



# Success on Behalf of Steel Client Before ITC

June 10, 2010

The U.S. International Trade Commission today issued an affirmative final determination in its investigation of dumped and subsidized imports of prestressed concrete steel wire strand ("PC strand") from China. The Commission found that the domestic PC strand industry was materially injured by reason of the unfairly traded imports. As a result of the Commission's decision, both antidumping and countervailing duty orders will be imposed on all imports of PC strand from China.

The investigations of PC strand from China resulted from a petition filed in May 2009 by American Spring Wire Corp., Insteel Wire Products Co., a wholly-owned subsidiary of Insteel Industries, Inc., and Sumiden Wire Products Corp., alleging injury caused by dumped and subsidized imports of PC strand from China. In May 2010, the Commerce Department issued affirmative findings of dumping and subsidization in these cases. The Commission's final injury decision was the last hurdle the domestic industry needed to clear for duties to be imposed.

Information gathered by the Commission indicated that imports of PC strand from China surged into the United States to capture a 40 percent share of the market in 2008 at the expense of competing U.S. producers. To put this into perspective, the combined market share of five countries whose unfairly traded imports were found to be injuring the domestic PC strand industry in 2003 was 22 percent. Further, imports from China undersold U.S. producer prices in the vast majority of price comparisons. The large volumes of low-priced imports led to significant declines in the production, sales, employment and profits of domestic producers.

Mr. H. O. Woltz III, President and Chief Executive Officer of Insteel Industries Inc., stated "For the last several years imports of Chinese PC strand have been offered in the United States at ridiculously low prices contributing to highly chaotic market conditions and causing serious problems for domestic producers and purchasers alike. The imposition of remedial duties on these imports is critical to restoring disciplined pricing practices to our market and facilitating the recovery of our industry."

Last month, the Commerce Department announced findings of dumping at margins ranging from 43 to 194 percent, as well as findings of subsidies at margins ranging from 9 to 27 percent. These duties are largely additive and, as such, will require importers of PC strand to post significant cash deposits to import further volumes of PC strand once the order is issued.

Kelley Drye partners Kathleen W. Cannon and Paul C. Rosenthal represented the petitioners, American Spring Wire Corp. of Bedford Heights, Ohio, Insteel Wire Products Co. of Mt. Airy, North Carolina, a wholly-owned subsidiary of Insteel Industries, Inc., and Sumiden Wire Products Corp. of Dickson, Tennessee in the matter.

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