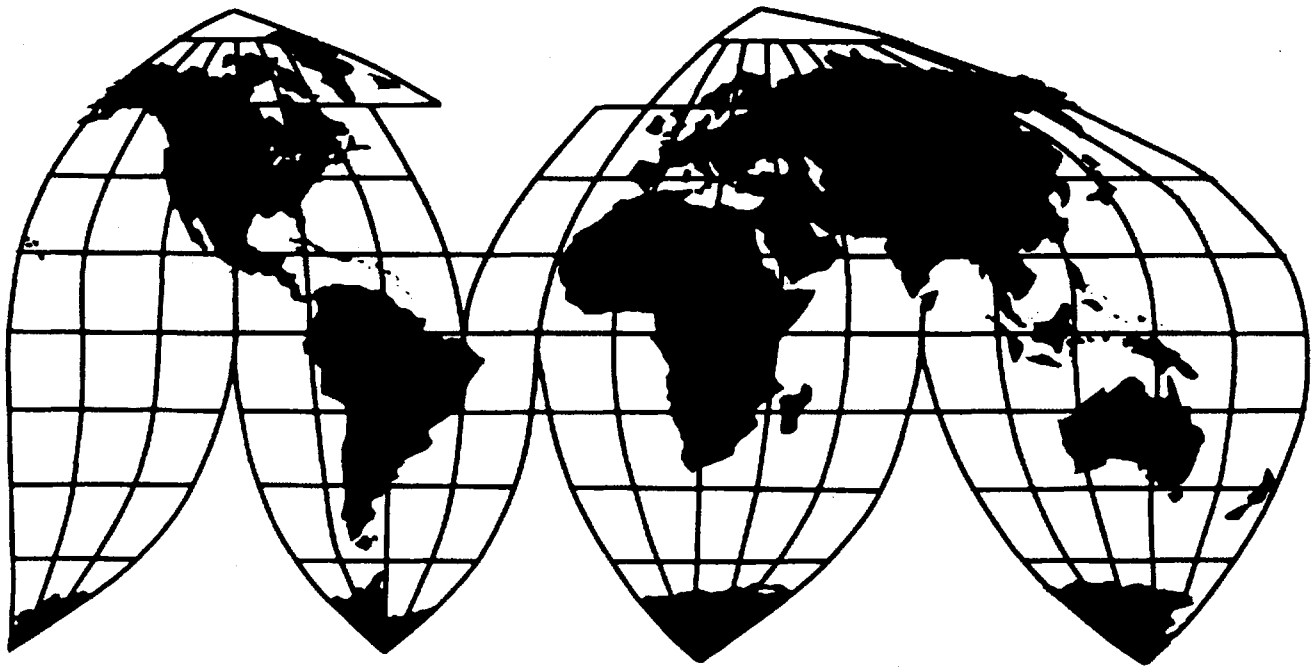
Stainless Steel Wire Rod From Italy, Japan, Korea, Spain, Sweden, and Taiwan

Investigations Nos. 731-TA-770-775 (Review)

Publication 3707 **July 2004**

U.S. International Trade Commission



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Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report. Such deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigations Nos. 731-TA-770-775 (Review)
Stainless Steel Wire Rod from Italy, Japan, Korea, Spain, Sweden, and Taiwan

DETERMINATION

On the basis of the record[1] developed in the subject five-year reviews, the United States International Trade Commission (Commission) determines, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)) (the Act), that revocation of the antidumping duty orders on stainless steel wire rod from Italy, Japan, Korea, Spain, Sweden, and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[2]

BACKGROUND

The Commission instituted these reviews on August 1, 2003 (68 F.R. 45277) and determined on November 4, 2003 that it would conduct full reviews (68 F.R. 65085, November 18, 2003). Notice of the scheduling of the Commission's reviews and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on February 3, 2004 (69 F.R. 5185). The hearing was held in Washington, DC, on May 18, 2004, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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[1] The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(f)).

[2] Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson dissenting with respect to stainless steel wire rod from Italy, Korea, Spain, and Sweden.

VIEWS OF THE COMMISSION

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (the Act), that revocation of the antidumping duty orders on stainless steel wire rod ("SSWR") from Italy, Japan, Korea, Spain, Sweden, and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.[1]

I. BACKGROUND

On September 1, 1998, the Commission determined that an industry in the United States was materially injured by reason of subject imports of stainless steel wire rod from Italy, Japan, Korea, Spain, Sweden, and Taiwan.[2] The Department of Commerce ("Commerce") then imposed a countervailing duty order on imports from Italy and antidumping duty orders on imports from Italy, Japan, Korea, Spain, Sweden, and Taiwan on September 15, 1998.[3]

On August 1, 2003, the Commission instituted reviews pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"), to determine whether revocation of the antidumping and/or countervailing duty orders on stainless steel wire rod would likely lead to the continuation or recurrence of material injury.[4]

In five-year reviews, the Commission initially determines whether to conduct a full review (which would include a public hearing, the issuance of questionnaires, and other procedures) or an expedited review. In order to make this decision, the Commission first determines whether individual responses to the notice of institution are adequate. Next, based on those responses deemed individually adequate, the Commission determines whether the collective responses submitted by two groups of interested parties – domestic interested parties (such as producers, unions, trade associations, or worker groups) and respondent interested parties (such as importers, exporters, foreign producers, trade associations, or subject country governments) – demonstrate a sufficient willingness among each group to participate and provide information requested in a full review. If the Commission finds the responses from both groups of interested parties adequate, or if other circumstances warrant, it will determine to conduct a full review.[5]

The Commission received a response to the notice of institution from domestic producers Carpenter Technology Corp. ("Carpenter") and North American Stainless ("NAS"). Cogne Acciai Speciali S.R.L. ("Cogne"), an Italian producer, and Cogne Specialty Steel USA ("Cogne USA"), an importer of the subject merchandise jointly responded to the notice of institution. Korean producer Changwon Specialty Steel Co., Ltd. ("Changwon") filed a response to the Commission's notice of institution and Dongbang Special Steel Co. Ltd. ("Dongbang"), another Korean producer, also filed a

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[1] Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson dissent with respect to Italy, Korea, Spain, and Sweden. See Separate and Dissenting Views of Vice Chairman Deanna Tanner Okun and Commissioner Daniel R. Pearson.

[2] Stainless Steel Wire Rod from Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan, Inv. Nos. 701-TA-373 and 731-TA-769-775 (Final) USITC Pub. 3126 (September 1998).

[3] 63 Fed. Reg. 49327-34 (Sept. 15, 1998).

[4] 68 Fed. Reg. 45277 (Aug. 1, 2003). The Commission terminated its review of the countervailing duty order covering certain SSWR from Italy after Commerce revoked the order. See 69 Fed. Reg. 40354, 40356 (July 2, 2004); 69 Fed. Reg. 41850 (July 12, 2004).

[5] See 19 C.F.R. § 207.62(a); 63 Fed. Reg. 30599, 30602-05 (June 5, 1998).

response. The Commission found the response to be adequate on behalf of the domestic industry and the respondent group in the reviews concerning the antidumping orders on Italy and Korea. Despite the lack of response from respondents in the reviews concerning the antidumping orders on subject imports from Japan, Spain, Sweden, and Taiwan, the Commission determined to conduct full reviews in all investigations in order to promote administrative efficiency.[6]

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

In making its determination under section 751(c), the Commission defines the "domestic like product" and the "industry."[7] The Act defines the "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle."[8]

In its final five-year review determinations for the subject merchandise from Italy, Japan, Korea, Spain, Sweden, and Taiwan, Commerce defined the subject merchandise as:

> products that are hot-rolled or hot-rolled annealed and/or pickled and/or descaled rounds, squares, octagons, hexagons or other shapes, in coils, that may also be coated with a lubricant containing copper, lime or oxalate. SSWR is made of alloy steels containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. These products are manufactured only by hot-rolling or hot-rolling, annealing, and/or pickling and/or descaling, are normally sold in coiled form, and are of solid cross-section. The majority of SSWR sold in the United States is round in cross-sectional shape, annealed and pickled, and later cold-finished into stainless steel wire or small-diameter bar. The most common size for such products is 5.5 millimeters or 0.217 inches in diameter, which represents the smallest size that normally is produced on a rolling mill and is the size that most wire-drawing machines are set up to draw. The range of SSWR sizes normally sold in the United States is between 0.20 inches and 1.312 inches diameter. Two stainless steel grades, SF20T and K-M35FL, are excluded from the scope of [these] review[s].[9]

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[6] Explanation of Commission Determinations on Adequacy, (Nov. 18, 2003).

[7] 19 U.S.C. § 1677(4)(A).

[8] 19 U.S.C. § 1677(10). See Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996); Torrington Co. v. United States, 747 F. Supp. 744, 748-49 (Ct. Int'l Trade 1990), aff'd, 938 F.2d 1278 (Fed. Cir. 1991). See also S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

[9] Final Results of Expedited Sunset Reviews, 68 Fed Reg. 68862-66 (Antidumping Orders on Italy, Japan, Korea, Spain, Sweden, and Taiwan). We further note that certain products produced by the Swedish producer Kanthal AB are excluded as they were in the original investigations: "The following proprietary grades of Kanthal AB are also excluded: Kanthal A-1, Kanthal AF, Kanthal A, Kanthal D, Kanthal DT, Alkrothal 720, and Nikrothal 40." 68 Fed. Reg. at 68861.

This scope is unchanged from the scope of the original investigations.[10]

SSWR is an intermediate steel product that is used to produce wire and bar. The majority of the production of SSWR is internally consumed by the domestic producers in the production of these downstream products.[11] Most commercial shipments of SSWR are purchased by redrawers for use in the production of stainless steel wire. A smaller proportion of larger diameter wire rod is sold as semifinished material to converters for use in the production of small-diameter stainless steel bar.[12]

In the original investigations, the Commission rejected arguments that it should find multiple like products consisting of different forms of SSWR and determined that the domestic like product was all SSWR within the scope definition.[13] It concluded that there was a continuum of SSWR products that are produced in a wide variety of grades, specifications, shapes, and sizes.[14] Similarly, the Commission has rejected arguments in other investigations concerning SSWR that it divide the like product definition into specialty and commodity SSWR or even include stainless steel bar in the like product definition.[15]

In these reviews, the domestic industry argues that the Commission should continue to define the domestic like product in the same fashion.[16] They observe that the Commission has defined the like product as all SSWR in all prior SSWR determinations and note that there is no new information obtained during these five-year reviews bearing on these factors that would suggest a reason for revisiting the Commission's original determination of the domestic like product.[17] Respondents raise no like product arguments.

Reviewing the record and limited arguments of the parties, we see no basis for departing from the Commission's prior like product definition. There is no evidence in the record of these reviews concerning the factors the Commission evaluates that suggests we should revisit the definition of the domestic like product. Therefore, for the reasons outlined in the Commission's original determination, we continue to define the domestic like product as all SSWR, which is coterminous with the definition in the scope of the subject merchandise from Italy, Japan, Korea, Spain, Sweden, and Taiwan.

B. Domestic Industry and Related Parties

Section 771(4)(A) of the Act defines the relevant domestic industry as the "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product

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[10] USITC Pub. 3126 at 4.

[11] Confidential Staff Report ("CR"), INV-BB-074 (June 10, 2004) at II-1 n.1, Public Staff Report ("PR") at II-1 n.1. The Staff Report was revised by memoranda INV-BB-082 (June 29, 2004) and INV-BB-089 (July 7, 2004).

[12] CR at I-19 to I-20, PR at I-13.

[13] See USITC Pub. 3126 at 7.

[14] See USITC Pub. 3126 at 6.

[15] Stainless Steel Wire Rod from India, Inv. No 731-TA-638 (Final), USITC Pub. 2704 (Nov. 1993) at 6-7; Stainless Steel Wire Rod from Brazil and France, Inv. Nos. 731-TA-636-37 (Final), USITC Pub. 2721 (Jan. 1994) at 6-7.

[16] Domestic Industry's Prehearing Brief at 3.

[17] Id. at 3-6.

constitutes a major proportion of the total domestic production of the product."[18] Based on our domestic like product finding, we determine that the domestic industry consists of all U.S. producers of SSWR.

We must also determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Act. That provision of the statute allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.[19] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each case.[20] The purpose of the provision is to exclude domestic producers that substantially benefit from their relationships with foreign exporters.[21]

In the original investigations, the Commission found Al Tech and Carpenter to be related parties, because both companies imported subject merchandise. The Commission, however, declined to exclude either producer from the domestic industry because neither company's imports were significant relative to the company's production of SSWR.[22]

Carpenter is still a producer of SSWR while Al Tech no longer exists.[23] Carpenter did not import subject merchandise during the period of review, and thus is not a related party. NAS, a new entrant into the SSWR industry,[24] ***[25], and accordingly is a related party. We therefore must examine whether appropriate circumstances exist to exclude it from the definition of the domestic industry.

NAS invested *** in 2003 to construct a new multi-product manufacturing facility in Kentucky that will result in SSWR capacity of *** short tons in 2005.[26] It thus appears that NAS is committed to increased domestic production of SSWR. There is no evidence that its imports gave it any particular

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[18] 19 U.S.C. § 1677(4)(A). In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market, provided that adequate production-related activity is conducted in the United States. See United States Steel Group v. United States, 873 F. Supp. 673, 682-83 (Ct. Int'l Trade 1994), aff'd, 96 F.3d 1352 (Fed. Cir. 1996).

[19] 19 U.S.C. § 1677(4)(B).

[20] Sandvik AB v. United States, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), aff'd without opinion, 904 F.2d 46 (Fed. Cir. 1990); Empire Plow Co. v. United States, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987). The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude the related parties include: (1) the percentage of domestic production attributable to the importing producer; (2) the reason the U.S. producer has decided to import the product subject to investigation, i.e. whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market; and (3) the position of the related producers vis-a-vis the rest of the industry, i.e. whether inclusion or exclusion of the related party will skew the data for the rest of the industry. See, e.g., Torrington Co. v. United States, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), aff'd without opinion, 991 F.2d 809 (Fed. Cir. 1993). The Commission has also considered the ratio of import shipments to U.S. production for related producers and whether the primary interests of the related producers lie in domestic production or in importation. See, e.g., Melamine Institutional Dinnerware from China, Indonesia, and Taiwan, Inv. Nos. 731-TA-741-743 (Final), USITC Pub. 3016 (Feb. 1997) at 14, n.81.

[21] USEC, Inc. v. United States, 132 F. Supp.2d 1, 12, (Ct. Int'l Trade 2001).

[22] See USITC Pub. 3126 at 9.

[23] See CR at I-23, PR at I-15.

[24] NAS began production of SSWR in the United States in 2003. CR at I-24, PR at I-15.

[25] CR at I-25, PR at I-16.

[26] CR at I-24, III-8 and III-20, PR at I-15, III-3, and III-5. The industry's total capacity was *** short tons in 2003. CR/PR at Table III-1.

advantage over other domestic producers. NAS' financial results were *** for the one year it produced, 2003.[27] No party has urged its exclusion as a related party, and it supports the continuation of the orders.[28] Therefore we do not exclude NAS from the definition of the domestic industry.

We therefore define the industry be as all domestic producers of SSWR.

III. CUMULATION

A. Framework

Section 752(a) of the Act provides that:

> the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.[29]

Thus, cumulation is discretionary in five-year reviews. However, the Commission may exercise its discretion to cumulate only if the reviews are initiated on the same day and the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market. The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.[30] We note that neither the statute nor the Uruguay Round Agreements Act ("URAA") Statement of Administrative Action ("SAA") provides specific guidance on what factors the Commission is to consider in determining that imports "are likely to have no discernible adverse impact" on the domestic industry.[31] With respect to this provision, the Commission generally considers the likely volume of the subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked.[32]

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[27] See CR/PR at Table III-7 (***).

[28] CR at I-24, PR at I-15.

[29] 19 U.S.C. § 1675a(a)(7).

[30] 19 U.S.C. § 1675a(a)(7).

[31] SAA, H.R. Rep. No. 103-316, vol. I (1994).

[32] For a discussion of the analytical framework of Chairman Koplan and Commissioners Hillman and Miller regarding the application of the "no discernible adverse impact" provision, see Malleable Cast Iron Pipe Fittings from Brazil, Japan, Korea, Taiwan, and Thailand, Inv. Nos. 731-TA-278-280 (Review) and 731-TA-347-348 (Review) USITC Pub. 3274 (Feb. 2000). For a further discussion of Chairman Koplan's analytical framework, see Iron Metal Construction Castings from India; Heavy Iron Construction Castings from Brazil; and Iron Construction Castings from Brazil, Canada, and China, Inv. Nos. 303-TA-13 (Review); 701-TA-249 (Review); and 731-TA-262, 263, and 265 (Review) USITC Pub. 3247 (Oct. 1999) (Views of Commissioner Stephen Koplan Regarding Cumulation).

In these reviews, the statutory requirement for cumulation that all reviews be initiated on the same day is satisfied as Commerce initiated all the reviews on August 1, 2003.[33]

The Commission generally has considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product.[34] Only a "reasonable overlap" of competition is required.[35] In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists. Moreover, because of the prospective nature of five-year reviews, we have examined not only the Commission's traditional competition factors, but also other significant conditions of competition that are likely to prevail if the suspended investigations under review are terminated. The Commission has considered factors in addition to its traditional competition factors in other contexts where cumulation is discretionary.[36]

Based on the record, we find that subject imports from each of the six countries would not be likely to have no discernible adverse impact on the domestic industry were the orders revoked. We also find a likely reasonable overlap of competition between the subject imports and the domestic like product if the orders were revoked. We do not find significant differences in the conditions of competition among the subject imports from Italy, Japan, Korea, Spain, Sweden, and Taiwan that would limit competition between those subject sources and between subject imports and the domestic like product. We therefore exercise our discretion to cumulate the likely volume and effects of subject imports from those six countries.

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[33] 68 Fed. Reg. 45219 (Aug. 1, 2003).

[34] The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are: (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and (4) whether the imports are simultaneously present in the market. See, e.g., Wieland Werke, AG v. United States, 718 F. Supp. 50 (CIT 1989).

[35] See Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (CIT 1996); Wieland Werke, AG, 718 F. Supp. at 52 ("Completely overlapping markets are not required."); United States Steel Group v. United States, 873 F. Supp. 673, 685 (CIT 1994), aff'd, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. See, e.g., Live Cattle from Canada and Mexico, Inv. Nos. 701-TA-386 (Preliminary) and 731-TA-812-813 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), aff'd sub nom, Ranchers-Cattleman Action Legal Foundation v. United States, 74 F. Supp.2d 1353 (CIT 1999); Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan, Inv. Nos. 731-TA-761-762 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

[36] See, e.g., Torrington Co. v. United States, 790 F. Supp. at 1172 (affirming Commission's determination not to cumulate for purposes of threat analysis when pricing and volume trends among subject countries were not uniform and import penetration was extremely low for most of the subject countries); Metallverken Nederland B.V. v. United States, 728 F. Supp. 730, 741-42 (CIT 1989); Asociacion Colombiana de Exportadores de Flores v. United States, 704 F. Supp. 1068, 1072 (CIT 1988).

B. Likelihood of No Discernible Adverse Impact

1. Italy[37]

In the original investigations, SSWR imports from Italy were *** short tons in 1995, *** short tons in 1996, and *** short tons in 1997.[38] Such imports from Italy accounted for *** percent of the U.S. market in 1995 and *** in 1997.[39] While Cogne was not the only Italian subject exporter during that period, the record indicates that it accounted for *** percent of the subject imports from Italy in 1997, the final year of the original investigations, even though it only accounted for *** percent of Italian production.[40] After the antidumping and countervailing duty orders were placed on Italy in 1998, Cogne's exports to the United States essentially stopped.[41]

While Cogne has exported only small volumes to the United States since the order has been in place, it *** increased its exports to other markets from 1998 to 2003.[42] In 2003, only *** of Cogne's shipments served Italy, either through commercial sales or internal consumption.[43] While the great majority of its shipments are to Europe and these shipments have increased over the period,[44] the fact remains that Cogne is increasingly export-oriented.[45] In addition, reported overcapacity in the integrated European market suggests that this market will be less attractive in the foreseeable future.[46]

Furthermore, Cogne's shipments to another non-European market, the Asian market, increased *** from 2001 to 2003.[47] Cogne argues that it is committed to serving the Asian market, particularly China, and has invested in a new facility in China for production of downstream products from SSWR.[48] However, some sources suggest that prices for SSWR have been generally lower in Asia and Europe than the United States during the majority of the review period, although the relationship between U.S. and

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[37] Valbruna's exports to the United States are not subject imports for purposes of our analysis because Valbruna is not subject to the antidumping order. Those imports were subject to the countervailing duty order through the period of review, but that order was revoked retroactive to September 15, 2003. 69 Fed. Reg. 40354, 40356 (July 2, 2004).

[38] CR/PR at Table I-1.

[39] CR/PR at Table I-1.

[40] Original Staff Report, INV-V-057 (Aug. 11, 1998) at VII-6.

[41] CR/PR at Table IV-5. The Italian exporter Valbruna (including its subsidiary Bolzano) was never subject to the antidumping duty order on Italy. 68 Fed. Reg. 68862 (Dec. 10, 2003). The other subject Italian producer of SSWR, Rodacciai S.p.A., appears to be only a minor exporter. Original Staff Report, INV-V-057 at VII-7.

[42] See CR/PR at Table IV-5.

[43] CR/PR at Table IV-5.

[44] See Cogne's Final Comments at 7.

[45] Moreover, Cogne's shipments to its larger markets fluctuated *** between 1998 and 2003, demonstrating Cogne's ability and practice of shifting between export markets. CR/PR at Table IV-5; Cogne Submission of June 1, 2004 (SSWR exports to *** fluctuated by as much as *** short tons per year).

[46] Domestic Industry's Posthearing Brief at 13-14 and Exhibit 2.

[47] See Cogne's Final Comments at 4-7.

[48] Transcript of Public Hearing of May 18, 2004 ("Tr.") at 186-187. Cogne did not provide specific data reflecting the volume of SSWR to be shipped to that facility.

European prices has fluctuated in 2003 and 2004.[49] [50] Production of SSWR in China is expected to increase significantly.[51] Cogne USA also provides a ready outlet and distribution network for Cogne's exports to the United States. Cogne has also increased its capacity by *** short tons since 1998,[52] and its excess capacity totaled *** short tons in 2003, which was equivalent to almost *** percent of apparent U.S. consumption.[53] Pricing data are limited given Cogne's' current absence from the U.S. market, but indicate underselling during 1998 and 1999, although most of these instances occurred before the imposition of the antidumping order.[54] During the original investigations, subject imports from Italy undersold domestic SSWR in 37 of 44 comparisons (we recognize that Valbruna's shipments probably accounted for some of the underselling).[55] The pattern of underselling during the original investigations, as well as in 1998 and 1999, indicate that subject imports would likely be sold at prices likely to depress domestic prices if the order were revoked.

We also take into account other factors discussed below, including the vulnerability of the domestic industry, the substitutability of SSWR from different sources,[56] and the importance of price to purchasers. In sum, we do not find that subject imports from Italy would likely have no discernible adverse impact on the domestic industry if the order were revoked.

2. Japan

In the original investigations, subject imports from Japan increased rapidly, from *** short tons in 1995 to *** short tons in 1997, before falling to minimal levels after the order was imposed in 1998.[57]

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[49] The record evidence is mixed with respect to whether prices in the United States are higher or lower than prices in other markets. We rely mainly on data from the Iron and Steel Statistics Bureau, an independent source of steel industry data, showing that, from January 2000 through April 2004, U.S. prices for SSWR have been consistently higher than prices in Asia, and higher than prices in Europe for all but nine months in 2003 and 2004. See Petitioners' Posthearing Brief at Exhibit 6. Importers were divided on the issue of price levels in different markets. See CR at II-8, PR at II-5. We also considered shipment average unit value (AUV) data submitted in response to Commission foreign producer questionnaires, while recognizing the limitations on the usefulness of AUV data in assessing relative price levels in different markets because there may be difference or changes in product mix. These data are also inconclusive, with relative prices varying depending on foreign industry, market, and year. For example, the producer in Sweden reported generally ***; the producers in Korea reported generally ***; the producer in Taiwan reported ***. Cogne did not report *** since 1999. See CR/PR at Tables IV-5, IV-11, IV-16, and IV-18. We also recognize that Mr. Blot, a consultant testifying for petitioners, stated that prices are "a little bit higher in Europe and in some of the Asian countries, not all, than they are in the U.S." Tr. at 83. Respondents testified that prices are higher in Europe and Asia, and are expected to remain so. Tr. at 185, 186.

[50] Commissioner Miller notes the inconclusive nature of U.S. and third country price comparisons and gives greater weight to other factors in reaching her determinations on no discernible adverse impact.

[51] See CR at IV-34 to IV-35, PR at IV-10 (capacity in China increasing by at least *** metric tons).

[52] CR/PR at Table IV-5.

[53] Compare CR/PR at Table IV-5 with CR/PR at Table I-3.

[54] Underselling occurred in 10 of 11 comparisons. CR/PR at Table V-7; CR at V-9 n.8, PR at V-7 n.8.

[55] CR/PR at Table V-7 n.1.

[56] Cogne argued that the product mix for subject imports from Italy reflected less austenitic SSWR than subject imports from other countries and domestic producers' shipments. Cogne's Prehearing Brief at 28-29. However, the data indicate that Cogne's shipments are ***. Id. at 29; CR/PR at Table IV-8.

[57] CR/PR at Table I-1.

The imports accounted for *** percent of the U.S. market in 1995 and *** percent of the U.S. market in 1997.[58]

None of the eight Japanese exporters that responded in the original investigations responded to the Commission's questionnaire in these reviews, so information is limited concerning the Japanese industry.[59] Available information indicates that production and consumption of SSWR in Japan have both increased since the original investigations with production increasing to a greater extent.[60]

Underselling occurred in 26 of 32 of the monthly comparisons during the original investigations, and underselling continued during the period of review, occurring in 16 of 23 comparisons, even with the order in place.[61] The underselling during the original investigations and its continuation despite the order indicate that subject imports would likely be sold at prices likely to suppress or depress domestic prices if the order were revoked.

We also take into account other factors discussed below, including the vulnerability of the domestic industry, the substitutability of SSWR from different sources, and the importance of price to purchasers. In sum, we do not find that subject imports from Japan, with a demonstrated history of rapid increases in volume and significant underselling, would likely have no discernible adverse impact on this vulnerable domestic industry.

3. Korea

In the original investigations, subject imports from Korea increased from *** short tons in 1995 to *** short tons in 1997.[62] These imports accounted for *** percent of the U.S. market in 1997.[63] Subject imports from Korea maintained their presence in the U.S. market despite the order, although they gradually declined from their peak in 1997 to *** short tons in 2003, accounting for *** percent of the U.S. market.[64]

The Commission received questionnaire responses from Changwon and Dongbang, which account for all Korean production of SSWR.[65] Capacity for production of SSWR in Korea is *** since 1998 and capacity utilization for Changwon and Dongbang was *** percent in 2003.[66] Despite the high utilization rate, these producers' excess capacity was *** short tons in 2003, equivalent to *** percent of apparent U.S. consumption in 2003.[67]

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[58] CR/PR at Table I-1.

[59] CR at IV-18, PR at IV-6. The record includes data on Japanese producers' annual production, and total annual consumption in Japan, from Steel and Metals Market Research. See CR/PR at Table IV-10.

[60] CR/PR at Table IV-10.

[61] CR/PR at Table V-7.

[62] CR/PR at Table I-1.

[63] CR/PR at Table I-1.

[64] CR/PR at Table I-1.

[65] CR at IV-19, IV-25, PR at IV-7.

[66] CR/PR at Table IV-11.

[67] Compare CR/PR at Table IV-11 with CR/PR at Table I-3.

Korean exports to Asia increased over the period,[68] although the majority of shipments of Korean SSWR remained in the Korean home market.[69] Nonetheless, some sources suggest that prices are generally higher in the U.S. market than Asia, and the U.S. market remains an attractive market for Korean SSWR.[70] [71] This is further evidenced by the fact that Korean exports to the United States declined very slowly after imposition of the antidumping order and that subject imports from Korea captured a not insignificant share of the U.S. market in 1999 and 2000 despite the order and the increase in the Korean producers' exports to Asia.[72] Subject imports from Korea supplied fully *** percent of the U.S. market in 2000 even though Korean exports to Asia increased from *** short tons in 1998 to *** short tons in 2000.

Subject imports from Korea during the original investigations undersold domestic SSWR in 34 of 37 comparisons and the pattern of significant underselling by the subject imports from Korea predominated during the period of review as well, occurring in 44 of 54 instances.[73] The underselling during the original investigations and its continuation despite the imposition of the order indicates that subject imports would likely be sold at prices likely to suppress or depress domestic prices if the order were revoked.

We also take into account other factors, discussed later, including the vulnerability of the domestic industry, the substitutability of SSWR from different sources, and the importance of price to purchasers. In sum, we do not find that subject imports from Korea, with a demonstrated history of large volumes shipped to the U.S. market, significant underselling, and substantial volumes of subject imports with the order in place, would likely have no discernible adverse impact on the domestic industry if the order were revoked.

4. Spain

In the original investigations, subject imports from Spain increased from *** short tons in 1995 to *** short tons in 1997.[74] Such imports accounted for *** percent of the U.S. market in 1997.[75] However, the volume of subject imports from Spain declined only for one year after imposition of the order and then returned to levels comparable to that of 1997.[76] Imports of SSWR from Spain accounted for *** percent of the U.S. market in 2001, *** percent in 2002, and *** percent in 2003.[77]

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[68] See CR/PR at Table IV-11. Production of SSWR in China is growing which will likely dampen the demand for imports of SSWR from Korea. See Domestic Industry's Posthearing Brief, Exhibit 1 at 14-15.

[69] See CR/PR at Table IV-11.

[70] As discussed in n.49 supra, the record is mixed with respect to relative price levels, but we rely mainly on data from the Iron and Steel Statistics Bureau.

[71] Commissioner Miller notes the inconclusive nature of U.S. and third country price comparisons and gives greater weight to other factors in reaching her determinations on no discernible adverse impact.

[72] See CR/PR at Table I-1.

[73] See CR/PR at Table V-7.

[74] CR/PR at Table I-1.

[75] CR/PR at Table I-1.

[76] CR/PR at Table I-1.

[77] CR/PR at Table I-1.

Neither of the two known Spanish producers, Roldan and Olarra, responded to the Commission's questionnaire in these reviews so information is limited concerning the Spanish industry.[78] Available information suggests greater capacity now than existed during the original investigations.[79] The two Spanish producers have increased production by *** percent since 1998.[80] While the majority of Spanish production was shipped to the home market in the original investigations,[81] Spanish production of SSWR has increased more than Spanish consumption, suggesting more exports of SSWR.[82] Underselling by the subject imports from Spain predominated during the period of review, occurring in 6 of 7 instances, as it did during the original investigations when underselling was reported in 14 of 16 comparisons.[83] The underselling during the original investigations and despite the order indicates that subject imports would likely be sold at prices likely to suppress or depress domestic prices if the order were revoked.

We also take into account other factors, discussed later, including the vulnerability of the domestic industry, the substitutability of SSWR from different sources and the importance of price to purchasers. In sum, we do not find that subject imports from Spain, which continue to be present in the U.S. market and undersell domestic SSWR with the order in place, would likely have no discernible adverse impact on the domestic industry if the order were revoked.

5. Sweden

Subject imports from Sweden were *** short tons in 1995, *** short tons in 1996, and *** short tons in 1997.[84] They remained above *** short tons during 1998-2000.[85] The volume of subject imports from Sweden declined only in 2002 and 2003 to approximately *** short tons per year.[86] Subject imports from Sweden accounted for *** percent of the U.S. market in 1996, *** percent in 2001, and *** percent in 2003.[87]

The Commission obtained information from Fagersta Stainless AB, the only subject exporter during the period of review and the original investigations.[88] Fagersta's capacity ***.[89] However, its production *** short tons and its capacity utilization was *** percent in 2003, the *** reported in nine

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[78] CR at IV-6. The record includes data on Spanish producers' annual production, and total annual consumption in Spain, from Steel and Metals Market Research. See CR/PR at Table IV-15.

[79] Original Staff Report, INV-057, at VII-15 to VII-17 (Roldan ***).

[80] CR/PR at Table IV-14.

[81] Original Staff Report, INV-V-057 at Table VII-6.

[82] CR/PR at Table IV-15.

[83] See CR/PR at Table V-7.

[84] CR/PR at Table I-1.

[85] CR/PR at Table I-1.

[86] CR/PR at Table I-1.

[87] CR/PR at Table I-1.

[88] All subject imports from Sweden were produced by Fagersta during the period. Certain proprietary SSWR grades of Swedish producer Kanthal are excluded from the scope of the order and Kanthal's exports to the United States were confined to these grades. CR at IV-26 to IV-27, PR at IV-8.

[89] CR/PR at Table IV-16.

years.[90] In 2003, it had excess capacity of *** short tons which was equivalent to more than *** percent of apparent U.S. consumption that year.[91] Furthermore, Fagersta ***.[92]

Underselling by the subject imports from Sweden also predominated during the period of review, occurring in 46 of 68 instances, as it did during the original investigations when underselling was reported in 31 of 38 comparisons.[93] The underselling despite the order and during the original investigations indicate that subject imports would likely be sold at prices likely to suppress or depress domestic prices if the order were revoked.

We also take into account other factors discussed below, including the vulnerability of the domestic industry, the substitutability of SSWR from different sources, and the importance of price to purchasers. In sum, we do not find that subject imports from Sweden, which continue to be present in the U.S. market and undersell domestic SSWR with the order in place, would likely have no discernible adverse impact on the domestic industry if the order were revoked.

6. Taiwan

In the original investigation, subject imports from Taiwan increased rapidly, rising from *** short tons in 1995 to *** short tons in 1997.[94] The imports fell to *** short tons in 1998, approximately *** short tons per year during 1999-2000, and to minimal levels thereafter, except in 2002 when they were *** short tons.[95] Subject imports from Taiwan peaked at *** percent of the U.S. market in 1997.[96]

There are two known producers of SSWR in Taiwan, Walsin Lihwa ("Walsin") and Yieh Hsing. However, only Walsin is subject to the antidumping duty order.[97] Walsin exports more than *** of its shipments.[98] Walsin provided information to the Commission indicating that it *** short tons since the original investigations.[99] Moreover, its excess capacity of *** short tons in 2003 was equivalent to more than *** percent of apparent U.S. consumption that year.[100] Some sources suggest that prices are generally higher in the U.S. market than Asia and subject imports from Taiwan were *** short tons in

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[90] Compare CR/PR at Table IV-16 with CR/PR at Table I-3.

[91] CR/PR at Table IV-16; Original Staff Report, INV-V-057, at Table VII-7.

[92] CR/PR at Table IV-16.

[93] See CR/PR at Table V-7.

[94] CR/PR at Table I-1.

[95] CR/PR at Table I-1.

[96] CR/PR at Table I-1.

[97] 68 Fed. Reg. 68885, 68886 (Dec. 5. 2003).

[98] See CR/PR at Table IV-18.

[99] See INV-V-57 at Table VII-8 (capacity of *** short tons in 1997) and CR/PR at Table IV-18 (capacity increased to ***).

[100] See CR/PR at Table IV-18.

2002 despite the order, we conclude that the U.S. market remains an attractive market for SSWR from Taiwan.[101] [102]

During the period of review, subject imports from Taiwan undersold domestic SSWR in 5 of 14 instances;[103] during the original investigations underselling was reported in 15 of 20 comparisons.[104] The underselling during the original investigations and its continuation, albeit with less frequency, despite the antidumping order indicates that subject imports would likely be sold at prices likely to suppress or depress domestic prices if the order were revoked.

We also take into account other factors discussed below, including the vulnerability of the domestic industry, the substitutability of SSWR from different sources, and the importance of price to purchasers. In sum, we do not find that subject imports from Taiwan, which increased rapidly during the original investigations, would likely have no discernible adverse impact on the domestic industry if the order were revoked.

C. Likelihood of a Reasonable Overlap of Competition

In the original investigations, the Commission found that there was a reasonable overlap of competition among the subject imports and between the subject imports and the domestic like product. It found that subject imports from all subject countries and domestic SSWR were sold through the same channels of distribution to end users.[105] Subject imports and domestic SSWR were also sold throughout the United States and present in substantial volumes during the period of investigation.[106]
With respect to fungibility, the Japanese respondents had argued that quality differences between the Japanese product and domestic SSWR limited the substitutability of the two. However, the Commission found that although the Japanese product was superior in some respects, it was still used interchangeably with domestic SSWR and thus SSWR from the subject countries and SSWR was fungible.[107]

In these reviews, no party has argued that circumstances have changed so as to warrant a different result regarding the overlap of competition for cumulation purposes and the record continues to indicate that a reasonable overlap of competition is likely if the orders were revoked.

First, the record indicates that once made to customers' specifications, the subject imports and domestic SSWR are generally substitutable and interchangeable in their uses.[108] Both the subject imports

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[101] As discussed in n.49 supra, the record is mixed with respect to relative price levels, but we rely mainly on data from the Iron and Steel Statistics Bureau.

[102] Commissioner Miller notes the inconclusive nature of U.S. and third country price comparisons and gives greater weight to other factors in reaching her determinations on no discernible adverse impact.

[103] See CR/PR at Table V-7.

[104] See CR/PR at Table V-7 n.1.

[105] USITC Pub. 3126 at 12.

[106] USITC Pub. 3126 at 12.

[107] USITC Pub. 3126 at 13.

[108] CR at II-14, PR at II-9. Almost all domestic producers and over half of the importers indicated that the subject imports and domestic SSWR are always or frequently used interchangeably. Id. With the exception of subject imports from Japan, the majority of purchasers indicated that the subject imports were always or frequently used in the same applications. CR/PR at Table II-6. The majority of purchasers of Japanese subject imports indicated that they were sometimes used in the same applications as domestic SSWR. Id.

and domestic like product are sold directly to end users.[109] The record in the original investigations indicated that the subject imports and domestic like product are sold throughout the United States, and no new information undermines that conclusion.

With respect to the presence of the subject imports in the U.S. market, the evidence suggests that subject imports would be present from all countries if the orders were removed. Subject imports from all six countries were present in the U.S. market during the period of review and quarterly price comparisons were also available for all six countries.[110]

Based on the traditional four competition factors that the Commission considers, we conclude that subject imports from the subject countries likely would be sufficiently fungible, move in the same channels of distribution, and compete simultaneously in the same geographic markets if the antidumping duty orders were revoked. Consequently, we conclude that there likely would be a reasonable overlap of competition between subject imports and the domestic like product, and among the subject imports themselves, if the orders were revoked.

D. Other Considerations

In determining whether to exercise our discretion to cumulate the subject imports from the six countries we assess whether the subject imports from certain countries are likely to compete under different conditions in the U.S. market. While there have been some differences in the import volumes and product mixes, as reflected in higher unit values for imports from some countries, we do not find these differences so substantial as to warrant declining to cumulate in these reviews. Further, there are similarities in the circumstances of each country's exporters as well that tend to offset differences in the condition of competition. Producers in all subject countries have maintained a market presence in the United States during the period of review.[111] Subject imports from Italy ***.[112] Subject imports from *** followed a similar trend.[113] ***.[114]

In light of these and other similarities, and the high substitutability of subject imports from the subject countries and their significant underselling, we do not find that there will likely be any significant and consistent differences in the conditions of competition among the subject imports from the six countries and exercise our discretion to cumulate the subject imports.[115] [116]

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[109] CR at I-22, PR at I-14.

[110] See CR/PR at Table V-7.

[111] Although Cogne's exports of SSWR to the United States have been minimal since 1999, Cogne has an affiliated distributor in the United States, Cogne Specialty Steel USA. CR/PR at Table IV-5; CR at IV-9, PR at IV-5.

[112] See CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089.

[113] See CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089.

[114] See CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089; CR/PR at Tables IV-5 and IV-11.

[115] Cogne argued that its product mix, import trends, and capacity utilization are different from other subject exporters and that Italy is a net importer of SSWR, so the Commission should decline to cumulate subject imports from Italy. See Cogne's Prehearing Brief at 26-29; Cogne's Posthearing Brief at 6-7. It also asserts that it should not be penalized by being cumulated with countries for which the subject exporters did not respond to Commission questionnaires. Cogne's Prehearing Brief at 30. We do not finds that the record supports Cogne's contentions. Cogne's shipments of SSWR are primarily ***. See Cogne's Prehearing Brief at 28; CR/PR at Tables III-3, IV-2, and IV-8. Further, ***. See CR/PR at Tables I-1, IV-5, and IV-11.

With respect to Cogne's argument regarding Italy being a net importer, and citing an earlier Commission

(continued...)

IV. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE ANTIDUMPING ORDERS ARE REVOKED

A. Legal Standard In A Five-Year Review

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping order unless: (1) it makes a determination that dumping is likely to continue or recur, and (2) the Commission makes a determination that revocation of the antidumping order "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[117] The SAA states that "under the likelihood standard, the Commission will engage in a counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."[118] Thus, the likelihood standard is prospective in nature.[119]

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[115] (...continued)
investigation, we first note that every Commission investigation is *sui generis* because each involves the unique interaction of many economic variables. See Ranchers-Cattlemen Action Legal Foundation v. United States, 74 F. Supp. 2d 1353, 1379 (Ct. Int'l Trade 1999). While Italy may be a net importer of SSWR, the facts in these reviews differ from those cited by Cogne in Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, the Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom, Inv. Nos. AA1921-197 (Review), 701-TA-231, 319-320, 322, 325-328, 340, 342, and 348-350 (Review), 731-TA-573-576, 578, 582-587, 604, 607-608, 612, and 614-618 (Review) USITC Pub. 3364 (Nov. 2000). In that review, in which the Commission did not cumulate subject imports from Canada, Canadian capacity was significantly below levels during the original investigation; in contrast, Cogne's capacity in the current review is *** than in the original investigation See USITC Pub. 3364 at 22; CR/PR at Table IV-5. Unlike Cogne in the present review, the Canadian producer, Stelco, was not export-oriented, with nearly all of its shipments remaining in the home market or being internally consumed. Further, because Canada had imposed antidumping duty orders on a number of countries, Stelco was expected to remain focused on supplying its home market. Also, exports of plate from the United States to Canada were 15 times the level of subject imports from Canada. USITC Pub. 3364 at 22. In this investigation, Italy only imports ***. See Domestic Industry's Posthearing Brief at Exhibit 2 (imports of *** metric tons and exports of *** metric tons). Finally, we note that there is no exception to cumulation based on participation or non-participation in five-year reviews. See Ugine-Savoie Imphy v. United States, 248 F. Supp. 2d. 1208, 1223 (Ct. Int'l Trade 2002).

[116] We also note the arguments of the Korean respondents, Changwon and Dongbang, Prehearing Brief at 9-11. However, as we explained, we do not find that import trends with respect to subject imports from Korea will likely differ from other subject imports to a significant or consistent extent. Subject imports from other countries followed similar trends and the subject exporter in ***. Also, there is evidence on the record that price levels for SSWR in the United States are generally higher than those in Asia. See Domestic Industry's Posthearing Brief at Exhibit 6.

[117] 19 U.S.C. § 1675a(a).

[118] SAA, H.R. Rep. No. 103-316, vol. I, at 883-84 (1994). The SAA states that "[t]he likelihood of injury standard applies regardless of the nature of the Commission's original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed." SAA at 883.

[119] While the SAA states that "a separate determination regarding current material injury is not necessary," it indicates that "the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued [sic] prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked." SAA at 884.

The U.S. Court of International Trade has found that "likely," as used in the sunset review provisions of the Act, means "probable," and the Commission applies that standard in five-year reviews.[120] [121] [122]

The statute states that "the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time."[123] According to the SAA, a "'reasonably foreseeable time' will vary from case-to-case, but normally will exceed the 'imminent' timeframe applicable in a threat of injury analysis [in antidumping investigations]."[124] [125]

Although the standard in a five-year review is not the same as the standard applied in an original antidumping investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to "consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated."[126] It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the

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[120] See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (Ct. Int'l Trade 2003) ("'likely' means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)"); Nippon Steel Corp. v. United States, Slip Op. 02-153 at 7-8 (Ct. Int'l Trade Dec. 24, 2002) (same); Usinor Industeel, S.A. v. United States, Slip Op. 02-152 at 4 n.3 & 5-6 n.6 (Ct. Int'l Trade Dec. 20, 2002) ("more likely than not" standard is "consistent with the court's opinion"; "the court has not interpreted 'likely' to imply any particular degree of 'certainty'"); Indorama Chemicals (Thailand) Ltd. v. United States, Slip Op. 02-105 at 20 (Ct. Int'l Trade Sept. 4, 2002) ("standard is based on a likelihood of continuation or recurrence of injury, not a certainty"); Usinor v. United States, Slip Op. 02-70 at 43-44 (Ct. Int'l Trade July 19, 2002) ("'likely' is tantamount to 'probable,' not merely 'possible'").

[121] Commissioner Hillman interprets the statute as setting out a standard of whether it is "more likely than not" that material injury would continue or recur upon revocation. She assumes that this is the type of meaning of "probable" that the Court intended when the Court concluded that "likely" means "probable". See Separate Views of Vice Chairman Jennifer A. Hillman Regarding the Interpretation of the Term "Likely", in Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, The Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom (Views on Remand), Invs. Nos. AA1921-197 (Review), 701-TA-231, 319-320, 322, 325-328, 340, 342, and 348-350 (Review), and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, and 614-618 (Review) (Remand), USITC Pub. 3526 (July 2002) at 30-31.

[122] Commissioner Lane refers to her dissenting views in Pressure Sensitive Plastic Tape from Italy, Inv. No. AA1921-167 (Second Review), USITC Pub. 3698 (June 2004) at 23-25.

[123] 19 U.S.C. § 1675a(a)(5).

[124] SAA at 887. Among the factors that the Commission should consider in this regard are "the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities." Id.

[125] In analyzing what constitutes a reasonably foreseeable time, Chairman Koplan examines all the current and likely conditions of competition in the relevant industry. He defines "reasonably foreseeable time" as the length of time it is likely to take for the market to adjust to a revocation or termination. In making this assessment, he considers all factors that may accelerate or delay the market adjustment process including any lags in response by foreign producers, importers, consumers, domestic producers, or others due to: lead times; methods of contracting; the need to establish channels of distribution; product differentiation; and any other factors that may only manifest themselves in the longer term. In other words, this analysis seeks to define "reasonably foreseeable time" by reference to current and likely conditions of competition, but also seeks to avoid unwarranted speculation that may occur in predicting events into the more distant future.

[126] 19 U.S.C. § 1675a(a)(1).

industry is vulnerable to material injury if the orders are revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).[127]

For the reasons stated below, we determine that revocation of the antidumping orders on SSWR would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.

B. Conditions of Competition

In evaluating the likely impact of the subject imports on the domestic industry, the statute directs the Commission to consider all relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[128] The following conditions of competition in the SSWR market are relevant to our determination.

Demand for SSWR depends primarily on the demand for downstream products in certain end use industries, such as the automotive, medical instruments and general manufacturing industries, that require the corrosion-resistant properties of SSWR.[129] While demand for SSWR had increased due to general growth in the economy and the development of new applications for SSWR products at the time of the original investigations,[130] apparent U.S. consumption of SSWR dropped *** in 2001 and remains *** below its 1998 level. Apparent U.S. consumption was *** short tons in 1998, but in 2003 it was only *** short tons.[131] Competition from imports in the downstream market for wire, as well as the 2001 recession, are believed to have led to this decline.[132] However, the parties to these reviews agree that apparent U.S. consumption is likely to grow over the next few years.[133]

SSWR is typically made to customer specifications and inventories are generally low.[134] Sales are largely made directly to end users and most domestic producers determine prices for each particular transaction.[135] There is at least a moderate degree of substitutability between the subject imports and domestic SSWR,[136] and price, as well as quality, are the most important factors influencing purchasing decisions.[137]

The domestic industry has restructured since the period of the original investigations. Carpenter Technology Corporation purchased Talley Metals Technology, Inc. in 1998. Universal Stainless and

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[127] 19 U.S.C. § 1675a(a)(1). There have been no duty absorption findings by Commerce with respect to the orders under review. See CR at I-14, PR at I-8. The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

[128] 19 U.S.C. § 1675a(a)(4).

[129] CR at II-7, PR at II-4.

[130] USITC Pub. 3126 at 13.

[131] CR/PR at Table I-3.

[132] CR at II-7, PR at II-4. See Tr. at 214-215.

[133] CR at II-7, PR at II-4; Tr. at 214 (recent increase in demand).

[134] CR at II-3, II-5, PR at II-2, II-4.

[135] CR at I-22, PR at I-14.

[136] CR at II-9, PR at II-6.

[137] See CR/PR at Table II-1.

Alloy Products, Inc. purchased Empire Specialty Steel in 2002 and formed Dunkirk Specialty Steel, LLC. Avesta Sheffield merged with Outokumpu Stainless in 2001 to become Avesta Polarit which was renamed Outokumpu in 2004. Both Charter Specialty Steel and North American Stainless entered the industry and began SSWR production in 2001 and 2003, respectively.[138]

The domestic industry has also added capacity since the original investigations. Total capacity has risen from *** short tons in 1997 to *** short tons in 2003.[139] NAS spent ***[140] on its productive facilities; the industry's capacity is expected to increase by another *** short tons in 2004 due to this investment and investment by Allvac.[141]

Carpenter and Talley accounted for more than *** percent of the domestic industry's total net sales quantity and production in 2003, although that may change as new producers enter the market.[142] While captive consumption for production of downstream products accounts for over *** percent of the industry's shipments in 2003, this ratio has been gradually declining since 1998 due to decreases in internal consumption by *** and increasing participation in the merchant market by new domestic producers.[143]

Subject imports remained in the U.S. market but steadily declined from their peak in 1997.[144] Nonsubject imports accounted for *** percent of the U.S. market in 1997 and steadily increased their share until they peaked at *** percent of the market in 2000, before falling to *** percent in 2003.[145]

There are antidumping orders on SSWR from Brazil, India, and France which have been in effect since at least 1994.[146] Also, as part of the safeguard investigations involving steel products (including SSWR), the President imposed temporary import relief via proclamation on March 5, 2002. Import relief relating to SSWR consisted of an additional tariff of 15 percent ad valorem in the first year, and 12 percent in the second year. The relief, however, was terminated by the President on December 4,

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[138] See CR at I-23 to I-24, PR at I-15.

[139] CR/PR at Table I-1. Domestic capacity has increased at three facilities. Charter began production at a plant in Ohio, NAS began and expanded SSWR operations at a plant in Kentucky, and Dunkirk acquired and started operations at a plant in New York. CR at III-8, PR at III-3.

[140] CR at III-20, PR at III-5.

[141] CR at III-1 to III-2, PR at III-1

[142] CR at III-17, PR at III-4; CR at I-24, PR at I-15.

[143] CR at I-22, PR at I-15; CR at III-17, PR at III-4; Table III-7. The Commission has stated that the statutory captive production provision does not apply to five-year reviews. See, e.g., Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, the Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom, Inv. Nos. AA1921-197 (Review), 701-TA-231, -319-20, -320, -322, -325-28, -340, -342, and -348-50 (Review), and 731-TA-573-76, -578, -582-87, -604, -607-08, -612, and -614-18 (Review), USITC Pub. 3364 (November 2000) at 40; Electrolytic Manganese Dioxide from Greece and Japan, Inv. Nos. 731-TA-406- 08 (Review), USITC Pub. 3296 at 15 n.90 (May 2000).

[144] CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089.

[145] CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089. Nonsubject imports were *** short tons in 1998, rose to *** short tons in 2000 and then declined to *** short tons in 2003. Id. For purposes of our analysis, imports of SSWR produced by Valbruna of Italy, including *** percent of imports from Italy in 1997, are considered to be nonsubject imports.

[146] See CR at I-3, PR at I-5.

2003.[147] There also are antidumping or countervailing duty orders on a downstream product, stainless steel bar, from Brazil, France, Germany, India, Italy, Japan, Korea, Spain, and the United Kingdom.[148]

We find that these conditions in the SSWR market provide us with a reasonable basis on which to assess the effects of revocation of the order.

C. Likely Volume of Subject Imports

In evaluating the likely volume of imports of subject merchandise if the antidumping orders are revoked, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.[149] In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.[150]

In the original investigations, the Commission found that the volume of cumulated subject imports rose by *** percent from 1995 to 1997 and subject imports' market share rose from *** percent over the period.[151] It noted that the increase was greater than the rise in apparent U.S. consumption over the period. The Commission found the increase in volume and market share of the subject imports to be significant.[152]

Since 1997, cumulated subject imports have declined gradually but remained in the market.[153] Subject imports captured *** percent of the market in 1997, fell to *** percent in 1998 when the orders were imposed and declined thereafter until 2003, but such imports still accounted for *** percent of apparent U.S. consumption.[154] The domestic industry was unable to increase its market share until 2002-2003 due to an increase in nonsubject imports.[155]

Capacity and excess capacity in the subject countries have increased significantly since the original investigations. Total capacity in the six subject countries is known to be at least *** short tons

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[147] See CR at I-11, PR at I-6.

[148] See CR at I-3 n.9, PR at I-6 n.9.

[149] 19 U.S.C. § 1675a(a)(2).

[150] 19 U.S.C. § 1675a(a)(2)(A-D).

[151] Original Determination at 19.

[152] Id. at 19-20.

[153] As discussed above for cumulation, we are not considering Italian producer Valbruna's exports to the United States to be subject imports.

[154] CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089. Cumulated subject imports were *** short tons in 1997, *** short tons in 1998 and *** short tons in 2003. Id.

[155] CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089. The industry's market share was *** percent in 1998 but this fell to *** percent in 2001 before increasing to *** percent in 2002 and *** percent in 2003.

greater than during the original investigations.[156] Known excess capacity in the subject countries totals at least *** short tons, equivalent to more than *** of apparent U.S. consumption in 2003.[157]

Several factors indicate that subject exporters are likely to increase exports to the United States to significant levels if the orders were revoked. First, the subject imports maintained their presence in the United States to a significant degree, indicating the importance of the U.S. market to the subject exporters.[158] Second, the subject producers export a substantial portion of their shipments,[159] and transportation costs do not appear to provide much disincentive to shipping SSWR to the United States from Asia and Europe.[160] Some sources suggest that prices for SSWR generally have been lower in Asia and Europe than in the United States during the majority of the review period, although the relationship between U.S. and European prices has fluctuated in 2003 and 2004,[161] indicating that the U.S. market remains attractive.[162] [163] The increase in nonsubject imports until 2001 when apparent U.S. consumption fell also evidences the attractiveness of the U.S. market.[164] The safeguard measure on SSWR, described earlier, also was terminated in December 2003, and will make imports more competitive in the United States.[165]

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[156] This figure is based on the increases reported by *** alone. Capacity did not increase in ***. It is unclear whether capacity increased in Japan and Spain because the Commission did not receive responses to its foreign producer questionnaires for those countries, but we note that production increased in both countries. See CR/PR at Tables IV-10 and IV-15.

[157] Compare CR/PR at Tables IV-5, IV-11, IV-16, IV-18 with CR/PR at Table I-1. This figure does not take into account excess capacity in Japan and Spain, for which the Commission has no information. Inventories are not likely an important source of increased export shipments. CR at II-5, PR at II-3.

[158] With the orders in place in 1999, the subject imports were *** short tons, accounting for *** percent of the U.S. market. See CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089.

[159] CR/PR at Tables IV-5, IV-11, IV-16, and IV-18.

[160] While transportation costs from the subject countries increased slightly since the original investigations, the record indicates that they do not provide much disincentive to increased imports from the subject countries. CR at V-2 to V-3, PR at V-1. For example, the record indicates that transportation costs were greatest for SSWR from Italy at 9.0 percent of total cost, yet at least one Italian producer, Valbruna, continued to export to the U.S. market. CR at V-2, PR at V-1; CR/PR at Table IV-6. Nonsubject exporter Yieh Hsing in Taiwan also continues to export to the United States despite the transportation costs involved. See CR/PR at Table I-1.

[161] As discussed in n.49 supra, the record is mixed with respect to relative price levels, but we rely mainly on data from the Iron and Steel Statistics Bureau.

[162] See Domestic Industry's Posthearing Brief at Exhibit 6. Demand may have increased in Asia, yet this does not appear to have decreased the attractiveness of the U.S. market for exporters located in Asia. Although subject imports from Taiwan receded, U.S. imports from Taiwan not subject to the order generally increased. See CR/PR at Table I-1. While Korean exports to Asia increased from *** short tons in 1998 to *** short tons in 2000, U.S. subject imports from Korea still supplied *** percent of the U.S. market in 2000 even with the order in place. CR/PR at Table IV-11.

[163] Commissioner Miller notes the inconclusive nature of U.S. and third country price comparisons and gives greater weight to other factors in reaching her determinations.

[164] See CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089.

[165] Product shifting does not appear to be a significant factor in these reviews. Only one of six responding subject exporters indicated that it could shift production from other products to production of SSWR. CR at II-6, PR at II-4. Subject exporters also did not report any barriers to importation of SSWR in other countries. CR at IV-10 n.11; IV-24 n.15; IV-25 n.17; IV-27 n.21; and IV- 30 n.22, PR at IV-6 nn. 10,11; IV- 7 n.15; IV-8 nn.17, 21; IV-9 n.22.

The domestic industry was able to improve its market share to a significant degree in 2003.[166] However, the U.S. market in 2003 was less than *** the size of the market in 1997, enhancing the significance of the increased subject imports we find to be likely if the orders are revoked.[167]

Accordingly, we conclude that the likely volume of imports of the subject merchandise, both in absolute terms and relative to production and consumption in the United States, would be significant absent the restraining effects of the antidumping orders.

D. Likely Price Effects of Subject Imports

In evaluating the likely price effects of subject imports if the antidumping order is revoked, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to domestic like products and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.[168]

In the original investigations, the Commission found that purchasers of SSWR considered price to be an important factor in making purchasing decisions. The subject imports from the subject countries undersold the domestic like product in 83.9 percent of comparisons and the Commission found that the subject imports suppressed price increases to a significant degree.[169] Domestic prices were declining or flat and the industry's cost of goods sold rose as a fraction of net sales even though demand was increasing.[170]

The current conditions of competition are generally similar to those that prevailed during the original investigations, although there is now greater domestic production capacity but less demand for SSWR. There is no indication that the nature of the imported product has changed. The record indicates that there is a moderate degree of substitutability between the subject imports and domestic SSWR.[171] Price, as well as quality, are the most important factors influencing purchasing decisions.[172]

The subject imports continued to undersell domestic SSWR to a significant extent even with the antidumping duty orders in place. In these investigations, the Commission collected quarterly pricing data on six pricing products, and underselling occurred in 127 of 177 comparisons from 1998 to 2003.[173]

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[166] See CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089.

[167] See CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089. The domestic industry's production has also declined by *** percent since 1997, indicating that the same likely volume of subject imports would be greater relative to domestic production. See CR/PR at Table III-1.

[168] 19 U.S.C. § 1675a(a)(3). The SAA states that "[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

[169] USITC Pub. 3126 at 16.

[170] USITC Pub. 3126 at 16.

[171] CR at II-9.

[172] See CR/PR at Table II-1.

[173] CR/PR at Table V-7. The Commission collected data on six pricing products. See CR/PR at Tables V-1, V-2, V-3, V-4, V-5, and V-6. Pricing products 1, 2, and 3 are austenitic grades of SSWR, product 4 is a ferritic grade, and products 5 and 6 are martensitic grades. CR at V-8 n.7, PR at V-6 n.7. Five domestic producers and 11 importers provided data. CR at V-8, PR at V-7. Pricing data accounted for *** percent of domestic commercial shipments of the domestic producers. The data account for *** percent of U.S. shipments of subject imports from Korea, *** percent U.S. shipments of subject imports from Spain, *** percent U.S. shipments of subject imports

(continued...)

Underselling occurred in the majority of comparisons for all pricing products.[174] The average margin of underselling was 17.9 percent.[175]

Domestic prices were weak over the period of review and domestic SSWR prices fell during 1998 and then fluctuated between 1999 and 2003.[176] Domestic prices for three pricing products fell by *** percent over the period, prices for two pricing products fell by approximately *** percent, and prices for one pricing product rose by *** percent.[177] While the safeguard measure would be expected to bolster U.S. prices, demand was weak during 2002 and 2003 so any positive effect on prices was limited, and the safeguard measure has since been revoked.[178] Prices for raw materials fluctuated over the period and increased as a ratio to the value of net sales from *** percent.[179] The domestic industry could not raise prices sufficiently to cover costs.[180] Recent increases in the prices for raw materials have led domestic producers to attempt to raise prices to offset these rising costs.[181]

However, several factors continue to make it difficult for the domestic industry to increase prices. While the industry has added capacity, demand, remains below the level during the original investigations.[182] Competition in the downstream market for wire also forces purchasers of SSWR to be particularly sensitive to price and is another source of downward pressure on SSWR prices.[183] All of these factors are likely to continue to keep domestic prices for SSWR weak even with the orders in place.

The record indicates that subject imports have continued to undersell domestic SSWR in order to maintain a presence in the U.S. market. If the orders were revoked, domestic purchasers of SSWR would have further leverage for obtaining lower prices from the domestic producers. Because of the substitutability of the subject imports and the importance of price in purchasing decisions, we find that the increasing volumes of subject imports would likely undersell domestic SSWR to a significant degree to regain market share. This underselling would suppress price increases and depress domestic prices to a significant degree.

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[173] (...continued)
from Sweden, *** percent U.S. shipments of subject imports from Taiwan. Data for Italy and Japan were more limited. CR at V-9, PR at V-7; CR at V-9 n.8, PR at V-7 n.8.

[174] See CR/PR at Tables V-1, V-2, V-3, V-4, V-5, and V-6.

[175] CR/PR at Table V-7. The underselling margin in the original investigations averaged 7.6 percent. USITC Pub. 3126 at 16.

[176] CR at V-9, PR at V-8.

[177] CR at V-9, PR at V-8.

[178] See Tr. at 98.

[179] CR/PR at Table III-6.

[180] The ratio of cost of goods sold to net sales rose from *** in 1998 to *** in 2003. CR/PR at Table III-6.

[181] Tr. at 100.

[182] Respondents have attempted to link price declines to NAS's entry into the market. See Cogne's Posthearing Brief at 14 (***). However, NAS did not start production until 2003 and, as discussed above, prices were declining before then. Moreover, the quantity of NAS' net sales in 2003, *** short tons, was much less than the volume of subject imports, *** short tons. See CR/PR at Table III-7; CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089. While we recognize that NAS is likely to have an effect on prices in the future, this does not mean that subject imports will not also have a significant effect on prices.

[183] Cogne's Prehearing Brief at 40.

E. Likely Impact of Subject Imports

In evaluating the likely impact of imports of subject merchandise if the antidumping orders are revoked, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[184] All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry.[185] As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order at issue and whether the industry is vulnerable to material injury if the orders are revoked.[186]

In the original investigations, the Commission found that the domestic industry's production and capacity utilization fell during each year of the period of investigation. Its shipments fell over the period as did employment levels.[187] The domestic industry's financial performance also generally deteriorated and the domestic industry's operating profits declined from 1995 to 1996, before turning into operating losses in 1997 [188]

The condition of the domestic industry has deteriorated since the time of the original investigations and we find the industry to be vulnerable. The industry ***.[189] The domestic industry's total sales fell over the period,[190] and the cost of goods sold including raw material costs did not fall as

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[184] 19 U.S.C. § 1675a(a)(4).

[185] 19 U.S.C. § 1675a(a)(4). Section 752(a)(6) of the Act states that "the Commission may consider the magnitude of the margin of dumping" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. Commerce found the likely margin of dumping for exporters (except Valbruna) in Italy to be 12.73 percent. The likely margin of dumping for exporters in Japan ranged from 21.18 to 34.21 percent. Subject exporters Changwon and Dongbang in Korea were assigned a likely margin of dumping of 5.77 percent. Subject exporters in Spain received a likely margin of dumping of 4.73 percent. Subject exporters in Sweden received a likely margin of dumping of 5.71 percent, and subject exporters in Taiwan received a likely margin of dumping of 8.29 percent. See CR at I-15, PR at I-9 to I-10.

[186] The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission "considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." SAA at 885.

[187] USITC Pub. 3126 at 17-18.

[188] USITC Pub. 3126 at 17-18.

[189] In 1998, the industry reported a positive operating income of *** percent. CR/PR at Table III-7. Since that time the industry has not reported a profit. Its operating income to net sales ratio was ***. CR/PR at Table III-6.

[190] The domestic industry's total net sales fell from $*** in 1998 to $*** in 2001 and then recovered to $*** in 2003. CR/PR at Table III-7.

quickly, resulting in losses.[191] Raw material prices have begun to increase and this will place further pressure on the domestic industry's financial condition.[192] While the domestic industry captively consumes a portion of its production, the current level of captive consumption is lower than the level during the original investigations when the Commission found the domestic industry to be materially injured by subject imports.[193]

The domestic industry increased its capacity in recent years as a result of the start-up of Charter and NAS in 2001 and 2003 respectively.[194] Domestic production fell over the period however;[195] production decreased from 1998 to 2001 and then recovered only somewhat in 2002 and 2003.[196]

Due to falling production and increasing capacity, the industry's capacity utilization rate fell from *** percent in 1998 to *** percent in 2003.[197] While the parties agree an increase in domestic demand is likely, the industry's utilization rate has been below *** percent in two of the past three years, a further indication of the weakness of the industry.[198]

Neither the antidumping orders nor the safeguard measure have enabled the industry to improve its position over the period.[199] In the face of a recession and weak demand, both subject and nonsubject imports continue to capture a significant portion of the U.S. market despite the domestic industry's additions to capacity which should have enabled it to increase its market share with the antidumping

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[191] See CR/PR at Table III-6. The cost of goods sold per unit as a ratio to the unit value of net sales rose from *** percent in 1998 to *** percent in 2003. CR/PR at Table III-6.

[192] CR at III-8; Tr. at 100. Raw material costs fell by *** percent from 1998 to 2003, but began increasing 2003. CR at III-8, III-17, PR at III-4.

[193] See CR at III-6 to III-7, PR at III-3.

[194] The domestic industry's capacity fell from *** short tons in 1998 to *** short tons in 1999 and 2000. It then increased capacity to *** short tons in 2001, *** short tons in 2002, and *** in 2003. CR/PR at Table III-1. The industry's capacity is expected to increase by another *** short tons in 2004, due to investment by Allvac and NAS. See CR at III-1 to III-2, PR at III-1.

[195] See CR/PR at Table III-1.

[196] Domestic production was *** short tons in 1998 but it fell steadily to *** short tons in 2000 and then sharply to *** short tons in 2001. CR/PR at Table III-1. Production then recovered to *** short tons in 2002, and *** short tons in 2003. Id.

[197] Id. The industry's domestic shipments fell as well, following the same trend as domestic production. The industry's domestic shipments were *** short tons in 1998 but they fell steadily to *** short tons in 2000 and then sharply to *** short tons in 2001. CR/PR at Table III-2. They recovered in 2002 to *** short tons, and *** short tons in 2003. Id. The industry's inventories increased from *** short tons in 1998 to *** short tons in 2003. CR/PR at Table III-4.

[198] Id. Thus, despite the recent capital investment the industry remains in a precarious position.

[199] Italian Respondent Cogne argues that the domestic industry has never been profitable and that the antidumping orders have not led to any improvement in the condition of the industry. Cogne's Prehearing Brief at 46. While the industry has not been profitable under the orders, we do not view this factor as decisive. The statute clearly addresses the situation where an industry continues to be materially injured under an order. The SAA provides that an affirmative determination may be appropriate "notwithstanding the lack of any likely further deterioration of the current condition of the domestic industry if revocation of the order ... would be likely to lead to the continuation or recurrence of material injury." SAA at 884.

orders in place. The industry was unable to increase its market share until 2003, when nonsubject and subject imports declined.[200]

Other indicators also reflect the weakness of the domestic industry. The industry steadily reduced its employment levels, from *** workers in 1998 to *** workers in 2003.[201] Capital expenditures declined from $*** in 1998 to $*** in 2002 before NAS invested *** for a new plant in 2003 and capital expenditures totaled $***.[202]

As described above, revocation of the antidumping orders would likely lead to a significant increase in the volume of subject imports that would undersell the domestic like product and significantly suppress or depress already weak U.S. prices. We also find that the volume and price effects of the subject imports would likely have a significant adverse impact on the production, shipments, sales, market share, and revenues of a vulnerable domestic industry. These reductions, in turn, would have a direct adverse impact on the industry's profitability as well as its ability to raise capital and make and maintain necessary capital investments. Accordingly, we conclude that, if the antidumping orders were revoked, subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

CONCLUSION

For the above-stated reasons, we determine that revocation of the antidumping orders on SSWR from Italy, Japan, Korea, Spain, Sweden, and Taiwan would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

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[200] The industry's market share was *** percent in 1998 but this fell to *** percent in 2001 before increasing to *** percent in 2003. CR/PR at Table I-1.

[201] CR/PR at Table III-5. As a result the industry's productivity increased from *** tons per 1,000 hours in 1998 to *** tons per 1,000 hours. CR/PR at Table III-5. Total wages paid fell by more than half, from $*** in 1998 to $*** in 2003. Id.

[202] CR/PR at Table III-10. All respondents have argued that these recent capital expenditures indicate that the domestic industry is not vulnerable. This factor is not dispositive, and given that the industry continues to operate at such low levels of capacity utilization with the new capacity, we find it to be vulnerable to the likely adverse effects of the subject imports if the orders were revoked. Cogne also argued that the domestic producers' failure to produce business plans should lead the Commission to conclude that the industry's recent capital expenditures were not premised on continuation of the orders under review, so the industry must not be vulnerable. Cogne's Final Comments at 12-15. We do not, however, base our decision concerning the vulnerability of the industry on whether investment decisions were based on an assumption that the orders would continue but rather on the current state of the industry.

SEPARATE AND DISSENTING VIEWS OF VICE CHAIRMAN DEANNA TANNER OKUN AND COMMISSIONER DANIEL R. PEARSON

Section 751(d)(2) of the Tariff Act of 1930, as amended ("the Act"), requires that the U.S. Department of Commerce ("Commerce") revoke a countervailing duty or an antidumping duty finding in a five-year ("sunset") review unless Commerce determines that dumping or a countervailable subsidy would be likely to continue or recur and the U.S. International Trade Commission ("Commission") determines that material injury to a U.S. industry would be likely to continue or recur within a reasonably foreseeable time.[1] Based on the record in this first five-year review, we determine that material injury is likely to continue or recur within a reasonably foreseeable time if the orders on subject imports of stainless steel wire rod (SSWR) from Japan and Taiwan are revoked, and we determine that material injury is not likely to continue or recur within a reasonably foreseeable time if the orders on subject imports of SSWR from Italy, Korea, Spain, and Sweden are revoked.

In these reviews, we have exercised our discretion to cumulate subject imports from Japan and Taiwan; Italy and Korea; and Spain and Sweden. We have done so because the record indicates differences in historical trading patterns between cumulated subject imports from Japan and Taiwan and all other imports. Japan and Taiwan have exhibited similar behavior in the U.S. SSWR market, both pre- and post-orders. During the original investigations, subject imports from Japan and Taiwan were chiefly responsible for the volume effects found by the Commission. Pre- and post-order behavior and the conditions of competition for the remaining four countries distinguish these subject imports from Japan and Taiwan, albeit in different ways for Italy and Korea, and for Spain and Sweden. The record supports the conclusion that Japan and Taiwan will revert to their pre-order trading practices of substantial and rapid increases in subject imports, whereas the record supports a steady and continued presence of subject imports from Spain and Sweden in the U.S. market for SSWR, and a gradual decline in subject imports of SSWR from Italy and Korea with a continued redirection of those imports to alternative, more attractive markets in Asia and Europe.

We join our colleagues' discussion regarding domestic like product and domestic industry, and to follow we write separately to discuss the legal standard governing five-year reviews, cumulation, conditions of competition, and to provide our analysis of the statutory factors.

I. CUMULATION

A. Framework

Section 752(a) of the Act provides that:

> the Commission may cumulatively assess the volume and effect of imports of the subject merchandise from all countries with respect to which reviews under section 1675(b) or (c) of this title were initiated on the same day, if such imports would be likely to compete with each other and with domestic like products in the United States market. The Commission shall not cumulatively assess the volume and effects of imports of the subject merchandise in a case in which it determines that such imports are likely to have no discernible adverse impact on the domestic industry.[2]

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[1] 19 U.S.C. § 1675(d)(2).

[2] 19 U.S.C. § 1675a(a)(7).

Thus, cumulation is discretionary in five-year reviews. However, the Commission may exercise its discretion to cumulate only if the reviews are initiated on the same day and the Commission determines that the subject imports are likely to compete with each other and the domestic like product in the U.S. market. The statute precludes cumulation if the Commission finds that subject imports from a country are likely to have no discernible adverse impact on the domestic industry.[3] We note that neither the statute nor the Uruguay Round Agreements Act ("URAA") Statement of Administrative Action ("SAA") provides specific guidance on what factors the Commission is to consider in determining that imports "are likely to have no discernible adverse impact" on the domestic industry.[4] With respect to this provision, the Commission generally considers the likely volume of the subject imports and the likely impact of those imports on the domestic industry within a reasonably foreseeable time if the orders are revoked.

In these reviews, the statutory requirement for cumulation that all reviews be initiated on the same day is satisfied as Commerce initiated all the reviews on August 1, 2003.[5]

The Commission generally has considered four factors intended to provide a framework for determining whether the imports compete with each other and with the domestic like product.[6] Only a "reasonable overlap" of competition is required.[7] In five-year reviews, the relevant inquiry is whether there likely would be competition even if none currently exists. Moreover, because of the prospective nature of five-year reviews, we have examined not only the Commission's traditional competition factors, but also other significant conditions of competition that are likely to prevail if the suspended investigations under review are terminated. The Commission has considered factors in addition to its traditional competition factors in other contexts where cumulation is discretionary.[8]

Based on the record, we do not find that subject imports from each of the six countries likely would have no discernible adverse impact on the domestic industry if the orders were revoked. We also

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[3] 19 U.S.C. § 1675a(a)(7).

[4] SAA, H.R. Rep. No. 103-316, vol. I (1994).

[5] 68 Fed. Reg. 45219 (Aug. 1, 2003).

[6] The four factors generally considered by the Commission in assessing whether imports compete with each other and with the domestic like product are: (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions; (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product; (3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and (4) whether the imports are simultaneously present in the market. See, e.g., Wieland Werke, AG v. United States, 718 F. Supp. 50 (CIT 1989).

[7] See Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (CIT 1996); Wieland Werke, AG, 718 F. Supp. at 52 ("Completely overlapping markets are not required."); United States Steel Group v. United States, 873 F. Supp. 673, 685 (CIT 1994), aff'd, 96 F.3d 1352 (Fed. Cir. 1996). We note, however, that there have been investigations where the Commission has found an insufficient overlap in competition and has declined to cumulate subject imports. See, e.g., Live Cattle from Canada and Mexico, Inv. Nos. 701-TA-386 (Preliminary) and 731-TA-812-813 (Preliminary), USITC Pub. 3155 at 15 (Feb. 1999), aff'd sub nom, Ranchers-Cattleman Action Legal Foundation v. United States, 74 F. Supp.2d 1353 (CIT 1999); Static Random Access Memory Semiconductors from the Republic of Korea and Taiwan, Inv. Nos. 731-TA-761-762 (Final), USITC Pub. 3098 at 13-15 (Apr. 1998).

[8] See, e.g., Torrington Co. v. United States, 790 F. Supp. 1161, 1172 (Ct. Int'l Trade 1992), aff'd without opinion, 991 F.2d 809 (Fed. Cir. 1993). (affirming Commission's determination not to cumulate for purposes of threat analysis when pricing and volume trends among subject countries were not uniform and import penetration was extremely low for most of the subject countries); Metallverken Nederland B.V. v. United States, 728 F. Supp. 730, 741-42 (CIT 1989); Asociacion Colombiana de Exportadores de Flores v. United States, 704 F. Supp. 1068, 1072 (CIT 1988).

find that a reasonable overlap of competition is likely upon revocation among subject imports from Italy, Japan, Korea, Spain, Sweden, and Taiwan, and between subject imports and the domestic like product. We find significant differences of competition between the subject imports from Japan and Taiwan, subject imports from Italy and Korea, and subject imports from Spain and Sweden. We therefore exercise our discretion to cumulate the likely volume and effects of subject imports from Japan and Taiwan, and we exercise our discretion to cumulate separately the likely volume and effects of subject imports from Italy and Korea, and to cumulate separately the likely volume and effects of subject imports from Spain and Sweden.

B. Analysis

1. Likelihood of No Discernible Adverse Impact

By 1997, the last full year of the original period of investigation, subject imports from Italy accounted for *** percent of apparent U.S. consumption; subject imports from Japan accounted for *** percent; subject imports from Korea accounted for *** percent; subject imports from Spain accounted for *** percent; subject imports from Sweden accounted for *** percent; and subject imports from Taiwan accounted for *** percent.[9] Subject imports from each of the six countries remained in the market in each of the years since the original orders were imposed, though subject imports from Italy, Japan, and Taiwan were sometimes only at nominal levels.[10] Producers in Italy, Japan, Korea, and Sweden are affiliated with importers in the United States; producers of subject merchandise in Spain and Sweden are affiliated with U.S. producers or tollees.[11] These relationships, along with the continued presence of subject imports, suggest that producers in the six subject countries have access to channels of distribution in the U.S. market.

The record evidence indicates that producers in each of the six countries have production capacity and continue to produce SSWR at substantial levels. Responses to Commission questionnaires in these reviews indicate that subject producers in Italy, Korea, Sweden, and Taiwan continue to produce for export as well as home-market consumption.[12] Evidence gathered in the Commission's original investigations indicated that producers in Japan and Spain produced for export,[13] and no evidence on the record in these reviews indicates that those producers are less interested in export markets than at the time of the original determination. Responses to Commission questionnaires in these reviews indicate that producers in Italy, Korea, Sweden, and Taiwan have some available unused capacity or some inventories on hand which could be diverted to the U.S. market in the event of revocation, although for Italy and Korea those available resources are modest.[14] SSWR production in Japan and Spain far outstrip

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[9] CR/PR at Table I-1, as revised by memoranda INV-BB-082 (June 29, 2004) and INV-BB-089 (July 7, 2004). For purposes of this analysis, our discussion of subject imports from Italy refers to U.S. imports of SSWR produced by manufacturers other than Valbruna and its subsidiary, Bolzano. Consistent with the record developed in the original investigations, we have treated *** percent of U.S. imports of SSWR from Italy in 1997 as subject. See Original Staff Report, OINV-V-057, at VII-6-7.

[10] CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089.

[11] CR at I-25-I-26; PR at I-15-16.

[12] CR/PR at Tables IV-5, IV-11, IV-16, and IV-18.

[13] Original Staff Report, OINV-V-057, at Tables VII-3 and VII-6.

[14] CR/PR at Tables IV-5, IV-11, IV-16, and IV-18.

consumption in those countries, suggesting both the need for export markets and the likelihood that inventories are on hand to direct to the U.S. market in the event of revocation.[15]

Given the continued presence of subject imports in the U.S. market, the availability of unused capacity or inventories, and the conditions of competition described below, such as the excess capacity and increased price competition in the U.S. market, we do not find that subject imports from Italy, Japan, Korea, Spain, Sweden, and Taiwan individually would have no discernible adverse impact on the domestic industry in the event of revocation of the subject orders.

2. Reasonable overlap of competition

In its original determination, the Commission cumulated subject imports from Italy, Japan, Korea, Spain, Sweden, and Taiwan. The Commission found that subject imports from all six countries and the domestic like product were present in the market throughout the United States, and that substantial volumes of both the subject imports and the domestic like product were present in the U.S. market throughout the period examined. The Commission noted that noted that a "large majority" of the domestic like product was captively consumed, but the "great majority of both domestic and imported open market shipments" were made to the same types of purchasers, namely end users such as wire redrawers or fastener manufacturers. The Commission thus found that subject imports and the domestic like product traveled in similar channels of distribution. Finally, the Commission considered arguments raised by respondents from Japan that the subject imports were not fungible because of product mix and quality differences; the Commission acknowledged that such differences existed, but not to such an extent that a reasonable overlap of competition did not exist.[16]

The available evidence on the record suggests that a reasonable overlap of competition is likely upon revocation. Nothing on the record suggests that subject imports from any country, upon revocation, would be so limited in terms of geographic presence in the market or in terms being simultaneously present in the market as to prevent a reasonable overlap of competition from occurring.

Respondent Cogne has suggested that competition between subject imports from Italy and other subject imports and the domestic like product would be limited by product mix differences.[17] However, a comparison of subject imports from Italy with other subject imports and the domestic like product shows that, while some differences in product mix do exist, a significant overlap remains, since a majority of both the domestic like product and imports from each of the six countries is austenitic SSWR.[18]

Respondent Cogne has also suggested that competition would be limited because a substantial portion of domestic production is captively consumed.[19] This was true during the period examined in the original investigations, yet the Commission nonetheless found a reasonable overlap of competition.[20] In the years since the orders were imposed, the domestic industry has continued to devote a significant share of its production to internal consumption. But a significant share also has been directed to commercial shipments. Indeed, the share of production directed to commercial shipments actually increased during the period examined in these reviews, and, despite an overall decline in apparent U.S. consumption, commercial shipments by domestic producers were at their highest level for the period examined in these

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[15] CR/PR at Tables IV-10 and IV-15.

[16] USITC Pub. 3126 at 12-13.

[17] Cogne prehearing brief at 29.

[18] Compare CR/PR at Table IV-8 with Tables III-3, IV-2, IV-13, IV-14, IV-17, and IV-19.

[19] Cogne prehearing brief at 28.

[20] USITC Pub. 3126 at 12-13.

reviews in 2003.[21] Despite the domestic industry's continuing captive consumption, the record indicates that a substantial portion of the domestic industry's output is and will continue to be directed to commercial shipments and thus in competition with subject imports. We therefore find it likely that a reasonable overlap of competition would exist among subject imports and between subject imports and the domestic like product if the subject orders were revoked.

3. Other factors

We find that significant differences in the likely conditions of competition would exist between subject imports from Japan and Taiwan, subject imports from Italy and Korea, and subject imports from Spain and Sweden if the subject orders were revoked. We therefore exercise our discretion to cumulate the likely volume and effects of subject imports from Japan and Taiwan; to cumulate the likely volume and effects of subject imports from Italy and Korea; and to cumulate the likely volume and effects of subject imports from Spain and Sweden.

a. Japan and Taiwan

In the original investigations, subject imports from Japan and Taiwan drove the rapid increase in import volume. Subject imports from Japan increased from *** short tons in 1995 to *** short tons in 1997, an increase of *** percent in just two years. Subject imports from Taiwan increased at an explosive rate, leaping from just *** short tons in 1995 to *** short tons in 1997. The increase in volume of subject imports from Japan and Taiwan easily outstripped the increase in volume from any other subject country, nonsubject imports, or overall demand, as measured by apparent U.S. consumption.[22] These dynamic increases in volume were accompanied by sharp drops in average unit values.[23]

The antidumping orders on Japan and Taiwan were imposed in September 1998. By 1999, subject imports from Japan had fallen to *** tons, down nearly *** percent from the peak just two years earlier, and down nearly *** percent from the 1995 starting point. Subject import volume from Japan continued to dwindle, reaching a low point of *** short tons in 2003.[24] Subject imports from Taiwan in 1999 were *** short tons, down *** percent from the 1997 peak. There was a brief increase in 2002, but in 2003 subject imports from Taiwan, like those from Japan, reached the lowest levels of the period examined in these reviews, totaling only *** short tons for the year.[25]

The record in the original investigations demonstrated that subject producers in Japan and Taiwan were capable of responding quickly and intensively to openings in the U.S. market. The volume trends since the orders were imposed suggest that the orders were responsible for largely excluding subject imports from Japan and Taiwan from the U.S. market. Nothing in the record suggests that producers in those two countries are operating under conditions of competition any different from those found in the original investigations. We therefore exercise our discretion to assess cumulatively the volume and effect of subject imports from Japan and Taiwan.

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[21] CR/PR at Table III-2.

[22] CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089.

[23] CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089.

[24] CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089.

[25] CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089.

b. Italy and Korea

In the original investigations, subject imports from these two countries increased at a far less significant rate than did subject imports from Japan or Taiwan. Evidence gathered in these reviews suggest that subject producers in each of these countries will operate under conditions of competition that distinguish them from the industries in Japan and Taiwan.

The imposition of the orders had different effects on the volume of imports from these countries. Imports from Italy from subject producer Cogne were largely excluded from the U.S. market, although imports from Valbruna, subject to a countervailing duty order, remained in the market and actually increased. Subject imports from Korea remained close to pre-order levels through 2000 but decreased sharply thereafter; in 2003, subject imports from Korea were down nearly 90 percent from the peak of 13,937 short tons in 1997.[26]

Subject producers of SSWR in Italy and Korea have operated at extremely high rates of capacity utilization in recent years, particularly in 2003.[27] Producers in those countries remain somewhat export-oriented, but producers in both countries have successfully found other outlets for their exports. In Italy, Cogne devoted approximately *** percent of its shipments to export markets throughout most of the period examined in these reviews. At the end of the period examined in these reviews, shipments to customers in Asia were at levels *** to shipments to the European Union, and shipments to other markets, including non-EU European purchasers, accounted for the lion's share of Cogne's shipments.[28] The average unit values of Cogne's shipments to its European purchasers *** the average unit value of its shipments to U.S. purchasers.[29] Finally, since 1995-1997, the outstanding countervailing duty order has been lifted on, first, Cogne and then Valbruna (Valbruna was not subject to the antidumping duty order).[30]

For subject producers in Korea the situation is similar: the export market remained significant throughout the period examined in these reviews, accounting for between *** percent of shipments, but the destination of those exports changed. Despite relatively low dumping margins,[31] the U.S. market dwindled in importance to producers in Korea after 2000. Shipments to the U.S. market accounted for *** percent of shipments in 1998 but only *** percent by 2003, while shipments to purchasers in Asia accounted for *** percent of all shipments in 2003.[32] For producers in Korea, shipments to the U.S. market had the lowest average unit value of any export shipments, by a *** margin.[33] Subject producers in Korea, like the subject producer in Italy, still ship to export markets, but have found receptive and valuable markets away from the United States.

The record gathered in these reviews indicates that producers in Italy and Korea would face conditions of competition different from those faced by producers in Japan or Taiwan, or Spain or Sweden. Though the volume of subject imports from Italy and Korea reacted differently to the

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[26] CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089.

[27] CR/PR at Tables IV-5 and IV-11.

[28] CR/PR at Table IV-5.

[29] CR/PR at Table IV-5.

[30] CR at I-1 and I-14 n. 14/15; PR at I-1 and I-9 n. 15.

[31] All producers in Korea except Sammi Steel were subject to margins of 3.18 percent after the orders were initially imposed. USITC 3126 at I-2. In the most recent administrative review, POSCO/Changwon/Dongbang's margin was 1.67 percent. CR at I-16, PR at I-10.

[32] CR/PR at Table IV-11.

[33] CR/PR at Table IV-11.

imposition of the orders, in recent years subject producers in both countries have directed their efforts to developing export markets outside the United States. Recent high rates of capacity utilization, coupled with higher average unit values, suggest that producers in these two countries would respond to revocation in similar ways, but differently than producers in Japan or Taiwan. We therefore exercise our discretion to assess cumulatively the volume and effects of subject imports from Italy and Korea.[34]

c. Spain and Sweden

The volume of subject imports from Spain and Sweden did not change significantly after the orders were imposed. These imports were subject to the lowest initial dumping margins of any of the countries subject to these investigations.[35] Even so, the continued steady presence of these imports suggests that they have found purchasers relatively insensitive to the uncertainties posed by the orders. The continued steady presence of these imports also suggests that revocation would have little effect on volume. Furthermore, producers still subject to the orders in Spain and Sweden are now related to U.S. producers or tollees: Roldan in Spain is related to NAS, and Fagersta in Sweden is related to Outokumpu.[36] These relationships are also likely to dampen any post-revocation changes in subject import volume, as these producers now can participate in the U.S. market in a more direct manner.

In short, conditions of competition have changed for producers in both of these countries in ways that likely would affect the way each responds to revocation. They have continued to participate in the U.S. market at pre-order levels and have gained an alternate foothold in the domestic industry. Producers in each of these countries will thus be operating under conditions of competition significantly different from those facing them during the original investigations, and also significantly different from those likely to face producers of subject merchandise in Japan or Taiwan, or even those in Italy or Korea. We therefore exercise our discretion to assess cumulatively the volume and effect of subject imports from Spain and Sweden.

II. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF MATERIAL INJURY IF THE ORDERS ARE REVOKED

A. Legal Standard

1. In General

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke a countervailing or antidumping duty order or terminate a suspended investigation unless: (1) it makes a determination that dumping is likely to continue or recur, and (2) the Commission makes a determination that revocation of an order or termination of a suspended investigation "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[37] The Statement of Administrative Action (SAA) states that "under the likelihood standard, the Commission will engage in a

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[34] Cogne also argued that subject producers in Italy would face different conditions of competition because Italy is a net importer of SSWR. Cogne posthearing brief at 6. We did not rely on this argument in reaching our decision to cumulate.

[35] CR at I-2 n. 4, PR at I-2 n.4. For Spain, the final margin determined by Commerce in the original investigation was 4.72 percent, and for Sweden, the final margin was 5.71 percent. USITC Pub. 3126 at 17 n.93 citing 63 Fed. Reg. 40391 (July 29, 1998) and 63 Fed. Reg. 40449 (July 29, 1998).

[36] CR at I-24-25, PR at I-15-16; CR at IV-26, PR at IV-8.

[37] 19 U.S.C. § 1675a(a).

counter-factual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports."[38] Thus, the likelihood standard is prospective in nature.[39] The statute states that "the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time."[40] According to the SAA, a "'reasonably foreseeable time' will vary from case-to-case, but normally will exceed the 'imminent' time frame applicable in a threat of injury analysis in antidumping and countervailing duty investigations."[41]

Although the standard in five-year reviews is not the same as the standard applied in original antidumping or countervailing duty investigations, it contains some of the same fundamental elements. The statute provides that the Commission is to "consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated."[42] It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the finding or the suspension agreement under review, whether the industry is vulnerable to material injury if the finding is revoked or the suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).[43] [44]

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[38] SAA, H.R. Rep. No. 103-316, vol. I, at 883-84 (1994). The SAA states that "[t]he likelihood of injury standard applies regardless of the nature of the Commission's original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed." SAA at 883.

[39] While the SAA states that "a separate determination regarding current material injury is not necessary," it indicates that "the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued [sic] prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked." SAA at 884.

[40] 19 U.S.C. § 1675a(a)(5).

[41] SAA at 887. Among the factors that the Commission should consider in this regard are "the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities." Id.

[42] 19 U.S.C. § 1675a(a)(1).

[43] 19 U.S.C. § 1675a(a)(1). The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination. 19 U.S.C. § 1675a(a)(5). While the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886. We note that no duty absorption findings have been made by Commerce. CR at I-8, PR at I-8.

[44] Section 752(a)(6) of the Act states that "the Commission may consider the magnitude of the margin of dumping" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv). See also SAA at 887. Commerce found the likely margin of dumping for exporters (except Valbruna) in Italy to be 12.73 percent. The likely margin of dumping for exporters in Japan ranged from 21.18 to 34.21 percent. Subject exporters Changwon and Dongbang in Korea were assigned a likely margin of dumping of 5.77 percent. Subject exporters in Spain received a likely margin of dumping of 4.73 percent. Subject exporters in Sweden received a likely margin of

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2. Facts Available

The statute authorizes the Commission to take adverse inferences in five-year reviews, but such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination.[45] We generally give credence to the facts supplied by the participating parties and certified by them as true, but base our decision on the evidence as a whole, and do not automatically accept the participating parties' suggested interpretation of the record evidence. Regardless of the level of participation and the interpretations urged by participating parties, the Commission is obligated to consider all evidence relating to each of the statutory factors and may not draw adverse inferences that render such analysis superfluous. In general, the Commission makes determinations by "weighing all of the available evidence regarding a multiplicity of factors relating to the domestic industry as a whole and by drawing reasonable inferences from the evidence it finds most persuasive."[46] In this case, not all interested parties participated in this review. Accordingly, we have relied on the facts available in this review in certain limited instances.

3. The "Likely" Standard

As noted above, the legal standard the Commission is to apply is whether revocation of an finding "would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time."[47] In reviewing the Commission's application of the "likely" standard, the U.S. Court of International Trade has found that "likely," as used in the sunset review provisions of the Act, means "probable," and that a Commission affirmative determination in such a review would be deemed by the Court to be in error absent application of this standard.[48] Pursuant to the Usinor Industeel and Usinor remand orders, the Commission issued remand determinations that applied the "probable" standard.[49] [50]

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[44] (...continued)
dumping of 5.71 percent, and subject exporters in Taiwan received a likely margin of dumping of 8.29 percent. See CR at I-15, PR at I-9 to I-10.

[45] 19 U.S.C. § 1675(c)(3)(B); 19 C.F.R. § 207.62(e). Section 751(c)(3) of the Act and the Commission's regulations provide that in an expedited five-year review the Commission may issue a final determination "based on the facts available, in accordance with section 776 of the Act." Section 776 of the Act, in turn, authorizes the Commission to "use the facts otherwise available" in reaching a determination when: (1) necessary information is not available on the record or (2) an interested party or any other person withholds information requested by the agency, fails to provide such information in the time or in the form or manner requested, significantly impedes a proceeding, or provides information that cannot be verified pursuant to section 782(I) of the Act. 19 U.S.C. § 1677e(a).

[46] SAA at 869.

[47] 19 U.S.C. § 1675a(a).

[48] See NMB Singapore Ltd. v. United States, 288 F. Supp. 2d 1306, 1352 (2003) ("'likely' means probable within the context of 19 U.S.C. §§ 1675(c) and 1675a(a)"); Nippon Steel Corp., et al. v. United States, Slip Op. 02-153 at 7-8 (Dec. 24, 2002) (same) (Nippon); Usinor Industeel, S.A. v. United States, Slip Op. 02-152 at 6 n.6 (Dec. 20, 2002) ("the court has not interpreted 'likely' to imply any particular degree of 'certainty'") (Usinor Industeel III); and Usinor v. United States, Slip Op. 02-70 at 43-44 (July 19, 2002) ("'likely' is tantamount to 'probable,' not merely 'possible'") (Usinor).

[49] In its remand determination in Usinor Industeel (Certain Carbon Steel Products from Australia, Belgium, Brazil, Canada, Finland, France, Germany, Japan, Korea, Mexico, The Netherlands, Poland, Romania, Spain, Sweden, Taiwan, and the United Kingdom (Views on Remand), Invs. Nos. AA1921-197 (Review), 701-TA-231, 319-320, 322, 325-328, 340, 342, and 348-350 (Review), and 731-TA-573-576, 578, 582-587, 604, 607-608, 612, and 614-
(continued...)

Subsequently, the Court has stated that it "has not interpreted 'likely' to imply any degree of 'certainty,'" but it has indicated that the Court views "likely" to equal a standard of "more likely than not."[51] While we do not concur with the Court's interpretation, we will apply the Court's standard in these reviews and all subsequent reviews until either Congress clarifies the meaning or the U.S. Court of Appeals for the Federal Circuit addresses this issue.[52]

The Court's standard means that the Commission must make a negative determination unless the continuation or recurrence of material injury is "more likely than not." While this standard may not equate to a high level of certainty, there may be reviews in which there could be "more than one likely outcome,"[53] but the likelihood of continuation or recurrence of injury is not more likely than any other outcome.

B. Conditions of Competition

In evaluating the impact of subject imports on the domestic industry if the finding is revoked, the statute directs the Commission to evaluate all the relevant economic factors "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[54] Discussed below are the conditions of competition that weigh significantly in our determination.

1. Demand

Apparent U.S. consumption increased over the period examined in the original investigations. Apparent U.S. consumption in 1997 was *** short tons, up *** percent from the 1995 level of *** short

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[49] (...continued)
618 (Review) (Remand), USITC Pub. 3526 (July 2002) at 6), the Commission (Chairman Okun and Commissioners Bragg and Miller) stated that the Commission, in rendering its initial determination in those reviews, did not equate "likely" with "probable" or "possible" for purposes of its determination of whether material injury was likely to recur. The Commission stated its view of the meaning of the word "likely" is found in the statutory language itself and the relevant explication of that text found in the SAA. The Commission noted that the SAA explains that a determination by the Commission in a five-year review "is inherently predictive." SAA at 883. As a result of the inherently predictive nature of the inquiry, the SAA explains that "[t]here may be *more than one* likely outcome following revocation." SAA at 883 (emphasis added). Thus, the Commission stated that reading the term "likely" in conjunction with the SAA led it to conclude that "likely" captures a concept that falls in between "probable" and "possible" on a continuum of relative certainty.

[50] In reviewing the Commission's remand determination in Usinor Industeel, the Court rejected the Commission's interpretation that "likely" captures a concept that falls in between "probable" and "possible" on a continuum of relative certainty. Usinor Industeel III, Slip. Op. 02-152 at 5-6. (The Court, however, did not remand the matter to the Commission on those grounds, as the Commission explicitly adopted the Court's definition of "likely" for purposes of making that remand determination. Usinor Industeel III, Slip. Op. 02-152 at 4.) (Subsequent to Usinor Industeel III, Commissioners Hillman, Koplan, and Miller explicitly stated they were applying the court's definition of "likely" per Usinor Industeel, Usinor, and Nippon. Steel Concrete Reinforcing Bars from Turkey, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 13 n.60 (Feb. 2003).)

[51] Usinor Industeel III, Slip. Op. 02-152 at 6 n.6.

[52] While, for purposes of these reviews, Commissioner Pearson does not take a position on the correct interpretation of "likely," he notes that he would have made the same determination under any interpretation of "likely" other than that equating "likely" with merely "possible."

[53] SAA at 883.

[54] 19 U.S.C. § 1675a(a)(4)

tons.[55] In its original determination, the Commission attributed the increase in demand to general growth in the economy and also the use of SSWR in "new and expanding applications such as bar conversion and automotive applications, and replacement of carbon steel products."[56]

The last year of the period examined in the original investigations has proven to be a peak for SSWR demand. Apparent U.S. consumption in 2000 increased temporarily to *** short tons, after two years in which apparent U.S. consumption was well below the 1997 level. Since 2000, however, apparent U.S. consumption has trended downward, with sharp contractions in both 2001 and 2003. In 2003, apparent U.S. consumption was *** short tons, down *** percent from 2000 and down *** percent from the 1997 peak.[57]

Domestic producers apparently believe the downturn since 2000 is a reflection of weakness in the overall economy rather than an indication of any longterm decline in U.S. demand for SSWR.[58] However, even the demand projections offered by the domestic producers suggest that the U.S. market for SSWR may be in a longterm decline. The most recent demand upturn peaked in 2000 at a level below that recorded in 1997; the next peak will not be reached until 2008 and is still projected to be 11.5 percent below the 1997 level.[59] Responding purchasers suggest that demand is falling because finished parts can be imported less expensively, but purchasers, like domestic producers, do expect demand to increase in the next few years.[60]

2. Supply

a. Domestic producers

In the original investigation, five domestic producers were identified: Al Tech, Carpenter, Republic, Talley, and ***; *** toll produced for ***.[61] Total domestic production capacity in 1997 was *** short tons, while apparent U.S. consumption was *** short tons.[62] Even operating at peak capacity utilization, the domestic industry was unable to supply all the needs of the U.S. SSWR market.[63]

The domestic industry has changed significantly since the period examined in the original investigation. Republic ceased SSWR operations; Talley was acquired by Carpenter; Al Tech reorganized under Chapter 11, emerged as Empire Specialty Steel, shut down, had its assets purchased by

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[55] CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089.

[56] USITC Pub. 3126 at 14, citing II-2.

[57] Calculated from CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089.

[58] Hearing tr. at 20-21 (Mr. Blot) and Chart R-1. Mr. Blot also suggested that the downturn was caused by subject importers shifting from exports of subject SSWR to nonsubject bar. However, data gathered in the course of our investigation into developments in the domestic steel industry and our report regarding conditions with respect to the steel safeguard measures suggest any such product shifting was not significant, as imports of both bar and wire from sources covered by the safeguard action (which included all six subject countries) dropped in recent years, with a particularly sharp falloff in imports of bar. See, e.g., Steel: Monitoring Developments in the Domestic Industry, Inv. No. TA-204-9, and Steel-Consuming Industries: Competitive Conditions with Respect to Steel Safeguard Measures, Inv. No. 332-452, USITC Publication 3632 (September 2003) at Tables STAINLESS II-10 and STAINLESS IV-10.

[59] Hearing tr. at 23-24 (Mr. Blot) and Chart R-1.

[60] CR at II-7, as revised by memorandum INV-BB-082, PR at II-4-5.

[61] CR at I-23, PR at I-15.

[62] CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089.

[63] CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089.

Dunkirk, and began operating again in 2002. Avesta Sheffield merged with Outokumpu Stainless; as a result, ***. Finally, two new producers have entered the U.S. market: Charter Specialty Steel began producing in 2001, and North American Steel (NAS), which is affiliated with Roldan, a producer of subject merchandise in Spain, began U.S. SSWR operations in 2003.[64]

These changes have significantly altered the production capabilities of the domestic industry. In the years prior to 2001, the domestic industry was unable to meet apparent U.S. consumption with its existing production capacity. Domestic production capacity has expanded steadily in recent years, however. By 2003, domestic production capacity had reached *** short tons, up *** percent from its low point in 1999-2000.[65] The industry has plans to continue adding new capacity in the near future: ***.[66]

By 2003, therefore, domestic production capacity exceeded apparent U.S. consumption by a substantial margin. If industry projections are correct, this situation is likely to continue for the reasonably foreseeable future, as the increases projected by *** significantly exceed the increases in consumption in the domestic industry's own forecast.

The presence of this new capacity will have significant effects on the U.S. market in the reasonably foreseeable future.[67] In particular, the new production capacity will primarily be directed toward commercial grades, high-volume runs, and the merchant market, rather than for internal consumption.[68] Internal consumption has declined in recent years, and domestic producers will seek to replace internal consumption with greater sales in the merchant market.[69] This is likely to lead to heightened price competition, as domestic producers compete both with new productive capacity, built predominantly to serve the merchant market, and subject imports.

b. Imports

Imports played a role in the U.S. market throughout the period examined in the original investigation and in the years since. In fact, total imports, including subject and nonsubject, remained relatively steady as a share of the market until the last year of the period examined in these reviews, ranging from *** percent in 1998 to *** percent in 2001; in 2003, however, total imports dropped to *** percent of the market. Subject imports initially remained in the market after the orders were imposed, but nonsubject imports increasingly displaced subject imports. Nonsubject imports peaked in 2000 at *** short tons and accounted for *** percent of apparent U.S. consumption in 2000. The nonsubject

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[64] CR at I-23-I-24, PR at I-15-16.

[65] CR/PR at Table C-1.

[66] CR at III-1-III-2, PR at III-1.

[67] The addition of so much capacity at this time is a particularly important condition of competition. We were interested in understanding the decision-making process that led to the domestic industry undertaking such significant capacity expansions. Chairman Koplan and Vice Chairman Okun both specifically asked the domestic participants to submit any planning documents which indicated the assumptions on which those investment decisions were made. Hearing tr. at 66 (Vice Chairman Okun), 98 (Chairman Koplan). No response to this request was made by NAS, though NAS is a domestic interested party. We did not find the documents submitted by Charter to be responsive, as they gave no indication as to the assumptions that underlay the figures. See Domestic producers' posthearing brief at Exh. 1 p. 24 and Exh. 4.

[68] Hearing tr. at 184 (Mr. Robinson); see also CR/PR at Table III-2 nn.2 and 3.

[69] CR/PR at Table III-2.

producer in Taiwan, Yieh Hsing, accounted for a *** share of all nonsubject imports for most of the period since the orders were imposed.[70]

3. Substitutability

In the original investigations, the Commission found the domestic like product and subject imports to be generally substitutable when compared by size and grade. The Commission also noted rising demand for SSWR in larger coils, especially coils in excess of 2,000 pounds.[71] At the time, Talley was the only domestic producer capable of producing larger coils.[72]

The record suggests that a similar degree of general substitutability between corresponding sizes and grades is likely to exist if the orders were revoked. Both producers and importers generally reported the domestic like product and subject imports as being "always" or "frequently" interchangeable.[73] Although some differences in product mix exist, there is a significant overlap in product mix in SSWR from the various sources. Indeed, the record suggests that the domestic like product and subject imports may be more substitutable now and within a reasonably foreseeable time than during the original investigations. During the period examined in the original investigations, only Talley was capable of producing heavier-weight coils. By 2003, *** were all capable of producing such coils, and *** was in the process of adapting its facilities to produce heavier-weight coils.[74]

Finally, as noted previously, the new producers entering the market are generally more oriented toward producing common grades of SSWR for the merchant market, and the domestic industry as a whole is producing more for the merchant market. In the original determination, the Commission found price to be a significant factor in making purchasing decisions.[75] Nothing in the record suggests that price will not continue to be a significant factor, and the increased domestic capacity, combined with greater domestic production aimed at the merchant market, suggests that price competition will be at least as intense, if not more so, than during the original investigations.

4. Costs and pricing

As a ratio of cost of goods sold, raw material costs rose between 1998 and 2000, dropped briefly in 2001, and rose again in 2002-2003. Raw materials accounted for *** percent of the costs of goods sold for the domestic industry in 2003, the peak level for the period examined in these reviews.[76] Nickel, chromium, and molybdenum account for a substantial portion of the raw material costs for production of SSWR.[77] Nickel prices have followed roughly the same path as raw material costs overall, rising into

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[70] CR/PR at Table I-1, as revised by memoranda INV-BB-082 and INV-BB-089. For purposes of this analysis, imports manufactured by Valbruna of Italy, and its subsidiary, Bolzano, are treated as nonsubject imports.

[71] USITC Pub. 3126 at 14.

[72] USITC Pub. 3126 at I-8.

[73] CR/PR at Table II-3.

[74] CR at I-21, PR at I-13.

[75] USITC Pub. 3126 at 15.

[76] CR/PR at Table III-6.

[77] CR at V-1, PR at V-1.

2000, falling in 2001, and rising sharply in 2003.[78] Both producers and importers report applying surcharges based on alloy prices (especially nickel prices) to SSWR sales.[79] The steep rise in nickel prices stalled in early 2004, but high raw material prices appear likely to continue in the near future, as demand recovers in the U.S. market and remains high in other markets.

In the U.S. market, both domestic producers and importers determine prices by transaction-specific negotiations. Spot sales appear to be the norm, although both producers and importers report occasional contract sales.[80] Both producers and importers have identified specific firms as influencing prices, but there is little agreement as to which firms influence price; however, producers, importers, and purchasers directly or indirectly indicated that NAS has caused price declines.[81]

Product-specific pricing data was gathered on six products. Prices for five of the six products were lower in 2003 than in 1998.[82] Prices generally fell after 1998 despite the imposition of these orders, and even the imposition of safeguard remedies (discussed below) had only mixed effects on prices in 2002 and 2003.

5. Trade remedies

During the period examined in these reviews, the SSWR market in the United States was subject to a variety of trade remedies. The orders under review were imposed in 1998; at that time, orders were already in place on SSWR imports from Brazil, France, India, and Spain; the antidumping duty orders on Brazil, France, and India were continued in 2000, and the countervailing duty order on SSWR from Spain was revoked.[83] In 2001, at the request of the United States Trade Representative and, subsequently, a resolution by the Committee on Finance of the United States Senate, the Commission instituted a safeguard investigation on a wide variety of steel products, including SSWR; in March 2002, the President imposed temporary additional tariffs on SSWR. Those safeguard remedies were terminated in December 2003.[84] A variety of antidumping and countervailing duty orders are in effect on other stainless steel products, such as stainless steel bar from Brazil, India, Japan, and Spain; stainless steel angle from Japan, Korea, Spain; and stainless steel bar from France, Germany, Italy, Korea, and the United Kingdom.[85] The Commission also conducted safeguard investigations on stainless steel products in 1975-1976 and 1982-1983.[86]

6. The domestic industry's history

We have already noted that the domestic industry's production capacity has expanded substantially in recent years and that additional substantial increases are planned for the near future. These recent additions, combined with the significant drop off in shipments in recent years, have led to

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[78] CR/PR at Figure V-1.

[79] CR at V-1-V-2, PR at V-1.

[80] CR at V-3 and V-7, PR at V-6.

[81] CR at V-7, PR at V-6.

[82] CR/PR at Tables V-1-V-4 and V-6.

[83] CR at I-3, PR at I-5-6.

[84] CR at I-10-I-11, PR at I-6.

[85] CR at I-3 n.9, PR at I-6 n.9.

[86] CR at I-10, PR at I-6.

the domestic industry registering low rates of capacity utilization, especially in 2001 and in 2003.[87] We note, however, that the domestic industry typically has operated at relatively low rates of capacity utilization over a long period of time, regardless of the number or type of trade remedies. Respondents have calculated the industry's weighted average capacity utilization rate over the period of 1970-2003 at *** percent, and domestic producers have not cast doubt on that figure.[88] Similarly, the domestic industry has operated at relatively low levels of profitability throughout most of the last 30 years. Respondents have compiled data indicating that the domestic industry showed operating profit in only *** years between 1970 and 2003 and that the industry's weighted average of operating profit to net sales for those years was *** percent.[89]

We are mindful of domestic producers' arguments that these low figures have been driven by repeated import surges. However, we are also mindful that the U.S. market has been subject to repeated, and sometimes overlapping, trade remedies. The domestic industry has continued to operate over a very long period of time at relatively low capacity utilization rates and relatively low operating margins. Significant contraction has occurred in the industry over this period, but more recently these relatively low operating rates have not discouraged new producers from entering the market and have not prevented the addition of significant productive capacity.

C. Revocation of the antidumping duty orders on subject imports from Japan and Taiwan are likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time

1. Likely Volume of Subject Imports

The Commission is to consider whether the likely volume of subject imports would be significant either in absolute terms or relative to production or consumption in the United States if the finding under review were revoked. In so doing, the Commission shall consider "all relevant economic factors," including four enumerated in the statute: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise in countries other than the United States; and (4) the potential for product shifting if the production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.[90]

In the original determination, the Commission found the increases in volume and market share of subject imports to be significant.[91] [92] The Commission found that the volume of cumulated subject imports increased *** percent between 1995 and 1997, from *** short tons to *** short tons. The value of cumulated imports from subject countries rose from *** million in 1995 to *** in 1997, an increase of *** percent. The Commission further found that the volume of subject imports in the 1995-1997 period

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[87] CR/PR at Table C-1.

[88] Cogne prehearing brief at Exh. 7.

[89] Cogne prehearing brief at Exh. 11.

[90] 19 U.S.C. § 1675a(a)(2)(A-D).

[91] Original Determination at 19-20.

[92] In performing our analysis, we have taken into account the Commission's previous volume, price, and impact findings. We note, however, that the Commission's original findings were based on the cumulated effects of imports from all six countries and we must consider those findings in the context of information gathered during these reviews.

exceeded the increase in apparent domestic consumption by *** short tons, and that subject imports gained market share at the expense of domestic producers.[93]

It is apparent that subject imports from Japan and Taiwan were chiefly responsible for the increase in imports between 1995 and 1997. Subject imports from Japan increased from *** short tons in 1995 to *** short tons in 1997, an increase of *** percent.[94] Subject imports from Taiwan also increased sharply between 1995 and 1997, from *** short tons to *** short tons, a nearly *** increase. Together, Japan and Taiwan accounted for *** percent of the increase in total subject imports between 1995 and 1997.[95] Japan increased its market share from *** percent to *** percent and Taiwan increased its market share from *** percent to *** percent between 1995 and 1997. Japan and Taiwan's combined market share in 1997 registered *** percent, while Italy, Korea, Spain, and Sweden accounted for ***, ***, ***, and *** percent of U.S. market share in 1997, respectively.[96]

While subject imports from Japan and Taiwan sharply declined during the period examined in these reviews and were nearly non-existent in the U.S. market in 2003 (*** short tons, combined), record evidence suggests that subject imports from Japan and Taiwan will reenter the U.S. market if the antidumping orders are revoked. In fact, the two countries' post-order behavior suggests that the imposition of the orders were responsible for the rapid decline in subject imports from Japan and Taiwan from the U.S. market in 1998.[97]

Both Japan and Taiwan have increased production and maintained export capacity during the period examined in these reviews. Notwithstanding the increased demand pull in foreign markets, especially in Asia, the very rapid increase in cumulated subject imports from Japan and Taiwan during the original investigations, followed by the abrupt exit of such imports from the U.S. market, strongly indicates that the SSWR industries in Japan and Taiwan would direct available productive capacity and divert exports from other markets to the United States upon revocation of the orders. Further, even though we find it likely that demand in the United States will recover somewhat from its cyclical trough as the pace of manufacturing activity and overall economic activity rebound,[98] and even with the entrance of two new firms, NAS and Charter, in the U.S. market, which are indications of U.S. producers' ability to capture future increases in U.S. demand, there is no evidence on the record to suggest that cumulated subject imports from Japan and Taiwan would not recapture U.S. market share at or above pre-order levels, in the same manner that was exhibited by subject imports from Japan and Taiwan between 1995 and 1997, which the Commission determined to come at the expense of domestic producers.

To the contrary, record evidence strongly supports the notion that subject imports from Japan and Taiwan likely would increase rapidly if the subject orders were revoked. While the Japanese SSWR industry failed to provide information requested by the Commission, published data indicate that subject Japanese manufacturers produced *** short tons less in 2003 than in 2002, indicating that at least *** short tons of available capacity exists among subject Japanese producers.[99] Combined with the *** short

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[93] Original Determination at 19-20.

[94] CR/PR at Table I-1.

[95] CR/PR at Table I-1. At the time of the original determination, all imports of SSWR from Italy were subject imports; therefore, we have included imports from Valbruna in this calculation.

[96] CR/PR at Table I-1. As noted previously, we have included imports from Valbruna in this calculation.

[97] CR/PR at Table I-1.

[98] Hearing tr. at 20-21 (Mr. Blot) and Chart R-1.

[99] CR/PR at Table IV-10 (data for nonsubject manufacturer Hitachi are excluded from this calculation).

tons of available capacity reported by the subject manufacturer in Taiwan, Walsin,[100] at least *** short tons of cumulated available capacity exists among subject manufacturers in Japan and Taiwan. In addition, subject manufacturers in Taiwan and Japan hold inventories of SSWR equivalent to *** percent of total annual shipments, based on data reported in these reviews (Taiwan) or in the original investigations (Japan).[101] Moreover, at least two subject Japanese manufacturers of SSWR are also believed to produce stainless steel bar, enabling those manufacturers to engage in product shifting.[102] Thus, even without evidence of barriers to the importation of the subject merchandise in countries other than the United States,[103] relevant economic factors as well as past practice indicate that subject imports from Japan and Taiwan would increase rapidly, if the subject orders were revoked.

Therefore, we find that the likely volume of subject imports from Japan and Taiwan upon revocation would be significant, both absolutely and relatively.

2. Likely Price Effects of Subject Imports

In evaluating the likely price effects of subject imports if an antidumping order is revoked, the Commission considers whether there is likely to be significant underselling by the subject imports as compared to domestic like product, and if the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.[104]

In its original determination, the Commission found that prices were falling or remained flat as the industry's ratio of cost of goods sold to net revenue had risen.[105] The Commission found that subject imports undersold the domestic like product in 83.9 percent of quarterly price comparisons by average margins of 7.6 percent.[106] Additionally, the Commission found that underselling was widespread and significant for the products for which pricing data was collected, which were considered by the Commission to be high-volume, commodity-type grades of SSWR. Moreover, the Commission found price suppression to a significant degree, as producers were unable to raise prices to cover rising production costs.

In the current reviews, prices for U.S.-produced SSWR fell overall between 1998 and 2003, declining for five of the six pricing products; however, prices generally decreased in 1998 and then fluctuated between 1999 and 2003.[107] In 2003, prices of SSWR generally increased.[108] With the

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[100] CR/PR at Table IV-18.

[101] CR/PR at Table IV-18; Original Staff Report, INV-V-057, at Table VII-3. We note that U.S. importers maintain inventories of subject SSWR from Taiwan as well, at times equivalent to ***. See CR/PR at Table IV-3.

[102] CR at II-6, PR at II-4.

[103] CR at IV-30 n.22, PR at IV-9 n.22.

[104] 19 U.S.C. § 1675(a)(3).

[105] In performing our analysis, we have taken into account the Commission's previous volume, price, and impact findings. We note, however, that the Commission's original findings were based on the cumulated effects of imports from all six countries and we must consider those findings in the context of information gathered during these reviews.

[106] USITC Pub. 3126 at 15-16.

[107] CR at V-9, PR at V-8.

[108] CR/PR at Tables V-1 through V-6.

expectations for continued increased demand in the U.S. market,[109] coupled with rising raw material costs,[110] prices of SSWR in the United States are likely to continue to follow an upward trend. We find it likely that raw material costs will continue to account for the greatest share of the cost of goods sold. However, price is an important consideration for purchasers,[111] and excess capacity, substitutability, and the prevalence of spot sales will combine to make the market even more competitive. At the same time, with new investment, we expect increased competitiveness among domestic producers. Nevertheless, because price is an important factor in purchasing decisions, large surges in unfairly-priced cumulated subject imports from Japan and Taiwan are likely to come directly at the expense of domestic producers, capturing increases in U.S. demand, and therefore mitigating or eliminating any cost-based price increases. Ultimately, U.S. producers are likely to find themselves in a situation similar to that of the original investigations, unable to raise prices to remain in line with any increase in production costs.

Consequently, we find that revocation of the antidumping orders on Japan and Taiwan would likely lead to significant underselling[112] by the cumulated subject imports as compared to the domestic like product, and to significant price suppression within a reasonably foreseeable time. Therefore, we find that revocation of the order on Japan and Taiwan is likely to lead to significant price effects.

3. Likely Impact of Subject Imports

In evaluating the likely impact of imports of subject merchandise if the antidumping order is revoked, the Commission considers all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including, but not limited to: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.[113]

In the original determination the Commission found that subject imports had a significant adverse impact on the U.S. SSWR industry, emphasizing the increase in subject import market share at the direct expense of U.S. producers; declining domestic production during each year of the period examined; a drop in U.S. shipments by volume and value between 1995 and 1997; reductions in employment; and a deterioration of the financial performance of the industry.[114] [115]

We have carefully considered whether the imposition of the orders resulted in any improvement in the domestic industry. We note that with Japan's and Taiwan's almost immediate retreat from the market upon imposition, the domestic industry initially showed some signs of improvement, such as increased market share and slightly higher profitability in 1998, compared to 1997. Volume indicators

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[109] CR at II-7, PR at II-4-5.

[110] See, e.g., hearing tr. at 102 (Mr. Mellowes).

[111] CR/PR at Table II-1.

[112] CR/PR at Table V-7.

[113] 19 U.S.C. § 1675(a)(4).

[114] Original Determination at 22-24.

[115] In performing our analysis, we have taken into account the Commission's previous volume, price, and impact findings. We note, however, that the Commission's original findings were based on the cumulated effects of imports from all six countries and we must consider those findings in the context of information gathered during these reviews.

such as production and U.S. shipments did decline somewhat in 1998, but less so than demand, as measured by apparent U.S. consumption.[116]

Subject imports are likely to have a significant adverse impact on the domestic SSWR industry if the orders on Japan and Taiwan are revoked. While in the current reviews cumulated subject imports from Japan and Taiwan accounted for *** percent of total subject imports,[117] as mentioned previously, there is no evidence on the record that suggest that the volume of cumulated subject imports from Japan and Taiwan would not return to at or above pre-order levels. Thus, given the commodity nature of the product and the sensitivity of the U.S. SSWR market to significant increases in the volume of imports, we find that the U.S. SSWR industry would be adversely impacted in much the same manner as it was in the original investigations. Additionally, with two new domestic producers in the U.S. market that have *** unused capacity, the likely volumes of subject imports from Japan and Taiwan will hinder the U.S. SSWR industry's ability to make use of idle capacity and to increase its market share, and thus to improve its financial performance during a period of rising demand.

The domestic industry is in a state of transition. Capital expenditures soared in 2003, consistent with NAS's entry into the domestic industry. While employment is down, worker productivity has grown rapidly in the last two years. While the domestic industry has recorded operating losses for the last five years, it as pared such losses over the last two years, competing with increased proficiency in the commercial market for SSWR and gaining market share in what has been a difficult environment of declining demand.[118] In light of the domestic industry's rapid expansion, its ability to attract capital, and its greater efficiency in production and sales, we do not view the domestic industry as being in a weakened state. Following the application of a safeguard action on SSWR and extensive domestic restructuring, we do not find the domestic industry to be vulnerable as it enters a period of forecasted rising demand.

While the profitability of the domestic industry has improved in the last two years of these reviews, increasing from *** percent in 2001 to *** percent in 2003, and while the industry registered a *** percent increase in productivity between 1998 and 2003, both of which are signs of an industry in recovery, the industry is still operating in a state of *** such that we find that cumulated subject imports from Japan and Taiwan would likely have a significant impact on domestic SSWR producers' cash flow, inventories, employment, wages, growth, ability to raise capital, or investment within a reasonably foreseeable time in the event the order is revoked.

Therefore, in conjunction with our findings regarding likely volume and price effects, we find that revocation of the orders on SSWR from Japan and Taiwan is likely to lead to a significant reduction in U.S. producers' output, sales, market share, profits, productivity, ability to raise capital, and/or return on investments within a reasonably foreseeable time. We therefore find that revocation of the subject orders on SSWR from Japan and Taiwan is likely to lead to the continuation or recurrence of material injury to the domestic SSWR industry within a reasonably foreseeable time.

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[116] CR/PR at Table I-1.

[117] CR/PR at Table I-1.

[118] CR/PR at Table C-1.

D. Revocation of the antidumping duty orders on subject imports from Italy and Korea are not likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time

1. Likely Volume of Subject Imports

As mentioned earlier, Japan and Taiwan were chiefly responsible for the increase in subject imports in the Commission's original investigation, accounting for *** percent of the increase between 1995 and 1997. Moreover, during the original investigations, cumulated Italian and Korean subject imports' share of the U.S. market remained relatively steady. Italy's market share actually declined, while Korea increased its market share marginally, by *** percentage points.[119] Combined, these subject imports from Italy and Korea held *** percent of the U.S. SSWR market in 1997, while cumulatively, Japan and Taiwan held *** percent, and Spain and Sweden together held *** percent.[120]

Current levels of cumulated subject imports from Italy and Korea are modest, as they totaled approximately *** short tons and accounted for only *** percent of apparent U.S. consumption in 2003.[121] Cumulated subject imports from Italy and Korea gradually but persistently exited the U.S. market during the period of review; however, unlike cumulated subject imports from Japan and Taiwan, cumulated subject imports from Italy and Korea have departed without a sharp drop off upon imposition of the orders, as was the case with cumulated subject imports from Japan and Taiwan. Thus, while cumulated subject import market share from Japan and Taiwan fell markedly from *** percent in 1997 to *** percent in 1998, subject import market share from Italy and Korea fell from *** percent in 1997 to *** percent in 1998.[122]

While absolute import levels have dropped from *** short tons in 1998 to *** short tons in 2003,[123] the decline was accompanied by a shift in sales of SSWR from the U.S. market to alternative third-country markets. The record indicates a steady, strong, and growing market presence for these countries' SSWR in markets other than the United States. These producers have maintained relatively high capacity utilization rates during the period of review, reaching *** percent for Cogne of Italy and *** percent for Korea by 2003.[124]

Thus, record evidence strongly supports the notion that subject imports from Italy and Korea likely would not increase rapidly if the subject orders were revoked. Reported data for the subject manufacturers indicates extremely modest growth in capacity between 1998 and 2003, and only *** short tons of available capacity in 2003.[125] While subject manufacturers in Italy and Korea hold inventories of SSWR equivalent to *** percent of total annual shipments, such inventories have fallen irregularly relative to total shipments, and in 2003 were equivalent to *** percent of Cogne's shipments and ***

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[119] CR/PR at Table I-1. We note that the market share of total imports from Italy declined by *** percentage points between 1995 and 1997. The record suggests that the subject imports from Cogne were responsible, in part, for this decline. See, e.g., hearing tr. at 209-211.

[120] CR/PR at Table I-1, as revised. This calculation excludes imports of SSWR from Valbruna and its subsidiary Bolzano.

[121] CR/PR at Table I-1.

[122] CR/PR at Table I-1, as revised.

[123] CR/PR at Table I-1.

[124] CR/PR at Table IV-5 and Table IV-11.

[125] CR/PR at Tables IV-5 and IV-11.

percent the Korean industry's shipments of white coil SSWR.[126] Neither of the Korean producers reported the ability to engage in product shifting, and Cogne reported ***.[127] Finally, there is no evidence of barriers to the importation of the subject merchandise in countries other than the United States.[128] Thus, relevant economic factors as well as the diminishing presence of subject imports from Italy and Korea indicate that such subject imports would not increase rapidly, if the subject orders were revoked.

Moreover, the subject producers have become increasingly active in Asian and European markets.[129] Both domestic and respondent interested parties testified to the fact that prices in Asia and Europe are higher than those in the United States,[130] and AUVs for Europe and Asian markets largely corroborate this testimony.[131] While domestic interested parties suggest that transportation costs to China are higher than to other markets,[132] it is not reasonable to conclude that removal of the orders would result in diversion of SSWR from these other higher-priced export markets to the lower-priced U.S. market. On the contrary, because cumulated subject imports exited the U.S. market gradually, and not immediately upon the imposition of the antidumping orders, and because cumulated subject imports currently account for such a small share of the U.S. market, it is reasonable to conclude that within a reasonably foreseeable time any increase in such imports as a result of the orders' removal will be moderate, and that no unexpected surges shall occur inconsistent with their historical trading behavior.

In addition to changes in marketing structure for these countries, also important is that the industries in Italy and Korea face different competitive situations in the U.S. market than they did during the period examined in the original investigations. In the case of Italy, since 1995-1997, when two subsidized producers accounted for as much as *** percent of the U.S. market, the outstanding countervailing duty order has been lifted on first Cogne[133] and then on Valbruna.[134] While Cogne confirmed that the U.S. market for SSWR was formerly a significant market for its company, its exports to the United States only resulted in very small quantities for the U.S. market.[135] With regard to Korea, the only Korean manufacturer found by Commerce to be dumping at high levels in the original

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[126] CR/PR at Tables IV-5 and IV-11. We note that U.S. importers' inventories of SSWR from Korea fell to their lowest level during the past six years in 2003 – ***. There have been *** reported inventories of subject SSWR from Italy since 1999. See CR/PR at Table IV-3, as revised by memorandum INV-BB-082 (June 29, 2004).

[127] CR at II-6, PR at II-4. A Cogne representative also claimed that downstream products were higher-value-added products, and that shifting to SSWR made little financial sense. Hearing tr. at 146 (Ms. Pirovano).

[128] CR at IV-10 n.11 (Italy) and IV-24-IV-25 nn.15, 17 (Korea), PR at IV-6 n.11 (Italy) and IV-7-IV-8 n.15 (Korea).

[129] CR/PR at Table IV-5 and Table IV-11.

[130] See, e.g., hearing tr. at 83, testimony of Mr. Blot ("The limited information that I have would indicate that the prices are a little bit higher in Europe and in some of the Asian countries, not all, than they are in the U.S.") and hearing tr. at 185, testimony of Ms. Pirovano ("We will continue to concentrate on other markets, such as Europe and Asia, which are much more attractive to us, because prices are higher, demand is increasing, and freight costs are significantly lower than to the United States").

[131] CR/PR at Table IV-5, Table IV-11, Table IV-12, and Table IV-16.

[132] Domestic industry's posthearing brief at 9 and exhibit 5.

[133] CR at I-14 n. 14/15, PR at I-9 n. 15.

[134] CR at I-1, PR at I-1.

[135] Hearing tr. at 211 (Ms. Pirovano).

investigations was Sammi Steel (28.44 percent).[136] Sammi, however, was purchased by Posco in 1997 and incorporated into Changwon.[137] Finally, we find it unlikely that producers would shift from higher-value added downstream products[138] in order to increase exports to a market that is likely to be marked by excess production capacity and greater price competition.

It is for these aforementioned reasons that we find that the volume of subject imports upon revocation of the antidumping orders is not likely to be significant, either absolutely or relatively.

2. Likely Price Effects of Subject Imports

Prices for U.S.-produced SSWR fell overall between 1998 and 2003, declining for five of the six pricing products; however, prices generally decreased in 1998 and then fluctuated between 1999 and 2003.[139] In 2003, prices of SSWR generally increased.[140] With the expectations for continued increased demand in the U.S. market,[141] coupled with rising raw material costs,[142] prices of SSWR in the United States are likely to continue to follow an upward trend. At the same time, with new investment and increased domestic capacity, we expect increased competitiveness among domestic producers. As noted above, we do not expect the likely volume of cumulated subject imports to be significant. As a result, although price is an important consideration for purchasers,[143] we do not find it likely that these modest volumes of subject imports will lead to significant price declines for the domestic like product. Nor do we expect subject imports to capture increases in U.S. demand to the point that they would place downward pressure on U.S. prices. On balance there is likely to be a marginal effect on volume, but it is likely not to be significant, especially with the increased competitiveness of the U.S. industry resulting from the entrance of NAS and Charter during the period of review.

Consequently, despite the likelihood of continued underselling upon revocation of the orders,[144] we find that modest volumes of subject imports will not likely lead to price depression or suppression within a reasonably foreseeable time. Therefore, on balance, we find that revocation of the orders is not likely to lead to significant price effects.

3. Likely Impact of Subject Imports

As discussed above, in light of the domestic industry's rapid expansion, its ability to attract capital, and its greater efficiency in production and sales, we conclude the domestic industry is not currently in a weakened state. Following the application of a safeguard action on SSWR and extensive

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[136] CR at I-2, PR at I-2 n.4.

[137] CR at IV-19, PR at IV-7.

[138] Hearing tr. at 146 (Ms. Pirovano).

[139] CR at V-9, PR at V-8.

[140] CR/PR at Tables V-1 through V-6.

[141] CR at II-7, PR at II-4-5.

[142] See, e.g., hearing tr. at 102, testimony of Mr. Mellowes.

[143] CR/PR at Table II-2.

[144] CR/PR at Table V-7.

domestic restructuring, we do not find the domestic industry to be vulnerable as it enters a period of forecasted rising demand.[145]

Profitability of the domestic industry has improved in the last two years of these reviews, increasing from *** percent in 2001 to *** percent in 2003, and the industry registered a *** percent increase in productivity between 1998 and 2003, both of which are signs of an industry in recovery. The industry is still operating in a state of *** such that we have found that cumulated subject imports from Japan and Taiwan would likely have a significant impact on domestic SSWR producers' cash flow, inventories, employment, wages, growth, ability to raise capital, or investment within a reasonably foreseeable time in the event the orders were revoked. However, in conjunction with our findings on likely volume and price effects of cumulated subject imports from Italy and Korea, we find that those imports would not be likely to have a significant impact on domestic SSWR producers' cash flow, inventories, employment, wages, growth, ability to raise capital, or investment within a reasonably foreseeable time in the event the orders are revoked. Further, we find that revocation of the orders on Italy and Korea is not likely to lead to a significant reduction in U.S. producers' output, sales, market share, profits, productivity, ability to raise capital, or return on investments within a reasonably foreseeable time.

In light of these findings, we determine that revocation of the orders on SSWR from Italy and Korea is not likely to lead to the continuation or recurrence of material injury to the domestic SSWR industry within a reasonably foreseeable time.

E. Revocation of the antidumping duty orders on subject imports from Spain and Sweden are not likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time

1. Likely Volume of Subject Imports

As mentioned earlier, Japan and Taiwan were chiefly responsible for the increase in subject imports in the Commission's original investigation, accounting for *** percent of the increase between 1995 and 1997. Moreover, during the original investigations, cumulated Spanish and Swedish subject imports' share of the U.S. market remained relatively steady. Spain's market share increased by *** percentage points, while Sweden's market share declined by *** percentage points.[146] Combined, subject imports from Spain and Sweden held *** percent of the U.S. SSWR market in 1997, while cumulatively, subject imports from Japan and Taiwan held *** percent, and subject imports from Italy and Korea together held *** percent.[147]

Current levels of cumulated subject imports from Spain and Sweden totaled approximately *** short tons and accounted for *** percent of apparent U.S. consumption in 2003.[148] Cumulated subject imports from Spain and Sweden have maintained a consistent presence in the U.S. market pre- and post-orders, which means that these countries did not retreat from the U.S. market after the imposition of the orders.

During the period examined in these reviews, absolute import levels from these two countries fluctuated, but remained somewhat steady, increasing from *** short tons in 1998 to a high of *** short

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[145] As discussed above, there is some evidence of improvement of the state of the industry with the imposition of the orders, which is primarily attributable to the rapid decrease in subject imports from Japan and Taiwan.

[146] CR at Table I-1.

[147] CR/PR at Table I-1.

[148] CR at Table I-1.

tons in 1999, and then returning to *** short tons in 2003.[149] Given that these countries have maintained a relatively stable presence in the U.S. market, even with the imposition of the antidumping order, it is reasonable to conclude that while subject imports may increase modestly upon revocation, the volume of subject imports upon revocation is likely to be consistent with historical trading behavior.

Thus, record evidence strongly supports the notion that subject imports from Spain and Sweden likely would not increase rapidly if the subject orders were revoked. Reported data for the subject manufacturers does not indicate growth in capacity between 1998 and 2003, and less than *** short tons of confirmed available capacity in 2003.[150] Subject manufacturers in Spain and Sweden hold inventories of SSWR equivalent to *** percent of total annual shipments.[151] The Swedish producer reported no ability to engage in product shifting, although the Spanish producers are also believed to produce stainless steel bar, enabling those manufacturers to engage in product shifting.[152] Finally, there is no evidence of barriers to the importation of the subject merchandise in countries other than the United States.[153] Thus, relevant economic factors as well as the relatively stable presence of subject imports from Spain and Sweden indicate that such subject imports would not increase rapidly, if the subject orders were revoked.

Further supporting the above conclusion is the fact that two of the three subject producers in Spain and Sweden now are affiliated with firms in the United States, which, coupled with steady import volumes, exhibits a commitment to U.S. production, and which indicates a disincentive to undercut themselves through large increases in unfairly-priced imports. As noted previously, Roldan, the *** SSWR manufacturer in Spain, is a subsidiary of Acerinox. Acerinox's U.S. subsidiary, NAS, entered the domestic industry and began production in 2003. Similarly, Fagersta AB (Fagersta), a producer of SSWR in Sweden, now partially owns Outokumpu.[154] We believe that in these reviews, the existence of affiliations between subject producers and U.S. producers or tollees, is a factor that has and will continue to mitigate any increase in subject volume of SSWR to the United States.

It is for these aforementioned reasons that we find that the volume of cumulated subject imports upon revocation is not likely to be significant, either absolutely or relatively.

2. Likely Price Effects of Subject Imports

Prices for U.S.-produced SSWR fell overall between 1998 and 2003, declining for five of the six pricing products; however, prices generally decreased in 1998 and then fluctuated between 1999 and 2003.[155] In 2003, prices of SSWR generally increased.[156] With the expectations for continued increased

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[149] CR/PR at Table I-1.

[150] CR/PR at Tables IV-15 and IV-16. Confirmed available capacity was in Sweden. Spanish production of SSWR in 2003 was ***, suggesting ***.

[151] CR/PR at Table IV-16; Original Staff Report, INV-V-057, at Table VII-6. We note that U.S. importers currently maintain *** inventories of subject SSWR from Spain and *** short tons of subject SSWR from Sweden – the *** level since 1998. CR/PR at Table IV-3.

[152] CR at II-6, PR at II-4.

[153] CR at IV-27 n.21 (Sweden), PR at IV-8 n.21.

[154] CR at I-24-25, PR at I-15-16.

[155] CR at V-9, PR at V-8.

[156] CR/PR at Tables V-1 through V-6.

demand in the U.S. market,[157] coupled with rising raw material costs,[158] prices of SSWR in the United States are likely to continue to follow an upward trend. At the same time, with new investment and increased domestic capacity, we expect increased competitiveness among domestic producers. As noted above, we do not expect the volume of cumulated subject imports to be significant. As a result, although price is an important consideration for purchasers,[159] we do not find it likely that these volumes of subject imports will lead to significant price declines for the domestic like product. Nor do we expect these imports to capture increases in U.S. demand to the point that they would place downward pressure on U.S. prices. On balance there is likely to be a marginal effect on price, but it is likely not to be significant, especially with the increased competitiveness of the U.S. industry resulting from the entrance of NAS and Charter during the period of review.

Consequently, despite the likelihood of continued underselling upon revocation of the orders,[160] we find that the volume of subject imports upon revocation will not likely lead to significant price depression or suppression within a reasonably foreseeable time. Therefore, on balance, we find that revocation of the orders is not likely to lead to significant price effects.

3. Likely Impact of Subject Imports

As discussed above, in light of the domestic industry's rapid expansion, its ability to attract capital, and its greater efficiency in production and sales, we conclude the domestic industry is not currently in a weakened state. Following the application of a safeguard action on SSWR and extensive domestic restructuring, we do not find the domestic industry to be vulnerable as it enters a period of forecasted rising demand.[161]

Profitability of the domestic industry has improved in the last two years of these reviews, increasing from *** percent in 2001 to *** percent in 2003, and the industry registered a *** percent increase in productivity between 1998 and 2003, both of which are signs of an industry in recovery. The industry is still operating in a state of *** such that we find that cumulated subject imports from Japan and Taiwan would likely have a significant impact on domestic SSWR producers' cash flow, inventories, employment, wages, growth, ability to raise capital, or investment within a reasonably foreseeable time in the event the order is revoked. However, in conjunction with our findings on likely volume and price effects of cumulated subject imports from Spain and Sweden, we find that those imports would not be likely to have a significant impact on domestic SSWR producers' cash flow, inventories, employment, wages, growth, ability to raise capital, or investment within a reasonably foreseeable time in the event the orders are revoked. Further, we find that revocation of the orders on Spain and Sweden is not likely to lead to a significant reduction in U.S. producers' output, sales, market share, profits, productivity, ability to raise capital, or return on investments within a reasonably foreseeable time.

In light of these findings, we determine that revocation of the orders on SSWR from Spain and Sweden is not likely to lead to the continuation or recurrence of material injury to the domestic SSWR industry within a reasonably foreseeable time.

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[157] CR at II-7, PR at II-4-5.

[158] See, e.g., hearing tr. at 102, testimony of Mr. Mellows.

[159] CR/PR at Table II-1.

[160] CR/PR at Table V-7.

[161] As discussed above, there is some evidence of improvement of the state of the industry with the imposition of the orders, which is primarily attributable to the rapid decrease in subject imports from Japan and Taiwan.

PART I: INTRODUCTION AND OVERVIEW

BACKGROUND

On August 1, 2003, the Commission gave notice, pursuant to section 751(c) of the Tariff Act of 1930 (the Act), that it had instituted reviews to determine whether revocation of the antidumping duty orders on stainless steel wire rod (SSWR) from Italy, Japan, Korea, Spain, Sweden, and Taiwan and the countervailing duty order on SSWR from Italy would likely lead to the continuation or recurrence of material injury to a domestic industry. Effective November 4, 2003, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act. Information relating to the background and schedule of the reviews is provided in the following tabulation.[1]

Effective date	Action
September 15, 1998	Commerce's countervailing duty order: Italy (63 FR 49334) Commerce's antidumping duty orders: Italy (63 FR 49327), Japan (63 FR 49328), Korea (63 FR 49331), Spain (63 FR 49330), Sweden (63 FR 49329), and Taiwan (63 FR 49332)
August 1, 2003	Commission's institution of reviews (68 FR 45277)
September 15, 2003	Effective date of Commerce's determination to revoke the countervailing duty order on SSWR from Italy, following its full review (completed in June 2004) (69 FR 40354, July 2, 2004)
November 4, 2003	Commission's decision to conduct full reviews (68 FR 65085, November 18, 2003)
December 10, 2003	Commerce's final results of expedited reviews: Italy (AD only) (68 FR 68862), Japan (68 FR 68864), Korea (68 FR 68863), Spain (68 FR 68866), Sweden (68 FR 68860), and Taiwan (68 FR 68865)
January 28, 2004	Commission's scheduling of the reviews (69 FR 5185, February 3, 2004)
May 18, 2004	Commission's hearing[1]
July 8, 2004	Commission's vote
July 22, 2004	Commission's determinations due to Commerce

[1] App. B contains a list of the witnesses who appeared at the hearing.

The Original Investigations

On July 30, 1997, a petition was filed with Commerce and the Commission alleging that an industry in the United States was materially injured and threatened with material injury by reason of subsidized imports of SSWR from Italy and less-than-fair-value (LTFV) imports of SSWR from

[1] The Commission's notice of institution, notice to conduct full reviews, scheduling notice, and statement on adequacy appear in app. A and also may be found at the Commission's web site (internet address *www.usitc.gov*). Commissioners' votes on whether to conduct expedited or full reviews also may be found at the web site.

Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan.[2] On July 29, 1998, Commerce made a final affirmative subsidy determination on imports from Italy[3] and final affirmative dumping determinations for Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan.[4] On September 1, 1998, the Commission made final affirmative determinations with respect to subject imports from Italy, Japan, Korea, Spain, Sweden, and Taiwan, and a final negative determination with respect to subject imports from Germany.[5] These determinations were transmitted to Commerce on September 8, 1998. Commerce issued a countervailing duty order on imports from Italy and antidumping duty orders on imports from Italy, Japan, Korea, Spain, Sweden, and Taiwan on September 15, 1998.[6]

Table I-1 presents a summary of data from the original investigations and from these reviews; figures I-1 and I-2 show U.S. imports of subject and total (subject plus nonsubject) SSWR, respectively, from Italy, Japan, Korea, Spain, Sweden, and Taiwan since 1995. Figure I-3 presents apparent U.S. consumption since 1995.

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[2] The petition was filed by Al Tech Specialty Steel Corp., Dunkirk, NY; Carpenter Technology Corp., Reading, PA; Republic Engineered Steels, Inc., Massillon, OH; Talley Metals Technology, Inc., Hartsville, SC; and the United Steelworkers of America, AFL-CIO/CLC.

[3] Commerce calculated the following margins: Cogne Acciai Speciali S.r.l. (Cogne Acciai) received a net subsidy rate of 22.22 percent; Acciaierie Valbruna/Acciaierie di Bolzano SpA (Valbruna) received a net subsidy rate of 1.28 percent; and all other producers/exporters received a net subsidy rate of 13.85 percent.

[4] Commerce calculated the following margins:

- For *Germany*, Commerce found a margin of 21.28 percent for Krupp Edelstahlprofile GmbH, Krupp Hoesch Steel Products, and BGH Edelstahl Freital GmbH, and 19.45 percent for all other producers/exporters.
- For *Italy*, Commerce found a margin of 1.27 percent for Valbruna and 12.73 percent for Cogne Acciai and all other producers/exporters.
- For *Japan*, Commerce found a margin of 0 percent for Hitachi Metal Corp. (Hitachi), 34.21 percent for Daido Steel Co., Ltd. (Daido), 21.18 percent for Nippon Steel Corp. (Nippon), 34.21 percent for Sanyo Steel Co., Ltd. (Sanyo), 34.21 percent for Sumitomo Electric Industries, Ltd. (Sumitomo), and 25.26 percent for all other producers/exporters.
- For *Korea*, Commerce found a margin of 3.18 percent for Dongbang Special Steel Co., Ltd. (Dongbang), Changwon Specialty Steel Co., Ltd. (Changwon), and Pohang Iron and Steel Co., Ltd. (POSCO), 28.44 percent for Sammi Steel Co., Ltd. (Sammi), and 3.18 percent all other producers/exporters.
- For *Spain*, Commerce found a margin of 4.72 percent for Roldan, S.A. (Roldan) and all other producers/exporters.
- For *Sweden*, Commerce found a margin of 5.71 percent for Fagersta Stainless AB (Fagersta) and all other producers/exporters.
- For *Taiwan*, Commerce found a margin of 0.02 percent (*de minimis*) for Yieh Hsing Corp., Ltd. (Yieh Hsing) and 8.24 percent for Walsin Cartech Specialty (Walsin) and all other producers/exporters.

[5] Commissioners Bragg, Miller, and Koplan made affirmative determinations with respect to subject imports from Italy, Japan, Korea, Spain, Sweden, and Taiwan, with Commissioners Crawford and Askey dissenting and Commissioner Hillman not participating. Commissioners Miller, Koplan, and Askey made negative threat determinations with respect to subject imports from Germany, while Commissioner Crawford determined such imports to be negligible, Commissioner Bragg made an affirmative determination, and Commissioner Hillman did not participate.

[6] The Commission's determination with respect to subject imports from Germany was appealed by the petitioning coalition. After due deliberations, Judge Delissa A. Ridgeway of the U.S. Court of International Trade denied the motion for judgement on the agency record, sustained the Commission's determination with respect to subject imports from Germany, and dismissed the action. *AL-Tech Specialty Steel Corp., et. al. v. United States*, Court No. 98-10-03062, Slip Opinion 03-164 (December 16, 2003).

Table I-1
SSWR: Comparative data of the U.S. and foreign markets and industries from the original investigations and the current reviews, 1995-2003

(Quantity in short tons, value in 1,000 dollars, shares/ratios in percent)

Item	1995	1996	1997	1998	1999	2000	2001	2002	2003
U.S. consumption quantity:									
Amount	***	***	***	***	***	***	***	***	***
U.S. producers' share	***	***	***	***	***	***	***	***	***
U.S. importers' share:	***	***	***	***	***	***	***	***	***
Japan (ex. Hitachi)	***	***	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***	***	***
Spain	***	***	***	***	***	***	***	***	***
Sweden (ex. Kanthal)	***	***	***	***	***	***	***	***	***
Taiwan (ex. Yieh Hsing)	***	***	***	***	***	***	***	***	***
Subtotal, subject imports	***	***	***	***	***	***	***	***	***
Japan / Hitachi	***	***	***	***	***	***	***	***	***
Sweden / Kanthal	***	***	***	***	***	***	***	***	***
Taiwan / Yieh Hsing	***	***	***	***	***	***	***	***	***
Germany & other sources	***	***	***	***	***	***	***	***	***
Subtotal, nonsubject imports	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***
U.S. imports from:									
Italy:									
Quantity	9,859	8,289	8,844	5,685	6,064	13,598	7,638	7,401	4,526
Value	21,446	19,413	17,554	11,793	10,562	24,104	14,866	11,619	7,546
Unit value per short ton	$2,175	$2,342	$1,985	$2,075	$1,742	$1,773	$1,946	$1,570	$1,667
Japan (ex. Hitachi):									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Korea:									
Quantity	10,938	10,437	13,937	12,984	10,570	9,058	5,593	4,482	1,437
Value	25,392	22,097	25,956	22,489	14,918	13,869	7,745	5,730	2,128
Unit value	$2,321	$2,117	$1,862	$1,732	$1,411	$1,531	$1,385	$1,278	$1,481
Spain:									
Quantity	2,663	2,854	4,705	1,932	4,732	3,881	4,783	5,885	4,158
Value	6,939	6,529	9,510	3,809	7,584	6,282	7,573	8,323	6,602
Unit value	$2,606	$2,288	$2,022	$1,972	$1,603	$1,618	$1,583	$1,414	$1,588

–Table continued on next page.

Table I-1 – *Continued*
SSWR: Comparative data of the U.S. and foreign markets and industries from the original investigations and the current reviews, 1995-2003

(Quantity in short tons, value in 1,000 dollars, shares/ratios in percent)

Item	1995	1996	1997	1998	1999	2000	2001	2002	2003
Sweden (ex. Kanthal):									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Taiwan (ex. Yieh Hsing):									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Subtotal, subject countries:									
Quantity	36,787	44,068	57,534	35,445	30,632	35,464	25,794	24,274	14,693
Value	90,696	104,015	115,989	68,558	50,049	62,482	44,509	38,004	26,617
Unit value	$2,465	$2,360	$2,016	$1,934	$1,634	$1,762	$1,726	$1,566	$1,812
* * * * * * *									
Subtotal, nonsubject countries:									
Quantity	18,847	17,353	24,228	26,673	35,366	49,462	36,493	34,020	20,792
Value	48,920	42,597	52,099	60,786	63,710	95,518	67,895	61,974	37,185
Unit value	$2,596	$2,455	$2,150	$2,279	$1,801	$1,931	$1,860	$1,822	$1,788
Total:									
Quantity	55,634	61,421	81,762	62,118	65,999	84,926	62,287	58,294	35,485
Value	139,616	146,612	168,088	129,343	113,758	158,000	112,403	99,978	63,802
Unit value	$2,510	$2,387	$2,056	$2,082	$1,724	$1,860	$1,805	$1,715	$1,798
U.S. producers':[1] [2]	* * * * * * *								
Foreign producers:	* * * * * * *								

[1] U.S. producers' data for the period 1995-97 do not include the operations of ***, with the exception of production and shipment data.
[2] U.S. producers' financial data for the period 1998-2003 are calculated in the same manner as they were reported in the original investigations (the so-called "original method"). As explained in greater detail in Part III of this report, one producer has refined its methodology for reporting financial data (the so-called "new method"). Because this table requires consistency and data comparability for maximum effectiveness, the financial data presented are based on the "original method" and are not comparable with data based on the "new method" presented elsewhere in this report.

Note.–In June 2004, Commerce notified the Commission of its determination to revoke the countervailing duty order on Italy, effective September 15, 2003. Accordingly, for the remainder of 2003, subject imports of SSWR from Italy include only SSWR produced by Italian manufacturers other than Valbruna (and its subsidiary Bolzano) – in essence, those of Cogne Acciai. Based on questionnaire responses (1998) and adjusted official import statistics (1999-2003), imports of SSWR from Valbruna and Cogne Acciai are as follows:

	Valbruna	Other (Cogne Acciai)
1998:	*** short tons ($***)	*** short tons ($***)
1999:	*** short tons ($***)	*** short tons ($***)
2000:	*** short tons ($***)	*** short tons ($***)
2001:	*** short tons ($***)	*** short tons ($***)
2002:	*** short tons ($***)	*** short tons ($***)
2003:	*** short tons ($***)	*** short tons ($***)

Due to exports by third parties, imports attributed to Valbruna may be somewhat understated, and those attributed to other manufacturers may be somewhat overstated.

Source: Data for 1995-97 are compiled from the confidential staff report (memorandum INV-V-057, August 11, 1998) in *Stainless Steel Wire Rod from Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan* (Invs. Nos. 701-TA-373 (Final) and 731-TA-769-775 (Final)), as modified to exclude imports from Germany in subtotaling subject imports of SSWR (memorandum INV-V-061, August 19, 1998). Specifically, the data are derived from the following tables in the original staff report, as modified: table IV-2 (apparent U.S. consumption and market shares); table IV-1 (import volume); table III-1 (production and capacity, reflecting actual, as opposed to optimal, product mix); table III-2 (shipments); table III-4 (employment); and table VI-1 (financial performance). Foreign industry data are compiled from tables VII-2-8. Data for 1998-2003 are compiled from responses to the Commission questionnaires in the current reviews and from official Commerce statistics.

Figure I-1
SSWR: U.S. subject imports from Italy, Japan, Korea, Spain, Sweden, and Taiwan

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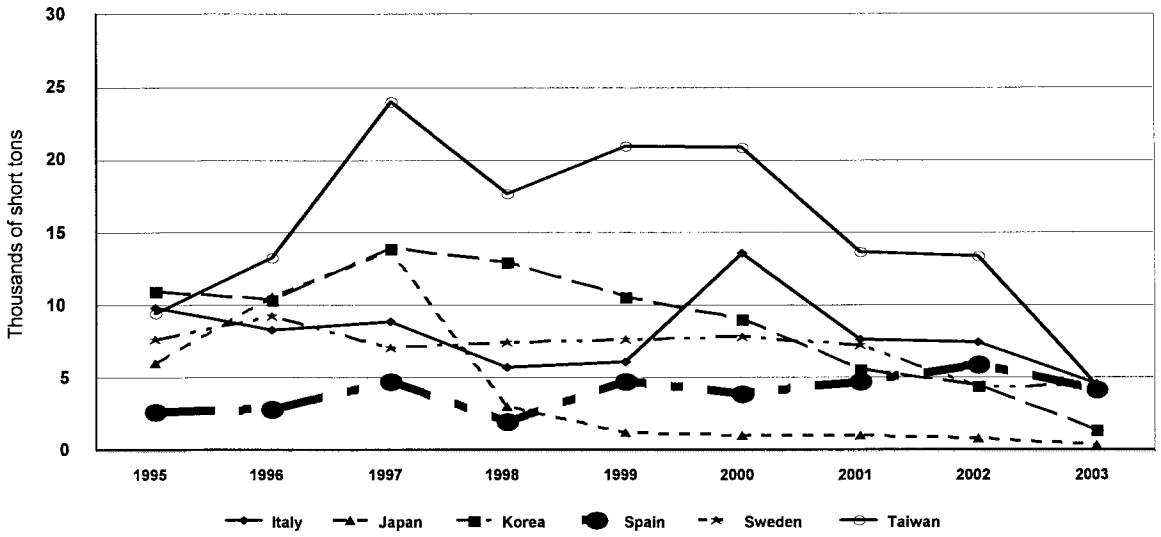
Figure I-2
SSWR: U.S. total (subject plus nonsubject) imports from Italy, Japan, Korea, Spain, Sweden, and Taiwan



Source: Official Commerce statistics.

Figure I-3
SSWR: Apparent U.S. consumption, 1995-2003

* * * * * * *

Previous and Related Title VII Investigations

Since 1980, the Commission has conducted original investigations on SSWR from Brazil, France, India, and Spain, as well as Germany (discussed above) and the six countries subject to the instant reviews. During 1999-2000, the Commission conducted five-year reviews of the 1983 transition countervailing duty order on Spain and the 1993-94 transition antidumping duty orders on SSWR from Brazil, France, and India.[7] The Commission made affirmative determinations with respect to SSWR from Brazil, France, and India and a unanimous negative determination with respect to SSWR from

[7] *Stainless Steel Wire Rod from Brazil, France, India, and Spain*, Invs. Nos. 701-TA-178 and 731-TA-636-638 (Review), Publication No. 3321, July 2000; *Ugine-Savoie Imphy v. United States*, 248 F. Supp. 2nd 1208 (2002).

Spain.[8] The Commission is scheduled to review the antidumping duty orders on SSWR from Brazil, France, and India beginning in July 2005.[9]

Previous and Related Safeguard Investigations

During 1982-83, the Commission conducted a safeguard investigation of stainless steel products (Inv. No. TA-201-48) that included the SSWR subject to these reviews. Following affirmative determinations of serious injury and remedy recommendations by the Commission, President Reagan proclaimed four-year global quotas limiting SSWR imports to 19,100 tons in the first year, increasing to 19,700 tons, 20,300 tons, and 20,900 tons in subsequent years.[10]

In 2001, the Commission conducted a safeguard investigation of steel products (Inv. No. TA-201-73) that included the SSWR subject to these reviews (as well as downstream products such as stainless steel bar and stainless steel wire). Following affirmative determinations of serious injury and remedy recommendations by the Commission, President Bush issued a proclamation on March 5, 2002, imposing temporary import relief for a period not to exceed three years and one day.[11] Import relief relating to SSWR consisted of an additional tariff of 15 percent *ad valorem* on imports in the first year, 12 percent in the second year, and 9 percent in the third year. On December 4, 2003, President Bush terminated the steel safeguard tariffs.[12]

STATUTORY CRITERIA AND ORGANIZATION OF THE REPORT

Statutory Criteria

Section 751(c) of the Act requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation "would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury."

Section 752(a) of the Act provides that in making its determination of likelihood of continuation or recurrence of material injury--

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[8] Commissioners Koplan and Okun dissenting with respect to SSWR from France, and Commissioner Askey dissenting with respect to SSWR from Brazil, France, and India.

[9] Antidumping and/or countervailing duty orders also are in effect on other stainless steel long products, including stainless steel bar from Brazil, India, Japan, and Spain (issued in 1995), stainless steel angle from Japan, Korea, and Spain (issued in 2001), and stainless steel bar from France, Germany, Italy, Korea, and the United Kingdom (issued in 2002). The Commission is scheduled to review these orders beginning in March 2006, April 2006, and February 2007, respectively.

[10] Memorandum of July 5, 1983, from President Reagan to the United States Trade Representative (48 FR 31177, July 7, 1983). Earlier, during 1975-76, the Commission conducted a safeguard investigation of stainless steel products (Inv. No. TA-201-05) that included the SSWR subject to these reviews. Following affirmative determinations that increased imports were a substantial cause of serious injury and remedy recommendations by the Commission, President Ford decided to seek orderly marketing agreements and to expedite the processing of trade adjustment assistance to unemployed workers in the affected industries. Memorandum of March 16, 1976, from President Ford to the Special Representative for Trade Negotiations (41 FR 11269, March 18, 1976).

[11] Presidential Proclamation 7529 of March 5, 2002 (67 FR 10553, March 7, 2002).

[12] Presidential Proclamation 7741 of December 4, 2003 (68 FR 68483, December 8, 2003).

(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--

(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,

(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,

(C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and

(D) in an antidumping proceeding . . ., (Commerce's findings) regarding duty absorption . . ..

(2) VOLUME.--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--

(A) any likely increase in production capacity or existing unused production capacity in the exporting country,

(B) existing inventories of the subject merchandise, or likely increases in inventories,

(C) the existence of barriers to the importation of such merchandise into countries other than the United States, and

(D) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.

(3) PRICE.--In evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether--

(A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and

(B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.

(4) IMPACT ON THE INDUSTRY.--In evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to--

(A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,

(B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and

(C) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.

The Commission shall evaluate all such relevant economic factors . . . within the context of the business cycle and the conditions of competition that are distinctive to the affected industry.

Section 752(a)(6) of the Act states further that in making its determination, "the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy."

Organization of the Report

Information obtained during the course of the reviews that relates to the above factors is presented throughout this report. A summary of data collected in the reviews is presented in appendix C. U.S. industry data are based on questionnaire responses of seven firms that accounted for all of U.S. production of SSWR during 2003. U.S. import data are based on official Commerce statistics adjusted to exclude SSWR produced by certain foreign producers that are not subject to these reviews.[13] Responses by U.S. producers, importers, and purchasers of SSWR and producers of SSWR in Italy, Japan, Korea, Spain, Sweden, and Taiwan to a series of questions concerning the significance of the existing countervailing duty order and antidumping duty orders and the likely effects of revocation are presented in appendix D.

RESULTS OF COMMERCE'S REVIEWS

Commerce has made a final negative determination with respect to the countervailing duty order on SSWR from Italy and final affirmative determinations with respect to the antidumping duty orders on SSWR from Italy, Japan, Korea, Spain, Sweden, and Taiwan. Commerce has not issued any duty absorption determinations with respect to the antidumping duty orders on SSWR from Italy, Japan, and Korea.[14]

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[13] ***. Telephone interview with ***, Kanthal Corp., April 2, 2004. ***. SSWR produced by Hitachi in Japan and Yieh Hsing in Taiwan also are excluded from these reviews. These adjustments were made by subtracting imports manufactured by Hitachi and Yieh Hsing in Japan and Taiwan, respectively, as identified by Customs data. Two stainless steel grades, SF20T and K-M35FL, also are excluded from the scope of these reviews. It is believed that imports of stainless steel grades SF20T and K-M35FL are insignificant. To the extent that these grades are included in the official Commerce statistics, import data presented in this report are slightly overstated. In addition, to the extent that import data for SSWR from Italy are presented separately by manufacturer, such data reflect similar adjustments based on Customs data (1999-2003) or questionnaire data (1998).

[14] Commerce has not published a statement regarding whether it has made any duty absorption determinations with respect to the antidumping duty orders on SSWR from Spain, Sweden, and Taiwan.

Commerce's Final Results of a Full Review of the Countervailing Duty Order on SSWR from Italy[15]

Commerce published the preliminary results of its full review of the countervailing duty order on SSWR from Italy in the *Federal Register* on March 4, 2004. In June 2004, Commerce completed its full review of this order, and determined that the level of subsidization likely to prevail, were the order revoked, is below the *de minimis* threshold. Accordingly, Commerce determined that it would revoke the countervailing duty order on Italy effective September 15, 2003.[16]

Commerce's Final Results of Expedited Reviews of the Antidumping Duty Orders on SSWR from Italy, Japan, Korea, Spain, Sweden, and Taiwan

Commerce published the final results of its expedited reviews of the antidumping duty orders on SSWR from Italy, Japan, Korea, Spain, Sweden, and Taiwan in the *Federal Register* on December 10, 2003. Commerce determined that the revocation of the antidumping duty orders on SSWR from Italy, Japan, Korea, Spain, Sweden, and Taiwan would be likely to lead to continuation or recurrence of dumping at the following weighted-average margins:[17]

Country	Company	Weighted-average margin percentage
Italy[1]	Cogne Acciai Speciali S.r.l.	12.73
	All others	12.73
Japan[2]	Daido Steel Co., Ltd.	34.21
	Nippon Steel Corp.	21.18
	Sanyo Special Steel Co., Ltd.	34.21
	Sumitomo Electric Industries, Ltd.	34.21
	All others	25.26
Korea	Dongbang Special Steel Co., Ltd./Changwon Specialty Steel Co., Ltd./Pohang Iron and Steel Co., Ltd.	5.77
	Sammi Steel Co., Ltd.	28.44
	All others	5.77
Spain	Roldan, S.A.	4.73
	All others	4.73
Sweden	Fagersta Stainless AB	5.71
	All others	5.71

Continued on the following page.

[15] Cogne Acciai received a net subsidy rate of 22.22 percent in the original investigation. However, Commerce revoked this order with respect to Cogne Acciai on November 7, 2003, due to its Section 129 determination. *See* 68 FR 64858 (November 17, 2003). This notice is included app. A.

[16] Commerce's notice is presented in app. A.

[17] Commerce's notices are presented in app. A.

Country	Company	Weighted-average margin percentage
Taiwan[3]	Walsin Cartech Specialty Steel	8.29
	All others	8.29

[1] Valbruna received a *de minimis* rate in the original investigation and was excluded from the antidumping duty order on SSWR from Italy.
[2] Hitachi received a zero margin rate in the original investigation and was excluded from the antidumping duty order on SSWR from Japan.
[3] Yieh Hsing received a *de minimis* rate in the original investigation and was excluded from the antidumping duty order on SSWR from Taiwan.

COMMERCE'S ADMINISTRATIVE REVIEWS

Italy

Commerce has not conducted any administrative reviews of the antidumping duty order on SSWR from Italy. It has conducted one administrative review of the countervailing duty order on SSWR from Italy as shown in the following tabulation:

Period of review	Date results published	Company	Margin *(percent)*
1/1/2000-12/31/2000	October 15, 2002 (67 FR 63619)	Valbruna	0.27[1]

[1] *De minimis* margin.

Japan

Commerce has not conducted any administrative reviews of the antidumping duty order on SSWR from Japan.

Korea

Commerce has conducted two administrative reviews of the antidumping duty order on SSWR from Korea as shown in the following tabulation:

Period of review	Date results published	Company	Margin *(percent)*
9/1/1999-8/31/2000	March 12, 2002 (67 FR 11096)	POSCO/Changwon/ Dongbang	5.61[1]
9/1/2001-8/31/2002	April 12, 2004 (69 FR 19153)	POSCO/Changwon/ Dongbang	1.67

[1] As amended by Commerce on March 12, 2002. The original final results of the antidumping duty administrative review on SSWR from Korea were published on February 13, 2002 (67 FR 6685). In that notice, Commerce published a 6.80 margin for POSCO/Changwon/Dongbang.

Spain

Commerce has conducted one administrative review of the antidumping duty order on SSWR from Spain as shown in the following tabulation:

Period of review	Date results published	Company	Margin *(percent)*
3/5/1998-8/31/1999	February 21, 2001 (66 FR 10988)	Roldan	0.8

Sweden

Commerce has not conducted any administrative reviews of the antidumping duty order on SSWR from Sweden.

Taiwan

Commerce has conducted one administrative review of the antidumping duty order on SSWR from Taiwan as shown in the following tabulation:

Period of review	Date results published	Company	Margin *(percent)*
1/1/1999-8/31/2000	October 16, 2001 (66 FR 52587)	Walsin	4.75

THE PRODUCT

Commerce's Scope

The imported product subject to the countervailing and antidumping duty orders under review, as defined by Commerce, is the following:

> {stainless steel} products that are hot-rolled or hot-rolled annealed and/or pickled and/or descaled rounds, squares, octagons, hexagons or other shapes, in coils, that may also be coated with a lubricant containing copper, lime or oxalate. Stainless steel wire rod is made of alloy steels containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. These products are manufactured only by hot-rolling or hot-rolling, annealing, and/or pickling and/or descaling, are normally sold in coiled form, and are of solid cross-section. The majority of SSWR sold in the United States is round in cross-sectional shape, annealed and pickled, and later cold-finished into stainless steel wire or small-diameter bar. The most common size for such products is 5.5 millimeters or 0.217 inches in diameter, which represents the smallest size that normally is produced on a rolling mill and is the size that most wire-drawing machines are set up to draw. The range of stainless steel wire rod sizes normally sold in the United States is between 0.20 inches and 1.312 inch diameter.

Two stainless steel grades, SF20T and K-M35FL, are excluded from the scope of these reviews.[18] With respect to products of Sweden, the following proprietary grades of Kanthal AB also are excluded: Kanthal A-1, Kanthal AF, Kanthal A, Kanthal D, Kanthal DT, Alkrothal 14, Alkrothal 720, and Nikrothal 40.[19]

General

Stainless steels are alloys of iron containing at least 10.5 percent by weight of chromium. In comparison to carbon steel and other alloy steels, stainless steels offer superior resistance to corrosion or oxidation at ambient or elevated temperatures. There are 5 classes of stainless steel, each having different chemical compositions and physical properties: austenitic, martensitic, ferritic, duplex (austenitic plus ferritic), and precipitation hardenable stainless steel alloys. Austenitic stainless steels (200- and 300-series) are nonmagnetic, chromium-nickel alloys, such as grades 304 and 316. Austenitic alloys are nonhardenable by heat treatment, but can be substantially hardened by cold working. Martensitic stainless steels (400-series) are magnetic, chromium alloys such as grade 410, which are hardenable by heat treatment. Ferritic stainless steels (also 400-series) are magnetic, chromium alloys such as grade 430, and are nonhardenable by heat treatment. Duplex stainless steels, such as 2205, are magnetic, and nonhardenable by heat treatment. Precipitation hardenable (PH) alloys, such as 17-7 PH, are chromium nickel alloys that can be hardened by an aging treatment. The essential characteristics imparted by physical structures and chemical compositions influence how the steel is melted, as well as its ladle treatment, hot-rolling, and heat treatment.[20]

The Commission collected data on the leading grades of SSWR by type of shipment.[21] The following tabulation lists the most common grades reported by U.S. producers, importers, and foreign producers by type of shipment in 2003.

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[18] The chemical makeup (in percent by weight) for the excluded grades is as follows:

- SF20T: Carbon--0.05 max; Manganese--2.00 max; Phosphorus--0.05 max; Sulfur--0.15 max; Silicon--1.00 max; Chromium--19.00/21.00; Molybdenum--1.50/2.50; Lead--added (0.10/0.30); and Tellurium--added (0.03 min).
- K-M35FL: Carbon--0.015 max; Silicon--0.70/1.00; Manganese--0.40 max; Phosphorus--0.04 max; Sulfur--0.03 max; Nickel--0.30 max; Chromium--12.50/14.00; Lead--0.10/0.30; and Aluminum--0.20-0.35.

[19] 68 FR 68862, December 10, 2003. Commerce's scope also indicates that the products subject to these orders currently are covered by statistical reporting numbers 7221.00.0005, 7221.00.0015, 7221.00.0030, 7221.00.0045, and 7221.00.0075 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS statistical reporting numbers are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

[20] *Stainless Steel Wire Rod from Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan,* Invs. Nos. 701-TA-373 (Final) and 731-TA-769-775 (Final), Publication No. 3126, September 1998, pp. I-4, and *Stainless Steels,* ASM International, Materials Park, OH, 1994.

[21] U.S. producers were requested to report their top five grades for each type of SSWR by type of shipment while importers and foreign producers were requested to report their top three.

Physical Characteristics and Uses

SSWR is an intermediate stainless steel product that is produced in a wide variety of sizes and grades, usually in accordance with specific customer requirements. It is used as a starter material for the production of stainless steel wire and stainless steel bar. Although SSWR is produced in sizes as large as 32 mm (1.259 inch) in diameter, the most common size SSWR is 5.5 mm (0.217 inch) in diameter, circular cross-section, which is the smallest size normally produced on a hot-rolling mill and is the size that is most commonly used for wire drawing. A substantial proportion of domestic SSWR is consumed internally by producers who also maintain cold finishing operations. The primary end users of subject SSWR are wire redrawers, who produce stainless steel wire. A smaller proportion of larger diameter subject wire rod is converted into small-diameter stainless steel bar. Finally, some forgers and fabricators machine subject SSWR into various downstream products, including, but not limited to, industrial fasteners, springs, medical and dental instruments, automotive parts, and welding electrodes.[22]

SSWR is available in a fairly wide range of weights. The Commission collected data on the maximum weight of SSWR per coil that can be produced by reporting mills in the United States and the subject foreign countries. The following tabulation lists the responses of U.S. and foreign producers:

Country	Producer	Quantity (*in pounds*)
United States	Allvac	***[1]
	Carpenter	***
	Charter	***
	Dunkirk	***
	NAS	***
	Talley	***
Italy	Cogne Acciai	***
	Valbruna	***
Korea	Changwon	***
	Dongbang	***
Sweden	Fagersta	***
Taiwan	Walsin	***

[1] ***.

Manufacturing Facilities and Production Employees

There are three basic steps in SSWR production, regardless of grade or final cross section: (1) the melting of steel and production of billets, (2) hot-rolling the billets and coiling the wire rod, and (3) finishing, which includes annealing and pickling. Inspection, packaging, and shipment follow these three

[22] *Stainless Steel Wire Rod from Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan,* Invs. Nos. 701-TA-373 (Final) and 731-TA-769-775 (Final), Publication No. 3126, September 1998, pp. I-4 and I-6.

stages of production. The production process employed by U.S. producers and by foreign manufacturers is generally the same.[23]

In the first stage, molten stainless steel is produced by melting stainless steel scrap and various alloying agents (including chromium, nickel, and molybdenum) in an electric arc furnace. Molten stainless steel typically is passed through a ladle metallurgy station, where its chemistry is refined to produce steel with specific properties according to end-use applications. It is then cast into billets, which are semifinished long products with a square cross section.

In the second stage, the stainless steel billet may be fed directly into the hot-rolling mill, or it may be subjected to one or more conditioning operations (such as heating, annealing, or grinding) in preparation for hot rolling. In the hot-rolling mill, the billet passes through a series of continuous heating and rolling operations until it has been reduced to a specific diameter and shape, at which point it has the dimensions of wire rod. The wire rod is coiled in irregularly wound coils and is subject to either blown air cooling or direct water-quench cooling. The weight of a single, continuous (non-welded) coil is a function of the size of the billet used to produce it.[24]

In the finishing stage, the coils may be annealed (heat-treated) and mechanically descaled (shot-blasted) and/or pickled (dipped in a series of acid baths) to improve surface quality. The coils of wire rod may also be coated with a lubricant containing copper, lime, or oxalate, which facilitates the drawing process.

Some SSWR may be further subjected to a cold-drawing process to produce "sized" or "shaved" rod. In this process, the wire rod is straightened and cold-drawn after the initial hot-rolling, annealing, and pickling, and is then recoiled. This process imparts tighter dimensional tolerances and minimizes surface imperfections.

Channels of Distribution

Approximately *** of domestically produced SSWR is captively consumed. Internal consumption/company transfers of subject imports from Italy, Japan, Korea, Spain, Sweden, and Taiwan ranged between 13 and 66 percent during the period of review. The vast majority of all U.S. shipments that have been made by U.S. producers and importers during the period of review were to end users. In 2003, *** percent of U.S. producers' U.S. shipments were made to end users while all importers' U.S. shipments were made to end users.

DOMESTIC LIKE PRODUCT ISSUES

In its original determination the Commission found the appropriate domestic like product to be all SSWR corresponding to the scope of Commerce's investigations.[25] No party argued for an alternative domestic like product in response to the Commission's notice of institution of these reviews.[26]

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[23] *Stainless Steel Wire Rod from Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan,* Invs. Nos. 701-TA-373 (Final) and 731-TA-769-775 (Final), Publication No. 3126, September 1998, pp. I-6 - I-8.

[24] At the time of the original investigations, only one domestic manufacturer, ***, produced continuous coils greater than 2,000 pounds. *Stainless Steel Wire Rod from Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan,* Invs. Nos. 701-TA-373 (Final) and 731-TA-769-775 (Final), Publication No. 3126, September 1998, p. I-13.

[25] *Stainless Steel Wire Rod From Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan*, Investigations Nos. 701-TA-373 (Final) and 731-TA-769-775 (Final), Publication No. 3162, September 1998.

[26] *See Response to the Commission's Notice of Institution* by Italian respondent interested parties at 20, Korean respondent interested parties at 7, and domestic interested parties at 16. See also, *Prehearing Brief of Domestic*

(continued...)

U.S. MARKET PARTICIPANTS

U.S. Producers

The five producers of SSWR identified during the original investigations were Al Tech Specialty Steel Corp. (Al Tech), Carpenter Technology Corp. (Carpenter), Republic Engineered Steels, Inc. (Republic), Talley Metals Technology (Talley), and ***. Two of the five producers, ***, reported receiving SSWR from ***. Therefore, ***.

The industry has restructured since the original investigations. Republic exited the stainless steel wire rod business in *** and has not been involved in any operations concerning SSWR since that time.[27] Talley was acquired by Carpenter in 1998. Following the bankruptcy of its Korean parent company, Sammi, Al Tech reorganized under Chapter 11, emerging in 1999 as Empire Specialty Steel, Inc., but then shutting down in June 2001. Empire's assets subsequently were purchased by Dunkirk Specialty Steel (Dunkirk) on February 8, 2002, and the plant became operational on March 14, 2002.[28] Avesta Sheffield merged with Outokumpu Stainless, Inc. in 2001 to become Avesta Polarit (renamed Outokumpu Stainless in 2004).[29] Outokumpu Stainless owns Outokumpu Stainless Bar, Inc. (Outokumpu), which ***.[30] Finally, two companies, Charter Specialty Steel (Charter) and North American Stainless (NAS), entered the industry and began operations in 2001 and 2003, respectively.

Currently Carpenter, Talley, Dunkirk, NAS, Charter, and Allvac produce SSWR, ***. These companies' plant locations, shares of 2003 production, and positions on the orders are shown in the tabulation below. For the purposes of this report, Carpenter and Talley are considered separate producers.

Firm	Plant location	Percent of production	Position on orders
Allvac	Monroe, NC	***	***
Carpenter	Reading, PA	***	Support all orders
Charter	Fond Du Lac, WI	***	***
Dunkirk	Dunkirk, NY	***	***
NAS[1]	Ghent, KY	***	Support all orders
Outokumpu[2]	Richburg, SC	***	***
Talley	Hartsville, SC	***	Support all orders

[1] ***.
[2] ***.

[26] (...continued)
Interested Parties at 2-3.

[27] Telephone interview with ***, March 24, 2004.

[28] *Steel: Monitoring Developments in the Domestic Industry*, Investigation No. TA-204-9, Volume II, Publication No. 3632, September 2003, Tables Stainless I-3, I-4, and I-5. Telephone interview with ***, May 4, 2004.

[29] Telephone interview with ***, March 25, 2004.

[30] ***. Telephone interview with ***, March 25, 2004.

Outokumpu Stainless Bar is wholly owned by Outokumpu Stainless, Inc., which is ***-percent owned by Fagersta Stainless AB (Fagersta), a producer of SSWR in Sweden. Outokumpu also is related to Outokumpu Stainless, Ltd. located in the United Kingdom. Outokumpu Stainless, Ltd. is a producer of SSWR and exports the product to the United States.

*** and *** import the subject product. *** imported SSWR from *** during the period of review.[31] Its imports during 2003 equaled *** percent of its production in that year.

*** imported SSWR from *** during the period of review.[32] Its imports during 2003 equaled *** in that year. All of its imports since 2000 have been from ***.

None of the U.S. producers purchase imports of the subject merchandise from domestic sources.

U.S. Importers

In response to Commission importers' questionnaires, 29 firms supplied usable data and 41 firms indicated that they had not imported the product since 1998. Affiliations with domestic and foreign producers are as follows:

Cogne Specialty Steel USA, Inc., an importer of SSWR, is affiliated with Cogne Acciai Speciali S.p.a., a producer of stainless steel wire rod in Italy.

Sumitomo Corporation of America, Rosemont, IL, an importer of SSWR, is fully owned by Sumitomo Corp., an exporter of SSWR in Japan.

Okaya (USA) of Fort Lee, NJ is wholly owned by Okaya & Company of Japan, an exporter of SSWR from Japan to the United States.

POSCO America Corp., Fort Lee, NJ (POSAM), an importer of SSWR, is ***-percent owned by POSCO of Korea, a company which also owns both POSTEEL, an exporter of SSWR from Korea to the United States, and Changwon Specialty Steel Co., Ltd., a producer of SSWR in Korea.

Sandvik Materials Technology, Scranton, PA (Sandvik), is an importer of SSWR. Its parent company, Sandvik AB of Sweden, owns *** percent of Fagersta. Fagersta Stainless, Inc., Clarks Summit, PA, an importer of SSWR, is wholly owned by Fagersta. Outokumpu is affiliated with Sandvik as Fagersta partially owns Outokumpu's parent company.

Hitachi Metals America, Ltd. of Purchase, NY (Hitachi), an importer of SSWR from Japan, is fully owned by Hitachi Metals, Ltd.,[33] a producer of SSWR in Japan. Hi Specialty America, a division of Hitachi, is also an importer of SSWR from Japan.

U.S. Purchasers

Sixteen purchasers supplied usable questionnaire responses related to SSWR. Twelve of these firms are wire drawers, one is a distributor and importer, one is an end user that produced fasteners, one is a wire drawer and bar maker, and one cold forms welding studs. Seven of the purchasers are related to importers and three are related to foreign producers, (one of which is a subject foreign producer). Most responding purchasers are located in states along the East Coast (eight), and in the Midwest (four), with two purchasers in California, and one each in Texas and Tennessee.

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[31] ***.

[32] ***.

[33] Hitachi Metals, Ltd. is excluded from the antidumping duty order on SSWR from Japan.

APPARENT U.S. CONSUMPTION AND MARKET SHARES

Table I-2 presents apparent U.S. consumption for 1998-2003 and table I-3 presents U.S. market shares for the same period.

Table I-2
SSWR: U.S. shipments of domestic product, U.S. imports, and apparent U.S. consumption, 1998-2003

Item	1998	1999	2000	2001	2002	2003
			Quantity (*short tons*)			
U.S. producers' U.S. shipments	***	***	***	***	***	***
U.S. imports from--						
Italy	5,685	6,064	13,598	7,638	7,401	4,526
Japan (other than Hitachi)	***	***	***	***	***	***
Korea	12,984	10,570	9,058	5,593	4,482	1,437
Spain	1,932	4,732	3,881	4,783	5,885	4,158
Sweden (other than Kanthal)	***	***	***	***	***	***
Taiwan (other than Yieh Hsing)	***	***	***	***	***	***
Subtotal, subject sources	35,445	30,632	35,464	25,794	24,274	14,693
			* * * * * * *			
Subtotal, nonsubject sources	26,673	35,366	49,462	36,493	34,020	20,792
Total imports	62,118	65,999	84,926	62,287	58,294	35,485
Apparent U.S. consumption	***	***	***	***	***	***
			Value (*$1,000*)			
U.S. producers' U.S. shipments	***	***	***	***	***	***
U.S. imports from--						
Italy	11,793	10,562	24,104	14,866	11,619	7,546
Japan (other than Hitachi)	***	***	***	***	***	***
Korea	22,489	14,918	13,869	7,745	5,730	2,128
Spain	3,809	7,584	6,282	7,573	8,323	6,602
Sweden (other than Kanthal)	***	***	***	***	***	***
Taiwan (other than Yieh Hsing)	***	***	***	***	***	***
Subtotal, subject sources	68,558	50,049	62,482	44,509	38,004	26,617
			* * * * * * *			
Subtotal, nonsubject sources	60,786	63,710	95,518	67,895	61,974	37,185
Total imports	129,343	113,758	158,000	112,403	99,978	63,802
Apparent U.S. consumption	***	***	***	***	***	***

Continued on the following page.

Note.–In June 2004, Commerce notified the Commission of its determination to revoke the countervailing duty order on Italy, effective September 15, 2003. Accordingly, for the remainder of 2003, subject imports of SSWR from Italy include only SSWR produced by Italian manufacturers other than Valbruna (and its subsidiary Bolzano) – in essence, those of Cogne Acciai. Based on questionnaire responses (1998) and adjusted official import statistics (1999-2003), imports of SSWR from Valbruna and Cogne Acciai are as follows:

	Valbruna	Other (Cogne Acciai)
1998:	*** short tons ($***)	*** short tons ($***)
1999:	*** short tons ($***)	*** short tons ($***)
2000:	*** short tons ($***)	*** short tons ($***)
2001:	*** short tons ($***)	*** short tons ($***)
2002:	*** short tons ($***)	*** short tons ($***)
2003:	*** short tons ($***)	*** short tons ($***)

Due to exports by third parties, imports attributed to Valbruna may be somewhat understated, and those attributed to other manufacturers may be somewhat overstated.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table I-3
SSWR: U.S. market shares, 1998-2003

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PART II: CONDITIONS OF COMPETITION IN THE U.S. MARKET

MARKET SEGMENTS

Most SSWR sold on the commercial market[1] is sold to firms that draw the rod into stainless wire. In addition, SSWR is sold to end users for the manufacture of various products including fasteners, automotive products, and welding electrodes, and smaller quantities are sold to distributors and bar manufacturers. Only *** of five responding U.S. producers (***) and none of the seven responding foreign producers indicated that there are types of SSWR customers that they do not supply. *** indicated that is does not supply accounts ***.

Although most sales of U.S.-produced SSWR are to end users, *** in recent years. *** reported that about *** percent of their sales between 1998 and 2003 were to end users. While *** reported that more than *** of its sales in 1998 and 1999 were to end users, it reported that *** of its sales between 2000 and 2003 were to end users. *** reported that more than *** percent of its sales in 2002 and 2003 (all from inventory) were to distributors. *** commercial sales of imports of SSWR between 1999 to 2003 were to end users. In general, U.S. producers and U.S. importers reported commercial sales of SSWR throughout the United States.

SUPPLY AND DEMAND CONSIDERATIONS

U.S. Supply

U.S. Producers

Based on available information, U.S. SSWR producers are likely to respond to changes in demand with moderate changes in the quantity shipped to the U.S. market. Supply responsiveness is enhanced by the existence of production alternatives and the availability of unused capacity, but limited by the low level of inventories and the lack of significant alternate markets.

Industry capacity

U.S. producers' capacity utilization rates fluctuated between 1998 and 2003, declining overall from *** percent in 1998 to *** percent in 2003. This level of capacity utilization would indicate that U.S. producers have unused capacity with which they could increase production of SSWR in the event of a price change.

In addition to available unused capacity, the level of domestic capacity has increased by nearly *** percent since 1998, largely as a result of the entry of two new U.S. producers, NAS and Charter. Seven of nine responding purchasers identified the entry of NAS in the U.S. SSWR market as an improvement or change in the industry. Four of these seven purchasers also identified the entry of Charter as an improvement or change.[2]

One purchaser, ***, indicated that NAS and Charter both offer large (3,000 pound) coils and good quality product, while another purchaser, ***, indicated that NAS and Charter have improved

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[1] About *** of U.S. shipments from U.S. producers were sold on the commercial market in 2003. ***. Between 1998 and 2003, about *** of imports from subject sources were sold on the commercial market.

[2] In addition, two purchasers indicated that there were no significant changes in the U.S. SSWR industry since 1998. Also, seven purchasers who submitted questionnaire responses did not address this issue as requested.

product availability and competitiveness. Another purchaser, ***, indicated that NAS has made a great impact on the ability of foreign producers to gain entry into the U.S. market with their competitive stance on pricing. However, another purchaser, ***, indicated that even with the additional capacity provided by NAS and Charter, the company still found it necessary to purchase foreign SSWR to meet demand and stay price competitive with imports of finished wire. Testimony on behalf of Techalloy, a stainless wire drawing company, emphasized both the continuing increase in U.S. SSWR capacity and the company's view that most of the new domestic production is for commodity grades.[3]

Alternative markets

Exports of SSWR fluctuated at low levels between 1998 and 2003, increasing slightly from *** percent of total shipments to *** percent. These data indicate that U.S. producers do not have the ability to divert shipments to or from alternative markets in response to changes in the price of SSWR.

Inventory levels

Inventories tend to be low in the SSWR industry since most rod is manufactured to customer specifications. U.S. producers' inventories as a share of total shipments fluctuated, increasing overall between 1998 and 2003, from *** percent of their shipments in 1998 to *** percent in 2003. These data indicate that U.S. producers have a limited ability to use inventories as a means of increasing shipments of SSWR to the U.S. market.

Production alternatives

Other products, particularly stainless steel bar, can be produced using the same equipment and workers as SSWR by some U.S. firms. Specifically, the melting, casting, and rolling stages of production are common to both SSWR and stainless steel bar.[4]

*** of *** responding producers indicated that they could switch production between SSWR and other products. Two producers, ***, indicated that they could produce stainless bar and other products using the same equipment as for SSWR and that switching time and costs would depend on factors such as the size of the order and the product's grade. Another producer, ***, indicated that nickel and titanium products can be produced on the same equipment with minimal time requirements or cost impact.

Charter purchases stainless steel billets in the open market, then processes the billets on a rolling mill used to produce both carbon steel and SSWR. However, Charter employs a separate processing plant to anneal and chemically clean the SSWR.[5] Charter indicated that it is probably the only company in the world that switches between rolling carbon and stainless steel on a daily basis, although its carbon

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[3] *Hearing Transcript*, testimony of John Robinson, vice president, sales and marketing, Techalloy Company, Inc, pp. 184 and 233.

[4] The production process is discussed in detail in Part I.

[5] *Hearing Transcript*, testimony of Charles Mellowes, vice president and general manager, Charter Specialty Steel, pp. 76-77.

steel business is many times the size of its stainless steel business on a sales and revenue basis.[6] Charter does not produce other downstream products such as stainless wire or stainless angle.[7]

Subject Imports

Based on available information, subject imports of SSWR are likely to respond to changes in demand with large changes in the quantity shipped to the U.S. market. Supply responsiveness is enhanced by the existence of production alternatives for some foreign producers, alternate markets, and the availability of unused capacity for some countries, but limited by the low level of inventories. As discussed in Part I, SSWR was subject to additional tariffs as a result of a U.S. safeguard action between March 2002 and December 2003. The additional tariffs were terminated effective December 4, 2003.

Industry capacity

Italian producer Cogne Acciai's capacity utilization rates increased from *** percent in 1998 to *** percent in 2003, while Korean[8] producers' capacity utilization rates increased from *** percent in 1998 to *** percent in 2003, and the Taiwan producer capacity utilization rate increased from *** percent in 1998 to *** percent in 2003. The Swedish producer's capacity utilization rate fell from *** percent in 1998 to *** percent in 2003. These levels of capacity utilization would indicate that foreign producers in some subject countries have some unused capacity with which they could increase production of SSWR in the event of a price change.[9]

Alternative markets

Shipments of SSWR by Italian producer Cogne Acciai and Swedish producer Fagersta to markets other than the United States fluctuated, increasing overall from *** percent of shipments in 1998 to *** percent in 2003 for the Italian producer and increasing from *** percent in 1998 to *** percent in 2003 for the Swedish producer. Shipments to alternative markets by Korean producers of SSWR increased steadily from *** percent of shipments in 1998 to *** percent in 2003. Shipments to alternative markets by the Taiwan producer of SSWR fell from *** percent in 1998 to *** percent in 2002 and then increased to *** percent in 2003. These data indicate that foreign producers in some subject countries can divert shipments to or from alternative markets in response to changes in the price of SSWR. Further details on alternative markets appear in Part IV.

Inventory levels

As with U.S. producers, foreign producers of SSWR tend to hold low levels of inventories since most rod is manufactured to customer specifications. Italian, Korean, and Swedish producers'

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[6] *Hearing Transcript*, testimony of Charles Mellowes, vice president and general manager, Charter Specialty Steel, pp. 77-78.

[7] *Hearing Transcript*, testimony of Charles Mellowes, vice president and general manager, Charter Specialty Steel, p. 77.

[8] Capacity utilization rates, shipments to other markets, and inventory levels for Korean producers are based on only on their production of white coil SSWR, ***.

[9] Capacity utilization rates, shipments to other markets, and inventory levels are not available for Japanese and Spanish producers.

inventories as a share of total shipments fluctuated between 1998 and 2003, declining overall from *** percent of shipments in 1998 to *** percent in 2003 for Italian producer Cogne Acciai, increasing overall from *** percent of shipments in 1998 to *** percent in 2003 for Korean producers, and increasing overall from *** percent of shipments in 1998 to *** percent in 2003 for the Swedish producer. The Taiwan producer's inventories as a share of total shipments decreased from *** percent in 1998 to *** percent in 2003. These data indicate that foreign producers have a limited ability to use inventories as a means of increasing shipments of SSWR to the U.S. market.

Production alternatives

As with U.S. producers, some manufactures of SSWR in the subject countries can produce other products with the same equipment and workers that produce SSWR. One (***) of six responding foreign producers indicated that it was able to switch production between SSWR and other products.[10] ***.

Also, other producers of both SSWR and stainless steel bar include subject Japanese producers Aichi and Sanyo as well as known Spanish producers Aceros and Roldan.[11] Korean producers ***.[12]

U.S. Demand

Based on the available information regarding substitute products and the percentage cost of SSWR in the products in which it is used, it is likely that changes in the price level of SSWR will result in a moderate change in the quantity of SSWR demanded. The main contributing factors to the moderate degree of responsiveness of demand are the limited substitutability of other products for SSWR and the moderate to high cost share of SSWR in most of its end uses.

Demand Characteristics

Demand for SSWR depends on the level of demand for the intermediate products in which it is used and on demand in the end-use industries (such as automotive, medical, and general manufacturing) that require wire rod with the corrosion-resistant properties of stainless steel. Two of five responding producers, 10 of 16 responding importers, and eight of 15 responding purchasers indicated that demand for SSWR has decreased since 1998.[13] Many responding producers, importers, and purchasers indicated that demand fell because finished parts produced from SSWR could be imported less expensively than they could be manufactured in the United States.

Eleven of 13 responding purchasers reported that demand for their products using SSWR has changed since 1998. Nine of these 11 purchasers reported that demand for their products have fallen, typically because of the recession and competition from imported products such as finished wire, finished fasteners, and wire rope.

Two of four responding producers, seven of 16 responding importers, and 11 of 15 responding purchasers indicated that they anticipate future changes in SSWR demand in the U.S. One producer, three importers, and two purchasers indicated that demand for SSWR would decrease. One producer, one importer, and six purchasers expected the demand for SSWR to increase, while another importer

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[10] ***.

[11] *Iron and Steel Works of the World*, 15th edition, 2002, pp. 141, 143, 152, 153, 223, and 224.

[12] *Posthearing Brief of Korean Interested Parties*, p. 6.

[13] In addition, one producer and one purchaser also indicated that demand increased between 1998 and 2000 and then fell between 2000 and 2003.

indicated that if demand in China remains strong, worldwide demand for SSWR will grow. One of six responding producers and one of 16 responding importers indicated that they anticipate changes in end uses of SSWR in the future. Both petitioners and respondents expect that demand for SSWR will increase for the next few years.[14]

Four importers indicated that prices for SSWR in some other foreign markets were higher than in the U.S. market, while three importers indicated that prices for SSWR were higher in the U.S. market than other markets and one responding importer indicated that the worldwide price of SSWR is the same as in the United States.[15] Two importers indicated that although the U.S. market generally tracks the world market, prices were higher in China; one importer indicated they were high in Asia; and another indicated they were higher in Europe and third country markets due to the weakness of the U.S. dollar. The importer who responded that prices were higher in Asia indicated that the current market prices in Asia are $100 to $200 higher per metric ton than in the U.S. market and that they have not been able to obtain any competitive offers from Korea or Taiwan over the last year or two. Two importers indicated that prices in the U.S. market were higher because of duties and another importer indicated that compared to the U.S. market, prices were 15 percent lower in Europe and 25 percent lower in Asia.

Substitute Products

Substitutability between SSWR and other products reportedly is limited. Only one of five responding producers, six of 19 responding importers, and five of 14 responding purchasers indicated that there are substitutes for SSWR for some applications. These substitutes included stainless wire, surface-treated carbon steel, stainless steel cold drawn and annealed wires, nickel based alloys, and redraw wire made of aluminum, higher super alloys, or plastic. However, some purchasers indicated that while substitution was possible, in many cases it was cost prohibitive. Also, one of the responding importers indicated that SSWR is not easily replaced in applications where it is used now and that finished downstream products incorporating stainless steel wire seem to be the main drain of stainless steel wire consumption in the United States.

Other possible substitutes for SSWR include directly purchasing the downstream products, such as stainless steel wire, stainless steel bar, and fasteners. Wire drawers and bar converters could not easily substitute for SSWR; however, the downstream users of wire and bar may be able to substitute imported wire and bar for that produced in the United States.

None of five responding producers and three of 16 responding importers indicated that they anticipate changes in substitutability of other products for SSWR in the future. One of these three importers (and one importer who did not indicate whether it anticipated changes in substitutability) reported that titanium, although expensive, may be a substitute in some applications; another importer indicated that carbon steel with various "high tech" coatings would continue to take market share from SSWR; and another importer expected the price gap between SSWR and substitutes to shrink, making substitution less likely.

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[14] *Hearing Transcript*, testimony of Ed Blot, president, Ed Blot and Associates, p. 23, and testimony of John Robinson, vice president, sales and marketing, Techalloy Company, Inc, p. 184; *Posthearing Brief of Domestic Interested Parties*, p. 9; *Posthearing Brief of AWPA*, p. 9.

[15] The only responding producer and three responding importers indicated that they were not able to compare prices of SSWR in the U.S. and non-U.S. markets.

Cost Share

SSWR accounts for a moderate to high percentage of the cost of the final products in which it is used. The exact percentage varies by end use product. Purchasers reported that the percentage cost share accounted for by SSWR ranges from 13 percent to 75 percent, with many products having cost shares greater than 50 percent.

SUBSTITUTABILITY ISSUES

The degree of substitution between domestic and imported SSWR depends upon such factors as relative prices, quality (e.g., grade standards, reliability of supply, defect rates, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, payment terms, product services, etc.). Based on available data, staff believes that there is a moderate level of substitutability between domestically produced SSWR and SSWR imported from subject countries and other import sources.

Factors Affecting Purchasing Decisions

Purchasers were asked a variety of questions to determine what factors influence their decisions when buying SSWR. Information obtained from their responses indicates that both quality and price are important factors.

As indicated in table II-1, price was named by seven of 14 responding purchasers as the number one factor generally considered in deciding from whom to purchase SSWR and as the number two or number three factor by the other seven responding purchasers. Also, as indicated in table II-2, all but one of the responding purchasers indicated that price was a "very important" factor in their purchase decisions. However, none of the 14 responding purchasers indicated that the lowest priced SSWR will "always" win a sale. Six responding purchasers indicated that the lowest priced SSWR "frequently" will win a sale, seven reported "sometimes," and one reported "never."[16]

Quality was named by six of the 14 responding purchasers as the number one factor generally considered in deciding from whom to purchase SSWR, while seven other responding purchasers indicated that it was the number two factor. All responding purchasers indicated that quality meeting industry standards was a "very important" factor in their purchasing decisions and all but one responding purchaser indicated that product consistency was a "very important" factor. Purchasers named a number of factors they consider in evaluating quality including: chemistry, cleanliness, coating, coil size and weight, drawability, etch, grain size, formability, headability, mechanical properties, lack of seams, lack of tangling, lack of visual defects, lot-to-lot consistency, surface defects, and uniformity in coiling.

Twelve of 14 purchasers reported that they require their suppliers to become certified or pre-qualified. Seven of thirteen purchasers reported that since 1998 one or more suppliers have failed in their attempts to qualify SSWR. Although no domestic sources were named, several Italian sources (Bolzano, Valbruna, and Falck) were named. Also, seven of 12 responding purchasers indicated that specifications of SSWR vary depending on the end-use application.

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[16] *** was the purchaser that responded "never." The company indicated that it never purchases SSWR that is offered at the lowest price unless the quality is known to be acceptable. ***.

Table II-1
SSWR: Ranking of factors used in purchasing decisions as reported by U.S. purchasers

Factor	Number of firms reporting		
	Number one factor	Number two factor	Number three factor
Price[1]	7	4	3
Quality[2]	6	7	0
Delivery[3]	0	2	5
Availability[4]	0	1	4
Other[5]	1	0	2

[1] Includes one instance of "price competitiveness" for the number one factor; and one instance of "competitive price/traditional relationship" for the number three factor.
[2] Includes one instance of "quality-approved supplier" for the number one factor.
[3] Includes one instance of "delivery of material" and one instance of "reliable delivery" for the number two factor; and one instance of "on time delivery performance" and one instance of "range/delivery" for the number three factor.
[4] Includes one instance of "availability and delivery" for the number three factor.
[5] Other factors include one instance of "proven supplier" for number one factor; one instance of "terms of sale/contract" and one instance of "range of product line" for number three factors.

Source: Compiled from data submitted in response to Commission questionnaires.

Table II-2
SSWR: Importance of factors used in purchasing decisions, as reported by U.S. purchasers

Factor	Number of firms reporting		
	Very important	Somewhat important	Not important
Quality meets industry standards	13	0	0
Reliability of supply	13	0	0
Availability	12	1	0
Delivery time	12	1	0
Price	12	1	0
Product consistency	12	1	0
Delivery terms	7	6	0
Quality exceeds industry standards	7	4	0
Discounts offered	6	7	0
Extension of credit	4	7	2
Technical support/service	4	7	2
Packaging	2	10	1
Minimum quantity requirements	1	8	4
U.S. transportation costs	1	8	4
Product range	0	13	0

Source: Compiled from data submitted in response to Commission questionnaires.

In addition, all 13 responding purchasers indicated that reliability of supply was a "very important" factor used in their purchasing decisions and 12 of 13 responding purchaser indicated that availability and delivery time were "very important" factors. Seven of 14 responding purchasers indicated that delivery was either the second or third highest factor used in their purchasing decisions while five of 14 responding purchasers indicated that availability was either second or third highest factor.

Six of 15 responding purchasers indicated that buying SSWR that is produced in the United States is required by law or regulation for some of their purchases. However, no purchaser reported that more than 15 percent of their purchases were required by law or regulation to be produced in the United States. Four of 15 responding purchasers indicated that buying SSWR that is produced in the United States is required by some of their customers. However, no purchaser reported that more than 20 percent of their purchases were required by their customers to be produced in the United States.

Five of 13 responding purchasers indicated that their firm "never" makes purchasing decisions based on the country of origin. The remaining eight purchasers indicated that their firm "sometimes" makes purchasing decisions based on the country of origin. Seven of 14 responding purchasers indicated that either they or their customers sometimes specifically order SSWR from one country in particular over other possible sources of supply. Four of these purchasers attributed sometimes specifically ordering from one country for quality issues. Also, four of 13 responding purchasers indicated that certain grades/types/sizes of SSWR are available from only a single source.[17]

Three of five responding producers indicated that they anticipate an increase in the availability of U.S.-produced SSWR in the U.S. market in the future and all three producers attributed at least some of the anticipated increase to recent entrants into the market. The remaining two responding producers indicated that they anticipated no change in availability of U.S. produced SSWR.

Eleven of 16 responding importers indicated that they anticipate no changes in terms of availability of SSWR imported from subject countries in the U.S. market in the future. The remaining five responding importers indicated that they anticipated a decrease in availability of SSWR imported from subject countries. Three of these importers attributed the anticipated decrease to the recent entry of new U.S. producers to the U.S. market and two importers also cited a weaker U.S. dollar as reason for the anticipated decrease.

Only one of five responding producers and two of 17 responding importers indicate that they anticipate changes in product range, product mix, or marketing of SSWR in the future. One producer expected continued price erosion because of global overcapacity for SSWR. One importer indicated that NAS will dominate the business model in the near term and another importer indicated it expects further changes in product mix from commodity grades to specialty grades.

Five of 13 responding purchasers indicated that they expect new SSWR suppliers to enter the market in the future. Three purchasers expected Outokumpu to enter the market, with two purchasers specifically indicating that they expected Outokumpu's entry in the form of a joint venture with Allegheny Teledyne. Two purchasers indicated that they expected Chinese producers to enter the market, with one purchaser specifically expecting Bao Steel as a new entrant. One purchaser indicated that it expects new entrants only if the current restrictions are lifted against certain SSWR producing nations.

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[17] Examples given by responding purchasers include *** from Sweden, and ***. One purchaser indicated that several years ago there was only one domestic source for ***, but it currently is available from multiple sources. Two purchasers indicated that metric sizes typically are available only from foreign mills and one purchaser indicated that calcium treatment for machinability is only available from foreign mills.

Comparison of Domestic Products and Subject Imports

As indicated in table II-3, *** responding domestic producers and at least one-half of responding importers indicated that U.S.-produced and imports of SSWR from all subject countries except for Sweden are either "always" or "frequently" used interchangeably. *** responding producers and seven of 11 responding importers indicated that U.S.-produced and imports of SSWR from Sweden were "always" or "frequently" interchangeable.

Table II-3
SSWR: Perceived degree of interchangeability of SSWR produced in the United States and in other countries

	Number of U.S. producers reporting				Number of U.S. importers reporting			
Country pair	A	F	S	N	A	F	S	N
U.S. vs. Italy	3	0	0	0	6	4	2	0
U.S. vs. Japan	3	0	0	0	9	2	3	0
U.S. vs. Korea	3	0	0	0	8	4	2	0
U.S. vs. Spain	3	0	0	0	6	1	3	0
U.S. vs. Sweden	2	0	1	0	6	1	4	0
U.S. vs. Taiwan	3	0	0	0	7	3	3	0
U.S. vs. other	3	0	0	0	5	0	4	0

Note.–A=always; F=frequently; S=sometimes; N=never.

Source: Compiled from data submitted in response to Commission questionnaires.

As indicated in table II-4, at least two of the three responding producers reported that differences in price between SSWR produced in the United States and all subject countries except for Japan were "always" a significant factor in their firm's sales of the products. As indicated in table II-5, one responding producer reported that differences other than price between SSWR produced in the United States and subject countries except for Japan were "always" a significant factor in their firm's sales of the products, another responding producer indicated that differences other than price were "sometimes" a significant factor, and the remaining responding producer indicated that differences other than price were "never" a significant factor. At least one-half of responding importers indicated that differences in price or differences in factors other than price between SSWR produced in the United States and all subject countries except for Sweden are either "sometimes" or "never" a significant factor in their firm's sales of the products. Four of seven responding importers indicated that differences in price between SSWR produced in the United States and Sweden were either "always" or "frequently" a significant factor in their firm's sales of the products, while four of seven responding importers indicated that differences other than price between SSWR produced in the United States and Sweden were either "sometimes" or "never" a significant factor in their firm's sales of the products.

Table II-4
SSWR: Perceived significance of differences in price between SSWR produced in the United States and in other countries

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
U.S. vs. Italy	3	0	0	0	2	0	6	0
U.S. vs. Japan	1	1	1	0	4	1	1	4
U.S. vs. Korea	3	0	0	0	3	0	6	0
U.S. vs. Spain	3	0	0	0	2	0	4	0
U.S. vs. Sweden	2	1	0	0	3	1	1	2
U.S. vs. Taiwan	3	0	0	0	3	0	5	2
U.S. vs. other	2	0	0	0	1	0	5	0

Note.–A=always; F=frequently; S=sometimes; N=never.

Source: Compiled from data submitted in response to Commission questionnaires.

Table II-5
SSWR: Perceived significance of differences other than price between SSWR produced in the United States and in other countries

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting			
	A	F	S	N	A	F	S	N
U.S. vs. Italy	1	0	1	1	0	1	3	2
U.S. vs. Japan	2	0	0	1	2	2	3	3
U.S. vs. Korea	1	0	1	1	2	1	5	2
U.S. vs. Spain	1	0	1	1	0	1	2	3
U.S. vs. Sweden	1	0	1	1	1	2	2	2
U.S. vs. Taiwan	1	0	1	1	1	1	6	2
U.S. vs. other	1	0	1	1	0	3	2	2

Note.–A=always; F=frequently; S=sometimes; N=never.

Source: Compiled from data submitted in response to Commission questionnaires.

As indicated in table II-6, at least one-half of responding purchasers indicated that SSWR produced in all subject countries except for Japan is "always" used in the same applications as SSWR produced in the United States, while no responding producers indicated that SSWR imported from any subject country was "never" used in the same applications. Only two of seven responding purchasers indicated that SSWR imported from Japan was "always" used in the same applications as SSWR produced in the United States, while four purchasers indicated that SSWR imported from Japan was "sometimes" used in the same applications.

Table II-6
SSWR: Usage in same applications of SSWR produced in the United States and in other countries

Country pair	Number of U.S. purchasers reporting			
	A	F	S	N
U.S. vs. Italy	6	3	1	0
U.S. vs. Japan	2	1	4	0
U.S. vs. Korea	6	3	1	0
U.S. vs. Spain	5	1	2	0
U.S. vs. Sweden	5	2	3	0
U.S. vs. Taiwan	7	2	3	0
U.S. vs. other	4	1	3	0

Note.–A=always; F=frequently; S=sometimes; N=never.

Source: Compiled from data submitted in response to Commission questionnaires.

For the factors that almost all responding purchasers indicated were "very important" in their purchasing decisions (see table II-2), purchaser comparisons of U.S.-produced SSWR and SSWR produced in subject countries varied by factor and subject country. As indicated in table II-7, at least one-half of responding purchasers responded that in regards to quality meeting industry standards, U.S.-produced SSWR was "comparable" to SSWR produced in each of the subject countries. One-half or more of responding purchasers, however, indicated that the product consistency of U.S.-produced SSWR was "inferior" to product consistency of SSWR produced in Japan, Korea, and Sweden. In regards to availability, delivery time, lower price, and reliability of supply, more than one-half of responding purchasers indicated that U.S. produced SSWR was either "superior" or "comparable" to SSWR produced in subject countries.

Table II-7
SSWR: Comparisons of U.S.-produced and subject imported product

Factor	Italy			Japan			Korea			Spain			Sweden			Taiwan		
	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I	S	C	I
Availability	3	4	2	3	0	1	4	4	2	2	2	0	2	5	1	2	4	2
Delivery terms	3	5	1	1	3	0	2	6	2	2	2	1	2	6	0	3	5	0
Delivery time	5	1	3	3	0	1	6	1	2	4	1	0	4	3	1	4	3	2
Discounts offered	1	7	1	1	3	0	0	9	1	2	2	1	1	6	1	1	7	1
Extension of credit	0	8	1	0	3	1	0	9	1	2	3	0	1	5	2	3	4	2
Lower price	3	3	3	2	2	0	4	4	2	3	0	2	4	3	0	5	1	3
Minimum quantity requirements	0	8	1	1	3	0	4	5	1	3	1	1	4	2	2	2	6	1
Packaging	0	6	3	1	1	2	0	4	6	1	4	0	1	3	4	1	6	2
Product consistency	2	3	4	0	2	2	0	5	5	1	4	0	0	3	5	0	7	2
Quality meets industry standards	0	7	2	1	3	0	0	8	2	1	4	0	0	7	1	1	8	0
Quality exceeds industry standards	0	4	4	1	0	3	0	6	4	1	4	0	0	4	4	0	5	3
Product range	2	5	2	1	1	2	1	7	2	4	1	0	0	6	2	4	4	1
Reliability of supply	3	4	2	0	3	1	3	5	2	4	1	0	2	6	0	3	4	2
Technical support/service	6	2	1	1	2	1	3	4	3	3	2	0	1	5	2	7	0	1
Lower U.S. transportation costs	3	5	1	0	2	2	1	6	3	2	1	2	1	5	2	2	3	4

Note-- S=U.S. product is superior, C=U.S. product is comparable, I=U.S. product is inferior.

Source: Compiled from data submitted in response to Commission questionnaires.

Comparison of Domestic Products and Subject Imports to Nonsubject Imports

*** U.S. producers and *** responding importers and purchasers reported that U.S.-produced SSWR and imports from nonsubject sources are "always" used interchangeably. In most cases, *** U.S. producer and *** responding importers and purchasers reported that imports from subject and nonsubject sources are "always" used interchangeably. The only exception was for imports of SSWR from Spain where four of five responding purchasers indicated that imports from Spain and nonsubject sources are either "always" or "frequently" used interchangeably.

ELASTICITY ESTIMATES[18]

U.S. Supply Elasticity

The domestic supply elasticity for SSWR measures the sensitivity of the quantity supplied by U.S. producers to a change in the U.S. market price of SSWR. The elasticity of domestic supply depends on several factors, including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternative markets for U.S.-produced SSWR.[19] Analysis of these factors earlier indicates that the U.S. industry has a moderate ability to increase or decrease shipments to the U.S. market given a change in price levels. Staff estimates that the supply elasticity is between 3 and 6.

U.S. Demand Elasticity

The U.S. demand elasticity for SSWR measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of SSWR. This estimate depends on factors discussed earlier such as the existence, availability, and commercial viability of substitute products, as well as the component share of SSWR in the production of downstream products. Based on available information, the demand elasticity for SSWR is likely to be in the range of -0.5 to -1.2.

Substitution Elasticities

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.[20] Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, surfaces, coil sizes) and conditions of sale (e.g., service, availability, delivery). Based on available information, the elasticity of substitution between U.S.-produced commercial market SSWR and subject imported SSWR is likely to be in the range of 2 to 4.[21]

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[18] Although encouraged to comment the elasticity estimates discussed in the prehearing report, parties made no comments on the elasticity estimates in their briefs or hearing testimony.

[19] Domestic supply response is assumed to be symmetrical for both an increase and a decrease in demand for the domestic product. Therefore, factors affecting increased quantity supplied to the U.S. market also affect decreased quantity supplied to the same extent.

[20] The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and U.S. domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject product (or vice versa) when prices change.

[21] Additionally, the elasticities of substitutions between U.S.-produced commercial market SSWR and nonsubject imports, between subject imports and nonsubject imports, and between each pair of subject countries is likely to be in the same range.

PART III: U.S. PRODUCERS' OPERATIONS

Information in this section is based on the questionnaire responses of seven firms that accounted for all U.S. production during the subject period of review.

U.S. PRODUCERS' CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

As shown in table III-1, average production capacity increased by *** percent from 1998 to 2003 while production fell by *** percent and capacity utilization fell by *** percentage points during the same period.[1] The increase in capacity is the result of the start-up of Charter and NAS in 2001 and 2003, respectively.

Table III-1
SSWR: U.S. producers' capacity, production, and capacity utilization, 1998-2003

* * * * * * *

U.S. producers' capacity is projected to increase as *** expects its capacity for all wire rod products to grow from ***[2] and *** projects its capacity to grow from ***.

Additional production of stainless steel billets in the United States also may affect future capacity and production of SSWR in the United States. Currently, *** produce their own billets for SSWR production. *** does not produce any billets; it purchases *** percent of its billets from *** and the remaining *** percent from ***.[3] Billets used in the production of SSWR for *** are supplied by ***.[4] NAS sources its billets from Acerinox, its parent company in Spain.[5] ***. Charter currently purchases its billets in the open market.[6] ***.

***.

U.S. PRODUCERS' U.S. SHIPMENTS AND EXPORT SHIPMENTS

As shown in table III-2, U.S. producers' U.S. shipments decreased by *** percent in quantity and *** percent in value from 1998 to 2003. Average unit values also fell by *** percent during the same period. However, U.S. commercial shipments rose by *** percent during this period. The rise in

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[1] ***, ***, and *** reported producing stainless steel products other than SSWR using the same equipment and machinery used in the production of SSWR and the same production and related workers employed to produce SSWR. These other products include bar and other alloys *** as well as nickel and titanium products for ***.

*** and *** reported no production of products other than SSWR using the same equipment and machinery used in the production of SSWR and the same production and related workers employed to produce SSWR. They also reported that they cannot switch production between SSWR and other products.

***.

[2] ***.

[3] Telephone interview with ***, May 11, 2004.

[4] Telephone interview with ***, March 25, 2004.

[5] *Hearing Transcript*, testimony of Gregg Jenkins, vice president, Handy & Harman Specialty Wire Group, p. 172.

[6] *Hearing Transcript*, testimony of Charles Mellowes, vice president and general manager, Charter Specialty Steel, p. 73.

U.S. commercial shipments during the review period is primarily due to increased quantities reported by ***. The decline in internal shipments is primarily due to decreased quantities reported by ***.

Table III-2
SSWR: U.S. producers' shipments, by type, 1998-2003

* * * * * * *

Producers' export shipments accounted for about *** percent of total shipments in 2003. Principal export markets reported were Canada, Europe, and Mexico.

As shown in table III-3, the majority of U.S. producers' U.S. shipments in 2003 (both commercial shipments and internal consumption) was austenitic grade SSWR. The majority of ferritic and martensitic grades reported were for internal consumption.

Table III-3
SSWR: U.S. producers' U.S. shipments, by type and by product grade, 2003

* * * * * * *

U.S. PRODUCERS' INVENTORIES

U.S. producers' inventories increased by *** percent from 1998 to 2003, but remained low relative to production and shipments, as shown in table III-4. The ratio of inventories to production, U.S. shipments, and total shipments rose by *** percentage points, respectively.

Table III-4
SSWR: U.S. producers' end-of-period inventories, 1998-2003

* * * * * * *

U.S. PRODUCERS' PURCHASES

Other than direct imports, no U.S. producers have purchased SSWR since January 1, 1998.[7]

U.S. PRODUCERS' EMPLOYMENT, WAGES, AND PRODUCTIVITY

From 1998 to 2003, the average number of production and related workers (PRWs), hours worked, and total wages decreased by *** percent, *** percent, and *** percent, respectively, as shown in table III-5. During this period, productivity increased by *** percent while hourly wages were relatively flat, resulting in a decrease of *** percent in unit labor costs. The rise in productivity is primarily due to ***. The drop in unit labor costs is primarily due to ***.

Table III-5
SSWR: Average number of production and related workers (PRWs), hours worked, wages paid to such employees, hourly wages, productivity, and unit labor costs, 1998-2003

* * * * * * *

[7] Detailed information on U.S. producers' imports can be found in Part I.

FINANCIAL CONDITION OF THE U.S. INDUSTRY

Background

Six producers of SSWR--Allvac, Carpenter, Charter, Dunkirk, NAS, and Talley--provided usable financial data. Talley is a wholly owned subsidiary of Carpenter but provided a separate producers' questionnaire.[8] Outokumpu, a ***, also provided a producers' questionnaire.[9] This accounts for virtually all U.S. production of SSWR in 2003.[10]

For the most part, sales of SSWR account for a small portion of the net sales of the domestic industry. The following tabulation lists, by domestic producer, the share of total net sales value accounted for by subject SSWR and nonsubject products produced at the same facilities during 2003.

* * * * * * *

Internal consumption of SSWR for the production of downstream products accounted for *** percent of total sales value of the U.S. industry during 2003, down from *** percent in 1998. Transfers accounted for only *** percent of total sales value during 2003, up from *** in 1998. All producers valued their company transfers and internal consumption at approximately fair market value except for ***, which valued its company transfers *** percent higher than its commercial per short ton average unit value (AUV) in 2001, *** percent higher in 2002, and *** percent higher in 2003.[11] ***.

*** submitted income-and-loss data prepared ***.[12] Because the *** methodology is substantially different from that reported in ***, the Commission asked the company to provide 1998-2003 data using ***.[13] Industry totals using the company's *** data for 1998-2003 are presented in table I-1 for the purpose of comparability. Because the Commission relied on *** in its most recent review involving SSWR, Commission staff used data provided *** in the remainder of this report.[14]

Between 1998 and 2003, U.S. producers increased SSWR production capacity at three separate facilities. Charter built a new plant for annealing and pickling subject merchandise in Fostoria, OH, which began production in 2001. Dunkirk purchased idled SSWR capacity from Empire Specialty Steel. The facility, located in Dunkirk, NY, became operational in March 2002. NAS began producing SSWR at its newly expanded Ghent, KY facility during 2003, with capacity expected to rise to *** short tons in 2004 and *** short tons in 2005. Charter states that ***.[15]

---

[8] ***.

[9] Outokumpu ***.

[10] U.S. producers of SSWR and their fiscal year ends are Allvac (***), Carpenter (***), Charter (***), Dunkirk (***), NAS (***), and Talley (***). All firms provided data on a calendar year basis.

[11] ***. ***.

[12] ***.

[13] ***.

[14] *Stainless Steel Wire Rod from Brazil, France, India, and Spain*, Invs. Nos. 701-TA-178 and 731-TA-636-638 (Review), Publication 3321, July 2000, p. 19, nn. 131 and 132, and p. 33, n. 38.

[15] Producers' questionnaire response of Charter, question IV-B-8, p. 17.

Operations on SSWR

Income-and-loss data for the U.S. producers on their SSWR operations are presented in table III-6; selected financial data, by firm, are presented in table III-7; and selected per-short-ton data, by firm, are shown in table III-8.[16] The U.S. industry's operating *** was $*** in 1998, declining to an operating *** of $*** in 2001 before rising to an operating *** of $*** in 2003. This represents a decline in the U.S. industry's operating margin of *** percentage points between 1998 and 2003, from *** percent in 1998 to *** percent in 2003. Total sales quantities for the U.S. industry fell *** percent over this period, from *** short tons in 1998 to *** short tons in 2003. Total sales values declined from $*** in 1998 to $*** in 2003, a decrease of *** percent. Raw material costs for the industry declined *** percent during 1998-2003. Consequently, raw materials as a percentage of net sales rose from *** percent in 1998 to *** percent in 2002, and jumped to *** percent in 2003. Carpenter stated that ***.[17] Dunkirk stated that ***.[18] Direct labor costs declined during the period of review, decreasing a total of *** percent during 1998-2003.

Table III-6
Results of operations of U.S. producers in the production of SSWR, 1998-2003

* * * * * * *

Table III-7
Results of operations of U.S. producers in the production of SSWR, by firms, 1998-2003

* * * * * * *

Table III-8
Results of operations (per short ton) of U.S. producers in the production of SSWR, by firms, 1998-2003

* * * * * * *

Carpenter and Talley together accounted for *** percent of total net sales quantity and *** percent of the total net sales value in 2003. Declines in internal consumption of SSWR from 1998 to 2003 can be attributed mostly to decreases reported by ***, although *** no longer internally consumes any SSWR. Carpenter reported ***. On the other hand, ***.[19]

Of the six U.S. companies reporting data, only Carpenter and Talley received funds under the Continued Dumping and Subsidy Offset Act (CDSOA). Carpenter received $***, while Talley received $***.

The variance analysis for the U.S. SSWR industry is presented in table III-9. This variance analysis is derived from information presented in table III-6 and provides an assessment of changes in profitability as related to changes in pricing, cost, and volume. A variance analysis is most effective when the product involved is a homogeneous product with no variation in product mix within a firm and between firms. The current analysis shows that the unfavorable operating income variance from 1998 to 2003 was attributable to both unfavorable total net sales price and volume variances. These unfavorable

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[16] Allvac's ***.

[17] Producers' questionnaire response of Carpenter, question IV-B-9 , p. 17.

[18] Producers' questionnaire response of Dunkirk, question IV-B-9 , p. 17.

[19] As related entities, Carpenter and Talley have issued a joint email stating that "***." Email from ***.

variances were only partially offset by a favorable net cost/expense variance, causing the industry to experience operating losses.

Table III-9
Variance analysis for SSWR operations, 1998-2003

* * * * * * *

Investment in Productive Facilities, Capital Expenditures, Research and Development Expenses, and Return on Investment

The responding firms' data on capital expenditures, R&D expenses, and the value of their property, plant, and equipment for their SSWR operations are shown in table III-10. ***.[20] All R&D expenses during 1998-2003 were incurred by ***.

Table III-10
Capital expenditures, research and development expenses, and value of assets of U.S. producers of SSWR, 1998-2003

* * * * * * *

In response to questions at the Commission's hearing regarding targets for return on investment by U.S. companies producing SSWR, Charter stated that an "***."[21] Outokumpu indicated that "***."[22]

Carpenter stated that its annual rate of return on net assets for ***, given the company's capital investments. Carpenter's ***. According to data provided by the company, its actual annual return on net assets for ***. In 2002 and 2003, Carpenter's rates of return on net assets were *** percent and *** percent, respectively.[23]

---

[20] Producers' questionnaire response of NAS, question III-5, p. 11, and ***.

[21] *Posthearing Brief of the Domestic Interested Parties*, exh. 1 and exh. 4.

[22] *Posthearing Brief of the Domestic Interested Parties*, exh. 1 and exh. 12.

[23] *Posthearing Brief of the Domestic Interested Parties*, exh. 1.

PART IV: U.S. IMPORTS AND THE FOREIGN INDUSTRIES

U.S. IMPORTS

The Commission issued 130 importers' questionnaires to companies believed to account for all imports of SSWR. Questionnaires were also sent to all U.S. producers. Twenty-seven companies returned usable questionnaire responses and 41 responded that they did not import SSWR during the period of review.[1] Usable responses accounted for only *** percent of SSWR imports from Italy (but virtually all SSWR from Italian sources other than Valbruna), 77.4 percent of subject imports from Japan, *** percent of imports from Korea, *** percent of imports from Spain, 103.4 percent of subject imports from Sweden, 29.9 percent of subject imports from Taiwan, 117.8 percent of nonsubject imports from Japan, 100.9 percent of nonsubject imports from Sweden, and 61.7 percent of nonsubject imports from Taiwan in 2003.[2] Due to low coverage for some countries and the fact that official Commerce statistics can account for excluded products, official Commerce statistics are used in this report. The excluded products are Hitachi products from Japan, Kanthal products from Sweden, and Yieh Hsing products from Taiwan. Quantities and values reported as subject imports are believed to include only minor amounts of nonsubject merchandise, namely SSWR grades SF20T and K-M35FL.

As shown in table IV-1, the quantities of U.S. imports of subject SSWR and nonsubject SSWR decreased by 58.5 and 22.0 percent, respectively, from 1998 to 2003.[3] [4] Much of the decrease occurred in 2002 and 2003, when SSWR from the six countries was subject to a safeguard action.[5]

No importers reported entering or withdrawing SSWR from foreign trade zones or bonded warehouses. In addition, no importers reported imports of SSWR under the temporary importation under bond program ***.[6]

U.S. IMPORTERS' SHIPMENTS

U.S. importers' shipments of imports of SSWR in 2003 by type and by grade of SSWR are shown in table IV-2. The austenitic grade of SSWR accounted for the overwhelming majority of commercial shipments and internal consumption/transfers to related firms.

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[1] Two questionnaire responses were from consignees and their data were not added to the aggregate.

[2] Major importers of SSWR that did not submit questionnaire responses include ***.

[3] Countries that currently are subject to stainless steel wire rod antidumping duty orders but which are not the subject of these reviews (i.e., Brazil, France, and India) accounted for imports of 5,396 short tons in 1998, 7,277 short tons in 1999, 16,045 short tons in 2000, 11,318 short tons in 2001, 10,676 short tons in 2002, and 5,952 short tons in 2003.

[4] Imports of stainless steel wire rod from the subject countries, nonsubject countries, and from both subject and nonsubject countries in the instant reviews equaled 3,744 short tons, 4,986 short tons, and 8,730 short tons, respectively, in the first quarter of 2004. However, 2004 import data by foreign manufacturer are not available as of the writing of this report.

[5] As discussed in the Commission's recent monitoring report on steel, the quantity of U.S. imports of stainless rod was 31.6 percent lower in April 2002 - March 2003 (the twelve-month period following the imposition of the safeguard action) than during the period April 2001 - March 2002. The quantity of stainless rod imports from covered sources – the vast majority of all such imports – fell by 36.9 percent during this period, while the quantity of stainless rod imports from noncovered sources – principally India – rose by 109.8 percent. *Steel: Monitoring Developments in the Domestic Industry*, Investigation No. TA-204-9, Volume II, Publication 3632, September 2003, Table STAINLESS III-7.

[6] ***, telephone interview by USITC Staff, April 21, 2004.

Table IV-1
SSWR: U.S. imports, by sources, 1998-2003

Source	1998	1999	2000	2001	2002	2003
			Quantity (*short tons*)			
Italy	5,685	6,064	13,598	7,638	7,401	4,526
Japan (other than Hitachi)	***	***	***	***	***	***
Korea	12,984	10,570	9,058	5,593	4,482	1,437
Spain	1,932	4,732	3,881	4,783	5,885	4,158
Sweden (other than Kanthal)	***	***	***	***	***	***
Taiwan (other than Yieh Hsing)	***	***	***	***	***	***
Subtotal, subject sources	35,445	30,632	35,464	25,794	24,274	14,693
Japan (Hitachi only)	***	***	***	***	***	***
Sweden (Kanthal only)	***	***	***	***	***	***
Taiwan (Yieh Hsing only)	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Subtotal, nonsubject sources	26,673	35,366	49,462	36,493	34,020	20,792
Total	62,118	65,999	84,926	62,287	58,294	35,485
			Value (*$1,000*)[1]			
Italy	11,793	10,562	24,104	14,866	11,619	7,546
Japan (other than Hitachi)	***	***	***	***	***	***
Korea	22,489	14,918	13,869	7,745	5,730	2,128
Spain	3,809	7,584	6,282	7,573	8,323	6,602
Sweden (other than Kanthal)	***	***	***	***	***	***
Taiwan (other than Yieh Hsing)	***	***	***	***	***	***
Subtotal, subject sources	68,558	50,049	62,482	44,509	38,004	26,617
Japan (Hitachi only)	***	***	***	***	***	***
Sweden (Kanthal only)	***	***	***	***	***	***
Taiwan (Yieh Hsing only)	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Subtotal, nonsubject sources	60,786	63,710	95,518	67,895	61,974	37,185
Total	129,343	113,758	158,000	112,403	99,978	63,802

Continued on next page.

Table IV-1--*Continued*
SSWR: U.S. imports, by sources, 1998-2003

Source	1998	1999	2000	2001	2002	2003
			Unit value (*dollars per short ton*)			
Italy	2,075	1,742	1,773	1,946	1,570	1,667
Japan (other than Hitachi)	***	***	***	***	***	***
Korea	1,732	1,411	1,531	1,385	1,278	1,481
Spain	1,972	1,603	1,618	1,583	1,414	1,588
Sweden (other than Kanthal)	***	***	***	***	***	***
Taiwan (other than Yieh Hsing)	***	***	***	***	***	***
Subtotal, subject sources	1,934	1,634	1,762	1,726	1,566	1,812
Japan (Hitachi only)	***	***	***	***	***	***
Sweden (Kanthal only)	***	***	***	***	***	***
Taiwan (Yieh Hsing only)	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Subtotal, nonsubject sources	2,279	1,801	1,931	1,860	1,822	1,788
Average	2,082	1,724	1,860	1,805	1,715	1,798
			Share of quantity (*percent*)			
Italy	9.2	9.2	16.0	12.3	12.7	12.8
Japan (other than Hitachi)	***	***	***	***	***	***
Korea	20.9	16.0	10.7	9.0	7.7	4.0
Spain	3.1	7.2	4.6	7.7	10.1	11.7
Sweden (other than Kanthal)	***	***	***	***	***	***
Taiwan (other than Yieh Hsing)	***	***	***	***	***	***
Subtotal, subject sources	57.1	46.4	41.8	41.4	41.6	41.4
Japan (Hitachi only)	***	***	***	***	***	***
Sweden (Kanthal only)	***	***	***	***	***	***
Taiwan (Yieh Hsing only)	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Subtotal, nonsubject sources	42.9	53.6	58.2	58.6	58.4	58.6
Total	100.0	100.0	100.0	100.0	100.0	100.0

Continued on next page.

Table IV-1--*Continued*
SSWR: U.S. imports, by sources, 1998-2003

Source	1998	1999	2000	2001	2002	2003
			Share of value (*percent*)			
Italy	9.1	9.3	15.3	13.2	11.6	11.8
Japan (other than Hitachi)	***	***	***	***	***	***
Korea	17.4	13.1	8.8	6.9	5.7	3.3
Spain	2.9	6.7	4.0	6.7	8.3	10.3
Sweden (other than Kanthal)	***	***	***	***	***	***
Taiwan (other than Yieh Hsing)	***	***	***	***	***	***
Subtotal, subject sources	53.0	44.0	39.5	39.6	38.0	41.7
Japan (Hitachi only)	***	***	***	***	***	***
Sweden (Kanthal only)	***	***	***	***	***	***
Taiwan (Yieh Hsing only)	***	***	***	***	***	***
Other sources	***	***	***	***	***	***
Subtotal, nonsubject sources	47.0	56.0	60.5	60.4	62.0	58.3
Total	100.0	100.0	100.0	100.0	100.0	100.0

[1] Landed, duty-paid.

Note.--Unit values and shares are calculated from the unrounded figures.

Note.–In June 2004, Commerce notified the Commission of its determination to revoke the countervailing duty order on Italy, effective September 15, 2003. Accordingly, for the remainder of 2003, subject imports of SSWR from Italy include only SSWR produced by Italian manufacturers other than Valbruna (and its subsidiary Bolzano) – in essence, those of Cogne Acciai. Based on questionnaire responses (1998) and adjusted official import statistics (1999-2003), imports of SSWR from Valbruna and Cogne Acciai are as follows:

	Valbruna	Other (Cogne Acciai)
1998:	*** short tons ($***)	*** short tons ($***)
1999:	*** short tons ($***)	*** short tons ($***)
2000:	*** short tons ($***)	*** short tons ($***)
2001:	*** short tons ($***)	*** short tons ($***)
2002:	*** short tons ($***)	*** short tons ($***)
2003:	*** short tons ($***)	*** short tons ($***)

Due to exports by third parties, imports attributed to Valbruna may be somewhat understated, and those attributed to other manufacturers may be somewhat overstated.

Source: Compiled from official statistics of the U.S. Department of Commerce and the Bureau of Customs and Border Protection.

Table IV-2
SSWR: U.S. commercial shipments and internal consumption/transfers to related firms of U.S. imports, by type, 2003

* * * * * * *

U.S. IMPORTERS' INVENTORIES

U.S. importers' inventories of imports from Italy, Korea, Spain, Sweden (subject), Taiwan (subject), Japan (nonsubject), Sweden (nonsubject), Taiwan (nonsubject), and other sources are shown in table IV-3.[7] There were no end-of-period inventories reported for imports from Japan (subject).

Table IV-3
SSWR: U.S. importers' end-of-period inventories of imports from Italy, Korea, Spain, Sweden (other than Kanthal), Taiwan (other than Yieh Hsing), Japan (Hitachi only), Sweden (Kanthal only), Taiwan (Yieh Hsing only), and all other countries, 1998-2003

* * * * * * *

ITALY'S CAPACITY, PRODUCTION, CAPACITY UTILIZATION, DOMESTIC SHIPMENTS, EXPORT SHIPMENTS, AND INVENTORIES

There were four producers of SSWR in Italy identified during the original investigations: Valbruna, Bolzano, Cogne Acciai, and Rodacciai S.p.A. The Commission received a questionnaire response from Cogne Acciai and an incomplete response[8] from Valbruna (which accounted for data concerning its subsidiary, Bolzano). Cogne Acciai is the only Italian producer of SSWR represented by counsel. Its importer, Cogne Specialty, is represented by the same counsel.[9] Table IV-4 shows available data on Italy's capacity, production, shipments, and inventories from 1998 to 2003. Tables IV-5 and IV-6 show Italian foreign producers' data separately for Cogne Acciai and Valbruna, respectively. Table IV-7 shows Italian producers' shipments, by destination and by product grade. Tables IV-8 and IV-9 show Italian producers' shipments, by destination and by product grade, separately for Cogne Acciai and Valbruna, respectively.

Table IV-4
SSWR: Italy's capacity, production, inventories, and shipments, 1998-2003

* * * * * * *

Table IV-5
SSWR: Italy's (Cogne Acciai's) capacity, production, inventories, and shipments, 1998-2003

* * * * * * *

Table IV-6
SSWR: Italy's (Valbruna's) capacity, production, inventories, and shipments, 1998-2003

* * * * * * *

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[7] ***.

[8] ***. Staff requested the missing data, but received no further information.

[9] ***.

Table IV-7
SSWR: Italian producers' shipments, by destination, by product grade, 2003

* * * * * * *

Table IV-8
SSWR: Italian producer's (Cogne Acciai) shipments, by destination, by product grade, 2003

* * * * * * *

Table IV-9
SSWR: Italian producer's (Valbruna's) shipments, by destination, by product grade, 2003

* * * * * * *

Valbruna reported that it accounted for *** percent of the production of SSWR in Italy in 2003. It accounted for the *** of all the exports of SSWR from Italy to the United States since 1998.[10] It also reported that approximately *** percent of its total sales in its most recent fiscal year was represented by sales of SSWR. ***.

Cogne Acciai reported that it accounted for *** percent of the production of SSWR in Italy in 2003. It accounted for *** percent of total exports to the United States from Italy in 1998 and accounted for less than that in the following years to 2003. In ***.[11] It also reported that approximately *** percent of its total sales in its most recent fiscal year was represented by sales of SSWR. ***.[12]

JAPAN'S CAPACITY, PRODUCTION, CAPACITY UTILIZATION, DOMESTIC SHIPMENTS, EXPORT SHIPMENTS, AND INVENTORIES

The Commission received questionnaire responses from the following eight companies during the original investigations: (1) Aichi Steel Works, Ltd.; (2) Daido Steel Co.; (3) Hitachi Metals, Ltd.; (4) Pacific Metals Co., Ltd.; (5) Nippon Koshua Steel Co., Ltd.; (6) Nippon Steel Corp.; (7) Sanyo Special Steel Co., Ltd.; and (8) Sumitomo Electric Industries, Ltd. No subject Japanese producer submitted a response to the foreign producers' questionnaire in the current reviews.[13]

The following data in table IV-10 were collected from an exhibit attached to the questionnaire response of Dongbang, a Korean producer. The data in the exhibit are based on data supplied by Steel and Metals Market Research, a market research company.

Table IV-10
SSWR: Japan's production, by producer, and consumption, 1998-2003

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[10] It reported that its exports of SSWR are not subject to tariff or non-tariff barriers to trade in any country other than the United States.

[11] It reported that its exports of SSWR are not subject to tariff or non-tariff barriers to trade in any country other than the United States.

[12] ***.

[13] ***. ***, telephone interview by USITC Staff, March 1, 2004.

KOREA'S CAPACITY, PRODUCTION, CAPACITY UTILIZATION, DOMESTIC SHIPMENTS, EXPORT SHIPMENTS, AND INVENTORIES

The following three producers of SSWR in Korea were identified during the original investigations: Dongbang, Pohang Iron and Steel Co., Ltd. (POSCO), and Sammi Steel Corp. (Sammi). In 1997, POSCO purchased Sammi's production facilities and formed a new company called Changwon Specialty Steel Co., Ltd. (Changwon). In the current reviews, the Commission received questionnaire responses from Dongbang, Changwon, and POSCO. POSCO responded that it did not produce SSWR during the period of review. Changwon produces both the black and white coil SSWR. Black coil SSWR is annealed and pickled to produce white coil SSWR. Dongbang produces only white coil SSWR.[14] Therefore, data on Korea's capacity, production, shipments, and inventories from 1998 to 2003 of its white coil and black coil SSWR are shown in tables IV-11 and IV-12, respectively. Tables IV-13 and IV-14 show Korean producers' shipments of white and black coil SSWR, respectively, by destination and by product grade.

Table IV-11
SSWR (white coil): Korea's capacity, production, inventories, and shipments, 1998-2003

* * * * * * *

Table IV-12
SSWR (black coil): Korea's capacity, production, inventories, and shipments, 1998-2003

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Table IV-13
SSWR (white coil): Korean producers' shipments, by destination, by product grade, 2003

* * * * * * *

Table IV-14
SSWR (black coil): Korean producers' shipments, by destination, by product grade, 2003

* * * * * * *

Changwon reported that it accounted for *** percent of the production of SSWR in Korea in 2003. It reported that it accounted for *** percent of total exports to the United States from Korea in 2003.[15] It also reported that approximately *** percent of its total sales in its most recent fiscal year was represented by sales of SSWR. ***.

Changwon's exports to the United States decreased by *** percent from 1998 to 2003 while its exports to all other export markets increased by *** percent during the same period. Its exports to Asia, in particular, increased by *** percent from 1998 to 2003 and accounted for *** percent of its total exports.[16]

Dongbang reported that it accounted for *** percent of the production of SSWR in Korea in 2003. Its exports of SSWR from Korea to the United States during the period of review progressively

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[14] ***. ***, telephone interview by USITC Staff, July 8, 2004.

[15] It reported that its exports of SSWR are not subject to tariff or non-tariff barriers to trade in any country other than the United States.

[16] Transportation costs (for 2003) reported by Changwon ***.

declined from *** short tons in 1998 to *** short tons in 2002. It *** SSWR to the United States in 2003.[17] It also reported that approximately *** percent of its total sales in its most recent fiscal year was represented by sales of SSWR. ***.[18]

SPAIN'S CAPACITY, PRODUCTION, CAPACITY UTILIZATION, DOMESTIC SHIPMENTS, EXPORT SHIPMENTS, AND INVENTORIES

The following two producers of SSWR in Spain were identified during the original investigations: Roldan and Aceros Inoxidables Olarra. The Commission did not receive a questionnaire response from any firm in Spain. Roldan is a subsidiary of Acerinox, the parent company of NAS.[19] In seeking a questionnaire response for Roldan, staff has contacted NAS but was unable to obtain Roldan's questionnaire.

The following data in table IV-15 were collected from an exhibit attached to the questionnaire response of Dongbang, a Korean producer. The data in the exhibit are based on data supplied by Steel and Metals Market Research, a market research company.

Table IV-15
SSWR: Spain's production, by producer, and consumption, 1998-2003

* * * * * * *

SWEDEN'S CAPACITY, PRODUCTION, CAPACITY UTILIZATION, DOMESTIC SHIPMENTS, EXPORT SHIPMENTS, AND INVENTORIES

Fagersta and Kanthal are the only known producers of SSWR in Sweden. However, certain SSWR produced by Kanthal are excluded from the scope of these reviews and Kanthal has exported only excluded SSWR to the United States during these reviews. Therefore, table IV-16 shows only Fagersta's data on capacity, production, shipments, and inventories in 1998 to 2003.[20] Its production and total shipments, including shipments to the United States, fell from 1998 to 2003. It reported that it accounted for *** percent of the production of SSWR in Sweden in 2003 and *** percent of SSWR exports to the United States from Sweden in 2003.[21] Table IV-17 shows Fagersta's shipments, by destination and by product grade.

As mentioned earlier, Fagersta is related to Outokumpu, a tollee and importer of SSWR in the United States. Fagersta reported that *** percent of its total sales in its most recent fiscal year was represented by sales of SSWR. ***.

Table IV-16
SSWR: Sweden's capacity, production, inventories, and shipments, 1998-2003

* * * * * * *

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[17] It reported that its exports of SSWR are not subject to tariff or non-tariff barriers to trade in any country other than the United States.

[18] *** stainless steel wire. *Posthearing Brief of Korean Respondents*, p. 6.

[19] See *http://www.acerinox.es/acerinox/ingacerinox.nsf* for group companies under Acerinox.

[20] Kanthal reported some data on its SSWR operations. Its data are presented in app. E.

[21] It reported that its exports of SSWR are not subject to tariff or non-tariff barriers to trade in any country other than the United States.

Table IV-17
SSWR: Swedish producer's shipments, by destination, by product grade, 2003

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TAIWAN'S CAPACITY, PRODUCTION, CAPACITY UTILIZATION, DOMESTIC SHIPMENTS, EXPORT SHIPMENTS, AND INVENTORIES

The following two producers of SSWR in Taiwan were identified during the original investigations: Walsin-Cartech and (nonsubject) Yieh Hsing. In the current reviews, the Commission received incomplete data from Walsin Lihwa Corp. (Walsin). Walsin's data on its capacity, production, shipments, and inventories from 1998 to 2003 are shown in table IV-18. Table IV-19 shows Walsin's shipments, by destination and by product grade.

Walsin reported that it accounted for *** percent of the production of SSWR in Taiwan in 2003. Its reported that its exports of SSWR from Taiwan to the United States accounted for *** percent of such exports during 2003.[22] ***.

Table IV-18
SSWR: Taiwan's capacity, production, inventories, and shipments, 1998-2003

* * * * * * *

Table IV-19
SSWR: Walsin's shipments, by destination, by product grade, 2003

* * * * * * *

MAJOR MARKETS

Europe

Ten countries (Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia) joined the European Union (EU) on May 1, 2004.[23] Prior to that time, the EU consisted of 15 members (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy,

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[22] It reported that ***. ***.

[23] As a customs union, the European Union (or EU) maintains a common external tariff, has abolished customs duties between Member States, and since 1993, has removed internal border restrictions. The EU has expanded gradually, increasing from six Member States to 15 between 1958 and 1995. The "EU Enlargement" in May 2004 added ten new Member States, increasing population in the EU by nearly 20 percent and increasing GDP by almost 5 percent. *See* "Customs and Tariffs" at *www.eurunion.org/legislat/customs.htm* (retrieved on June 9, 2004); "The Customs Policy of the European Union" at *www.europa.eu.int/comm/publications/booklets/move/19/txt_en.htm* (retrieved June 9, 2004); and "EU Enlargement: The New EU 25 compared to the EU15", Eurostat news release STAT/04/36, March 11, 2004.

Twelve of the 15 Member States of the EU as it existed prior to May 1, 2004, have adopted a common currency, the *euro*. The *euro* has been accepted in these Member States as an accounting unit since 1999 and as common currency since 2002. At this time, Denmark, Sweden, and the United Kingdom have not adopted the *euro*, nor have the ten newest Member States. *See* "The Euro: Our Currency" at *www.europa.eu.int/comm/economy_finance/euro/faqs/faqs_19_en.htm* (retrieved June 9, 2004) and "The Euro" at *www.economist.com/research/backgrounders/displayBackgrounder.cfm?bg=974014* (retrieved June 9, 2004).

Luxembourg, Netherlands, Portugal, Spain, Sweden, and the United Kingdom). Among the 10 new members, only the Czech Republic has a known producer of SSWR.[24] Within the original 15 EU members (not including any countries subject to orders in the instant reviews), there is one known producer of SSWR (Usinor S.A.) in France,[25] two (Krupp Edelstahlprofile GmbH and BGH- Edelstahl Freital GmbH) in Germany,[26] and one (ASR) in the United Kingdom.[27] Table IV-20 presents consumption of SSWR for certain countries in Europe.

Table IV-20
SSWR: Consumption by certain countries in Europe, 1998-2003

* * * * * * *

Asia

In addition to the SSWR producers in Japan, Korea, and Taiwan, there are six known producers of SSWR in India[28] and three producers of SSWR (Changcheng Special Steel, Liaoning Special Steel, and TISCO) in China.[29] In addition to the three known, active producers of SSWR in China, Baosteel Group Shanghai No. 5 Steel Co., Ltd., ordered production equipment in 2002 to manufacture specialty and stainless products.[30] Production of SSWR reportedly is scheduled to begin in 2004 and reach *** metric tons by 2005. Table IV-21 presents consumption of SSWR for certain countries in Asia.

Table IV-21
SSWR: Consumption by certain countries in Asia, 1998-2003

* * * * * * *

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[24] *Iron and Steel Works of the World*, 15th edition, pp. 52-54, 57-58, 89-92, 165, 192-196, 212-214. Among the 10 new members, the Czech Republic and Hungary each have a known producer of bar and Slovenia has a known producer of bar and wire.

[25] *Stainless Steel Wire Rod from Brazil, France, India, and Spain*, Invs. Nos. 701-TA-178 and 731-TA-636-638 (Review), Publication No. 3321, July 2000, p. IV-4.

[26] *Stainless Steel Wire Rod from Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan*, Invs. Nos. 701-TA-373 and 731-TA-769-775 (Final), Publication No. 3126, September 1998, p. VII-1.

[27] *Steel and Metals Market Research.*

[28] *Iron and Steel Works of the World*, 15th edition, pp. 41-50, 92-119.

[29] *Steel and Metals Market Research.*

[30] *See* "Baosteel mill orders rod outlet from Morgan" at AMM.com - Steel News - March 19, 2002.

PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Raw Material Costs

Raw materials as a share of cost of good sold for domestic producers of SSWR fluctuated between 1998 and 2003, increasing overall from *** percent of the cost of goods sold in 1998 to *** percent in 2003. Nickel, chromium, and molybdenum constitute a substantial portion of the raw material costs for producing SSWR. As indicated in figure V-1, the monthly average price of nickel as measured by the London Monetary Exchange (LME) fluctuated between 1998 and 2004, falling from $2.49 per pound in January 1998 to $1.76 per pound in October 1998 and then rising to $4.60 per pound in May 2000. The price then fell to $2.20 per pound in October 2001 before rising to $6.87 per pound in February 2004.

One domestic producer indicated that although raw material prices were relatively stable between 1998 and 2002, the selling price for SSWR continued to decline. However, one importer indicated that raw material prices increased from 1998 to 2003 and that selling prices had not changed much due to price pressure from low cost products from China and India. Another producer and an importer indicated that in the second half of 2003 prices of raw materials such as nickel, chromium, molybdenum, and scrap iron have increased considerably and that SSWR prices have similarly increased. Other importers also noted increased raw material costs and the use of raw material surcharges. One importer noted that nickel prices have been the main, but not only, factor behind price changes. This importer also noted that although base prices for SSWR from domestic and European sources are lower than from other sources these sources have hefty alloy surcharges.

Two U.S. producers *** and four importers *** reported that they change prices of SSWR to their customers based on an alloy surcharge formula.[1] Also, one domestic producer *** reported that some of its sales include a surcharge.[2]

Transportation Costs to the U.S. Market

Transportation costs for SSWR from subject countries to the United States (excluding U.S. inland costs) increased overall between 1998 and 2003. Transportation costs increased from 4.4 percent to 9.0 percent of the total cost for SSWR for Italy, from 4.3 percent to 7.9 percent for Japan, 6.6 percent to 8.1 percent for Korea, 4.7 percent to 6.9 percent for Spain, 4.8 percent to 6.1 percent for Sweden, and 4.2 percent to 6.4 percent for Taiwan. These estimates are derived from official import data and represent the transportation and other charges on imports valued on a c.i.f. basis, as compared with customs value.

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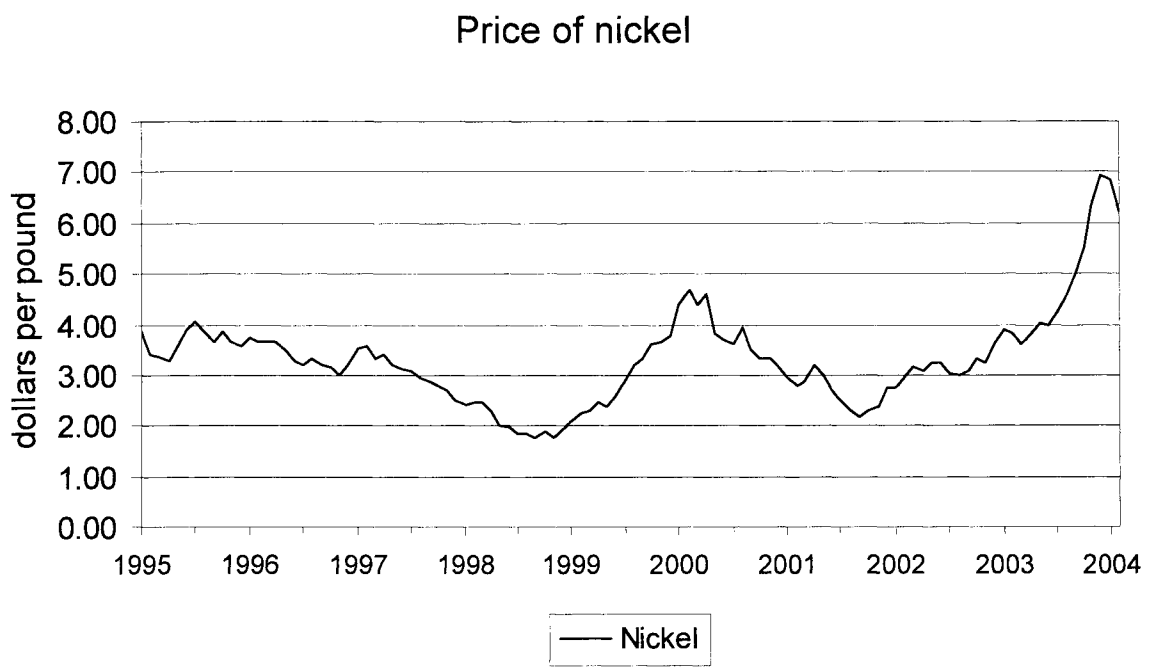
[1] *** reported that it uses formulas based on the monthly LME price for nickel, Platt's Metals Week for ferrochrome, and Iron Age Philadelphia for iron. *** reported that its surcharge changes monthly based on LME or American Metal Market prices. *** reported that alloy surcharges are based on the average monthly cost of nickel, chromium, and molybdenum two months prior to date of delivery less the included cost times nominal composition times a yield factor; prices are based on *www.metalprices.com*. *** uses formulas based on LME prices. *** reported that it uses a nickel price of $3.00 per pound as the base.

[2] ***.

Figure V-1
Monthly average nickel prices, January 1995-March 2004



Source: USGS.

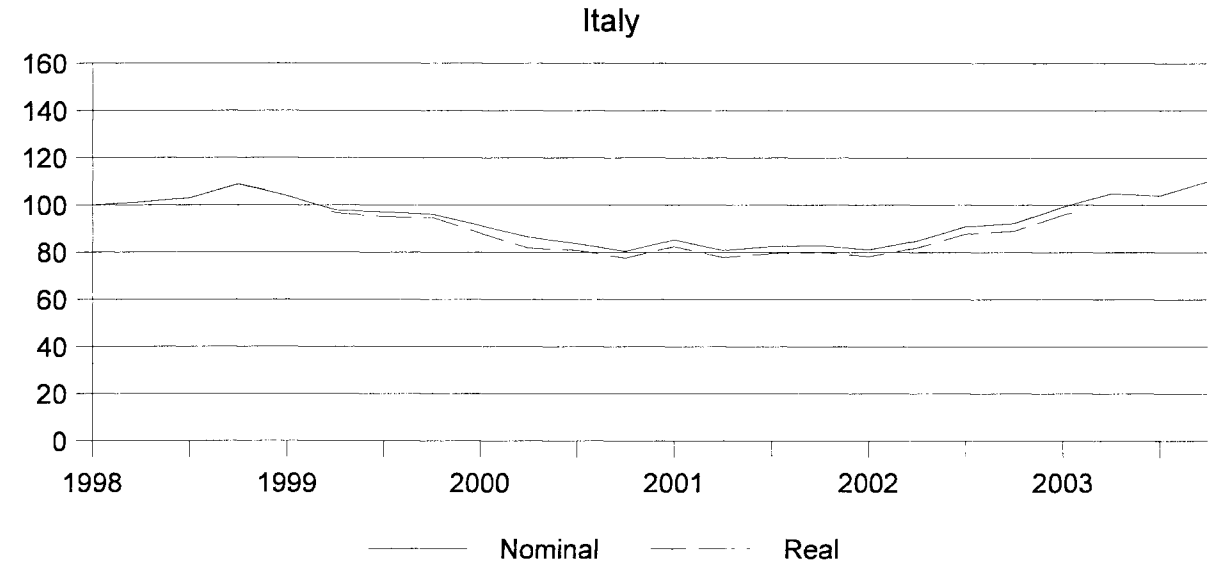
U.S. Inland Transportation Costs

Four of five responding U.S. producers and 11 of 16 responding importers reported that they arrange transportation to their customers' locations. Two of the three responding U.S. producers reported that U.S. transportation costs were *** and *** percent of the total delivered cost of SSWR, while the other reported that such costs were only *** percent. Seven of nine responding importers reported U.S. transportation costs ranging from 1 to 2 percent, with the other two responding importers reporting higher costs of *** and *** percent. Most U.S. producers reported that the majority of their sales were between 101 and 1,000 miles of their storage or production facility, although *** reported making 35 percent of its sales within 100 miles of its facility, *** reported making 50 percent of its sales more than 1,000 miles from its facility, and *** reported making about 30 percent of their sales more than 1,000 miles from their facilities. Seven of 14 responding importers reported that most of their sales were within 100 miles of their storage facility, while four importers reported making most of their sales farther than 1,000 miles away.

Exchange Rates

Nominal and real values of the currencies of Italy, Japan, Korea, Spain, Sweden, and Taiwan from January 1998 to December 2003 are presented in figure V-2.

Figure V-2
Exchange rates: Indices of the nominal and real exchange rates between the subject countries currencies and the U.S. dollar, by quarters, January 1998-December 2003



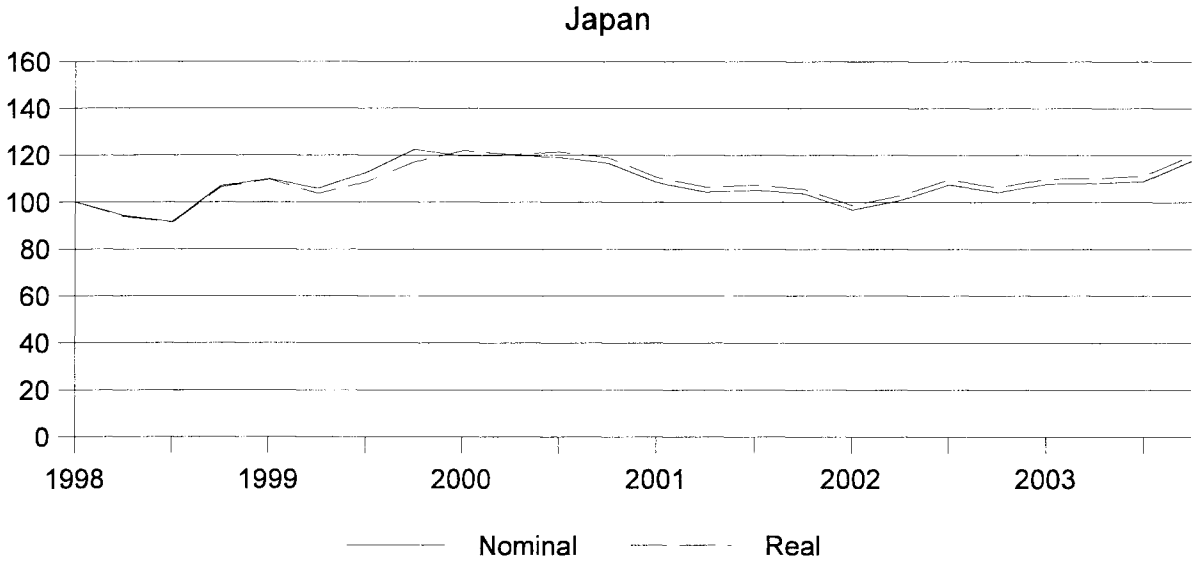
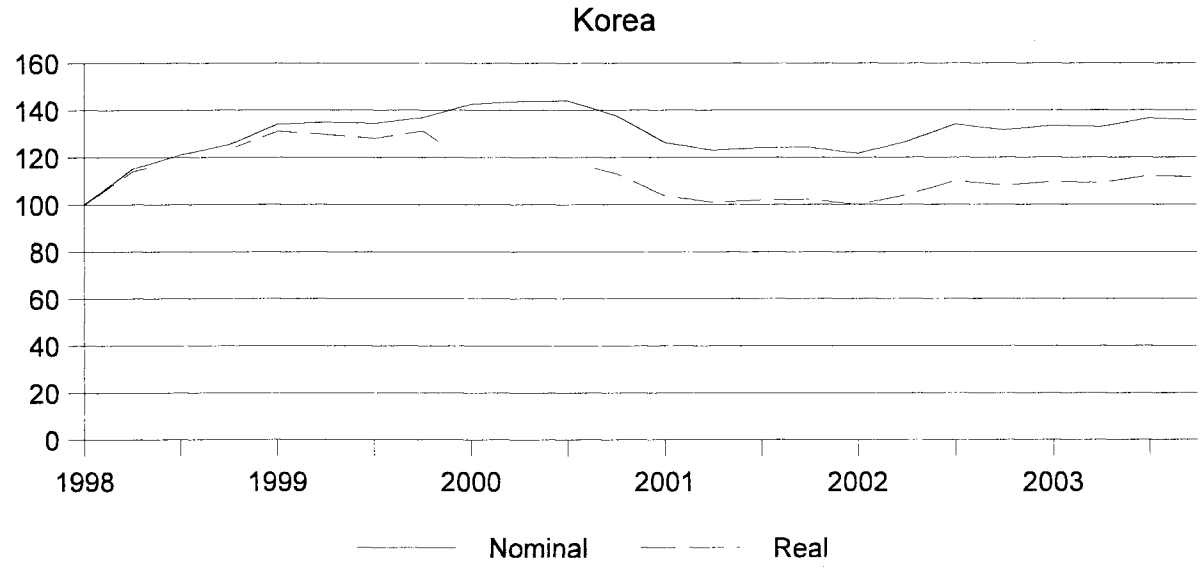


Figure continued on next page.

Figure V-2--*Continued*
Exchange rates: Indices of the nominal and real exchange rates between the subject countries currencies and the U.S. dollar, by quarters, January 1998-December 2003



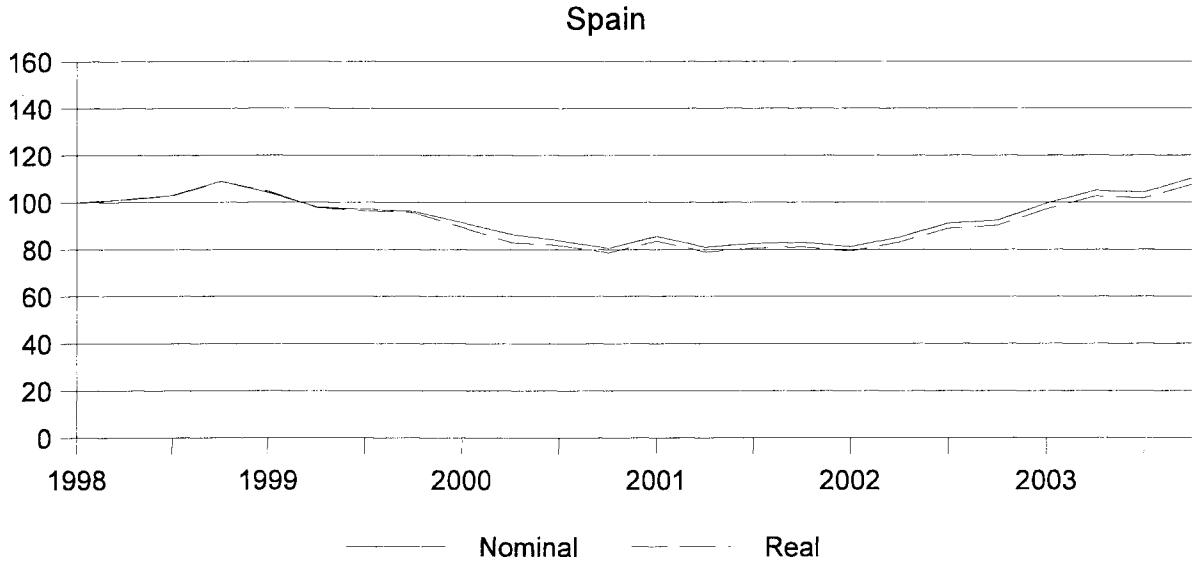
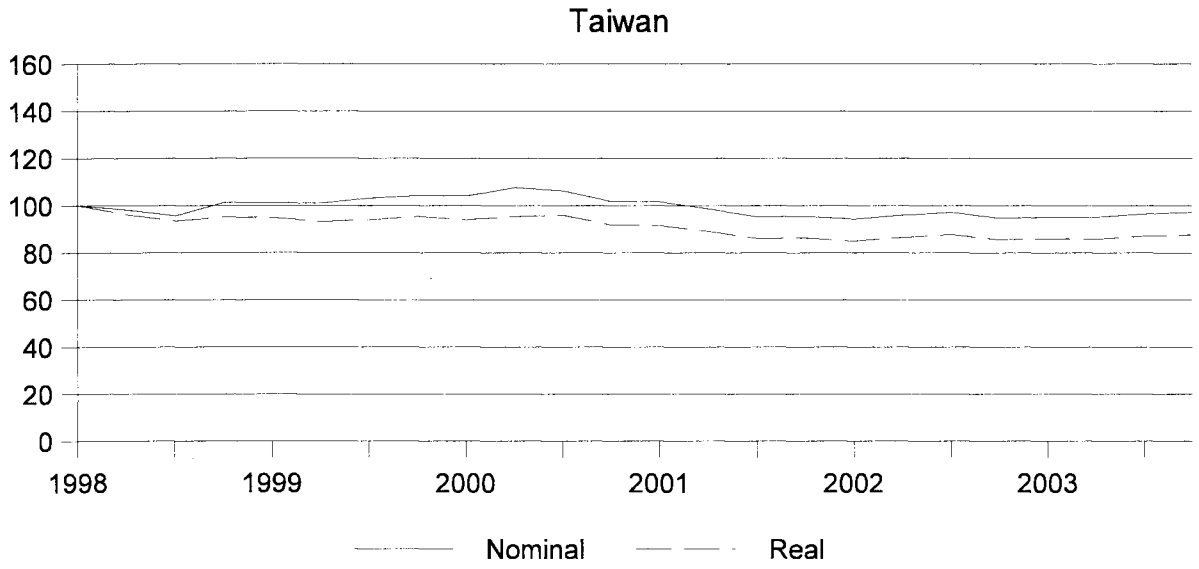
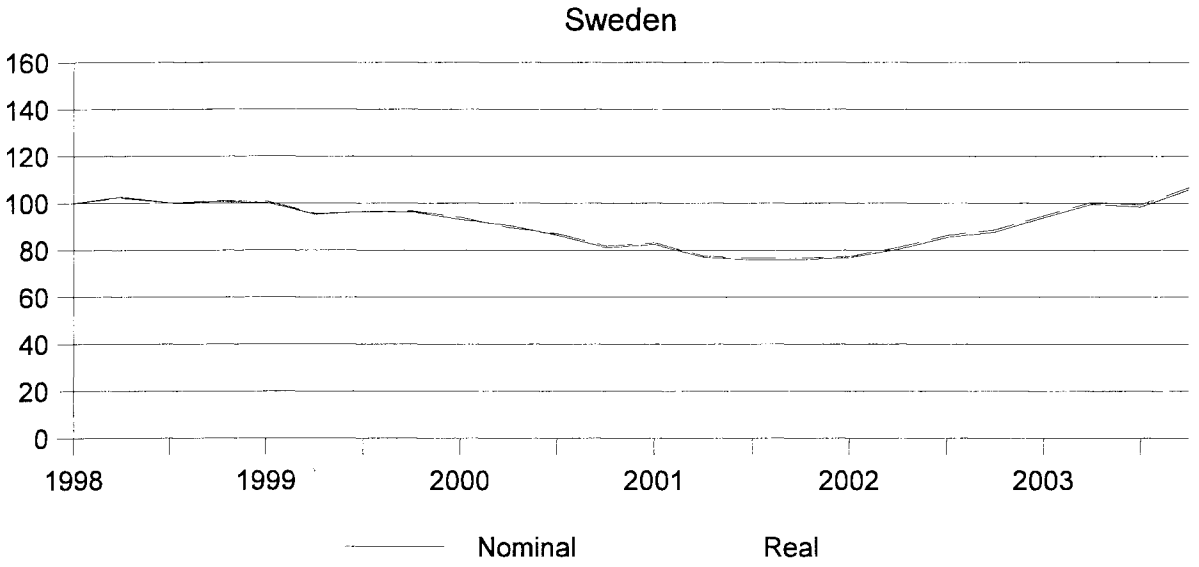


Figure continued on next page.

Figure V-2--*Continued*
Exchange rates: Indices of the nominal and real exchange rates between the subject countries currencies and the U.S. dollar, by quarters, January 1998-December 2003





Source: International Monetary Fund, *International Financial Statistics* online at *http://ifs.apdi.net/*, retrieved March 16, 2004 and Central Bank of China at *http://www.cbc.gov.tw/enghome/statistics.htm*, retrieved March 23, 2004.

PRICING PRACTICES

Pricing Methods

Four of five responding producers reported that they determine prices on a transaction by transaction basis, although *** reported that it also uses contracts and set price lists. The remaining producer reported that it used contracts and set price lists. Most responding importers reported that they determine prices on a transaction by transaction basis with two importers reporting using set price lists.

Two U.S. producers, *** and ***, reported selling on a contract basis, although *** reported that only *** percent of its sales are on a contract basis. Almost all importers sell SSWR on a spot basis with the exception of two firms that reported that their sales are typically contracts.[3]

All four responding U.S. producers, 10 of 18 responding importers, and seven of 14 responding purchasers reported that individual firms had influenced the market price since 1998. *** stated that foreign producers/exporters[4] did not increase sales prices to compensate for rising raw material and energy costs, offering extremely low prices and expanding supply; *** stated that new domestic capacity in 2003 has reduced prices; and *** stated that "Taiwan"[5] and Valbruna have driven down the price; *** stated that Bohler, Valbruna, Universal Stainless (Dunkirk), Slater, and Cartech had generally driven the price down. Seven importers and three purchasers stated that NAS has caused prices to decline; two importers stated that domestic producers' filing of antidumping cases has increased prices; *** stated that imports from the Far East influenced pricing from 1998 to 2002; *** stated that Asian imports have caused significant price erosion since 1998; *** stated that Mukand of India has depressed pricing since 2001; *** stated that Carpenter and Charter influenced the price; *** indicated importers from Asia such as Hysosung (Korea), Dalian (China) and other Indian producers influenced decrease in SSWR prices in 1998, 1999, and 2000 respectively.

Sales Terms and Discounts

All reporting U.S. producers and most importers (16 of 17) reported that they have no discount policy.[6] Four U.S. producers sell on a delivered basis; one sells on an f.o.b. basis. Nine importers reported that they sell on a delivered basis, eight sell on an f.o.b. basis, and two importers' sales are evenly divided between f.o.b. and delivered.

PRICE DATA

The Commission requested U.S. producers and importers of SSWR to provide quarterly data for the total quantity and value of SSWR that was shipped to unrelated customers in the U.S. market. Data were requested for the period January 1998 to December 2003. The products for which pricing data were requested are as follows:[7]

Product 1.–Grade AISI 304 wire rod, 5.5 mm (0.217 inch) diameter, hot-rolled, annealed and pickled

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[3] ***.

[4] *** did not identify any particular foreign producers or exporters who influenced the market price.

[5] *** did not identify any particular Taiwan producers who influenced the market price.

[6] One importer reported that it offers a 1.45 percent discount for cash on arrival.

[7] Products 1, 2, are 3 are austenitic grades of SSWR, product 4 is a ferritic grade of SSWR, and products 5 and 6 are martensitic grades of SSWR.

Product 2.–Grade AISI 302 wire rod, spring quality, 5.5 mm (0.217 inch) diameter, hot-rolled, annealed and pickled
Product 3.–Grade AISI 308L wire rod, 5.5 mm (0.217 inch) diameter, hot-rolled, annealed and pickled
Product 4.–Grade AISI 430 wire rod, 5.5 mm (0.217 inch) diameter, hot-rolled, annealed and pickled
Product 5.–Grade AISI 420 wire rod, 5.5 mm (0.217 inch) diameter, hot-rolled, annealed and pickled
Product 6.–Grade AISI 410 wire rod, 5.5 mm (0.217 inch) diameter, hot-rolled, annealed and pickled

Five U.S. producers (Carpenter, Charter, NAS, Talley, and Dunkirk) and 11 importers (Byram, Cogne Specialty, Fagersta Stainless, Ferrostaal, Hanwa, NAS, Okaya, Outokumpu, POSAM, Precision Metal Services, and Sumitomo) provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters. Pricing data reported by these firms accounted for approximately *** percent of U.S. producers' commercial shipments of SSWR in 2003, *** percent of U.S. commercial shipments of subject imports from Korea, *** percent of U.S. commercial shipments of subject imports from Spain, *** percent of U.S. commercial shipments of subject imports from Sweden, and *** percent of U.S. shipments of subject imports from Taiwan.[8] Price data are presented in tables V-1 to V-6 and figure V-3.

Table V-1
SSWR: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by quarters, January 1998-December 2003

* * * * * * *

Table V-2
SSWR: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by quarters, January 1998-December 2003

* * * * * * *

[8] Data for Italy were only reported for 1998 and 1999 ***. Data for Japan were only reported for 1998 to 2002.

Table V-3
SSWR: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by quarters, January 1998-December 2003

* * * * * * *

Table V-4
SSWR: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by quarters, January 1998-December 2003

* * * * * * *

Table V-5
SSWR: Weighted-average f.o.b. prices and quantities of domestic and imported product 5 and margins of underselling/(overselling), by quarters, January 1998-December 2003

* * * * * * *

Table V-6
SSWR: Weighted-average f.o.b. prices and quantities of domestic and imported product 6 and margins of underselling/(overselling), by quarters, January 1998-December 2003

* * * * * * *

Figure V-3
Weighted-average f.o.b. prices of domestic and imported products 1-6, January 1998-December 2003

* * * * * * *

Price Trends

Prices for U.S.-produced SSWR fell between 1998 and 2003 for five of the six pricing products, with prices generally decreasing during 1998 and then fluctuating between 1999 and 2003. For pricing products with available data, prices for subject imports of SSWR generally increased during 2003.

The weighted-average sales prices of U.S.-produced products 1, 2, and 4 fell by *** percent to *** percent between the first quarter of 1998 and the last quarter of 2003, falling by amounts ranging from *** percent to *** percent between the first quarter of 1998 and the first quarter of 1999 and then fluctuating between the first quarter of 1999 and last quarter of 2003, decreasing by *** percent to *** percent.

The weighted-average sales prices of the U.S.-produced products 3 and 6 fell by *** percent to *** percent between the first quarter of 1998 and the last quarter of 2003, falling by *** percent to *** percent between the first quarter of 1998 and the first quarter of 1999 and then fluctuating between the first quarter of 1999 and last quarter of 2003, ranging from a decrease of *** percent to an increase of *** percent. The weighted-average sales price of the U.S.-produced product 5 fluctuated between the first quarter of 1998 and last quarter of 2003, increasing by *** percent.

The weighted-average sales price of the Taiwan-produced product 1 fell by *** percent between the first quarter of 1998 and the last quarter of 2003, while the weighted-average sales price of the Swedish-produced product 2 increased by *** percent during this period. Also, the weighted-average sales price of the Korea-produced products 1 and 2 fell by *** percent and *** percent, respectively, between the first quarter of 1998 and the last quarter of 2003. The weighted-average sales price of the Swedish-produced products 3 and 4 fell by *** percent and *** percent, respectively, between the first quarter of 1998 and the last quarter of 2003.[9]

Price Comparisons

Overall, there are 177 instances where prices for domestic SSWR and imported SSWR could be compared (table V-7). Of these 177 comparisons, there are 127 instances (or about 72 percent) where the imported product was priced below the domestic product. Margins of underselling ranged from 0.3 percent to 68.1 percent. In the remaining 50 instances, the imported product was priced above the comparable domestic product; margins of overselling ranged from 0.7 percent to 152.8 percent.

Responding purchasers provided mixed responses as to how the price of SSWR from subject countries (and subject sources) has changed relative to prices of U.S.-produced SSWR. Five of seven responding purchasers indicated that the prices of SSWR from Korea and Spain increased relative to the price of U.S.-produced SSWR, while seven of nine responding purchasers indicated that prices of SSWR from Sweden and five of nine responding purchasers indicated that prices of SSWR from Taiwan increased in relative terms. However, only four of eight responding purchasers indicated SSWR from Italy increased in relative terms and three of seven responding purchasers indicated that SSWR from Japan relatively increased.

As discussed earlier, some producers and importers indicate that the price of SSWR is influenced by changes in the prices of raw materials, such as nickel. Correlation coefficients between each of the prices of U.S.-produced products which have sizeable nickel in their composition (products 1-3) and the current quarterly average LME price of nickel ranged from -0.26 to -0.02. However, each of the prices of U.S.-produced products 1-3 were more highly correlated with lagged values of the price of nickel. The largest correlations between each of the prices of U.S.-produced products 1-3 and the lagged price of nickel were 0.50 and 0.38 (compared the price of nickel lagged 3 quarters) for products 1 and 2 and 0.37 (compared the price of nickel lagged 2 quarters) for product 3. Figures V-4 and V-5 compare the prices of U.S.-produced products 1-3 with the price of nickel lagged by number of quarters which provided the highest correlation coefficient.

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[9] Correlations between prices for domestic products 2 and 5 and their corresponding subject Japanese pricing products were 0.20 and 0.24, respectively. Correlations between prices for domestic products 1 and 2 and their corresponding subject Korean pricing products were 0.46 and 0.82, respectively. Correlations between prices for domestic products 1, 2, 3, and 4 and their corresponding subject Swedish pricing products were 0.35, 0.60, -0.03, and 0.85, respectively. Correlations between prices for domestic product 1 and the corresponding subject Taiwan pricing product was 0.66. These correlations do not necessarily imply causation and these price trends may track one another for reasons having nothing to do with each other's prices, such as macroeconomic trends or prices of other substitute or downstream goods.

Table V-7
SSWR: Instances of underselling/(overselling) and the range and average of margins for product 1-6, by sources, January 1998-December 2003

Country	Underselling			Overselling		
	Number of instances	Range (*percent*)	Average margin (*percent*)	Number of instances	Range (*percent*)	Average margin (*percent*)
Italy	10	5.2 to 52.7	24.1	1	0.7	0.7
Japan	16	6.3 to 60.7	46.8	7	7.5 to 46.4	23.5
Korea	44	0.8 to 68.1	18.0	10	1.2 to 14.6	5.9
Spain	6	0.5 to 36.7	10.4	1	23.9	23.9
Sweden	46	0.3 to 25.5	8.7	22	1.5 to 152.8	21.5
Taiwan	5	3.5 to 9.7	5.9	9	2.8 to 25.7	8.7
Total[1]	127	0.3 to 68.1	17.9	50	0.7 to 152.8	16.0

[1] Total number of instances for all cited countries, range of margins for all cited countries, and average margin for all cited countries.

There were 181 instances of underselling and 33 instances of overselling for comparisons of producer and importer pricing data in the original investigations. Excluding imports from Germany, which is not part of these reviews, there were 157 instances of underselling and 30 instances of overselling. There were 37 instances of underselling and seven instances of overselling for Italian SSWR, 26 instances of underselling and six instances of overselling for Japanese SSWR, 34 instances of underselling and three instances of overselling for Korean SSWR, 14 instances of underselling and two instances of overselling for Spanish SSWR, 31 instances of underselling and seven instances of overselling for Swedish SSWR, and 15 instances of underselling and five instances of overselling for Taiwan SSWR. Pricing data for the original investigation included only products 1-4. By comparison, in these reviews there are 127 instances of underselling and 50 instances of overselling for products 1-4. As in these reviews, pricing data for nonsubject producers Hitachi and Yieh Hsing were excluded. *Stainless Steel Wire Rod from Germany, Italy, Japan, Korea, Spain, Sweden, and Taiwan,* Invs. Nos. 701-TA-373 (Final) and 731-TA-769-775 (Final), Publication No. 3126, September 1998, pp. V-5-V-6,V-8.

Note.–Because of rounding, figures may not add to the totals shown.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure V-4
SSWR: Price indices of weighted-average f.o.b. prices of domestic products 1-2, and price of nickel lagged 3 quarters, by quarters, January 1998-December 2003

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Figure V-5
SSWR: Price indices of weighted-average f.o.b. prices of domestic product 3, and price of nickel lagged 2 quarters, by quarters, January 1998-December 2003

* * * * * * *

APPENDIX A

FEDERAL REGISTER NOTICES AND ADEQUACY STATEMENT

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701–TA–373 and 731–TA–770–775 (Review)]

Stainless Steel Wire Rod From Italy, Japan, Korea, Spain, Sweden, and Taiwan

AGENCY: United States International Trade Commission.

ACTION: Institution of five-year reviews concerning the countervailing duty and antidumping duty orders on stainless steel wire rod from Italy, Japan, Korea, Spain, Sweden, and Taiwan.

SUMMARY: The Commission hereby gives notice that it has instituted reviews pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)) (the Act) to determine whether revocation of the countervailing duty order on stainless steel wire rod from Italy and the antidumping duty orders on stainless steel wire rod from Italy, Japan, Korea, Spain, Sweden, and Taiwan would be likely to lead to continuation or recurrence of material injury. Pursuant to section 751(c)(2) of the Act, interested parties are requested to respond to this notice by submitting the information specified below to the Commission,[1] to be assured of consideration, the deadline for responses is September 22, 2003. Comments on the adequacy of responses may be filed with the Commission by October 14, 2003. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

EFFECTIVE DATE: August 1, 2003.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202–205–3193), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its internet server (*http://www.usitc.gov*). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov.*

SUPPLEMENTARY INFORMATION:

Background.—On September 15, 1998, the Department of Commerce issued a countervailing duty order on imports of stainless steel wire rod from Italy (63 FR 49334–49335) and antidumping duty orders on imports of stainless steel wire rod from Italy, Japan, Korea, Spain, Sweden, and Taiwan (63 F.R. 49327–49334). The Commission is conducting reviews to determine whether revocation of the orders would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time. It will assess the adequacy of interested party responses to this notice of institution to determine whether to conduct full or expedited reviews. The Commission's determinations in any expedited reviews will be based on the facts available, which may include information provided in response to this notice.

Definitions.—The following definitions apply to these reviews:

(1) *Subject Merchandise* is the class or kind of merchandise that is within the scope of the five-year reviews, as defined by the Department of Commerce.

(2) The *Subject Countries* in these reviews are Italy, Japan, Korea, Spain, Sweden, and Taiwan.

(3) *The Domestic Like Product* is the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the Subject Merchandise. In its original determinations, the Commission found one Domestic Like Product consisting of all stainless steel wire rod corresponding to the scope of Commerce's investigations.

(4) The *Domestic Industry* is the U.S. producers as a whole of the Domestic Like Product, or those producers whose collective output of the Domestic Like Product constitutes a major proportion of the total domestic production of the product. In its original determinations, the Commission defined the Domestic Industry as consisting of all domestic producers of stainless steel wire rod.

(5) The *Order Date* is the date that the countervailing and antidumping duty orders under review became effective. In

[1] No response to this request for information is required if a currently valid Office of Management and Budget (OMB) number is not displayed; the OMB number is 3117–0016/USITC No. 03–5–076, expiration date June 30, 2005. Public reporting burden for the request is estimated to average 7 hours per response. Please send comments, regarding the accuracy of this burden estimate to the Office of Investigations, U.S. International Trade Commission, 500 E. Street, SW, Washington, DC 20436.

these reviews, the Order Date is September 15, 1998.

(6) An *Importer* is any person or firm engaged, either directly or through a parent company or subsidiary, in importing the Subject Merchandise into the United States from a foreign manufacturer or through its selling agent.

Participation in the reviews and public service list.—Persons, including industrial users of the Subject Merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11(b)(4) of the Commission's rules, no later than 21 days after publication of this notice in the **Federal Register**. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Former Commission employees who are seeking to appear in Commission five-year reviews are reminded that they are required, pursuant to 19 CFR 201.15, to seek Commission approval if the matter in which they are seeking to appear was pending in any manner or form during their Commission employment. The Commission's designated agency ethics official has advised that a five-year review is the "same particular matter" as the underlying original investigation for purposes of 19 CFR 201.15 and 18 U.S.C. 207, the post employment statute for Federal employees. Former employees may seek informal advice from Commission ethics officials with respect to this and the related issue of whether the employee's participation was "personal and substantial." However, any informal consultation will not relieve former employees of the obligation to seek approval to appear from the Commission under its rule 201.15. For ethics advice, contact Carol McCue Verratti, Deputy Agency Ethics Official, at 202–205–3088.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and APO service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI submitted in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made no later than 21 days after publication of this notice in the **Federal Register**. Authorized applicants must represent interested parties, as defined in 19 U.S.C. 1677(9), who are parties to the reviews. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Certification.—Pursuant to section 207.3 of the Commission's rules, any person submitting information to the Commission in connection with these reviews must certify that the information is accurate and complete to the best of the submitter's knowledge. In making the certification, the submitter will be deemed to consent, unless otherwise specified, for the Commission, its employees, and contract personnel to use the information provided in any other reviews or investigations of the same or comparable products which the Commission conducts under Title VII of the Act, or in internal audits and investigations relating to the programs and operations of the Commission pursuant to 5 U.S.C. Appendix 3.

Written submissions.—Pursuant to section 207.61 of the Commission's rules, each interested party response to this notice must provide the information specified below. The deadline for filing such responses is September 22, 2003. Pursuant to section 207.62(b) of the Commission's rules, eligible parties (as specified in Commission rule 207.62(b)(1)) may also file comments concerning the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The deadline for filing such comments is October 14, 2003. All written submissions must conform with the provisions of sections 201.8 and 207.3 of the Commission's rules and any submissions that contain BPI must also conform with the requirements of sections 201.6 and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002). Also, in accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or APO service list as appropriate), and a certificate of service must accompany the document (if you are not a party to the reviews you do not need to serve your response).

Inability to provide requested information.—Pursuant to section 207.61(c) of the Commission's rules, any interested party that cannot furnish the information requested by this notice in the requested form and manner shall notify the Commission at the earliest possible time, provide a full explanation of why it cannot provide the requested information, and indicate alternative forms in which it can provide equivalent information. If an interested party does not provide this notification (or the Commission finds the explanation provided in the notification inadequate) and fails to provide a complete response to this notice, the Commission may take an adverse inference against the party pursuant to section 776(b) of the Act in making its determinations in the reviews.

Information to be Provided in Response to this Notice of Institution: If you are a domestic producer, union/worker group, or trade/business association; import/export Subject Merchandise from more than one Subject Country; or produce Subject Merchandise in more than one Subject Country, you may file a single response. If you do so, please ensure that your response to each question includes the information requested for each pertinent Subject Country. As used below, the term "firm" includes any related firms.

(1) The name and address of your firm or entity (including World Wide Web address if available) and name, telephone number, fax number, and E-mail address of the certifying official.

(2) A statement indicating whether your firm/entity is a U.S. producer of the Domestic Like Product, a U.S. union or worker group, a U.S. importer of the Subject Merchandise, a foreign producer or exporter of the Subject Merchandise, a U.S. or foreign trade or business association, or another interested party (including an explanation). If you are a union/worker group or trade/business association, identify the firms in which your workers are employed or which are members of your association.

(3) A statement indicating whether your firm/entity is willing to participate in these reviews by providing information requested by the Commission.

(4) A statement of the likely effects of the revocation of the countervailing and antidumping duty orders on the Domestic Industry in general and/or your firm/entity specifically. In your response, please discuss the various factors specified in section 752(a) of the Act (19 U.S.C. 1675a(a)) including the likely volume of subject imports, likely price effects of subject imports, and likely impact of imports of Subject Merchandise on the Domestic Industry.

(5) A list of all known and currently operating U.S. producers of the Domestic Like Product. Identify any known related parties and the nature of the relationship as defined in section

771(4)(B) of the Act (19 U.S.C. 1677(4)(B)).

(6) A list of all known and currently operating U.S. importers of the Subject Merchandise and producers of the Subject Merchandise in the Subject Countries that currently export or have exported Subject Merchandise to the United States or other countries since 1997.

(7) If you are a U.S. producer of the Domestic Like Product, provide the following information on your firm's operations on that product during calendar year 2002 (report quantity data in short tons and value data in U.S. dollars, f.o.b. plant). If you are a union/worker group or trade/business association, provide the information, on an aggregate basis, for the firms in which your workers are employed/which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total U.S. production of the Domestic Like Product accounted for by your firm's(s') production;

(b) The quantity and value of U.S. commercial shipments of the Domestic Like Product produced in your U.S. plant(s); and

(c) The quantity and value of U.S. internal consumption/company transfers of the Domestic Like Product produced in your U.S. plant(s).

(8) If you are a U.S. importer or a trade/business association of U.S. importers of the Subject Merchandise from the Subject Countries, provide the following information on your firm's(s') operations on that product during calendar year 2002 (report quantity data in short tons and value data in U.S. dollars). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) The quantity and value (landed, duty-paid but not including antidumping or countervailing duties) of U.S. imports and, if known, an estimate of the percentage of total U.S. imports of Subject Merchandise from each of the Subject Countries accounted for by your firm's(s') imports;

(b) The quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. commercial shipments of Subject Merchandise imported from each of the Subject Countries; and

(c) The quantity and value (f.o.b. U.S. port, including antidumping and/or countervailing duties) of U.S. internal consumption/company transfers of Subject Merchandise imported from each of the Subject Countries.

(9) If you are a producer, an exporter, or a trade/business association of producers or exporters of the Subject Merchandise in the Subject Countries, provide the following information on your firm's(s') operations on that product during calendar year 2002 (report quantity data in short tons and value data in U.S. dollars, landed and duty-paid at the U.S. port but not including antidumping or countervailing duties). If you are a trade/business association, provide the information, on an aggregate basis, for the firms which are members of your association.

(a) Production (quantity) and, if known, an estimate of the percentage of total production of Subject Merchandise in each of the Subject Countries accounted for by your firm's(s') production; and

(b) The quantity and value of your firm's(s') exports to the United States of Subject Merchandise and, if known, an estimate of the percentage of total exports to the United States of Subject Merchandise from each of the Subject Countries accounted for by your firm's(s') exports.

(10) Identify significant changes, if any, in the supply and demand conditions or business cycle for the Domestic Like Product that have occurred in the United States or in the market for the Subject Merchandise in the Subject Countries since the Order Date, and significant changes, if any, that are likely to occur within a reasonably foreseeable time. Supply conditions to consider include technology; production methods; development efforts; ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production); and factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad). Demand conditions to consider include end uses and applications; the existence and availability of substitute products; and the level of competition among the Domestic Like Product produced in the United States, Subject Merchandise produced in the Subject Countries, and such merchandise from other countries.

(11) (Optional) A statement of whether you agree with the above definitions of the Domestic Like Product and Domestic Industry; if you disagree with either or both of these definitions, please explain why and provide alternative definitions.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.61 of the Commission's rules.

Issued: July 25, 2003.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 03–19650 Filed 7–31–03; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF COMMERCE

International Trade Administration

[C–427–817, C–427–815, C–475–827, C–475–823, C–475–825, C–475–821, C–401–804, C–475–812]

Notice of Implementation Under Section 129 of the Uruguay Round Agreements Act; Countervailing Measures Concerning Certain Steel Products From the European Communities

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of implementation under section 129 of the Uruguay Round Agreements Act; countervailing measures concerning certain steel products from the European communities.

SUMMARY: On January 8, 2003, the Dispute Settlement Body of the World Trade Organization adopted the report of the Appellate Body in *United States—Countervailing Measures Concerning Certain Products from the European Communities,* WT/DS212/AB/R (December 9, 2002). Consistent with the Appellate Body's findings, and pursuant to section 129(b)(2) of the Uruguay Round Agreements Act, the Department of Commerce applied its modified privatization methodology with respect to the twelve countervailing duty determinations, involving certain steel products originating in various member states of the European Communities, at issue in the WTO dispute. The Department of Commerce is now implementing its "Section 129 Determinations" with respect to eight of those twelve determinations.

EFFECTIVE DATE: November 7, 2003.

FOR FURTHER INFORMATION CONTACT: John Brinkmann (French and Italian determinations), Robert Copyak (German determination), or Dana Mermelstein (all other determinations), Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–4126, (202) 482–2209, (202) 482–1391, respectively.

The Applicable Statute

Unless otherwise indicated, all citations to the statute are references to the Tariff Act of 1930, as amended (the Act). In addition, unless otherwise indicated, all citations to the Department's regulations are references to the provisions codified at 19 CFR part 351 (2003). Finally, citation to "section 129" refers to section 129 of the Uruguay Round Agreements Act ("URAA"), codified at 19 U.S.C. 3538.

Background

On January 8, 2003, the Dispute Settlement Body ("DSB") of the World Trade Organization ("WTO") adopted the report of the WTO Appellate Body in *United States—Countervailing Measures Concerning Certain Products from the European Communities,* WT/DS212/AB/R (December 9, 2002) ("*Certain Products*"). To implement the DSB findings in Certain Products, the Department changed its methodology for analyzing a privatization in the context of the countervailing duty ("CVD") law. *See Notice of Final Modification of Agency Practice Under Section 123 of the Uruguay Round Agreements Act,* 68 FR 37125 (June 23, 2003) ("*Modification Notice*").

Subsequently, pursuant to section 129(b)(2) of the URAA,[1] the Department applied this modification with respect to twelve countervailing duty determinations involving certain steel products originating in various member states of the European Communities. Section 129(b)(2) provides that "[n]otwithstanding any provision of the Tariff Act of 1930 * * *," within 180 days of a written request from the U.S. Trade Representative, the Department shall issue a determination that would render its actions not inconsistent with an adverse finding of a WTO panel or the Appellate Body. 19 U.S.C. 3538(b)(2). The Statement of Administrative Action accompanying the URAA (the "SAA"), H.R. Doc. No. 103–316, Vol. 1 (1994) at 1025, 1027, variously refers to such a determination by the Department as a "new," "second," and "different" determination.

On October 24, the Department issued twelve Section 129 Determinations.[2] *See* "Issues and Decision Memorandum for the Section 129 Determination: *Final Affirmative Countervailing Duty Determination: Certain Cut-to-Length Carbon Quality Steel Plate from France*" from Jeffrey May, Deputy Assistant Secretary, Import Administration, to James J. Jochum, Assistant Secretary for Import Administration, signed October 24, 2003; "Issues and Decision Memorandum for the Section 129 Determination: *Final Affirmative Countervailing Duty Determination: Stainless Steel Sheet and Strip in Coils from France*" from Jeffrey May, Deputy Assistant Secretary, Import Administration, to James J. Jochum, Assistant Secretary for Import Administration, signed October 24, 2003; "*Issues and Decision Memorandum for the Section 129 Determination: Corrosion-Resistant Carbon Steel Flat Products from France; Final Results of Expedited Sunset Review of Countervailing Duty Order*" from Jeffrey May, Deputy Assistant Secretary, Import Administration, to James J. Jochum, Assistant Secretary for Import Administration, signed October 24, 2003; "Issues and Decision Memo: Section 129 Determination: *Final Results of Full Sunset Review of Cut-to-Length Carbon Steel Plate from Germany*" from Melissa Skinner, Office Director, Office of AD/CVD Enforcement VI, to James J. Jochum, Assistant Secretary for Import Administration, signed October 24, 2003; Issues and Decision Memorandum for the Determination under Section 129 of the Uruguay Round Agreements: *Certain Cut-to-Length Carbon-Quality Steel Plate from Italy*" from Jeffrey May, Deputy Assistant Secretary, Import Administration, to James J. Jochum, Assistant Secretary for Import Administration, signed October 24, 2003; "Issues and Decision Memorandum for the Determination under Section 129 of the Uruguay Round Agreements Act:*Countervailing Duty Administrative Review: Grain-Oriented Electrical Steel from Italy*" from Jeffrey May, Deputy Assistant Secretary, Import Administration, to James J. Jochum, Assistant Secretary for Import Administration, signed October 24, 2003; "Issues and Decision Memorandum for the Determination under Section 129 of the Uruguay Round Agreements Act: *Final Affirmative Countervailing Duty Determination: Stainless Steel Plate in Coils from Italy*" from Jeffrey May, Deputy Assistant Secretary, Import Administration, to James J. Jochum, Assistant Secretary for Import Administration, signed October 24, 2003; "Issues and Decision Memorandum for the Determination under Section 129 of the Uruguay Round Agreements Act: *Final Affirmative Countervailing Duty Determination: Stainless Steel Sheet*

[1] Section 129 of the URAA is the applicable provision governing the nature and effect of determinations issued by the Department to implement findings by WTO panels and the Appellate Body.

[2] Copies of the "Issues and Decision Memoranda" detailing our Section 129 Determinations in each proceeding are available online at *http://ia.ita.doc.gov/* as well as in the Department's Central Records Unit in room B–099, 14th Street and Constitution Avenue, NW., Washington, DC 20230. All issues raised in the comments and rebuttal comments submitted by the parties concerning these Section 129 Determinations are addressed in these Issues and Decision Memoranda.

and Strip in Coils from Italy" from Jeffrey May, Deputy Assistant Secretary, Import Administration, to James J. Jochum, Assistant Secretary for Import Administration, signed October 24, 2003; "Issues and Decision Memorandum for the Determination under Section 129 of the Uruguay Round Agreements Act: *Final Affirmative Countervailing Duty Determination: Stainless Steel Wire Rod from Italy*" from Jeffrey May, Deputy Assistant Secretary, Import Administration, to James J. Jochum, Assistant Secretary for Import Administration, signed October 24, 2003; "Issues and Decision Memorandum: Section 129 Determination: *Final Results of Expedited Sunset Review of Cut-to-Length Carbon Steel Plate from Spain*" from Joseph A. Spetrini, Deputy Assistant Secretary, Import Administration, Group III, to James J. Jochum, Assistant Secretary for Import Administration, signed October 24, 2003; "Issues and Decision Memorandum: Section 129 Determination: *Final Results of the 1994 Administrative Review of Certain Cut-to-Length Carbon Steel Plate from Sweden*" from Joseph A. Spetrini, Deputy Assistant Secretary, Import Administration, Group III, to James J. Jochum, Assistant Secretary for Import Administration, signed October 24, 2003; "Issues and Decision Memorandum: Section 129 Determination: *Final Results of Expedited Sunset Review of Cut-to-Length Carbon Steel Plate from the United Kingdom*" from Joseph A. Spetrini, Deputy Assistant Secretary, Import Administration, Group III, to James J. Jochum, Assistant Secretary for Import Administration, signed October 24, 2003.

Subsequent to the Department's issuance of the Section 129 Determinations and pursuant to section 129(b)(3) of the URAA, the U.S. Trade Representative consulted with the Department and the Congressional committees concerning these determinations. Then, by letter dated November 7, 2003, the U.S. Trade Representative requested the Department, pursuant to section 129(b)(4) of the URAA, to implement the Section 129 Determinations with respect to the eight determinations that did not involve sunset reviews under section 751(c) of the Act.

Implementation

Section 129(c)(1)(B) of the URAA expressly provides that a determination under section 129 applies only with respect to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the date on which the USTR directs the Department to implement that determination. In other words, as the SAA clearly provides, "such determinations have prospective effect only." SAA at 1026. Thus, "relief available under subsection 129(c)(1) is distinguishable from relief in an action brought before a court or a NAFTA binational panel, where * * * retroactive relief may be available." *Id.*

Because the U.S. Trade Representative declined to direct the Department to implement the revised determinations with regard to the four sunset reviews involved in the WTO dispute, we are not implementing these Section 129 Determinations. *See* sections 129(b)(4) and 129(c)(1)(B) of the URAA.

We are, however, implementing the remaining Section 129 Determinations as follows. With respect to the five countervailing duty orders noted immediately below, we are revising the cash deposit rates for certain companies to reflect the impact that privatization had on non-recurring, allocable subsidies. Thus, in accordance with section 129(c)(1)(B) of the URAA, we will instruct U.S. Customs and Border Protection ("CBP") to collect cash deposits of estimated countervailing duties in the percentage detailed below of the f.o.b. invoice price on all shipments of the companies noted below, entered, or withdrawn from warehouse, for consumption on or after November 7, 2003. In addition, three of the five cases noted below involve determinations in investigations. The "all others" cash deposit rates for these three cases shall be revised as follows.

Case #	Order	Company	Deposit (%)
C–401–804	Cut-to-Length Carbon Steel Plate from Sweden	SSAB	0.0
C–475–812	Grain-Oriented Electrical Steel from Italy	AST	1.07
C–475–823	Stainless Steel Plate in Coils from Italy	AST	1.62
		All Others	1.62
C–475–825	Stainless Steel Sheet and Strip in Coils from Italy	AST	1.62
		All Others	1.61
C–475–827	Cut-to-Length Carbon Steel Plate from Italy	ILVA/ILT	3.44
		All Others	3.44

With respect to the countervailing duty orders on certain cut-to-length carbon quality steel plate from France (C–427–817) and stainless steel sheet and strip in coils from France (C–427–815), consistent with our Section 129 Determinations, we are revoking those orders in whole. Accordingly, we will instruct CBP to discontinue suspension of liquidation under those orders of all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after November 7, 2003.

With respect to the countervailing duty order on stainless steel wire rod from Italy (C–475–821), consistent with our Section 129 Determination, we are revoking this order with respect to the company CAS. Accordingly, we will instruct CBP to discontinue suspension of liquidation under this order of all of CAS's shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after November 7, 2003. The "all others" cash deposit rate under this order will be revised to 1.28 percent.

This notice of implementation is issued and published in accordance with section 129(c)(2)(A) of the URAA.

Dated: November 7, 2003.

James J. Jochum,

Assistant Secretary for Import Administration.

[FR Doc. 03–28668 Filed 11–14–03; 8:45 am]

BILLING CODE 3510–DS–P

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701–TA–373 and 731–TA–770–775 (Review)]

Stainless Steel Wire Rod From Italy, Japan, Korea, Spain, Sweden, and Taiwan

AGENCY: United States International Trade Commission.

ACTION: Notice of Commission determinations to conduct full five-year reviews concerning the countervailing duty order on stainless steel wire rod from Italy and the antidumping duty orders on stainless steel wire rod from Italy, Japan, Korea, Spain, Sweden, and Taiwan.

SUMMARY: The Commission hereby gives notice that it will proceed with full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) to determine whether revocation of the countervailing duty order on stainless steel wire rod from Italy and the antidumping duty orders on stainless steel wire rod from Italy, Japan, Korea, Spain, Sweden, and Taiwan would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. A schedule for the reviews will be established and announced at a later date. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

EFFECTIVE DATE: November 4, 2003.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202–205–3193), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (*http://www.usitc.gov*). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov.*

SUPPLEMENTARY INFORMATION: On November 4, 2003, the Commission determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Act. The Commission found that the domestic interested party group response to its notice of institution (68 FR 45277, August 1, 2003) was adequate. The respondent interested party group responses concerning stainless steel wire rod from Italy and Korea were found by the Commission to be adequate but the respondent interested party group responses concerning stainless steel wire rod from Japan, Spain, Sweden, and Taiwan were found by the Commission to be inadequate. The Commission also determined that other circumstances warranted conducting full reviews of all subject orders. A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements will be available from the Office of the Secretary and at the Commission's Web site.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: November 12, 2003.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 03–28762 Filed 11–17–03; 8:45 am]

BILLING CODE 7020–02–P

Corporation of Kearny, New Jersey. A supplement was filed on June 3, 2004. The complaint, as supplemented, alleges violations of section 337 in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain plastic food containers by reason of infringement of claims 1–5 of U.S. Patent No. 6,056,138, claims 1–2 and 4–9 of U.S. Patent No. 6,196,404, and of U.S. Design Patent No. D 415,420. The complaint further alleges that an industry in the United States exists as required by subsection (a)(2) of section 337.

The complainant requests that the Commission institute an investigation and, after the investigation, issue a permanent exclusion order and a permanent cease and desist order.

ADDRESSES: The complaint, except for any confidential information contained therein, is available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street, SW., Room 112, Washington, DC 20436, telephone 202–205–2000. Hearing impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server at *http://www.usitc.gov*. The public record for this investigation may be viewed on the Commission's electronic docket imaging system (EDIS) at *http://edis.usitc.gov*.

FOR FURTHER INFORMATION CONTACT: Everett Snotherly, Esq., Office of Unfair Import Investigations, U.S. International Trade Commission, telephone 202–205–2599.

AUTHORITY: The authority for institution of this investigation is contained in section 337 of the Tariff Act of 1930, as amended, and in section 210.10 of the Commission's Rules of Practice and Procedure, 19 CFR 210.10 (2003).

Scope of Investigation: Having considered the complaint, the U.S. International Trade Commission, on June 15, 2004, *ordered that*—

(1) Pursuant to subsection (b) of section 337 of the Tariff Act of 1930, as amended, an investigation be instituted to determine whether there is a violation of subsection (a)(1)(B) of section 337 in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain plastic food containers by reason of infringement of one or more of claims 1–5 of U.S. Patent No. 6,056,138, claims 1–2 and 4–9 of U.S. Patent No. 6,196,404, and the claim of U.S. Patent No. D 415,420, and whether an industry in the United States exists as required by subsection (a)(2) of section 337.

(2) For the purpose of the investigation so instituted, the following are hereby named as parties upon which this notice of investigation shall be served:

(a) The complainant is—Newspring Industrial Corporation, 35 O'Brien Street, Kearny, New Jersey 07032;

(b) The respondents are the following companies alleged to be in violation of section 337, and are parties upon which the complaint is to be served:

Taizhou Huasen Household Necessities, Co., Ltd., a/k/a China Huasen Daily Expenses Co., Ltd., No. 13,247 Lane, Yinshan Rd., Huaugyan, Taizhou, China;

Jiangsu Sainty Corporation, Ltd., 98 Jian Ye Road, Nanjing, China;

(c) Everett Snotherly, Esq., Office of Unfair Import Investigations, U.S. International Trade Commission, 500 E Street, SW., Suite 401, Washington, DC 20436, who shall be the Commission investigative attorney, party to this investigation; and

(3) For the investigation so instituted, the Honorable Paul J. Luckern is designated as the presiding administrative law judge.

Responses to the complainant and the notice of investigation must be submitted by the named respondents in accordance with section 210.13 of the Commission's Rules of Practice and Procedure, 19 CFR 210.13. Pursuant to 19 CFR 201.16(d) and 210.13(a), such responses will be considered by the Commission if received not later than 20 days after the date of service by the Commission of the complaint and the notice of investigation. Extensions of time for submitting the responses to the complaint and the notice of investigation will not be granted unless good cause therefor is shown.

Failure of a respondent to file a timely response to each allegation in the complaint and in this notice may be deemed to constitute a waiver of the right to appear and contest the allegations of the complaint and this notice, and to authorize the administrative law judge and the Commission, without further notice to the respondent, to find the facts to be as alleged in the complaint and this notice and to enter a final determination containing such findings, and may result in the issuance of a limited exclusion order or cease and desist order or both directed against such respondent.

Issued: June 16, 2004.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 04–14038 Filed 6–21–04; 8:45 am]

BILLING CODE 7020–02–M

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701–TA–373 (Review) and 731–TA–770–775 (Review)]

Stainless Steel Wire Rod From Italy, Japan, Korea, Spain, Sweden, and Taiwan

AGENCY: United States International Trade Commission.

ACTION: Revised schedule for the subject reviews.

EFFECTIVE DATE: June 17, 2004.

FOR FURTHER INFORMATION CONTACT: D.J. Na (202–708–4727) or Douglas Corkran (202–205–3057), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (*http://www.usitc.gov*).

SUPPLEMENTARY INFORMATION: Effective January 28, 2004, the Commission established a schedule for the conduct of the subject full five-year reviews (69 FR 5185, February 3, 2004). On February 25, 2004, Commerce extended the date of its preliminary results with regard to the full sunset review on the countervailing duty order on stainless steel wire rod from Italy to no later than February 27, 2004, and stated its intention to issue its final results by no later than June 28, 2004 (69 FR 8627). The Commission, therefore, is revising its schedule to incorporate Commerce's final results of the full review of the countervailing duty order on stainless steel wire rod from Italy into the record of these reviews.

The Commission's new schedule for the subject reviews is as follows. On June 29, 2004, the Commission will make available to parties all information

on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before July 1, 2004, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's rules.

For further information concerning these reviews see the Commission's notice cited above and the Commission's rules of practice and procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and F (19 CFR part 207).

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: June 17, 2004.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 04–14159 Filed 6–21–04; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[USITC SE–04–016]

Sunshine Act Meeting

AGENCY: International Trade Commission.

TIME AND DATE: June 22, 2004 at 11 a.m.

PLACE: Room 101, 500 E Street SW., Washington, DC 20436, Telephone: (202) 205–2000.

STATUS: Open to the public.

ACTION: Removal of Agenda Item.

In accordance with 19 CFR 201.35 (d)(2) the Commission has unanimously determined to remove the following agenda item from the meeting of June 22, 2004: 4. Inv. No. 731–TA–44 (Second Review)(Sorbitol from France)—briefing and vote.

Earlier announcement of this removal of agenda item was not possible.

By order of the Commission.

Issued: June 17, 2004.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 04–14158 Filed 6–18–04; 9:47 am]

BILLING CODE 7020–02–P

DEPARTMENT OF JUSTICE

Antitrust Division

Notice Pursuant to the National Cooperative Research and Production Act of 1993—Interchangeable Virtual Instruments Foundation, Inc.

Notice is hereby given that, on June 2, 2004, pursuant to Section 6(a) of the National Cooperative Research and Production Act of 1993, 15 U.S.C. 4301 *et seq.* ("the Act"), Interchangeable Virtual Instruments Foundation, Inc. has filed written notifications simultaneously with the Attorney General and the Federal Trade Commission disclosing changes in its membership status. The notifications were filed for the purpose of extending the Act's provisions limiting the recovery of antitrust plaintiffs to actual damages under specified circumstances. Specifically, Phase Matrix, Springfield, VA has been added as a party to this venture.

No other changes have been made in either the membership or planned activity of the group research project. Membership in this group research project remains open, and Interchangeable Virtual Instruments Foundation, Inc. intends to file additional written notification disclosing all changes in membership.

On May 29, 2001, Interchangeable Virtual Instruments Foundation, Inc. filed its original notification pursuant to Section 6(a) of the Act. The Department of Justice published a notice in the **Federal Register** pursuant to Section 6(b) of the Act on July 30, 2001 (66 FR 39336).

The last notification was filed with the Department on March 10, 2004. A notice was published in the **Federal Register** pursuant to Section 6(b) of the Act on April 5, 2004 (69 FR 17709).

Dorothy B. Fountain,

Deputy Director of Operations, Antitrust Division.

[FR Doc. 04–14082 Filed 6–21–04; 8:45 am]

BILLING CODE 4410–11–M

DEPARTMENT OF JUSTICE

Antitrust Division

Notice Pursuant to the National Cooperative Research and Production Act of 1993—PXI Systems Alliance, Inc.

Notice is hereby given that, on June 2, 2004, pursuant to Section 6(a) of the National Cooperative Research and Production Act of 1993, 15 U.S.C. 4301 *et seq.* ("the Act"), PXI Systems Alliance, Inc. has filed written notifications simultaneously with the Attorney General and the Federal Trade Commission disclosing changes in its membership status. The notifications were filed for the purpose of extending the Act's provisions limiting the recovery of antitrust plaintiffs to actual damages under specified circumstances. Specifically, X-ray Instrumentation Association, Newark, CA has been added as a party to this venture.

No other changes have been made in either the membership or planned activity of the group research project. Membership in this group research project remains open, and PXI Systems Alliance, Inc. intends to file additional written notification disclosing all changes in membership.

On November 22, 2000, PXI Systems Alliance, Inc. filed its original notification pursuant to Section 6(a) of the Act. The Department of Justice published a notice in the **Federal Register** pursuant to Section 6(b) of the Act on March 8, 2001 (66 FR 13971).

The last notification was filed with the Department on March 12, 2004. A notice was published in the **Federal Register** pursuant to Section 6(b) of the Act on April 5, 2004 (69 FR 17709).

Dorothy B. Fountain,

Deputy Director of Operations, Antitrust Division.

[FR Doc. 04–14083 Filed 6–21–04; 8:45 am]

BILLING CODE 4410–11–M

NUCLEAR REGULATORY COMMISSION

Agency Information Collection Activities: Proposed Collection; Comment Request

AGENCY: Nuclear Regulatory Commission (NRC).

ACTION: Notice of pending NRC action to submit an information collection request to OMB and solicitation of public comment.

SUMMARY: The NRC is preparing a submittal to OMB for review of continued approval of information collections under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. chapter 35).

Information pertaining to the requirement to be submitted:

1. *The title of the information collection:* 10 CFR Part 34—Licenses for Radiography and Radiation Safety Requirements for Radiographic Operations.

2. *Current OMB approval number:* 3150–0007.

Semiconductor Sdh Bhd of Malaysia; Carsem, Inc., of City of Industry, CA (collectively "Carsem"). Amkor's complaint alleged that Carsem's products infringe claims of three different patents held by Amkor.

On June 1, 2004, complainant Amkor moved for a summary determination that the importation requirement of 19 U.S.C. 1337(A)(1)(B) has been satisfied in this investigation. Carsem filed a response in opposition and the Commission investigative attorney filed a response in support of Amkor's motion.

On June 1, 2004, the ALJ issued the subject ID (Order No. 61) granting complainant Amkor's motion for summary determination that the importation requirements of 19 U.S.C. 1337(A)(1)(B) have been met.

No petitions for review of the ID were filed.

This action is taken under the authority of section 337 of the Tariff Act of 1930, 19 U.S.C. 1337, and section 210.42 of Commission's Rules of Practice and Procedure, 19 CFR 210.42.

By order of the Commission.

Issued: July 6, 2004.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 04–15756 Filed 7–9–04; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731–TA–787 (Review)]

Extruded Rubber Thread From Indonesia

AGENCY: United States International Trade Commission.

ACTION: Termination of five-year review.

SUMMARY: The subject five-year review was initiated in April 2004 to determine whether revocation of the antidumping duty order on extruded rubber thread from Indonesia would be likely to lead to continuation or recurrence of dumping and of material injury to a domestic industry. On June 29, 2004, the Department of Commerce published notice that it was revoking the order effective May 21, 2004 because "the domestic interested parties did not participate in this sunset review." (69 FR 38879). Accordingly, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)), the subject review is terminated.

DATES: Effective Date: May 21, 2004.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202–205–3193), Office of Investigations, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (*http://www.usitc.gov*).

Authority: This review is being terminated under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.69 of the Commission's rules (19 CFR 207.69).

By order of the Commission.

Issued: July 6, 2004.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 04–15673 Filed 7–9–04; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 701–TA–373 (Review)]

Stainless Steel Wire Rod From Italy

AGENCY: United States International Trade Commission.

ACTION: Termination of review.

SUMMARY: On June 29, 2004, the Department of Commerce ("Commerce") notified the Commission of its negative final determination of the likelihood of continuation or recurrence of a countervailable subsidy in connection with the subject five-year review on stainless steel wire rod from Italy. On July 2, 2004, Commerce published notice in the FR of its determination (69 FR 40354). Accordingly, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. 1675(c)), the five-year review of the countervailing duty order concerning stainless steel wire rod from Italy (investigation No. 701–TA–373 (review)) is terminated.

EFFECTIVE DATE: June 29, 2004.

FOR FURTHER INFORMATION CONTACT: Douglas Corkran (202–205–3057), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (*http://www.usitc.gov*). The public record for this review may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov*.

Authority: This five-year review is being terminated under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.69 of the Commission's rules (19 CFR 207.69).

By order of the Commission.

Issued: July 7, 2004.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 04–15736 Filed 7–9–04; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF LABOR

Office of the Secretary

Office of Small Business Programs Proposed Collection; Comment Request

ACTION: Notice.

SUMMARY: The Department of Labor, as part of its continuing effort to reduce paperwork and respondent burden, conducts a pre-clearance consultation program to provide the general public and Federal agencies an opportunity to comment on proposed and/or continuing collections of information in accordance with the Paperwork Reduction Act of 1995 (PRA95) [44 U.S.C. 3506(c)(2)(A)]. This program helps to ensure that requested data can be provided in the desired format, reporting burden (time and financial resources) is minimized, collection instruments are clearly understood, and the impact of collection requirements on respondents can be properly assessed. Currently, the Office of Small Business Programs (OSBP) is soliciting comments concerning the proposed continuation of the information collections contained in the Small Business Programs Information Management System. A copy of the proposed information collection request (ICR) can be obtained by contacting the employee listed below in the **ADDRESSES** section of this notice.

DATES: Written comments must be submitted to the office listed in the addresses section below on or before September 10, 2004.

ADDRESSEES: Send comments to Elaine B. Murrell, Small Business Advisor, U.S. Department of Labor, Office of Small Business Programs, Room C–

DEPARTMENT OF COMMERCE

International Trade Administration

[A–401–806]

Stainless Steel Wire Rod From Sweden; Final Results of Expedited Sunset Review of Antidumping Duty Order

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of final results of expedited sunset review of antidumping duty order on stainless steel wire rod from Sweden.

SUMMARY: On August 1, 2003, the Department of Commerce ("the Department") published the notice of initiation of a sunset review on stainless steel wire rod ("SSWR") from Sweden. On the basis of notice of intent to participate and adequate substantive comments filed on behalf of domestic

interested parties and inadequate response (in this case, no response) from respondent interested parties, we determined to conduct an expedited (120-day) review. As a result of this review, we find that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the levels listed below in the section entitled "Final Results of Review."

EFFECTIVE DATE: December 10, 2003.

FOR FURTHER INFORMATION CONTACT: Julie Al-Saadawi or Martha Douthit, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC, 20230; telephone: (202) 482–1930 or (202) 482–5050, respectively.

SUPPLEMENTARY INFORMATION:

Background

On August 1, 2003, the Department published the notice of initiation of a sunset review of the antidumping order on SSWR from Sweden pursuant to section 751(c) of the Tariff Act of 1930, as amended (the "Act").[1] The Department received Notice of Intent to Participate on behalf of Carpenter Technology Corporation ("domestic interest parties"), within the deadline specified in section 351.218(d)(1)(i) of the Sunset Regulations. The domestic interested parties claimed interested party status under Section 771(9)(C) of the Act, as a U.S. producer of SSWR. We received a complete substantive response, in the sunset review, from the domestic interested parties, within the 30-day deadline specified in the Sunset Regulations under section 351.218(d)(3)(i). The domestic interested parties have been involved in this proceeding since its inception and are committed to full participation in this five-year review.

We did not receive a substantive response from any respondent interested parties to this proceeding. As a result, pursuant to Section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C) of the Department's Regulations, the Department conducted an expedited, 120-day, review of this antidumping duty order.

Scope of Review

Stainless steel wire rod (SSWR) comprises products that are hot-rolled or hot-rolled annealed and/or pickled and/or descaled rounds, squares, octagons, hexagons or other shapes, in coils, that may also be coated with a lubricant containing copper, lime or oxalate. SSWR is made of alloy steels containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. These products are manufactured only by hot-rolling or hot-rolling, annealing, and/or pickling and/or descaling, are normally sold in coiled form, and are of solid cross-section. The majority of SSWR sold in the United States is round in cross-sectional shape, annealed and pickled, and later cold-finished into stainless steel wire or small-diameter bar. The most common size for such products is 5.5 millimeters or 0.217 inches in diameter, which represents the smallest size that normally is produced on a rolling mill and is the size that most wire-drawing machines are set up to draw. The range of SSWR sizes normally sold in the United States is between 0.20 inches and 1.312 inches diameter.

Two stainless steel grades, SF20T and K-M35FL, are excluded from the scope of this review. The following proprietary grades of Kanthal AB are also excluded: Kanthal A–1, Kanthal AF, Kanthal A, Kanthal D, Kanthal DT, Alkrothal 720, and Nikrothal 40. The chemical makeup for the excluded grades is as follows:

SF20T
- Carbon—0.05 max
- Manganese—2.00 max
- Phosphorous—0.05 max
- Sulfur—0.15 max
- Silicon—1.00 max
- Chromium—19.00/21.00
- Molybdenum—1.50/2.50
- Lead—added (0.10/0.30)
- Tellurium—added (0.03 min)

K–M35FL
- Carbon—0.015 max
- Silicon—0.70/1.00
- Manganese—0.40 max
- Phosphorous—0.04 max
- Sulfur—0.03 max
- Nickel—0.30 max
- Chromium—12.50/14.00
- Lead—0.10/0.30
- Aluminum—0.20/0.35

The products subject to this order are currently classifiable under subheadings 7221.00.0005, 7221.00.0015, 7221.00.0030, 7221.00.0045, and 7221.00.0075 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. This review cover all imports from all manufacturers, producers, and exporters of SSWR from Sweden.

Analysis of Comments Received

All issues raised in this case by parties to this sunset review are addressed in the "Issues and Decision Memorandum" ("Decision Memo") from Ronald K. Lorentzen, Acting Director, Office of Policy, Import Administration, to James J. Jochum, Assistant Secretary for Import Administration, dated December 1, 2003, which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail were the order revoked. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum, which is on file in room B–099 of the main Commerce Building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at *http://ia.ita.doc.gov/sunset*, under the heading "December 2003." The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Review

We determine that revocation of the antidumping duty on SSWR from Sweden would be likely to lead to continuation or recurrence of dumping at the following percentage weighted-average margins:

Swedish producers/ manufacturers/exporters	Weighted average-margin (percentage)
Fagersta Stainless AB	5.71
All Others	5.71

This notice also serves as the only reminder to parties subject to administrative protective orders ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing this results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

[1] *Initiation of Five-Year (Sunset) Reviews*, 68 FR 45219 (August 1, 2003).

Dated: December 1, 2003.

James J. Jochum,

Assistant Secretary for Import Administration.

[FR Doc. 03–30624 Filed 12–9–03; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–475–820]

Stainless Steel Wire Rod From Italy; Final Results of Expedited Sunset Review of Antidumping Duty Order

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of final results of expedited sunset review of antidumping duty order on stainless steel wire rod from Italy.

SUMMARY: On August 1, 2003, the Department of Commerce ("the Department") published the notice of initiation of a sunset review on stainless steel wire rod ("SSWR") from Italy. On the basis of notice of intent to participate and adequate substantive comments filed on behalf of domestic interested parties and inadequate response (in this case, no response) from respondent interested parties, we determined to conduct an expedited (120-day) review. As a result of this review, we find that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the levels listed below in the section entitled "Final Results of Review."

EFFECTIVE DATE: December 10, 2003.

FOR FURTHER INFORMATION CONTACT: Ozlem Koray or Martha Douthit, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC, 20230; telephone: (202) 482–3675 or (202) 482–5050.

SUPPLEMENTARY INFORMATION:

Background

On August 1, 2003, the Department published the notice of initiation of a sunset review of the antidumping order on SSWR from Italy pursuant to section 751(c) of the Tariff Act of 1930, as amended (the "Act").[1] The Department received Notice of Intent to Participate on behalf of domestic interested party, Carpenter Technology Corporation ("Carpenter Technology"), within the deadline specified in section 351.218(d)(1)(I) of the *Sunset Regulations*. Carpenter Technology claimed interested party status under Section 771(9)(C) of the Act, as U.S. producers of a domestic like product. We received a complete substantive response, in the sunset review, from the domestic interested parties, within the 30-day deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(I). Carpenter Technology has been involved in this proceeding since its inception and are committed to full participation in this five-year review.

We did not receive a substantive response from any respondent interested parties to this proceeding. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C) of the Department's Regulations, the Department conducted expedited, 120-day, review of this antidumping duty order.

This review covers all imports from all manufacturers, producers, and exporters of SSWR from Italy except for Acciaierie Valbruna/Accierie de Bolazano SpA, who received a *de minimis* rate in the investigation and as a result were excluded from the order.

Scope of Review

SSWR comprises products that are hot-rolled or hot-rolled annealed and/or pickled and/or descaled rounds, squares, octagons, hexagons or other shapes, in coils, that may also be coated with a lubricant containing copper, lime or oxalate. SSWR is made of alloy steels containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. These products are manufactured only by hot-rolling or hot-rolling, annealing, and/or pickling and/or descaling, are normally sold in coiled form, and are of solid cross-section. The majority of SSWR sold in the United States is round in cross-sectional shape, annealed and pickled, and later cold-finished into stainless steel wire or small-diameter bar.The most common size for such products is 5.5 millimeters or 0.217 inches in diameter, which represents the smallest size that normally is produced on a rolling mill and is the size that most wire-drawing machines are set up to draw. The range of SSWR sizes normally sold in the United States is between 0.20 inches and 1.312 inches diameter. Two stainless steel grades, SF20T and K–M35FL, are excluded from the scope of this review. The chemical makeup for the excluded grades is as follows:

SF20T

Carbon—0.05 max
Manganese—2.00 max
Phosphorous—0.05 max
Sulfur—0.15 max
Silicon—1.00 max
Chromium—19.00/21.00
Molybdenum—1.50/2.50
Lead—added (0.10/0.30)
Tellurium—added (0.03 min)

K–M35FL

Carbon—0.015 max
Silicon—0.70/1.00
Manganese—0.40 max
Phosphorous—0.04 max
Sulfur—0.03 max
Nickel—0.30 max
Chromium—12.50/14.00
Lead—0.10/0.30
Aluminum—0.20/0.35

The products subject to this order are currently classifiable under subheadings 7221.00.0005, 7221.00.0015, 7221.00.0030, 7221.00.0045, and 7221.00.0075 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.

Analysis of Comments Received

All issues raised in this case by Carpenter Technology to this sunset review are addressed in the "Issues and Decision Memorandum" ("Decision Memo") from Ronald K. Lorentzen, Acting Director, Office of Policy, Import Administration, to James J. Jochum, Assistant Secretary for Import Administration, dated December 1, 2003, which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail were the order revoked. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum, which is on file in room B–099 of the main Commerce Building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at *http://ia.ita.doc.gov/sunset*, under the heading "December 2003." The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Review

We determine that revocation of the antidumping duty on SSWR from Italy would be likely to lead to continuation or recurrence of dumping at the following percentage weighted-average margins:

[1] *Initiation of Five-Year (Sunset Reviews*, 68 FR 45219 (August 1, 2003).

Manufacturer/producer/exporter	Weighted average margin percentage
Cogne Acciai Speciali S.r.l	12.73
All Others	12.73

This notice also serves as the only reminder to parties subject to administrative protective orders ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing this results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: December 1, 2003.

James J. Jochum,

Assistant Secretary, Import Administration.

[FR Doc. 03-30626 Filed 12-9-03; 8:45 am]

BILLING CODE 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-829]

Stainless Steel Wire Rod From South Korea; Final Results of Expedited Sunset Review of Antidumping Duty Order

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of final results of expedited sunset review of antidumping duty order on stainless steel wire rod from South Korea.

SUMMARY: On August 1, 2003, the Department of Commerce ("the Department") published the notice of initiation of a sunset review on stainless steel wire rod ("SSWR") from South Korea. On the basis of notice of intent to participate and adequate substantive comments filed on behalf of domestic interested parties and inadequate response (in this case, no response) from respondent interested parties, we determined to conduct an expedited (120-day) review. As a result of this review, we find that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the levels listed below in the section entitled "Final Results of Review."

EFFECTIVE DATE: December 10, 2003.

FOR FURTHER INFORMATION CONTACT: Ozlem Koray or Martha Douthit, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482-3675 or (202) 482-5050.

SUPPLEMENTARY INFORMATION:

Background

On August 1, 2003, the Department published the notice of initiation of a sunset review of the antidumping order on SSWR from South Korea pursuant to section 751(c) of the Tariff Act of 1930, as amended (the "Act").[1] The Department received Notice of Intent to Participate on behalf of a domestic interested party, Carpenter Technology Corporation ("Carpenter Technology"), within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. The domestic interested parties claimed interested party status under section 771(9)(C) of the Act, as U.S. producers of a domestic like product. We received a complete substantive response, in the sunset review, from Carpenter Technology, within the 30-day deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i). Carpenter Technology has been involved in this proceeding since its inception and are committed to full participation in this five-year review.

We did not receive a substantive response from any respondent interested parties to this proceeding. As a result, pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C) of the Department's Regulations, the Department conducted an expedited, 120-day, review of this antidumping duty order.

Scope of Review

SSWR comprises products that are hot-rolled or hot-rolled annealed and/or pickled and/or descaled rounds, squares, octagons, hexagons or other shapes, in coils, that may also be coated with a lubricant containing copper, lime or oxalate. SSWR is made of alloy steels containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. These products are manufactured only by hot-rolling or hot-rolling, annealing, and/or pickling and/or descaling, are normally sold in coiled form, and are of solid cross-section. The majority of SSWR sold in the United States is round in cross-sectional shape, annealed and pickled, and later cold-finished into stainless steel wire or small-diameter bar.The most common size for such products is 5.5 millimeters or 0.217 inches in diameter, which represents the smallest size that normally is produced on a rolling mill and is the size that most wire-drawing machines are set up to draw. The range of SSWR sizes normally sold in the United States is between 0.20 inches and 1.312 inches diameter. Two stainless steel grades, SF20T and K-M35FL, are excluded from the scope of this review. The chemical makeup for the excluded grades is as follows:

SF20T
- Carbon—0.05 max
- Manganese—2.00 max
- Phosphorous—0.05 max
- Sulfur—0.15 max
- Silicon—1.00 max
- Chromium—19.00/21.00
- Molybdenum—1.50/2.50
- Lead—added (0.10/0.30)
- Tellurium—added (0.03 min)

K-M35FL
- Carbon—0.015 max
- Silicon—0.70/1.00
- Manganese—0.40 max
- Phosphorous—0.04 max
- Sulfur—0.03 max
- Nickel—0.30 max
- Chromium—12.50/14.00
- Lead—0.10/0.30
- Aluminum—0.20/0.35

The products subject to this order are currently classifiable under subheadings 7221.00.0005, 7221.00.0015, 7221.00.0030, 7221.00.0045, and 7221.00.0075 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. This review cover all imports from all manufacturers, producers, and exporters of SSWR from South Korea.

Analysis of Comments Received

All issues raised in this case by parties to this sunset review are addressed in the "Issues and Decision Memorandum" ("Decision Memo") from Ronald K. Lorentzen, Acting Director, Office of Policy, Import Administration, to James J. Jochum, Assistant Secretary for Import Administration, dated December 1, 2003, which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of

[1] *Initiation of Five-Year (Sunset) Reviews*, 68 FR 45219 (August 1, 2003).

dumping and the magnitude of the margin likely to prevail were the order revoked. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum, which is on file in room B–099 of the main Commerce Building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at *http://ia.ita.doc.gov/sunset*, under the heading "December 2003." The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Review

We determine that revocation of the antidumping duty on SSWR from South Korea would be likely to lead to continuation or recurrence of dumping at the following percentage weighted-average margins:

Manufacturer/producer/exporter	Weighted average margin
Dongbang Special Steel Co., Ltd./Changwon Specialty Steel Co. Ltd./Pohang Iron and Steel Co., Ltd	5.77
Sammi Steel Co., Ltd	28.44
All Others	5.77

This notice also serves as the only reminder to parties subject to administrative protective orders ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing this results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: December 1, 2003.

James J. Jochum,

Assistant Secretary, Import Administration.

[FR Doc. 03–30627 Filed 12–9–03; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-588–843]

Stainless Steel Wire Rod from Japan; Final Results of Expedited Sunset Review of Antidumping Duty Order

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of Final Results of Expedited Sunset Review of Antidumping Duty Order on Stainless Steel Wire Rod from Japan.

SUMMARY: On August 1, 2003, the Department of Commerce ("the Department") published the notice of initiation of a sunset review on stainless steel wire rod ("SSWR") from Japan. On the basis of notice of intent to participate and adequate substantive comments filed on behalf of a domestic interested party and inadequate response (in this case, no response) from respondent interested parties, we have determined to conduct an expedited 120-day review. As a result of this review, we find that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the levels listed below in the section entitled "Final Results of Review."

EFFECTIVE DATE: December 10, 2003.

FOR FURTHER INFORMATION CONTACT: Alessandra Cortez or Martha Douthit, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC, 20230; telephone: (202) 482–5925 or (202) 482–5050, respectively.

SUPPLEMENTARY INFORMATION:

Background

On August 1, 2003, the Department published the notice of initiation of a sunset review of the antidumping order on SSWR from Japan pursuant to section 751(c) of the Tariff Act of 1930, as amended (the "Act").[1] The Department received a Notice of Intent to Participate on behalf a domestic interested party, Carpenter Technology Corporation ("Carpenter Technology"), within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. The domestic interested parties claimed interested party status under Section 771(9)(C) of the Act, as a U.S. producer of a domestic like product. We received a complete substantive response, in the sunset review, from the domestic interested parties, within the 30-day deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i). Carpenter Technology has been involved in this proceeding since its inception and are committed to full participation in this five-year review.

We did not receive a substantive response from any respondent interested parties to this proceeding. As a result, pursuant to Section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C) of the Department's Regulations, the Department has an conducted an expedited, 120-day review of this antidumping duty order.

Scope of Review

SSWR comprises products that are hot-rolled or hot-rolled annealed and/or pickled and/or descaled rounds, squares, octagons, hexagons or other shapes, in coils, that may also be coated with a lubricant containing copper, lime or oxalate. SSWR is made of alloy steels containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. These products are manufactured only by hot-rolling or hot-rolling, annealing, and/or pickling and/or descaling, are normally sold in coiled form, and are of solid cross-section. The majority of SSWR sold in the United States is round in cross-sectional shape, annealed and pickled, and later cold-finished into stainless steel wire or small-diameter bar.

The most common size for such products is 5.5 millimeters or 0.217 inches in diameter, which represents the smallest size that normally is produced on a rolling mill and is the size that most wire-drawing machines are set up to draw. The range of SSWR sizes normally sold in the United States is between 0.20 inches and 1.312 inches diameter. Two stainless steel grades, SF20T and K-M35FL, are excluded from the scope of this review. The chemical makeup for the excluded grades is as follows:

SF20T

Carbon--0.05 max
Manganese--2.00 max
Phosphorous--0.05 max
Sulfur--0.15 max
Silicon--1.00 max
Chromium--19.00/21.00
Molybdenum--1.50/2.50
Lead--added (0.10/0.30)
Tellurium--added (0.03 min)

K-M35FL

Carbon--0.015 max

[1] Initiation of Five-Year (Sunset) Reviews, 68 FR 45219 (August 1, 2003)

Silicon--0.70/1.00
Manganese--0.40 max
Phosphorous--0.04 max
Sulfur--0.03 max
Nickel--0.30 max
Chromium--12.50/14.00
Lead--0.10/0.30
Aluminum--0.20/0.35

The products subject to this order are currently classifiable under subheadings 7221.00.0005, 7221.00.0015, 7221.00.0030, 7221.00.0045, and 7221.00.0075 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.

This review covers all imports from all manufacturers, producers, and exporters of SSWR from Japan, except for Hitachi who received a de minimis rate in the investigation and as a result was excluded from the order.

Analysis of Comments Received

All issues raised in this case by parties to this sunset review are addressed in the "Issues and Decision Memorandum" ("Decision Memo") from Ronald K. Lorentzen, Acting Director, Office of Policy, Import Administration, to James J. Jochum, Assistant Secretary for Import Administration, dated December 1, 2003, which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail were the order revoked. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum, which is on file in room B-099 of the main Commerce Building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at http://ia.ita.doc.gov/sunset, under the heading "December 2003." The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Review

We determine that revocation of the antidumping duty on SSWR from Japan would be likely to lead to continuation or recurrence of dumping at the following percentage weighted-average margins:

Manufacturer/producer/exporter	Weighted-Average Margin Percentage
Daido Steel Co., Ltd	34.21
Nippon Steel Corp	21.18
Sanyo Special Steel Co., Ltd	34.21
Sumitomo Electric Industries, Ltd	34.21
All Others	25.26

This notice also serves as the only reminder to parties subject to administrative protective orders ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing this results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: December 1, 2003.

James J. Jochum,

Assistant Secretary for Import Administration.

[FR Doc. 03–30628 Filed 12–9–03; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

[A-583–828]

Stainless Steel Wire Rod from Taiwan; Final Results of Expedited Sunset Review of Antidumping Duty Order

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of Final Results of Expedited Sunset Review of Antidumping Duty Order on Stainless Steel Wire Rod from Taiwan.

SUMMARY: On August 1, 2003, the Department of Commerce ("the Department") published the notice of initiation of a sunset review on stainless steel wire rod ("SSWR") from Taiwan. On the basis of notice of intent to participate and adequate substantive comments filed on behalf of domestic interested parties and inadequate response (in this case, no response) from respondent interested parties, we have determined to conduct an expedited, 120-day review. As a result of this review, we find that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the levels listed below in the section entitled "Final Results of Review."

EFFECTIVE DATE: December 10, 2003.

FOR FURTHER INFORMATION CONTACT: Alessandra Cortez or Martha Douthit, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC, 20230; telephone: (202) 482–5925 or (202) 482–5050, respectively.

SUPPLEMENTARY INFORMATION:

Background

On August 1, 2003, the Department published the notice of initiation of a sunset review of the antidumping order on SSWR from Taiwan pursuant to section 751(c) of the Tariff Act of 1930, as amended (the "Act").[1] The Department received Notice of Intent to Participate on behalf of a domestic interested party, Carpenter Technology Corporation ("Carpenter Technology"), within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. Carpenter Technology claimed interested party status under Section 771(9)(C) of the Act, as a U.S. producer of a domestic like product. We received a complete substantive response, in the sunset review, from Carpenter Technology, within the 30-day deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i). Carpenter Technology have been involved in this proceeding

[1] *Initiation of Five-Year (Sunset) Reviews*, 68 FR 45219 (August 1, 2003)

since its inception and are committed to full participation in this five-year review.

We did not receive a substantive response from any respondent interested parties to this proceeding. As a result, pursuant to Section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C) of the Department's Regulations, the Department has conducted an expedited, 120-day review of this antidumping duty order.

Scope of Review

SSWR comprises products that are hot-rolled or hot-rolled annealed and/or pickled and/or descaled rounds, squares, octagons, hexagons or other shapes, in coils, that may also be coated with a lubricant containing copper, lime or oxalate. SSWR is made of alloy steels containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. These products are manufactured only by hot-rolling or hot-rolling, annealing, and/or pickling and/or descaling, are normally sold in coiled form, and are of solid cross-section. The majority of SSWR sold in the United States is round in cross-sectional shape, annealed and pickled, and later cold-finished into stainless steel wire or small-diameter bar.

The most common size for such products is 5.5 millimeters or 0.217 inches in diameter, which represents the smallest size that normally is produced on a rolling mill and is the size that most wire-drawing machines are set up to draw. The range of SSWR sizes normally sold in the United States is between 0.20 inches and 1.312 inches diameter. Two stainless steel grades, SF20T and K-M35FL, are excluded from the scope of this review. The chemical makeup for the excluded grades is as follows:

SF20T

Carbon--0.05 max
Manganese--2.00 max
Phosphorous--0.05 max
Sulfur--0.15 max
Silicon--1.00 max
Chromium--19.00/21.00
Molybdenum--1.50/2.50
Lead--added (0.10/0.30)
Tellurium--added (0.03 min)

K-M35FL

Carbon--0.015 max
Silicon--0.70/1.00
Manganese--0.40 max
Phosphorous--0.04 max
Sulfur--0.03 max
Nickel--0.30 max
Chromium--12.50/14.00Lead--0.10/0.30
Aluminum--0.20/0.35

The products subject to this order are currently classifiable under subheadings 7221.00.0005, 7221.00.0015, 7221.00.0030, 7221.00.0045, and 7221.00.0075 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.

This review covers all imports from all manufacturers, producers, and exporters of SSWR from Taiwan except for Yieh Hsing Enterprise Corp., Ltd., who received a *de minimis* rate in the investigation and as a result was excluded from the order.

Analysis of Comments Received

All issues raised in this case by parties to this sunset review are addressed in the "Issues and Decision Memorandum" ("Decision Memo") from Ronald K. Lorentzen, Acting Director, Office of Policy, Import Administration, to James J. Jochum, Assistant Secretary for Import Administration, dated December 1, 2003, which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail were the order revoked. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum, which is on file in room B-099 of the main Commerce Building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at *http://ia.ita.doc.gov/sunset*, under the heading "December 2003." The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Review

We determine that revocation of the antidumping duty on SSWR from Taiwanwould be likely to lead to continuation or recurrence of dumping at the following percentage weighted-average margins:

Manufacturer/producer/exporter	Weighted Average Margin Percentage
Walsin Cartech Specialty Stee	18.29
Yieh Hsing Enterprise Corporation	Excluded [FN1]
All Others	8.29

[FN1] Yieh Hsing Enterprise Corp. received a *de minimis* rate in the investigation.

This notice also serves as the only reminder to parties subject to administrative protective orders ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing this results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: December 1, 2003.

James J. Jochum,

Assistant Secretary for Import Administration.

[FR Doc. 03-30629 Filed 12-9-03; 8:45 am]

BILLING CODE 3510-DS-S

DEPARTMENT OF COMMERCE

International Trade Administration

[A-469-807]

Stainless Steel Wire Rod from Spain; Final Results of Expedited Sunset Review of Antidumping Duty Order

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of Final Results of Expedited Sunset Review of Antidumping Duty Order on Stainless Steel Wire Rod from Spain.

SUMMARY: On August 1, 2003, the Department of Commerce ("the Department") published the notice of initiation of a sunset review of the antidumping duty order on stainless steel wire rod ("SSWR") from Spain.[1] On the basis of notice of intent to participate and adequate substantive comments filed on behalf of domestic interested parties and inadequate response (in this case, no response) from respondent interested parties, we have determined to conduct an expedited sunset review. Based on our analysis of the comments received, we find that revocation of the antidumping duty order would be likely to lead to continuation or recurrence of dumping at the levels listed below in the section entitled *Final Results of Review*.

EFFECTIVE DATE: December 10, 2003.

FOR FURTHER INFORMATION CONTACT: Martha Douthit, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC, 20230; telephone: (202) 482–5050.

SUPPLEMENTARY INFORMATION:

Background

On August 1, 2003, the Department published the notice of initiation of the sunset review of the antidumping duty order on SSWR from Spain. *See Initiation of Five-Year (Sunset) Reviews*, 68 FR 45219 (August 1, 2003), in accordance with section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On August 15, 2003, the Department received a Notice of Intent to Participate on behalf of a domestic interested party, Carpenter Technology Corporation ("Carpenter Technology"), within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Policy Bulletin*. Carpenter Technology claimed interested party status under section 771(9)(C) of the Act, as a U.S. producer of SSWR. Carpenter Technology states that it has been involved in this proceeding since its inception and remain committed to full participation in this sunset review.

We received a complete substantive response from Carpenter Technology on September 2, 2003, within the 30-day deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i). We did not receive a substantive response from any respondent interested parties to this proceeding. As a result, pursuant to 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C) of the *Sunset Regulations*, the Department determined to conduct an expedited, i.e., 120-day, review of this order.

This review covers imports from all known manufacturers and exporters of SSWR from Spain.

Scope of Review

SSWR comprises products that are hot-rolled or hot-rolled annealed and/or pickled and/or

descaled rounds, squares, octagons, hexagons or other shapes, in coils, that may also be coated with a lubricant containing copper, lime or oxalate. SSWR is made of alloy steels containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. These products are manufactured only by hot-rolling or hot-rolling, annealing, and/or pickling and/or descaling, are normally sold in coiled form, and are of solid cross-section. The majority of SSWR sold in the United States is round in cross-sectional shape, annealed and pickled, and later cold-finished into stainless steel wire or small-diameter bar.

The most common size for such products is 5.5 millimeters or 0.217 inches in diameter, which represents the smallest size that normally is produced on a rolling mill and is the size that most wire-drawing machines are set up to draw. The range of SSWR sizes normally sold in the United States is between 0.20 inches and 1.312 inches diameter. Two stainless steel grades, SF20T and K-M35FL, are excluded from the scope of this review. The chemical makeup for the excluded grades is as follows:

SF20T

Carbon--0.05 max
Manganese--2.00 max
Phosphorous--0.05 max
Sulfur--0.15 max
Silicon--1.00 max
Chromium--19.00/21.00
Molybdenum--1.50/2.50
Lead--added (0.10/0.30)

K-M35FL

Carbon--0.015 maxSilicon--0.70/1.00
Manganese--0.40 max
Phosphorous--0.04 max
Sulfur--0.03 max
Nickel--0.30 max
Chromium--12.50/14.00
Lead--0.10/0.30
Aluminum--0.20/0.35

The products subject to this antidumping duty order are currently classifiable under subheadings 7221.00.0005, 7221.00.0015, 7221.00.0030, 7221.00.0045, and 7221.00.0075 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.

Analysis of Comments Received

All issues raised in this case by parties to this sunset review are addressed in the "Issues and Decision Memorandum" ("Decision Memo") from Ronald K. Lorentzen, Acting Director, Office of Policy, Import Administration, to James J. Jochum, Assistant Secretary for Import Administration, dated December 1, 2003, which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail were the order revoked. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum, which is on file in room B-099 of the main Commerce Building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at *http://ia.ita.doc.gov/sunset*, under the heading "December 2003." The paper copy and electronic version of the Decision Memorandum are identical in content.

Final Results of Review

We determine that revocation of the antidumping duty on SSWR from Spain would be likely to lead to continuation or recurrence of dumping at the following percentage weighted-average margins:

Manufacturers/producers/exporters	Weighted-AverageMarginPercentage
Roldan, S.A.	4.73
All Others	4.73

[1] *Initiation of Five-Year (Sunset) Reviews*, 68 FR 45219 (August 1, 2003).

This notice also serves as the only reminder to parties subject to administrative protective orders ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

We are issuing and publishing this results and notice in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: December 1, 2003.

James J. Jochum,

Assistant Secretary for Import Administration.

[FR Doc. 03–30630 Filed 12–9–03; 8:45 am]

BILLING CODE 3510–DS–S

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701–TA–373 and 731–TA–770–775 (Review)]

Stainless Steel Wire Rod From Italy, Japan, Korea, Spain, Sweden, and Taiwan

AGENCY: International Trade Commission.

ACTION: Scheduling of full five-year reviews concerning the countervailing duty order on stainless steel wire rod from Italy and antidumping duty orders on stainless steel wire rod from Italy, Japan, Korea, Spain, Sweden, and Taiwan.

SUMMARY: The Commission hereby gives notice of the scheduling of full reviews pursuant to section 751(c)(5) of the Tariff Act of 1930 (19 U.S.C. 1675(c)(5)) (the Act) to determine whether revocation of the countervailing duty order on stainless steel wire rod from Italy and the antidumping duty orders on stainless steel wire rod from Italy, Japan, Korea, Spain, Sweden, and Taiwan would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. For further information concerning the conduct of these reviews and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A, D, E, and F (19 CFR part 207).

EFFECTIVE DATE: January 28, 2004.

FOR FURTHER INFORMATION CONTACT: D.J. Na (202–708–4727), Office of Investigations, U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202–205–1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202–205–2000. General information concerning the Commission may also be obtained by accessing its Internet server (*http://www.usitc.gov*). The public record for these reviews may be viewed on the Commission's electronic docket (EDIS) at *http://edis.usitc.gov*.

SUPPLEMENTARY INFORMATION:

Background

On November 4, 2003, the Commission determined that responses to its notice of institution of the subject five-year reviews were such that full reviews pursuant to section 751(c)(5) of the Act should proceed (68 FR 65085, November 18, 2003). A record of the Commissioners' votes, the Commission's statement on adequacy, and any individual Commissioner's statements are available from the Office of the Secretary and at the Commission's web site.

Participation in the Reviews and Public Service List

Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in these reviews as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, by 45 days after publication of this notice. A party that filed a notice of appearance following publication of the Commission's notice of institution of the reviews need not file an additional notice of appearance. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the reviews.

Limited Disclosure of Business Proprietary Information (BPI) Under an Administrative Protective Order (APO) and BPI Service List

Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these reviews available to authorized applicants under the APO issued in the reviews, provided that the application is made by 45 days after publication of this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. 1677(9), who are parties to the reviews. A party granted access to BPI following publication of the Commission's notice of institution of the reviews need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff Report

The prehearing staff report in the reviews will be placed in the nonpublic record on April 28, 2004, and a public version will be issued thereafter, pursuant to section 207.64 of the Commission's rules.

Hearing

The Commission will hold a hearing in connection with the reviews beginning at 9:30 a.m. on May 18, 2004, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in

writing with the Secretary to the Commission on or before May 11, 2004. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on May 13, 2004, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), 207.24, and 207.66 of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 days prior to the date of the hearing.

Written Submissions

Each party to the reviews may submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.65 of the Commission's rules; the deadline for filing is May 7, 2004. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.67 of the Commission's rules. The deadline for filing posthearing briefs is May 27, 2004; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the reviews may submit a written statement of information pertinent to the subject of the reviews on or before May 27, 2004. On June 18, 2004, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before June 22, 2004, but such final comments must not contain new factual information and must otherwise comply with section 207.68 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002).

In accordance with sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the reviews must be served on all other parties to the reviews (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: These reviews are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.62 of the Commission's rules.

Issued: January 28, 2004.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 04–2099 Filed 2–2–04; 8:45 am]

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film exported by Polyplex that is entered, or withdrawn from warehouse, for consumption on or after June 28, 2004.

Dated: June 28, 2004.

Jeffrey A. May,

Acting Assistant Secretary for Import Administration.

[FR Doc. 04–15226 Filed 7–1–04; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

[A–485–805]

Certain Small Diameter Carbon and Alloy Seamless Standard, Line and Pressure Pipe from Romania: Extension of the Time Limit for the Preliminary Results of Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: July 2, 2004.

FOR FURTHER INFORMATION CONTACT: Charles Riggle at (202) 482–0650 or David Layton at (202) 482–0371, Office of AD/CVD Enforcement, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

TIME LIMITS:

Statutory Time Limits

Section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), requires the Department of Commerce (the Department) to complete the preliminary results of an administrative review within 245 days after the last day of the anniversary month of an order or finding for which a review is requested and the final results within 120 days after the date on which the preliminary results are published. If it is not practicable to complete the review within these time periods, section 751(a)(3)(A) of the Act allows the Department to extend the time limit for the preliminary results to a maximum of 365 days after the last day of the anniversary month of an order or finding for which a review is requested and for the final results to 180 days (or 300 days if the Department does not extend the time limit for the preliminary results) from the date of publication of the preliminary results.

Background

On August 1, 2003, the Department published a notice of opportunity to request an administrative review of this order. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 68 FR 45218. On August 29, 2003, in accordance with 19 CFR 351.213(b)(2), S.C. Silcotub S.A. (Silcotub), a Romanian producer/exporter of subject merchandise, requested a review. In addition, in accordance with 19 CFR 351.222(e), Silcotub requested that the Department revoke the order with regard to Silcotub, pursuant to 19 CFR 351.222(b)(2). On September 2, 2003, United States Steel Corporation, a domestic interested party, requested reviews of Silcotub and S.C. Petrotub S.A., producers/exporters of certain small diameter carbon and alloy seamless standard, line and pressure pipe from Romania.

On September 30, 2003, the Department published a notice of initiation of administrative review of the antidumping duty order on certain small diameter carbon and alloy seamless standard, line and pressure pipe from Romania, covering the period August 1, 2002, through July 31, 2003 (68 FR 56262). On March 31, 2004, the Department published a notice of *Extension of the Time Limit for the Preliminary Results of Antidumping Duty Administrative Review* (69 FR 16893), extending the deadline for the issuance of the preliminary results by 90 days. The preliminary results are currently due no later than August 2, 2004.

Extension of Time Limit for Preliminary Results of Review

We determine that it is not practicable to complete the preliminary results of this review within the current partially extended time limit due to the complex nature of this review as discussed in the previous extension notice (69 FR 16893). We require additional time to address these matters through the gathering and verification of certain information.

Therefore, in accordance with section 751(a)(3)(A) of the Act, the Department is extending the time limit for completion of the preliminary results by an additional 30 days until no later than August 30, 2004. We intend to issue the final results of review no later than 120 days after publication of the preliminary results notice.

Dated: June 25, 2004.

James J. Jochum,

Assistant Secretary for for Import Administration.

[FR Doc. 04–15106 Filed 7–1–04; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

[C–475–821]

Stainless Steel Wire Rod from Italy: Final Results of Full Sunset Review of Countervailing Duty Order

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of final results of full sunset review of countervailing duty order of Stainless Steel Wire Rod from Italy.

SUMMARY: On August 1, 2003, the Department of Commerce ("the Department") initiated a sunset review of the countervailing duty order on Stainless Steel Wire Rod from Italy (68 FR 45219). Because we find that the net countervailable subsidy likely to prevail is *de minimis*, the Department is revoking this countervailing duty order.

DATES: *Effective Date:* July 2, 2004.

FOR FURTHER INFORMATION CONTACT: Hilary Sadler, Esq. or Martha Douthit, Office of Policy, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–4340 or (202) 482–5050.

SUPPLEMENTARY INFORMATION:

The Applicable Statute

The Department's procedures for the conduct of sunset reviews are set forth in Section 751(c) of the Tariff Act of 1930, as amended (the "Act"), and 19 CFR 351.218. Guidance on methodological and analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3—*Policies regarding the Conduct of Five-Year Sunset Reviews of Countervailing Duty and Countervailing Duty Orders: Policy Bulletin*, 63 FR 18871 (April 16, 1998) ("*Sunset Policy Bulletin*").

For purposes of this review, the product covered is Stainless Steel Wire Rod ("SSWR") from Italy. Certain stainless steel wire rod (SSWR or subject merchandise) comprises products that are hot-rolled or hot-rolled annealed and/or pickled and/or descaled rounds, squares, octagons, hexagons or other shapes, in coils, that may also be coated with a lubricant containing copper, lime or oxalate. SSWR is made of alloy steels containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements. These products are

manufactured only by hot-rolling or hot-rolling, annealing, and/or pickling and/or descaling, and are normally sold in coiled form, and are of solid cross-section. The majority of SSWR sold in the United States is round in cross-sectional shape, annealed and pickled, and later cold-finished into stainless steel wire or small-diameter bar. The most common size for such products is 5.5 millimeters or 0.217 inches in diameter, which represents the smallest size that normally is produced on a rolling mill and is the size that most wire drawing machines are set up to draw. The range of SSWR sizes normally sold in the United States is between 0.20 inches and 1.312 inches in diameter. Two stainless steel grades SF20T and K-M35FL are excluded from the scope of the investigation. The percentages of chemical makeup for the excluded grades are as follows:

SF20T:
Carbon—0.05 max
Manganese—2.00 max
Phosphorous—0.05 max
Sulfur—0.15 max
Silicon—1.00 max
Chromium—19.00/21.00
Molybdenum—1.50/2.50
Lead—added (0.10/0.30)
Tellurium—added (0.03 min)
K–M35FL:
Carbon—0.015 max
Manganese—0.40 max
Phosphorous—0.04 max
Sulfur—0.03 max
Silicon—0.70/1.00
Chromium—12.50/14.00
Nickel—0.30 max
Lead—added (0.10/0.30)
Aluminum—0.20/0.35

The products covered by this order are currently classifiable under subheadings 7221.00.0005, 7221.00.0015, 7221.00.0030, 7221.00.0045, and 7221.00.0075 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 scope of this order is dispositive.

Background

On September 15, 1998, the Department published the countervailing duty order on SSWR from Italy. *See Notice of Countervailing Duty Order: Stainless Steel Wire Rod from Italy*, 63 FR 49334 (September 15, 1998). The Department completed only one administrative review of the subject countervailing duty order. *See Stainless Steel Wire Rod From Italy: Notice of Final Results of Countervailing Duty Administrative Review*, 67 FR 63619 (October 15, 2002) ("*Administrative Review*"). Pursuant to section 751(c) of the Act and 19 CFR 351.218(c), the Department initiated a sunset review of this order by publishing notice of the initiation in the **Federal Register** 68 FR 45219 (August 1, 2003). In addition, as a courtesy to interested parties, the Department sent letters, via certified and registered mail, to each party listed on the Department's most current service list for this proceeding to inform them of the automatic initiation of a sunset review of this order.

The Department received substantive responses from Carpenter Technology Corporation,[1] (the domestic interested party), Cogne Acciai Speciali S.r.l. ("CAS"), the Government of Italy, and the European Union within the applicable deadlines specified in 19 CFR 351.218(d). *See* Response of Carpenter Technology (August 18, 2003), CAS (September 2, 2003), GOI (August 28, 2003), and the EU (August 29, 2003). However, pursuant to 19 CFR 351.218(e)(2)(i), the Department determined to conduct a full (240-day) sunset review of this order. *See Memorandum for Ronald K. Lorentzen, Re: Stainless Steel Wire Rod from Italy*, Adequacy of Respondent Interested Parties' Response to the Notice of Initiation (September 24, 2003).

In the *Issues and Decision Memorandum for the Determination under Section 129 of the Uruguay Round Agreements Act: Final Affirmative Countervailing Duty Determination: Stainless Steel Wire Rod from Italy*, October 24, 2003 ("Section 129 Memo"), the Department determined that the privatization of CAS was at arm's-length and for fair-market-value, and that allegations of broader market distortions were not sufficiently supported. Accordingly, any allocable, non-recurring subsidies granted to CAS prior to its privatization were extinguished in their entirety and, therefore, are non-countervailable. On November 7, 2003, the U.S. Trade Representative requested the Department, pursuant to section 129(b)(4) of the Uruguay Round Agreements Act, to implement the determination in the Section 129 Memo. *See Notice of Implementation under Section 129 of the Uruguay Round Agreements Act*, 68 FR 64858, (November 17, 2003). Accordingly, the Department excluded CAS from the countervailing duty order on certain stainless steel wire rod from Italy and revised the "all others rate." *Id.*, at 16.

On April 21, 2004, the Department received identical case briefs from the GOI and the EC. *See* Case Briefs from the EC and the GOI re: Sunset Review of the Countervailing Duty Investigation: Stainless Steel Wire Rod from Italy (April 19, 2004). We received no case brief or rebuttal from Carpenter Technology.

Because CAS has been excluded from the original order as a result of the Section 129 determination and is therefore no longer an interested party in this sunset proceeding, its comments will not be addressed. In addition, any comments submitted by Carpenter Technology, the EC, and the GOI pertaining to CAS or to programs specific to CAS have been rendered moot by CAS's exclusion and will not be addressed.

Analysis of Comments Received

All issues raised in this case are addressed in the "Issues and Decision Memorandum" ("Decision Memo") from Ronald K. Lorentzen, Acting Director, Office of Policy, Import Administration, to James J. Jochum, Assistant Secretary for Import Administration, dated June 27, 2004, which is hereby adopted by this notice. The issues discussed in the Decision Memo include the likelihood of continuation or recurrence of dumping and the magnitude of the margin likely to prevail if the finding were to be revoked. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum, which is on file in room B–099 of the main Commerce Building.

In addition, a complete version of the Decision Memo can be accessed directly on the Web at *http://ia.ita.doc.gov/frn*, under the heading "July 2004." The paper copy and electronic version of the Decision Memo are identical in content.

Determination To Revoke

Under section 751(d)(2) of the Act, in the case of a sunset review, the Department will revoke a countervailing duty order unless it determines that the countervailable subsidy would be likely to continue or recur, and the International Trade Commission ("ITC") determines that material injury would be likely to continue or recur. Based on the Department's analysis of the subsidy programs at issue in this case, we have determined that the level of subsidization likely to prevail, were the order revoked, is below the *de minimis* threshold. *See Issues and Decision Memorandum*. Therefore, as a result of

[1] Carpenter Technology, AL Tech Specialty Corporation, Republic Engineered Steels, and Talley Metals Technology, Inc. filed the original petition. Since the order, Carpenter Technology acquired Talley Metals Technology, Inc.

this sunset review, the Department finds that revocation of the countervailing duty order would not be likely to lead to continuation or recurrence of a countervailable subsidy. Pursuant to section 751(d)(2) of the Act, the Department will revoke this countervailing duty order, effective on September 15, 2003, the fifth anniversary date of publication in the **Federal Register** of the order, consistent with 19 CFR 351.222(i)(2)(i).

Notification of the ITC

As discussed in section III.B of the *Policy Bulletin*, the Department normally will provide the ITC with the net countervailable subsidy that was determined in the original investigation. However, the purpose of the net countervailable subsidy in the context of sunset review is to provide the ITC with a rate which represents the countervailable rate that is likely to prevail if the order is revoked, and the Department has therefore adjusted the investigation rate as provided under section III.B of the *Policy Bulletin*. *See* section 752(b)(1)(B) of the Act. As noted above, the rate is *de minimis*.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: June 28, 2004.

Jeffrey A. May,

Acting Assistant Secretary for Import Administration.

[FR Doc. 04–15105 Filed 7–1–04; 8:45 am]

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DEPARTMENT OF COMMERCE

Minority Business Development Agency

[Docket No: 040628195–4195–01]

White House Initiative on Asian Americans and Pacific Islanders, President's Advisory Commission on Asian Americans and Pacific Islanders

AGENCY: Minority Business Development Agency, Department of Commerce.

ACTION: Notice of meeting.

SUMMARY: The Minority Business Development Agency (MBDA) publishes this notice to announce that the President's Advisory Commission on Asian Americans and Pacific Islanders (Commission) will be holding a public meeting to seek testimonies from individuals and organizations on ways to provide equal economic opportunities for full participation of Asian American and Pacific Islander businesses in our free market economy where they may be underserved.

DATES: The public meeting will be held on Tuesday, July 20, 2004; 1 p.m.–5 p.m. e.s.t. For members of the public who are interested in addressing the Commission, please submit your written requests by July 16, 2004. Requests for special assistance, such as sign language interpretation or other reasonable accommodations, should be submitted to Mr. Erik Wang (*See* **FOR FURTHER INFORMATION CONTACT**) no later than July 9, 2004.

ADDRESSES: The public meeting will be held at: The Enterprise Center, 4548 Market Street, Philadelphia, Pennsylvania 19139. For members of the public who are interested in addressing the Commission, please submit your request to Mr. Erik Wang, Office of the White House Initiative on AAPIs, Herbert C Hoover Building, 1401 Constitution Avenue, NW., Room 5092, Washington, DC 20230, or by fax to (202) 219–8809.

FOR FURTHER INFORMATION CONTACT: For additional information about the Commission or the public meeting, please contact: Mr. Eddy Badrina or Mr. Erik Wang, Office of the White House Initiative on AAPIs, Herbert C Hoover Building, 1401 Constitution Avenue, NW., Room 5092, Washington, DC 20230, Telephone (202) 482–3949.

SUPPLEMENTARY INFORMATION: In accordance with section 10(a)(2) of the Federal Advisory Committee Act (Pub. L. 92–463), announcement is made of the Commission's intent to conduct a public meeting on July 20, 2004. Agenda items will include, but will not be limited to: testimony from community organizations and individuals; testimony from federal agencies; administrative tasks; upcoming events; and comments from the public.

The purpose of the Commission is to advise and make recommendations to the President on ways to provide equal economic opportunities for full participation of Asian American and Pacific Islander businesses in our free market economy where they may be underserved and thus, improving the quality of life for approximately 14.5 million Asian Americans and Pacific Islanders living in the United States and the U.S.-associated Pacific Island jurisdictions, especially those who are most underserved.

Requests to address the Commission must be made in writing and should include the name, address, telephone number and business or professional affiliation of the interested party. Individuals or groups addressing similar issues are encouraged to combine comments and make their request to address the Commission through a single representative. The allocation of time for remarks will be adjusted to accommodate the level of expressed interest. Written requests must be mailed or faxed to The Office of the White House Initiative on AAPIs by July 16, 2004 (*See* **ADDRESSES**). Anyone who requires special assistance, such as sign language interpretation or other reasonable accommodations, should contact Mr. Erik Wang no later than July 9, 2004 (*See* **FOR FURTHER INFORMATION CONTACT**). This meeting is open to the public.

Edith McCloud,

Associate Director for Management.

[FR Doc. 04–15013 Filed 7–1–04; 8:45 am]

BILLING CODE 3510–21–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[I.D. 062804B]

Pacific Fishery Management Council; Public Meeting

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of public meeting.

SUMMARY: The Pacific Fishery Management Council's (Council) Marine Reserves Subcommittee of the Scientific and Statistical Committee (SSC) will hold a meeting, which is open to the public.

DATES: The Marine Reserves Subcommittee of the SSC will meet Monday, July 19, 2004, from 1 p.m. to 5 p.m., and Tuesday, July 20, 2004, from 8 a.m. until business for the day is completed

ADDRESSES: The meeting will be held at NMFS Southwest Fisheries Science Center, Santa Cruz Laboratory, 110 Shaffer Road, Santa Cruz, CA 95060; telephone: (831) 420–3900.

Council address: Pacific Fishery Management Council, 7700 NE Ambassador Place, Suite 200, Portland, OR 97220–1384.

FOR FURTHER INFORMATION CONTACT: Mr. Dan Waldeck, Pacific Fishery Management Council; telephone: (503) 820–2280 or toll free (866) 806–7204.

SUPPLEMENTARY INFORMATION: The purpose of the meeting is to review the *Staff Preliminary Working Draft Document for Consideration of a Network of Marine Reserves and Marine*

EXPLANATION OF COMMISSION DETERMINATION ON ADEQUACY
in
Stainless Steel Wire Rod from Italy, Japan, Korea, Spain, Sweden, and Taiwan
Inv. No. 701-TA-373 (Review) and Invs. Nos. 731-TA-770-775 (Review)

On November 4, 2003, the Commission unanimously determined that it should proceed to full reviews in the subject five-year reviews pursuant to section 751(c)(5) of the Tariff Act of 1930, as amended, 19 U.S.C. § 1675(c)(5). The Commission, in consultation with the Department of Commerce, grouped these reviews because they involve similar domestic like products.[1]

With regard to each of the reviews, the Commission determined that the domestic interested party group response to the notice of institution was adequate. The Commission received an adequate joint response with company specific data from Carpenter Technology Corporation and North American Stainless. Because the Commission received an adequate response from domestic producers accounting for a substantial percentage of U.S. production, the Commission determined that the domestic interested party group response was adequate.

In the review concerning subject imports from Italy, the Commission received an adequate joint response with company-specific data from respondents Cogne Acciai Speciali S.R.L., an Italian producer and exporter, and Cogne Specialty Steel USA, an importer of the subject merchandise. Because the Commission received an adequate response representing a substantial percentage of the production of stainless steel wire rod in Italy, the Commission determined that the respondent interested party group response for Italy was adequate. Accordingly, the Commission determined to proceed to a full review in *Stainless Steel Wire Rod from Italy.*

In the review concerning subject imports from Korea, the Commission received adequate responses with company-specific data from respondents Changwon Specialty Steel Co., Ltd. and Dongbang Special Steel Co. Ltd., producers and exporters of the subject merchandise. Because the Commission received an adequate response representing a substantial percentage of the production of stainless steel wire rod in Korea and a substantial percentage of the exports of subject merchandise to the United States from Korea, the Commission determined that the respondent interested party group response for Korea was adequate. Accordingly, the Commission determined to proceed to a full review in *Stainless Steel Wire Rod from Korea.*

The Commission did not receive a response from any respondent interested parties in the reviews concerning subject imports from Japan, Spain, Sweden, and Taiwan. However, the Commission determined to conduct full reviews to promote administrative efficiency in light of the Commission's decision to conduct full reviews with respect to *Stainless Steel Wire Rod from Italy and Korea.*

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[1]*See* 19.U.S.C. § 1675(c)(5)(D).

APPENDIX B

HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject:	Stainless Steel Wire Rod from Italy, Japan, Korea, Spain, Sweden, and Taiwan
Inv. Nos.:	701-TA-373 and 731-TA-770-775 (Review)
Date and Time:	May 18, 2004 - 9:30 a.m.

Sessions were held in connection with these investigations in the Main Hearing Room, 500 E Street, SW, Washington, D.C.

OPENING REMARKS:

In Support of Continuation of Orders (**David A. Hartquist**, Collier Shannon Scott, PLLC)
In Support of Revocation of Orders (**William Silverman**, Hunton & Williams LLP)

In Support of the Continuation of the Antidumping and Countervailing Duty Orders:

Collier Shannon Scott, PLLC
Washington, D.C.
on behalf of

Carpenter Technology Corporation
North American Stainless

Toni M. Brugger, Vice President, Coil Business Unit, Carpenter Technology Corporation

William A. Wellock, Manager, Consolidated Planning, Carpenter Technology Corporation

Jim Gugino, Product Manager, Dunkirk Specialty Steel, LLC

In Support of the Continuation of
<u>the Antidumping and Countervailing Duty Orders (continued):</u>

Charles Mellowes, Vice President and General Manager, Charter Specialty Steel

William Pendleton, Representative, Specialty Steel Industry of North America

Ed Blot, President, Ed Blot and Associates

Brad Hudgens, Economist, Georgetown Economic Services, LLC

David A. Hartquist)
Laurence J. Lasoff) – OF COUNSEL
Mary T. Staley)

In Support of the Revocation of
<u>the Antidumping and Countervailing Duty Orders:</u>

Vorys, Sater, Seymour and Pease LLP
Washington, D.C.
<u>on behalf of</u>

The Stainless Committee, American Wire Producers Association ("AWPA")

Gregg Jenkins, Vice President, Operations, Handy & Harman Specialty Wire Group (Maryland Specialty Wire)

John Robinson, Vice President, Sales and Marketing, Techalloy Company, Inc.

Kimberly R. Young)
) – OF COUNSEL
Frederick P. Waite)

In Support of the Revocation of
the Antidumping and Countervailing Duty Orders (continued):

Hunton & Williams LLP
Washington, D.C.
on behalf of

Cogne Acciai Specialis S.r.l. ("CAS")
Cogne Specialty Steel USA, Inc. ("Cogne USA")

Monica Pirovano, Chief Executive Officer, CAS

Bruce Malashevich, Economist, Economic Consulting Services, LLC

William Silverman)
Richard P. Ferrin) – OF COUNSEL
Christina C. Benson)

Akin Gump Strauss Hauer & Feld LLP
Washington, D.C.
on behalf of

Changwon Specialty Steel Co., Ltd.
Dongbang Special Steel Co., Ltd.

Wendy E. Kamenshine) – OF COUNSEL

REBUTTAL/CLOSING REMARKS

In Support of Continuation of Orders (**David A. Hartquist**, Collier Shannon Scott, PLLC)
In Support of Revocation of Orders (**William Silverman**, Hunton & Williams LLP)

APPENDIX C

SUMMARY DATA

Table C-1
SSWR: Summary data concerning the U.S. market, 1998-2003

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

	Reported data						Period changes					
Item	1998	1999	2000	2001	2002	2003	1998-2003	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
U.S. consumption quantity:												
Amount	***	***	***	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***	***	***	***
Importers' share (1):												
Italy	***	***	***	***	***	***	***	***	***	***	***	***
Japan (subject)	***	***	***	***	***	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***	***	***	***	***	***
Spain	***	***	***	***	***	***	***	***	***	***	***	***
Sweden (subject)	***	***	***	***	***	***	***	***	***	***	***	***
Taiwan (subject)	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal (subject)	***	***	***	***	***	***	***	***	***	***	***	***
Japan (Hitachi)	***	***	***	***	***	***	***	***	***	***	***	***
Sweden (Kanthal)	***	***	***	***	***	***	***	***	***	***	***	***
Taiwan (Yieh Hsing)	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal (nonsubject)	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***	***	***
U.S. consumption value:												
Amount	***	***	***	***	***	***	***	***	***	***	***	***
Producers' share (1)	***	***	***	***	***	***	***	***	***	***	***	***
Importers' share (1):												
Italy	***	***	***	***	***	***	***	***	***	***	***	***
Japan (subject)	***	***	***	***	***	***	***	***	***	***	***	***
Korea	***	***	***	***	***	***	***	***	***	***	***	***
Spain	***	***	***	***	***	***	***	***	***	***	***	***
Sweden (subject)	***	***	***	***	***	***	***	***	***	***	***	***
Taiwan (subject)	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal (subject)	***	***	***	***	***	***	***	***	***	***	***	***
Japan (Hitachi)	***	***	***	***	***	***	***	***	***	***	***	***
Sweden (Kanthal)	***	***	***	***	***	***	***	***	***	***	***	***
Taiwan (Yieh Hsing)	***	***	***	***	***	***	***	***	***	***	***	***
All other sources	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal (nonsubject)	***	***	***	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***	***	***	***
U.S. imports from:												
Italy:												
Quantity	5,685	6,064	13,598	7,638	7,401	4,526	-20.4	6.7	124.2	-43.8	-3.1	-38.8
Value	11,793	10,562	24,104	14,866	11,619	7,546	-36.0	-10.4	128.2	-38.3	-21.8	-35.1
Unit value	$2,075	$1,742	$1,773	$1,946	$1,570	$1,667	-19.6	-16.0	1.8	9.8	-19.3	6.2
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Japan (subject):												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Korea:												
Quantity	12,984	10,570	9,058	5,593	4,482	1,437	-88.9	-18.6	-14.3	-38.2	-19.9	-67.9
Value	22,489	14,918	13,869	7,745	5,730	2,128	-90.5	-33.7	-7.0	-44.2	-26.0	-62.9
Unit value	$1,732	$1,411	$1,531	$1,385	$1,278	$1,481	-14.5	-18.5	8.5	-9.6	-7.7	15.8
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Spain:												
Quantity	1,932	4,732	3,881	4,783	5,885	4,158	115.2	144.9	-18.0	23.2	23.0	-29.3
Value	3,809	7,584	6,282	7,573	8,323	6,602	73.3	99.1	-17.2	20.6	9.9	-20.7
Unit value	$1,972	$1,603	$1,618	$1,583	$1,414	$1,588	-19.5	-18.7	1.0	-2.2	-10.7	12.3
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Sweden (subject):												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Taiwan (subject):												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal (subject):												
Quantity	35,445	30,632	35,464	25,794	24,274	14,693	-58.5	-13.6	15.8	-27.3	-5.9	-39.5
Value	68,558	50,049	62,482	44,509	38,004	26,617	-61.2	-27.0	24.8	-28.8	-14.6	-30.0
Unit value	$1,934	$1,634	$1,762	$1,726	$1,566	$1,812	-6.3	-15.5	7.8	-2.1	-9.3	15.7
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-1--Continued
SSWR: Summary data concerning the U.S. market, 1998-2003

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

	Reported data						Period changes					
Item	1998	1999	2000	2001	2002	2003	1998-2003	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003
U.S. imports from:												
Japan (Hitachi):												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Sweden (Kanthal):												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Taiwan (Yieh Hsing):												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
All other sources:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Subtotal (nonsubject):												
Quantity	26,673	35,366	49,462	36,493	34,020	20,792	-22.0	32.6	39.9	-26.2	-6.8	-38.9
Value	60,786	63,710	95,518	67,895	61,974	37,185	-38.8	4.8	49.9	-28.9	-8.7	-40.0
Unit value	$2,279	$1,801	$1,931	$1,860	$1,822	$1,788	-21.5	-21.0	7.2	-3.7	-2.1	-1.8
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
All sources:												
Quantity	62,118	65,999	84,926	62,287	58,294	35,485	-42.9	6.2	28.7	-26.7	-6.4	-39.1
Value	129,343	113,758	158,000	112,403	99,978	63,802	-50.7	-12.0	38.9	-28.9	-11.1	-36.2
Unit value	$2,082	$1,724	$1,860	$1,805	$1,715	$1,798	-13.7	-17.2	7.9	-3.0	-5.0	4.8
Ending inventory quantity	3,315	4,043	7,304	7,053	8,924	5,056	52.5	22.0	80.7	-3.4	26.5	-43.3
U.S. producers':												
Average capacity quantity	***	***	***	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***	***	***	***
Capacity utilization (1)	***	***	***	***	***	***	***	***	***	***	***	***
U.S. shipments:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Export shipments:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Ending inventory quantity	***	***	***	***	***	***	***	***	***	***	***	***
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***	***	***	***
Wages paid ($1,000s)	***	***	***	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***	***	***	***
Productivity (tons/1,000 hours)	***	***	***	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***	***	***	***
Net sales:												
Quantity	***	***	***	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***	***	***	***
COGS/sales (1)	***	***	***	***	***	***	***	***	***	***	***	***
Operating income or (loss)/ sales (1)	***	***	***	***	***	***	***	***	***	***	***	***

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Not applicable.
(3) Undefined.

Note 1.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Note 2.--In June 2004, Commerce notified the Commission of its determination to revoke the countervailing duty order on Italy, effective September 15, 2003. Accordingly, for the remainder of 2003, subject imports of SSWR from Italy include only SSWR produced by Italian manufacturers other than Valbruna (and its subsidiary Bolzano)--in essence, those of Cogne Acciai. Based on questionnaire responses (1998) and adjusted official import statistics (1999-2003), imports of SSWR from Valbruna and Cogne Acciai are as follows:

	Valbruna	Other (Cogne Acciai)
1998:	*** short tons ($***)	*** short tons ($***)
1999:	*** short tons ($***)	*** short tons ($***)
2000:	*** short tons ($***)	*** short tons ($***)
2001:	*** short tons ($***)	*** short tons ($***)
2002:	*** short tons ($***)	*** short tons ($***)
2003:	*** short tons ($***)	*** short tons ($***)

Due to exports by third parties, imports attributed to Valbruna may be somewhat understated, and those attributed to other manufacturers may be somewhat overstated.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

APPENDIX D

COMMENTS BY U.S. PRODUCERS, IMPORTERS, PURCHASERS, AND FOREIGN PRODUCERS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

U.S. PRODUCERS' COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

Anticipated Operational/Organizational Changes If The Order Were To Be Revoked (Question II-4)

The Commission requested U.S. producers to describe any anticipated changes in the character of their operations or organization relating to the production of SSWR in the future if the countervailing duty order on SSWR from Italy and antidumping duty orders on SSWR from Italy, Japan, Korea, Spain, Sweden, and Taiwan were to be revoked. Their responses are as follows:

Allvac

***.

Carpenter

***.

Charter

***.

Dunkirk

***.

NAS

***.

Outokumpu

***.

Talley

***.

Significance of Existing Orders In Terms of Trade and Related Data (Question II-17)

The Commission requested U.S. producers to describe the significance of the existing countervailing duty order on SSWR from Italy and antidumping duty orders on SSWR from Italy, Japan, Korea, Spain, Sweden, and Taiwan in terms of their effect on production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, and asset values. Their responses are as follows:

Allvac

***.

Carpenter

***.

Charter

***.

Dunkirk

***.

NAS

No response was given.

Outokumpu

***.

Talley

***.

Anticipated Changes in Trade and Related Data If Orders Were To Be Revoked (Question II-18)

The Commission requested U.S. producers to describe any anticipated changes in their production capacity, production, U.S. shipments, inventories, purchases, employment, revenues, costs, profits, cash flow, capital expenditures, research and development expenditures, or asset values relating to the production of SSWR in the future if the countervailing duty order on SSWR from Italy and antidumping duty orders on SSWR from Italy, Japan, Korea, Spain, Sweden, and Taiwan were to be revoked. Their responses are as follows:

Allvac

***.

Carpenter

***.

Charter

***.

Dunkirk

***.

NAS

***.

Outokumpu

***.

Talley

***.

U.S. IMPORTERS' COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

Anticipated Operational/Organizational Changes If The Orders Were To Be Revoked (Question II-4)

The Commission requested importers to describe any anticipated changes in the character of their operations or organization relating to the importation of SSWR in the future if the countervailing duty order on SSWR from Italy and antidumping duty orders on SSWR from Italy, Japan, Korea, Spain, Sweden, and Taiwan were to be revoked. Their responses are as follows:

***

"No."

***

"No."

***

"No."

***

"No."

***

"No."

***

"Yes. Increased availability of wire rod would significantly increase sales and labor requirement."

***

"No."

***

"No."

***

"No."

***

"No."

***

"Yes. We may see a slight increase, however, continued decline in the long run."

***

"No."

***

"No."

***

"No. *** ceased production, is now a warehouse of fasteners. Therefore, no more steel rod imports."

***

"Yes. Perhaps slight increase, temporarily - but still a gradual and ongoing decline."

***

"No."

***

"No."

***

"N/A."

***

"No."

***

"No."

***

"No."

***

"No."

***

"No."

***

"No."

***

"No."

***

"No."

Significance of Existing Orders In Terms of Trade and Related Data (Question II-9)

The Commission requested importers to describe the significance of the existing countervailing duty order on SSWR from Italy and antidumping duty orders on SSWR from Italy, Japan, Korea, Spain, Sweden, and Taiwan in terms of its effect on their imports, U.S. shipments of imports, and inventories. Their responses are as follows:

***

"Duties eliminate these sources as potential suppliers because of costs."

***

"None."

***

"Dumping duty is meaningless. Our item is very limited in USA. Customer is paying dumping duty cost."

***

No response was given.

***

"The antidumping duty orders on SS rod from Korea and Taiwan have effectively ended our business in these products. We used to import these rods from Taiwan and Korea, but we can no longer be competitive, and the risk of additional AD duties after adm. reviews is too great."

***

"Domestic capacity of wire rod is insufficient and therefore pricing is too high to be competitive with imported wire."

***

"Because of commercial uncertainties inherent to the US antidumping law (i.e., dumping liability for the importer is not fixed until long after the importation) we had to cease almost all the importation."

***

No response was given.

***

"The duties eliminate these countries as potential sources."

***

"The antidumping duty order against imported wire rod has resulted in higher cost of production within US wire industry."

***

"SS wire rod is a side business for ***, therefore, the more difficult it is to do business, the less interest we have."

***

"Yes. There were no imports after 2002 due to the imposition of antidumping duty."

***

"*** was excluded from the scope of ***, notice of antidumping duty order: SSWR."

***

"N/A. We stopped import of stainless steel wire in 2001."

***

"We totally stopped imports from Japan to U.S., selling only to Mexico and Canada, kept importing modest amounts from Korea and Taiwan, some from India. Imported some *** from China. Also imported more stainless wire."

***

"No significance."

***

"N/A."

***

"N/A."

***

"Imports have dropped to zero. Sales dropped from approx. *** in 1997 to zero in 2003."

***

No response was given.

***

"N/A."

***

"As shown in Part II-7, sales of SSWR have kept decreasing since the imposition of antidumping duty."

***

"Today, *** represents *** in North America. We represent *** only in Canada and Mexico due to the dumping orders."

***

"Anti-dumping order on *** has caused my firm to lose market share and has significantly added to financial losses. We are placing production in South America as a result."

***

"Not relevant."

***

"Import from Japan has been reducing after inducing the antidumping duty due to less price competitiveness. (After January 2003 last import, more than one year we have no sales of Japanese stainless wire rod in USA)."

Anticipated Changes in Trade and Related Data If Orders Were To Be Revoked (Question II-10)

The Commission requested importers to describe any anticipated changes in their imports, U.S. shipments of imports, or inventories of SSWR in the future if the countervailing duty order on SSWR from Italy and antidumping duty orders on SSWR from Italy, Japan, Korea, Spain, Sweden, and Taiwan were to be revoked. Their responses are as follows:

***

"Yes. Possible new potential sources if competitive on costs and quality."

***

"See II-2." Its response to question II-2 was "***."

***

"I do not know."

***

"No."

***

"Yes. We might be able to reestablish some trading business from these sources if the AD orders against Korea and Taiwan were revoked. However, in the meantime, there is considerably more domestic supply available than before."

***

"Yes. We would be able to import from these countries and would be able to compete in our wire markets against imported wire."

***

"Yes. If the antidumping duty order is revoked, we will evaluate the market conditions and we may re-enter the US market, in gradual steps."

***

No response was given.

***

"Yes. Might make it possible to import from these countries if costs are competitive."

***

"No."

***

"No."

***

"No."

***

"No."

***

"No."

***

"Yes. Do not see much increase in S/S rod consumption, domestic or imported - also expect more S/S wire and end-product imports. 201 hurt U.S. wire drawing badly, sending more business/jobs overseas unlikely to return. We see a declining S/S wire drawing industry."

***

"No."

***

"No."

***

"N/A."

***

"No."

***

"No."

***

"No."

***

"No."

***

"Yes. We would be able to see *** material in the United States of America if dumping was revoked."

***

"No."

***

"No."

***

"No."

U.S. PURCHASERS' COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

Effects on Future Activities of the Firms and the U.S. Market as a Whole (Question III-10)

The Commission asked the purchasers to comment on the effects of the revocation of the countervailing duty order on SSWR from Italy and antidumping duty orders on SSWR from Italy, Japan, Korea, Spain, Sweden, and Taiwan on (1) the future activities of their firms and (2) the U.S. market as a whole. Their responses are as follows:

***

(1) "No expected impact on existing business."
(2) "Unable to determine."

***

(1) "We currently shop the world and the U.S. for best pricing, delivery and quality of rod."
(2) "Not enough mills to keep up with the demand."

***

(1) "Would expect to buy more from Japan b/c of excellent quality, a little more from Korea, Taiwan, less from India."
(2) "About the same."

***

(1) "No change-- maybe more ordering from Japan due to better quality."
(2) "No significant change."

***

(1) "Revocation of the CVD/AD orders will have little effect on the market for wire rod. U.S. producers now have a competitive advantage. We have been purchasing a substantial portion of sswr from U.S. producers. As they expand their product lines, we will buy."
(2) "Due to exchange rates, intl. transportation costs, and world demand for rod, U.S. producers have a significant cost advantage over foreign producers. As such, more U.S. consumers will buy from domestic producers."

***

(1) "'Hurt' - reduced volumes, employment and lower prices."
(2) "'Hurt' - reduced volumes, employment and lower prices."

***

(1) "Increase ability to compete with overseas fasteners."
(2) "Will benefit all industries and force U.S. steel producers to compete globally."

***

(1) "Firm would seek viable suppliers of material currently blocked by anti-dumping duty orders- only needed to complement and aid domestic suppliers of material."
(2) "Removing the duty orders would allow competitively priced steel and this will aid in keeping manufacturing ongoing."

***

(1) "It doesn't matter, the damage has already been done- customers are gone."
(2) No response was given.

***

(1) "It will have no effect on imports of stainless steel wire rod."
(2) "No effect now due to the weak dollar."

***

(1) "Our purchases might increase slightly as the new U.S. mills do not produce all of the type of rod that we require, namely the austenitic and martinsitic grades."
(2) No response was given.

***

(1) "Possible purchasing from Japan instead of Sweden."
(2) No response was given.

***

(1) "We would be on a more level playing with offshore wire."
(2) "It will keep the U.S. market more competitive in the global environment."

***

(1) "It will improve margins slightly."
(2) "Redrawers will have a better chance to compete with foreign wire imports."

***

(1) "Will allow our firm to source material at more competitive pricing in 2004 and beyond."
(2) "We believe this would apply to the entire U.S. market as well."

***

(1) "Revocation of the duties will allow us to shop raw material pricing more competitively so that we can better compete against imports."
(2) "Revocation of the duties will allow us to shop raw material pricing more competitively so that we can better compete against imports."

FOREIGN PRODUCERS' COMMENTS REGARDING THE EFFECTS OF THE ORDERS AND THE LIKELY EFFECTS OF REVOCATION

Significance of Existing Orders In Terms of Trade and Related Data (Question II-14)

The Commission requested foreign producers to describe the significance of the existing countervailing duty order on SSWR from Italy and antidumping duty orders on SSWR from Italy, Japan, Korea, Spain, Sweden, and Taiwan in terms of the effects on their firms' production capacity, production, home market shipments, exports to the United States and other markets, and inventories. Their responses are as follows:

Changwon

***.

Cogne Acciai

***.

Dongbang

***.

Fagersta

***.

Valbruna

***.

Walsin

***.

APPENDIX E

DATA ON KANTHAL AB

Table E-1
SSWR: Kanthal's capacity, production, inventories, and shipments, 1998-2003

* * * * * * *