



STEEL THREADED ROD ANTI-DUMPING AND COUNTERVAILING DUTY INVESTIGATIONS

SEPTEMBER 5, 2013



Dumping/Anti-dumping Duties

The anti-dumping law provides U.S. businesses and workers with a transparent and internationally approved mechanism to seek relief from the market-distorting effects caused by injurious dumping of imports into the United States, providing an opportunity for U.S. producers to compete on a level playing field.

For the purpose of anti-dumping investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value.

Subsidization/Countervailing Duties

Countervailing duty law provides U.S. businesses and workers with a transparent and internationally approved mechanism to seek relief from the market distorting effects caused by unfair subsidization of imports into the United States, providing an opportunity for U.S. producers to compete on a level playing field.

For the purpose of countervailing investigations, countervailable subsidies are financial and other assistance from foreign governments that benefit foreign producers of goods for export.

History of Threaded Rod Imports

(See Chart Below, Fig. 1)

COUNTRY	Statistically Calculated from other Tariff Codes								Actual tariff 5056 Data			
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
China	12,440	17,619	18,296	27,759	39,628	60,493	66,398	40,516	13,227	13,440	13,818	19,510
India	1,530	2,196	1,225	1,755	2,038	4,135	4,361	7,063	14,074	21,020	26,442	20,723
Thailand	0	0	144	28	0	3	0	0	292	6,243	8,401	22,086
Malaysia	402	816	1,053	1,147	986	1,229	819	703	3,138	5,561	3,902	3,997

Thousands of Pounds

Fig. 1

Petition Filed – 6/27/2013

Petitions for anti-dumping duties and countervailing duties were filed on June 27, 2013 with the U.S. International Trade Commission and the U.S. Commerce Department by the U.S. steel threaded rod manufacturing industry represented by All America Threaded Products, Inc. of Denver, Colorado; Bay Standard Manufacturing, Inc. of Brentwood, California; and Vulcan Threaded Products, Inc. of Pelham, Alabama.

The Products – Subject of the Petitions

Non-headed, low-carbon steel threaded rod, bar or studs of any length or diameter; either plain, zinc plated or hot dip galvanized; and threaded greater than 25% of total length (for a full description of the products covered by the investigation, please see sidebar “Scope of Investigations”).

Timeline

2013	JULY 18, 2013 On July 18, 2013, the U.S. International Trade Commission held hearings in Washington, DC in response to the petitions filed on June 27, 2013 for the purpose of making a preliminary determination as to whether the U.S. threaded rod manufacturing industry had been injured by threaded rod imports from India and Thailand.
	AUGUST 9, 2013 Preliminary determination by the U.S. ITC On August 9, 2013, the U.S. International Trade Commission voted 6 to 0 that there is a reasonable indication that the U.S. threaded rod manufacturing industry is materially injured by reason of imports of certain steel threaded rod from India and Thailand. Note that all six Commissioners voted in the affirmative.
	SEPTEMBER 20, 2013 to NOVEMBER 25, 2013 Preliminary determination by the DOC / Countervailing Preliminary determination by Department of Commerce to countervailing duties: no earlier than September 20, 2013; no later than November 25, 2013.
2014	DECEMBER 4, 2013 to JANUARY 23, 2014 Preliminary determination by the DOC / Anti-dumping Preliminary determination by Department of Commerce as to anti-dumping duties: no earlier than December 4, 2013; no later than January 23, 2014.
	FEBRUARY 7, 2014 to JUNE 9, 2014 Final determination by the DOC / Countervailing Final determination by the U.S. Department of Commerce as to countervailing duties: no earlier than February 7, 2014; no later than June 9, 2014.
	APRIL 8, 2014 to JUNE 9, 2014 Final determination by the DOC / Anti-dumping Final determination by U.S. Department of Commerce as to anti-dumping duties: no earlier than April 8, 2014; no later than June 9, 2014.
	MARCH 24, 2014 to JULY 22, 2014 Final determination by the U.S. ITC / Countervailing Final determination by the U.S. International Trade Commission as to countervailing duty investigation: no earlier than March 24, 2014; no later than July 22, 2014.
	MAY 23, 2014 to JULY 22, 2014 Final determination by the U.S. ITC / Anti-dumping Final determination by the U.S. International Trade Commission as to anti-dumping investigation: no earlier than May 23, 2014; no later than July 22, 2014.

Scope of the Investigations

Source: Federal Register
Document 2013-17794, Appendix

The merchandise covered by these investigations is steel threaded rod. Steel threaded rod is certain threaded rod, bar, or studs, of carbon quality steel, having a solid, circular cross section, of any diameter, in any straight length, that have been forged, turned, cold-drawn, cold-rolled, machine straightened, or otherwise cold-finished, and into which threaded grooves have been applied. In addition, the steel threaded rod, bar, or studs subject to these investigations are nonheaded and threaded along greater than 25 percent of their total length. A variety of finishes or coatings, such as plain oil finish as a temporary rust protectant, zinc coating (i.e., galvanized, whether by electroplating or hot-dipping), paint, and other similar finishes and coatings, may be applied to the merchandise.

Steel threaded rod is currently classifiable under subheadings 7318.15.5051, 7318.15.5056, 7318.15.5090 and 7318.15.2095 of the Harmonized Tariff Schedule of the United States (“HTSUS”). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

Excluded from the scope of these investigations are: (a) Threaded rod, bar, or studs which are threaded only on one or both ends and the threading covers 25 percent or less of the total length; and (b) threaded rod, bar, or studs made to American Society for Testing and Materials (“ASTM”) A193 Grade B7, ASTM A193 Grade B7M, ASTM A193 Grade B16, and ASTM A320 Grade L7.

Preliminary Estimate of Anti-dumping Duties

COUNTRY	DUMPING DUTIES	COUNTERVAILING DUTIES
India	17.93% to 119.87%	Foreign government subsidies and resultant countervailing duties are not estimated in advance by either the International Trade Commission or the Commerce Department.
Thailand	63.16% to 74.90%	

Critical Circumstances

In the event that there is a surge of low carbon threaded rod imports into the United States of 15% or more from the date that the Anti-Dumping/Countervailing Duty Petitions were filed on June 27, 2013, the USITC/DOC could declare a finding of "critical circumstances," in which case countervailing duties would be applied to such threaded rod imports retroactively to August 26, 2013; and anti-dumping duties would be applied retroactively to October 25, 2013.

Why Not Malaysia?

You will note from paragraph #3 above, "History of U.S. Threaded Rod Imports," that imports from Malaysia have grown from 703,000 pounds in 2008 (before duties were imposed on China), to 3,997,000 pounds in 2012 --- a 468% increase. In order to file a valid anti-dumping or countervailing duty petition against a country, that country must be a producer of the products being petitioned. Malaysia produces no product subject to the petitions. They are only "exporters" of such product, which means that the product is produced elsewhere and "transshipped" through Malaysia to the United States.

There is reason to believe that a large percentage, if not all, of these transshipments originate in China in contravention of U.S. trade laws ---- as both anti-dumping and countervailing duties have been imposed on China in respect to the subject products. U.S. Customs is charged with the responsibility of enforcing U.S. trade laws and collecting duties. U.S. Customs is well aware of the allegations that China, in an effort to avoid duties, is transshipping through Malaysia in contravention of the law. Should U.S. Customs choose to investigate these claims and find them to be true, U.S. Customs can and should impose retroactive duties, financial penalties, and even jail terms ---- as they have recently done in the case of wire hangers from China and honey from China.

What About China?

Note also that China's exports to the U.S. of the subject products have also risen substantially since the duties were imposed --- 13,277,000 pounds in 2009 to 19,510,000 pounds in 2012, an increase of 46.9%. What is going on here? There is reason to believe that the importers of the subject product from China are simply misrepresenting on their customs declarations what they are shipping to the U.S. as not being dutiable.

Again, it is up to U.S. Customs to enforce U.S. trade laws and collect the appropriate duties. U.S. Customs is likewise well aware of allegations that China is cheating in the manner above and U.S. Customs remedies are the same as with Malaysia, wire hangers and honey.

Additional Resources

Department of Commerce (DOC)

Fact Sheet: *Antidumping Duty Investigations of Steel Threaded Rod from India and Thailand and a Countervailing Duty Investigation of Steel Threaded Rod from India*

http://ia.ita.doc.gov/download/factsheets/factsheet_steel_threaded_rod_initiation_19JUL13.pdf

Federal Register

International Trade Commission (ITC) Notice: *Steel Threaded Rod from India and Thailand: Initiation of Antidumping Duty Investigations*

<https://www.federalregister.gov/articles/2013/07/24/2013-17794/steel-threaded-rod-from-india-and-thailand-initiation-of-antidumping-duty-investigations>

About All America Threaded Products, Inc.

All America Threaded Products, Inc. is a manufacturer and distributor of threaded rod, studs, anchor bolts, u-bolts, coupling nuts, and threaded product "specials". All America Threaded Products is a subsidiary of Acme Manufacturing Company, Inc. of Denver, Colorado.

In 1994, Acme Manufacturing Company acquired BoltMaster, Inc./RediBolt of Chicago, IL. Since that time, Acme has acquired five additional companies in the threaded products industry. In June of 2010, Acme formed All America Threaded Products, Inc. by combining the operations of six acquisitions made over the years:

1. BoltMaster, Inc./RediBolt, Chicago, IL
2. Threaded Rod Company, Inc., Indianapolis, IN
3. Watson Metal Products Corp., Kenilworth, NJ
4. Lancaster Threaded Products, Inc., Lancaster, PA
5. Rods Indiana, Inc., Butler, IN
6. J&D Industrial Products, Inc., Butler, IN

All America Threaded Products, Inc. has, in turn, consolidated all operations into three facilities:

ROCKY MOUNTAIN DIVISION, Denver, Colorado

MIDWEST DIVISION, Indianapolis, Indiana

MID-ATLANTIC DIVISION, Lancaster, Pennsylvania

All America Threaded Products has a large inventory of quality, in stock products in a variety of materials and finishes. We have nine shipping locations in the United States, company owned delivery trucks and fill rates in excess of 99%. All America understands your needs and has the experience and capability to get you the right threaded product for any application you may have.