its pricing products. It accordingly lacks the information necessary for a detailed underselling analysis. Comparison of the average unit values of subject imports to those for the domestic product shows that [ ].[149] Nucor's Posthearing Brief contains a detailed discussion of [ ].[150]

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145 *See* Hearing Tr. at 105 (Commissioner Broadbent).

146 Prehearing Staff Report at C-7.

147 *Id.* at C-7.

148 *See* Nucor Posthearing Brief at 6-7.

149 Prehearing Staff Report at C-7.

150 *See* Nucor Posthearing Brief at 6-7.

Injury to the domestic industry. The record establishes that the portion of the domestic wire rod industry producing grade 1080 wire rod for tire cord and bead also suffered injury during the period of investigation. [

].[151] The domestic industry's market share [

].[152] Again, much of this [

]. The domestic industry's average unit values [ ].[153] [

].[154]

[

].[155] Other financial indicators, including the number of workers, hours worked, and capital expenditures, also showed [

].[156]

The industry's [

]. As Commissioner Broadbent noted, non-subject imports also played a role in the market. Any attempt to distinguish the impact of subject imports from those of non-subject imports would

151 Prehearing Staff Report at C-6, C-7.

152 *Id.* at C-6.

153 *Id.* at C-7.

154 *Id.*

155 *Id.*

156 *See id.*

require significantly more information than the Commission has collected. On the basis of the record before it, though, the Commission can conclude that, even if it were to consider the portion of the domestic industry producing grade 1080 wire rod for tire cord and bead separately, the performance of that portion of the industry supports a finding of injury by reason of the subject imports.

2. The Record Also Contains Evidence of Material Retardation by Reason of the Subject Imports

As well as injury or threat of injury, the Commission is also directed to determine whether "the establishment of an industry in the United States is materially retarded" by reason of the subject imports.[157] The respondents argue that the that the domestic wire rod industry is incapable of supplying the U.S. market with grade 1080 and higher wire rod for tire cord and bead at all, or at least in commercial quantities.[158] [

]. In addition, [ ] produce some grade 1080 wire rod. As the respondents themselves stress, the U.S. producers currently account for [

].[159] If it were to find, against the weight of all evidence and its repeated previous determinations, that grade 1080 wire rod for tire cord represents a separate like product, and were it to determine that the domestic industry has not suffered material injury by reason of the subject imports, the Commission should nonetheless find that the sale of dumped and subsidized grade 1080 wire rod in the U.S. market has materially retarded the establishment of a U.S. industry making that product. As shown above, [

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157 19 U.S.C. § 1671; 19 U.S.C. § 1673.

158 *See* British Steel Prehearing Brief at 3; AWPA Prehearing Brief at 2; POSCO Prehearing Brief at 11-12.

159 Prehearing Staff Report at C-6.

]. Without relief from the adverse effects of dumped and subsidized imports, [ ], preventing the establishment of the industry that the respondents deny currently exists.

NEGLIGIBILITY

VICE CHAIRMAN JOHANSON (Hearing Tr. at 134): The Italian respondent has argued that subject imports from Italy are negligible, that the statutory exception to negligibility does not apply to Italian imports in this investigation, and that there's no potential that subject imports from Italy will imminently exceed three percent of total imports, and this can be seen in Ferrier Nord's brief at page one. Could you all please respond to these arguments, either now or in your post-hearing brief?

As the Commission found in its preliminary determination, "subject imports from Italy in the countervailing duty investigation are not negligible for purposes of {the} analysis of reasonable indication of threat of material injury."[160] The final phase record clearly demonstrates that Italian imports satisfy the statutory exception to negligibility, which requires that the Commission "shall not treat imports as negligible if it determines that there is a potential that imports from a country . . . will imminently account for more than 3 percent of the volume of all such merchandise imported into the United States . . . ."[161] The most probative indicator of whether Italian imports have the potential to "imminently exceed" the negligibility threshold, is whether Italian imports, in fact, exceeded the three percent threshold in a 12-month period after the petitions were filed. Official import statistics show that wire rod from Italy eclipsed the 3 percent threshold in April 2017, accounting for 3.2 percent of total imports, from March 2016-April 2017.[162] And in the first four months of 2017, which represents 99 percent of all wire rod shipped from Italy, imports of Italian wire rod import accounted for 5.7 percent of total imports.[163]

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160 *See* Preliminary Determination at 17.

161 *See* 19 U.S.C. § 1677(24)(A)(iv).

162 *See* Prehearing Staff Report at IV-22 – IV-24 (Table IV-11); *see also id.* at IV-21 - IV-22 (Table IV-11).

163 *See id.* at IV-21 - IV-22 (Table IV-11).

In addition to record evidence that confirms Italian imports exceeded the negligibility threshold, the Commission has analyzed the country's share of total imports using a shorter period that begins when such imports started to accelerate.[164] In its preliminary determination, the Commission found that:

> The record indicates that imports from Italy accounted for less than 0.5 percent of total imports until August 2016 when the volume of imports from Italy began to increase. For the seven-month period beginning in August 2016 through February 2017, imports from Italy accounted for 4.4 percent of total imports; these subject imports from Italy increased on a monthly basis throughout the negligibility period. We also observe that subject imports from Italy account for [ ] percent of all reported arranged imports for the second quarter of 2017. In light of the recent upward trend of subject imports from Italy as a percentage of total imports, we find that subject imports from Italy have the potential imminently to exceed the 3 percent negligibility threshold for purposes of determining threat of material injury.[165]

The Commission has also examined additional factors to determine whether imports will imminently exceed the 3 percent threshold, including market penetration, share of total imports during the POI, and absolute and relative excess production capacity.[166] Italy's wire rod production capacity is massive and Italian producers have substantial excess and divertible capacity.

Italian producers' production capacity has [ ] over the last three years and it totaled [ ] short tons in 2016, equal to [ ] percent of production capacity in 2016 reported by responding U.S. producers and [ ] percent of total production capacity in 2016 for all responding foreign producers.[167] Excess and divertible production capacity in Italy, while

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164 *See* Preliminary Determination at 17.

165 *See id.*

166 *See*, *e.g.*, *Certain Steel Concrete Reinforcing Bars From Belarus, China, Korea, Latvia, and Moldova*, Inv. Nos. 731-TA-873-874 and 877-879, USITC Pub. 3440 (July 2001) (Final) at 10-11.

167 Prehearing Staff Report at VII-11 (Table VII-5), C-3 (Table C-1), VII-67 (Table VII-36).

remaining constant over the last few years, has been similarly extensive, with [

].[168] This was equal to [

], and enough to cover [

].[169]

Ample evidence also suggests that Italian producers of the subject product are investing to expand production capacity.[170] Over the last few years, Italian producers have [

].[171] Most recently, [

].[172] Additionally, earlier this year, [

].[173]

Unsurprisingly, responding Italian producers [

].[174]

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168 Petitioner defines excess and divertible capacity as the sum of exports to other countries, unused capacity, and ending inventories. *See id.* at VII-11 (Table VII-5).

169 *See id.* at C-4 (Table C-1), C-5 (Table C-2).

170 *See* Information on Foreign Subject Producers and CASWR Industries in the Subject Countries, attached as Exhibit I-15, Attachment 2 (Italy) to Letter from Kelley Drye & Warren LLP and Wiley Rein LLP to Sec'y of Commerce and Sec'y of U.S. Int'l Trade Comm'n, re *Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, the Republic of South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom - Petitions for the Imposition of Antidumping and Countervailing Duties* (Mar. 28, 2017) ("Petition"), Volume I.

171 *See id.*

172 [ ], attached as Exhibit 2A to Letter from Wiley Rein LLP to Sec'y Int'l Trade Comm'n re: *Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom: Nucor Corporation's Post-Conference Brief and Answers to Staff Questions* (Apr. 21, 2017) ("Nucor Post-Conference Brief"); [ ], attached as Exhibit 2B to Nucor Post-Conference Brief.

173 [ ], attached as Exhibit 3 to Nucor Prehearing Brief.

174 Prehearing Staff Report at VII-10-VII-11 (Table VII-5).

Additionally, Commerce has found that the Italian government provides CASWR producers with a number of significant countervailable export subsidies to encourage the exportation of Italian CASWR to the United States.[175] Specifically, Commerce found that Italian government provides export credit subsidies to Italian producers to support and encourage the exportation of metallurgical products like CASWR.[176] Further, the Italian government provides a range of electricity subsidies to its CASWR producers, which ultimately allow the subject producers to maintain and increase production.[177] Consequently, the subsidies provided by the Italian government allowed subsidized Italian imports to exceed the three-percent negligibility threshold.

Further, for purposes of the Commission's threat analysis, the agency has consistently cumulated imports from countries that will imminently exceed the negligibility threshold with all other subject imports.[178] The record demonstrates that there is a reasonable overlap of competition between all subject imports eligible for cumulation and between imports from each of these subject countries and the domestic like product. In fact, as Mr. Stauffer conceded at the Commission Hearing:

> Clearly, the Italians are competing with the Ukrainians, and the Ukrainians are competing with the Russians. . . . {T}his is a fungible product across the world.

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175 *See* Preliminary Decision Memorandum accompanying *Carbon and Alloy Steel Wire Rod From Italy*, 82 Fed. Reg. 41,931 (Dep't Commerce Sept. 5, 2017) (prelim. affirm. countervailing duty deter.).

176 *See id.* at Appendix.

177 *See id.* at 13-14, 18, Appendix.

178 *See Cold-Rolled Steel from Brazil, India, Korea, Russia, and the United Kingdom*, Inv. Nos. 701-TA-540, 542-544 and 731-TA-1283, 1285, 1287, and 1289-1290, USITC Pub. 4637 (Sept. 2016) (Final) at 23-25 (cumulating imports from India that were imminently likely to exceed the negligibility threshold with all other subject imports); *Certain Oil Country Tubular Goods from India, Korea, the Philippines, Taiwan, Thailand, Turkey, Ukraine, and Vietnam*, Inv. Nos. 701-TA-499-500 and 731-TA-1215-1217 and 1219-1223, USITC Pub. 4489 (Sept. 2014) (Final) at 50-51 (cumulating imports from Taiwan that were imminently likely to exceed the negligibility threshold with all other subject imports).

> Everybody can make it. So if you have an opportunity to export it, you will enter the global market and you'll have to be competitive to do that.[179]

Accordingly, Italian wire rod imports are not negligible for purposes of the agency's threat analysis and for the reasons discussed in Nucor's Prehearing Brief,[180] the Commission should find that subject imports, including those from Italy, threaten the domestic industry with further material injury.

Finally, while the record and import data does not support such a finding, British Steel argues that if the Commission separates 1080 TB/TC wire rod as a separate domestic like product, that Italian imports would not be negligible.[181] As explained above and in Answers to Commissioners' Questions, British Steel's negligibility arguments are without merit and should be rejected as the data is so flawed that it is unusable since the respondents did not request that the Commission collect data for a negligibility calculation for an alternate like product. Instead, the Commission should rely on data for all wire rod as the facts available if the Commission were to find that 1080 and above TB/TC wire rod were a separate like product.

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179 Hearing Tr. at 190-91 (Mr. Stauffer).

180 *See* Nucor Prehearing Brief at 15-58.

181 *See* British Steel Prehearing Brief at 21-22.

III. SUBJECT IMPORTS AND THE 2015 ORDER AGAINST CHINA

COMMISSIONER BROADBENT (Hearing Tr. at 65): And which year are you talking about? {Addressing Mr. Price, who noted, "{t}here was a huge volume of imports switched from domestic producers to imports because of price."}

COMMISSIONER BROADBENT (Hearing Tr. at 66): But they're basically shifting from buying from China to buying from the subject countries?

COMMISSIONER BROADBENT (Hearing Tr. at 71): So when the Chinese competition stopped as a result of the order, you tried to make sales but those purchasers went to the new subject imports?

COMMISSIONER BROADBENT (Hearing Tr. at 95): Does that account for the decline in the Chinese imports and - I'm just trying to figure out what's going on with the domestic industry in the face of decline in Chinese imports and increase in subject imports.

COMMISSIONER WILLIAMSON (Hearing Tr. at 123): {D}o the remaining domestic producers have the ability to supply the U.S. market after imports from China left the market and ArcelorMittal and Republic closed their wire rod mills? Should I assume the answer is yes?

COMMISSIONER WILLIAMSON (Hearing Tr. at 123): Have any of you been unable to supply wire rod to customers, have been unable to supply it within the time frames requested by a potential customer?

This case represents a one-two punch.[182] The first blow came from China, and it was recognized by the Commission in January 2015, when the agency found that the U.S. wire rod industry was being materially injured by a massive surge of imports from China.[183] Chinese imports had surged from 144 short tons in 2011 to 618,790 short tons in 2013, at the direct expense of the domestic industry.[184] In rapid succession, the second blow came from the countries subject to this investigation. According to the Prehearing Staff Report, as the first punch from China receded following the imposition of an order in 2015, subject imports rapidly increased to 701,654

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182 *See* Hearing Tr. at 20 (Mr. Price).

183 *See* USITC Pub. 4509 at 1.

184 *Id.* at 15.

short tons in 2016.[185] Subject imports' market share increased, while U.S. producers' market continued to decline.[186]

Any breathing room that the 2015 order could have provided the U.S. wire rod industry was immediately stolen by dumped and subsidized imports from the ten subject countries. Unfairly priced imports from these ten countries surged into the U.S. market, and did so at even higher levels than Chinese imports before them. In 2016, subject imports reached 701,654 short tons,[187] and their market share rose from 10.2 percent in 2014 to 16.5 percent in 2016, as domestic producers' U.S. shipments, market share, production and capacity levels, and numerous financial indicators, all declined.[188] To a great degree, these imports inflicted even more damage on the U.S. industry than Chinese imports had done. In fact, the domestic industry's investigation period and interim profits are both significantly below the 7 percent operating profit levels that existed in 2011, before the one-two punch, and are now at [ ] percent.[189] Moreover, after the first blow from Chinese imports, the market share held by the domestic industry fell from 70.1 percent in 2011 to 60.3 percent in 2013,[190] and during the second blow, domestic market share has further decreased to [ ] percent in interim 2017.[191]

In the preliminary phase of this investigation, respondents raised an odd, illogical, and meritless claim that subject import volumes in this investigation were not significant because they

185 *See* Prehearing Staff Report at C-4 (Table C-1).

186 *See id.* at C-3 (Table C-1).

187 *Id.* at C-4 (Table C-1).

188 *See id.* at C-5 (Table C-2).

189 *See id.*

190 USITC Pub. 4509 at IV-18 (Table IV-8).

191 *See* Prehearing Staff Report at C-5 (Table C-2).

merely replaced other dumped and subsidized imports from China and returned to their pre-Chinese surge levels.[192] In response, the Commission flatly rejected this argument, stating that:

> {T}his argument is not relevant in the context of our statutory inquiry, which concerns whether subject import volume or the increase in that volume – and not total import volume – is significant. Moreover as discussed above . . . , cumulated subject imports competed directly with domestically produced wire rod during the period of investigation. Indeed, subject imports did not merely replace nonsubject imports from China, they also took market share from the domestic industry in the merchant market where the products competed.193

As such, the Commission found that "the volume of cumulated subject imports from Belarus, Italy, Korea, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom and the increase in that volume are significant both in absolute terms and relative to consumption in the United States."[194]

In their prehearing briefs and during the hearing, Turkish and British respondents have again raised the same argument. The Turkish respondents again argue that subject imports "merely replaced some non-subject sources during the POI,"[195] and British Steel similarly argues that subject imports only took volume from non-subject imports, adding a baffling assertion that "U.S. producers captured a larger share of the decline in Chinese imports than would have been expected . . . ."[196] However, as in the preliminary phase of this investigation, the Commission should again reject the respondents' argument.

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192 *See* Preliminary Determination at 31.

193 *Id.* (internal citations omitted).

194 *Id.*

195 *See* Letter from Arent Fox LLP to Sec'y Int'l Trade Comm'n re: *Carbon and Certain Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and the United Kingdom Inv. Nos. 701-TA-573-574 and 731-A-1349-1358 (Final): Turkish Exporters' & Producers' Pre-Hearing Brief* (Nov. 9, 2017) ("Turkish Exporters and Producers Prehearing Brief") at 15; *see also id.* at 13-15.

196 *See* British Steel Prehearing Brief at 2; *see also id.* at 18-20.

As in the preliminary phase of this investigation, the statutory inquiry before the Commission "concerns whether subject import volume or the increase in that volume – and not total import volume – is significant."[197] The Prehearing Staff Report confirms that subject import volumes were large and increasing. Subject imports of wire rod pummeled the U.S. market during the period of investigation, with almost 2.4 million short tons entering the United States from 2014 through September 2017.[198] In a [

], this volume was significant.[199] From 2014 to 2016 alone, subject imports totaled over 1.8 million short tons.[200] Subject imports also increased significantly during the investigation period, from 449,609 short tons in 2014 to 701,654 short tons in 2016, representing a staggering 56.1 percent increase.[201]

Likewise, as was the case during the preliminary phase, "cumulated subject imports {during the period of investigation} competed directly with domestically produced wire rod during the period of investigation."[202] The record in this investigation confirms that producers in all subject countries primarily sell standard quality wire rod that competes with the domestic like product on a daily basis.[203] As the Prehearing Staff Report states, "almost all U.S. producers stated that domestically wire rod is 'always' interchangeable with product from subject countries," and

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197 *See* Preliminary Determination at 31 (internal citation omitted); Section 771(7)(C)(i) of the Tariff Act of 1930, *codified as amended at* 19 U.S.C. § 1677(7)(C)(i) (providing that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant").

198 *See* Prehearing Staff Report at C-4 (Table C-1). That is, 449,609 (2014) + 671,866 (2015) + 701,654 (2016) + 543,592 (Jan. – Sept. 2017) = 2,366,721 short tons.

199 *See id.* at C-3 (Table C-1).

200 *See id.*

201 *See id.* at C-4 (Table C-1).

202 *See* Preliminary Determination at 31.

203 *See* Nucor Prehearing Brief at 5-6.

"importers and purchasers generally reported that U.S.-produced wire rod is 'frequently' interchangeable with that from subject countries."[204] That subject producers compete directly with domestic wire rod producers is further confirmed by the [ ] short tons of wire rod that responding U.S. purchasers have reported shifting from U.S. producers to subject imports on the basis of price.[205] Given that this is an approximately [ ], the volume that responding U.S. purchasers alone have reported switching from domestic product to subject imports – which is necessarily an understated number – is significant.[206] Notably, in *Corrosion-Resistant Steel Products*, the Commission found that a shift of 259,000 short tons in an approximately 20 million short ton market contributed to a finding of significant underselling and price effects (*i.e.*, [ ].[207]

In addition, both in the total market and merchant market where subject imports and the domestic like product compete, U.S. producers' market share declined as subject import market share increased over the investigation and interim periods.[208] This confirms that dumped and subsidized subject imports stole market share from the domestic industry. While U.S. producers' market share was already depressed from first wave of subject imports and did not return to the domestic industry upon imposition of the orders,[209] U.S. producers' market share nevertheless continued to decrease during the POI, and financial indicators declined, as unfairly traded subject imports surged into the U.S. market and undersold the domestic like product in approximately [ ]

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204 *See* Prehearing Staff Report at II-31.

205 *See id.* at V-37 (Table V-13).

206 *See id.* at C-3 (Table C-1).

207 *See* USITC Pub. 4620 at 27, V-26, C-3 (Table C-1).

208 *See* Prehearing Staff Report at C-3 - C-4 (Table C-1), C-5 (Table C-2).

209 *See* USITC Pub. 4509 at 15.

percent of comparisons.[210] Accordingly, the record in this investigation confirms that, as the Commission found in its preliminary determination, "subject imports did not merely replace nonsubject imports from China, they also took market share from the domestic industry in the merchant market where the products competed."[211] Consequently, the Commission should continue to reject the respondents' claim.

In its prehearing brief, British Steel argues that "{t}he Commission has frequently dealt with cases where non-subject imports have declined during the POI, at the same time that subject imports have increased," and argues that on this basis, the Commission should find that subject import volume did not injure the domestic industry.[212] However, British Steel's argument rests heavily on the improper removal of ArcelorMittal's and Republic's data from the Commission's analysis.[213] As Petitioners explain in a separate Answer to Commissioners Questions, ArcelorMittal's and Republic's data is properly included in U.S. industry data, and there is no reason to exclude it, particularly in light of contemporaneous evidence, news articles, and statements from the companies themselves that demonstrate that both companies were forced to shut down due to unfairly traded imports. In the separate Answer, Petitioners also demonstrate the egregious (and misleading) mathematical flaw in British Steel's data modifications (*i.e.*, that they have removed ArcelorMittal's data from the numerator but not from the denominator in their

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210 Spanish Producers' Underselling Analysis, attached as **Exhibit 13**; *see also* Prehearing Staff Report at V-29, C-3 – C-4 (Table C-1).

211 *See* Preliminary Determination at 31.

212 British Steel Prehearing Brief at 18; *id.* at 18-19.

213 *See id.* at 19 ("Since shipments by the U.S. industry (excluding Arcelor Mittal and Republic, whose exits from the industry were not caused by subject imports, as discussed above in Section III) increased over the POI, the conclusion is inescapable that subject imports' increase came at the expense of non-subject imports, not at the expense of the domestic industry." (emphasis added)).

proposed data modification).[214] Further, British Steel's entire argument fails to consider the significant evidence of price suppression and depression on the record, including high underselling rates and margins and [ ] wire rod shifted from domestic to import sources, as well as the declining conditions of the domestic industry as subject imports increased.[215]

British Steel also claims that the Commission "considered almost the same volume and market share fact pattern as that presented here, and reached a unanimous negative determination" in *Certain Carbon Steel Butt-Weld Pipe Fittings from France, India, Israel, Malaysia, the Republic of Korea, Thailand, the United Kingdom, and Venezuela*.[216] However, that determination is inapposite. As an initial matter, while "U.S. producers' merchant market shipments and merchant market shares" increased during the POI in *Carbon Steel Butt-Weld Pipe Fittings*, the same is not true here. As the Prehearing Staff Report shows, and explained above, U.S. producers' total and merchant market shipments declined over the investigation period.[217] Indeed, it appears that British Steel's assertion that domestic producers' shipments increased again only relies on British Steel's baseless and erroneous mutation of U.S. producers' data to remove ArcelorMittal's and Republic's information.[218] However, as Petitioners have already explained, ArcelorMittal's and Republic's data are properly included in the data for the entire U.S. industry, and there is no reason to exclude them.

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214 *See* Analysis of British Steel's Alternative Market Share Calculations, attached as **Exhibit 28**; British Steel Prehearing Brief at 19.

215 *See* Prehearing Staff Report at C-3 – C-4 (Table C-1).

216 *See* British Steel Prehearing Brief at 19-20 (citing *Certain Carbon Steel Butt-Weld Pipe Fittings from France, India, Israel, Malaysia, The Republic of Korea, Thailand, The United Kingdom, and Venezuela*, Inv. Nos. 701-TA-360-361 and 731-TA-688-695, USITC Pub. 2870 (Apr. 1995) (Final) ("USITC Pub. 2870")).

217 *See* Prehearing Staff Report at C-4 (Table C-1), C-5 (Table C-2).

218 *See* British Steel Prehearing Brief at 19.

Moreover, British Steel ignores the central role of domestic industry indicators in the Commission's material injury analysis in *Carbon Steel Butt-Weld Pipe Fittings*, which are clearly distinguishable from the record in this investigation. In *Carbon Steel Butt-Weld Pipe Fittings*, not only was there a "lack of any decline in domestic market share," there were also "{n}o significant price-suppressing or depressing effects by the subject imports," with "only one specific lost sales allegation . . . made and confirmed."[219] Indeed, "most indicators of the condition of the industry improved over the period reviewed."[220] In its threat analysis in that case, the Commission similarly relied on its finding that "the record indicates no significant price-suppressing or depressing effects," and on "the generally favorable and improving condition of the domestic industry."[221] The Commission also declined to cumulate subject imports for purposes of its threat analysis, finding virtually all individual import volumes negligible.[222] By contrast, the record of this investigation not only strongly supports the cumulation of all subject imports and a finding of large and increasing subject import volumes, it also supports an unequivocal finding of price suppression and depression, with [ ] percent underselling and [ ] tons shifted from domestic producers to subject importers [ ],[223] and it shows that the condition of the domestic industry has declined across virtually all financial indicators.[224] Further, counsel

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219 USITC Pub. 2870 at I-27.

220 *Id.* (emphasis added).

221 *Id.* at I-29.

222 *See id.* at I-29 – I-30.

223 *See* Spanish Producers' Underselling Analysis, attached as **Exhibit 13**; Prehearing Staff Report at V-37 (Table V-13).

224 *See* Prehearing Staff Report at C-4 (Table C-1).

to British Steel conceded at the Hearing that subject imports caused significant adverse price effects.[225]

The statute specifically directs the Commission to determine material injury or threat on the basis of volume, price, and impact.[226] Deviating from the statutory inquiry, as Turkish and British respondents propose, directly contradicts the original intent of Congress, and should be summarily rejected. As explained above, this case reflects a devastating one-two punch by Chinese and then subject importers, with the domestic wire rod industry first facing material injury and threat by dumped and subsidized Chinese imports, and then facing an even more devastating blow by dumped and subsidized imports from the subject countries. Interpreting this scenario as subject importers simply "taking over" for Chinese importers, and imposing no consequences for subject importers' equally and even more injurious actions, is illogical and effectively normalizes actions that are patently harmful and unlawful. Stolen goods are stolen goods, regardless of whether the robber is substituted by another.

In addition, British Steel cites "a negative determination" in *Polyvinyl Alcohol from Germany and Japan* in support of its argument, again on the basis of British Steel's erroneous belief that domestic producers' volume and market share increased over the POI.[227] British Steel claims that in that case, "{t}he increases for both subject imports and domestic producers occurred, despite a decline in apparent domestic consumption, because of large declines in the volume of

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225 *See* Hearing Tr. at 181-182 (Mr. Cunningham).

226 *See* Section 771(7)(B) of the Tariff Act of 1930, *codified as amended at* 19 U.S.C. § 1677(7)(B).

227 *See* British Steel Prehearing Brief at 20 and 20 n.52 (citing *Polyvinyl Alcohol From Germany and Japan*, Inv. Nos. 731-TA-1015-1016, USITC Pub. 3604 (June 2003) (Final) ("USITC Pub. 3604")).

non-subject imports from China and Taiwan."[228] This is incorrect and a complete mischaracterization of that determination.

In *Polyvinyl Alcohol from Germany and Japan*, the only "negative determination" made by the Commission pertained to Germany, and the reason for that determination had nothing to do with subject imports somehow justly replacing non-subject imports from China or Taiwan.[229] In fact, the Commission did not mention China or Taiwan at all in its final analysis on German imports.[230] Instead, the Commission in its final analysis as to Germany relied heavily on the small and declining presence of German imports in the U.S. market.[231] Specifically, the Commission found that "{b}ecause the record indicates that subject imports from Germany have an extremely small and declining presence in the U.S. market, we conclude there is not a likelihood that these imports will increase to a significant level in the imminent future."[232] It was explicitly because the Commission found no likelihood of significant levels of subject imports from Germany that the agency made a negative determination.[233] Moreover, in contrast with German imports in *Polyvinyl Alcohol from Germany and Japan*, subject imports in this investigation were not small and declining, but significant and growing, as the Prehearing Staff Report confirms,[234] and [

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228 *See* British Steel Prehearing Brief at 20 n.52.

229 *Compare* British Steel Prehearing Brief at 20 n.52, *with* USITC Pub. 3604 at 34-36. *See also* USITC Pub. 3604 at 1-2 (establishing affirmative threat determination as to Japan and negative determination as to Germany).

230 *See* USITC Pub. 3604 at 34-36.

231 *See id.*

232 *Id.* at 34.

233 *See id.* at 36.

234 *See* Prehearing Staff Report at C-3 – C-4 (Table C-1).

235 *See id.* at V-37 (Table V-13).

Nor is there any merit to respondents' claim, during the hearing, that "the year that imports from China disappeared from the market," it "le{ft} U.S. purchasers scrambling to find alternative sources of supply."[236] In 2015, when Chinese imports fell to 1,672 short tons from 374,785 short tons in 2014, U.S. producers had the capacity to supply [ ] percent of the [ ] U.S. market.[237] Moreover, as Mr. Armstrong and Mr. Ashby of Keystone testified at the hearing, U.S. producers actively made offers to U.S. customers following the order against China, but were rebuffed on the basis of price. As Mr. Asby testified, "{t}here was no opportunity to get back in, although we tried to do that, because {U.S. purchasers} wanted to buy low-priced imports."[238] Accordingly, it was not the case that the order against Chinese wire rod left U.S. purchasers "scrambling" for alternative source; the industry continuously sought to increase their sales, and had ample idle capacity, but purchasers turned to subject imports specifically on the basis of low pricing.

Further, to the extent that that respondents argue that the injury to the U.S. industry caused by subject imports is somehow attenuated by the harm that was initially caused by Chinese imports, the Commission should reject that argument as baseless and contrary to both the facts on the record and the governing statute. Consistent with the factors Congress intended the Commission to consider, the record in this case shows an absolute and relative increase of subject imports over the investigation period, overwhelming underselling by subject imports, and declining financial and operative conditions in the domestic industry, all of which firmly warrant an affirmative finding of material injury.

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236 *See* Hearing Tr. at 175 (Mr. Frey).

237 *See* Prehearing Staff Report at C-3 – C-4 (Table C-1).

238 *See* Hearing Tr. at 71 (Mr. Ashby).

Contrary to the respondents' claims, subject imports did not "merely" take volume from Chinese producers, nor were Chinese producers ever entitled to any particular volume of sales. Instead, Chinese imports first undersold and captured wire rod sales from domestic producers through unfair market practices, and when these practices were curbed, the importers that are now subject to this investigation took it upon themselves to similarly capture sales through unfair market practices. These synchronized actions have affected U.S. producers' market share and forced the domestic industry into an uninterrupted state of financial and operational injury. Indeed, when Commissioner Broadbent asked Mr. Armstrong whether Keystone, "when the Chinese competition stopped as a result of the order," had "tried to make sales but those purchasers went to the new subject imports," Mr. Armstrong responded that this was exactly what happened.[239] As Mr. Armstrong testified, "we know for a fact that some of the customers which had been the largest customers for Keystone for many, many years, many years, and we were very pleased and proud to supply them, went directly to {subject} imports," and "{i}f they didn't go directly to {subject} imports {after the order on China}, they directly used the import prices . . . to achieve prices that we just simply could not sustain."[240]

[239] *Id.* at 71 (Commissioner Broadbent and Mr. Armstrong).

[240] *Id.* at 68 (Mr. Armstrong).

IV. MULTIPLE SOURCING & VERTICAL INTEGRATION

COMMISSIONER BROADBENT (Hearing Tr. at 64): {C}an the increase in the volume of subject imports be explained by purchasers' desire for multiple sources of supply, since a lot of purchasers are facing integrated producers and to be dependent on your competition for the inputs is –

COMMISSIONER BROADBENT (Hearing Tr. at 69): But I think the argument is they need an alternative to having to buy from these integrated competitors that they have.

COMMISSIONER BROADBENT (Hearing Tr. at 69): But they're all integrated, right?

COMMISSIONER WILLIAMSON (Hearing Tr. at 119): Several of the domestic producers are vertically integrated. Should this factor into the Commission's material injury analysis, and if so how?

COMMISSIONER WILLIAMSON (Hearing Tr. at 120): {I}f there's a mill who experiences issues with supplier availability of wire rod, does the firm fulfill contracts and outside orders before covering its own internal needs for downstream wire rod?

COMMISSIONER WILLIAMSON (Hearing Tr. at 204): This morning, petitioners were asked about purchasers need for multiple sources. They noted that there are seven domestic producers and nonsubject import sources. So the petitioners argue that purchasers buy subject imports because they are cheaper. So how do you respond to that? I know someone has already talked about the need for alternative sources, but aren't there alternative sources in the U.S.?

The surge in subject imports was not a result of preferences by U.S. purchasers for alternative sources of supply given certain U.S. producers' vertical integration. As demonstrated by the questionnaires submitted to the Commission, U.S. purchasers [

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[241] *See* Letter from Kelley Drye & Warren LLP to Sec'y Int'l Trade Comm'n, re: *Carbon and Alloy Steel Wire Rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom* (Nov. 9, 2017) ("Gerdau, Keystone, and Charter Prehearing Brief") at 33-35; Prehearing Staff Report at V-35 – V-37 (Table V-13).

].”[242] [

].”[243] Likewise, [

].”[244] On the record of this investigation, [

].”[245] Notably, responding U.S. purchasers alone have reported shifting a [ ] short tons of wire rod from domestic to subject import sources, [ ].[246]

U.S. purchasers do not have a desire for alternative sources of supply; wire rod customers in the United States make their purchasing decisions on the basis of the lowest price, and subject imports have been able to offer the cheapest prices through products that are dumped and heavily subsidized. Indeed, in 2011, while U.S. producers held a 70 percent share of the market, by 2016, U.S. producers' market share declined to 58 percent.[247] The decline in domestic market share, which coincided with two surges of unfairly traded imports, does not represent a security of supply issue, rather this is a price issue. As Mr. Stauffer testified:

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242 *See* [ ].

243 *See* [ ].

244 *See* [

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245 [

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246 *See* Prehearing Staff Report at V-37 (Table V-13).

247 *See* USITC Pub. 4509 at C-4 (Table C-2); Prehearing Staff Report at C-5, (Table C-2).

> we have an **import component that allows us to compete** with all of those {downstream} products … **all of those folks {(*i.e.*, foreign competitors)} have access to … the global price.**[248]

Likewise, counsel for respondents explained,

> **you have a product that is a price-competitive product. Most transactions where you buy, you'll buy from the lower price**.[249]

U.S. producers have ample capacity to supply [ ] demand in the U.S. market. In 2014 and 2015, the U.S. industry could have supplied approximately [ ] of all U.S. wire rod consumption.[250] Moreover, U.S. producers do not discriminate among their customers – as the record shows, domestic wire rod producers sell to all customers at the same prices. At the hearing, Chris Armstrong of Keystone testified that "Keystone's probably the most integrated steel producer here," and yet "we have constantly and always would sell rod directly to the customers, even those that compete with products that we do sell."[251] In fact, Mr. Armstrong added, "we'd prefer to sell to those customers," [252] and it was only because of sales stolen by China and then subject imports that Keystone was forced to expand into the integrated market.[253] Mr. Armstrong testified that Keystone "by far {supplies} more rod to external customers than we do to our own internal customers," and do so at market prices.[254]

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248 Hearing Tr. at 240 (Mr. Stauffer) (emphasis added).

249 *Id.* at 214 (Mr. Cunningham) (emphasis added).

250 *See* Prehearing Staff Report at C-3 – C-4 (Table C-1). That is, in 2014, [

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251 Hearing Tr. at 69-70 (Mr. Armstrong).

252 *Id.* at 70 (Mr. Armstrong) (emphasis added).

253 *Id.* at 70-71 (Mr. Armstrong).

254 *See id.* at 120 (Mr. Armstrong) ("We supply those rods at market prices, the same market prices so we can – that's the way we can tell how our internal companies are performing against the market.").

To the extent U.S. producers have developed integrated practices, these were "purely . . strategic reaction{s} to that harm and damage caused to us by losing rod volume and margin as a result of the imports."[255] Moreover, these practices have ultimately been overshadowed by unfairly priced subject imports.[256]

In fact, in response to Commissioner Williamson's question on whether "the firm fulfill{s} contracts and outside orders before covering its own internal needs for downstream wire rod," Mr. Armstrong of Keystone responded with an unequivocal "no."[257] Mr. Armstrong stated that "quite the opposite," "I can attest to the fact that we will place on hold, push back our own internal needs of rod to satisfy external rod requirements."[258] Internal customers are essentially only satisfied "when those external customers don't want {the company's} production capacity."[259] Integrated U.S. producers do not turn away external customers, nor do they have any plans or reason to do so.[260] To the contrary, "{t}he external customers get service above our internal customers."[261]

Likewise, Marcelo Canosa of Gerdau testified that the U.S. industry "ha{s} eight producers in North America that can supply wire rod" to customers looking for supply alternatives.[262] Moreover, Mr. Canosa testified that a "very small proportion of what we produce goes to our own wire operations, very small, and they're separate P&Ls. So we treat them as an external customer," meaning that "{t}he price that we transfer to them is market price at the local market."[263] In

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255 *See id.* at 120 (Mr. Armstrong).

256 *See id.* (Mr. Armstrong).

257 *Id.* at 120-121 (Mr. Armstrong).

258 *Id.* at 121 (Mr. Armstrong).

259 *See id.* (Mr. Armstrong).

260 *See*, *e.g.*, *id.* at 122 (Mr. Armstrong).

261 *Id.* (Mr. Armstrong) (emphasis added).

262 *See id.* at 69 (Mr. Canosa).

263 *Id.* at 119 (Mr. Canosa).

addition, Mr. Eric Nystrom of Nucor Corporation testified that Nucor "depend{s} on external customers for the vast majority of our sales."[264] Indeed, Mr. Nystrom stated, "the volumes along internally would be nowhere near enough to sustain a wire rod operation."[265] In fact, Mr. Nystrom stated that:

> The amount of downstream business that we have that's internal is very small, and our external customers are going to drive the success of our business. We transact at market prices. We're very careful to treat everybody fairly including external compared to our internal because if we lose that trust with our customers, of course we won't be their supplier of choice.[266]

As such, U.S. producers like Nucor, Gerdau, and Keystone depend heavily on sales to external customers,[267] directly rebutting any claims that surges in subject imports were caused by preferences for additional sources, rather than preferences for the lowest, unsustainable price. Further, the Prehearing Staff Report confirms that the U.S. industry had ample and increasing idle capacity over the period of investigation, reaching [ ] percent in the most recent interim period.[268] This only further confirms that U.S. wire rod manufacturers did not lose sales to subject imports due to U.S. purchasers' preference for multiple or alternative sourcing.

Finally, Nucor notes that respondents in the recent *Rebar* investigations had raised a similar vertical integration/multiple sourcing argument, and the Commission specifically rejected it.[269] In *Rebar*, Turkish respondents argued that vertical integration in the domestic industry and domestic

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264 *See id.*at 72 (Mr. Nystrom) (emphasis added).

265 *See id.* (Mr. Nystrom).

266 *Id.* at 122 (Mr. Nystrom).

267 *See id.* at 72 (Mr. Nystrom).

268 *See* Prehearing Staff Report at C-4 (Table C-1).

269 *See Steel Concrete Reinforcing Bar from Japan and Turkey*, Inv. Nos. 701-TA-564 and 731-TA-1338 and 1340, USITC Pub. 4705 (July 2017) (Final) ("USITC Pub. 4705") at 26-27.

preference programs insulated the U.S. rebar industry from competition from subject imports.[270] However, the Commission correctly noted that, among other factors, transfers to related companies occurred at market prices, and domestic producers were forced to sell to related entities merely to compete with subject imports.[271] As such, the Commission found that "the record does not support any conclusion that domestic producers' affiliations with upstream ferrous scrap operations and downstream fabrication operations served to insulate these domestic producers from competition by subject imports."[272] There is no reason why the Commission should not similarly reject the respondents' arguments here.

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270 *See id.* at 26.

271 *See id.* at 26-27.

272 *See id.* at 27.

V. RAW MATERIALS AND WIRE ROD PRICING

CHAIRMAN SCHMIDTLEIN (Hearing Tr. at 72): So can you respond to the argument that when you look at unit COGS, that's what accounts for the decline in price, since you see a greater decline whether you look at the merchant market or the total market in unit COGS?

CHAIRMAN SCHMIDTLEIN (Hearing Tr. at 75): So your contracts aren't tied to what the raw material cost in any way?

VICE CHAIRMAN JOHANSON (Hearing Tr. at 198): Going back to the whole scrap issue, Petitioners argue specifically that unit net sales fell to a greater degree than did raw materials from 2014 to 2016, leading to a decline in the industry's operating income. This is argued in Gerdau's brief at page 37. Is this evidence of price depression?

COMMISSIONER WILLIAMSON (Hearing Tr. at 200): We have just been talking about the relationship between scrap and wire rod, and you made it clear that there's a correlation. But I was wondering is - Petitioners have said subject imports have squeezed the domestic industry profit margins. Are they wrong about that?

> COMMISSIONER WILLIAMSON (Hearing Tr. at 201): You're saying it's basically the scrap price? What I'm saying, I guess, does imports have any role in this?
>
> COMMISSIONER WILLIAMSON (Hearing Tr. at 202): {I}f they're saying there's a price squeeze and they're saying that imports are contributing to that, do you disagree with that?

Subject imports depressed and suppressed U.S. wire rod prices. In fact, counsel to respondents incontrovertibly conceded subject imports had negative effects on U.S. producers' wire rod pricing:[273]

> COMMISSIONER BROADBENT: Well, what do you mean, what does that mean to you, in the sense that they're saying they're buying imports 'cuz they're lower priced?
>
> MR. CUNNINGHAM: **I don't deny it. I would not question the fact that in the transactions and the volumes quoted here** –
>
> . . . .

[273] *See generally* Hearing Tr. at 211 (Commissioner Broadbent and Mr. Cunningham).

> COMMISSIONER BROADBENT: - so you're conceding {price effects} and just, we need to go on to look at the impact.
>
> MR. CUNNINGHAM: **Yeah.**[274]

This record contains clear and incontestable evidence of price depression and suppression.

As counsel for Nucor stated at the hearing, when subject imports accelerated into the U.S. market, they caused U.S. wire rod prices to collapse, and "{a}lready depressed prices fell more than raw material costs."[275] Critically, as demonstrated in *Steel Concrete Reinforcing Bar from Japan and Turkey*, the Commission specifically looks at raw material costs, rather than other types of costs, in analyzing costs and prices.[276] As the Prehearing Staff Report confirms, wire rod prices during the POI fell further and faster than raw material costs,[277] such that the spread between unit commercial sales values and unit raw material costs was lower at the end of the investigation period than at the beginning.[278] Over the POI, unit commercial sales value fell by $187 per short ton, while unit raw material costs fell by $163 per short ton.[279] As such, unit net sales values fell at a rate of $24 per ton greater than the decline in unit raw material costs.[280] And as wire rod prices fell further than raw materials, domestic industry shipments and profits also declined.[281] Consequently, the price depressing and suppressing effects of subject imports harmed both U.S. producers' sales volumes and the industry's profitability.

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274 *See id*. at 211 (emphasis added).

275 *See id*. at 22 (Mr. Price).

276 *See* USITC Pub. 4705 at 23.

277 *See* Prehearing Staff Report at VI-10 (Table VI-4).

278 *See id*. at VI-9 (Table VI-3). That is, while the spread between unit sales value and unit raw material costs was $285 in the beginning of the investigation period ($716 - $431), it was $263 at the end of the investigation period ($530 - $267). *See id.*

279 *See id*. at VI-10 (Table VI-4)

280 *See id*.

281 *Compare id*. at VI-9 (Table VI-3), *with id.* at C-4 (Table C-1).

As Gerdau, Keystone, and Charter Steel explained in their prehearing brief, if it were really the case that raw material costs, rather than subject imports, caused the domestic industry's prices to fall during the POI, domestic producers would have increased their profits.[282] However, the exact opposite occurred. The U.S. industry's financial performance during the POI "remained at inadequate, harmful levels throughout."[283] And the reason is evident from the responses provided by U.S. purchasers in their questionnaires, where [

],[284] and [ ].[285] As counsel for Gerdau, Keystone, and Charter Steel stated at the hearing, "{i}t's not just raw material prices or costs that were going down. Prices were going down because customers said you better drop them if you want to get the sale. That's the truth. That's what they admitted to."[286]

In their questionnaires, numerous purchasers reported [

]. For example, [

].[287] Similarly, [

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282 *See* Gerdau, Keystone, and Charter Prehearing Brief at 4.

283 *Id.* at 4. *See also* Hearing Tr. at 37 (Mr. Rosenthal).

284 *See* Prehearing Staff Report at V-35 – V-37 (Table V-13); *id.* at V-37 (Table V-13) ([

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285 *See id*. at V-39 – V-40 (Table V-15).

286 *See* Hearing Tr. at 32 (Mr. Rosenthal).

287 *See* [ ].

288 *See* [ ].

].[289] In addition, [

].[290] Moreover, Mr. Cunningham, counsel to respondents, conceded to subject imports underselling the domestic like product and forcing domestic producers to reduce prices: "{W}e're not here to argue that there's no underselling. We're not here to argue that there are some cases in which the domestic customer buys from import sources at a lower price."[291]

Moreover, it would be incorrect to assume that a decline in raw material prices would necessarily force wire rod prices down. Indeed, with lower raw material costs, a domestic producer may choose to keep its prices steady to expand its metal margin and potentially collect greater profits. The choice, however, would depend on supply and demand factors, including the impact of subject imports. In fact, strong demand conditions could result in a producer raising prices despite lower raw material costs. And even steady or declining demand could prompt a raise in prices if supply conditions sufficiently decline. However, the surge of dumped and subsidized subject imports made any such choice impossible for U.S. producers. As Mr. Nystrom of Nucor testified at the hearing:

> {I}f scrap falls it's not our desire to just drop price with scrap. We try every day to grow {the} margin, but that's driven by this over abundance of supply of very cheap imports and we're forced to match it because the one thing you can't do as a steel mill is lose volume {in a} capital-intensive business.[292]

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289 *See* [ ].

290 *See* [ ].

291 *See* Hearing Tr. at 209 (Mr. Cunningham) (emphasis added).

292 *See id*. at 80 (Mr. Nystrom).

Similarly, U.S. producer [

].”[293] Accordingly, the decline in wire rod prices is not due to falling raw material prices. Instead, unfairly priced imports cause such declines, and it has been these imports from the subject countries that have caused the domestic industry’s dismal and declining financial performance.

In the Commission’s recent determination in *Steel Concrete Reinforcing Bar from Japan and Turkey*, the Commission rejected similar arguments regarding raw material prices from respondents in the agency’s investigation of rebar, a long product like wire rod. In that investigation, the Commission flatly rejected respondents’ arguments, finding that “{a}lthough declining raw material costs no doubt contributed to the decline in the prices for the domestic like product, they do not explain the full magnitude of the decline in prices.”[294] Instead, “subject imports depressed the prices of the domestic like product to a significant degree.”[295] The Commission based its determination, in part, on Petitioners’ argument that “U.S. producers’ average unit sales values . . . fell by more than the decline in raw material costs . . . , as U.S. producers tried to recapture market share lost to low-priced subject imports.”[296] The Commission also noted – [ ] – that “numerous purchasers reported in their responses to the questionnaire that the domestic industry cut prices to compete with lower-priced subject

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293 [ ].

294 *See* USITC Pub. 4705 at 23 (emphasis added).

295 *See id*. (emphasis added).

296 *See id.*

imports."[297] As it found in that investigation, the Commission should similarly determine on the basis of the record in this investigation that raw material costs do not explain the full magnitude of price declines in U.S. wire rod.

In their prehearing briefs and at the Commission's hearing, respondents – rather than dealing with the fact that wire rod prices actually fell further and faster than raw material costs – argued that raw material costs somehow drove wire rod prices because "U.S. producers' average cost of goods sold (COGS) declined by a greater percentage than the average unit value of their commercial sales."[298] This argument is confusing, misleading, illogical, and meritless. Indeed, because wire rod prices should always be higher than scrap prices, a 1 percent change in one is not equivalent to a 1 percent change in the other. A comparison of declining percentages is irrelevant to the actual fact that as subject imports were surging into the U.S. market, and U.S. producers were financially hurting, the prices of U.S. wire rod producers were pressured to go down faster and further than raw material costs.

Respondents have attempted to manipulate the data reported in the Commission's Prehearing Staff Report to achieve their desired results. As it did in *Steel Concrete Reinforcing Bar from Japan and Turkey*, the Commission in this investigation should rely on record evidence that U.S. producers' average unit sales values fell by more than the decline in raw material costs,[299] and that numerous purchasers [

].[300] Increasing quantities of subject imports at dumped and subsidized prices, not raw material costs, placed significant downward pressure on the price for U.S.-produced wire rod.

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297 *See id.*

298 *See* British Steel Prehearing Brief at 1 (emphasis added).

299 *See* Prehearing Staff Report at VI-10 (Table VI-4).

300 *See id.* at V-39 – V-40 (Table V-15).

In addition, respondents argue that "the decline in the price of scrap steel, the major cost element in wire rod production has a particularly important effect on wire rod prices."[301] However, as Mr. Ashby of Keystone testified, scrap costs are "not the only costs that we have in our business. We have lots of other costs that are involved in manufacturing our products," but "when we try to describe other costs, it really doesn't matter. It always gets down to the price."[302] Indeed, as noted in Nucor's prehearing brief and by counsel for Nucor during the hearing, the recent increase in wire rod prices was not due to increases in scrap prices, but rather as an effect of the filing of the petition.[303] Moreover, U.S. purchaser Insteel itself has effectively admitted that input prices (*i.e.*, scrap costs for U.S. wire rod producers, or wire rod costs for purchasers like Insteel) do not determine the price of the final, finished good (*i.e.*, wire rod, or the purchasers' product, respectively):[304]

> It is not possible to generalize as to how changes in steel prices impact {Insteel's} financial results. Ultimately the relative strength of demand for our products and competitive dynamics determine whether margins expand or contract during a period of rising or falling wire rod prices.[305]

A substitution of "our products" with "wire rod," and "wire rod prices" with "scrap prices," confirms that U.S. purchasers would agree that scrap prices do not drive wire rod prices.

Similarly, in their own trade cases against unfairly traded downstream products, AWPA members have made the argument that prices for finished wire products are not explained by movements in scrap. For instance, in *Prestressed Concrete Steel Wire Strand from China*, U.S.

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301 *See* British Steel Prehearing Brief at 15; *see also id.* at 15-18.

302 *See* Hearing Tr. at 115 (Mr. Ashby) (emphasis added).

303 *See id*. at 116 (Mr. Pickard); Nucor Prehearing Brief at 3-4.

304 *See id*. at 116 (Mr. Price).

305 Insteel Industries Inc., *Investor FAQs* (website excerpts) (emphasis added), attached as **Exhibit 29**; *see* Hearing Tr. at 116-117 (Mr. Price) (emphasis added).

purchaser Sumiden conceded that "with {unfair} competition from China and the pricing pressure of the {subject} import, you know, {selling prices for strand} were no longer connected to the wire rod {*i.e.*, input} costs as having to react to the price pressures of the Chinese strand."[306] In the same proceeding, when asked by former Vice Chairman Pearson whether prices of wire strand "normally rise and fall with the cost or the price of wire rod,"[307] another producer responded "{n}ot necessarily," because "{t}here is no mechanism that automatically adjusts down the price of the strand on the basis of the cost of the raw material."[308] And the witness for Insteel in that same proceeding testified that "{i}t is not axiomatic that {prices and raw material costs} move in tandem."[309]

As Mr. Price, counsel for Nucor, summarized, "{a U.S. producer's} ability to expand or contract {their} margin depends on the price pressure and discipline being provided by the subject imports. And it's the subject imports in this case that had enormous negative impacts on the domestic industry's prices."[310] In fact, "as {trade} cases get filed and you start to get some effects of the cases, you start to see the industry start to be able to increase its spread over raw materials."[311] [

].[312] [

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306 Hearing Transcript, *Prestressed Concrete Steel Wire Strand from China*, Inv. Nos. 701-TA-464 and 731-TA-1160 (May 6, 2010) at 72 (Mr. Cornelius), excerpts attached as **Exhibit 30**.

307 *Id.* at 129 (Vice Chairman Pearson).

308 *Id.* at 129 (Mr. Selhorst).

309 *Id.* at 129-30 (Mr. Woltz).

310 Hearing Tr. at 117 (Mr. Price).

311 *Id.* at 117 (Mr. Price).

312 *See* [ ].

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In sum, contrary to the respondents' arguments, it is surging subject imports of wire rod that caused prices to fall and the domestic industry's financial and operational performance to decline.

VI. DOMESTIC MILL CLOSURES AND FINANCIAL IMPACT OF DOMESTIC MILL CLOSURES (SURVIVOR BIAS)

VICE CHAIRMAN JOHANSON (Hearing Tr. at 81): Respondents take the position that factors other than subject imports explain the closure of the plant in Georgetown, South Carolina. For example, at page 19 of their brief, Turkish Respondents contend that this facility was built in 1969 and was an aged, outdated facility with high energy and operating costs. How do you respond to these allegations and other factors that Respondents have identified, including reports of silt buildup that prevented certain raw materials from being imported into the port near the facility and Nucor's construction of a state-of-the-art rod mill nearby. And for further reference, you might want to look at page 10 of the British Steel brief and pages 23 to 25 of the American Wire Producers Association brief.

COMMISSIONER BROADBENT (Hearing Tr. at 100-101): I happened to see some article that that plan in Georgetown was up river of a big silt barrier that the Corps of Engineers decided not to dredge, so they couldn't get any of their import product.

VICE CHAIRMAN JOHANSON (Hearing Tr. at 111): I concluded my last round of questions discussing the plant in Georgetown, South Carolina. I'd now like to talk a little bit about the plant in Lorain, Ohio. Respondents dispute that subject imports explain the closure of the Republic's steel facility in Lorain, Ohio, pointing instead to among other matters the idling of U.S. steel and major bar producer and the decline in oil gas markets. And this can be seen in the American Wire Producers Association brief at page 25. How do you all respond to these claims regarding the plant in Lorain, Ohio?

COMMISSIONER WILLIAMSON (Hearing Tr. at 90): I was just wondering, how useful is the data in Table 6-3 for our analysis, given the fact that ArcelorMittal's data is not in the data set after 2015 and Republic is not in there at all.

In the preliminary phase of this investigation, the Commission properly found that there is a reasonable indication that the domestic industry is injured by reason of imports of wire rod from Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, United Arab Emirates, and United Kingdom.[313] The data available to the Commission in the final phase of this investigation continues to demonstrate that unfairly traded imports of wire rod from subject countries have injured the domestic industry. In particular, two U.S. manufacturers were forced out of the market during the period of investigation ("POI"), illustrating the catastrophic impact the surge of subject

[313] *See* Preliminary Determination.

imports has had on the domestic industry. Respondents' arguments that the closure of these two domestic mills are for reasons unrelated to the surge of unfairly traded imports of wire rod and that data for these mills should be excluded from the Commission's analysis for the final determination[314] are inaccurate as a factual matter and improper under the statute and the Commission's precedent.

A. ARCELORMITTAL AND REPUBLIC STEEL WERE FORCED OUT OF THE DOMESTIC WIRE ROD INDUSTRY BY SUBJECT IMPORTS

Respondents claim that the closure of ArcelorMittal's Georgetown, South Carolina ("Georgetown") and Republic Steel's Lorain, Ohio ("Lorain") wire rod mills were caused by factors unrelated to subject imports. The evidence, including contemporaneous statements and news articles as well as statements by company officials, directly contradict respondents' claims.

In August 2015, ArcelorMittal shuttered its U.S. wire rod production operations indefinitely.[315] By this time, subject imports had already replaced the unfairly traded Chinese imports, which started to decline in mid-2014. In addition, at the time of the closure, ArcelorMittal itself made statements expressly stating that the mill was closing due to pressure from unfairly traded imports of wire rod. Specifically, ArcelorMittal issued a press release announcing the mill's closure explaining that the mill was closing due to "challenging market conditions," including "the rise of imports," noting that the mill "has been severely impacted by waves of unfairly traded steel imports from China and other countries."[316] The press release quoted P.S. Venkat, CEO of ArcelorMittal Long Carbon North America who explained that despite the Georgetown mill being

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[314] British Steel Prehearing Brief at 3-12; AWPA Prehearing Brief at 22-28; Turkish Exporters and Producers Prehearing Brief at 19-20; Hearing Tr. at 24-25, 178-180 (Mr. Cunningham), 139 (Mr. Trendl).

[315] *See* Preliminary Determination at 28.

[316] *See* Press Release, ArcelorMittal, ArcelorMittal announces closure of Georgetown wire rod facility (May 14, 2015), attached as **Exhibit 31**.

a "very productive plant," that "{i}mports have really been damaging to the Georgetown facility…"[317] These statements were echoed in the testimony of James Sanderson, president of United Steel Workers Local 7898, who represented steelworkers at Georgetown in a hearing before the Office of the United States Trade Representative regarding the situation of the global steel industry,[318] confirming that "{t}he plant produced wire rod in the United States and closed its doors in 2015 because it could no longer compete with unfair foreign steel wire imports."[319] Mr. Sanderson further explained that "{u}nfair trade has had an enormously corrosive effect on the nation's manufacturers and workers" and that it "has certainly hurt the steelworkers in Georgetown in the form of bankruptcies, plant closures and layoffs."[320]

Contemporaneous news articles also confirm the critical role that unfairly traded imports played in the closing of the Georgetown mill.[321] For instance, one article clarified that the decision to close the mill was purely economic, quoting ArcelorMittal spokeswoman Mary Beth Holdford stating that the closure was caused in part by "surging imports."[322] Respondents themselves reference many of these same articles that demonstrate that unfairly traded imports were a cause

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317 *See id*.

318 *See Request for Comments and Notice of Public Hearing Concerning Policy Recommendations on the Global Steel Industry Situation and Impact on U.S. Steel Industry and Market*, 81 Fed. Reg. 11,638 (Off. of the U.S. Trade Representative Mar. 4, 2016).

319 *See* Testimony of James Sanderson, President, United Steelworkers Local 7898, USTR Hearing on the "Global Steel Industry Situation" (Apr. 12, 2016), attached as **Exhibit 32**.

320 *See id*.

321 *See, e.g.*, Jason M. Rodriguez, *ArcelorMittal announces closure of Georgetown wire rod facility; 226 jobs to be impacted*, Myrtle Beach Online (May 14, 2015), attached as **Exhibit 33**; *Employees expected scale back, not closure of Georgetown steel mill*, ABC News (May 14, 2015), attached as **Exhibit 34**; David Wren, *Mill no more Steel plant's demise inevitable in face of cheap imports*, Post and Courier (Aug. 13, 2015), attached as **Exhibit 35**; *Steel mill in Georgetown shutters doors, costing 226 jobs*, Post and Courier (Aug. 13, 2015), attached as **Exhibit 36**; *Florida entrepreneur interested in Georgetown steel mill*, Associated Press (May 26, 2015), attached as **Exhibit 37**.

322 David Wren, *Mill no more Steel plant's demise inevitable in face of cheap imports*, Post and Courier (Aug. 13, 2015), attached as **Exhibit 35**.

of Georgetown's closure, yet vehemently argued at the Hearing that subject imports had nothing to do with the mill shutting down production.[323]

In particular, respondents' characterization of the Georgetown mill as outdated and incapable of being used as a production facility[324] are belied by the fact that Liberty House Group, a U.K. metals manufacturer, plans to move forward with an acquisition of the Georgetown mill.[325] Indeed, in its prehearing brief, AWPA conceded that the Georgetown mill may return to production, noting that "Liberty House is aware of the mill's history and is ready to dive into the troubled property anyway."[326] Regardless of whether the acquisition is ultimately completed, that Liberty House Group has agreed in principle to purchase the mill undermines respondents' arguments that the Georgetown mill closed because it is outdated.

Respondents' heavy focus on the issue of silting in the Georgetown Harbor[327] is also misplaced. Scrap iron and other materials can be delivered to the Georgetown mill by barge from shipments made to deep-water ports in Charleston, South Carolina or Wilmington, North Carolina.[328] Indeed, the Georgetown mill had ceased production of DRI well before the POI and well before it was forced to shut down because of unfairly traded imports.[329] Further, if market

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323 Turkish Exporters and Producers Prehearing Brief at Exhibit 5.

324 British Steel Prehearing Brief at 10; Turkish Exporters and Producers Prehearing Brief at 19; AWPA Prehearing Brief at 23-25.

325 David Wren, *Liberty House says it's closing in on Georgetown steel mill purchase*, Post and Courier (Aug. 8, 2017), attached as **Exhibit 38**; *Liberty House to buy ArcelorMittal's U.S. Georgetown steel plant*, Reuters (Apr. 21, 2017), attached as **Exhibit 39**; Press Release, ArcelorMittal, Liberty agrees in principle with ArcelorMittal to buy Georgetown steelworks (Apr. 21, 2017), attached as **Exhibit 40**.

326 AWPA Prehearing Brief at 27.

327 Hearing Tr. at 24, 181, 186-187 (Mr. Cunningham); Turkish Exporters and Producers Prehearing Brief at 19; AWPA Prehearing Brief at 23; British Steel Prehearing Brief at 10.

328 David Wren, *Liberty House says it's closing in on Georgetown steel mill purchase*, Post and Courier (Aug. 8, 2017), attached as **Exhibit 38**.

329 Hearing Tr. at 85 (Mr. Price).

conditions were favorable, ArcelorMittal could have very well invested in dredging the harbor itself, especially with the costs spread out over time.[330] It was the deteriorating market conditions caused by subject imports that prevented the domestic industry, including ArcelorMittal, from earning adequate returns on investment necessary to stay competitive.

The Commission itself has repeatedly confirmed that unfairly traded imports of wire rod injure the domestic industry. Most recently, in January 2015, the Commission issued an affirmative final determination that the domestic industry, which included ArcelorMittal's Georgetown mill, was being injured from unfairly traded imports of wire rod.[331] Indeed, as Chairman Schmidtlein indicated at the Hearing, to claim that subject imports had no impact on the Georgetown mill is in effect suggesting that the Commission should disregard its decision in January 2015, where it plainly found that imports of unfairly traded wire rod from China injured the domestic industry, including ArcelorMittal.[332]

Republic was also forced to cease production at its Lorain mill in March 2016.[333] Statements directly from Republic Steel establish that unfairly traded imports played a part in the idling of the wire rod mill. [

]334 [

330 *See id*. at 101-102 (Mr. Rosenthal);

331 *See id*. at 185-186 (Chairman Schmidtlein); USITC Pub. 4509.

332 Hearing Tr. 185-186 (Chairman Schmidtlein); USITC Pub. 4509.

333 *See* Preliminary Determination.

334 *See* [

], attached as **Exhibit 5**.

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As such, respondents' characterizations of the closure of Republic Steel's Lorain wire rod mill as a mere side effect of Republic Steel's shutdown of its bar operations[336] is inaccurate.

Finally, workers at both Georgetown and Lorain received Trade Adjustment Assistance ("TAA") after production operations were shut down,[337] which demonstrates that subject imports were a cause of the closures. As the Commission is aware, that workers qualified for the TAA program establishes that the U.S. Department of Labor found pursuant to statutory criteria that foreign trade was an important cause of job loss (or threatened job loss or wage reduction).

B. THERE IS NO FACUTAL OR LEGAL BASIS TO REMOVE DATA FOR DOMESTIC MANUFACTURERS PUSHED OUT OF THE MARKET BY SUBJECT IMPORTS FOR THE COMMISSION'S INJURY DETERMINATION

As ArcelorMittal's Georgetown and Republic Steel's Lorain wire rod mills were forced to close in part because of injury from unfairly traded imports, respondents' arguments that data for these two mills should be removed from the data that will form the basis of the Commission's final determination are improper. The legal standard guiding the Commission in the final phase of antidumping and countervailing duty investigations requires that in determining whether a domestic industry is materially injured or threatened with material injury by reason of the imports under investigation, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product in the context of U.S. production operations.[338] In assessing whether the domestic industry

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335 *See id.*

336 British Steel Prehearing Brief at 11-12; AWPA Prehearing Brief at 25-26.; Hearing Tr. at 139-140 (Mr. Trendl), at 187 (Mr. Cunningham), at 153-154 (Mr. Stauffer).

337 Hearing Tr. at 59 (Ms. Hart), 87 (Ms. Hart), 82 (Mr. Rosenthal), 101 (Ms. Cannon), and 245 (Mr. Pickard).

338 *See, e.g.*, USITC Pub. 4705 at 13.

is materially injured by reason of subject imports, the Commission considers all relevant economic factors that bear on the state of the industry in the United States and no single factor is dispositive.[339] The "by reason of" standard requires that subject imports are more than a minimal or tangential cause of injury; however, this aspect of the injury analysis is left to the Commission's reasonable exercise of its discretion.[340] While the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, the Commission need not isolate the injury caused by other factors from injury caused by unfairly traded imports.[341] Further, the "by reason of" standard does not require that unfairly traded imports be the "principal" cause of injury.[342]

The law is clear that the Commission must evaluate the domestic industry as a whole when assessing whether subject imports have caused material injury.[343] Indeed, as the Commission explained in the second review of the antidumping duty order on low enriched uranium from France, "the Commission generally does not exclude a firm that produced the domestic like product during the period of investigation or review from its definition of the domestic industry

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339 *See, e.g.*, *id*. 13-14.

340 *See, e.g.*, *id*. at 14.

341 *See, e.g.*, *id*.

342 *See, e.g.*, *id*. at 15.

343 *See, e.g.*, *Certain Steel Nails from China*, Inv. No. 731-TA-1114, USITC Pub. 4022 (July 2008) (Final) at 22 ("As directed by statute, the Commission focuses on the domestic industry 'as a whole,' not on individual firms in the industry, and, in doing so, takes the domestic industry, including any differences in competitive position between different producers, as it finds it."); *Certain Lined Paper School Supplies from China, India, and Indonesia*, Inv. Nos. 701-TA-442-443 and 731-TA-1095-1097, USITC Pub. 3884 (Sept. 2006) (Final) at 36 n.268 ("The Court of International Trade 'has repeatedly affirmed … that "Congress intended the {Commission} determine whether or not the domestic industry (as a whole) has experienced material injury due to the imports. This language defies the suggestion that the {Commission} must make a disaggregated analysis of material injury."'"); *Small Diameter Graphite Electrodes from China*, Inv. No. 731-TA-1143, USITC Pub. 4062 (Feb. 2009) (Final) ("However, the statute requires the Commission to focus on the domestic industry 'as a whole' and data for the industry as a whole, described above, demonstrate the material injury by reason of subject imports.").

because the firm ceased domestic production during the period."[344] The Commission will generally incorporate the data reported by such firms into domestic industry data and then consider the "relevance of the firms' exit from the domestic industry to its injury or likely injury analysis."[345] This is because, as the U.S. Court of International Trade has previously held, "the Commission must base its analysis of the likely impact of the subject imports on the domestic industry 'as a whole' and should include in that analysis producers that exited the industry during the period of review."[346]

As Chairman Schmidtlein emphasized at the Hearing, the statute requires the Commission to find that subject imports were a cause of injury, not that subject imports were the only cause of injury.[347] Further, as Chairman Schmidtlein recognized, respondents are suggesting that the Commission impose a more stringent standard for the analysis of impact as part of the injury determination than what is required by for the injury determination itself:

> {I}f overall the material injury requirement is not a but for test, you know, you have to show that it's a cause. It doesn't have to be the only cause, it doesn't have to be the primary cause. So why would we – why would we apply a more stringent standard of this question, of whether or not to include a member of the domestic industry in the analysis of impact?[348]

The statute directs the Commission, in assessing the impact of subject imports, to evaluate all relevant economic factors which have a bearing on the state of the industry.[349] Again, no single

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344 *Low Enriched Uranium From France*, Inv. No. 731-TA-909, USITC Pub. 4436 (Dec. 2013) (Final) at 10.

345 *Id*. at 10-11.

346 *Id*. at 11 (citing *NSK Corp. v. United States*, 712 F. Supp. 2d 1356, 1364 n.13 (Ct. Int'l Trade 2010), *rev'd on other grounds*, 716 F.3d 1352 (Fed. Cir. 2013); *Nevinnomysskiy Azot v. United States*, 565 F. Supp. 2d 1357, 1373-74 (Ct. Int'l Trade 2008).

347 Hearing Tr. at 180-181 (Chairman Schmidtlein).

348 *Id*. at 181 (Chairman Schmidtlein).

349 *See, e.g.*, USITC Pub. 4705 at 24.

factor is dispositive.[350] As explained above, contemporaneous evidence and statements by the very companies that were forced to shutter production demonstrate that unfairly traded imports of wire rod indeed played a significant role in the closure of Georgetown and Lorain during the POI. Accordingly, the Commission should not disregard data from these mills in making its final determination.

British Steel's reliance on certain cases in arguing that the Commission should selectively ignore ArcelorMittal and Republic Steel's data[351] is misplaced. Critically, in the cases British Steel relies on, the Commission found that the shutdown of operations was not attributable to subject imports. In *Titanium Sponge from Japan and Kazakhstan*, one of the two domestic producers ceased domestic production during the POI.[352] The producer that ceased production during the POI testified itself to the Commission during the investigation that the closure had nothing to do with the subject imports.[353] Similarly, in *Liquid Sulfur Dioxide from Canada*, the producer that exited the market also asserted that it left the market for reasons unrelated to subject imports.[354] The Commission also found in *Steel Wire Rope from China and India* that the exit of two producers from the industry during the period of investigation was not attributable to subject imports.[355] In contrast, in the instant investigation, the very companies that had to idle production

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350 *See, e.g.*, *id.*

351 British Steel Prehearing Brief at 7-8; Hearing Tr. at 179-180 (Mr. Cunningham).

352 *Titanium Sponge from Japan and Kazakhstan*, Inv. Nos. 701-TA-587 and 731-TA-1385-1386, USITC Pub. 4736 (Oct. 2017) (Preliminary) ("USITC Pub. 4736") at 23. Nucor also notes that Titanium Metals Corporation has appealed the Commission's negative preliminary determination and filed a summons on November 15, 2017 (CIT Ct. No. 17-00270).

353 Hearing Tr. at 248 (Mr. Rosenthal); Conference Transcript, *Titanium Sponge from Japan and Kazakhstan*, Inv. Nos. 701-TA-587 and 731-TA-1385-1386 (Preliminary) (Sept. 14, 2017) at 14 (Ms. Cannon), excerpts attached as **Exhibit 41**.

354 *Liquid Sulfur Dioxide From Canada*, Inv. No. 731-TA-1098, USITC Pub. 3826 (Dec. 2005) (Preliminary) ("USITC Pub. 3826") at 21.

355 *Steel Wire Rope From China and India*, Inv. Nos. 731-TA-868-869, USITC Pub. 3406 (Mar. 2001) (Final) ("USITC Pub. 3406") at 19 n. 151.

during the POI have explicitly stated that unfairly traded imports contributed to the ceasing of production. Further, as explained above, while the Commission may take into consideration the exit of domestic producers during the POI as one of many factors in its overall injury analysis,[356] it does not engage in the type of artificial data manipulation that respondents are advocating that the Commission should do in this investigation.[357]

C. RESPONDENTS' ALTERNATIVE MARKET SHARE CALCULATIONS ARE FLAWED

That respondents would like the Commission to ignore data for the closed mills only for purposes of analyzing market share and volume, and not otherwise,[358] (and in doing so essentially conceding that the Commission could find that there were adverse price effects on the Georgetown mill)[359] illustrates that respondents are merely attempting to jerry rig the Commission's data to yield a favorable result for respondents. A deeper analysis of the market share calculations that British Steel has offered to the Commission is telling. At the Hearing, British Steel offered alternative calculations of market share for the U.S. industry based on an alleged removal of data for ArcelorMittal and Republic Steel's idled facilities.[360] These calculations proffered that the alleged new market share for the U.S. industry [ ]. It appears

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356 *See* USITC Pub. 4736 at 29, 38; USITC Pub. 3826 at 19-23.

357 In *Titanium Sponge*, the Commission provided an alternate summary data table pertaining to a related party exclusion. USITC Pub. 4736 at 9-11, C-4 (Table C-2). Similarly, in *Liquid Sulfur Dioxide,* the Commission provided alternate data tables excluding data for another domestic producer, who remained in operations during the relevant period, related to a different issue. USITC Pub. 3826 at Tables C-4 through C-6, Appendix D. While in *Steel Wire Rope*, the Commission did offer an alternate table presenting consolidated industry income excluding the results of operations of the companies that exited the industry during the period of investigation, the Commission provided that it did so because "there may be differences in the ways the companies calculated the data, there may be a possibility that extraordinary items were included in the financial results, and the data may not be verifiable." USITC Pub. 3406 at VI-3.

358 Hearing Tr. at 182 (Mr. Cunningham).

359 *Id*.

360 *See id*. at 138-139 (Mr. Cunningham); British Steel Hearing Handouts, attached as **Exhibit 42**.

that British Steel's calculations are mathematically flawed. [

].[361] This is simply an invalid and misleading calculation.[362]

To take respondents' suggestions literally, the Commission would have to remove [ ] tons worth of ArcelorMittal's domestic shipments [

].[363] These [ ] tons of wire rod were sold during the POI: these figures cannot simply be erased and removed from the domestic industry that the Commission is analyzing. Further, removing these shipments from the Commission's data [

]. For instance, removing ArcelorMittal's shipments from the data [

] would lead to [ ]. While, as the Commission is aware, [ ], removing these shipments would show [

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361 *See* Analysis of British Steel's Alternative Market Share Calculations, attached as **Exhibit 28**.

362 Nucor also notes that while at the Hearing, British Steel offered alternative market share calculations based on the removal of ArcelorMittal and Republic Steel data from the data from the preliminary staff report, in British Steel's prehearing brief, British Steel offered yet again a different set of numbers for market share based on the removal of ArcelorMittal and Republic Steel's data from the data in the Commission's prehearing staff report. *See* British Steel Prehearing Brief at 5-6. The numbers offered in British Steel's prehearing report [ ] for U.S. shipments and [ ] for subject imports. *See id*. at 5-6. In deriving these numbers, it appears that British Steel [

]. All of this only underscores British Steel's attempts to manipulate the Commission's data in an artificial manner that does not truly reflect the financial state of the industry.

363 *See* [ ].

364 *See id*. at [ ].

Nucor also notes that a close analysis of the Commission's data in the final phase of this investigation to account for the Georgetown mill's closure during the POI would actually further support a finding of injury by reason of subject imports because of "survivor bias." The [

]365 [

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]366 The chart below illustrates the degree to which the shuttering of ArcelorMittal's Georgetown mill caused by the surge in subject imports impacted the domestic industry's financial performance.

365 As further discussed below, part of this modest improvement is also attributable to post-petition effects.

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[

]367 Without ArcelorMittal's daunting financial performance in the data set, [

].368 While it would be improper to remove ArcelorMittal's financial performance from the domestic industry data set, the evidence demonstrates a materially injured industry with or without them.

D. CONCLUSION

Unfairly traded imports of wire rod were a significant cause of the idling of ArcelorMittal's Georgetown and Republic Steel's Lorain wire rod mills during the POI. The companies themselves have confirmed this. Accordingly, the Commission should dismiss respondents'

367 *See* [ ].

368 *Id.* [ ].

requests to manipulate the Commission's data to ignore data for these mills in assessing certain aspects of the Commission's injury determination. The law and the Commission's precedent is clear that the Commission takes the domestic industry as a whole in making its injury determination. If respondents' suggestions are taken seriously, arguably, this could lead to a result where domestic producers are pushed out of the market due to injury from subject imports and one by one, corresponding data for these producers would be removed from the Commission's data set until there is no domestic industry left.

VII. POST-PETITION EFFECTS

VICE CHAIRMAN JOHANSON (Hearing Tr. at 114): Do scrap prices rather than any post-petition effects explain price increases later in the period of investigation?

COMMISSIONER BROADBENT (Hearing Tr. at 233): It appears that cumulated subject import volume declined after the filing of the Petitions. Was this decline{} in subject import volume attributable to the pendency of the investigations?

COMMISSIONER WILLIAMSON (Hearing Tr. at 237): It appears that cumulative subject import volume declined after the filing of the Petition. Was this decline of subject import volume attributed to the pendency of the investigation and if it has already been asked just tell me.

The statute expressly provides the Commission with the authority to discount the weight accorded to data for the period after the filing of a petition in making its determination of material injury and threat of material injury.[369] Section 771(7)(I) of the Tariff Act of 1930, *codified as amended at* 19 U.S.C. § 1677(7)(I), provides that the Commission

> {S}hall consider whether any change in the volume, price effects, or impact of imports of the subject merchandise since the filing of the petition . . . is related to the pendency of the investigation and, if so, the Commission may reduce the weight accorded to the data for the period after the filing of the petition in making its determination of material injury . . . .[370]

The Statement of Administrative Action ("SAA") is clear that the Commission has the discretion to presume that a significant change in data concerning imports or their effects was related to the

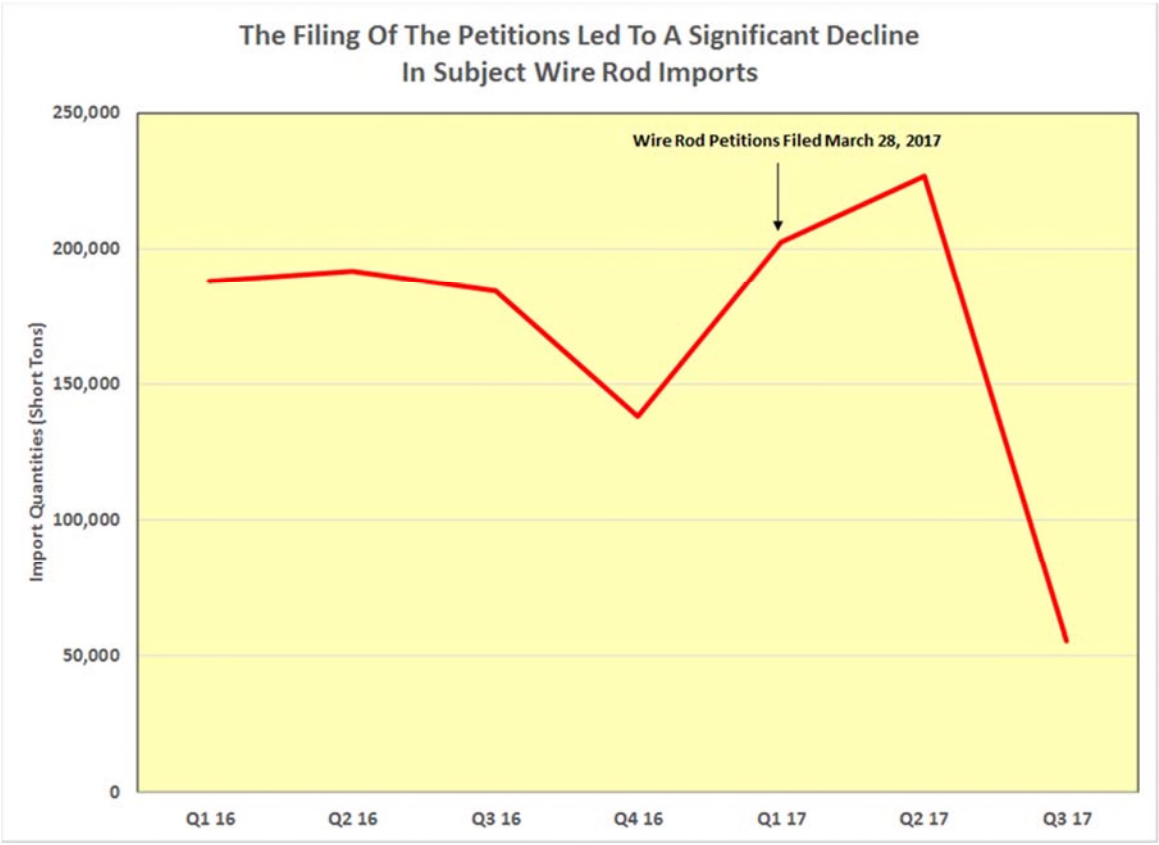
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369 *See* 19 U.S.C. § 1677(7)(I).

370 According to the Statement of Administrative Action, the grant of this discretion is in recognition that the filing of the petition "can create an artificially low demand for subject imports, thereby distorting post-petition data compiled by the Commission." Uruguay Round Agreements Act, Statement of Administrative Action, H.R. Doc. No. 103-316, vol. 1, at 854 (1994), *reprinted in* 1994 U.S.C.C.A.N. 4040, 4186 ("SAA"). Indeed, "the statute was enacted to recognize explicitly that declining subject imports, increasing prices, and improvements in the domestic industry's condition are expected and natural consequences of the filing of a petition and subsequent affirmative preliminary determinations, and to prevent such natural consequences from precluding an affirmative determination." *Light-Walled Rectangular Pipe and Tube from Mexico*, Inv. No. 731-TA-1120, USITC Pub. 4272 (Feb. 2011) (Remand) at 7; *see also LG Elecs., Inc. v. U.S. Int'l Trade Comm'n*, 26 F. Supp. 3d 1338 (Ct. Int'l Trade 2014) (holding that the Commission reasonably discounted weight of post-petition data); *Corus Staal BV v. U.S. Int'l Trade Comm'n*, 27 C.I.T. 459, 470 (2003), *aff'd sub nom. Corus Staal BV v. U.SI.T.C.*, 85 F. App'x 772 (Fed. Cir. 2004) (holding that that the Commission reasonably "found that changes in subject import volume, price effects, and impact were related to the pendency of the investigation, {and the agency} acted within its discretion in discounting post-petition data").

filing of the petition.[371] Indeed, in the absence of sufficient evidence rebutting that presumption and establishing that such change is related to factors other than the pendency of the investigation, the Commission may reduce the weight to be accorded to the affected data.[372]

The post-petition effects in this case are clear:



Source: Official U.S. import statistics using HTS statistical reporting numbers 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, and 7227.90.6035. Data accessed November 7, 2017.

Over the three-year period of investigation ("POI"), subject imports surged into the U.S. market, hammering the domestic industry, as reflected in the fact that prices dropped, domestic

371 *See* SAA at 854, 1994 U.S.C.C.A.N. at 4186.

372 *Id.*

producers' profits plummeted, and workers lost their jobs.[373] Due to the filing of these petitions, while subject imports from Spain, South Africa, Russia, Turkey, and the United Kingdom rushed to beat the imposition of preliminary duties,[374] subject imports started to retreat from the market, particularly in the third quarter (after preliminary duties were imposed).[375] As a result, the domestic industry was able to raise prices slightly and saw moderate improvements in financial performance, [ ].[376]

U.S. purchasers confirm the post-petition effects on subject imports:

- [ ][377]
- [ ][378]
- [ ][379]
- [ ][380] [ ][381]
- [ ][382]
- [

[373] Hearing Tr. at 22-23 (Mr. Price); *Id.* at 117-118 (Mr. Rosenthal); Prehearing Staff Report at C-3 - C-4 (Table C-1), C-5 (Table C-2).

[374] Hearing Tr. at 38 (Mr. Rosenthal).

[375] Prehearing Staff Report at C-3 - C-4 (Table C-1).

[376] *Id.* at C-5 (Table C-2).; Hearing Tr. at 132 (Mr. Rosenthal), 133 (Mr. Price).

[377] *See* [ ].

[378] *See* [ ].

[379] *See* [ ].

[380] *See* [ ].

[381] *See* [ ].

[382] *See* [ ].

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Similarly, at the Hearing, the Respondents conceded that subject imports reacted to the pendency of the investigations. As Mr. Cunningham testified, "{s}ubject import volume declined after the filing of the Petitions. . . . Often that happens because there's a potential of imposing duties."{385} Likewise, Ms. Korbel followed-up by stating, "Commissioner, I think it's pretty clear with margins in the range of 700% to 10% that it's going to stop imports after the imposition of the preliminary dumping margins."{386}

The modest improvement in financial performance in the interim period is attributable to subject imports retreating from the U.S. market after the case was filed.{387} However, the U.S. industry's financial performance is still below the level the Commission found to be injurious in the China investigation. Thus, the domestic industry is still vulnerable to a renewed surged of subject imports if relief is not granted.

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383 *See* [ ].

384 *See* [ ].

385 Hearing Tr. at 233 (Mr. Cunningham).

386 *Id.* at 238 (Ms. Korbel).

387 The Prehearing Staff Report also recognizes that [

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VIII. CRITICAL CIRCUMSTANCES

COMMISSIONER BROADBENT (Hearing Tr. at 131): So you're arguing that we have both critical circumstances and post-petition effects. Can it be both at the same time, and what do you think are the role of the 232 investigation? Is that bringing more imports into the market, as Senator Wyden seems to be saying?

The record of this investigation contains evidence of both post-petition effects and critical circumstances. Specifically, subject imports in the aggregate declined as a result of the filing of the petitions and thus application of the post-petition provision is appropriate.[388] However, certain subject countries did rush imports into the United States, threatening to undermine the effectiveness of the order, and accordingly affirmative critical circumstances determinations are merited for these subject countries.

Even counsel to Respondents appeared to concede that there can be both a post-petition effect, as well as actions that merit an affirmative critical circumstances determination. Specifically, as Mr. Cunningham testified:

> Subject import volume declined after the filing of the Petitions. . . . Often that happens because there's a potential of imposing duties. Sometimes, the other way around people hustle to get the stuff in before a duty . . . .[389]

Subject imports from Russia, Spain, South Africa, Turkey, and U.K. surged into the U.S. market over the POI, and continued to do so after the petitions were filed, in a rush to beat the imposition of preliminary cash deposits. Accordingly, the Department of Commerce made an affirmative preliminary finding of critical circumstances with respect to certain companies for all of these countries.[390] Using a four-month period to account for possible early preliminary

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388 *Id.* at C-3-C-4 (Table C-1).

389 Hearing Transcript at 233 (Mr. Cunningham).

390 Prehearing Staff Report at IV-7 - IV-8.

determinations, Russian imports increased [ ] percent.[391] Under the Commission's traditional six-month analysis, subject imports from South Africa, U.K., Spain, and Turkey increased 432 percent, 194.1 percent, [ ] percent, and [ ] percent, respectively.[392] This has the potential to undermine the effectiveness of any orders that may be issued.

While subject imports as a whole have slightly retreated from the U.S. market due to the pendency of the investigation, substantial inventories of subject merchandise threaten to limit the extent of relief that may be afforded to the domestic industry. The Commission's staff report confirms that importer inventories of [ ] continued to grow significantly.[393] However, the inventory levels captured by the Commission's staff report do not indicate the full extent of the volume of inventories of subject merchandise that may continue to undersell domestic product.[394] Specifically, in addition to importers, purchasers themselves often hold sizeable inventories of subject merchandise. For instance, as Mr. Moffitt, Vice President of Purchasing for the Heico Wire Group testified to the Commission:

> Imported rod comes in consignments of 5 to 30,000 tons . . . {and} must be carried in inventory for longer periods of time because of the larger consignments . . . .[395]

Similarly, Mr. Frey, Vice President for Long Products of Tata International Americas testified that:

> When {U.S. rod consumers} opt for imported rods instead, they generally have to buy larger increments of steel, which leads to bloated inventories . . . .[396]

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391 *Id.* at IV-10 (Table IV-4).

392 *Id.* at IV-9, IV-11 - IV-13.

393 *Id.* at C-3 - C-4 (Table C-1).

394 Hearing Tr. at 38-39 (Mr. Rosenthal).

395 *Id.* at 156 (Mr. Moffitt).

396 *Id.* at 176 (Mr. Frey).

Given these concessions and the fact that during the interim period, imports from these countries maintained high levels or grew to even higher levels,[397] it is likely that much of this volume is sitting in the inventories of purchasers. Precisely because of substantial volumes in inventories, while domestic producers have been able to raise prices slightly due to post-petition effects, they have not been able to raises prices by as much as would be expected with the imposition of preliminary duties.[398] Indeed, Mr. Armstrong of Keystone Consolidated Industries, Inc. ("Keystone") testified at the Hearing that during the pendency of the investigation, Keystone has attempted to raise prices and made price increase announcements but has been unsuccessful.[399] In response to price increase announcements Keystone made after the petition was filed, in the second quarter, customers simply turned to the subject imports that were continuing to surge into the U.S. market.[400] After subject imports slightly retreated from the U.S. market in the third quarter, Keystone again attempted to raise prices but was unable to reap any benefit.[401] It became apparent that customers themselves had inventories of cheap subject imports that they could turn to instead of purchasing domestic product at higher prices.[402] Because of this inventory overhang, purchasers are projected to be working through their stockpile of subject imports until well into the first quarter of 2018.[403]

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397 Prehearing Staff Report at C-3 - C-4 (Table C-1).

398 Hearing Tr. at 132-133 (Mr. Rosenthal).

399 *Id.* at 76-77 (Mr. Armstrong).

400 *Id.*

401 *Id.*

402 *Id.*

403 *Id.* at 132 (Mr. Rosenthal).

The injurious effects of the surge of subject imports and the resulting sizeable inventories are particularly tangible when considering the capital-intensive nature of the industry.[404] In this type of industry, sustained profits are necessary to fund investment.[405] As domestic producers have been unable to earn reasonable rates of return on investment, the delay in domestic producers being able to recover sales orders due to inventories of low-priced imports prevents investment for the future necessary for domestic producers to maintain competitiveness in the global market in the long term.[406] Thus, the negative financial consequences due to the delay in domestic producers being able to recover sales orders has particularly harmful lagging effects. The sizeable inventories of low-priced imports that purchasers hold, in addition to the existing inventories of importers, thus threaten to undermine the remedial effect of the orders that may be issued.

Accordingly, the record of this investigation contains evidence of both post-petition effects and critical circumstances. Specifically, and as stated above, subject imports in the aggregate declined as a result of the filing of the petitions and there was a corresponding (albeit slight) increase in the performance of the domestic industry. However, certain producers in certain subject countries did rush imports into the United States – specifically Russia, Spain, South Africa, Turkey, and U.K., and affirmative critical circumstances are merited as to these countries.

404 *Id.* at 133 (Mr. Price).

405 *See id.*

406 *See id.*

IX. BUY AMERICA

COMMISSIONER WILLIAMSON (Hearing Tr. at 231): Okay, thank you. Do purchase{rs} have to meet buy America requirements? I think someone else mentioned buy America requirements and I guess the question is – {...} how significant is that in the demand picture.

The Commission has consistently found that Buy America(n) provisions do not insulate domestic wire rod producers from subject import competition.[407] Indeed, in the prior investigation on *Carbon and Certain Alloy Steel Wire Rod from China*, the Commission found that despite claims by respondents that Buy America(n) provisions shield U.S. producers from competition with subject imports, "such preferences account for only a limited portion of U.S. shipments" and further, "there is no indication that these provisions have served to insulate the domestic industry from subject import competition."[408] The Commission recently again confirmed that Buy America(n) provisions do not insulate domestic manufacturers from unfair trade competition in *Steel Concrete Reinforcing Bar from Japan and Turkey*. In particular, the Commission found it significant that despite the allegations that Buy America(n) requirements insulate the domestic industry, the data demonstrated that these alleged preferences did not prevent subject imports from making significant volume and market share gains during the period of investigation and concluded that the preference programs do not insulate the domestic industry from direct competition with subject imports or from the adverse effects of the low-priced subject imports.[409]

The record in the instant investigation supports the same conclusion. Any suggestions that Buy America(n) provisions insulate the domestic industry are completely undermined by the sheer

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[407] USITC Pub. 4509 at 21; *Steel Concrete Reinforcing Bar from Japan, Taiwan, and Turkey*, Inv Nos. 701-TA-564 and 731-TA-1338-1340, USITC Pub. 4648 (Nov. 2016) (Preliminary) at 16, 21, 36; USITC Pub. 4705 at 20, 27, and II-14.

[408] USITC Pub. 4509 at 21.

[409] USITC Pub. 4705 at 20, 27, and II-14.

volume of subject imports that entered the U.S. market over the POI and the pervasive underselling by subject imports.[410] As domestic producers have confirmed, the portion of the market that is potentially subject to Buy America(n) provisions is very small.[411]

At the time of purchase, producers of wire rod, and sometimes even the customers themselves, generally do not know whether or not the wire rod will ultimately be used in Buy America(n) projects.[412] Indeed, the Commission's pre-hearing staff report indicates that overwhelmingly, purchasers as well as their customers never or only sometimes make purchasing decisions based on the country of origin.[413] Further, as provided in the Commission's pre-hearing staff report, "{t}he most often cited top three factors firms consider in their purchasing decisions for wire rod were price (36 firms), quality (35 firms), and availability and supply (17 firms)."[414] Unsurprisingly, the majority of purchasers reported that they usually purchase the lowest-priced product.[415] Thus, as the Commission has consistently found, Buy America(n) provisions simply do not insulate domestic producers from competition from low-priced imports.

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410 *See* Prehearing Staff Report at C-3 – C-4 (Table C-1); V-30 (Table V-10a) – V-31 (Table V-10b).

411 *See* Conference Transcript, *Carbon and Alloy Steel Wire Rod from Belarus, Italy, the Republic of Korea, the Russian Federation, the Republic of South Africa, Spain, Turkey, Ukraine, the United Arab Emirates, and the United Kingdom,* Inv. Nos. 701-TA-573-574 and 731-TA-1349-1358 (Preliminary) (Apr. 18, 2017) at 166-167 (Mr. Nystrom), 167 (Mr. Armstrong).

412 Hearing Transcript, *Carbon and Alloy Steel Wire Rod from China,* Inv. Nos. 701-TA-512 and 731-TA-1248 (Final) (Nov. 12, 2014) at 57 (Mr. Nystrom), 57 (Mr. Brachbill), 57 (Mr. Kerkvliet), 58 (Mr. Ashby), 73 (Mr. Nystrom); 73-74 (Mr. Rosenthal), attached as **Exhibit 43**.

413 Prehearing Staff Report at II-13 (Table II-4).

414 *Id*. at II-13.

415 *Id*. at II-14.

X. U.S. PRICES

MR. CORKRAN (Hearing Tr. at 239): {O}ne question please for Mr. Stauffer. I believe you testified today that U.S. prices were now below global prices, was that the initial testimony? I was looking at published price data and it looked like through June there was a domestic premium, a U.S. premium still. When did that change in your view?

Throughout the POI, prices in the United States were consistently greater than the prices subject producers could obtain in their home markets or in other non-subject markets.[416] Contrary to Mr. Stauffer's testimony "that the prices in the global market are higher than in the domestic today,"[417] [

].[418] Going forward, [

].[419] The United States remains a large, open, and attractive market for subject producers to ship their excess capacity. These export oriented subject producers will continue to flood the U.S. market with low-priced wire rod absent final trade relief.

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416 *See* Prehearing Staff Report at VII-75 (Table VII-41); *see also* [
], attached as **Exhibit 44**.

417 *See* Hearing Tr. at 240 (Mr. Stauffer); *see also id.* at 241 (Mr. Moffit).

418 *See* [
], attached as Exhibit 12 to Nucor Prehearing Brief.

419 [ ], attached as **Exhibit 44**.

EXHIBIT 2

AWPA
American Wire Producers Association

ABOUT US

The AWPA is the leading voice of the ferrous wire and wire products industry in North America.

AWPA members include wire producers located in the United States, Canada and Mexico, manufacturers and distributors of wire rod, and suppliers of machinery, dies, and equipment to the wire industry.



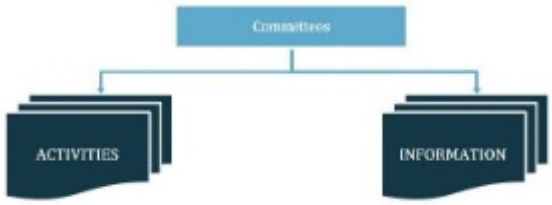
AWPA Profile

Manufacturers of ferrous Wire and Wire Products, located in the United States of America, make up the voting members of the association. Presidents, CEOs, Purchasing Managers and other senior level company leadership all participate in meetings and activities of the association. Operations staff are also involved in meetings and association programs. Canadian and Mexican Wire Manufacturers and Suppliers to the industry are involved at every level of leadership and programming.



What is Ferrous Wire?

Ferrous *adjective* fer·rous \ˈfer-əs, ˈfe-rəs\ Ferrous is an adjective used to indicate the presence of iron. The word is derived from the Latin word *ferrum* (“iron”). Ferrous metals include carbon steel, stainless steel and alloy steel. *Ferrous Wire and Wire Products are Everywhere.* AWPA member companies make hundreds of kinds of wire and wire products including bright, galvanized and tempered wire; wire mesh, netting and fencing; wire strand and rope; and garment hangers and nails.





Committee Structure

AWPA Committees are the venue to discuss issues of importance to the industry.

Contact Us

See a list of AWPA staff members or send an email.

FIND A MANUFACTURER



AWPA Member Companies Manufacture Wire and Wire Products in North America and Around the World

Do you need to find a Wire Manufacturer or a Wire Product Manufacturer? Search the AWPA members and get a list of manufacturers that make the products you need. We'll provide the Company Names, Locations and Sales Contact information for your future suppliers.

FIND A MANUFACTURER

AWPA MEMBERS

A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z

All America Threaded Products, Inc.	Denver, CO
American Wire Research	Wilmerding, PA
ArcelorMittal Long Products	Chicago, IL
ASW Pengg	Bedford Heights, OH
Aztech Lubricants, LLC	Wayne, OK
Bekaert Corporation	Marietta, GA
Belkap Steel LLC	Miami, FL
Beta Steel	Sterling Heights, MI
British Steel	Scunthorpe, North Lincolnshire, United Kingdom
Cascade Steel Rolling Mills, Inc.	Mcminnville, OR
Cavert Wire Company, Inc.	Rural Hall, NC

Central Wire Industries	Union, IL
Charter Steel	Saukville, WI
Chemetall US	Canton, OH
Cincinnati Thermal Spray	Springfield, NJ
Coastal Wire Company Inc.	Georgetown, SC
Commodity General Trading USA, LLC	Aventura, FL
Condat Corporation	Saline, MI
Deacero S.A.PI. de C.V.	San Pedro Garza Garcia, Nuevo Leon, Mexico
Duferco Steel Inc.	Matawan, NJ
Emerald Steel Processing, LLC	Madison Heights, MI
Enkotec Company Inc.	Solon, OH
EVRAZ North America	Pueblo, CO
Ferrostaal Steel Canada Inc.	Whitby, ON, Canada
Fort Wayne Metals Research Products Corporation	Fort Wayne, IN
G3 Steel Group, LLC	Troy, MI
Gerdau	Tampa, FL
Hawthorne Wire Services, Ltd.	Lakewood, OH
Heico Wire Group	Irwindale, CA
HSM Solutions	Hickory, NC
Insteel Industries Inc.	Mount Airy, NC
International Technical Coatings, Inc.	Phoenix, AZ
Ivaco Rolling Mills Ltd.	L'Orignal, ON, Canada

IWM International	Hanover, PA
Johnstown Wire Technologies Inc.	Johnstown, PA
Kanematsu USA Inc.	Arlington Heights, IL
Keysteel Corp.	New Caney, TX
Keystone Steel & Wire Company	Peoria, IL
King Steel Corporation	Grand Blanc, MI
Kiswire America Inc.	Norcross, GA
Kroman Celik Sanayii AS	Kocaeli, Turkey
Krueger Steel & Wire	Elmhurst, IL
Kurt Orban Partners LLC	Burlingame, CA
Leggett & Platt, Inc.	Carthage, MO
Lincoln Electric Company	Cleveland, OH
M&B Metal Products Company	Leeds, AL
Macsteel International USA Corporation	Wayzata, MN
Mapes Piano String Company	Elizabethton, TN
MAR-MAC Industries, Inc.	McBee, SC
Mario Frigerio S.p.A.	Molteno, Italy
Merchants Metals LLC	Atlanta, GA
Mid Continent Steel and Wire Inc.	Poplar Bluff, MO
MID-SHIP Logistics	Port Washington, NY
Mid-South Wire Company	Nashville, TN
Morgan-Koch Corporation	Worcester, MA
Mount Joy Wire Corporation	Mount Joy, PA

Nucor	Norfolk, NE
O'Brien Wire Products of Texas, Inc.	Houston, TX
Oklahoma Steel & Wire Company, Inc.	Madill, OK
Outokumpu Stainless, Inc.	Sheffield, United Kingdom, United Kingdom
Paramount Die	Abingdon, MD
Parkway-Kew Corporation	North Brunswick, NJ
Peerless Chain Company	Winona, MN
Precision Metal Services, Inc.	Montgomeryville, PA
Protec Inc.	Durham, NC
Saarstahl USA	Rochester Hills, MI
SSW Holding Company, Inc.	Elizabethtown, KY
Steel Resources LLC	Sudbury, MA
Stemcor USA Inc.	New York, NY
Sumiden Wire Products Corporation	Dickson, TN
Suzuki Garphyttan Corporation	South Bend, IN
Tata International	Schaumburg, IL
Taubensee Steel & Wire Company	Wheeling, IL
Tokusen USA, Inc.	Conway, AR
Traxit North America, LLC	Germantown, TN
Tree Island Steel	Walnut, CA
Tri Star Metals LLC	Freeport, IL
Ulbrich Shaped Wire	North Haven, CT

Uniwire International Ltd.	New York, NY
Vulcan Steel Products	Pelham, AL
WAFIOS Machinery Corporation	Branford, CT
Wire Mesh Corporation	The Woodlands, TX
WireCo WorldGroup	Prairie Village, KS
WireTech, Inc.	Commerce, CA
Yongxing Special Stainless America LLC	Sugarland, TX
ZAPP Precision Wire, Inc.	Summerville, SC

GOVERNMENT AFFAIRS

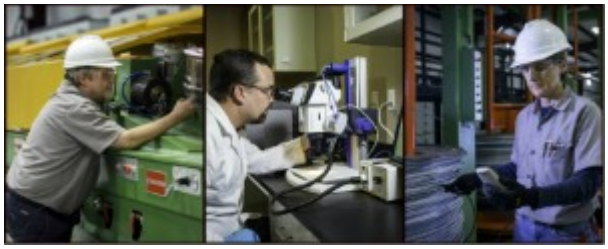
The Advocacy work done by the AWPA and its members is based on fostering the global competitiveness of North American wire producers. The foundation of this work is in the **International Trade Policy Mission** statements of the association.

- **The mission of the American Wire Producers Association is to assure free access to the global supply of Carbon, Alloy and Stainless Steel Wire Rod.**
- AWPA supports and promotes US policy, legislation and international agreements which seek to eliminate trade-distorting subsidies and government intervention in the free market.
- AWPA supports compliance by the United States and our trading partners with international trade agreements and enforcement of the obligations of our trading partners that they have undertaken in those agreements.
- AWPA supports broad international trade liberalization with effective reciprocal market access.



Legislation & Government Policy

New AWPA policy positions are discussed and decided upon by the members of the Government



State-by-State Employment Data

See how important the industry is to your state and the national economy! How many plants? Total

Relations Advisory Committee (GRAC). Here is what's on the Agenda, now.

Number of Industry Employees? Total Industry Wages?



US House Wire & Wire Products Caucus

AWPA values the legislators who have agreed to join the wire industry Caucus. Is your Representative a Member? If not, ASK!



International Trade Cases

Ossit peribus cimagnimus, simus doluptatem dis ipsa volorec epudit fugitatur, sedi ommo tes aut facest ut ium.



Environmental, Health & Safety

The AWPA Environmental Affairs Subcommittee monitors regulations that affect the industry. Find the latest issues of interest here.



congress.gov

AWPA has sent you an Action Alert – and you need to know the names and contact information for your legislators. Here is your resource.

AMERICAN WIRE PRODUCERS ASSOCIATION

STATUS OF U.S. ANTIDUMPING (AD) AND COUNTERVAILING DUTY (CVD) ORDERS ON STEEL WIRE AND WIRE PRODUCTS

BY COUNTRY

SEPTEMBER 2017

COUNTRY	PRODUCT	TYPE OF ORDER	DATE OF ORDER
CHINA	STEEL NAILS	AD	August 1, 2008
	STEEL WIRE GARMENT HANGERS	AD	October 6, 2008
	UNCOVERED INNERSPRING UNITS	AD	February 19, 2009
	STEEL THREADED ROD	AD	April 14, 2009
	WIRE SHELVING	AD	September 14, 2009
	WIRE SHELVING	CVD	September 14, 2009
	PRESTRESSED CONCRETE STEEL WIRE STRAND	AD	June 29, 2010
	PRESTRESSED CONCRETE STEEL WIRE STRAND	CVD	July 7, 2010
	STEEL GRATING	AD	July 23, 2010
	STEEL GRATING	CVD	July 23, 2010
	PRESTRESSED CONCRETE RAIL TIE WIRE	AD	June 24, 2014
VIETNAM	UNCOVERED INNERSPRING UNITS	AD	December 11, 2008
	STEEL WIRE GARMENT HANGERS	AD	February 5, 2013
	STEEL WIRE GARMENT HANGERS	CVD	February 5, 2013
	STEEL NAILS	AD	July 13, 2015
	STEEL NAILS	CVD	July 14, 2015
INDIA	PRESTRESSED CONCRETE STEEL WIRE STRAND	AD	January 28, 2004
	PRESTRESSED CONCRETE STEEL WIRE STRAND	CVD	February 4, 2004
KOREA	PRESTRESSED CONCRETE STEEL WIRE STRAND	AD	January 28, 2004
	STEEL NAILS	AD	July 13, 2015
MEXICO	PRESTRESSED CONCRETE STEEL WIRE STRAND	AD	January 28, 2004
	PRESTRESSED CONCRETE RAIL TIE WIRE	AD	June 24, 2014

COUNTRY	PRODUCT	TYPE OF ORDER	DATE OF ORDER
TAIWAN	STEEL WIRE GARMENT HANGERS	AD	December 10, 2012
	STEEL NAILS	AD	July 13, 2015
BRAZIL	PRESTRESSED CONCRETE STEEL WIRE STRAND	AD	January 28, 2004
JAPAN	PRESTRESSED CONCRETE STEEL WIRE STRAND	AD	December 8, 1978
MALAYSIA	STEEL NAILS	AD	July 13, 2015
OMAN	STEEL NAILS	AD	July 13, 2015
SOUTH AFRICA	UNCOVERED INNERSPRING UNITS	AD	December 11, 2008
THAILAND	PRESTRESSED CONCRETE STEEL WIRE STRAND	AD	January 28, 2004
U.A.E.	STEEL NAILS	AD	May 10, 2011

AMERICAN WIRE PRODUCERS ASSOCIATION

STATUS OF U.S. ANTIDUMPING (AD) AND COUNTERVAILING DUTY (CVD) ORDERS ON STEEL WIRE AND WIRE PRODUCTS

BY PRODUCT

SEPTEMBER 2017

PRODUCT	COUNTRY	TYPE OF ORDER	DATE OF ORDER
STEEL NAILS	CHINA	AD	August 1, 2008
	UNITED ARAB EMIRATES	AD	May 10, 2011
	KOREA	AD	July 13, 2015
	MALAYSIA	AD	July 13, 2015
	OMAN	AD	July 13, 2015
	TAIWAN	AD	July 13, 2015
	VIETNAM	AD	July 13, 2015
	VIETNAM	CVD	July 14, 2015
STEEL WIRE GARMENT HANGERS	CHINA	AD	October 6, 2008
	TAIWAN	AD	December 10, 2012
	VIETNAM	AD	February 5, 2013
	VIETNAM	CVD	February 5, 2013
UNCOVERED INNERSPRING UNITS	CHINA	AD	February 19, 2009
	SOUTH AFRICA	AD	December 11, 2008
	VIETNAM	AD	December 11, 2008
STEEL THREADED ROD	CHINA	AD	April 14, 2009
WIRE SHELVING	CHINA	AD	September 14, 2009
	CHINA	CVD	September 14, 2009
PRESTRESSED CONCRETE STEEL WIRE STRAND	CHINA	AD	June 29, 2010
	CHINA	CVD	July 7, 2010
	BRAZIL	AD	January 28, 2004
	INDIA	AD	January 28, 2004
	INDIA	CVD	February 4, 2004
	JAPAN	AD	December 8, 1978
	KOREA	AD	January 28, 2004
	MEXICO	AD	January 28, 2004
	THAILAND	AD	January 28, 2004

STEEL GRATING	CHINA	AD	July 23, 2010
	CHINA	CVD	July 23, 2010
PRESTRESSED CONCRETE RAIL TIE WIRE	CHINA	AD	June 24, 2014
	MEXICO	AD	June 24, 2014