

Gerdau Ameristeel USA Inc. Objection to the Exclusion Request of A.G. Royce Metal Marketing LLC

BIS-2018-0006-20011 to BIS-2018-0006-21369

Filed on: August 17, 2018

On behalf of Gerdau Ameristeel USA Inc. (“Gerdau”), we hereby submit the following comments in opposition to A.G. Royce Metal Marketing LLC’s (“A.G. Royce”) Section 232 product exclusion request for deformed steel reinforcing bar and deformed steel reinforcing bar in coils (hereinafter referred to as “rebar”) from Turkey.¹ A.G. Royce falsely claims that there is a shortage of domestically produced rebar. U.S. rebar producers have sufficient capacity to supply the entire U.S. market, including in the Southern region, where Gerdau operates a plant in Jacksonville, Florida. Gerdau and its employees have borne the brunt of unfairly traded rebar imports from Turkey, which have been particularly disruptive to the U.S. market. Given these circumstances, Commerce should deny A.G. Royce’s exclusion request for rebar.

I. THE DOMESTIC INDUSTRY CAN SATISFY U.S. REBAR DEMAND

Commerce will only grant product exclusions from the Section 232 duties if the agency determines that there is 1) insufficient availability; 2) unsatisfactory quality; or 3) specific national security considerations.² A.G. Royce’s product exclusion request does not satisfy any of these conditions and should be rejected.

As an initial matter, rebar is among the most basic steel products to produce. It is made to ASTM standards, and sold in a very limited number of grades and sizes. Customers have few, if any, special requirements, the rebar only needs to meet ASTM standards (*i.e.*, ASTM A615). Virtually all rebar is used in construction, where it reinforces concrete in roads, bridges, and buildings. Rebar is regularly produced in mills throughout the United States in sufficient volumes to satisfy demand. Given the nature of this product, there are no availability, quality, or specific national security considerations that would justify exclusion of the standard rebar identified in A.G. Royce’s exclusion request.

Contrary to its claims,³ there is no shortage of domestically produced rebar. According to A.G. Royce, using first quarter 2018 data, rebar imports have declined by 368,327 tons,⁴ year on year (“YOY”).⁵ Then the requestor improperly compares U.S. production with total U.S. consumption,⁶ which has no bearing on the domestic industry’s ability to supply U.S. demand.

¹ See Exclusion Request – A.G. Royce Metal Marketing LLC – Carbon and Alloy Long – HTS 721310000 (“A.G. Royce’s Exclusion Request”); Letter from Concrete Reinforcing Products to Director of Industrial Studies, Office of Technology Evaluation re: *Request for Exclusion from Remedies Resulting from the Section 232 National Security Investigation of Imports of Steel – deformed steel reinforcing bar under HTSUS 7213.10.0000* and deformed steel reinforcing bar in coil under HTSUS 7214.20.0000 (May 15, 2018) (“AG Royce’s Exclusion Request Letter”).

² See *Requirements for Submissions Requesting Exclusions from the Remedies Instituted in Presidential Proclamations Adjusting Imports of Steel into the United States and Adjusting Imports of Aluminum into the United States; and the filing of Objections to Submitted Exclusion Requests for Steel and Aluminum*, 83 Fed. Reg. 12,106, 12,107 (Bureau of Indus. and Security Mar. 19, 2018).

³ See generally AG Royce’s Exclusion Request Letter.

⁴ Gerdau notes that official import license data from Commerce’s Steel Import Monitoring and Analysis System (SIMA) shows that rebar imports only declined 36.2 percent in the first half of 2018 YOY. See SIMA Import Data, attached at **Exhibit 1**.

⁵ *Id.* at 1-2.

⁶ *Id.*

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A.G. Royce's reliance on declining imports and production figures paints a false picture of a shortage and materially misrepresents the availability of domestic supply in the U.S. market. An examination of the domestic industry's capacity shows that domestic producers have more than adequate capacity to satisfy the U.S. market.⁷ Indeed, official data collected by the U.S. International Trade Commission demonstrate that the domestic industry's total rebar production capacity in 2016 exceeded by 878,000 tons the 2018 U.S. consumption forecast identified in A.G. Royce's exclusion request.⁸ The official data also shows that domestic unused capacity is sufficient to replace all rebar imported into the United States.⁹

Despite its rhetoric, even A.G. Royce acknowledges that "domestic producers . . . **currently** have space to increase their capacity utilization. . . ."¹⁰ And that is exactly what happened in the first half of the year.¹¹ Indeed, first half 2018 data from SMA confirms that no shortage exists in the rebar market as domestic mills ramped up production and shipments to meet increasing demand.¹² While imports declined 333,000 tons in the first half of 2018, YOY, domestic shipments increased by 548,000 tons during the same period.¹³ In other words, domestic producers have supplied every ton of rebar that was not imported and were still able to satisfy increased customer demand.¹⁴ As such, there is no shortage of domestically produced rebar. Because domestic producers have sufficient capacity, declining imports represent tonnage that will otherwise be supplied by domestic producers.

A.G. Royce also claims that the Southern region of the United States is facing a shortage such that it needs access to unfairly traded Turkish rebar to supply the market.¹⁵ These claims are without merit. First, Gerdau operates a rebar mill in Jacksonville, Florida, and has consistently supplied customer requests in that region. To date, Gerdau's Jacksonville plant has not turned down a single rebar order of a commercial quantity. Second, rebar is sold nationally, and domestic producers can and will ship rebar from other parts of the country, if needed. Finally, Gerdau has experienced first-hand the adverse effects of dumped and subsidized Turkish rebar. Turkish producers have massive excess capacity, are an export platform, and are low-price leaders globally. Traditionally, dumped and subsidized Turkish rebar had been piled-high on the docks of Southern U.S. ports, and Turkish rebar prices have consistently undercut the market. The ITC has found in multiple investigations that dumped and subsidized Turkish rebar has materially injured the domestic industry, which has resulted in several antidumping and countervailing duty orders.

⁷ See *Steel Concrete Reinforcing Bar from Japan and Turkey*, USITC Pub. 4705, Inv. Nos. 701-TA-564 and 731-TA-1338 and 1340 (Final) at C-1 ("USITC Pub. 4705"), attached at **Exhibit 2**.

⁸ See A.G. Royce Letter at Attachment 2, pg. 3.

⁹ Compare USITC Pub. 4705 at C-1, attached at **Exhibit 2 with** Concrete Reinforcing Bar Market Share Calculations, attached at **Exhibit 3**.

¹⁰ See A.G. Royce Letter at 3 (emphasis added).

¹¹ See Concrete Reinforcing Bar Market Share Calculations, attached at **Exhibit 3**.

¹² See Concrete Reinforcing Bar Market Share Calculations, attached at **Exhibit 3**.

¹³ *Id.*

¹⁴ *Id.*

¹⁵ See A.G. Royce's Letter at 2.

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There is no reason for Commerce to grant exclusions for rebar due to an alleged shortage, let alone rebar from Turkey.

Furthermore, A.G. Royce's claims of a shortage are contradicted by recent additions of domestic production capacity. Over the next two years, the domestic industry is also adding more than a million tons of rebar capacity. In fact, Commercial Metals Company recently started operating a new micro mill in Oklahoma,¹⁶ and the company announced plans to add a second spooler at its Arizona mill to increase its rebar production.¹⁷ Similarly, Nucor Corporation has announced that it plans to build two rebar micro mills – one in Missouri¹⁸ and the other in Florida.¹⁹ Steel Dynamics, Inc. ("SDI") has also announced plans to add a rebar rolling mill at its plant in Indiana.²⁰ Finally, SDI is making investments in the equipment at its Roanoke mini-mill that will double its current rebar capacity.²¹ With U.S. producer's current capacity, as well as new capacity projects coming online in the near future, there is no shortage of domestically produced rebar.

Finally, A.G. Royce is not restricted from importing Turkish rebar. After paying the applicable 232 steel tariffs, and posting cash deposits for antidumping and countervailing duties, A.G. Royce can freely import Turkish rebar. A.G. Royce simply wants access to dumped and subsidized Turkish rebar, which is no justification for a product exclusion. Thus, Commerce should deny A.G. Royce's exclusion request.

II. CONCLUSION

In sum, Gerdau respectfully requests that Commerce deny A.G. Royce's product exclusion request for Turkish rebar. There is more than sufficient domestic rebar production to satisfy U.S. demand, in the Southern region and elsewhere in the country. Moreover, unfairly traded Turkish rebar has been found to materially injure the domestic industry and there is no reason for Commerce to grant a product exclusion for Turkish rebar to allow that injury to continue. Thus, Commerce should deny A.G. Royce's product exclusion request.

¹⁶ *CMC Breaks ground on micromill in Oklahoma* (Mar. 3, 2018), attached at **Exhibit 4**.

¹⁷ *Commercial Metals Company breaking ground for CMC Steel Arizona spooler expansion* (Apr. 27, 2018), attached at **Exhibit 5**.

¹⁸ *Gerdau to Build Rebar Micro Mill in Missouri* (Nov. 21, 2017), attached at **Exhibit 6**.

¹⁹ *Gerdau to Build Rebar Micro Mill in Florida* (Mar. 12, 2018), attached at **Exhibit 7**.

²⁰ *Steel Dynamics (STLD) Expands Production Capacity in Indiana* (July 7, 2017), attached at **Exhibit 8**.

²¹ *Steel Dynamics to invest \$28 million to boost production at Roanoke mini-mill* (Feb. 2, 2017), attached at **Exhibit 9**.

U.S. Consumption Imports of Straight-Length and Coiled Reinforcing Bars
2015 - 2017; YTD 2017, 2018

Source Country	Calendar Year			Year to Date		YOY % Change	12 Months Share
	2015	2016	2017	2017	2018		
Quantity (Metric Tons)							
WORLD	1,828,177	1,914,361	1,416,137	1,074,780	735,787	-31.54%	100.00%
TURKEY	1,474,457	1,353,486	858,365	788,942	266,594	-66.21%	31.20%
ITALY	-	17	51,097	16,368	140,517	758.49%	16.27%
SPAIN	107	5,735	85,291	14,411	43,862	204.36%	10.65%
BRAZIL	4,513	21,608	68,773	14,419	30,821	113.75%	7.91%
MEXICO	4,945	3,486	24,550	3,523	57,522	1532.55%	7.29%
PORTUGAL	5	2,258	99,923	74,211	33,574	-54.76%	5.50%
PERU	15,848	23,479	47,864	33,130	31,582	-4.67%	4.30%
DOMINICAN REPUBLIC	9,897	20,150	25,416	16,102	30,325	88.33%	3.68%
RUSSIA	101	34,928	14,873	-	14,933	--	2.77%
BULGARIA	-	-	-	-	26,245	--	2.44%
QATAR	-	-	-	-	20,792	--	1.93%
VENEZUELA	-	-	3,981	3,981	15,031	277.52%	1.40%
COSTA RICA	-	-	7,965	-	-	--	0.74%
COLOMBIA	-	-	7,720	-	-	--	0.72%
CANADA	10,016	10,175	16,808	13,361	2,922	-78.13%	0.59%
VIETNAM	-	22,777	47,365	42,534	-	-100.00%	0.45%
GERMANY	4,680	9,042	5,393	3,459	1,491	-56.90%	0.32%
KOREA	18,860	-	-	-	1,912	--	0.18%
GUATEMALA	-	-	-	-	1,170	--	0.11%
AUSTRALIA	320	357	212	138	241	74.17%	0.03%
CHINA	4,110	782	1,279	1,212	169	-86.05%	0.02%
CZECH REPUBLIC	-	122	203	29	14	-53.57%	0.02%
UNITED KINGDOM	147	72	162	162	169	4.01%	0.02%
LUXEMBOURG	19	57	134	77	37	-51.30%	0.01%
INDIA	1	6,019	5,226	5,188	20	-99.62%	0.01%
SWEDEN	37	-	7	5	3	-26.96%	0.00%
AUSTRIA	42	-	-	-	4	--	0.00%
NEW ZEALAND	-	-	2	-	-	--	0.00%
MALAYSIA	-	-	-	-	2	--	0.00%
JAPAN	242,336	268,323	24,163	24,162	-	-100.00%	0.00%
TAIWAN	36,900	115,645	18,136	18,136	-	-100.00%	0.00%
UKRAINE	-	992	974	974	-	-100.00%	0.00%
BELGIUM	20	135	129	129	-	-100.00%	0.00%
TRIN & TOBAGO	-	-	88	88	-	-100.00%	0.00%
SLOVENIA	23	81	37	37	-	-100.00%	0.00%
KAZAKHSTAN	-	12,768	-	-	-	--	0.00%
SINGAPORE	-	1,156	-	-	-	--	0.00%
POLAND	791	699	-	-	-	--	0.00%
NETHERLANDS	-	10	-	-	-	--	0.00%
THAILAND	-	1	-	-	-	--	0.00%

Country subject to trade orders or cases

Belarus, Indonesia, Latvia, Moldova, and Ukraine also subject (not visible owing to no volumes)

Source: U.S. Department of Commerce, SIMA

Data through July 2018 license release

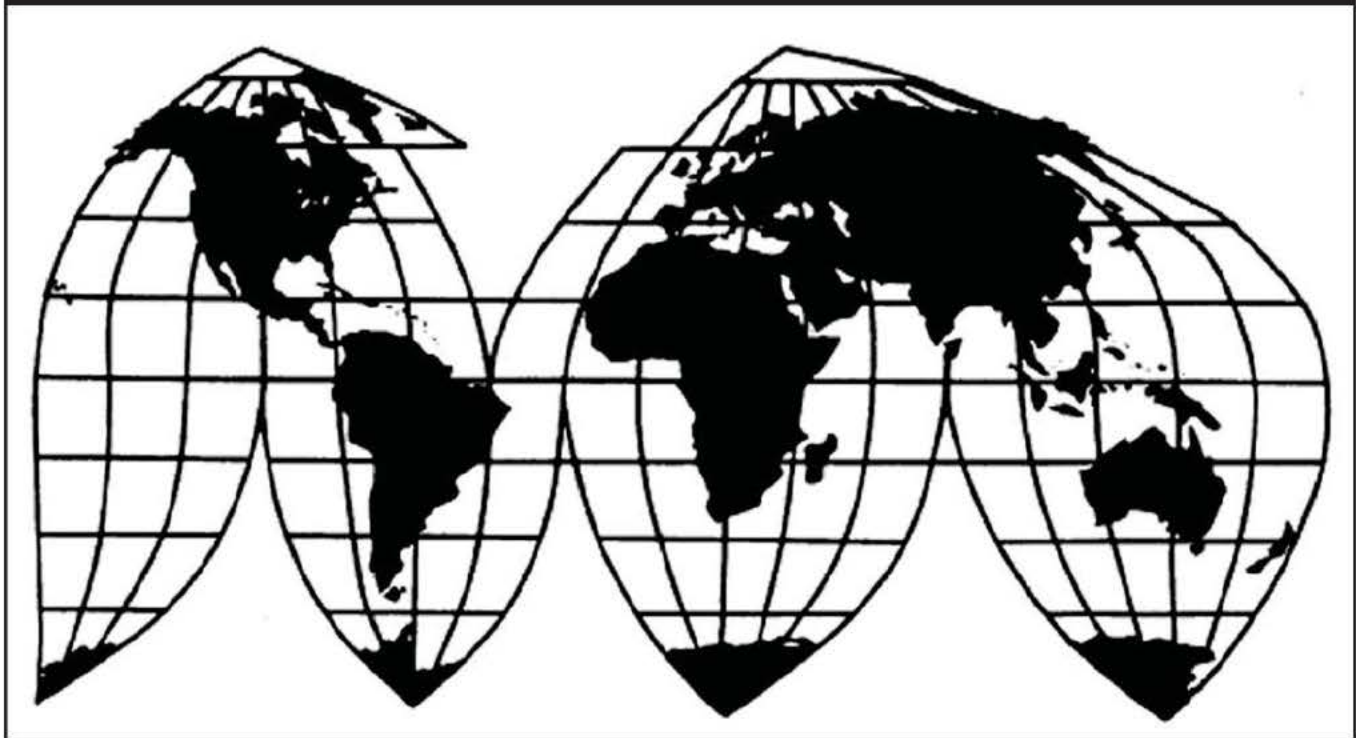
Steel Concrete Reinforcing Bar from Japan and Turkey

Investigation Nos. 701-TA-564 and 731-TA-1338 and 1340 (Final)

Publication 4705

July 2017

U.S. International Trade Commission



Washington, DC 20436

Table C-1

Rebar: Summary data concerning the U.S. market, 2014-16

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data			Period changes		
	Calendar year			Calendar year		
	2014	2015	2016	2014-16	2014-15	2015-16
U.S. consumption quantity:						
Amount.....	8,239,510	8,575,930	8,847,358	7.4	4.1	3.2
Producers' share (fn1).....	82.7	76.5	76.2	(6.6)	(6.2)	(0.4)
Importers' share (fn1):						
Japan.....	1.1	3.1	3.3	2.2	2.0	0.2
Taiwan.....	0.1	0.5	1.4	1.4	0.4	1.0
Turkey.....	11.9	19.0	16.9	4.9	7.0	(2.1)
Subject sources.....	13.1	22.5	21.6	8.5	9.4	(0.9)
Nonsubject sources.....	4.1	0.9	2.2	(1.9)	(3.2)	1.3
All import sources.....	17.3	23.5	23.8	6.6	6.2	0.4
U.S. consumption value:						
Amount.....	5,167,235	4,568,556	3,933,401	(23.9)	(11.6)	(13.9)
Producers' share (fn1).....	84.4	80.4	80.2	(4.2)	(4.0)	(0.2)
Importers' share (fn1):						
Japan.....	1.0	2.6	2.6	1.7	1.6	0.0
Taiwan.....	0.1	0.4	1.4	1.4	0.3	1.0
Turkey.....	10.6	15.7	13.7	3.1	5.0	(1.9)
Subject sources.....	11.7	18.7	17.8	6.1	7.0	(0.9)
Nonsubject sources.....	4.0	1.0	2.0	(2.0)	(3.0)	1.1
All import sources.....	15.6	19.6	19.8	4.2	4.0	0.2
U.S. imports from:						
Japan:						
Quantity.....	93,970	267,130	294,963	213.9	184.3	10.4
Value.....	50,529	119,414	103,432	104.7	136.3	(13.4)
Unit value.....	\$538	\$447	\$351	(34.8)	(16.9)	(21.6)
Ending inventory quantity.....	***	***	***	***	***	***
Taiwan						
Quantity.....	6,542	39,807	127,476	1,848.4	508.4	220.2
Value.....	3,876	18,811	56,708	1,363.2	385.4	201.5
Unit value.....	\$592	\$473	\$445	(24.9)	(20.2)	(5.9)
Ending inventory quantity.....	***	***	***	***	***	***
Turkey						
Quantity.....	981,199	1,625,308	1,491,203	52.0	65.6	(8.3)
Value.....	548,582	715,531	540,531	(1.5)	30.4	(24.5)
Unit value.....	\$559	\$440	\$362	(35.2)	(21.3)	(17.7)
Ending inventory quantity.....	***	***	***	***	***	***
Subject sources:						
Quantity.....	1,081,712	1,932,245	1,913,643	76.9	78.6	(1.0)
Value.....	602,987	853,755	700,671	16.2	41.6	(17.9)
Unit value.....	\$557	\$442	\$366	(34.3)	(20.7)	(17.1)
Ending inventory quantity.....	***	26,228	39,244	***	***	49.6
Nonsubject sources:						
Quantity.....	340,440	81,258	194,691	(42.8)	(76.1)	139.6
Value.....	205,197	43,716	79,032	(61.5)	(78.7)	80.8
Unit value.....	\$603	\$538	\$406	(32.7)	(10.7)	(24.5)
Ending inventory quantity.....	***	***	***	***	***	***
All import sources:						
Quantity.....	1,422,152	2,013,503	2,108,334	48.2	41.6	4.7
Value.....	808,184	897,471	779,703	(3.5)	11.0	(13.1)
Unit value.....	\$568	\$446	\$370	(34.9)	(21.6)	(17.0)
Ending inventory quantity.....	***	***	***	***	***	***

Table continued on next page.

Table C-1--Continued

Rebar: Summary data concerning the U.S. market, 2014-16

(Quantity=short tons; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per short ton; Period changes=percent--exceptions noted)

	Reported data			Period changes		
	Calendar year			Calendar year		
	2014	2015	2016	2014-16	2014-15	2015-16
U.S. producers':						
Average capacity quantity.....	9,658,066	9,540,680	9,689,016	0.3	(1.2)	1.6
Production quantity.....	7,328,202	6,776,526	6,924,244	(5.5)	(7.5)	2.2
Capacity utilization (fn1).....	75.9	71.0	71.5	(4.4)	(4.8)	0.4
U.S. shipments:						
Quantity.....	6,817,358	6,562,427	6,739,024	(1.1)	(3.7)	2.7
Value.....	4,359,051	3,671,085	3,153,698	(27.7)	(15.8)	(14.1)
Unit value.....	\$639	\$559	\$468	(26.8)	(12.5)	(16.3)
Export shipments:						
Quantity.....	***	***	***	***	***	***
Value.....	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***
Ending inventory quantity.....	635,143	560,844	495,214	(22.0)	(11.7)	(11.7)
Inventories/total shipments (fn1).....	***	***	***	***	***	***
Production workers.....	4,279	4,244	4,085	(4.5)	(0.8)	(3.7)
Hours worked (1,000s).....	9,313	8,901	8,570	(8.0)	(4.4)	(3.7)
Wages paid (\$1,000).....	355,766	331,775	320,631	(9.9)	(6.7)	(3.4)
Hourly wages (dollars).....	\$38.20	\$37.27	\$37.41	(2.1)	(2.4)	0.4
Productivity (short tons per 1,000 hours)....	786.9	761.3	808.0	2.7	(3.2)	6.1
Unit labor costs.....	\$48.55	\$48.96	\$46.31	(4.6)	0.8	(5.4)
Net sales:						
Quantity.....	7,239,416	6,841,032	6,963,058	(3.8)	(5.5)	1.8
Value.....	4,589,660	3,884,838	3,273,429	(28.7)	(15.4)	(15.7)
Unit value.....	\$634	\$568	\$470	(25.8)	(10.4)	(17.2)
Cost of goods sold (COGS).....	4,288,349	3,373,747	3,002,695	(30.0)	(21.3)	(11.0)
Gross profit or (loss).....	301,311	511,091	270,734	(10.1)	69.6	(47.0)
SG&A expenses.....	198,573	187,946	195,991	(1.3)	(5.4)	4.3
Operating income or (loss).....	102,738	323,145	74,743	(27.2)	214.5	(76.9)
Net income or (loss).....	55,517	276,755	51,343	(7.5)	398.5	(81.4)
Capital expenditures.....	95,309	80,839	146,070	53.3	(15.2)	80.7
Unit COGS.....	\$592	\$493	\$431	(27.2)	(16.7)	(12.6)
Unit SG&A expenses.....	\$27	\$27	\$28	2.6	0.2	2.5
Unit operating income or (loss).....	\$14	\$47	\$11	(24.4)	232.8	(77.3)
Unit net income or (loss).....	\$8	\$40	\$7	(3.8)	427.5	(81.8)
COGS/sales (fn1).....	93.4	86.8	91.7	(1.7)	(6.6)	4.9
Operating income or (loss)/sales (fn1).....	2.2	8.3	2.3	0.0	6.1	(6.0)
Net income or (loss)/sales (fn1).....	1.2	7.1	1.6	0.4	5.9	(5.6)

Notes:

fn1.--Reported data are in percent and period changes are in percentage points.

fn2.--Undefined.

Source: Compiled from data submitted in response to Commission questionnaires and official U.S. import statistics for HTS statistical reporting numbers 7213.10.0000 and 7214.20.0000, accessed April 18, 2017.

**Concrete Reinforcing Bar:
Market Share Calculations**

Item	Calendar Year			January - June				
	2015	2016	2017	2017	2018	% Change*		
U.S. Industry Shipments:	Quantities (In Short Tons)							
	SMA	6,881,068	6,972,181	7,467,355	3,574,318	4,207,476	17.7%	633,158
	Exports	362,060	284,852	384,912	142,433	227,656	59.8%	85,223
	Domestic Shipments:							
	SMA	6,519,008	6,687,329	7,082,443	3,431,885	3,979,820	16.0%	547,935
	Imports	2,005,414	2,108,314	1,485,132	993,694	660,927	-33.5%	-332,767
	Apparent U.S. Supply:							
	SMA	8,524,422	8,795,643	8,567,575	4,425,579	4,640,747	4.9%	215,168
	Import Market Share (%):							
	SMA	23.5%	24.0%	17.3%	22.5%	14.2%	-8.2%	

* Percentage Point change for percentages

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CMC breaks ground on micromill in Oklahoma

CMC breaks ground on micromill in Oklahoma

The mill will be the second such electric arc furnace mill operated by Commercial Metals Co.

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May 3, 2018

[Edited by Dan Sandoval](#)

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Photo: Dreamstime

Irving, Texas-based [Commercial Metals Co. \(CMC\)](#) officially has dedicated its new scrap-fed electric arc furnace (EAF) steel micromill in Durant, Oklahoma. The mill is CMC's second such plant, which uses a continuous manufacturing process to melt, cast and roll steel from a single uninterrupted strand, designed to result in higher yields and less energy consumption than other EAF mills.

"We are extremely proud to be formally dedicating our second state-of-the-art steel micromill in Durant, Oklahoma," says Barbara Smith, chairman, president and CEO of CMC. "We look forward to providing our customers with high-quality product combined with CMC's outstanding service. A project of this magnitude could not be accomplished without the support of so many and we thank all our partners who helped us during the construction and commissioning of the mill. We also thank [Oklahoma] Gov. Fallin, as well as all the state and local officials who were instrumental in the process."

CMC first announced plans for the mill in July 2015. It says the Oklahoma facility will mirror the company's first micromill, which opened in Mesa, Arizona, in 2009.


CMC and its subsidiaries manufacture, recycle and market steel and metal products, related materials and services through a network of facilities that includes four EAF minimills, two EAF micromills, a rerolling mill, steel fabrication and processing plants, construction-related product warehouses and metal recycling facilities in the United States and Europe.

[Minimill Steel](#)

[Comments](#)

Torlizzi Base Metals Report: Copper and nickel move in opposite directions

Commercial Metals Company breaking ground for CMC Steel Arizona spooler expansion

 apachejunctionindependent.com/news/commercial-metals-company-breaking-ground-for-cms-steel-arizona-spooler-expansion

April 27, 2018

Commercial Metals Company breaks ground on a 63,000-square-foot expansion to create spooled rebar at CMC Steel Arizona, an “environmentally responsible” micro mill in southeast Mesa.

The company is investing in a spooler to produce hot-rolled, spooled rebar at its 260-acre campus located 11444 E. Germann Road.

This will be CMC’s second spooler operation in the country, according to a press release, noting the first was recently built at their new micro mill in Durant, Oklahoma.



Commercial Metals Company breaks ground on a 63,000-square-foot expansion for spooled rebar at CMC Steel Arizona in southeast Mesa. (Newsmedia/Arianna Grainey)

“CMC Steel’s commitment to innovation and new technology makes them a leader in the steel production, fabrication and recycling industry,” Mayor John Giles said in a prepared statement. “We are proud of the work they do here in Mesa and look forward to their continued success.”

CMC Steel Arizona manufactures concrete reinforcing bar, or rebar, and steel t-posts produced mainly from recycled scrap metal, the release said. By using recycled scrap as their raw material instead of virgin natural resources, CMC is reducing the need for mining of natural resources and reducing CO2 emissions by 58 percent.

CMC opened their “green” steel micro mill in Mesa in 2009. This Electric Arc Furnace micro mill uses a continuous technology and is the first of its type to be successfully operated in the U.S., stated the release.

The technology is also used at the mill in Durant. More than 400,000 tons of scrap metal recycled each year into steel bar products at the Arizona site is used for construction and fabrication, the release stated.

The Mesa operation has grown since it opened with an anticipated workforce of up to 200. CMC now employs more than 260 on-site, with the fabrication facility and West Region leadership office, and have another 20 indirect employees, working for vendors, at the facility.

The company plans to begin shipping spooled rebar from its Mesa location next spring.

"We are excited to expand our capabilities to produce and sell spooled rebar from our operations here in Mesa. The micro mill technology lends itself well to spooled rebar production as CMC remains committed to supporting and servicing the concrete reinforcing industry with new and innovative products," said Barbara Smith, president of Commercial Metals Company, in a prepared statement.

"I'm thrilled to see one of Mesa's largest industrial businesses expand their facility. The fact that they are growing their footprint, and keeping in tune with changes in technology, show that Mesa and the Germann Road Industrial Corridor will be their home from now and well into the future. I'm happy that we have the opportunity to share their success," District 6 Councilmember Kevin Thompson said in a prepared statement.

Founded in 1915, Commercial Metals Company is headquartered in Irving, Texas and is a global low costs metal recycling, manufacturing, fabricating and trading enterprise, noted the release.

The Apache Junction Independent is mailed each month to 35,000 homes.

Tags:Apache Junction

Nucor to Build Rebar Micro Mill in Missouri

NEWS PROVIDED BY

Nucor Corporation →

Nov 21, 2017, 13:00 EST

CHARLOTTE, N.C., Nov. 21, 2017 /PRNewswire/ -- Nucor Corporation (NYSE: NUE) announced today that it will build a rebar micro mill in Sedalia, Missouri, about 90 miles east of Kansas City. Following its approval by the Missouri Development Finance Board, the project was formally announced at an event with Governor Eric Greitens held at Lowell Mohler Assembly Hall. The new micro mill project represents at least \$250 million in new investments and is expected to start-up in 2019 pending the final approval and award of state and local incentives as well as required permits and regulatory approvals.

"This rebar micro mill project is consistent with our long-term strategy for profitable growth and builds on our position as a low-cost producer," said John Ferriola, Chairman, CEO & President of Nucor. "Strategically positioning this micro mill in the Kansas City area will give us a sustained cost advantage over other domestic steel producers supplying rebar from outside the region."

Rebar supply to the Kansas City, upper Midwestern and Plains markets currently travels long distances, giving the micro mill in Sedalia a logistical advantage. This location will also allow the Company to take advantage of

the abundant scrap supply in the immediate area provided by Nucor's scrap business, The David J. Joseph Company.

The rebar micro mill investment is expected to create 255 full-time jobs paying an average annual salary of approximately \$65,000. In addition, the project will create 450 temporary construction jobs.

"We would like to thank state and local officials who have assisted us with the project, including Governor Greitens, the Missouri Department of Economic Development, the City of Sedalia, Pettis County, and Kansas City Power & Light," said Dave Sumoski, Executive Vice President of Merchant and Rebar Products. "Our bar mills have been the foundation of our company, and we believe strategically supplying underserved markets will allow our bar business to continue to generate significant value in the future. We are encouraged by the tremendous support received by the state and local community in Missouri, and Nucor has decided to pursue an additional micro mill project. Two regions are currently under consideration in the Southeastern United States for this additional project."

Nucor and its affiliates are manufacturers of steel products, with operating facilities primarily in the U.S. and Canada. Products produced include: carbon and alloy steel -- in bars, beams, sheet and plate; hollow structural section tubing; electrical conduit; steel piling; steel joists and joist girders; steel deck; fabricated concrete reinforcing steel; cold finished steel; steel fasteners; metal building systems; steel grating; and wire and wire mesh. Nucor, through The David J. Joseph Company, also brokers ferrous and nonferrous metals, pig iron and HBI/DRI; supplies ferro-alloys; and processes ferrous and nonferrous scrap. Nucor is North America's largest recycler.

Certain statements contained in this news release are "forward-looking statements" that involve risks and uncertainties. The words "believe," "expect," "project," "will," "should," "could" and similar expressions are

Nucor to Build Rebar Micro Mill in Florida

NEWS PROVIDED BY
Nucor Corporation →
Mar 12, 2018, 09:00 ET

CHARLOTTE, N.C., March 12, 2018 /PRNewswire/ -- Nucor Corporation (NYSE: NUE) announced today that it will build a rebar micro mill in Frostproof, Florida, which is located in Polk County. This is a \$240 million investment and is the second rebar micro mill Nucor is constructing. In November 2017, Nucor announced a rebar micro mill project in Sedalia, Missouri.

"Nucor has always focused on growing our business to better serve our customers. We are building this rebar micro mill in a great and growing market where demand is strong and there is currently an abundant supply of scrap, a good portion of which is handled by our scrap business, The David J. Joseph Company," said John Ferriola, Chairman, CEO & President of Nucor Corporation.

"Consistent with our planned strategy of being a low-cost producer, this micro mill will give us a cost advantage over our competitors who are shipping rebar into the region from long distances."

The rebar micro mill is expected to employ approximately 250 people and pay an average annual salary of \$66,000. The micro mill will have an estimated annual capacity of 350,000 tons and construction is expected to

take two years, pending permit and regulatory approvals.

Exhibit 7

"We would like to thank the many state and local officials, leaders and partners who have assisted us with the project," said Dave Sumoski, Executive Vice President of Merchant and Rebar Products. "Identifying the right location is an essential part of our rebar micro mill strategy, and this part of central Florida met all the criteria we evaluate. We look forward to becoming a member of the community."

Nucor and its affiliates are manufacturers of steel products, with operating facilities primarily in the U.S. and Canada. Products produced include: carbon and alloy steel -- in bars, beams, sheet and plate; hollow structural section tubing; electrical conduit; steel piling; steel joists and joist girders; steel deck; fabricated concrete reinforcing steel; cold finished steel; steel fasteners; metal building systems; steel grating; and wire and wire mesh. Nucor, through The David J. Joseph Company, also brokers ferrous and nonferrous metals, pig iron and HBI/DRI; supplies ferro-alloys; and processes ferrous and nonferrous scrap. Nucor is North America's largest recycler.

Certain statements contained in this news release are "forward-looking statements" that involve risks and uncertainties. The words "believe," "expect," "project," "will," "should," "could" and similar expressions are intended to identify those forward-looking statements. Factors that might cause the Company's actual results to differ materially from those anticipated in forward-looking statements include, but are not limited to: (1) competitive pressure on sales and pricing, including competition from imports and substitute materials; (2) U.S. and foreign trade policies affecting steel imports or exports; (3) the sensitivity of the results of our operations to prevailing steel prices and the changes in the supply and cost of raw materials, including scrap steel; (4) market demand for steel products; and (5) energy costs and availability. These and other factors are discussed in Nucor's regulatory filings with the Securities and Exchange

Steel Dynamics (STLD) Expands Production Capacity in Indiana

By: Zacks.com

Posted: 7/7/2017 8:15:00 AM

Referenced Stocks: KWR;SHW;PKX;STLD

Steel Dynamics, Inc. [STLD](#) is set to expand its Structural and Rail Division in Columbia City, Indiana. The \$75 million expansion project will use its excess melting and casting capability and diversify the company's product portfolio and market sector exposure.

The project involves addition of a rolling mill, supported by other specific infrastructure and equipment requirements. It has the annual capacity to produce about 240,000 tons of reinforcing bars in various sizes, including customized cut-to-length smooth and coiled bars in sizes varying from #3 to #8 reinforcing bars. The size offerings correspond to roughly 70% of total domestic consumption of reinforcing bar in 2016.

According to Steel Dynamics, this investment will expand its capabilities in the Structural and Rail Division efficiently and position it as the largest independent rebar supplier in the region, without competing with new customer base. Further, the intended business model has the potential to provide customers with working capital gains along with saving yield and time-losses.

The project complements the newly added 200,000 tons of reinforcing bar capacity at the company's Roanoke Bar Division, which is expected to initiate operations by the end of this year. Steel Dynamics expects the project to add about 33 jobs in the local market.

Steel Dynamics also confirmed that the project is scheduled to be completed during the fourth quarter 2018, subject to receipt of necessary permits and support of local and state government.

Steel Dynamics' shares have rallied 6.1% in the last three months, outperforming the Zacks categorized [Steel-Producers](#) industry's decline of 2.3%.

The company, last month, provided its earnings guidance for the second quarter of 2017. Steel Dynamics expects its earnings for the second quarter to be in the band of 60 cents to 64 cents per share.

The company expects profitability from its steel operations to fall on a sequential comparison basis in the second quarter on lower shipments and higher average scrap costs. Steel Dynamics said that demand from automotive and construction sectors remained strong while the energy sector continued to strengthen, during the quarter.

Moreover, the profitability of metals recycling platform is anticipated to remain steady on sequential basis owing to higher average sales price offsetting lower shipments.

https://www.roanoke.com/business/news/roanoke/steel-dynamics-to-invest-million-to-boost-production-at-roanoke/article_282d94cc-9c55-5d94-a63d-082bff41ffa3.html

Steel Dynamics to invest \$28 million to boost production at Roanoke mini-mill

By Duncan Adams duncan.adams@roanoke.com 981-3324 Feb 2, 2017

Indiana-based Steel Dynamics, which acquired Roanoke Electric Steel in 2006, announced plans Thursday to invest \$28 million at the Roanoke Bar Division to install new equipment and make other changes designed to increase production and expand product offerings.

After the upgrades and retraining of about 307 existing production employees, the Roanoke Bar Division anticipates roughly doubling its production of steel reinforcing bar, or rebar, to more than 200,000 tons per year at the plant off Peters Creek Road near Shenandoah Avenue.

Joe Crawford, 61, a Steel Dynamics vice president, is general manager of the Roanoke Bar Division. His career with Roanoke Electric Steel began more than 39 years ago.

Crawford said the Roanoke plant has roughly 425 employees and will likely add 10 to 15 more once the equipment upgrades are complete by year's end. He said that during his tenure at the Roanoke mill, peak employment was probably about 560.

Crawford said Steel Dynamics' investment in Roanoke bodes well, suggesting the company intends to maintain operations here "for many years to come."

The Roanoke steel manufacturing facility, which traces its roots to 1955 and entrepreneur John Hancock, is a mini-mill, producing steel products from melting scrap metal with electric-arc furnaces.

Molten steel is recast into billets, which are then formed into products that include angles, rounds, flats and channels.

Steel Dynamics also has employees at other regional operations, including the New Millennium Building Systems plant in Salem and OmniSource metals recycling yards near Vinton, Montvale and Rocky Mount.

Steel Dynamics reported Jan. 24 that its companywide sales in 2016 totaled about \$7.8 billion, compared to about \$7.6 billion in 2015. Net income in 2016 totaled about \$382 million, or \$1.56 per diluted share.

In a Jan. 24 news release, Mark Millett, Steel Dynamics' president and CEO, sounded upbeat about 2017 market conditions for domestic steel manufacturers. He noted, among other trends, the potential for large, public-sector infrastructure projects.

On Thursday, state and local officials celebrated Steel Dynamics' investment in the Roanoke Bar Division. The state said it will support retraining of the plant's employees via funding and consultation through the Virginia Jobs Investment Program.

In a news release, Roanoke Mayor Sherman Lea said the local steel manufacturing operation "has been an integral member of our community for over 60 years" and "an outstanding corporate citizen" providing hundreds of well-paying jobs.

Gov. Terry McAuliffe and Del. Sam Rasoul, D-Roanoke, were among other officials expressing gratitude for Steel Dynamics' investment in the Roanoke Bar Division mill and its employees.

The plant's industrial presence within a residential community that has grown up around it and occasional problems with manufacturing-related pollution have attracted negative attention in years past.