



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

A-570-932
Scope Ruling
Public Document
IA/NME/IX: SSP

May 24, 2011

MEMORANDUM TO: Christian Marsh
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

THROUGH: James C. Doyle
Director, Office 9
Antidumping and Countervailing Duty Operations

FROM: Susan Pulongbarit
International Trade Analyst
AD/CVD Enforcement, Office 9

RE: Certain Steel Threaded Rod from the People's Republic of China:
A.L. Patterson Final Scope Ruling

Summary

On February 22, 2011, the Department of Commerce ("Department") received a submission from A.L. Patterson ("Patterson") requesting a scope determination¹ on whether the engineered steel coil rod ("coil rod") it imports from the People's Republic of China ("PRC") is outside the scope of the antidumping duty order on certain steel threaded rod ("threaded rod") from the PRC. See Certain Steel Threaded Rod from the People's Republic of China: Notice of Antidumping Duty Order, 74 FR 17154 (April 14, 2009) ("Order").

Pursuant to an analysis under 19 CFR 351.225(k)(1), we recommend that the Department determine that the coil rod described in the Patterson Request is within the scope of the Order on threaded rod from the PRC.

Background

On February 2, 2011, Patterson submitted a scope request for the coil rod that it imports from the PRC. The product in question is a high-strength, alloy steel rod, with a minimum carbon content of 0.4 percent, and a large coil thread rolled onto the full length of the rod. The coil rod is produced between 3/8" and 1 1/2" diameter.² Patterson requested that the Department consider

¹ See Letter from A.L. Patterson, to Secretary of Commerce, regarding Certain Steel Threaded Rod from the People's Republic of China: Application for a Scope Ruling Excluding Engineered Steel Coil Rod from the Scope of the Antidumping Duty Order, dated February 22, 2011 ("Patterson Request"); see Letter from A.L. Patterson, to Secretary of Commerce, regarding Certain Steel Threaded Rod from the People's Republic of China (Scope Inquiry): Response to Supplemental Questionnaire, dated March 4, 2011 ("Patterson March 4 Submission").

² See Patterson Request at Appendix D.



the product in question as outside the scope of the Order on threaded rod from the PRC.³ On March 4, 2011, Patterson provided the Department with the United States Harmonized Tariff Schedule heading relevant to its scope request.⁴ On March 8, 2011, Vulcan Threaded Products Inc. (“Petitioner”) submitted comments on Patterson’s scope request.⁵ On March 11, 2011, Patterson submitted rebuttal comments.⁶ On March 23, 2011, Patterson provided the Department with specification requirements for American Society for Testing and Materials (“ASTM”) A193 Grade B7.⁷ On March 24, 2011, Petitioner submitted rebuttal comments. On April 5, 2011, representatives for Patterson, including counsel, met with the Department to discuss its scope request and provided samples of coil rod.⁸ On April 6, 2011, Patterson submitted additional information regarding coil rod and threaded rod.⁹ On April 15, 2011, counsel for Petitioner met with the Department to discuss the scope request and examine samples of coil rod provided by Patterson¹⁰ and, on April 22, 2011, submitted comments regarding the samples.¹¹

Scope of the Order

The merchandise covered by this order 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 this order are non-headed 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.

Included in the scope of this order are steel threaded rod, bar, or studs, in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2

³ See Patterson Request at 2.

⁴ See Patterson March 4 Submission.

⁵ See Letter from Vulcan Threaded Products Inc., to Secretary of Commerce, regarding Certain Steel Threaded Rod from China: Scope Inquiry (Steel Coil Rod) – Comments, dated March 8, 2011 (“Petitioner March 8 Submission”).

⁶ See Letter from A.L. Patterson, to Secretary of Commerce, regarding Certain Steel Threaded Rod from the People’s Republic of China (Scope Inquiry): Response to Comments by Vulcan Threaded Products, Inc., dated March 11, 2011.

⁷ See Letter from A.L. Patterson, to Secretary of Commerce, regarding Certain Steel Threaded Rod from China (Scope Inquiry): Response to Supplemental Questionnaire, dated March 23, 2011.

⁸ See Memorandum to the File, from Susan Pulongbarit, International Trade Analyst, regarding Scope Inquiry of Steel Threaded Rod from the People’s Republic of China: Ex Parte Meeting with A.L. Patterson, dated April 13, 2011.

⁹ See Letter from A.L. Patterson, to Secretary of Commerce, regarding Certain Steel Threaded Rod from China (Scope Inquiry): Supplement to the Request for Scope Ruling regarding Coil Rod, dated April 6, 2011 (“Patterson April 6 Submission”).

¹⁰ See Memorandum to the File, from Susan Pulongbarit, International Trade Analyst, regarding Scope Inquiry of Steel Threaded Rod from the People’s Republic of China: Ex Parte Meeting with Vulcan Threaded Products, Inc., dated April 19, 2011.

¹¹ See Letter from Vulcan Threaded Products Inc., to Secretary of Commerce, regarding Certain Steel Threaded Rod from China (Scope Inquiry): Scope Inquiry (Steel Coil Rod) – Comments regarding Requestor’s Samples, dated April 22, 2011 (“Petitioner April 22 Submission”).

percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 1.80 percent of manganese, or
- 1.50 percent of silicon, or
- 1.00 percent of copper, or
- 0.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 1.25 percent of nickel, or
- 0.30 percent of tungsten, or
- 0.012 percent of boron, or
- 0.10 percent of molybdenum, or
- 0.10 percent of niobium, or
- 0.41 percent of titanium, or
- 0.15 percent of vanadium, or
- 0.15 percent of zirconium.

Steel threaded rod is currently classifiable under subheading 7318.15.5050, 7318.15.5090, and 7318.15.2095 of the United States Harmonized Tariff Schedule (“HTSUS”). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the merchandise is dispositive.

Excluded from the scope of the order 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, or ASTM A320 Grade L7.

Parties’ Arguments

Patterson argues that coil rod is distinguishable from threaded rod because it is chromium-nickel alloy, medium- to high-carbon steel (i.e., ≥ 0.4 percent), has widely spaced threads, a narrow range of diameters, is neither coated nor plated, and nearly meets the characteristics of ASTM A193 Grade B7, which is expressly excluded from the Order.¹² Patterson also claims that the threading measurement standards and performance criteria (i.e., tension and shear) of coil rod differ from those of threaded rod, further distinguishing the two products.¹³ Moreover, coil rod is a reusable product utilized in the “concrete accessories” market for the assembly or lifting of concrete forms and molds.¹⁴ This is in contrast to threaded rod, Patterson states, which is used as a permanent fixture to suspend electrical conduit, pipes for plumbing, HVAC ductwork, and sprinkler pipes.¹⁵

¹² See Patterson Request at 2-3, 6.

¹³ See Patterson April 6 Submission at 1-2.

¹⁴ See Patterson Request at 8.

¹⁵ *Id.* at 8.

Patterson contests that coil rod is not covered by the Order because it was not expressly identified in the petition, investigation, or International Trade Commission (“ITC”) proceedings.¹⁶ Patterson further argues that coil rod is outside of the Order as evidenced by the fact that the scope language does not expressly identify “coil rod” as within the scope of the Order.¹⁷ Lastly, Patterson asserts that neither the petition nor the investigation identify Patterson’s PRC producer, PRC producers of coil rod,¹⁸ or the domestic producers of coil rod,¹⁹ further supporting its claim that coil rod is outside the Order.²⁰

Notwithstanding its arguments under 19 CFR 351.225(k)(1), Patterson also included an analysis of the criteria specified by 19 CFR 351.225(k)(2), reiterating the arguments noted above, and further stating that: 1) coil rod has unique specifications (*e.g.*, shear capacity, “charpy” impact, and yield) that differentiate it from threaded rod; 2) expectations of coil rod customers are focused in the concrete accessories industry as opposed to the commercial construction industry for threaded rod; 3) the end uses for coil rod include the construction of concrete bridges and building, whereas threaded rod primarily involves suspending electrical conduits, pipes for plumbing, HVAC ductwork, and sprinkler pipes for fire protection; 4) coil rod is typically sold to the concrete accessories industry, as opposed to threaded rod, which is normally sold to electrical, HVAC, mechanical, plumbing, and/or other contractors or consumers; and 5) coil rod is manufactured by difference facilities and companies than those that manufacture threaded rod.²¹

Petitioner argues that Patterson’s physical description of coil rod places the product within the scope of the Order. Despite coil rod’s “high strength” and specific end-use application, these characteristics do not distinguish it from threaded rod because its content of steel, carbon, chromium, nickel, thread spacing, and threading along the entire length of the rod still classify coil rod as threaded rod.²² Petitioner contends that the scope language states that threaded rod can be of any diameter, in any straight length, inasmuch as it is threaded along greater than 25 percent of its total length. Additionally, Petitioner asserts that the scope language does not contain any limitations on width, height, or end-use and product applications.²³ With regard to the ASTM A193 B7 exclusion expressed in the scope of the Order, Petitioner contests that coil rod does not meet ASTM A193 B7 requirements and, therefore, cannot be excluded.²⁴ Lastly, Petitioner maintains that the samples of coil rod provided by Patterson support the argument that coil rod is within the scope of the Order because the products have solid, circular cross sections, are sold in straight lengths, have threaded grooves, and are not encumbered with any attachments.²⁵

¹⁶ Id. at 9.

¹⁷ Id. at 4.

¹⁸ See Certain Steel Threaded Rod from the People’s Republic of China: Final Determination of Sales at Less Than Fair Value, 74 FR 8907 (February 27, 2009) (“Threaded Rod Final”).

¹⁹ See Patterson Request at 9 (citing Petition for the Imposition of Antidumping Duties on Certain Steel Threaded Rod from the People’s Republic of China (March 5, 2008) at 3-4).

²⁰ Id. at 11-12 (citing Wheatland Tube Co., v. United States, 973 F. Supp. 149, 156-57 (Ct. Int’l Trade 1997)).

²¹ Id. at 13-17.

²² See Petitioner March 8 Submission at 2, 4, and 5-6.

²³ Id. at 5-6.

²⁴ Id. at 4.

²⁵ See Petitioner April 22 Submission at 2-3.

Legal Framework

The Department examines scope requests in accordance with the Department's scope regulations. See 19 CFR 351.225. On matters concerning the scope of an antidumping duty order, the Department first examines the descriptions of the merchandise contained in the petition, the initial investigation, and the determinations of the Secretary (including prior scope determinations) and the ITC. See 19 CFR 351.225(k)(1). This determination may take place with or without a formal inquiry.

Where the descriptions of the merchandise are not dispositive, the Department will consider the five additional factors set forth at 19 CFR 351.225(k)(2). These criteria are: i) the physical characteristics of the merchandise; ii) the expectations of the ultimate purchasers; iii) the ultimate use of the product; iv) the channels of trade in which the product is sold; and v) the manner in which the product is advertised and displayed. See 19 CFR 351.225(k)(2). The determination as to which analytical framework is most appropriate in any given scope inquiry is made on a case-by-case basis after consideration of all evidence before the Department.

Analysis

For this inquiry, the Department evaluated Patterson's request in accordance with 19 CFR 351.225(k)(1) and finds that the description of the product contained in the petition, the initial investigation, and the determinations by the Secretary (including prior scope determinations) and the ITC are, in fact, dispositive with respect to Patterson's coil rod. Therefore, the Department finds it unnecessary to consider the additional factors in 19 CFR 351.225(k)(2).

As described in the submissions, coil rod is a non-coated, threaded rod of carbon quality steel with a solid, circular cross section that is threaded along its entire length. Accordingly, as the scope of the Order does not place any limitations on diameter, thread width or height, or end use, we find that coil rod is within the scope of the Order based upon the language of the scope. Moreover, coil rod's carbon content (i.e., ≥ 0.4 percent) falls within the "2 percent or less" maximum expressed in the Order. Additionally, as conceded by Patterson, coil rod does not meet the specifications for ASTM A193 B7, and therefore does not meet the requirements for the specific exclusion outlined in the scope of the Order.

Lastly, although Patterson argues that coil rod was not considered in the petition, investigation,²⁶ or ITC proceedings, the Department does not find that this factor outweighs the scope language, which indicates that coil rod falls within the scope of the Order.

Accordingly, as the scope language of the Order is clear in its requirement that subject merchandise consist of products with solid, circular cross sections, with threading along greater than 25 percent threading of their total length, and Patterson's coil rod meets these specific

²⁶ See Threaded Rod Final.

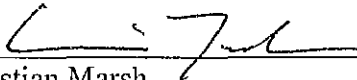
requirements of the scope of Order, we find pursuant to 19 CFR 351.225(k)(1) of the Department's regulations that Patterson's coil rod is within the scope of the threaded rod Order.

Recommendation

Based upon the foregoing analysis under 19 CFR 351.225(k)(1), we recommend finding that Patterson's imported coil rod is within the scope of the Order on threaded rod from the PRC.

✓

Agree Disagree



Christian Marsh
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

5/24/11

Date

U.S. DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION

Date
05/24/2011

ROUTING PURPOSE SYMBOLS
(PRS)
C-CONURRENCES
S-SIGNATURE

CONCURRENCE RECORD
(Prescribed by ITA A.I. 8-1)

SUBJECT OF DOCUMENT:
Steel Threaded Rod (A-570-932) AD Scope Request (Steel Coil Rod)

NAME AND OFFICE OF ORIGINATOR Susan Pulongbarit; Tracy Duncan; Yi-Hsuan Lee; Brendan Quinn; Julia Hancock; Paul Walker AD/CVD Office 9	TELEPHONE NUMBER ; ; (202) 482-4189; ; ;	DEADLINE DATE 06/02/2011
	INITIALS	

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ADDITIONAL INFORMATION OR SPECIAL INSTRUCTIONS: (Continue on reverse if necessary)

Control Number: **IA-2011-00199**