

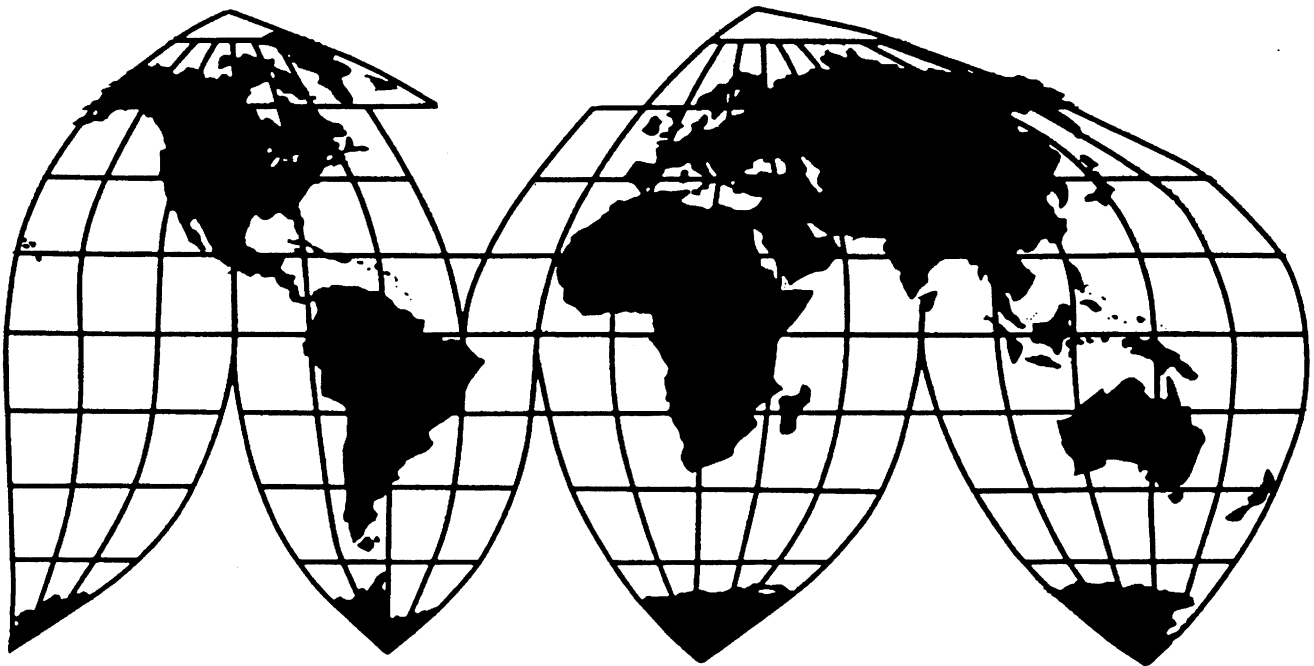
# Barbed Wire & Barbless Wire Strand From Argentina

Investigation No. 731-TA-208 (Review)

Publication 3187

May 1999

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

## COMMISSIONERS

**Lynn M. Bragg, Chairman**  
**Marcia E. Miller, Vice Chairman**  
**Carol T. Crawford**  
**Jennifer A. Hillman**  
**Stephen Koplan**  
**Thelma J. Askey**

---

Robert A. Rogowsky  
Director of Operations

---

*Staff assigned:*

Bonnie Noreen, *Investigator*  
Tracy Quilter, *Industry Analyst*  
Clark Workman, *Economist*  
Jim Westcott, *Accountant*  
Gracemary Rizzo, *Attorney*

Vera Libeau, *Supervisory Investigator*

**Address all communications to  
Secretary to the Commission  
United States International Trade Commission  
Washington, DC 20436**

# U.S. International Trade Commission

Washington, DC 20436

## Barbed Wire & Barbless Wire Strand From Argentina



Publication 3187

May 1999



# CONTENTS

	<i>Page</i>
Determination .....	1
Views of the Commission .....	3
Dissenting views of Chairman Lynn M. Bragg and Commissioners Carol T. Crawford and Thelma J. Askey .....	11
Information obtained in the review .....	I-1
Introduction .....	I-3
The original investigation .....	I-3
Commerce's final results of expedited sunset review .....	I-3
The product .....	I-4
Scope .....	I-4
Description and uses .....	I-4
The industry in the United States .....	I-5
U.S. producers .....	I-5
U.S. production, shipments, and employment .....	I-6
U.S. imports and consumption .....	I-6
U.S. imports .....	I-6
Apparent U.S. consumption .....	I-7
The industry in Argentina .....	I-8
 <b>Appendix</b>	
A. <i>Federal Register</i> notices .....	A-1
B. Statement on adequacy .....	B-1
 <b>Figure</b>	
I-1. Barbed wire and barbless wire strand: U.S. imports from Argentina, by quantity, 1982-97 .....	I-8
 <b>Tables</b>	
I-1. Barbed wire and barbless wire strand: U.S. production, domestic shipments, and production and related workers, 1982-84 and 1997 .....	I-7
I-2. Barbed wire and barbless wire strand: U.S. imports from Argentina, 1982-84 and 1997 .....	I-9
I-3. Barbed wire and barbless wire strand: U.S. producers' domestic shipments, U.S. imports, and apparent U.S. consumption, 1982-84 and 1997 .....	I-10

**Note.--Information that would reveal confidential operations of individual concerns may not be published and therefore has been replaced by asterisks (\*\*\*)**.

## GLOSSARY

Acindar .....	Acindar Industria Argentina de Aceros, S.A.
Barbless wire strand .....	Loosely twisted double wire, suitable for fencing
Bekaert .....	Bekaert Steel & Wire Co.
Burley .....	Burley Corp. of North America
C&F .....	Cost and freight
CF&I .....	CF&I Steel Corp.
Commerce .....	U.S. Department of Commerce
Commission (or USITC) .....	U.S. International Trade Commission
Continental .....	Continental Steel Corp.
Customs .....	U.S. Customs Service
Davis .....	Davis Wire Corp. / Davis Walker Corp.
FR .....	<i>Federal Register</i>
HTS .....	Harmonized Tariff Schedule of the United States
Forbes .....	Forbes Steel & Wire Corp.
Insteel .....	Insteel Industries, Inc.
Keystone .....	Keystone Steel & Wire Co. (also d.b.a. Keystone Consolidated Industries, Inc.)
Metric/English conversion .....	1 metric ton=1.1023 short tons; 1 kilogram=2.2046 pounds
Nagle .....	Nagle Wire Corp. of Colorado
Northwestern .....	Northwestern Steel & Wire Co.
Oklahoma S&W .....	Oklahoma Steel & Wire Co., Inc.
<i>Response</i> .....	Response to the Commission's Notice of Institution
TSUSA .....	Tariff Schedules of the United States (Annotated)
UN .....	United Nations

**UNITED STATES INTERNATIONAL TRADE COMMISSION**

Investigation No. 731-TA-208 (Review)

**BARBED WIRE & BARBLESS WIRE STRAND FROM ARGENTINA**

**DETERMINATION**

On the basis of the record<sup>1</sup> developed in the subject five-year review, the United States International Trade Commission determines,<sup>2</sup> 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 order on barbed wire & barbless wire strand from Argentina would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

**BACKGROUND**

The Commission instituted this review on December 2, 1998 (63 F.R. 66563) and determined on March 5, 1999 that it would conduct an expedited review (64 F.R. 12351, March 12, 1999).

---

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

<sup>2</sup> Chairman Bragg, Commissioner Crawford, and Commissioner Askey dissenting.





## VIEWS OF THE COMMISSION

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the antidumping duty order covering barbed wire and barbless wire strand from Argentina would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>1</sup>

### I. BACKGROUND

In March 1985, the Commission determined that an industry in the United States was being injured by reason of imports of barbed wire and barbless wire strand from Argentina that were being sold at less than fair value.<sup>2</sup> On November 13, 1985, Commerce issued an antidumping duty order on imports of barbed wire and barbless wire strand from Argentina.<sup>3</sup>

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. First, the Commission determines whether individual responses to the notice of institution are adequate. Second, based on those responses deemed individually adequate, the Commission determines whether the collective responses submitted by two groups of interested parties -- domestic interested parties (producers, unions, trade associations, or worker groups) and respondent interested parties (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.<sup>4</sup> If the Commission finds the responses from either group of interested parties to be inadequate, the Commission may determine, pursuant to section 751(c)(3)(B) of the Act, to conduct an expedited review unless it finds that other circumstances warrant a full review.

In this review, the Commission received a response, containing company-specific information, from three domestic producers, Keystone Steel & Wire Company (“Keystone”), Davis Wire Corporation (“Davis”) and Oklahoma Steel and Wire Company (“Oklahoma Wire”). The participating producers account for approximately \*\*\* percent of domestic production of barbed wire and barbless wire strand.<sup>5</sup> These producers also filed joint comments on adequacy, arguing that the review should be expedited because no respondent interested party responded to the Commission’s notice of institution.<sup>6</sup>

The Commission determined that the domestic interested party group response to the Commission’s notice of institution was adequate.<sup>7</sup> The Commission also determined that the respondent interested party group response was inadequate because no foreign producers or U.S. importers of subject merchandise responded to the Commission’s notice of institution. Pursuant to section 751(c)(3)(B) of the Act, the Commission voted to conduct an expedited review.<sup>8</sup>

In their responses to the notice of institution, Keystone, Davis and Oklahoma Wire argued that revocation of the antidumping duty order would be likely to lead to continuance or recurrence of material

---

<sup>1</sup> Chairman Bragg and Commissioners Crawford and Askey determine that revocation of the order in this case would not be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time. See their dissenting views. They join Sections I, II and III. A & B of these views except as otherwise noted.

<sup>2</sup> Barbed Wire and Barbless Wire Strand From Argentina, USITC Pub. 1770, Oct. 1985.

<sup>3</sup> 50 Fed. Reg. 46808 (Nov. 13, 1985).

<sup>4</sup> See 19 C.F.R. § 207.62(a); 63 Fed. Reg. 30599, 30602-05 (June 5, 1998).

<sup>5</sup> Confidential Report (“CR”) at I-7; Public Report (“PR”) at I-6.

<sup>6</sup> See 19 C.F.R. § 207.62(b) (authorizing, *inter alia*, all interested parties that have responded to the notice of institution to file comments with the Commission on whether the Commission should conduct an expedited review).

<sup>7</sup> CR at Appendix B; PR at Appendix B. See also 64 Fed. Reg. 12351 (March 21, 1999).

<sup>8</sup> 19 U.S.C. § 1675(c)(3)(B); see 64 Fed. Reg. 12351 (March 21, 1999).

injury within a reasonably foreseeable time. No party filed comments subsequent to the Commission's decision to conduct an expedited review.<sup>9</sup>

## 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."<sup>10</sup> The Act defines "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."<sup>11</sup> In its final five-year review determination, Commerce defined the subject merchandise as "barbed wire and barbless fencing wire from Argentina, which is currently classifiable under Harmonized Tariff Schedule (HTS) item number 7313.00.00."<sup>12</sup>

Barbed wire and barbless wire strand are galvanized steel products used in various fencing applications.<sup>13</sup> Barbed wire is primarily used for agricultural applications. Small amounts are also used in industrial and government security applications.<sup>14</sup> Barbless wire is similar to barbed wire but without barbs, and is typically used in applications in which barbs would cause harm to certain livestock, such as show horses.<sup>15</sup>

We find, based on the facts available, that the appropriate definition of the domestic like product in this expedited five-year review is the same as Commerce's scope and unchanged from the Commission's original determination.<sup>16</sup>

### B. Domestic Industry

Section 771(4)(A) of the Act defines the relevant industry as the "domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product."<sup>17</sup> In this investigation, we find that the domestic industry includes all domestic producers of barbed wire and barbless wire strand.

## III. REVOCATION OF THE ORDER ON BARBED WIRE AND BARBLESS WIRE STRAND IS LIKELY TO LEAD TO CONTINUATION OR RECURRENCE OF MATERIAL INJURY WITHIN A REASONABLY FORESEEABLE TIME<sup>18</sup>

### A. Legal Standard

In a five-year review conducted under section 751(c) of the Act, Commerce will revoke an antidumping duty order unless: (1) it makes a determination that dumping is likely to continue or recur,

---

<sup>9</sup> 19 C.F.R. § 207.62(d).

<sup>10</sup> 19 U.S.C. § 1677(4)(A).

<sup>11</sup> 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. 96-249 at 90-91 (1979).

<sup>12</sup> 50 Fed. Reg. 46808 (Nov. 13, 1985).

<sup>13</sup> CR at I-5; PR at I-4.

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> Original Determination at 5.

<sup>17</sup> 19 U.S.C. § 1677(4)(A).

<sup>18</sup> Chairman Bragg and Commissioners Crawford and Askey determine that revocation of the order is not likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. However, they join in the majority's discussion of the relevant legal standard and the conditions of competition in sections III. A & B of these views.

and (2), the Commission makes a determination that revocation of an order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”<sup>19</sup> The Uruguay Round Agreements Act (“URAA”) Statement of Administrative Action (“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 [of the order] ... and the elimination of its restraining effects on volumes and prices of imports.”<sup>20</sup> Thus, the likelihood standard is prospective in nature.<sup>21</sup> The statute states that “the Commission shall consider that the effects of revocation ... may not be imminent, but may manifest themselves only over a longer period of time.”<sup>22</sup> 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].”<sup>23 24</sup>

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 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.” 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 under review, and whether the industry is vulnerable to material injury if the order is revoked.<sup>25 26</sup>

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.”<sup>27 28</sup> As noted above, no respondent interested parties responded to the Commission’s

---

<sup>19</sup> 19 U.S.C. § 1675a(a).

<sup>20</sup> URAA SAA, H.R. Rep. No. 103-316, vol. I, at 883-84 (1994).

<sup>21</sup> 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 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.

<sup>22</sup> 19 U.S.C. § 1675a(a)(5).

<sup>23</sup> 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.*

<sup>24</sup> In analyzing what constitutes a reasonably foreseeable time, Commissioners Crawford and Koplan examine all the current and likely conditions of competition in the relevant industry. They define “reasonably foreseeable time” as the length of time it is likely to take for the market to adjust to a revocation. In making this assessment, they consider 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, their 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.

<sup>25</sup> 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.

<sup>26</sup> Section 752(a)(1)(D) of the Act directs the Commission to take into account in five-year reviews involving antidumping proceedings “the findings of the administrative authority regarding duty absorption.” 19 U.S.C. § 1675a(a)(1)(D). Because there have been no administrative reviews of the order, Commerce has “not had the opportunity to address the issue of duty absorption.” 64 Fed. Reg. 16899, 16901 (April 7, 1999).

<sup>27</sup> 19 U.S.C. § 1675(c)(3)(B); 19 C.F.R. § 207.62(e). 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

notice of institution. Accordingly, we have relied on the facts available in this review, which consist primarily of the record in the original investigation, limited information collected by Commission staff since the institution of this review, and information submitted by Keystone, Oklahoma Wire and Davis.

For the reasons stated below, we determine that revocation of the antidumping duty order on barbed wire and barbless wire strand would be likely to lead to continuation or recurrence of material injury to the domestic industry within a reasonably foreseeable time.<sup>29</sup>

## B. Conditions of Competition

In evaluating the likely impact of the subject imports on the domestic industry if the order is revoked, the statute directs the Commission to evaluate all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>30</sup> In performing our analysis under the statute, we have taken into account the following conditions of competition in the U.S. market for barbed wire and barbless wire strand.

At the time of the original investigation, there were nine firms producing barbed wire and barbless wire strand in the United States. By February 1999, the number of the firms known to produce barbed wire and barbless wire strand had fallen to five. The domestic producers include four firms from the original investigation, Bekaert Steel & Wire Co. (AR), Davis, Keystone, and Oklahoma Wire, plus Burley Corporation of North America (TX), the only known producer to have entered the market since the original investigation.<sup>31</sup>

U.S. consumption of barbed wire in 1997 was at approximately the same level as in the original investigation.<sup>32</sup> In 1997, the U.S. industry’s production and market share were higher than during the

---

<sup>27</sup> (...continued)

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). The statute permits the Commission to use adverse inferences in selecting from among the facts otherwise available when an interested party has failed to cooperate by acting to the best of its ability to comply with a request for information. 19 U.S.C. § 1677e(b). Such adverse inferences may include selecting from information from the record of our original determination and any other information placed on the record. *Id.*

<sup>28</sup> Chairman Bragg and Commissioner Askey note that the statute authorizes the Commission to take adverse inferences in five-year reviews, but emphasize that such authorization does not relieve the Commission of its obligation to consider the record evidence as a whole in making its determination. “[T]he Commission balances all record evidence and draws reasonable inferences in reaching its determinations.” URAA SAA at 869 [emphasis added]. Practically speaking, when only one side has participated in a five-year review, much of the record evidence is supplied by that side, though that data is supplemented with publicly available information. 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.” *Id.*

<sup>29</sup> Chairman Bragg and Commissioners Crawford and Askey determine that revocation of the order is not likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. See their dissenting views.

<sup>30</sup> 19 U.S.C. § 1675a(a)(4).

<sup>31</sup> *Id.*

<sup>32</sup> CR at Table I-3; PR at Table I-3.

original investigation.<sup>33</sup> Conversely, subject imports exited the market by 1986 and imports from nonsubject sources were lower in 1997 than during the original investigation.<sup>34</sup>

The domestic market for barbed wire and barbless wire strand appears to be a mature one. Technology and production methods are essentially unchanged.<sup>35</sup> Moreover, the end uses and applications for barbed wire and barbless wire remain essentially the same, *e.g.*, for ranching and general agricultural applications.<sup>36</sup>

In the original determination, the Commission described barbed wire and barbless wire strand as a standardized product and listed no notable differences between the domestic product and subject imports.<sup>37</sup> The domestic producers assert that the barbed wire and barbless wire strand market is “highly price sensitive.”<sup>38</sup> Thus, in the absence of contrary evidence or argument, we find that domestic and subject imported barbed wire and barbless wire strand are largely substitutable products and that price appears to be an important consideration in purchasing barbed wire and barbless wire strand.

Based on the record evidence, we find that these conditions of competition in the barbed wire market are not likely to change significantly in the reasonably foreseeable future. Accordingly, in this review, we find that current conditions in the barbed wire and barbless wire strand market provide us with a reasonable basis from which to assess the effects of revocation of the order within the reasonably foreseeable future.<sup>39</sup>

### C. Likely Volume of Subject Imports

In evaluating the likely volume of imports of subject merchandise if the order under review is 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.<sup>40</sup> 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.<sup>41</sup>

We conclude, based on the facts available, that subject import volume is likely to increase significantly and would be significant if the order is revoked. In making this finding, we recognize that no

---

<sup>33</sup> The U.S. produced 82,000 short tons of barbed wire and barbless wire strand in 1997 compared with 71,609 short tons in 1982, 78,276 short tons in 1983, and 62,966 short tons in 1984. CR at Table I-1; PR at Table I-1. Chairman Bragg and Commissioners Crawford and Askey note that the U.S. producers’ share of the U.S. market was 82.3 percent in 1997 compared with 80.5 percent in 1982, 73.4 percent in 1983 and 69.8 percent in 1984. CR at Table I-3; PR at Table I-3.

<sup>34</sup> Chairman Bragg and Commissioners Crawford and Askey note that imports from Argentina and nonsubject sources accounted for a total of 19.5 percent of the U.S. market in 1982, 26.6 percent in 1983 and 30.2 percent in 1984. CR at Table I-3; PR at Table I-3. They further note that there were no subject imports from Argentina in 1997, and that non-subject imports accounted for no more than 17.7 percent of U.S. market share in 1997. CR at Table I-3; PR at Table I-3.

<sup>35</sup> CR at I-5, I-6; PR at I-4, I-5.

<sup>36</sup> *Id.*

<sup>37</sup> Original Determination, at 4.

<sup>38</sup> Response, Att. A, B, C at p.3.

<sup>39</sup> Chairman Bragg and Commissioners Crawford and Askey make negative determinations and thus do not join the remainder of this opinion. *See* their dissenting views.

<sup>40</sup> 19 U.S.C. § 1675a(a)(2).

<sup>41</sup> 19 U.S.C. § 1675a(a)(2)(A)-(D).

subject imports are currently in the domestic market.<sup>42</sup> In a five-year review, however, our focus is on whether subject import volume is likely to be significant in the reasonably foreseeable future if the antidumping duty order is revoked.

The record from the original investigation indicates that the Argentine barbed wire and barbless wire strand industry had the ability and willingness to quickly establish a significant presence in the U.S. market. Imports of barbed wire and barbless wire strand from Argentina increased substantially during the period of investigation, both in terms of volume and market share. Between 1982 and 1984, imports increased from 506 tons to 3,739 tons-- more than a 600 percent increase.<sup>43</sup> At the same time, subject import market penetration increased from 0.5 percent of the U.S. market in 1982 to 4.0 percent in 1984.<sup>44</sup>

During the original investigation, Argentine production showed a significant shift from domestic shipments to exports. Domestic Argentine shipments fell from \*\*\* percent of total shipments in 1982, to less than \*\*\* percent in 1983 and 1984.<sup>45</sup> During 1982-1984, the United States constituted Argentina's largest export market for barbed wire and barbless wire strand, accounting for \*\*\* percent of such exports.<sup>46</sup> The record shows that this increase was capped by the imposition of the antidumping duty order.<sup>47</sup>

At the time of the original investigation, Acindar Industria Argentina de Aceros, S.A. ("Acindar") was the sole exporter of these products from Argentina and nearly the sole domestic supplier to the Argentine market.<sup>48</sup> Argentina's capacity to produce barbed wire and barbless wire strand remained constant at \*\*\* short tons during 1982-1984, but its production increased in 1983 and then decreased to a volume \*\*\* over the 1982 level.<sup>49</sup>

There are no data available for current capacity, production or shipments of barbed wire and barbless wire strand in Argentina. However, the record contains some evidence that Argentina continues to produce and export barbed wire.<sup>50</sup> Based on the facts available, we infer that, at a minimum, the industry in Argentina continues to have the production capacity identified in the original investigation. Moreover, given Acindar's total wiremaking capacity, its capacity to produce the subject merchandise is potentially much greater.<sup>51</sup> This suggests that the Argentine industry has the ability to increase production to produce subject merchandise and to export significant volumes of barbed wire to the United States if the order is revoked.

Because of the similarity in the conditions of competition prevailing today and those existing prior to the imposition of the order, and in the absence of contrary evidence or argument, we find that it is likely that Argentine producers would resume shipping significant volumes to the U.S. market in the absence of the antidumping duty order.<sup>52</sup> Indeed, the record demonstrates that the surge in imports ceased as a result of the restraining effect of the antidumping duty order.<sup>53</sup> Consequently, we conclude that subject imports would increase to a significant level in the absence of the antidumping duty order and likely would regain significant U.S. market share absent the restraining effect of the order.

---

<sup>42</sup> The record shows that no imports of barbed wire from Argentina have entered the U.S. since 1987. CR at Table I-3; PR at Table I-3.

<sup>43</sup> Original Determination, at 8.

<sup>44</sup> *Id.*

<sup>45</sup> CR at I-11; PR at I-8.

<sup>46</sup> CR at I-11, I-12; PR at I-8.

<sup>47</sup> CR at Figure I-1; PR at Figure I-1.

<sup>48</sup> CR at I-11; PR at I-8.

<sup>49</sup> *Id.*

<sup>50</sup> In 1996, the last year for which data was available, Argentina exported \*\*\* short tons of barbed wire and barbless wire strand, valued at \$\*\*\*. CR at I-13; PR at I-9.

<sup>51</sup> Acindar's wire and rope business unit has an annual capacity of 198,414 shorts tons, which includes a variety of wire and wire products, of which a small portion currently is barbed wire and barbless wire strand. CR at I-13, n. 31; PR at I-9, n. 31.

<sup>52</sup> SAA at 884 ("If the Commission finds that pre-order conditions are likely to recur, it is reasonable to conclude that there is likelihood of continuation or recurrence of injury." ).

<sup>53</sup> CR at Figure I-1; PR at Figure I-1.

#### **D. Likely Price Effects of Subject Imports**

In evaluating the likely price effects of subject imports if the antidumping duty 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 would have a significant depressing or suppressing effect on the price of domestic like products.<sup>54</sup>

The record in this expedited review contains a limited amount of pricing data. The domestic producers report that prices have remained stable over the last decade.<sup>55</sup> In the original determination, the Commission found that subject imports from Argentina exhibited significant margins of underselling during 1982-1984.<sup>56</sup> Moreover, the average unit value of imports from Argentina declined substantially from \$580 per ton in 1982 to \$395 per ton in 1984.<sup>57</sup>

We found above that the subject merchandise and the domestic like product are substitutable products for which price is an important, if not critical, criterion in the purchasing decision for customers. In the absence of contrary evidence or argument, we find that it is likely that the Argentine producers would offer attractively low prices to U.S. purchasers in order to regain market share, as they did in the original investigation, if the antidumping duty order is revoked. Thus, we believe that prices for domestically produced barbed wire and barbless wire strand would likely decline to a significant degree in response to the likely significant volumes of substitutable subject imports offered at lower prices.

Accordingly, we find that revocation of the antidumping duty order would be likely to lead to significant price effects, including significant underselling by the subject imports of the domestic like product, as well as significant price depression and suppression, in the reasonably foreseeable future.

#### **E. Likely Impact of Subject Imports**

In evaluating the likely impact of imports of subject merchandise if the order is 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.<sup>58</sup> 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.<sup>59</sup> As instructed by the statute, we have considered the

---

<sup>54</sup> 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.

<sup>55</sup> Response at Att. A, p. 8.

<sup>56</sup> Original Determination, at 8.

<sup>57</sup> *Id.* at 9.

<sup>58</sup> 19 U.S.C. § 1675a(a)(4).

<sup>59</sup> 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’s expedited determination in its five-year review provided a likely margin for one specific barbed wire and barbless wire strand producer, Acindar. The likely margin for this company, as well as “all others” margin, is 69.02 percent. 64 Fed. Reg. 16899, 16901 (April 7, 1999).

extent to which any improvement in the state of the domestic industry is related to the antidumping duty order at issue and whether the industry is vulnerable to material injury if the order is revoked.<sup>60</sup>

In the original determination the Commission found material injury to the domestic industry by reason of imports of barbed wire and barbless wire strand sold at less than fair value, which had increased both in absolute terms and relative to domestic consumption.<sup>61</sup> It found declines in production and in shipments and market share, as well as declines in capacity utilization and deterioration of the domestic industry's financial condition.<sup>62</sup>

Since imposition of the antidumping duty order, the domestic industry's market share increased as subject imports exited the market.<sup>63</sup> As noted above, the domestic industry, rather than nonsubject imports, gained that market share lost by the subject imports following the imposition of the antidumping order.<sup>64</sup> The basic substitutability of the product has enabled the domestic industry to readily replace subject imports and regain domestic market share. Demand is unlikely to be increased by product development or new technology. Thus it is likely that any future increase in the market share of subject imports would be largely at the expense of the domestic industry.<sup>65</sup>

As discussed above, based on the limited record in this review, we conclude that if the order is revoked, the likely volume of subject imports would be significant and that these imports would have significant adverse price effects. Given the substitutable nature of the product, and in the absence of contrary evidence or argument, we find that a significant volume of low-priced subject imports would likely have a significant adverse impact on the production, shipment, sales, and revenue levels of the domestic industry. This reduction in the industry's production, sales and revenue levels would have a direct adverse impact on the industry's profitability and employment levels as well as its ability to raise capital and make and maintain necessary capital investments. Accordingly, we conclude that, if the antidumping duty order is revoked, the subject imports would be likely to have a significant adverse impact on the domestic industry within a reasonably foreseeable time.

## CONCLUSION

For the foregoing reasons, we determine that revocation of the antidumping duty order covering barbed wire and barbless wire strand from Argentina would be likely to lead to continuation or recurrence of material injury to the domestic barbed wire and barbless wire strand industry within a reasonably foreseeable time.

---

<sup>60</sup> 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.

<sup>61</sup> Original Determination at 9.

<sup>62</sup> Original Determination at 5-7.

<sup>63</sup> CR at I-10; PR at I-7.

<sup>64</sup> *Infra*, p. 9.

<sup>65</sup> The domestic producers have not asserted that their industry is in a vulnerable state. Because the domestic producers' share of the U.S. market has increased and they assert that prices have been stable throughout the past decade, we do not find that the domestic industry is in a weakened state, as contemplated by the vulnerability criterion of the statute. See SAA at 885 ("The term 'vulnerable' relates to susceptibility to material injury by reason of dumped or subsidized imports. This concept is derived from existing standards for material injury and threat of material injury....If the Commission finds that the industry is in a weakened state, it should consider whether the industry will deteriorate further upon revocation of an order...").



## DISSENTING VIEWS OF CHAIRMAN LYNN M. BRAGG AND COMMISSIONERS CAROL T. CRAWFORD AND THELMA J. ASKEY

Section 751(d) requires that Commerce revoke an antidumping or countervailing duty order in a five-year (“sunset”) review unless Commerce determines that, in the event of revocation, dumping or a countervailable subsidy would be likely to continue or recur and the Commission determines that material injury would be likely to continue or recur within a reasonably foreseeable time.<sup>1</sup> In this review of the antidumping duty order on barbed wire and barbless wire strand from Argentina, we find that material injury is not likely to continue or recur within a reasonably foreseeable time if the order is revoked.<sup>2</sup>

We join our colleagues’ discussion regarding the domestic like product, domestic industry, conditions of competition, and in their explanation of the relevant legal standard. As a preliminary matter, we note that three U.S. producers responded to the Commission’s notice of institution, accounting for approximately \*\*\* percent of domestic production, and no respondent interested parties chose to participate in the review. We therefore have a limited record to review in determining whether revocation of the order will likely lead to continuation or recurrence of material injury within the reasonably foreseeable future.<sup>3</sup>

### A. General Considerations

The statute directs the Commission to take into account several general considerations.<sup>4</sup> In accordance with the statute, we have taken into account the Commission’s prior injury determination, including the volume, price effects, and impact of the subject imports on the industry before the order was issued.

Based on the facts available in this review, the record indicates that the domestic industry has improved its position in the U.S. market since the issuance of the order. Both domestic production and domestic market share of barbed wire and barbless wire strand have increased since imposition of the order.<sup>5</sup> Although the domestic industry’s market share has improved during the twelve years that the order has been in effect, it does not automatically or necessarily follow that revocation of the order will result in the continuation or recurrence of material injury within the reasonably foreseeable future. The record in this review indicates that the domestic industry has dominated a mature market for many years. Nonsubject imports have decreased since imposition of the order but remain a significant portion of the

---

<sup>1</sup> 19 U.S.C. §§ 1675(d)(2), 1675a(a)(1).

<sup>2</sup> In analyzing whether revocation of an order would be likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time, Commissioner Crawford takes as her starting point the date on which the revocation would actually take place. In this review, the finding would be revoked in January 2000. 19 U.S.C. § 1675(c)(6)(iv).

<sup>3</sup> Congress and the administration anticipated that the record in expedited sunset reviews would likely be more limited than that in full reviews and accordingly provided that the Commission’s determination would be upheld unless it was “arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.” 19 U.S.C. § 1516a(b)(1)(b)(ii). Nevertheless, even under a more relaxed standard of review, the Commission must ensure that its decision is based on some evidence in the record. See *Genentech Inc. v. United States Int’l Trade Comm’n*, 122 F.3d 1409, 1415 (Fed. Cir. 1997) (discussing the Commission’s decision on sanctions). Chairman Bragg concurs that Congress and the administration anticipated the record in expedited sunset reviews would be more limited than in full reviews.

<sup>4</sup> 19 U.S.C. § 1675a(a)(1). The Commission is to consider its prior injury determinations, whether any improvement in the state of the industry is related to the order, whether the industry is vulnerable to material injury in the event of revocation, and whether any duty absorption finding is made by the Department of Commerce. *Id.* Commerce made no duty absorption finding in this case. 64 Fed. Reg. at 16901 (April 7, 1999). The statute also provides that the Commission may consider the margin of dumping when making its determination. 19 U.S.C. § 1675a(a)(6). Commerce reported likely margins of 69.02 percent in the event of revocation for all Argentine manufacturers and exporters. 64 Fed. Reg. at 16901 (April 7, 1999).

<sup>5</sup> CR at Table I-1 and I-3; PR at Table I-1 and I-3.

market, accounting for 17.7 percent of the U.S. market in 1997. Based on the industry's current performance as reflected in the record, we conclude that the domestic industry is not vulnerable to material injury if the order is revoked.

## B. Volume

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 order under review is revoked.<sup>6</sup> 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 of production facilities in the foreign country, which can be used to produce the subject merchandise, and are currently being used to produce other products.<sup>7</sup>

During the original period of investigation ("POI"), imports of barbed wire and barbless wire strand from Argentina increased from 506 short tons in 1982 to 3,739 short tons in 1984, accounting for an increase in domestic market share from 0.5 percent to 4.0 percent, respectively. The record indicates that the domestic industry appeared to rebound in 1985, with Argentine exports decreasing 61 percent and domestic employment increasing by 27 percent compared to the same period in 1984. As stated above, since imposition of the order the U.S. industry increased market share in part from the cessation of imports from Argentina as well as diminished nonsubject imports. We find that even if subject imports were to increase to pre-order levels, the resulting levels would be negligible. Moreover, a certain amount of market share would likely be captured from nonsubject imports, further mitigating any injury to the domestic industry.

Since imposition of the antidumping duty order the manufacturing technology for barbed wire and barbless wire strand has not changed, reflecting the fact that it is a mature industry. The record indicates that estimated 1997 U.S. production of the domestic like product is 82,000 short tons, an increase of approximately 23.2 percent since the last full year of information available during the POI. This indicates that the domestic industry has been able to adjust production to meet demand and remain profitable. We conclude that the domestic industry will be able to adjust to imports of the subject merchandise without adversely affecting its profitability if the order is revoked.

The record indicates, and we agree, that there are few, if any, barriers to importation of the subject merchandise into the United States or any other country. Prior to 1984, no barriers existed on the importation of barbed wire and barbless wire strand. The most Argentina ever exported to the United States was 3,814 short tons in 1983, while nonsubject imports totaled 25,458 short tons in the same year.

No data are available regarding the current capacity, production, or shipments of the subject merchandise in Argentina. According to public information available from Acindar, the sole producer of the subject merchandise in Argentina, Acindar produces approximately 56 different products at its wire and wire rope facility. We are unable accurately to predict Acindar's existing production mix based on the limited information available on the record. However, even if Acindar has both the capacity and the desire to increase production of the subject merchandise for export to the United States in the event of revocation, we determine that the volume of such imports would not be significant.

In sum, because the domestic market is dominated by U.S. and nonsubject producers, we find that revocation of the antidumping duty order is not likely to lead to a significant increase in the volume of subject imports within the reasonably foreseeable future.

---

<sup>6</sup> 19 U.S.C. § 1675a(a)(2).

<sup>7</sup> 19 U.S.C. § 1675(a)(2)(A)-(D). The Statement of Administrative Action to the Uruguay Round Agreements Act ("SAA") indicates that the statutory factors specified for analysis of volume, price, and impact are a combination of those used to determine both material injury by reason of subject imports and threat of material injury in original<sup>12</sup> antidumping and countervailing duty investigations. See SAA at 886.

### C. Price

In evaluating the likely price effects of the subject merchandise in the event of revocation, the Commission shall consider (1) whether imports are likely to be sold at a significantly lower price than the domestic like product, and (2) whether imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.<sup>8</sup>

The record in this review contains very limited pricing data. Even if subject imports were to enter the United States at prices which undersold the domestic like product following revocation of the order, we conclude that those volume levels would be too minimal to have any discernible impact on prices in the U.S. market. Thus, we determine that imports of barbed wire and barbless wire strand from Argentina are not likely to have a price suppressing or depressing effect within a reasonably foreseeable time in the event of revocation.

### D. Impact

When considering the likely impact of subject imports, the Commission is to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including: (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 enhanced version of the domestic like product.<sup>9</sup>

Subject imports are not likely to have a significant adverse impact on the domestic barbed wire and barbless wire strand industry if the order is revoked. First, domestic respondents have not demonstrated that the U.S. industry is vulnerable to injury if the order is revoked.<sup>10</sup> Second, the domestic industry accounted for 82.3 percent of domestic consumption in 1997, with nonsubject imports accounting for 17.7 percent. We find that revocation would not likely have a significant adverse impact on the domestic industry because subject imports would have to increase significantly over pre-order levels in order to have such an impact; as discussed, we find that this is not likely to occur. Furthermore, any increase in subject imports that would result from revocation would likely come partly at the expense of nonsubject imports, rather than exclusively at the expense of the domestic industry.

We therefore find that subject imports would not be likely to have a significant impact on domestic 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. In conjunction with our conclusions regarding likely volume and price effects, we find that revocation is not likely to lead to a significant reduction in U.S. producers' output, sales, market share, profits, or productivity, within a reasonably foreseeable time. We therefore find that revocation is not likely to have a negative impact on the domestic industry in the reasonably foreseeable future.

---

<sup>8</sup> 19 U.S.C. § 1675a(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 or 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.

<sup>9</sup> 19 U.S.C. § 1675a(a)(4).

<sup>10</sup> Commissioner Crawford finds that the magnitude of any adverse effects of revocation is likely to increase with the degree of vulnerability of the industry. She finds that the domestic industry in this review is not particularly vulnerable to injury if the order is revoked. 13

## CONCLUSION

We find that if the antidumping duty order is revoked, the volume of subject imports is not likely to be significant and the subject imports are not likely to have significant effects on domestic prices or a significant impact on the domestic industry. Therefore, we determine that revocation of the order in this review would not be likely to lead to a continuation or recurrence of material injury to the barbed wire and barbless wire strand industry in the United States within a reasonably foreseeable time.

**INFORMATION OBTAINED IN THE REVIEW**



## INTRODUCTION

On December 2, 1998, the Commission gave notice that it had instituted a review to determine whether revocation of the antidumping duty order on barbed wire and barbless wire strand from Argentina would be likely to lead to a continuation or recurrence of material injury within a reasonably foreseeable time.<sup>1</sup> On March 5, 1999, the Commission determined that the domestic interested party response to its notice of institution was adequate;<sup>2</sup> the Commission also determined that the respondent interested party response was inadequate because no response was received. The Commission found no other circumstances that would warrant a full review. Accordingly, the Commission determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)(3)).<sup>3</sup> The Commission voted on this review on April 21, 1999, and notified Commerce of its determination on May 3, 1999.

### The Original Investigation

The Commission completed the original investigation<sup>4</sup> in October 1985, determining that an industry in the United States was being materially injured by reason of imports of barbed wire and barbless wire strand from Argentina that were being sold at less than fair value. The Commission found the relevant domestic industry to consist of producers of barbed wire and barbless wire strand. After receipt of the Commission's determination, Commerce issued an antidumping duty order on imports of barbed wire and barbless wire strand from Argentina.<sup>5</sup>

### Commerce's Final Results of Expedited Sunset Review

On April 1, 1999, the Commission received Commerce's "Final Results of Expedited Sunset Review" concerning barbed wire and barbless wire strand from Argentina.<sup>6</sup> The review covered all manufacturers and exporters of barbed wire and barbless wire strand from Argentina. Commerce determined that dumping is likely to continue if the antidumping duty order is revoked. The following tabulation

---

<sup>1</sup> 63 FR 66563, Dec. 2, 1998. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

<sup>2</sup> The *Response* by domestic producers includes three attachments; att. A contains the substantive response by Keystone, att. B contains the substantive response by Oklahoma S&W, and att. C contains the substantive response by Davis. These firms, together, accounted for about \*\*\* percent of estimated domestic production of barbed wire and barbless wire strand in 1997. (See *Response* by domestic producers, pp. 5 of atts. A, B, and C; see also the section of this report entitled "U.S. production, shipments and employment.")

<sup>3</sup> 64 FR 12351, Mar. 12, 1999. The Commission's notice of expedited review appears in app. A. See the Commission's web site (<http://www.usitc.gov>) for Commissioner votes on whether to conduct an expedited or full review. The Commission's statement on adequacy is presented in app. B.

<sup>4</sup> The investigation resulted from petitions filed on behalf of Forbes on Nov. 19, 1984, alleging that barbed wire and barbless wire strand from Argentina, Brazil, and Poland were, or were likely to be, sold in the United States at less than fair value. Subsequently, the petitioner withdrew its petitions with respect to imports from Brazil and Poland and the Commission published notices of termination in the *Federal Register*. (50 FR 29770, July 22, 1985, for Poland, and 50 FR 32775, Aug. 14, 1985, for Brazil.)

<sup>5</sup> 50 FR 46808, Nov. 13, 1985. This order required the posting of a cash deposit equal to the estimated weighted-average antidumping duty margins that were 69.02 percent for the reviewed firm, Acindar, and all other firms. In determining the weighted-average antidumping duty margins, Commerce used a comparison between U.S. price (that was based on the C&F price to unrelated U.S. purchasers, as adjusted) and foreign market value (that was based on home market prices, as adjusted). Subsequently, there have been no requests to conduct antidumping duty administrative reviews.

<sup>6</sup> The *Federal Register* notice of Commerce's final results (64 FR 16899, Apr. 7, 1999) is presented in app. A.

provides information with regard to the margin (in percent) of dumping that Commerce found would likely prevail if the antidumping duty order is revoked:<sup>7</sup>

<u>Manufacturer/producer/exporter</u>	<u>Margin</u>
Acindar . . . . .	69.02
All others . . . . .	69.02

## THE PRODUCT

### Scope

Imports covered by this review are barbed wire and barbless fencing wire. Such merchandise is classifiable in HTS subheading 7313.00.00 and is free of duty regardless of country of origin. The HTS subheading is provided for convenience and for Customs purposes; the written description remains dispositive as to the scope of the product coverage.

### Description and Uses

Barbed wire and barbless wire strand are galvanized steel products used in various fencing applications. At the time of the original investigation, approximately 90 percent of barbed wire was consumed in agricultural applications and 5 percent each in industrial and Government security applications. In 1984, low-tensile barbed wire accounted for 67 percent of apparent U.S. consumption of barbed wire and barbless wire strand, combined, and high-tensile barbed wire and barbless wire strand accounted for 30 percent and 3 percent, respectively.<sup>8</sup> In the original investigation, the Commission determined that there was one domestic like product, barbed wire and barbless wire strand, and that the domestic industry consisted of the domestic producers of barbed wire and barbless wire strand.<sup>9</sup>

At the time of the original investigation, barbed wire was made from low-carbon steel rod having 0.08 to 0.22 percent carbon content, the useful life of the low-tensile and high-tensile products was similar, and they were both rated for 950 pounds of minimum breaking strength. Barbed wire was made from wire ranging in size from 12.5- to 18-gauge material<sup>10</sup> and was typically sold in 1,320-foot reels (or spools). Barbed wire chiefly had 4-pointed barbs, although 2-pointed barbed wire was also sold. Barbless wire strand was similar to the barbed wire, except for the barbs, and was typically used in applications in which barbs would cause harm to certain livestock, such as show horses.<sup>11</sup> According to domestic producers, barbed wire continues to be produced in two main sizes, 12.5 gauge and 15.5 gauge (although reportedly with a trend

---

<sup>7</sup> Commerce determined that the margin calculated in the original investigation, which remains in effect today, reflects the behavior of exporters without the discipline of the order and is probative of the behavior of the Argentine producers/exporters of barbed wire and barbless wire strand.

<sup>8</sup> *Staff Report of Oct. 11, 1985*, p. A-4. At the time of the original investigation, questionnaire data were collected on low-tensile barbed wire, high-tensile barbed wire, and barbless wire strand. Separate official Commerce import data were also available at that time for barbed wire and for barbless wire strand. Since the 1989 conversion from the TSUSA to the HTS, barbed wire and barbless wire strand have been included in the same import category, and separate import data are no longer available.

<sup>9</sup> *Barbed Wire and Barbless Wire Strand from Argentina*, USITC Pub. 1770, Oct. 1995, pp. 3-5.

<sup>10</sup> Low-tensile is chiefly of 12.5-gauge material and high-tensile is chiefly of 15.5-gauge material (*Staff Report of Oct. 11, 1985*, pp. A-4 and A-5).

<sup>11</sup> *Staff Report of Oct. 11, 1985*, pp. A-4 and A-5.



toward the 15.5 gauge); the end uses remain essentially the same, primarily agriculture; and the manufacturing technology has not significantly changed since imposition of the antidumping duty order.<sup>12</sup>

Three principal stages are involved in producing barbed wire and barbless wire strand. First, carbon steel wire rod is drawn into wire by passing it through successively smaller dies, thereby increasing the strength and ductility of the wire while diminishing its cross-sectional area. The same wire drawing machines can be used to produce both high- and low-tensile wires, although different dies are used and the machines are run at slower speeds when producing high-tensile wire. Second, the corrosion-resistant zinc coating is applied. Third, two strands of wire are fed into a barbed wire machine that evenly twists the wire under tension; the resulting product is twisted barbless wire strand. To make the barbs, a third (for 2-barbed) and fourth (for 4-barbed) wire are fed into the machine and wrapped around one or both of the twisted wires and then cut to form the barbs; the barbs are typically spaced at intervals of 4 or 5 inches. The barbed wire and barbless wire strand are then coiled onto reels and wrapped in a protective cover for shipment.<sup>13</sup>

During the original investigation, transportation, which was usually provided by the purchasers' own trucks or by an independent trucker paid by the purchaser, typically accounted for about 4 percent of the cost of the barbed wire and barbless wire strand.<sup>14</sup> No new information on transportation was provided in this review.

## THE INDUSTRY IN THE UNITED STATES

### U.S. Producers

In 1984, there were nine firms producing barbed wire and barbless wire strand in the United States.<sup>15</sup> In 1997, there were eight producing firms--two of the producers during the original investigation had exited the domestic industry,<sup>16</sup> a new firm had begun barbed wire operations,<sup>17</sup> and the barbed wire facilities of the petitioner were being operated by a new owner.<sup>18</sup> By February 12, 1999, the number of firms known to produce barbed wire and barbless wire strand had been reduced to five--four firms from the original investigation (Bekaert, Davis, Keystone, and Oklahoma S&W) plus Burley, the only known new producer since the original investigation.<sup>19</sup>

---

<sup>12</sup> *Response* by domestic producers, pp. 7 of apps. B and C, and pp. 7-8 of att. A. Keystone stated that when evaluating market share of imported barbed wire, it is important to compare miles of barbed wire installed, not necessarily tons imported, because high-tensile wire is about half as heavy per foot and therefore 5,000 tons of high-tensile imported barbed wire could replace 10,000 tons of domestic low-tensile barbed wire (*Response* by domestic producers, p. 8 of att. A). No producer provided any separate data for high-tensile barbed wire, low-tensile barbed wire, or barbless wire strand, nor are there any import data available for these separate categories.

<sup>13</sup> *Staff Report of Oct. 11, 1985*, pp. A-5 and A-6.

<sup>14</sup> *Staff Report of Oct. 11, 1985*, p. A-40.

<sup>15</sup> *Staff Report of Oct. 11, 1985*, p. A-8. These firms were Bekaert, CF&I, Continental, Davis, Forbes, Keystone, Nagle, Northwestern, and Oklahoma S&W.

<sup>16</sup> Continental went bankrupt and ceased operation in 1986. *Setting Precedent for Smarter Superfund Cleanups: The Continental Steel "Mega-Site,"* p. 1 (<http://www.cdm.com/Pubs/CDMnews/news1198/env.htm>). Nagle exited the barbed wire and barbless wire strand business when its plant equipment was bought by Keystone in 1987; \*\*\*. *Response* by domestic producers, p. 7 of att. A.

<sup>17</sup> Burley began production in Burleston, TX, in 1987 or 1988. *Response* by domestic producers, pp. 7-8 of att. B and p. 8 of att. C.

<sup>18</sup> Forbes' barbed wire assets were bought by Insteel in 1989; Insteel was still producing barbed wire in 1997. *Comments on Adequacy* by domestic producers, p. 3.

<sup>19</sup> Northwestern announced in October 1998 that it was exiting the fabricated wire products business and its equipment is currently for sale. *Response* by domestic producers, p. 7 of att. A. CF&I was bought by Davis in June 1995 (continued...)

The three producers responding to the Commission's notice of institution, Davis, Keystone, and Oklahoma S&W, accounted for about \*\*\* percent of estimated 1997 production of barbed wire and barbless wire strand;<sup>20</sup> these three firms, together with the barbed wire operations of the firms they acquired since 1984, accounted for \*\*\* percent of domestic production in 1984.<sup>21</sup>

### U.S. Production, Shipments, and Employment

Data on production, shipments, and the number of production and related workers that were reported by U.S. producers of barbed wire and barbless wire strand in the Commission's original investigation are presented in table I-1. Because not all producers responded to the Commission's notice of institution for this review, the Commission staff estimated the comparable data for 1997 using information provided in response to its review institution notice.<sup>22</sup> During the original investigation, production, domestic shipments, and the number of production and related workers increased between 1982 and 1983 and then decreased in 1984. Compared with 1984, production and domestic shipments were up in 1997, but the number of production and related workers was below any year of the original investigation. There are no current financial or pricing data available for the subject products.<sup>23</sup>

## U.S. IMPORTS AND CONSUMPTION

### U.S. Imports

As shown in figure I-1 and table I-2, U.S. imports of barbed wire and barbless wire strand from Argentina increased from 1982 to 1983 and then decreased slightly in 1984. Subsequent to the initiation of the antidumping investigation, such imports decreased in the January-March 1985 period, amounting to only 39 percent of the quantity of imports from Argentina during the comparable period of 1984.<sup>24</sup> Commerce

---

<sup>19</sup> (...continued)

1997, and Davis continues to operate the Pueblo, CO, plant. *Response* by domestic producers, pp. 3 and 7 of att. C; *Supplemental Response* by domestic producers, p. 1. Insteel sold its barbed wire assets to Keystone in February 1998; \*\*\*. *Response* by domestic producers, p. 7 of att. A.

<sup>20</sup> See *Response* by domestic producers, pp. 5 of atts. A, B, and C and *Supplemental Response* by domestic producers, p. 1. See also the section of this report entitled "U.S. production, shipments, and employment."

<sup>21</sup> Furthermore, these three companies, including their acquisitions, represent all of the production of barbed wire and barbless wire strand by the companies that filed and supported the original petition. *Comments on Adequacy* by domestic producers, pp. 3-4.

<sup>22</sup> In its notice of institution, producers were asked to report their barbed wire and barbless wire strand production quantity and their estimate of the share of total U.S. production accounted for by their firm. Keystone stated that it produced \*\*\* short tons, accounting for \*\*\* percent of U.S. production; Oklahoma S&W stated that it produced \*\*\* short tons, accounting for \*\*\* percent of U.S. production; and Davis stated that it produced \*\*\* short tons, accounting for \*\*\* percent of U.S. production. The staff estimated that U.S. production is about 82,000 short tons, which jibes with the estimated shares of production reported by \*\*\*. Although production reported by \*\*\*. The production quantities of the three reporting producers amounted to \*\*\* short tons, or \*\*\* percent, of the estimated U.S. production in 1997. Shipments and employment data were estimated by the Commission's staff using a \*\*\* percent ratio against the shipments and employment data reported by the three firms. (See *Response* by domestic producers, pp. 3 and 5 of atts. A, B, and C.)

<sup>23</sup> During the original investigation, sales of barbed wire and barbless wire strand amounted to 3 percent or less of the total sales of all products made in the establishments (*Staff Report of Oct. 11, 1985*, p. A-19). In this review investigation, Davis, Keystone, and Oklahoma S&W reported that their sales of barbed wire and barbless wire strand amounted to \*\*\* percent, \*\*\* percent, and \*\*\* percent, respectively, of their total sales.

<sup>24</sup> *Staff Report of Oct. 11, 1985*, p. A-35.

Table I-1

Barbed wire and barbless wire strand: U.S. production, domestic shipments, and production and related workers, 1982-84 and 1997

Item	1982	1983	1984	1997 <sup>1</sup>
Production ( <i>short tons</i> )	71,609	78,276	62,966	82,000
Domestic shipments Quantity ( <i>short tons</i> )	76,153	80,710	65,457	77,200
Value ( <i>1,000 dollars</i> )	(2)	(2)	(2)	56,600
Unit value ( <i>per short ton</i> )	(2)	(2)	(2)	\$73
Production and related workers	183	194	168	153 <sup>3</sup>

<sup>1</sup> Estimated by the Commission staff using data provided in the U.S. producers' responses to the Commission's notice of institution.

<sup>2</sup> Not available.

<sup>3</sup> The employees reported were described as being "dedicated to the production and marketing" of barbed wire and barbless wire strand.

Source: *Staff Report of Oct. 11, 1985*, pp. A-12, A-14, and A-17 for 1982-84 data; *Response by domestic producers*, pp. 3 and 5 of atts. A, B, and C for 1997 data.

published its preliminary determination of dumping in May 1985,<sup>25</sup> and imports of barbed wire and barbless wire strand from Argentina quickly declined.<sup>26</sup> Although there were imports of barbed wire and barbless wire strand after the completion of the antidumping investigation, they were negligible compared with imports prior to the determination of dumping. In 1986, there were 9 short tons of barbed wire (and no barbless wire strand) imported from Argentina. In 1987, there were 19 short tons of barbless wire strand (and no barbed wire) imported from Argentina. Since then, there have been no U.S. imports of barbed wire or barbless wire strand from Argentina. Data on the value of annual imports that are subject to the antidumping order confirm that there have been no imports of subject barbed wire or barbless wire strand from Argentina listed during fiscal 1993-97.<sup>27</sup>

### Apparent U.S. Consumption

Apparent U.S. consumption in 1997, although slightly higher than in 1984, was lower than in 1982-83 (table I-3). U.S. producers accounted for a higher share of consumption in 1997 than in any year during the original investigation, and all of the reduction in consumption between 1984 and 1997 is because of reduced imports, both from Argentina and from nonsubject sources.

<sup>25</sup> 50 FR 18906, May 3, 1985. The preliminary margin was 64.44 percent and was based on best information available.

<sup>26</sup> According to official Commerce statistics, there were no subject imports reported for 1985 after June of that year, and such imports during Jan.-Apr. 1985 accounted for 61 percent of the 908 short tons of barbed wire and barbless wire strand imported from Argentina in 1985. (*IM 146* for Apr. 1985, June 1985, and Dec. 1985.)

<sup>27</sup> See Commerce's web site ([http://www.ita.doc.gov/import\\_admin/records/sunset](http://www.ita.doc.gov/import_admin/records/sunset)) at *Case History and Scope Information*. I-7

Figure I-1

Barbed wire and barbless wire strand: U.S. imports from Argentina, by quantity, 1982-97



Source: Official Commerce statistics.

### THE INDUSTRY IN ARGENTINA

During June 1, 1984 - November 30, 1984, the period of Commerce's original investigation, all sales of barbed wire by Acindar were investigated by Commerce. According to the petition, Acindar accounted for substantially all of Argentina's known exports of barbed wire and barbless fencing wire to the United States.<sup>28</sup> During the time of the Commission's original investigation, Acindar was the sole exporter of these products from Argentina and almost the sole domestic supplier to the Argentine market.<sup>29</sup> Argentina's capacity to produce barbed wire and barbless wire strand remained constant at \*\*\* short tons during 1982-84, but its production increased in 1983 and then decreased in 1984 to a volume \*\*\* over the 1982 level. Although exports tracked the production trends, domestic shipments decreased throughout the period of investigation and the domestic market share of total shipments slipped from \*\*\* percent in 1982 to less than \*\*\* percent in 1983 and 1984. \*\*\* was Argentina's largest export market for barbed wire and barbless wire strand during 1982-84, accounting for \*\*\* percent of such exports.<sup>30</sup>

<sup>28</sup> 50 FR 38563, Sept. 23, 1985.

<sup>29</sup> Staff Report of Oct. 11, 1985, p. A-32.

<sup>30</sup> Staff Report of Oct. 11, 1985, p. A-33.

Table I-2 Barbed wire and barbless wire strand: U.S. imports from Argentina, 1982-84 and 1997				
Item	1982	1983	1984	1997
Quantity ( <i>short tons</i> )	506	3,814	3,739	0
Value ( <i>1,000 dollars</i> ):				
Customs value	294	1,461	1,477	0
Landed, duty paid value	337	1,753	1,766	0
Unit value ( <i>per short ton</i> ):				
Customs	\$580	\$383	\$395	(1)
Landed, duty paid	\$666	\$460	\$472	(1)
<p><sup>1</sup> Not applicable; there were no U.S. imports from Argentina. However, according to UN data, exports from Argentina in 1996 had a unit value of \$*** per short ton.</p> <p>Source: <i>Staff Report of Oct. 11, 1985</i>, p. A-35 for import quantities, import customs values, and unit customs values (which were official Commerce statistics) in 1982-84; official Commerce statistics for import data in 1997, and landed, duty paid, values (and unit values) in all periods; and official UN statistics for Argentina export data in 1996.</p>				

There are no data available for current capacity, production, or shipments of barbed wire and barbless wire strand in Argentina.<sup>31</sup> However, Acindar continues to produce and market barbed wire.<sup>32</sup> In 1996, the last year for which data are available, Argentina exported \*\*\* short tons of barbed wire and barbless wire strand, valued at \$\*\*\*; Bolivia and Chile accounted for \*\*\* percent and \*\*\* percent, respectively, of the quantity of these exports.<sup>33</sup>

---

<sup>31</sup> Domestic producers report that Acindar has an annual capacity of 826,725 short tons (750,000 metric tons) at its No. 2 plant where it produces barbed wire (*Response* by domestic producers, pp. 3 of atts. A, B, and C). This is the electric arc furnace capacity to produce steel and Acindar produces a wide variety of steel products, of which barbed wire and barbless wire strand constitutes a very minor portion. The wire and wire rope business unit has an annual capacity of 198,414 short tons, but again this is for a variety of wire and wire products, of which only a small portion is barbed wire and barbless wire strand. See *Iron and Steel Works of the World, 12th Ed.*, 1997, pp. 2-3.

<sup>32</sup> *Iron and Steel Works of the World, 12th Ed.*, 1997, p. 3, and Acindar's web site ([www.acindar.com.ar](http://www.acindar.com.ar)).

<sup>33</sup> Official UN statistics; this information is copyrighted and not to be distributed outside the U.S. Government. In 1996, Argentina was a net exporter of barbed wire and barbless wire strand, exporting \*\*\* percent more than it imported. Argentina's imports of barbed wire and barbless wire strand amounted to \*\*\* short tons, \*\*\* percent of which were from Brazil. I-9

Table I-3 Barbed wire and barbless wire strand: U.S. producers' domestic shipments, U.S. imports, and apparent U.S. consumption, 1982-84 and 1997				
Item	1982	1983	1984	1997
Quantity ( <i>short tons</i> )				
U.S. producers' domestic shipments	76,153	80,710	65,457	77,200
U.S. imports: Argentina	506	3,814	3,739	0
Other sources	17,959	25,458	24,560	16,601 <sup>1</sup>
Total	18,465	29,272	28,299	16,601 <sup>1</sup>
Apparent U.S. consumption	94,618	109,982	93,756	93,801
Share of consumption ( <i>percent</i> )				
U.S. producers' domestic shipments	80.5	73.4	69.8	82.3
U.S. imports: Argentina	0.5	3.5	4.0	0
Other sources	19.0	23.1	26.2	17.7
Total	19.5	26.6	30.2	17.7
<p><sup>1</sup> The HTS classification for barbed wire and barbless wire strand also includes "twisted hoop or single flat wire." There are no data reflecting how much of the total basket classification may be accounted for by these products, but such imports, if any, are believed to be negligible.</p> <p>Source: <i>Staff Report of Oct. 11, 1985</i>, pp. A-11, A-35, and A-39 for 1982-84 data (of which import data were official Commerce statistics); 1997 imports are from official Commerce statistics; and 1997 U.S. producers' shipments are estimated by Commission staff from the <i>Response</i> by domestic producers, pp. 5 of atts. A, B, and C.</p>				

**APPENDIX A**  
***FEDERAL REGISTER NOTICES***





---

**INTERNATIONAL TRADE COMMISSION**

[Investigation No. 731-TA-208 (Review)]

**Barbed Wire and Barbless Wire Strand From Argentina**

**AGENCY:** United States International Trade Commission.

**ACTION:** Scheduling of an expedited five-year review concerning the antidumping duty order on barbed wire and barbless wire strand from Argentina.

**SUMMARY:** The Commission hereby gives notice of the scheduling of an expedited review pursuant to section 751(c)(3) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)(3)) (the Act) to determine whether revocation of the antidumping duty order on barbed wire and barbless wire strand from Argentina would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. For further information concerning the conduct of this review 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). Recent amendments to the Rules of Practice and Procedure pertinent to five-year reviews, including the text of subpart F of part 207, are published at 63 F.R. 30599, June 5, 1998, and may be downloaded from the Commission's World Wide Web site at <http://www.usitc.gov/rules.htm>.

**EFFECTIVE DATE:** March 5, 1999.

**FOR FURTHER INFORMATION CONTACT:** Bonnie Noreen (202-205-3167), 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:**
**Background**

On March 5, 1999, the Commission determined that the domestic interested party group response to its notice of institution (63 F.R. 66563, Dec. 2, 1998) of the subject five-year review was adequate and that the respondent interested party group response was inadequate. The Commission did not find any other circumstances that would warrant conducting a full review.<sup>1</sup> Accordingly, the Commission determined that it would conduct an expedited review pursuant to section 751(c)(3) of the Act.

**Staff Report**

A staff report containing information concerning the subject matter of the review will be placed in the nonpublic record on April 2, 1999, and made available to persons on the Administrative Protective Order service list for this review. A public version will be issued thereafter, pursuant to section 207.62(d)(4) of the Commission's rules.

**Written Submissions**

As provided in section 207.62(d) of the Commission's rules, interested parties that are parties to the review and that have provided individually adequate responses to the notice of institution,<sup>2</sup> and any party other than an interested party to the review may file written comments with the Secretary on what determination the Commission should reach in the review. Comments are due on or before April 7, 1999, and may not contain new factual information. Any person that is neither a party to the five-year review nor an interested party may submit a brief written statement (which shall not contain any new factual information) pertinent to the review by April 7, 1999. If comments contain business proprietary information (BPI), they must 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

<sup>1</sup> 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.

<sup>2</sup> The Commission has found responses submitted by Davis Wire Corp.; Keystone Steel & Wire Co.; and Oklahoma Steel & Wire Co., Inc. to be individually adequate. Comments from other interested parties will not be accepted (see 19 CFR 207.62(d)(2)).

submissions with the Secretary by facsimile or electronic means.

In accordance with sections 201.16(c) and 207.3 of the rules, each document filed by a party to the review must be served on all other parties to the review (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.

**Determination**

The Commission has determined to exercise its authority to extend the review period by up to 90 days pursuant to 19 U.S.C. § 1675(c)(5)(B).

**Authority**

This review is 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.

By order of the Commission.

Issued: March 9, 1999.

**Donna R. Koehnke,**  
Secretary.

[FR Doc. 99-6157 Filed 3-11-99; 8:45 am]

**BILLING CODE 7020-02-P**

---

**SUMMARY:** On December 2, 1998, the Department of Commerce ("the Department") initiated a sunset review of the antidumping order on barbed wire and barbless fencing wire from Argentina (63 FR 66527) pursuant to section 751(c) of the Tariff Act of 1930, as amended ("the Act"). On the basis of a notice of intent to participate and substantive comments filed on behalf of the domestic industry and inadequate response (in this case, no response) from respondent interested parties, the Department determined to conduct an expedited review. As a result of this review, the Department finds that revocation of the antidumping order would be likely to lead to continuation or recurrence of dumping at the levels indicated in the Final Results of Review section of this notice.

**FOR FURTHER INFORMATION CONTACT:** Scott E. Smith or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230; telephone: (202) 482-6397 or (202) 482-1560, respectively.

**EFFECTIVE DATE:** April 7, 1999.

#### Statute and Regulations

This review was conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in *Procedures for Conducting Five-year ("Sunset") Reviews of Antidumping and Countervailing Duty Orders*, 63 FR 13516 (March 20, 1998) ("*Sunset Regulations*"). Guidance on methodological or 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 Antidumping and Countervailing Duty Orders; Policy Bulletin*, 63 FR 18871 (April 16, 1998) ("*Sunset Policy Bulletin*").

#### Scope

The merchandise subject to this antidumping order is barbed wire and barbless fencing wire from Argentina, which is currently classifiable under Harmonized Tariff Schedule (HTS) item number 7313.00.00. The HTS item number is provided for convenience and U.S. Customs purposes. The written product description remains dispositive.

This review covers imports from all manufacturers and exporters of barbed wire and barbless fencing wire from Argentina.

---

#### DEPARTMENT OF COMMERCE

#### International Trade Administration

[A-357-405]

#### Final Results of Expedited Sunset Review: Barbed Wire and Barbless Fencing Wire from Argentina

**AGENCY:** Import Administration, International Trade Administration, Department of Commerce

**ACTION:** Notice of Final Results of Expedited Sunset Review: Barbed Wire and Barbless Fencing Wire from Argentina

---

## Background

On December 2, 1998, the Department initiated a sunset review of the antidumping order on barbed wire and barbless fencing wire from Argentina (63 FR 66527), pursuant to section 751(c) of the Act. The Department received a Notice of Intent to Participate on behalf of Davis Wire Corporation, Keystone Steel & Wire Company and Oklahoma Steel & Wire Company, Inc. ("domestic interested parties") on December 16, 1998, within the deadline specified in section 351.218(d)(1)(i) of the Sunset Regulations. Each company claimed interested party status under section 771(9)(C) of the Act as a domestic producer of barbed wire. In addition, Keystone Steel & Wire Company indicated that it is the successor-in-interest to the original petitioner, Forbes Steel & Wire Corporation, and Davis Wire Corporation indicated that it is the successor-in-interest to one of the companies that supported the original petition in this case, CF&I Steel Corporation. Further, Oklahoma Steel & Wire Company, Inc. indicated that it supported the original petition filed by Forbes Steel & Wire Corporation in 1984. We received a complete substantive response from the domestic interested parties on January 4, 1999, 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 party to this proceeding. As a result, pursuant to 19 CFR 351.218(e)(1)(ii)(C), the Department determined to conduct an expedited, 120-day, review of this order.

## Determination

In accordance with section 751(c)(1) of the Act, the Department conducted this review to determine whether revocation of the antidumping order would be likely to lead to continuation or recurrence of dumping. Section 752(c) of the Act provides that, in making this determination, the Department shall consider the weighted-average dumping margins determined in the investigation and subsequent reviews and the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping order, and shall provide to the International Trade Commission ("the Commission") the magnitude of the margin of dumping likely to prevail if the order is revoked.

The Department's determinations concerning continuation or recurrence of dumping and the magnitude of the margin are discussed below. In addition,

parties' comments with respect to continuation or recurrence of dumping and the magnitude of the margin are addressed within the respective sections below.

## Continuation or Recurrence of Dumping

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act ("URAA"), specifically the Statement of Administrative Action ("the SAA"), H.R. Doc. No. 103-316, vol. 1 (1994), the House Report, H.R. Rep. No. 103-826, pt.1 (1994), and the Senate Report, S. Rep. No. 103-412 (1994), the Department issued its *Sunset Policy Bulletin* providing guidance on methodological and analytical issues, including the bases for likelihood determinations. In its *Sunset Policy Bulletin*, the Department indicated that determinations of likelihood will be made on an order-wide basis (see section II.A.3). In addition, the Department indicated that normally it will determine that revocation of an antidumping order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly (see section II.A.3).

In addition to guidance on likelihood provided in the *Sunset Policy Bulletin* and legislative history, section 751(c)(4)(B) of the Act provides that the Department shall determine that revocation of an order is likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. In the instant review, the Department did not receive a response from any respondent interested party. Pursuant to section 351.218(d)(2)(iii) of the *Sunset Regulations*, this constitutes a waiver of participation.

The antidumping duty order on barbed wire and barbless fencing wire from Argentina was published in the *Federal Register* on November 13, 1985 (50 FR 46808). No administrative reviews of this case have been conducted by the Department.<sup>1</sup> The order remains in effect for all

<sup>1</sup> The Department did publish the following notice prior to the establishment of the antidumping duty order. See *Barbed Wire and Barbless Fencing Wire from Argentina: Final Determination of Sales at Less Than Fair Value*; 50 FR 38563, September 23, 1985.)

manufacturers and exporters of the subject merchandise.

In its substantive response, the domestic interested parties argue that the likely effect of revocation of the order against barbed wire from Argentina is that dumping would recur (see January 4, 1999 Substantive Response of the Domestic Interested Parties at 2). With respect to whether imports of the subject merchandise ceased after the issuance of the order, the domestic interested parties, citing American Iron and Steel Institute data, state that imports of barbed wire from Argentina disappeared from the U.S. market during the course of the original antidumping investigation, and that there have been no imports at all since 1986 (see January 4, 1999 Substantive Response of the Domestic Interested Parties at 2). Further, with respect to whether dumping continued at any level above *de minimis* after the issuance of the order, the domestic interested parties state that the dumping margin has remained at 69.02 percent *ad valorem* during the life of the order (see January 4, 1999 Substantive Response of the Domestic Interested Parties at 2).

In conclusion, the domestic interested parties argued that the Department should determine that there is a likelihood that dumping would resume if the order were to be revoked because (1) shipments of subject merchandise ceased following the imposition of the order and have not resumed, (2) dumping margins have existed for all known exporters of the subject merchandise during the entire life of the order, and (3) there are no significant barriers for new or former suppliers to enter the market.

Consistent with section 752(c) of the Act, the Department considered the volume of imports of the subject merchandise before and after issuance of the order. The statistics on imports of the subject merchandise between 1980 and 1997, provided by the domestic interested parties and confirmed by U.S. Census Bureau IM146 reports, indicate that imports of the subject merchandise ceased after 1986 and have not resumed.

As discussed in section II.A.3 of the *Sunset Policy Bulletin*, the SAA at 890, and the House Report at 63-64, "[i]f imports cease after the order is issued, it is reasonable to assume that exporters could not sell in the United States without dumping and that, to reenter the U.S. market, they would have to resume dumping." Imports of barbed wire and barbless fencing wire from Argentina ceased soon after the issuance of the order. The Department finds that the cessation of imports after the

issuance of the order is highly probative of the likelihood of continuation or recurrence of dumping. Furthermore, deposit rates above *de minimis* levels continue in effect for all shipments of the subject merchandise from Argentina.<sup>2</sup> Therefore, absent argument and evidence to the contrary, given that shipments of the subject merchandise ceased soon after the issuance of the order, that dumping margins continue to exist, and that respondent interested parties have waived their right to participate in this review before the Department, we determine that, consistent with Section II.A.3 of the *Sunset Policy Bulletin*, dumping is likely to continue or recur if the order were revoked.

**Magnitude of the Margin**

In the *Sunset Policy Bulletin*, the Department stated that it will normally provide to the Commission the margin that was determined in the final determination in the original investigation. Further, for companies not specifically investigated or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the "all others" rate from the investigation. (See section II.B.1 of the *Sunset Policy Bulletin*.) Exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations. (See sections II.B.2 and 3 of the *Sunset Policy Bulletin*.)

The Department, in its final determination of sales at less than fair value, published a weighted-average dumping margin for one Argentine manufacturer/exporter, Acindar Industria Argentina de Aceros S.A. ("Acindar") (50 FR 38563, September 23, 1985). The Department also published an "all others" rate in this same *Federal Register* notice. With respect to duty absorption findings, because there have been no completed administrative reviews of the order, the Department has not had the opportunity to address the issue of duty absorption.

In its substantive response, the domestic interested parties state that the weighted-average dumping margin calculated by the Department for Acindar in the original investigation is the dumping margin likely to prevail if the order were revoked (see January 4, 1999 Substantive Response of the

Domestic Interested Parties at 4). The domestic interested parties make this statement because this order has never undergone an administrative review and the dumping margin from the original investigation provides the best evidence of the likely dumping margin in the absence of the order.

The Department agrees with the domestic interested parties' argument concerning the choice of the margin rate to report to the Commission. An examination of the margin history of the order as well as an examination of import statistics of the subject merchandise, as provided in U.S. Department of Commerce Trade Statistics data, confirms that dumping margins have existed throughout the life of the order and that imports of the subject merchandise ceased soon after its imposition.

The Department finds the margin from the original investigation is the only calculated rate that reflects the behavior of exporters without the discipline of the order. Therefore, consistent with the *Sunset Policy Bulletin*, we determine that the margin calculated in the Department's original investigation is probative of the behavior of Argentine producers and exporters of barbed wire and barbless fencing wire if the order were revoked. We will report to the Commission the company-specific and "all others" rate from the original investigation contained in the *Final Results of Review* section of this notice.

**Final Results of Review**

As a result of this review, the Department finds that revocation of the antidumping order would likely to lead to continuation or recurrence of dumping at the margins listed below:

Manufacturer/exporter	Margin (percent)
Acindar .....	69.02
All Others .....	69.02

This notice serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305 of the Department's regulations. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This five-year ("sunset") review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: April 1, 1999.

**Robert S. LaRussa,**  
Assistant Secretary for Import Administration.

[FR Doc. 99-8625 Filed 4-6-99; 8:45 am]

BILLING CODE 3510-06-P

<sup>2</sup> See *Barbed wire and Barbless Fencing Wire from Argentina: Final Determination of Sales at Less Than Fair Value*, 50 FR 38563 (September 23, 1985) and *Antidumping Duty Order: Barbed Wire and Barbless Fencing Wire from Argentina*, 50 FR 46808 (November 13, 1985).

**APPENDIX B**  
**STATEMENT ON ADEQUACY**



## EXPLANATION OF COMMISSION DETERMINATIONS ON ADEQUACY

in

*Barbed & Barbless Wire Strand From Argentina*, Investigation No. 731-TA-208 (Review)

On March 5, 1999, the Commission determined that it should proceed to an expedited review in the subject five-year review pursuant to section 751(c)(3)(B) of the Act, 19 U.S.C. § 1675(c)(3)(B) (1994). The Commission determined that the domestic interested party group response was adequate. In this regard, the Commission received a joint response containing separate statements of company specific data from three domestic producers who represent a substantial percentage of domestic barbed wire and barbless wire strand production. Because the Commission did not receive a response from any respondent interested party, the Commission determined that the respondent interested party group response was inadequate. The Commission did not find any circumstances that would warrant conducting a full review. The Commission therefore determined to conduct an expedited review.





