

**PROCESSED MUSHROOMS:
U.S. PRODUCERS' PRODUCTION,
SALES, AND INVENTORIES, AND
U.S. IMPORTS, EXPORTS, AND
APPARENT CONSUMPTION
TWENTIETH QUARTERLY
REPORT:
SECOND CALENDAR
QUARTER 1984**

**Report to the President on
Investigation No. 332-84
Under Section 332 of
the Tariff Act of 1930**

USITC PUBLICATION 1573

AUGUST 1984



UNITED STATES INTERNATIONAL TRADE COMMISSION

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**A REPORT OF CERTAIN QUARTERLY STATISTICS FOR PROCESSED
MUSHROOMS FOR SPECIFIED PERIODS**

(The information provided in this report was compiled by the United States International Trade Commission as requested by the President in accordance with section 332(g) of the Tariff Act of 1930, as amended (19 U.S.C. §1332(g)), in order to monitor import competition in the domestic market for processed mushrooms. Data included herein cover the stocks, production, and sales of U.S. producers of canned mushrooms, sales of U.S. processors of frozen mushrooms, imports under items 144.20 and 922.56 of the Tariff Schedules of the United States, exports, and apparent consumption.)

Processed mushrooms: U.S. producers' carry-in and carry-out stocks, production, sales, exports of domestic merchandise, imports for consumption, and apparent consumption, April-June 1983 and 1984 and marketing years July 1, 1982-June 30, 1983, and July 1, 1983-June 30, 1984

(In thousands of pounds, drained-weight basis)

| Item | April-June | | Marketing year | |
|----------------------|------------|--------|--------------------------------|--------------------------------|
| | 1983 | 1984 | July 1, 1982- June 30, 1983 | July 1, 1983- June 30, 1984 |
| Carry-in stocks of | | | | |
| canned mushrooms---- | 14,333 | 15,029 | 27,253 | 14,980 |
| Carry-out stocks of | | | | |
| canned mush- | | | | |
| rooms: | | | | |
| 9 ounces or less: | | | | |
| Whole----- | 342 | 603 | 342 | 603 |
| Sliced----- | 1,104 | 1,300 | 1,104 | 1,300 |
| Other----- | 9,910 | 16,399 | 9,910 | 16,399 |
| Total----- | 11,356 | 18,302 | 11,356 | 18,302 |
| Over 9 ounces: | | | | |
| Whole----- | 18 | 52 | 18 | 52 |
| Sliced----- | 1,022 | 4,857 | 1,022 | 4,857 |
| Other----- | 2,584 | 4,697 | 2,584 | 4,697 |
| Total----- | 3,624 | 9,606 | 3,624 | 9,606 |
| Total carry- | | | | |
| out stocks---- | 14,980 | 27,908 | 14,980 | 27,908 |
| Production of canned | | | | |
| mushrooms: | | | | |
| 9 ounces or less: | | | | |
| Whole----- | 363 | 487 | 1,791 | 1,983 |
| Sliced----- | 1,644 | 1,954 | 6,175 | 6,001 |
| Other----- | 12,199 | 16,358 | 39,806 | 46,092 |
| Total----- | 14,206 | 18,799 | 47,772 | 54,076 |
| Over 9 ounces: | | | | |
| Whole----- | 108 | 124 | 438 | 409 |
| Sliced----- | 5,599 | 8,481 | 16,351 | 21,681 |
| Other----- | 5,005 | 5,781 | 18,580 | 21,416 |
| Total----- | 10,712 | 14,386 | 35,369 | 43,506 |
| Total produc- | | | | |
| tion----- | 24,918 | 33,185 | 83,141 | 97,582 |

Processed mushrooms: U.S. producers' carry-in and carry-out stocks, production, sales, exports of domestic merchandise, imports for consumption, and apparent consumption, April-June 1983 and 1984 and marketing years July 1, 1982-June 30, 1983, and July 1, 1983-June 30, 1984--Continued

(In thousands of pounds, drained-weight basis)

| Item | April-June | | Marketing year | |
|------------------------------|------------|--------|--------------------------------|--------------------------------|
| | 1983 | 1984 | July 1, 1982- June 30, 1983 | July 1, 1983- June 30, 1984 |
| Sales: | | | | |
| Canned mushrooms: | | | | |
| 9 ounces or less: | | | | |
| Whole----- | 509 | 548 | 2,330 | 1,890 |
| Sliced----- | 1,760 | 1,362 | 6,777 | 5,818 |
| Other----- | 10,798 | 7,975 | 47,229 | 39,309 |
| Total----- | 13,067 | 9,885 | 56,336 | 47,017 |
| Over 9 ounces: | | | | |
| Whole----- | 102 | 145 | 473 | 382 |
| Sliced----- | 5,610 | 5,402 | 16,213 | 18,481 |
| Other----- | 5,303 | 4,866 | 21,132 | 19,094 |
| Total----- | 11,015 | 10,413 | 37,818 | 37,957 |
| Total sales, | | | | |
| canned----- | 24,082 | 20,298 | 94,154 | 84,974 |
| Frozen mushrooms <u>1/</u> : | 7,332 | 8,264 | 24,696 | 30,295 |
| Exports----- | 86 | 237 | 290 | 455 |
| Imports from-- | | | | |
| People's Republic | | | | |
| of China----- | 10,016 | 16,893 | 42,895 | 44,597 |
| Taiwan----- | 11,948 | 16,743 | 41,590 | 55,513 |
| Hong Kong----- | 5,403 | 8,368 | 16,755 | 20,769 |
| Spain----- | 87 | 5,191 | 322 | 11,807 |
| Republic of Korea-- | 2,101 | 3,849 | 7,478 | 10,503 |
| All other----- | 2,002 | 3,298 | 5,411 | 9,463 |
| Total----- | 31,557 | 54,342 | 114,451 | 152,652 |
| Apparent | | | | |
| consumption <u>2/</u> ----- | 62,885 | 82,667 | 233,011 | 267,466 |
| Ratio of imports to | | | | |
| consumption-percent: | 50 | 66 | 49 | 57 |

1/ Data on frozen mushrooms converted to drained-weight equivalents.

2/ Data do not take into account disappearance from losses or waste of domestic canners or changes in stocks of producers of canned or frozen mushrooms or importers.

Source: Stocks, production, and sales were estimated from data submitted in response to questionnaires of the U.S. International Trade Commission; exports and imports were compiled from official statistics of the U.S. Department of Commerce.

Note.--Data on stocks, production, and sales may not add because of losses.

THE TWENTIETH QUARTERLY REPORT ON PROCESSED MUSHROOMS

HIGHLIGHTS

During the second quarter (April-June) 1984, compared with the same quarter 1983:

- APPARENT CONSUMPTION of canned mushrooms increased 31 percent to 82.7 million pounds;
- DOMESTIC PRODUCTION rose 33 percent to 33.2 million pounds;
- SALES of domestic canned mushrooms declined 16 percent to 20.3 million pounds;
- PRODUCER ENDING INVENTORIES of canned mushrooms rose 86 percent to 27.9 million pounds;
- IMPORTS rose 72 percent to 54.3 million pounds, constituting 66 percent of consumption compared with 50 percent last year; and
- EXPORTS increased 176 percent to 237,000 pounds.

QUARTERLY STATISTICS

For the second quarter of 1984, compared with the same quarter a year earlier, apparent consumption, production, ending inventories, imports, and exports of canned mushrooms all rose while sales by domestic producers decreased (see table). Ending inventories by producers totaled 27.9 million pounds (up 86 percent); production, 33.2 million pounds (up 33 percent); exports, 237,000 pounds (up 176 percent); imports, 54.3 million pounds (up 72 percent); and apparent consumption, 82.7 million pounds (up 31 percent). Sales by domestic producers totaled 20.3 million pounds (down 16 percent).

Sales

The decrease in sales of domestic canned mushrooms (16 percent) in the second quarter of 1984, compared with the same quarter of 1983, reflected primarily a decrease in sales of canned mushrooms in retail-size containers; nearly all of the decline in sales was in the stems and pieces style of pack. The decrease in sales of retail-size containers was about 5 times greater than the decline in sales of canned mushrooms in institutional-size containers. Sales of frozen mushrooms (8.3 million pounds) were 13 percent more than in the corresponding period of 1983. Sales of frozen mushrooms were equivalent to 41 percent of canned mushroom sales, up from 30 percent in the same quarter of 1983. Exports continued to be negligible with respect to U.S. production and apparent consumption.

Imports

The 72-percent increase in imports of processed mushrooms in the second quarter of 1984, compared with the same quarter of 1983, reflects in part a strong domestic demand for canned mushrooms, and the expiration (on October 31, 1983) of the temporary rate of duty increase which had been in effect on prepared or preserved mushrooms during the second quarter of 1983. Second quarter 1984 imports were equivalent to 66 percent of consumption, compared with 50 percent in the same quarter a year earlier.

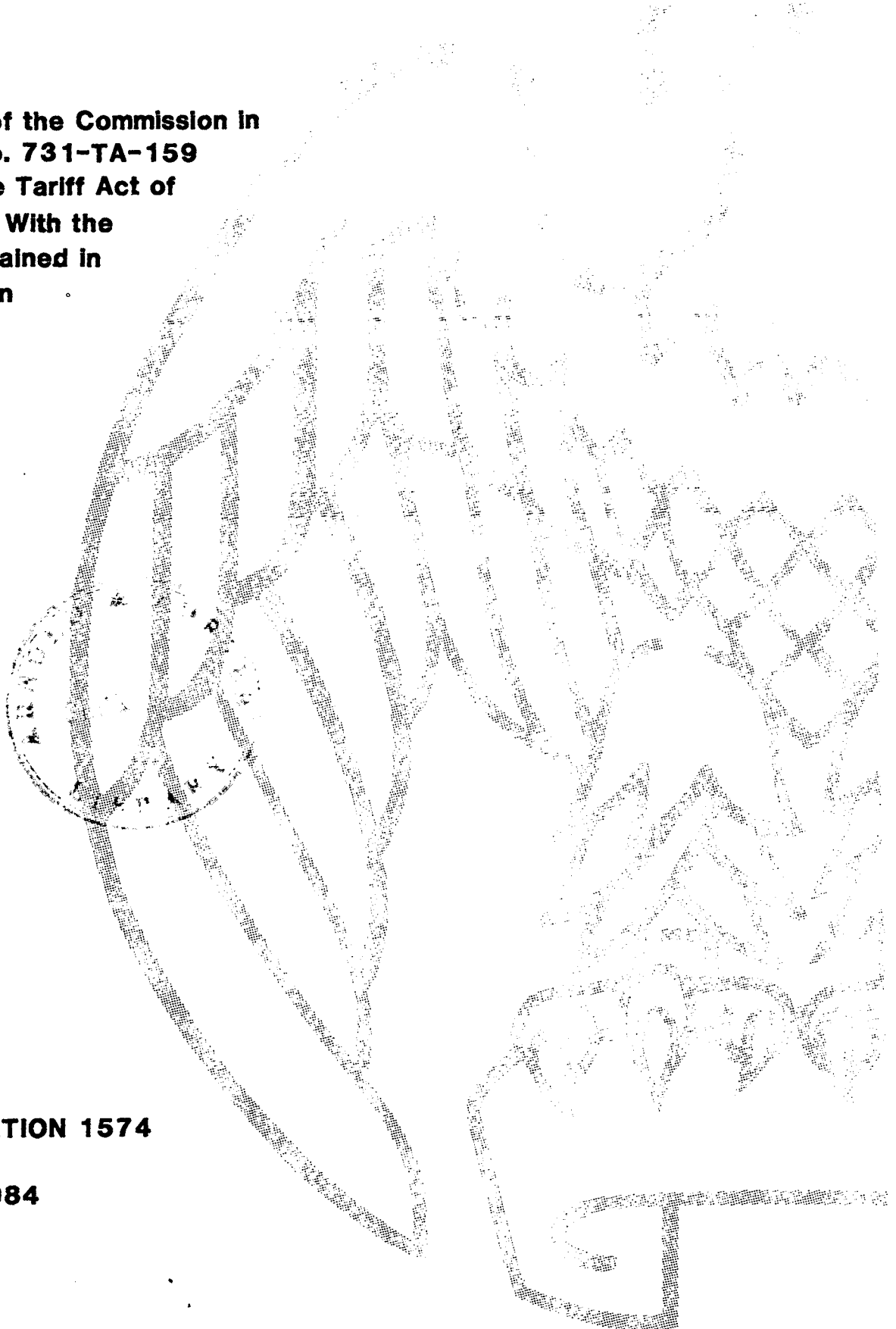
The People's Republic of China (China) was the leading supplier of imported processed mushrooms in the second quarter of 1984 by a narrow margin over Taiwan, the leading supplier in the comparable quarter of 1983. Other major suppliers of imported mushrooms were Hong Kong, Spain, and the Republic of Korea (Korea). Between April-June 1983 and 1984, China's share of the imports declined from 32 to 31 percent, Taiwan's share decreased from 38 to 31 percent, Hong Kong's share decreased from 17 to 15 percent, Spain's share rose from less than 1 percent to 10 percent to surpass Korea, and Korea's share remained unchanged at 7 percent in the two quarters. The share of imports from all other sources remained unchanged at about 6 percent between April-June of 1983 and 1984.

MARKETING YEAR DATA

Production, ending inventories, apparent consumption, imports, and exports of processed mushrooms all increased for the most recent marketing year (July 1983-June 1984) compared with the preceding marketing year (1982/83), while sales of domestic product declined. The ratio of imports to consumption was 57 percent in 1983/84, compared with 49 percent a year earlier. In 1983/84, Taiwan was the principal supplier of imported mushrooms, a position held by China in 1982/83. In 1983/84, Spain became a new important supplier, ranking fourth.

CARBON STEEL WIRE ROD FROM POLAND

**Determination of the Commission in
Investigation No. 731-TA-159
(Final) Under the Tariff Act of
1930, Together With the
Information Obtained in
the Investigation**



USITC PUBLICATION 1574

SEPTEMBER 1984

UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.--Information which would disclose confidential operations of individual concerns may not be published and therefore has been deleted from this report. Deletions are indicated by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation No. 731-TA-159 (Final)

Carbon Steel Wire Rod from Poland

Determination

On the basis of the record 1/ developed in investigation No. 731-TA-159 (Final), the Commission determines, 2/ pursuant to section 735(b)(i) of the Tariff Act of 1930 (19 U.S.C. § 1673(d)(b)(1)), that an industry in the United States is not materially injured, nor threatened with material injury, nor is the establishment of an industry in the United States materially retarded, by reason of imports of carbon steel wire rod from Poland, provided for in item 607.17 of the Tariff Schedules of the United States (TSUS), which have been found by the Department of Commerce (Commerce) to be sold in the United States at less than fair value (LTFV).

Background

The Commission instituted this final investigation following a preliminary determination by the Department of Commerce that carbon steel wire rod from Poland was being sold in the United States at LTFV. Commerce's preliminary LTFV determination was published in the Federal Register on May 8, 1984 (49 F.R. 19545).

Notice of the institution of the Commission's final investigation and scheduling of the public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, and by publishing the notice in the Federal Register on May 31, 1984 (49 F.R. 22722). On July 20, 1984, Commerce published in the Federal Register (49 F.R. 29434) its affirmative final LTFV determination with respect to carbon steel wire rod from Poland. The Commission's hearing was held in Washington, D.C. on July 31, 1984, and all persons who requested the opportunity were permitted to appear in person or through counsel.

1/ The "record" is defined in sec. 207.2(i) of the Commission's Rules of Practice and Procedure (19 U.S.C. § 207.2(i)).

2/ Chairwoman Stern dissenting.

VIEWS OF VICE CHAIRMAN LIEBELER, COMMISSIONER ECKES,
COMMISSIONER LODWICK, AND COMMISSIONER ROHR

On the basis of the information collected in this investigation, we determine that an industry in the United States is not materially injured or threatened with material injury, nor is the establishment of an industry in the United States materially retarded, 1/ by reason of imports of carbon steel wire rod from Poland determined by the Department of Commerce to be sold at less than fair value (LTFV). 2/ Our negative determination is based upon the lack of a causal nexus between the condition of the domestic industry and the LTFV imports from Poland.

Domestic industry

Section 771(4)(A) of the Tariff Act of 1930 defines the term "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." 3/ Section 771(10) defines "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" 4/

Both the imported and the domestic products covered by this investigation are carbon steel wire rod, a hot-rolled, semifinished, coiled product of solid, round cross section, not under 0.20 inch nor over 0.74 inch in diameter. Carbon steel wire rod is produced in a variety of different grades,

1/ Material retardation is not an issue in this investigation and will not be discussed.

2/ 49 Fed. Reg. 29434 (July 20, 1984).

3/ 19 U.S.C. § 1677(4)(A).

4/ 19 U.S.C. § 1677(10).

sizes, and qualities. It can be differentiated on the basis of the carbon content, i.e., low, medium-high, and high carbon steel wire rod as well as by the process of manufacturing. "Rimmed" wire rod is produced by the ingot method, whereas "cast" wire rod is produced by the continuous casting method. 5/

The product imported from Poland is low carbon steel wire rod. 6/ Domestic producers make low, medium-high, and high carbon steel wire rod. 7/ We have determined in previous investigations that low, medium-high, and high carbon steel wire rod have separate and distinct characteristics and uses, and therefore are separate like products. 8/ We therefore conclude that the like product in this investigation is low carbon steel wire rod.

Although low carbon steel wire rod is a separate like product, domestic producers were not generally able to break out their data concerning this product. 9/ Since available data do not permit analysis of domestic production of low carbon steel wire rod alone, the effect of the imports under investigation is assessed under section 771(4)(D) of the Act, 10/ by examination of the domestic production of the narrowest group of products.

5/ Report at A-4 - A-5. In previous investigations, parties have argued that cast and rimmed wire rod should be considered separate like products. We have concluded in those investigations that cast rod is like rimmed rod. See discussion of this issue in Carbon Steel Wire Rod from Spain, Investigation No. 701-TA-209, USITC Pub. 1544 (1984) at 4-5. No party raised the question in this investigation.

6/ Report of the Commission (Report) at A-6.

7/ Id.

8/ See discussion of "like" products issue in Carbon Steel Wire Rod from Venezuela, Investigation No. 731-TA-88 (Final), USITC Pub. 1338 (1983); Carbon Steel Wire Rod from Brazil and Trinidad and Tobago, Investigations Nos. 731-TA-113-114 (Final), USITC Pub. 1444 (1983); and Carbon Steel Wire Rod from Spain, supra note 5.

9/ Report at A-13. The only data available by grade are for production and shipments. Id. See also the discussion of this issue in Carbon Steel Wire Rod from Brazil and Trinidad and Tobago, supra note 8, at 8 n.10.

10/ 19 U.S.C. § 1677(4)(D).

which includes the like product for which the necessary information can be provided. The narrowest group of products which includes the like product is all carbon steel wire rod. Thus, the domestic industry consists of the producers of all carbon steel wire rod.

Condition of the domestic industry 11/

We have recently concluded that, despite its improved performance in 1983, the domestic carbon steel wire rod industry as a whole was experiencing problems, particularly in terms of financial performance, during most of the period under investigation. 12/ The most recent information shows a continued improvement in most of the indicators of domestic performance. Nonetheless we conclude that the industry is continuing to experience difficulties. 13/

Aggregate production of carbon steel wire rod declined from 4.2 million tons in 1981 to 3 million tons in 1982, then increased to 3.5 million tons in 1983. Production for the most recent period, January - June 1984, increased to 2 million tons, as compared with 1.8 million tons in the corresponding period of 1983. 14/ Commercial (open-market) shipments fell from 2.7 million tons in 1981 to 2.1 million tons in 1982, then increased to 2.6 million tons

11/ Respondent argued that the integrated producers should be analyzed separately from the non-integrated producers (the "mini-mills"), and that such analysis would demonstrate that any injury is being suffered only by the integrated producers, as a result of competition from the mini-mills. Respondent's Pre-hearing Brief at 6. As in previous investigations, we believe it inappropriate to separate out the domestic producers in this fashion. See Carbon Steel Wire Rod from Spain, supra note 5, at 6 n.11; Carbon Steel Wire Rod from Brazil and Trinidad and Tobago, supra note 8, at 11 n.21. Vice Chairman Liebelier finds it unnecessary to reach this issue.

12/ See Carbon Steel Wire Rod from Spain, supra note 5.

13/ Vice Chairman Liebelier and Commissioner Rohr note that while they concur with this conclusion, they find it preferable to use the statutory language of section 735(b) to characterize the condition of the industry. They therefore conclude that while the condition of the industry is improving, it continues to exhibit signs of material injury.

14/ Report at Table 4.

in 1983. During January - June 1984, commercial shipments increased to 1.4 million tons, as compared with 1.2 million tons during the corresponding period of 1983. 15/ Capacity utilization declined from 69.8 percent in 1981 to 52.3 percent in 1982, and then increased to 61.2 percent in 1983. Capacity utilization during January - June 1984 increased to 72.4 percent, as compared with 58.8 percent during the corresponding period of 1983. 16/

Both employment and hours worked declined substantially from 1981 to 1982, then increased slightly during 1983. Employment dropped from 6,863 workers in 1981 to 4,148 workers in 1982, then increased to 4,479 workers in 1983, and hours worked fell from 13,593 in 1981 to 8,650 in 1982, then increased to 9,035 in 1983. 17/ Data for January - June 1984 show a continued improvement over the corresponding period of 1983. Employment in January - June 1984 increased to 4,585 workers, as compared with 4,255 workers during the corresponding period in 1983, while hours worked increased to 4,700 in January - June 1984 as compared with 4,394 during the corresponding period in 1983. 18/

Although the domestic industry experienced operating losses during the entire period 1981-1983, those losses were substantially greater in 1982 than in 1983. 19/ The financial data for the domestic industry reflect continued improvement - the industry has experienced operating profits of \$11.7 million during the period of January - June 1984 as compared with operating losses of \$34.8 million during the corresponding period of 1983. 20/ The ratio of these

15/ Report at Table 6.

16/ Report at Table 4.

17/ Report at Table 9.

18/ Id.

19/ The industry experienced operating losses of \$25.3 million in 1981, \$94.5 million in 1982, and \$62.9 million in 1983. Report at Table 11.

20/ Id.

operating profits to net sales during the interim 1984 period was 2.0 percent. 21/

No material injury by reason of LTFV imports from Poland

Under section 735(b) of the Tariff Act of 1930, as amended, the Commission is required to determine whether an industry in the United States is materially injured or threatened with material injury by reason of imports of merchandise which have been found to be sold at less than fair value by the Department of Commerce. 22/ In reaching its decision as to whether material injury is by reason of the imports under investigation, the Commission must consider, among other factors, the volume of imports, the effect of imports on prices in the United States for the like product, and the impact of such imports on the relevant domestic industry. Congress has also instructed the Commission to consider factors indicating that the injury is not by reason of the subject imports. 23/ The legislative history of the Act is clear, moreover, that the Commission must satisfy itself that "in light of all the information presented, there is a sufficient causal link between the LTFV imports and the requisite injury." 24/ On the basis of the data developed in this investigation, we conclude that imports from Poland are not a cause of material injury to the domestic industry.

21/ Id.

22/ 19 U.S.C. § 1673d(b).

23/ "Of course, in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors." H.R. Rep. No. 317, 96th Cong., 1st Sess. 47 (1979).

24/ S. Rep. No. 249, 96th Cong., 1st Sess. 75 (1979); H.R. Rep. No. 317, 96th Cong., 1st Sess. 47 (1979).

Imports of carbon steel wire rod from Poland rose from zero in 1981 to 7,987 tons in 1982, and in 1983 increased again to 25,843 tons. 25/ Although this increase appears substantial, consideration of monthly import figures reduces its significance. Imports of Polish wire rod first entered the United States in November 1982, and continued in each month of 1983 (except February), but with no discernible increasing trend. 26/ There have been no imports of carbon steel wire rod from Poland since December 1983. 27/ While it is not clear why imports of Polish wire rod first appeared in the United States market, the record does demonstrate that it was not as a result of any new productive capacity in Poland. 28/ At their peak in 1983, imports of carbon steel wire rod from Poland comprised only 2.4 percent of total imports. 29/ During 1983, imports of wire rod from Poland accounted for only 0.7 percent of apparent non-captive consumption. 30/

Although the imports of Polish wire rod undersold domestic wire rod during the periods for which comparisons could be made, there are indications

25/ Report at Table 17.

26/ Report at Table 3. Because imports from Poland only entered the United States during the last two months of 1982, and did not follow an increasing trend during 1983, we do not find it useful to compare annual import penetration figures for 1982 and 1983.

27/ Id.

28/ Report at Table 14.

29/ Report at Table 2.

30/ Report at Table 15. Domestic shipments are divided into transfers or sales to related wire drawers (captive shipments) and sales to nonrelated wire drawers (commercial shipments). Total apparent U.S. consumption is calculated by adding domestic producers' total shipments (i.e. commercial shipments and captive shipments) and imports for consumption, and by subtracting U.S. exports from that sum. Non-captive apparent U.S. consumption is calculated by adding domestic producers' commercial shipments and imports for consumption, and by subtracting U.S. exports from that sum. In 1983, U.S. producers captively consumed 27 percent of their wire rod production. Since imports as a rule do not compete with captive shipments, we have focussed on the import penetration ratio with respect to apparent open market consumption. As a share of total apparent U.S. consumption, imports from Poland represented only 0.6 percent in 1983.

that the Polish wire rod was produced to different standards and was of lower quality than the available domestic product. 31/ Moreover, Polish wire rod was not the lowest priced import available during the period under investigation. 32/ Because Polish wire rod had not previously been sold in the U.S. market, its quality and performance characteristics were unknown at the time it was first offered for sale. 33/ The importer received numerous complaints concerning the imported Polish wire rod, which led to rejections of shipments and negotiations for compensation. 34/ Among the purchasers contacted by the Commission in connection with allegations of lost sales, the need to establish alternate sources of supply appeared as important as price in the decision to purchase Polish wire rod. 35/ Some purchasers also complained of erratic pricing and supplies from domestic producers in explaining their reasons for purchasing imported wire rod. 36/

Further, there is no apparent correlation between imports of carbon steel wire rod from Poland and the performance of the domestic industry. During 1983, when imports from Poland reached their highest level, domestic production and commercial shipments were increasing, employment in the industry was up, and capacity utilization improved. The domestic wire rod producers' financial performance improved in 1983 over 1982, although as a

31/ See Statement of Hans Muller at 4-5, and Appendix; Statement of Mr. Ryszard Harhala at 7.

32/ See, e.g., Carbon Steel Wire Rod from Spain, supra note 5, at 8 n.21, A-33.

33/ The importer noted that the unknown quality of Polish wire rod was a problem when it was first marketed in the United States. Transcript of Hearing at 57.

34/ Statement of Hans Muller at 4, and Appendix; Transcript of Hearing at 46-47.

35/ Report at A-33.

36/ Id.

whole the industry still recorded operating losses. The same producers' performance was significantly worse in 1982, when imports from Poland were much less, and entered into the United States during only the last two months of the year. During the first half of 1984, there were no imports of Polish wire rod. At the same time, imports from other sources increased by 30.9 percent as compared with the corresponding period of 1983. 37/ Although domestic production as a share of open-market consumption has decreased during this period, 38/ the performance indicators of the domestic industry have continued to show improvement.

Since carbon steel wire rod has been the subject of previous Commission determinations, petitioners urged us to cumulate these imports with imports of carbon steel wire rod from other countries. We have concluded, however, that cumulation is not appropriate in this case. Cumulation of imports does not follow as a matter of law from the fact that the product under investigation is being imported from several different countries. The Commission's decision whether to cumulate is discretionary, and, as Congress has indicated, is made "on a case by case basis, only when the factors and conditions of trade show its relevance to the determination of injury." 39/ Among the factors the Commission has generally considered are:

- the volume of the subject imports;
- the trend of import volume;
- the fungibility of imports;
- competition in markets for the same end users;
- common channels of distribution;

37/ Report at Table 15.

38/ Id. See note 30, supra.

39/ S. Rep. No. 1298, 93d Cong., 2d Sess. 180 (1974).

- simultaneous impact; and
- coordinated action by importers. 40/

We note that there have been previous affirmative determinations in final antidumping investigations involving carbon steel wire rod from Brazil and Trinidad and Tobago. 41/ 42/ Those determinations were made some ten months ago. Conditions of trade in the industry have changed since that time, and, as discussed above, the condition of the domestic industry has improved. Moreover, imports from Brazil declined dramatically after May of 1983. 43/ 44/

40/ E.g., Certain Steel Products from Belgium, Brazil, France, Italy, Luxembourg, the Netherlands, Romania, the United Kingdom, and West Germany, Investigations Nos. 701-TA-86-144 and 701-TA-146-147 (Preliminary) USITC Pub. 1221 (1982) at 16-17.

41/ Carbon Steel Wire Rod from Brazil and Trinidad and Tobago, supra note 8.

42/ Commissioner Rohr notes that there have also been affirmative determinations in two final countervailing duty investigations involving imports of carbon steel wire rod from Spain and South Africa. In the situation of non-market economies, he finds it may be appropriate to consider cumulation of such imports, but for the reasons outlined below, he finds that such cumulation would be inappropriate in this case. See note 44, infra.

43/ Carbon Steel Wire Rod from Brazil and Trinidad and Tobago, supra note 8, at 14; Report at Table 18.

44/ Commissioners Lodwick and Rohr note that imports from South Africa and Spain have also been found to be unfairly traded, though by reason of government subsidies rather than LTFV sales. They find cumulation of imports from Poland with imports from either of these nations to be inappropriate. With respect to South Africa, they note that the subsidy determination, and subsequent imposition of duties, was made in September, 1982. Thus, unfair imports from South Africa ended before imports from Poland even entered the U.S. With respect to Spain, they note, among other factors, three key differences. First, import trends from Spain and Poland have been quite different. Spanish imports increased much more sharply in 1983, and increased further in early 1984, to the extent that the Department of Commerce made a determination of massive imports. These disparate import trends reflect different conditions in the Polish and Spanish industries. Polish wire rod production increased only modestly from 1981 to 1983. Total exports also rose only modestly, and the increase in exports to the U.S. was attributable more to reduced exports to non-U.S. markets than to higher total exports. Conversely, Spanish production grew substantially from 1981 to 1983, total exports roughly doubled, and exports to non-U.S. markets expanded in the range of 50 percent. Second, the Spanish and Polish products are somewhat different, as Spanish imports are a mix of high and low carbon steel wire rod. Further, no substantive allegations of poor quality have been made about the Spanish product. Third, the geographic distribution of product in the U.S. is quite different. Spanish imports have been concentrated on the West Coast, while Polish imports have primarily gone to the Eastern United States.

While we have noted that, within a specific carbon grade, wire rod is a basically fungible product, there are minimum quality standards which must be met in order for the product to perform satisfactorily. 45/ Information provided by respondent indicates that the quality of Polish wire rod is at the low end of the scale and the product is not suitable for all uses. 46/ Previous investigations have involved imported wire rod of apparently higher quality sold at a lower price than the available domestic product. 47/

Among the considerations required for cumulation in a final investigation are that all of the imports cumulated have been found to be unfairly traded and are significant enough in terms of volume that they can be said to be a contributory cause of material injury. In this case, the volume of imports is very low. Imports of carbon steel wire rod from Poland at their highest level constituted only 0.7 percent of apparent U.S. consumption 48/, and there have been no imports since December 1983. In addition, while a large and increasing proportion of imports from other countries enters the United States through Western ports, Polish imports entered the United States through Eastern and Gulf ports, and were distributed largely east of the Mississippi. 49/ In addition, while imports from Poland are comprised solely of low carbon steel wire rod, there are variations in the product mix of

45/ Carbon Steel Wire Rod from Spain, supra note 5, at 9-10; Transcript of Hearing at 45-46.

46/ See Statement of Hans Muller.

47/ Carbon Steel Wire Rod from Brazil and Trinidad and Tobago, supra note 8, at 17, 21.

48/ See note 30, supra.

49/ See Carbon Steel Wire Rod from Spain, supra note 5, at 8 n.21, 11 n.32; Carbon Steel Wire Rod from Brazil and Trinidad and Tobago, supra note 8, at 20; Report at A-41.

imports from other countries. 50/ There is no evidence on the record to indicate any coordinated action among foreign producers or importers of carbon steel wire rod. Moreover, while imports of Polish wire rod ceased after December 1983, imports from other sources have continued, and in most instances have increased during January - June 1984, as compared with the same period in 1983. 51/

Based on the foregoing, we determine that imports of carbon steel wire rod from Poland have not been a cause of material injury to the domestic industry.

No threat of material injury

In order to conclude that LTFV imports constitute a threat of material injury to the domestic industry, the Commission must find that the threat is real and imminent, and not based on a mere possibility that injury might occur at some remote future date. 52/

Imports of wire rod from Poland ceased after December 1983, and the importer held no inventories at the end of the period under investigation. 53/ While it is certainly possible that imports will resume at some point in the future, there is no persuasive evidence that such resumption is imminent or that the volume of such imports would be significant. Moreover, the United States appears to be a residual market for Polish wire rod. 54/ Stalexport, the state-owned exporter of Polish wire rod, has

50/ See Carbon Steel Wire Rod from Spain, supra note 5, at 4; Carbon Steel Wire Rod from Brazil and Trinidad and Tobago, supra note 8, at 6.

51/ Report at Table 2.

52/ Alberta Gas Chemicals, Inc. v. United States, 515 F. Supp. 780 (Ct. Int'l Trade 1981).

53/ Report at A-24.

54/ See Statement of Mr. Ryszard Harhala.

long-term contractual arrangements with Eastern European countries, and established markets in Western Europe. 55/ Only after domestic needs and long-term contractual obligations are fulfilled is any remaining production available for export to market economies, including the United States. 56/ There are several export markets available for Polish wire rod, and it appears that costs associated with export to the United States are higher than those for other countries. 57/ For instance, the standards for wire rod in Europe are less rigid than those in the United States, and transportation costs to European markets are lower. 58/

The percentage of Polish production which is exported has remained stable during the period under investigation. 59/ Polish production capacity has not increased during the period under investigation, and there is limited excess capacity, particularly for export. 60/ Although Polish production increased slightly during the period under investigation, there is no indication that production is likely to increase significantly in the foreseeable future. 61/ We have determined that the highest level of imports ever achieved by Polish wire rod, in 1983, was not a cause of material injury to the domestic industry. The mere possibility that Polish imports may resume at some undetermined level in the future is not alone sufficient to warrant a determination that imports from Poland threaten to materially injure the domestic industry.

55/ Id.; Transcript of Hearing at 42.

56/ Statement of Mr. Ryszard Harhala.

57/ Id. at 4.

58/ Id.

59/ Report at Table 14.

60/ Id.

61/ Id.; See Statement of Mr. Ryszard Harhala.

VIEWS OF CHAIRWOMAN PAULA STERN

These views explain my determination that an industry in the United States is materially injured by reason of imports of carbon steel wire rod from Poland, which are being sold at less than fair value (LTFV).

Although, when examined in isolation, the volume and impact of the Polish LTFV imports have been small, they have had a cumulative, hammering impact with similar LTFV imports from Brazil and Trinidad and Tobago (Trinidad) on which the Commission made unanimous final LTFV determinations in October 1983. 1/

On the definition of the domestic industry, my views are in complete accord with those of the majority. I therefore adopt those views. Regarding the condition of the domestic industry, recent improvements have been modest and the industry as a whole remains clearly unhealthy. At the heart of these views, however, is the central issue that divides me from my colleagues in this investigation—my belief that circumstances such as those found in this investigation are appropriate for the time-honored application of an analysis of the cumulative impact of LTFV imports on the U.S. industry.

Condition of the Industry

The condition of this industry was recently examined by the Commission in final LTFV investigations in October 1983 (when the latest data available were for the period January–August 1983) and again in a final CVD investigation in June 1984 (latest data, January–March 1984). 2/ The data available in the present investigation demonstrate that 1982 was the worst recent year for the

1/ See Carbon Steel Wire from Brazil and Trinidad and Tobago, Invs. Nos. 731-TA-113 and 114 (Final), USITC Pub. No. 1444, October 1983.

2/ See Carbon Steel Wire Rod from Spain, Inv. No. 701-TA-209 (Final), USITC Pub. No. 1544, June 1984.

industry. In 1983, modest improvements were posted, a trend which apparently has continued in 1984. However, the economic indicators still show an industry suffering injury.

U.S. production in 1983 was 3.5 million short tons compared to 4.2 million tons in 1981. 3/ In January-June 1984, this figure rose to 2.0 million tons compared to 1.8 million for the comparable period of 1983. U.S. open market shipments closely tracked the trends exhibited in production.

Capacity showed a steady downward trend throughout the period of investigation, from 6.0 million tons in 1981 to 5.8 million tons in 1983. 4/ In January-June 1984, the figure was 2.7 million tons, down from 3.0 million tons in the like period of 1983.

The ratio of production to capacity was 70 percent in 1981, 52 percent in 1982, and 61 percent in 1983. 5/ January-June 1984 showed a ratio of 72 percent compared to 59 percent for January-June 1983.

Inventories as a percentage of total shipments increased from 3.5 percent in 1981 to 4.2 percent in 1983 before falling to 3.0 percent as of June 30, 1984 (compared to 4.0 percent June 30, 1983). 6/

Employment, as measured by the average number of production and related workers, fell from 6,863 in 1981 to 4,148 in 1982. The figure then rose modestly to 4,479 in 1983. For January-June 1984, it stood at 4,585 compared to 4,255 for the comparable period of 1983. 7/

The financial data show that the ratio of operating profit to net sales declined from a loss of 2.0 percent in 1981 to a loss of 9.6 percent in 1982,

3/ Report at A-13.

4/ Id.

5/ Id.

6/ Report at A-17.

7/ Report at A-18.

before improving to a loss of 5.9 percent in 1983. 8/ For January-June 1984 the figure was a gain of 2.0 percent compared to a loss of 7.3 percent for the same period of 1983.

Thus, I conclude that despite some improvements in the industry's condition it remains unhealthy. The question that remains in the current investigation is what impact Polish LTFV imports have had on the domestic industry's performance.

Material Injury by Reason of LTFV Imports

Volume of Imports.—Imports from Poland had absolutely no presence in the U.S. market in 1981. 9/ In 1982, the volume grew to 7,987 short tons and in 1983 reached 25,854 tons. In January-June 1984, no Polish imports entered compared to 14,485 tons for the same period of 1983. It is likely that the exit of the Polish product in 1984 is directly related to the current investigation. The trend in market share as ratio of total apparent domestic consumption shows an increase from 0.0 percent for 1981 to 0.6 percent in 1983. 10/ Clearly, the impact of the Polish imports taken in isolation cannot have been significant.

Cumulative Analysis Appropriate.—The appropriateness of a cumulative analysis of the impact of imports is decided on a case-by-case basis. The factors which the Commission has long examined include: the volume of subject imports, the trend of import volume, the fungibility of imports, competition in markets for

8/ Report at A-21.

9/ Report at A-11.

10/ Report At A-26.

the same end-users, common channels of distribution, simultaneous impact, and coordinated action by importers. 11/

The most relevant candidates for cumulation in the present case are those imports of carbon steel wire rod from Brazil and Trinidad against which final antidumping orders were issued in November 1983. 12/

The LTFV imports from Brazil, Trinidad, and Poland are all primarily of low carbon steel wire rod. All have access to broad, overlapping areas of U.S. market. The product is fungible. It has not been adequately established that the Polish rod is of such a lower quality as to eliminate the likelihood that it affects the low-tolerance, standard industrial quality rod market in substantially the same fashion as have the LTFV imports from Brazil and Trinidad. End users and channels of distribution are similar.

The trends of LTFV imports from all three countries are similar and overlap significantly in their timing. Brazilian imports grew from 0.7 percent of consumption in 1981 to 2.9 percent in 1982 before falling to 1.6 percent in 1983. 13/ The peak level was 3.2 percent in January-June 1983. Imports from Trinidad and Tobago grew from 0.1 percent in 1981 to 1.5

11/ In appropriate circumstances, the Commission has cumulated in antidumping cases since Portland Grey Cement from Portugal, Inv. No. AA1921-22, T.C. Pub. No. 37, Oct. 1961, affirmed in City Lumber Co. v. United States, 311 F. Supp 340 (Cust. Ct. 1970), affirmed 457 F.2d 911 (C.C.P.A. 1972). More recently in steel cases, see discussion of cumulation in Certain Steel Products from Belgium, Brazil, France, Italy, Luxembourg, The Netherlands, Romania, The United Kingdom, and West Germany, Invs. Nos. 701-TA-86-144 and 701-TA-146, 147 and 731-TA-53-86, USITC Pub. No. 1221, February 1982, "Views of the Commission" at 16-17.

12/ Though Respondents focused much of their discussion of the inadvisability of cumulation on imports from Spain and Argentina, there are no final antidumping orders against those imports at the present time. Nor are they presently before the Commission for a final antidumping determination. It is therefore inappropriate to consider them for cumulation in this final investigation.

13/ Report at A-27.

percent in 1982. After maintaining a market share of 1.5 percent for January-June 1983, their penetration then fell, posting a level of 1.4 percent for all 1983. 14/ Virtually all 1983 imports from Brazil and Trinidad entered before final antidumping duties removed the effects of the injurious LTFV sales. Thus, 1983 is characterized by LTFV sales from all three nations, and 1983 is the last full year of the present period of investigation. Of course, any unfair LTFV advantage enjoyed by Brazilian and Trinidadian imports which entered in January-June 1984 was removed by antidumping duties. But the cumulated impact during 1983 is still sufficiently recent to warrant its analysis for the purposes of the present investigation. I therefore conclude that there is a sufficient simultaneity of impact. 15/

Finally, imports from all three countries have benefited from significant weighted average LTFV margins: 36.8 percent in the case of Poland, 49.6 to 76.5 percent Brazil, and 9.79 percent for Trinidad.

I therefore conclude that a cumulative analysis is appropriate to determine the impact of the subject Polish imports on the domestic industry.

Cumulative Presence of LTFV Imports.—LTFV imports from Poland, Trinidad, and Brazil grew from 0.8 percent of consumption in 1981, to 4.6 percent in 1982 and then declined to 3.6 percent in 1983. 16/ For January-June 1983, before any of the relevant LTFV investigations could have had a full impact on imports, the total share of the market held by these LTFV imports was 5.4 percent. In January-June 1984, the total share of these LTFV imports fell to 1.2 percent, virtually all from Trinidad.

14/ Id.

15/ There is no evidence on the record of any coordinated action, but the presence or absence of any one cumulation factor is not dispositive of the question of cumulation.

16/ Report at A-27.

Cumulative Effect of LTFV imports. The cumulative effect of the LTFV imports from Poland, Brazil, and Trinidad was felt on both the volume of domestic sales and the prices at which they occurred. These imports contributed to the fact that through 1983, U.S. producers posted continuing financial losses.

Prices for carbon steel wire rod are a function of many factors: supply, demand, and product mix. Primarily due to demand conditions, prices for rod fell from 1981 through 1983 or almost the entire period of the present investigation. 17/ In 1984, prices have recovered almost to the levels posted in early 1981. 18/ The Commission has already analyzed the effect of LTFV imports from Brazil and Trinidad on prices. In both cases, a unanimous Commission concluded that underselling by imports was a primary reason for the ability of the LTFV imports to maintain and expand their share of the U.S. market. The Polish imports subject to the present investigation, while smaller in volume, have behaved in a similar fashion. In every quarter for which data were received, importers' weighted average prices were lower than domestic prices. 19/ Furthermore, the Polish margins of underselling have been more than accounted for by the substantial LTFV margins.

In the previous investigations, I noted that the LTFV margins found by the Department of Commerce on the imports from Brazil and Trinidad accounted for the ability of the subject wire rod to undersell the U.S. product and increase their market share. 20/ The same conclusion applies to the subject imports from Poland. The total cumulative effect on hard-pressed U.S.

17/ Report at A-31.

18/ Id.

19/ Id.

20/ See Carbon Steel Wire Rod from Brazil and Trinidad and Tobago, Views of Commissioner Paula Stern, at footnote 36 and 48.

producers has been loss of important sales volume and a suppression of prices already too low to achieve a reasonable rate of return. It should be noted that the modest improvement in the domestic industry's condition in 1984 has occurred when both total demand has improved and LTFV imports have fallen markedly (in large part as a result of the Commission's LTFV investigations).

I therefore conclude that an affirmative finding is merited by the record in the present investigation.

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On November 23, 1983, a petition was filed with the United States International Trade Commission and the Department of Commerce by counsel on behalf of Atlantic Steel Co., Continental Steel Co., Georgetown Steel Corp., North Star Steel Co.-Texas, and Raritan River Steel Co., alleging that imports of carbon steel wire rod from Poland are being, or are likely to be, sold in the United States at less than fair value (LTFV) and that these imports are materially injuring, or threatening to materially injure, a U.S. industry. Accordingly, effective November 23, 1983, the Commission instituted antidumping investigation No. 731-TA-159 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673b(a)) to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Poland of carbon steel wire rod, provided for in item 607.17 of the Tariff Schedules of the United States (TSUS), which are allegedly being sold at LTFV.

On January 9, 1984, the Commission determined that there was a reasonable indication that an industry in the United States is materially injured by reason of alleged LTFV imports of carbon steel wire rod from Poland. Commerce, therefore, continued its investigation into the question of alleged LTFV imports and published its preliminary determination in the Federal Register of May 8, 1984 (49 F.R. 19545). 1/ Commerce preliminarily determined that carbon steel wire rod from Poland is being sold, or is likely to be sold, in the United States at LTFV. On the basis of Commerce's preliminary determination, the Commission instituted a final antidumping investigation on May 8, 1984. Commerce issued an affirmative final determination on July 20, 1984. 2/

Notice of the institution of the Commission's investigation and of the public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register on May 31, 1984 (49 F.R. 22722). 3/ The public hearing was held on July 31, 1984, 4/ and the briefing and vote was held on August 28, 1984. The Commission notified Commerce of its final determination on September 4, 1984.

1/ In conjunction with their antidumping petition for carbon steel wire from Poland, the petitioners filed antidumping petitions for carbon steel wire rod from Spain, Argentina, and Mexico. A discussion of the status of these investigations is presented in the following section.

2/ A copy of Commerce's notice of its final determination is shown in app. A.

3/ A copy of the Commission's notice of institution of final investigation is presented in app. A.

4/ A list of those appearing in support of and in opposition to the petition is shown in app. B.

Previous Investigations

On February 8, 1982, following the filing of a petition by domestic producers of carbon steel wire rod, the Commission instituted three preliminary countervailing duty investigations on carbon steel wire rod from Belgium (No. 701-TA-148 (Preliminary)), Brazil (No. 701-TA-149 (Preliminary)), and France (No. 701-TA-150 (Preliminary)). ^{1/} The Commission made affirmative determinations that there was a reasonable indication of injury or the threat of injury in all three cases. Final investigations were instituted by the Commission in all three cases following preliminary affirmative subsidy determinations by Commerce. On October 1, 1982, the Commission suspended investigation No. 701-TA-149 (Final) (Brazil) following an agreement with Brazil to offset the amount of the subsidy with an export tax. Investigations Nos. 701-TA-148 (Final) (Belgium) and 701-TA-150 (Final) (France) were terminated on October 21, 1982, when the U.S. producers withdrew their petitions in response to an arrangement whereby the European Coal and Steel Community (ECSC) agreed to limit its exports of certain steel products (47 F.R. 49059, October 29, 1982). Under the arrangement, ECSC exports of wire rod to the United States are limited annually to 4.29 percent of apparent U.S. consumption, which is projected on a quarterly basis. The arrangement is effective through December 31, 1985.

On February 8, 1982, following the filing of a petition by domestic producers, the Commission instituted a preliminary antidumping investigation on carbon steel wire rod imports from Venezuela (investigation No. 731-TA-88 (Preliminary)). The Commission made an affirmative determination on March 25, 1982, that there was a reasonable indication that an industry in the United States was being materially injured or threatened with material injury by reason of the subject imports. Following an affirmative LTFV determination by Commerce, the Commission made a final negative injury determination on February 14, 1983 (Carbon Steel Wire Rod from Venezuela . . ., USITC Publication 1338) (48 F.R. 7821; February 24, 1983).

On May 16, 1982, the U.S. Department of Commerce initiated a countervailing duty investigation concerning carbon steel wire rod imports from Trinidad and Tobago upon receipt of a petition from domestic producers. Since Trinidad and Tobago is not a "country under the Agreement," the Commission was not required to make an injury determination. Commerce, on December 27, 1983, determined that subsidies equivalent to 6.74 percent had been granted on exports of carbon steel wire rod from Trinidad; Commerce's notice of its final determination of countervailable subsidies was published in the Federal Register of January 4, 1984 (49 F.R. 480).

^{1/} Imports from Argentina and the Republic of South Africa were also included in these petitions. Because Argentina and the Republic of South Africa are not signatories to the GATT Subsidies Code, they are not entitled to injury findings by the Commission. The Department of Commerce issued affirmative preliminary determinations for Argentina and the Republic of South Africa on July 8, 1982 (47 F.R. 30539). A suspension agreement was entered into by Argentina, premised on the elimination of the subsidies found to be bestowed on the production, manufacture, and export of wire rod (47 F.R. 42393, Sept. 27, 1982). Commerce issued a final affirmative determination for South Africa on Sept. 27, 1982 (47 F.R. 42396).

On October 1, 1982, following the filing of a petition by domestic producers, the Commission instituted two preliminary antidumping investigations on carbon steel wire rod from Brazil (investigation No. 731-TA-113 (Preliminary)), and Trinidad and Tobago (investigation No. 731-TA-114 (Preliminary)). The Commission determined that there was a reasonable indication that an industry in the United States was materially injured by reason of such imports. Following affirmative LTFV determinations by Commerce, the Commission made final affirmative injury determinations (Carbon Steel Wire Rod from Brazil and Trinidad and Tobago . . ., USITC Publication 1444, October 1983) (48 F.R. 51178; November 7, 1983).

In conjunction with their antidumping petition for Poland, the petitioners in the instant investigation filed antidumping petitions for Argentina, Mexico, and Spain and also countervailing duty petitions for Spain, Czechoslovakia, and Poland. The Commission instituted and conducted preliminary antidumping investigations for Argentina, Mexico, Poland, and Spain (Nos. 731-TA-157 through 160) concurrently with a countervailing duty investigation for Spain (No. 701-TA-209) and issued affirmative preliminary determinations on January 9, 1984. (Czechoslovakia and Poland are not entitled to an injury determination by the Commission for countervailing duty purposes because they are not signatories to the Subsidies Code of the General Agreement on Tariffs and Trade (GATT)). Following an affirmative final countervailing duty determination by Commerce for Spain on May 1, 1984, the Commission made an affirmative final injury determination on June 12, 1984 (Carbon Steel Wire Rod from Spain, USITC Publication 1544, June 1984) (49 F.R. 27640 July 5, 1984). On May 1, 1984, Commerce issued affirmative preliminary LTFV determinations for Argentina, Poland, and Spain and a negative preliminary determination for Mexico. Subsequently, on June 14, 1984, the petition for Mexico was withdrawn. Commerce has postponed its final determinations for Argentina and Spain until September 20, 1984, and the Commission's schedule for these investigations has been revised accordingly.

The Product

Description and uses

The product which is the subject of the petitioners' complaint is carbon steel wire rod, a hot-rolled, semi-finished, coiled product of solid, approximately round, cross section, not under 0.20 inch nor over 0.74 inch in diameter, which has not been tempered, treated, or partly manufactured. Carbon steel wire rod can be differentiated by its chemistry, diameter, and the process by which it is manufactured. The American Iron & Steel Institute (AISI) categorizes carbon steel wire rod into 3 series: 1000, 1100, and 1200. The 1000 series, which includes most carbon steel wire rod consumed in the United States, can be further subdivided according to carbon content. Low-carbon rod, which encompasses grades 1006 through 1022, has a maximum carbon content of 0.23 percent; medium-high carbon rod, which encompasses grades 1023 through 1040, has a carbon content of 0.24 to 0.44 percent; and high-carbon rod, which encompasses grades 1041 through 1095, has a carbon content which exceeds 0.44 percent. The 1100 series refers to resulfurized carbon steel grades, and the 1200 series includes both rephosphorized and resulfurized carbon steel grades. Prices for 1100 and 1200 series wire rod are generally 75 percent to 100 percent higher than prices for 1000 series.

The traditional method of making wire rod is the ingot method. In this process, pig iron and/or scrap steel are charged into basic oxygen, open hearth, or electric furnaces. The resultant molten steel is poured into ladles which transport the liquid steel to ingot molds (typically 3 or 4 feet square by 6 feet deep) into which the steel is poured and allowed to solidify. When solid, the ingots are removed from the molds and placed in soaking pits for uniform heating. From the soaking pits the ingots are gradually reduced (rolled) into billets and then transferred to the rod mill. Wire rod produced by this ingot method is known as rimmed wire rod.

Continuous casting is a newer method of converting raw steel into billets. Continuous casting is more efficient than the ingot method of billet making, as it forms the billet directly from molten steel, bypassing the need to form, reheat, and reduce ingots. Molten steel is transferred in preheated ladles to the continuous-casting facilities by overhead cranes. Here the molten steel is poured into a receiving basin (known as a tundish), which channels the molten steel into spigots. Wire rod produced from the continuous-casting process is referred to as cast wire rod.

At this stage the steel is "killed" ^{1/} with silicon or aluminum, so that the molten steel is able to flow evenly through the spigots and into the continuous-casting molds. In the molds, the steel is cooled by water sprays and partially solidified into a moving continuous strand of steel 4 or 5 inches square. This strand proceeds to the end of the billet preparation line and is cut into lengths of 40 to 50 feet. These billets are normally cooled and stored before being rolled into wire rod.

Billets produced by both processes are then converted into wire rod by a hot-rolling process. The first step is the heating of the billet in the reheat furnace to uniform temperatures of 2,200° F to 2,400° F. The billets are then moved into the roughing, intermediate, and finishing stands which reduce them, at exiting speeds of up to 15,000 feet per minute, to predetermined diameters. A typical billet will produce about 4.5 miles of 7/32-inch diameter wire rod.

After exiting from the last finishing stand, the rod is coiled into concentric loops on a conveyor, which moves the hot wire rod along while it cools. The speed at which the wire rod is coiled affects the formation of its metallurgical structure, which may be varied according to the rod's intended end use. The loops of wire rod are fed into various devices, depending on the particular plant, and collected into coils which are compacted, tied, and readied for shipment. The timespan from the exiting of the billet from the reheat furnace to the loading of a finished coil may be as little as 10 minutes.

The two methods of billet making produce different types of steel, which may be preferred, or even specified, by consumers of wire rod, depending on

^{1/} "Killed" is an expression used to describe steel to which deoxidizing agents, such as aluminum or silicon, have been added in order to stop the evolution of gases during cooling. The process also causes residual impurities to be more evenly distributed throughout the billet.

the wire rod's intended end use and the wire fabricators' wire-drawing facilities. Wire rod produced by the ingot process may be either killed to stop the evolution of gases and segregation of residuals, or "rimmed," in which gas evolution and residual segregation are allowed to occur; cast steel is, of necessity, always killed. 1/

Since the amount of oxygen dissolved in molten steel varies inversely with its carbon content, ingot or cast steel intended for use in the production of high-carbon wire rod can be readily killed or semikilled (in the case of ingots) by the introduction of deoxidation agents, principally silicon or aluminum. Besides increasing the cost of the steel, the presence of the deoxidizing agents results in a product higher in nonmetallic inclusions (residuals), which make the resultant billet less ductile. Since the killing process also prevents segregation of these residuals, a killed steel will be inherently less ductile than a rimmed steel of the same carbon content, and conversely, will possess a higher tensile strength. 2/ Thus, wire rod produced from continuous-cast billets, although more economical to produce, is sometimes not preferred by customers for end uses where ductility is required or desired. Rimmed wire rod, although it may sell for a premium over cast rod, 3/ can provide a greater yield and normally results in less die wear for the wire drawer. 4/

The differences between cast and rimmed wire rod and the end uses for which the rimmed rod is preferred or required were discussed extensively at the hearing in investigations Nos. 701-TA-148 and 150 (Final) on carbon steel wire rod from Belgium and France and in interested party submissions in the same investigations. Data from these and other industry sources contacted by the Commission indicate a consumer preference for rimmed wire rod in applications where ductility is important. Such customers will weigh the price advantage of the cast product against the workability and greater yield of the rimmed product in making purchasing decisions. However, aside from consumer preference, only a limited number of end uses of wire rod require the rimmed product. These include very fine wire which is used to make such products as door and window screens, certain chemistries of welding-quality wire where control of residuals (especially copper) is critical, and

1/ Cast steel must be killed to prevent solidification of the molten steel in the tundish as it is slowly being poured into the strand caster.

2/ Raw steel may also contain higher residuals if it is the product of an electric arc furnace, which utilizes scrap as a raw material instead of pig iron produced in the blast-furnace process. The nonintegrated producers of wire rod use the electric arc furnace exclusively.

3/ The premium charge for rimmed wire rod has been estimated to be \$25 to \$30 per ton under normal market conditions. The premium decreases or is eliminated in times of slack demand.

4/ Producers of both rimmed and cast wire rod assert that through scrap selection, enrichment of the charge with direct-reduced-iron (DRI) pellets, and other practices, cast wire rod producers can make a substitute for rimmed steel with ductility approaching that of the rimmed product. However, such practices increase the cost of cast rod, which lessens its cost advantage vis-a-vis that of the rimmed product. Transcript of the hearing in investigations Nos. 701-TA-148 and 150 (Final), Carbon Steel Wire Rod from Belgium and France, pp. 126-130.

aluminum-killed wire, which is used for some industrial fasteners. These applications represent less than 5 percent of the total market for wire rod, according to industry sources.

Carbon steel wire rod is distinguished by its chemical composition as well as its method of manufacture. In all phases of production, various practices are employed which determine the characteristics and quality of the finished product. The internal structure, surface quality, and physical properties of wire rod are affected by the method of casting the steel from which the rod is made and by altering the chemical composition of the steel. Some common qualities of carbon steel wire rod and their end uses are discussed below.

Low-carbon steel wire rod is used where malleability is required. The low-carbon steel wire rod is typically drawn into wire for wire mesh, home appliance shelving, shopping carts, nails, screws and bolts, baling wire, and chain link fences. Standard industrial quality rod and fine wire quality rod are low-carbon wire rod. Some cold-heading-quality, welding-quality, and cold-finishing-quality rod may also be low-carbon rod. Low-carbon steel wire rod accounts for about 70 percent of the U.S. market for carbon steel wire rod, with standard industrial-quality rod as the industry's mainstay. Standard industrial-quality steel wire rod is used primarily in the production of wire mesh, clothes hangers, and chain link fences, where the tolerances required of the product are relatively low. Thus, because product differentiation is less significant, standard industrial-quality rod is a fungible product, and the market for this product is highly competitive.

Medium-high carbon steel wire rod is used in applications where greater strength and hardness is desired. Major end uses include bolts and screws, snap-tie wire, bicycle spokes, and high-tensile bale wire.

High-carbon steel wire rod is used where even greater strength is desired. Typical uses include mechanical springs, upholstery springs, tire bead, tire cord wire, and bridge cables. Traditionally, high-carbon steel wire rod is sold at higher prices than is medium-high carbon or low-carbon steel wire rod, and is sold to different end users.

U.S.-produced carbon steel wire rod (both ingot and cast) is available in all grades and qualities. Data received from U.S. producers show that 1000 series wire rod accounted for more than 99 percent of U.S. production of carbon steel wire rod and consisted of about 73 percent low carbon, 3 percent medium-high carbon, and 24 percent high carbon in 1983. Domestic production of cast and rimmed rod was approximately equivalent. All of the imports of wire rod from Poland have been 1000 series, low-carbon, and rimmed.

U.S. tariff treatment

Carbon steel wire rod is classified under items 607.14 and 607.17 of the TSUS. TSUS item 607.14 provides for wire rod of iron or steel, other than alloy iron and steel, not tempered, not treated, and not partly manufactured, and valued at not over 4 cents per pound. However, because there have been no imports from Poland under this tariff item, it was not included in the petitioners' complaint and is not covered by this investigation. Item 607.17

provides for wire rod of iron or steel, other than alloy iron or steel, not tempered, not treated, and not partly manufactured, and valued over 4 cents per pound. As of January 1, 1982, the column 1 (most-favored-nation (MFN)) rate of duty for item 607.17 was converted from a specific rate of duty of 0.25 cent per pound to an ad valorem rate of duty of 2 percent. As a result of a concession granted in the Tokyo round of Multilateral Trade Negotiations (MTN), this rate will be reduced on January 1, 1985, to 1.9 percent ad valorem; no further reductions are scheduled. The column 2 rate of duty, applicable to Communist countries--including Poland--enumerated in general headnote 3(f) of the TSUS, is 5.5 percent ad valorem.

Nature and Extent of Sales at LTFV

The Department of Commerce's final LTFV determination was based on an examination of carbon steel wire rod manufactured by the Cedlera steel plant and sold by Stalexport during 1983. The Cedlera plant and Stalexport account for all exports of carbon steel wire rod to the United States from Poland.

For the purpose of determining whether these exports were, or were likely to be, sold at LTFV, Commerce compared the purchase price of the major U.S. customer--Erlanger & Company, Inc., (Erlanger) Fort Lee, N.J.--with a fair market value based on the average ex-mill price of wire rod produced in Australia. The purchase price was used since Erlanger is not related to either the Polish manufacturer or exporter, and a fair market value based on the average ex-mill price of Australian-produced rod was used in lieu of a home-market price or third-country price because Poland's economy is state controlled. In the case of a state-controlled-economy country, a fair market value is usually constructed on the basis of sales prices in a non-state-controlled-economy country which is at a similar stage of economic development. Unable to obtain the cooperation of more appropriate surrogate countries, Commerce used Australia for purposes of its evaluation.

Using the above criteria, Commerce found dumping margins which ranged from 28.0 percent to 65.9 percent on 100 percent of the sales compared. The weighted-average margin was 36.8 percent.

Channels of Distribution 1/

Most carbon steel wire rod manufactured by U.S. producers is sold to wire drawers, i.e., firms which draw the rod into wire. Wire drawers either use the wire in the manufacture of wire products or sell it for such a purpose to other firms. What U.S. producers do not sell to wire drawers, they convert into wire themselves for use in the production of their own wire products. Thus, wire rod producers which own wire fabricating facilities frequently compete with wire drawers for sales of wire products to customers. In 1983 U.S. producers captively consumed approximately 27 percent of their wire rod production in this fashion; however, captive consumption has declined as a share of production since 1981.

1/ A more detailed description of marketing practices is presented in the pricing section of this report.

Virtually all of the carbon steel wire rod exported to the United States by Stalexport was sold to an unrelated importer, which in turn sold it to wire drawers. The importer is a conglomerate trading company.

U.S. Producers

There are currently 14 firms operating a total of 15 U.S. plants in which carbon steel wire rod is produced. Another U.S. producer--Jones & Laughlin Steel Corp.--closed its wire rod production facility in October 1981. The U.S. producers' wire rod plants are located throughout the United States but are concentrated in the Great Lakes area and in Pennsylvania. Of the 14 firms, four are fully integrated. The integrated producers, which manufacture raw steel and produce a wide variety of steel products, include U.S. Steel Corp., Armco Steel Corp., Bethlehem Steel Corp., and CF&I Corp. The remaining producers, which produce a narrower range of products, include the petitioners. Table 1 lists all known U.S. carbon steel wire rod producers, by

Table 1.--Carbon steel wire rod: U.S. producers, plant locations, capacity, and types of wire rod produced, 1983

| Item | Location(s) | Capacity | Share of total | Types of wire rod produced 1/ |
|---|-------------------|-------------------------|----------------|-------------------------------|
| | | <u>1,000 short tons</u> | <u>Percent</u> | |
| Nonintegrated producers: | | | | |
| Petitioners: | | | | |
| North Star Steel Corp---Texas 2/----- | Beaumont, Tex. | *** | *** | C |
| Georgetown Steel Corp----- | Georgetown, S.C. | *** | *** | C |
| Raritan River Steel Co----- | Perth Amboy, N.J. | *** | *** | RC 3/ |
| Continental Steel----- | Kokomo, Ind. | *** | *** | R |
| Atlantic Steel Co----- | Atlanta, Ga. | *** | *** | C |
| Subtotal, petitioners----- | - | *** | *** | - |
| Others: | | | | |
| Northwestern Steel & Wire 4/----- | Sterling, Ill. | *** | *** | C |
| Ameron Steel 5/----- | Etiwanda, Calif. | *** | *** | C |
| Keystone Consolidated Industries, Inc.----- | Peoria, Ill. | *** | *** | C |
| Laclede Steel Co.----- | Alton, Ill. | *** | *** | R |
| Charter Rolling----- | Saukville, Wis. | *** | *** | RC 6/ |
| Subtotal, others----- | - | *** | *** | - |
| Total, nonintegrated producers----- | - | *** | *** | - |

See footnotes at end of table.

Table 1.--Carbon steel wire rod: U.S. producers, plant locations, capacity, and types of wire rod produced, 1983--Continued

| Item | Location(s) | Capacity | Share of total | Types of wire rod produced 1/ |
|--|---------------------|-------------------------|----------------|-------------------------------|
| | | <u>1,000 short tons</u> | <u>Percent</u> | |
| Integrated producers: | | | | |
| U.S. Steel Corp 7/----- | Cuyahoga, Ohio | *** | *** | R |
| | Fairless Hills, Pa. | | | |
| | Joliet, Ill. | | | |
| Armco Steel Corp----- | Kansas City, Mo. | *** | *** | RC 8/ |
| Bethlehem Steel Corp----- | Johnstown, Pa. | *** | *** | R |
| | Sparrows Point, Md. | | | |
| CF&I Corp----- | Pueblo, Colo. | *** | *** | C |
| Subtotal, integrated producers 9/----- | - | *** | *** | - |
| Grand total----- | - | *** | *** | - |

1/ R=rimmed steel; C=cast steel.

2/ Formerly Georgetown Texas Steel Corp. On August 25, 1983, Cargill, Inc., Minn., purchased this firm from Korf Industries, which owns Georgetown Steel Corp., and renamed it North Star Steel Corp.--Texas.

3/ Raritan River's production in 1983 was estimated to be * * * percent cast and * * * percent rimmed rod.

4/ Northwestern's plant ceased production on June 3, 1983. The capacity shown is for the entire year. Northwestern opened a new plant at the same location in April 1984 with an annual capacity of * * * tons.

5/ On Feb. 28, 1983, Ameron sold a 50-percent interest in its rod rolling mill to Tamco. Ameron had joined with Mitsui Ltd. and Tokyo Steel in 1977 to form Tamco, which produced billets.

6/ Charter Rolling reported its 1983 production to be * * * percent cast and * * * percent rimmed wire rod.

7/ On April 1, 1984, U.S. Steel closed its rod mills at Cuyahoga and Fairless Hills.

8/ Armco's sales in 1983 were estimated to be * * * percent cast and * * * percent rimmed.

9/ Jones & Laughlin Steel Corp. ceased production of carbon steel wire rod in October 1981. Prior to its shutdown, Jones & Laughlin had an annual steel production capacity of 300,000 short tons at its Aliquippa, Pa., plant. Republic Steel Corp., with a capacity of * * * short tons, produces small quantities of wire rod for captive consumption.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

types of producers, their plant locations, each firm's carbon steel wire rod production capacity in 1983, and whether the firms produce rimmed wire rod (R) or cast wire rod (C). All of the firms produce several types of steel products in addition to carbon steel wire rod.

U.S. Importers

One firm--Erlanger --accounts for virtually all carbon steel wire rod imported from Poland. Erlanger is a conglomerate trading company which imports and markets several steel and non-steel products in addition to carbon steel wire rod. It is unrelated to the Polish producers and adds no value to the imported product.

U.S. Imports

Canada and Japan have been the dominant sources of imports of carbon steel wire rod in recent periods, together accounting for more than 40 percent of imports in 1983 (table 2). Poland, which accounted for 2.4 percent of U.S. imports in 1983, ranked well below the largest exporters to the United States in that year. Imports from Poland increased more than threefold from 7,987 short tons, valued at \$1.5 million, in 1982 to 25,843 short tons, valued at \$4.8 million, in 1983. There were no imports from Poland in 1981 or in the first half of 1984. Imports from Poland by month are shown in table 3.

Table 2.--Carbon steel wire rod: U.S. imports for consumption, by principal sources, 1981-83, January-June 1983, and January-June 1984

| Source | 1981 | 1982 | 1983 | January-June-- | |
|-------------------------------------|---------|---------|-----------|----------------|---------|
| | | | | 1983 | 1984 |
| Quantity (short tons) | | | | | |
| Canada----- | 314,599 | 279,987 | 272,653 | 128,333 | 168,508 |
| Japan----- | 167,390 | 141,930 | 175,279 | 72,760 | 118,816 |
| Mexico----- | 0 | 30,401 | 102,635 | 35,503 | 79,128 |
| Spain----- | 1,657 | 6,689 | 82,385 | 41,228 | 74,285 |
| Brazil----- | 32,579 | 111,025 | 76,649 | 70,049 | 1,227 |
| France----- | 101,921 | 105,068 | 68,868 | 35,687 | 50,267 |
| Argentina----- | 21,167 | 12,238 | 68,335 | 30,378 | 48,567 |
| Trinidad and Tobago----- | 6,010 | 56,338 | 63,961 | 32,166 | 31,863 |
| Poland----- | 0 | 7,987 | 25,843 | 14,485 | 0 |
| All other----- | 115,411 | 78,141 | 124,035 | 74,659 | 109,070 |
| Total----- | 760,734 | 829,804 | 1,060,643 | 535,248 | 681,731 |
| Percent of total quantity <u>1/</u> | | | | | |
| Canada----- | 41.4 | 33.7 | 25.7 | 24.0 | 24.7 |
| Japan----- | 22.0 | 17.1 | 16.5 | 13.6 | 17.4 |
| Mexico----- | - | 3.7 | 9.7 | 6.6 | 11.6 |
| Spain----- | 0.2 | 0.8 | 7.8 | 7.7 | 10.9 |
| Brazil----- | 4.3 | 13.4 | 7.2 | 13.1 | 0.2 |
| France----- | 13.4 | 12.7 | 6.5 | 6.7 | 7.4 |
| Argentina----- | 2.8 | 1.5 | 6.4 | 5.7 | 7.1 |
| Trinidad and Tobago----- | 0.8 | 6.8 | 6.0 | 6.0 | 4.7 |
| Poland----- | - | 1.0 | 2.4 | 2.7 | - |
| All other----- | 15.2 | 9.4 | 11.7 | 13.9 | 16.0 |
| Total----- | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Value (1,000 dollars) | | | | | |
| Canada----- | 102,351 | 91,192 | 84,332 | 40,274 | 55,544 |
| Japan----- | 67,668 | 55,237 | 62,371 | 26,018 | 42,960 |
| Mexico----- | 0 | 7,050 | 21,411 | 7,388 | 16,916 |
| Spain----- | 834 | 2,899 | 21,765 | 10,784 | 18,079 |
| Brazil----- | 10,553 | 32,151 | 16,353 | 14,896 | 256 |
| France----- | 33,357 | 32,886 | 21,064 | 10,708 | 15,365 |
| Argentina----- | 7,063 | 2,931 | 13,847 | 6,542 | 10,650 |
| Trinidad and Tobago----- | 1,806 | 14,824 | 15,015 | 7,828 | 7,402 |
| Poland----- | 0 | 1,484 | 4,758 | 2,652 | - |
| All other----- | 39,932 | 24,953 | 31,167 | 18,483 | 28,320 |
| Total----- | 263,564 | 265,608 | 292,083 | 145,573 | 195,492 |

^{1/} Figures may not add to 100.0 percent because of rounding.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 3.--Carbon steel wire rod: U.S. imports for consumption from Poland, by months, January 1982-June 1984

| (short tons) | | | | |
|----------------|-------|-------|------|---|
| Month | 1982 | 1983 | 1984 | |
| January----- | 0 | 3,023 | | 0 |
| February----- | 0 | 0 | | 0 |
| March----- | 0 | 119 | | 0 |
| April----- | 0 | 46 | | 0 |
| May----- | 0 | 8,971 | | 0 |
| June----- | 0 | 2,327 | | 0 |
| July----- | 0 | 1,096 | 1/ | |
| August----- | 0 | 4,668 | 1/ | |
| September----- | 0 | 14 | 1/ | |
| October----- | 0 | 3,851 | 1/ | |
| November----- | 103 | 1,650 | 1/ | |
| December----- | 7,884 | 78 | 1/ | |

1/ Not available.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Consideration of Alleged Material Injury

The data in the following sections do not include the operations of * * *. The reported data account for about 95 percent of U.S. production of carbon steel wire rod.

U.S. production, capacity, and capacity utilization

In the aggregate, U.S. production of carbon steel wire rod declined by 27.5 percent from 1981 to 1982 and then increased by 16.3 percent from 1982 to 1983, but still remained 15.6 percent below its level in 1981 (table 4). The trends for nonintegrated and integrated producers differ considerably. While production by nonintegrated producers increased by 3.1 percent in this period, production by integrated producers fell by 35.5 percent. From January-June 1983 to January-June 1984, nonintegrated and integrated producers' production increased by 14.2 percent and 7.1 percent respectively. With two exceptions, U.S. producers reported no unusual circumstances, such as employment related problems, temporary equipment-related problems, sourcing problems, power shortages, or transitions, which resulted in a loss of production (* * *). None of the U.S. producers' declines reflects a reallocation of resources to any foreign subsidiaries.

U.S. producers' production of low, medium-high, and high carbon steel wire rod as a share of their total production is shown in table 5. The data

represent over 83 percent of U.S. production. For other than production and shipments, U.S. producers do not maintain separate data by grade. Because U.S. producers consider low, medium-high, and high carbon steel wire rod to be interdependent products, they do not treat them as separate profit centers. Resource allocation and marketing decisions which affect one will affect the others. They are produced with the same labor and equipment, and their relative shares of production are frequently adjusted in response to the market so that their total contribution to the income of the firm is maximized.

For both nonintegrated and integrated producers, the capacity to produce carbon steel wire rod remained relatively constant throughout the period. The 9.7 percent drop in integrated producers' capacity from 1981 to 1982 reflects the closing of Jones & Laughlin's 300,000 ton capacity mill in October 1981. The closing of U.S. Steel's mills at Cuyahoga, Ohio, and Fairless Hills, Pa., resulted in a 15.5 percent drop in integrated producers' capacity from January-June 1983 to January-June 1984. The 3.8 percent drop in nonintegrated producers' capacity from January-June 1983 to January-June 1984 reflects the closing of Northwestern's 400,000 ton capacity mill in June 1983. Northwestern opened a new mill at the same site with a * * * ton annual capacity in April 1984. At the same time, North Star opened a new facility which increased its wire rod capacity by * * * tons.

After falling from 69.8 percent in 1981 to 52.3 percent in 1982, capacity utilization for the production of carbon steel wire rod increased to 61.2 percent in 1983. Integrated producers, as shown in table 4, accounted for

Table 4.--Carbon steel wire rod: U.S. production, practical capacity, and capacity utilization, by types of producers, 1981-83, January-June 1983, and January-June 1984 ^{1/}

| Item and producer | 1981 | 1982 | 1983 | January-June-- | |
|----------------------------------|-----------|-----------|-----------|----------------|-----------|
| | | | | 1983 | 1984 |
| Production: | | | | | |
| Nonintegrated---short tons-- | 2,164,347 | 1,929,602 | 2,231,747 | 1,122,585 | 1,281,477 |
| Integrated-----do----- | 2,041,052 | 1,120,233 | 1,316,097 | 639,676 | 685,361 |
| Total-----do----- | 4,205,399 | 3,049,835 | 3,547,844 | 1,762,261 | 1,966,838 |
| Practical capacity: | | | | | |
| Nonintegrated---short tons-- | 2,885,000 | 2,996,000 | 2,966,000 | 1,583,460 | 1,522,500 |
| Integrated-----do----- | 3,137,000 | 2,832,000 | 2,832,000 | 1,416,000 | 1,196,000 |
| Total-----do----- | 6,022,000 | 5,828,000 | 5,798,000 | 2,999,460 | 2,718,500 |
| Ratio of production to capacity: | | | | | |
| Nonintegrated-----percent-- | 75.0 | 64.4 | 75.2 | 70.9 | 84.2 |
| Integrated-----do----- | 65.1 | 39.6 | 46.5 | 45.2 | 57.3 |
| Average-----do----- | 69.8 | 52.3 | 61.2 | 58.8 | 72.4 |

^{1/} The data do not include * * *.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 5.--Carbon steel wire rod: U.S. production of low, medium-high, and high carbon grades as a share of total U.S. production, by types of producers, 1981-83, January-June 1983, and January-June 1984 ^{1/}

| (percent) | | | | | | |
|------------------------------|-------|-------|-------|----------------|-------|--|
| Producer and item | 1981 | 1982 | 1983 | January-June-- | | |
| | | | | 1983 | 1984 | |
| Nonintegrated: ^{2/} | | | | | | |
| Low carbon----- | 77.8 | 77.6 | 79.7 | 78.8 | 81.1 | |
| Medium-high carbon---- | 2.7 | 2.2 | 2.4 | 2.2 | 2.2 | |
| High carbon----- | 19.6 | 20.2 | 17.9 | 19.1 | 16.6 | |
| Total----- | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | |
| Integrated: ^{3/} | | | | | | |
| Low carbon----- | 56.3 | 54.2 | 54.8 | 55.7 | 57.4 | |
| Medium-high carbon---- | 2.6 | 2.5 | 2.7 | 2.8 | 2.9 | |
| High carbon----- | 41.1 | 43.3 | 42.5 | 41.6 | 39.8 | |
| Total----- | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | |
| Total: | | | | | | |
| Low carbon----- | 71.3 | 71.8 | 73.1 | 73.0 | 74.6 | |
| Medium-high carbon---- | 2.6 | 2.3 | 2.5 | 2.3 | 2.4 | |
| High carbon----- | 26.0 | 26.0 | 24.4 | 24.7 | 23.0 | |
| Total----- | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | |

^{1/} Figures may not add to 100.0 percent because of rounding.

^{2/} Does not include * * *.

^{3/} Does not include * * *.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

most of the decline. From January-June 1983 to January-June 1984, capacity utilization increased from 58.8 percent to 72.4 percent.

U.S. producers' shipments and exports

The trend for U.S. producers' shipments, including captive shipments, parallels that for production (table 6). Total U.S. producers' shipments declined by 26.4 percent from 1981 to 1982, and then increased by 16.9 percent from 1982 to 1983. Shipments in 1983, however, remained 14.0 percent lower than in 1981. Captive shipments, which declined by 33.7 percent from 1981 to 1983, accounted for most of the decline in total shipments. As a share of total shipments, captive shipments declined from 34.7 percent in 1981 to 26.7 percent in 1983. From January-June 1983 to January-June 1984, U.S. producers' shipments increased by 13.7 percent.

Nonintegrated producers did not share the overall decline in total shipments with integrated producers between 1981 and 1983. Despite a 19.6 percent decrease in captive shipments, nonintegrated producers' total shipments

Table 6.--Carbon steel wire rod: U.S. producers' U.S. open-market shipments, captive shipments, and exports of U.S. production, by types of producers, 1981-83, January-June 1983, and January-June 1984 ^{1/}

| Item and producer | 1981 | 1982 | 1983 | January-June-- | |
|------------------------|-----------|-----------|-----------|----------------|-----------|
| | | | | 1983 | 1984 |
| Quantity (short tons) | | | | | |
| U.S. open-market ship- | | | | | |
| ments: | | | | | |
| Nonintegrated----- | 1,417,604 | 1,415,337 | 1,732,102 | 803,565 | 939,662 |
| Integrated----- | 1,280,926 | 697,962 | 909,991 | 426,788 | 491,098 |
| Total----- | 2,698,530 | 2,113,299 | 2,642,093 | 1,230,353 | 1,430,760 |
| Captive shipments: | | | | | |
| Nonintegrated----- | 703,426 | 502,294 | 565,316 | 292,029 | 298,173 |
| Integrated----- | 750,720 | 432,311 | 398,856 | 149,210 | 172,332 |
| Total----- | 1,454,146 | 934,605 | 964,172 | 441,239 | 470,505 |
| Exports: | | | | | |
| Nonintegrated----- | 27,263 | 36,986 | 63 | 0 | 0 |
| Integrated----- | 14,308 | 1,054 | 48 | 47 | 6 |
| Total----- | 41,571 | 38,040 | 111 | 47 | 6 |
| Total: | | | | | |
| Nonintegrated----- | 2,148,293 | 1,954,617 | 2,297,481 | 1,095,594 | 1,237,835 |
| Integrated----- | 2,045,954 | 1,131,327 | 1,308,895 | 576,045 | 663,436 |
| Total----- | 4,194,247 | 3,085,944 | 3,606,376 | 1,671,639 | 1,901,271 |
| Value (1,000 dollars) | | | | | |
| U.S. open-market ship- | | | | | |
| ments: | | | | | |
| Nonintegrated----- | 439,225 | 398,107 | 467,670 | 212,265 | 293,633 |
| Integrated----- | 468,440 | 295,582 | 339,072 | 163,940 | 191,075 |
| Total----- | 907,665 | 693,689 | 806,742 | 376,205 | 484,708 |
| Exports: | | | | | |
| Nonintegrated----- | 8,451 | 7,112 | 13 | - | - |
| Integrated----- | 6,025 | 376 | 28 | 27 | 3 |
| Total----- | 14,476 | 7,488 | 41 | 27 | 3 |
| Total: | | | | | |
| Nonintegrated----- | 447,676 | 405,219 | 467,683 | 212,265 | 293,633 |
| Integrated----- | 474,465 | 295,958 | 339,100 | 163,967 | 191,078 |
| Total----- | 922,141 | 701,177 | 806,783 | 376,232 | 484,711 |

^{1/} The data do not include * * *.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

increased by 6.9 percent from 1981 to 1983. Whereas U.S. open-market shipments for integrated producers declined by 29.0 percent between 1981 and 1983, that for nonintegrated producers increased by 22.2 percent. Nonintegrated producers' share of U.S. open-market shipments increased from 52.5 percent to 65.6 percent in the same period. Nonintegrated producers' share of total shipments increased similarly. U.S. producers' domestic shipments of low, medium-high, and high carbon steel wire rod as a share of total domestic shipments are shown in table 7. The data represent over 85 percent of U.S. producers' domestic shipments.

Exports remained at less than 1.5 percent of total shipments throughout the period. There were virtually no exports in January-June 1984.

Table 7.--Carbon steel wire rod: Domestic shipments of low, medium-high, and high carbon grades as a share of total domestic shipments, by types of producers, 1981-83, January-June 1983, and January-June 1984 ^{1/}

| (percent) | | | | | | |
|------------------------------|-------|-------|-------|----------------|-------|--|
| Producer and item | 1981 | 1982 | 1983 | January-June-- | | |
| | | | | 1983 | 1984 | |
| Nonintegrated: ^{2/} | | | | | | |
| Low carbon----- | 79.3 | 76.4 | 80.6 | 79.1 | 83.4 | |
| Medium-high carbon---- | 3.1 | 2.6 | 2.6 | 2.4 | 2.2 | |
| High carbon----- | 17.7 | 21.0 | 16.9 | 18.4 | 14.3 | |
| Total----- | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | |
| Integrated: ^{3/} | | | | | | |
| Low carbon----- | 64.7 | 63.5 | 65.3 | 61.6 | 70.2 | |
| Medium-high carbon---- | 4.0 | 3.5 | 3.2 | 4.2 | 3.0 | |
| High carbon----- | 31.3 | 33.0 | 31.5 | 34.2 | 26.8 | |
| Total----- | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | |
| Average: | | | | | | |
| Low carbon----- | 75.3 | 73.6 | 76.9 | 75.2 | 80.1 | |
| Medium-high carbon---- | 3.3 | 2.8 | 2.7 | 2.8 | 2.4 | |
| High carbon----- | 21.4 | 23.6 | 20.4 | 22.0 | 17.5 | |
| Total----- | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | |

1/ Figures may not add to 100.0 percent because of rounding.

2/ Does not include * * *.

3/ Does not include * * *.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Inventories

U.S. producers' end-of-period inventories of carbon steel wire rod declined by 21.3 percent from 1981 to 1982, but increased by 31.2 percent from 1982 to 1983 to a level exceeding that in 1981 (table 8). The level of inventory was 15.2 percent lower at the end of June 1984 than at the end of

Table 8.--Carbon steel wire rod: U.S. producers' inventories of U.S. production, by types of producers, as of December 31, 1981-83, and June 30, 1983 and 1984 1/

| Item and producer | As of December 31-- | | | As of June 30-- | |
|--------------------------------|---------------------|---------|---------|-----------------|---------|
| | 1981 | 1982 | 1983 | 1983 | 1984 |
| Inventories: | | | | | |
| Nonintegrated-----short tons-- | 93,190 | 73,292 | 101,940 | 82,600 | 75,138 |
| Integrated-----do----- | 52,929 | 41,634 | 48,836 | 50,220 | 37,546 |
| Total-----do----- | 146,119 | 114,926 | 150,776 | 132,820 | 112,684 |
| Ratio of inventories to | | | | | |
| total shipments during | | | | | |
| the preceding period: | | | | | |
| Nonintegrated-----percent-- | 4.3 | 3.8 | 4.4 | 2/ 3.8 | 2/ 3.0 |
| Integrated-----do----- | 2.6 | 3.7 | 3.7 | 2/ 4.4 | 2/ 2.8 |
| Average-----do----- | 3.5 | 3.7 | 4.2 | 2/ 4.0 | 2/ 3.0 |

1/ The data do not include * * *.

2/ Annualized.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

June 1983. As a percent of total shipments during the preceding period, inventories increased from 3.5 percent in 1981 to 4.2 percent in 1983, but declined from 4.0 percent as of June 30, 1983, to 3.0 percent as of June 30, 1984.

Employment

After falling by 39.6 percent from 1981 to 1982, the average number of production and related workers producing carbon steel wire rod increased by 8.0 percent from 1982 to 1983, and by 7.8 percent from January-June 1983 to January-June 1984 (table 9). The level of employment, however, especially for integrated producers, remained below that for 1981. The trend for hours worked by production and related workers is similar to that for average employment, as shown in table 9. The hours worked per worker, however, steadily increased during the period, as did production after 1982. The result was an increase in output from .31 ton per hour in 1981 to .39 ton per hour in 1983, and from .40 ton per hour in January-June 1983 to .42 ton per hour in January-June 1984.

Table 9.--Average number of production and related workers producing carbon steel wire rod in U.S. establishments, hours worked by such workers, and output, by types of producers, 1981-83, January-June 1983, and January-June 1984 ^{1/}

| Item and producer | 1981 | 1982 | 1983 | January-June-- | |
|--|--------|-------|-------|----------------|-------|
| | | | | 1983 | 1984 |
| Average number of production and related workers producing carbon steel wire rod in U.S. establishments: | | | | | |
| Nonintegrated-----number-- | 2,358 | 2,192 | 2,180 | 2,102 | 2,132 |
| Integrated-----do----- | 4,505 | 1,956 | 2,299 | 2,153 | 2,453 |
| Total-----do----- | 6,863 | 4,148 | 4,479 | 4,255 | 4,585 |
| Hours worked by production and related workers producing carbon steel wire rod in U.S. establishments: | | | | | |
| Nonintegrated--1,000 hours-- | 5,014 | 4,563 | 4,432 | 2,233 | 2,364 |
| Integrated-----do----- | 8,579 | 4,087 | 4,603 | 2,161 | 2,336 |
| Total-----do----- | 13,593 | 8,650 | 9,035 | 4,394 | 4,700 |
| Output: | | | | | |
| Nonintegrated--short tons per hour-- | 0.43 | .42 | .50 | .50 | .54 |
| Integrated-----do----- | .24 | .27 | .29 | .30 | .29 |
| Average-----do----- | .31 | .35 | .39 | .40 | .42 |

^{1/} The data do not include * * *.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Total compensation paid to production and related workers declined by 34.8 percent from 1981 to 1982, but increased by 11.8 percent from 1982 to 1983, and by 6.1 percent from January-June 1983 to January-June 1984 (table 10). The average hourly compensation paid to these workers increased by 9.7 percent from 1981 to 1983, but declined by 0.8 percent from January-June 1983 to January-June 1984. Unit labor costs declined throughout the period. The average unit labor cost per short ton of carbon steel wire rod produced declined from \$59.36 per short ton in 1981 to \$51.31 per short ton in 1983, or by 13.6 percent, and continued to decline by 5.0 percent from January-June 1983 to the corresponding period in 1984. Unit labor costs for nonintegrated producers were about half of those for integrated producers throughout the period.

Workers in all carbon steel wire rod facilities, except those of Raritan, are members of the United Steel Workers of America. Raritan's workers are not unionized.

Table 10.--Total compensation paid to production and related workers producing carbon steel wire rod in U.S. establishments, hourly compensation, and unit labor costs, by types of producers, 1981-83, January-June 1983, and January-June 1984 ^{1/}

| Item and producer | 1981 | 1982 | 1983 | January-June-- | |
|---|---------|---------|---------|----------------|---------|
| | | | | 1983 | 1984 |
| Total compensation paid to production and related workers producing carbon steel wire rod: | | | | | |
| Nonintegrated--1,000 dollars-- | 85,437 | 76,038 | 81,747 | 41,456 | 45,073 |
| Integrated-----do----- | 164,215 | 86,821 | 100,283 | 48,011 | 49,808 |
| Total-----do----- | 249,652 | 162,859 | 182,030 | 89,467 | 94,881 |
| Hourly compensation paid to production and related workers producing carbon steel wire rod: | | | | | |
| Nonintegrated--per hour | | | | | |
| per worker-- | \$17.04 | \$16.66 | \$18.44 | \$18.57 | \$19.07 |
| Integrated-----do----- | 19.14 | 21.24 | 21.79 | 22.22 | 21.32 |
| Average-----do----- | 18.37 | 18.83 | 20.15 | 20.36 | 20.19 |
| Unit labor cost: | | | | | |
| Nonintegrated--per short ton-- | \$39.47 | \$39.41 | \$36.63 | \$36.93 | \$35.17 |
| Integrated-----do----- | 80.46 | 77.50 | 76.20 | 75.06 | 72.67 |
| Average-----do----- | 59.36 | 53.40 | 51.31 | 50.77 | 48.24 |

^{1/} The data do not include * * *.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Financial experience of U.S. producers

Operations on carbon steel wire rod.--The 12 firms that furnished profit-and-loss data together accounted for 95 percent of total U.S. production capacity of carbon steel wire rod in 1983. Their net sales of carbon steel wire rod dropped by 23.7 percent, from \$1.3 billion in 1981 to \$1.0 billion in 1982, but rose by 7.7 percent to \$1.1 billion in 1983 (table 11). During January-June 1984, total net sales increased by 22.5 percent to \$583.7 million, compared with \$476.4 million in the corresponding period of 1983.

The 12 firms' aggregate operations on carbon steel wire rod were not profitable during 1981-83. The integrated producers sustained significant operating losses in every period, losing as much as \$82.4 million in 1982. In contrast, nonintegrated producers showed an operating profit during all periods except for 1982, when they posted an aggregate \$12.1 million operating loss. Because of profitable operations of nonintegrated producers and a reduction of over 75 percent in the operating losses of integrated producers, the carbon steel wire rod industry recorded an operating profit of \$11.7 million, or 2.0 percent of its net sales, in January-June 1984, compared with an operating loss of \$34.8 million, or 7.3 percent of its net sales, in the same period of 1983.

The ratio of the cost of goods sold to net sales of integrated producers rose irregularly from 102.9 percent in 1981 to 111.0 percent in 1983, and then fell to 99.1 percent in January-June 1984, indicating that the integrated firms sold carbon steel wire rod at less than their costs during all but the last period under examination. Such ratios of nonintegrated producers fluctuated between a high of 97.7 percent in 1982 to a low of 90.1 percent in January-June 1984.

As not all producers were able to provide interest expenses relating to their wire rod operations, data on interest expenses and, hence, net profit before taxes are not presented in table 11. Generally, interest expenses are treated as financing costs rather than operating costs. Further, interest expenses will vary from company to company according to the financing strategy chosen by management in providing resources to their businesses (i.e., debt or equity funding). Accordingly, only data on operating profit or loss are discussed.

Cash flow from operations.--Cash flow generated by integrated producers and nonintegrated producers from their operations producing carbon steel wire rod are shown in table 12. Cash flow from overall wire rod operations ranged from a low of a negative \$16.9 million in 1982 to a high of a positive \$35 million in 1981. Integrated producers generated negative cash flow throughout the periods under investigation, while nonintegrated producers reported positive cash flow during 1981 to June 1984.

Value of plant, property, and equipment (investment in productive facilities).--Nine firms supplied data relative to the value of their plant, property, and equipment (investment in productive facilities) during 1981-83. The value of the nine firms' productive facilities used in the production of carbon steel wire rod, at cost, increased by 5.7 percent, from \$391.5 million

Table 11.--Profit-and-loss experience of 12 U.S. producers on their operations producing carbon steel wire rod, by types of producers, accounting years 1981-83, January-June 1983, and January-June 1984 ^{1/}

| Period and type of producer | Net sales | Cost of goods sold | Gross profit or (loss) | General, selling, and administrative expenses | Operating profit or (loss) | Ratio of operating profit or (loss) to net sales | Ratio of cost of goods sold to net sales |
|-----------------------------------|-----------------|--------------------|------------------------|---|----------------------------|--|--|
| | Million dollars | | | | | Percent | |
| 1981: | | | | | | | |
| Nonintegrated----- | 642.2 | 605.5 | 36.7 | 23.3 | 13.4 | 2.1 | 94.3 |
| Integrated----- | 646.2 | 665.0 | (18.8) | 19.9 | (38.7) | (6.0) | 102.9 |
| Total or average---- | 1,288.4 | 1,270.5 | 17.9 | 43.2 | (25.3) | (2.0) | 98.6 |
| 1982: | | | | | | | |
| Nonintegrated----- | 558.8 | 545.9 | 13.0 | 25.1 | (12.1) | (2.2) | 97.7 |
| Integrated----- | 424.3 | 489.7 | (65.4) | 17.0 | (82.4) | (19.4) | 115.4 |
| Total or average---- | 983.2 | 1,035.6 | (52.4) | 42.1 | (94.5) | (9.6) | 105.3 |
| 1983: | | | | | | | |
| Nonintegrated----- | 604.6 | 572.3 | 32.3 | 23.4 | 8.9 | 1.5 | 94.7 |
| Integrated----- | 454.0 | 503.9 | (50.0) | 21.9 | (71.8) | (15.8) | 111.0 |
| Total or average---- | 1,058.6 | 1,076.2 | (17.7) | 45.3 | (62.9) | (5.9) | 101.7 |
| January-June 1983 ^{2/} : | | | | | | | |
| Nonintegrated----- | 245.0 | 233.4 | 11.6 | 10.3 | 1.3 | 0.5 | 95.3 |
| Integrated----- | 231.4 | 257.7 | (26.3) | 9.8 | (36.1) | (15.6) | 111.4 |
| Total or average---- | 476.4 | 491.1 | (14.7) | 20.1 | (34.8) | (7.3) | 103.1 |
| January-June 1984 ^{2/} : | | | | | | | |
| Nonintegrated----- | 326.2 | 293.8 | 32.4 | 11.8 | 20.6 | 6.3 | 90.1 |
| Integrated----- | 257.5 | 255.1 | 2.4 | 11.3 | (8.9) | (3.5) | 99.1 |
| Total or average---- | 583.7 | 548.9 | 34.8 | 23.1 | 11.7 | 2.0 | 94.0 |

^{1/} Profit-and-loss data for U.S. Steel include sales of alloy wire rod accounting for * * * percent of U.S. Steel's net sales of wire rod.

^{2/} One producer, Northwestern Steel, ceased production of wire rod on June 3, 1983. Hence it had no activities during the first half of 1984. Further, it did not provide data for January-June 1983.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Note.--Because of rounding, figures may not add to the totals shown, and percentages may not compute to the averages shown.

Table 12.--Cash flow for 9 U.S. producers' operations producing carbon steel wire rod, by types of producers, accounting years 1981-83, January-June 1983, and January-June 1984

(In thousands of dollars)

| Item | 1981 | 1982 | 1983 | January-June-- | |
|--|----------|----------|----------|----------------|---------|
| | | | | 1983 | 1984 |
| Nonintegrated producers: | | | | | |
| Operating profit or (loss)----- | 14,361 | (8,140) | 10,840 | 1,253 | 20,677 |
| Depreciation and amortization---- | 25,905 | 28,864 | 27,297 | 12,863 | 12,215 |
| Cash flow----- | 40,266 | 20,724 | 38,137 | 14,116 | 32,892 |
| Integrated producers: | | | | | |
| Operating profit or (loss)----- | (17,552) | (52,287) | (43,237) | (36,044) | (8,852) |
| Depreciation and amortization---- | 12,287 | 14,656 | 12,681 | 8,520 | 8,267 |
| Cash flow or (deficit) ^{1/} ----- | (5,265) | (37,631) | (30,556) | (27,524) | (585) |
| Total cash flow or (deficit)--- | 35,001 | (16,907) | 7,581 | (13,408) | 32,307 |

^{1/} Negative cash flow is understated to the extent that * * * did not supply depreciation and amortization data.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

in 1981 to \$414.0 million in 1983 (table 13). The book value of such facilities increased by 5.8 percent, from \$250.3 million in 1981 to \$264.8 million in 1983. The relationship of operating profit or loss to the value of productive facilities, whether at original cost or book value, generally followed the same trend as did the ratio of such profits to net sales; the ratios were negative in each instance, with 1982 being the weakest year of the period.

Table 13.--Value of plant, property, and equipment (investment in productive facilities) by 9 U.S. producers of carbon steel wire rod, as of the end of accounting years 1981-83

| Item | 1981 | 1982 | 1983 |
|---|----------|----------|----------|
| Original cost-----1,000 dollars-- | 391,527 | 390,250 | 414,037 |
| Book value-----do----- | 250,345 | 254,987 | 264,815 |
| Operating profit or (loss)-----do----- | (22,198) | (76,490) | (39,607) |
| Ratio of operating profit or (loss) to-- | | | |
| Net sales-----percent-- | (2.8) | (12.3) | (5.6) |
| Original cost-----do----- | (5.7) | (19.6) | (9.6) |
| Book value-----do----- | (8.9) | (30.0) | (15.0) |

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Capital expenditures.--Nine firms supplied data relative to their expenditures for land, buildings, machinery, and equipment used in the production of carbon steel wire rod. As shown in the following tabulation, their aggregate annual capital expenditures fell by 35.7 percent, from \$40.1 million in 1981 to \$25.7 million in 1983. Such expenditures increased by 200 percent during January-June 1984, compared with the level of January-June 1983. * * *.

Capital expenditures
(1,000 dollars)

| | |
|----------------|--------|
| 1981----- | 40,067 |
| 1982----- | 25,961 |
| 1983----- | 25,749 |
| January-June-- | |
| 1983----- | 7,855 |
| 1984----- | 23,527 |

Research and development expenses.--Of the 12 firms which reported profit and loss data, only 3--* * *--reportedly incurred research and development expenses with respect to their carbon steel wire rod operations during 1981-June 1984. Data for * * * are shown in the following tabulation:

| <u>Research and development</u> <u>expenses</u> <u>(1,000 dollars)</u> | |
|--|-----|
| 1981----- | *** |
| 1982----- | *** |
| 1983----- | *** |
| January-June-- | |
| 1983----- | *** |
| 1984----- | *** |

* * *

Consideration of Alleged Threat of Material Injury

In the examination of the question of threat of material injury to an industry in the United States, the Commission may take into consideration such factors as the rate of increase of alleged LTFV imports, the capacity of producers in the exporting country to generate exports, the availability of export markets other than the United States, and other factors, such as U.S. importers' inventories. Import trends for carbon steel wire rod are addressed in an earlier section. * * *. A discussion of Polish capacity to generate exports, and the availability of export markets follows.

* * *. Data regarding Polish capacity, production, and exports of carbon steel wire rod are shown in table 14. From 1981 through June 1984, Polish capacity to produce carbon steel wire rod remained at * * * short tons per annum. According to counsel for the Polish exporter, there are no plans to change capacity in the foreseeable future. Polish production increased by * * * percent from 1981 to 1983 or from * * * percent of capacity to * * * percent. As a share of its total production, Poland's exports remained between * * * percent in the same period. The United States' share of these exports increased from * * * to * * * percent. In January-June 1984 Poland's exports were * * * percent of its total production; there were no exports to the United States.

Table 14.--Carbon steel wire rod: Polish production and exports, 1981-83, and January-June 1984

| Item | 1981 | 1982 | 1983 | Jan.-Jun. 1984 |
|---|-------|-------|-------|-------------------|
| Capacity-----1,000 short tons--: | *** | *** | *** | *** |
| Production-----do-----: | *** | *** | *** | *** |
| Capacity utilization-----percent--: | *** | *** | *** | *** |
| Exports to: | | | | |
| United States-1,000 short tons--: | 0 | 8 | 26 | 0 |
| All other-----do-----: | *** | *** | *** | *** |
| Total-----do-----: | *** | *** | *** | *** |
| Percent of production that is exported-----: | *** | *** | *** | *** |
| Percent of total exports to: | | | | |
| United States-----: | *** | *** | *** | *** |
| All other-----: | *** | *** | *** | *** |
| Total-----: | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Exports to the United States compiled from official statistics of the U.S. Department of Commerce; Polish production, capacity, and exports to all other countries provided by counsel for the Polish exporter.

Consideration of the Causal Relationship Between the
LTFV Imports and the Alleged Material Injury
or Threat Thereof

U.S. consumption and market penetration of imports

U.S. consumption of carbon steel wire rod declined by 21.1 percent from 1981 to 1982 (table 15). Although consumption increased by 20.4 percent from 1982 to 1983, it remained 5.0 percent below the level in 1981. The decline was consistent with trends in many sectors of the U.S. economy in this period; it did not reflect a market shift from wire and wire products. U.S. consumption increased by 17.0 percent from January-June 1983 to January-June 1984. As a share of consumption, imports from Poland increased from 0.2 percent in 1982 to 0.6 percent in 1983. Correspondingly, U.S. producers' share fell from 78.6 percent in 1982 to 77.2 percent in 1983. There were no imports from Poland in 1981 or January-June 1984.

U.S. open-market consumption increased by 7.0 percent from 1981 to 1983, after falling by 14.9 percent from 1981 to 1982, and increased by 19.6 percent from January-June 1983 to January-June 1984 (table 16). As a share of open-market consumption, imports from Poland increased from 0.3 percent in 1981 to 0.7 percent in 1983. Table 17 shows imports and the ratio of imports to consumption for all countries which have been the subject of antidumping or countervailing duty investigations since 1981. Tables 18 and 19 summarize outstanding countervailing duty and antidumping orders, by countries and by companies.

Table 15.--Carbon steel wire rod: U.S. producers' shipments and captive consumption, 1/ imports for consumption, exports of domestic merchandise, and apparent consumption, 1981-83, January-June 1983, and January-June 1984

| Period | Producers' shipments and captive consumption | Imports | | | Producers' exports | Apparent consumption | Ratio of imports to consumption-- | | |
|------------------|--|-------------|----------------------|-----------|--------------------|----------------------|-----------------------------------|----------------------|-------|
| | | From Poland | From other countries | Total | | | From Poland | From other countries | Total |
| | | Short tons | | | | | Percent | | |
| 1981----- | 4,194,247 | 0 | 760,734 | 760,734 | 41,571 | 4,913,410 | - | 15.5 | 15.5 |
| 1982----- | 3,085,944 | 7,987 | 821,817 | 829,804 | 38,040 | 3,877,708 | 0.2 | 21.2 | 21.4 |
| 1983----- | 3,606,376 | 25,843 | 1,034,800 | 1,060,643 | 111 | 4,666,908 | 0.6 | 22.2 | 22.8 |
| January-June---- | | | | | | | | | |
| 1983----- | 1,671,639 | 14,485 | 520,763 | 535,248 | 47 | 2,206,840 | 0.7 | 23.6 | 24.3 |
| 1984----- | 1,901,271 | 0 | 681,731 | 681,731 | 6 | 2,582,996 | - | 26.4 | 26.4 |

1/ The data do not include * * *.

Source: Imports compiled from official statistics of the U.S. Department of Commerce. All other data compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 16.--Carbon steel wire rod: U.S. producers' commercial shipments, 1/ imports for consumption, exports of domestic merchandise, and apparent open market consumption, 1981-83, January-June 1983, and January-June 1984

| Period | Producers' shipments <u>2/</u> | Imports | | | Producers' exports | Apparent open market consumption | Ratio of imports to consumption-- | | |
|------------------|--------------------------------|-------------|----------------------|-----------|--------------------|----------------------------------|-----------------------------------|----------------------|-------|
| | | From Poland | From other countries | Total | | | From Poland | From other countries | Total |
| | | Short tons | | | | | Percent | | |
| 1981----- | 2,740,101 | 0 | 760,734 | 760,734 | 41,571 | 3,459,264 | - | 22.0 | 22.0 |
| 1982----- | 2,151,339 | 7,987 | 821,817 | 829,804 | 38,040 | 2,943,103 | 0.3 | 27.9 | 28.2 |
| 1983----- | 2,642,204 | 25,843 | 1,034,800 | 1,060,643 | 111 | 3,702,736 | 0.7 | 27.9 | 28.6 |
| January-June---- | | | | | | | | | |
| 1983----- | 1,230,400 | 14,485 | 520,763 | 535,248 | 47 | 1,765,601 | 0.8 | 29.5 | 30.3 |
| 1984----- | 1,430,766 | 0 | 681,731 | 681,731 | 6 | 2,112,491 | - | 32.3 | 32.3 |
| | | | | | | | | | |

1/ The data do not include * * *.

2/ Domestic shipments and exports.

Source: Imports compiled from official statistics of the U.S. Department of Commerce. All other data compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 17.--Carbon steel wire rod: Imports and ratio of imports to consumption, by sources which have been the subject of antidumping or countervailing duty investigations since 1981, 1981-83, January-June 1983, and January-June 1984

| Source | 1981 | 1982 | 1983 | January-June-- | |
|------------------------------------|-------------|-------------|---------|----------------|-------------|
| | | | | 1983 | 1984 |
| <u>Short tons</u> | | | | | |
| Mexico <u>1</u> /----- | 0 | 30,401 | 102,635 | 35,503 | 79,128 |
| Spain <u>2</u> /----- | 1,657 | 6,689 | 82,385 | 41,228 | 74,285 |
| Brazil <u>3</u> /----- | 32,579 | 111,025 | 76,649 | 70,049 | 1,227 |
| France <u>4</u> /----- | 101,921 | 105,068 | 68,868 | 35,687 | 50,267 |
| Argentina <u>5</u> /----- | 21,167 | 12,238 | 68,335 | 30,378 | 48,567 |
| Trinidad and Tobago <u>6</u> /---- | 6,010 | 56,338 | 63,961 | 32,166 | 31,863 |
| Poland <u>7</u> /----- | 0 | 7,987 | 25,843 | 14,485 | 0 |
| Belgium <u>8</u> /----- | 21,547 | 27,567 | 8,199 | 6,792 | 9,740 |
| Venezuela <u>9</u> /----- | 25,443 | 0 | 0 | 0 | 16,637 |
| Czechoslovakia <u>10</u> /----- | 331 | 2,245 | 18,992 | 8,016 | 8,523 |
| South Africa <u>11</u> /----- | 17,991 | 1,470 | 9,754 | 7,788 | 3,759 |
| Total----- | 228,646 | 361,028 | 525,621 | 282,092 | 323,996 |
| <u>Percent</u> | | | | | |
| Mexico----- | - | 0.8 | 2.2 | 1.6 | 3.1 |
| Spain----- | <u>12</u> / | .2 | 1.8 | 1.9 | 2.9 |
| Brazil----- | 0.7 | 2.9 | 1.6 | 3.2 | <u>12</u> / |
| France----- | 2.1 | 2.8 | 1.5 | 1.6 | 1.9 |
| Argentina----- | .4 | .3 | 1.5 | 1.4 | 1.9 |
| Trinidad and Tobago----- | .1 | 1.5 | 1.4 | 1.5 | 1.2 |
| Poland----- | - | .2 | .6 | .7 | - |
| Belgium----- | .4 | .7 | .2 | .3 | .4 |
| Venezuela----- | .5 | - | - | - | .6 |
| Czechoslovakia----- | <u>12</u> / | .1 | .4 | .4 | .3 |
| South Africa----- | .4 | <u>12</u> / | .2 | .4 | .1 |
| Average----- | 4.7 | 9.3 | 11.3 | 12.8 | 12.5 |

1/ Affirmative preliminary determination by the Commission (January 9, 1984) and negative preliminary LTFV determination by Commerce (May 1, 1984); petition withdrawn on June 14, 1984.

2/ Affirmative final subsidy determinations by Commerce and the Commission (June 1984) and countervailing duty order in effect. Affirmative preliminary LTFV determinations by the Commission (January 9, 1984) and Commerce (May 1, 1984).

3/ Countervailing duty investigation suspended on October 1, 1982, following an agreement with Brazil to offset amount of subsidy with an export tax. Affirmative final LTFV determinations by Commerce and the Commission (October 1983) and antidumping duty order in effect.

4/ Countervailing duty investigation terminated on October 21, 1982, following the withdrawal of petitions in response to an export limiting arrangement.

5/ Countervailing duty investigation suspended in September 1982 following an agreement to eliminate the countervailable subsidies. Affirmative preliminary LTFV determinations by the Commission (January 9, 1984) and Commerce (May 1, 1984).

6/ Affirmative final subsidy determinations by Commerce and the Commission (December 1983) and countervailing duty order in effect. Affirmative final LTFV determinations by Commerce and the Commission (October 1983) and antidumping duty order in effect.

7/ Negative final subsidy determination by Commerce on May 1, 1984. Negative final LTFV determination by the Commission (August 28, 1984).

8/ Countervailing duty investigation terminated on October 21, 1982, following the withdrawal of petitions in response to an export limiting arrangement.

9/ Negative final LTFV determination by the Commission on February 14, 1983.

10/ Negative final subsidy determination by Commerce on May 1, 1984.

11/ Affirmative final subsidy determination by Commerce on September 27, 1982; countervailing duty order in effect.

12/ Less than 0.05 percent.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 18.--Carbon steel wire rod: Outstanding antidumping orders and pending antidumping investigations, with dumping margins as of Aug. 27, 1984, by countries and by companies, for selected periods, 1981-83, January-June 1983, and January-June 1984.

| Country and item | Effective date | Weighted-average margin | Date of bond | Ratio of imports to consumption | | | | |
|----------------------------|----------------|--|--------------|---------------------------------|------|------|----------------|-----------|
| | | | | 1981 | 1982 | 1983 | January-June-- | |
| | | | | | | | 1983 | 1984 |
| | | Percent | | | | | Percent | |
| Dumping order issued: | | | | | | | | |
| Brazil----- | Nov. 8, 1983 | Cosigua-49.61 | May 4, 1983 | 0.7 | 2.9 | 1.6 | 3.2 | <u>1/</u> |
| | | Belgo-Mineria-76.49 | | | | | | |
| | | All other producers/ | | | | | | |
| | | importers/manufacturers-63.51 | | | | | | |
| Trinidad and Tobago----- | Nov. 8, 1983 | 9.79- | May 4, 1983 | .1 | 1.5 | 1.4 | 1.5 | 1.2 |
| Pending before Commission: | | | | | | | | |
| Poland----- | July 20, 1984 | 36.8- | May 8, 1984 | - | .2 | .6 | .7 | - |
| Spain----- | May 8, 1984 | Empresa Nacional | May 8, 1984 | <u>1/</u> | .2 | 1.8 | 1.2 | 2.9 |
| | | Siderugica, S.A.-17.4: | | | | | | |
| | | Nueva Montana | | | | | | |
| | | Quijano, S.A.-13.7 | | | | | | |
| | | Forjas Alavesas-0 | | | | | | |
| | | All other producers/exporters/manufacturers-12.3 | | | | | | |
| | | <u>2/</u> | | | | | | |
| Argentina----- | May 8, 1984 | ACINDAR-176.1 | May 8, 1984 | .4 | .3 | 1.5 | 1.4 | 1.9 |

1/ Less than 0.05 percent.

2/ In order to prevent double collection of duties, as a result of both countervailing and antidumping decisions, actual duties collected are 0.71 percent from Ensidesa only.

Source: U.S. Department of Commerce.

Table 19.--Carbon steel wire rod: Outstanding countervailing duty orders, with countervailing margins, as of Aug. 27, 1984, by countries and by companies, for selected periods, 1981-83, January-June 1983, and January-June 1984.

| Country and item | Effective date | Weighted-average margin | Date of bond | Ratio of imports to consumption | | | | |
|--------------------------|----------------|---|----------------|---------------------------------|-----------|------|----------------|------|
| | | | | 1981 | 1982 | 1983 | January-June-- | |
| | | | | | | | 1983 | 1984 |
| | | Percent | | | | | | |
| CVD order issued: | | | | | | | | |
| Spain----- | July 10, 1984 | Empresa Nacional Siderugica, S.A.-29.94 | Feb. 24, 1984 | <u>1/</u> | 0.2 | 1.8 | 1.2 | 2.9 |
| | | Nueva Montana Quijano, S.A.-17.13 | | | | | | |
| | | Forjas Alavesas, S.A.-16.03 | | | | | | |
| | | All other producers/exporters/manufacturers 16.95 | | | | | | |
| Trinidad and Tobago----- | Jan. 4, 1984 | 6.738 | Oct. 20, 1983 | 0.1 | 1.5 | 1.4 | 1.5 | 1.2 |
| South Africa-- | Sept. 27, 1982 | Before Apr. 1, 1982-11.1 | July 14, 1982 | .4 | <u>1/</u> | .2 | .4 | .1 |
| | | After Apr. 1, 1982-0.35 <u>2/</u> | Sept. 27, 1982 | | | | | |

1/ Less than 0.05 percent.

2/ Presently, after preliminary first review the rate is 7.57. Customs is not collecting duties yet.

Source: U.S. Department of Commerce.

Prices

Prices of carbon steel wire rod depend on demand and supply conditions for wire and wire products. Such products include fencing, wire reinforcing mesh, welding rod, nails, bolts, springs, and a wide variety of articles used in construction and manufacturing. A decline in demand for these and many other products from mid-1981 through 1982 put downward pressures on sales and prices of these articles and, hence, on carbon steel wire rod sales and prices. Because declining demand increased competition among suppliers in the wire rod market, domestic producers reportedly sold their products far below list prices at all levels of distribution. Producers also reportedly sold wire rod that fell within wide ranges of specifications for essentially the same price. Freight equalization allowances--guarantees that the buyer will not pay higher shipping costs for goods from a more distant supplier than it would pay for goods from its closest supplier--also occurred.

Invoices received by the Commission in the prior wire rod investigations ^{1/} confirmed the freight equalization allowances and other discounts. These invoices show that, for purchasers of low-carbon steel wire rod, some domestic producers granted competitive price adjustments ranging from 14 to 36 percent of the total invoice value and competitive freight allowances ranging from * * * percent. In some instances, freight was absorbed, but no competitive allowances were granted. Invoices did not indicate the reason for these price adjustments.

Price trends.--The Commission requested f.o.b. mill price data from domestic producers and f.o.b. port-of-entry price data from Erlanger. Usable data were received from Erlanger and 11 producers. Price data for low-carbon steel wire rod, AISI grade 1008, 7/32 inch to 27/64 inch in diameter, are shown in table 20. Erlanger's prices are for Polish-produced material only and are adjusted for a freight-loading fee, which is included in U.S. producers' prices. * * *; Most carbon steel wire rod is shipped by commercial truck. Although rail rates are often cheaper than truck rates, trucking is usually the preferred method of transportation because wire rod so shipped is less subject to damage and many customers do not have rail unloading facilities. Inland transportation costs to purchasers via truck can range up to \$75 per ton. However, because there are U.S. producers in the regional markets where the Polish rod enters, the f.o.b. price comparisons reflect actual price competition.

Integrated domestic producers' f.o.b. prices rose from \$338 per short ton in January-March 1981 to \$346 per short ton in April-June 1981, and then fell irregularly to a low of \$282 per short ton in July-September 1983, or by 18.5 percent. Integrated producers' prices increased to \$335 per short ton in April-June 1984, or by 18.8 percent from July-September 1983.

Although nonintegrated domestic producers' f.o.b. prices were consistently lower than integrated producers' prices, they followed a similar declining trend. Nonintegrated domestic producers' prices increased by

^{1/} Carbon Steel Wire Rod from Brazil and Trinidad and Tobago, investigations Nos. 731-TA-113 and 114 (Final).

Table 20.—Carbon steel wire rod: U.S. producers' and Erlanger's weighted-average prices for low-carbon steel wire rod, AISI grade 1008, 7/32 inch to 27/64 inch in diameter, by quarters, January 1981-June 1984

| (Per short ton) | | | |
|-----------------|------------------------------|----------------|--------------------|
| Period | Domestic producers <u>1/</u> | | Erlanger <u>2/</u> |
| | Integrated | Non-integrated | |
| 1981: | | | |
| Jan.-Mar----- | \$338 : | \$311 : | <u>3/</u> |
| Apr.-June----- | 346 : | 315 : | <u>3/</u> |
| July-Sept----- | 343 : | 313 : | <u>3/</u> |
| Oct.-Dec----- | 338 : | 299 : | <u>3/</u> |
| 1982: | | | |
| Jan.-Mar----- | 330 : | 293 : | <u>3/</u> |
| Apr.-June----- | 285 : | 284 : | <u>3/</u> |
| July-Sept----- | 314 : | 277 : | <u>3/</u> |
| Oct.-Dec----- | 327 : | 274 : | *** |
| 1983: | | | |
| Jan.-Mar----- | 290 : | 271 : | *** |
| Apr.-June----- | 285 : | 255 : | *** |
| July-Sept----- | 282 : | 254 : | *** |
| Oct.-Dec----- | 283 : | 255 : | *** |
| 1984: | | | |
| Jan-Mar----- | 314 : | 271 : | <u>3/</u> |
| Apr.-June----- | 335 : | 294 : | <u>3/</u> |

1/ Domestic producers' prices are f.o.b. mill.

2/ Erlanger's prices are f.o.b. port-of-entry (ex-dock), adjusted for a freight-loading fee included in U.S. producers' prices.

3/ There were no imports during this period.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

1.3 percent from January-March 1981 to April-June 1981, but then decreased by 19.4 percent from April-June 1981 to July-September 1983. Prices decreased in every quarter from April-June 1981 to July-September 1983, before rising 0.4 percent in October-December 1983, 6.3 percent in January-March 1984, and 8.5 percent in April-June 1984.

As table 20 indicates, the importer's weighted-average prices declined * * * percent from October-December 1982 to October-December 1983. In January-June 1984, there were no imports of carbon steel wire rod from Poland.

Margins of underselling.—In every quarter for which data were received, importers' weighted-average prices were lower than domestic prices. Margins

of underselling for Polish wire rod ranged from * * * to * * * percent in comparison with non-integrated producers' prices and from * * * to * * * percent in comparison with integrated producers' prices.

Exchange rates.--The official exchange rate between the Polish zloty and the U.S. dollar bears little, if any, relationship to the relative purchasing power between the two currencies. Unlike the freely convertible currencies of most Western countries, the Polish zloty is an inconvertible currency whose value is set by the Polish government. The currencies of most non-market economies such as Poland are inconvertible because their home-market prices are often set for reasons other than having the marketplace allocate scarce resources. The government sets consumer prices to encourage consumption of desirable goods, and producer prices merely serve as an accounting device when goods pass from one state enterprise to another. When Poland exports goods to Western nations, the Polish goods are priced at market value, which is often substantially different than the price in Poland if it had been calculated using the official exchange rate. Thus, the relationship between the Polish price and the export price, which is nearly always in U.S. dollars, will be different for every transaction.

Lost sales

Domestic producers received questionnaires from the Commission requesting specific allegations of sales lost to imports from Poland. Usable responses were received from 3 producers. Four lost sales allegations, which involved 6,873 tons of wire rod imported in 1982-83, related specifically to the Polish product. Two additional allegations, which involved 8,329 tons, related to both Polish and Argentine wire rod. Total imports of Polish wire rod in this period were 28,237 tons. A summary of the lost sales inquiries follows:

| | | | | | | |
|--------------------------|---|---|---|---|---|---|
| <u>Purchaser 1.</u> ---* | * | * | * | * | * | * |
| <u>Purchaser 2.</u> ---* | * | * | * | * | * | * |
| <u>Purchaser 3.</u> ---* | * | * | * | * | * | * |
| <u>Purchaser 4.</u> ---* | * | * | * | * | * | * |
| <u>Purchaser 5.</u> ---* | * | * | * | * | * | * |
| <u>Purchaser 6.</u> ---* | * | * | * | * | * | * |

APPENDIX A

COMMERCE'S AND COMMISSION'S FEDERAL REGISTER NOTICES

cleaners, and toilet goods; cutlery, hand tools and hardware; plumbing and heating equipment, except electric; miscellaneous fabricated metal products; farm and garden machinery; construction and related machinery; metalworking machinery; general industrial machinery; office and computing machines; miscellaneous machinery, except electrical; motor vehicles and equipment; medical instruments and supplies; and toys and sporting goods.

2. *Export-Related Services.* To facilitate export trade in the Products, AEON also intends to provide the following services for Export Markets: consulting, international market research, advertising, marketing, insurance, product research and design exclusively for export, transportation, trade documentation and freight forwarding. AEON also expects to provide consulting services to facilitate the export of any products for suppliers who are operating in or entering the Export Markets.

Export Markets

The Export Markets include all parts of the world except the United States (the fifty states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands).

Export Trade Activities and Methods of Operation

1. AEON may enter into nonexclusive agreements with individual suppliers to act as an Export Intermediary for Products in Export Trade.

2. AEON may enter into agreements with individual suppliers of Products wherein:

- a. AEON may agree to serve as the exclusive Export Intermediary for Products in any Export Market and, in addition, may agree not to represent any competitors of such supplier for Products in any Export Market unless authorized by the supplier; and/or
- b. the supplier may agree not to sell, directly or indirectly through any other intermediary, into the Export Markets in which AEON exclusively represents the supplier as an Export Intermediary and, if such sales occur, to pay a commission to AEON.

The agreements described in this paragraph may contain price, territorial, quantity and customer restriction for Export Markets.

3. AEON may enter into nonexclusive agreements with individual entities in which those entities agree to act as

Export Intermediaries for AEON for Products in Export Trade.

4. AEON may enter into agreements with individual Export Intermediaries whereby:

a. AEON may agree to deal in Products in Export Markets exclusively through such Export Intermediaries; and/or

b. such Export Intermediaries may agree not to represent AEON's competitors in the sale of Products in any Export Markets or not to buy Products from AEON's competitors for resale in any Export Markets.

The agreements described in this paragraph may contain price, territorial, quantity and customer restrictions for the Export Markets.

5. AEON may enter into agreements with individual purchasers of Products located in any Export Market to act as an exclusive or non-exclusive Purchasing Agent for such purchases.

6. AEON may, from time to time, terminate any of the agreements described in paragraphs 1 through 5.

7. With respect to invitations to bid or sales opportunities in the Export Markets, AEON may:

- a. contact individual suppliers of the Products specified in the invitation to bid or the purchase specifications;
- b. distribute to each supplier bid requirements, bidding dates, purchase specifications and any other information provided by the prospective purchaser (subject to paragraph (a) of the Terms and Conditions of Certificate);
- c. solicit and receive independent quotations for the Products from individual suppliers; and/or
- d. enter into agreements with individual suppliers whereby AEON will submit a response to the invitation to bid or purchase specifications that proposes the supply of such supplier's Products.

8. AEON may consult with individual suppliers of Products for Export Markets and advise such suppliers, subject to paragraph (a) of the Terms and Conditions of Certificate, of information relevant to the sale of Products in Export Markets.

The Office of Export Trading Company Affairs is issuing this notice pursuant to 15 CFR 325.5(c), which requires the Department of Commerce to publish a summary of a certificate in the Federal Register. Under section 305(a) of the Act and 15 CFR 325.10(a), any person aggrieved by the Secretary's determination may, within 30 days of the date of this notice, bring an action in any appropriate district court of the United States to set aside the determination on the ground that the determination is erroneous.

A copy of each certificate will be kept in the International Trade Administration's Freedom of Information Records Inspection Facility, Room 4001-B, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, D.C. 20230. The certificates may be inspected and copied in accordance with regulations published in 15 CFR pt. 4. Information about the inspection and copying of records at this facility may be obtained from Patricia L. Mann, the International Trade Administration Freedom of Information Officer, at the above address or by calling 202-377-3031.

Dated: July 16, 1984.

Irving P. Margulies,
General Counsel.

[FR Doc. 84-19271 Filed 7-19-84; 8:45 am]
BILLING CODE 3510-DR-M

[A-455-002]

Carbon Steel Wire Rod From Poland: Final Determination of Sales at Less Than Fair Value

AGENCY: Import Administration,
International Trade Administration,
Commerce.

ACTION: Notice of Final Determination of Sales at Less Than Fair Value.

SUMMARY: We have determined that carbon steel wire rod (wire rod) from the Polish People's Republic (Poland) is being, or is likely to be, sold in the United States at less than fair value. We have notified the U.S. International Trade Commission (ITC) of our determination, and the ITC will determine, within 45 days of publication of this notice, whether a U.S. industry is materially injured, or threatened with material injury, by imports of this merchandise. We have directed the U.S. Customs Service to continue to suspend the liquidation of entries of the subject merchandise that are entered, or withdrawn from warehouse, for consumption, on or after May 8, 1984, and to require a cash deposit or bond for each such entry in an amount equal to the estimated dumping margin as described in the "Suspension of Liquidation" section of this notice.

EFFECTIVE DATE: July 20, 1984.

FOR FURTHER INFORMATION CONTACT:
Raymond Busen, Office of
Investigations, Import Administration,
International Trade Administration, U.S.
Department of Commerce, 14th Street
and Constitution Avenue, N.W.,
Washington, D.C. 20230; Telephone:
(202) 377-2830.

SUPPLEMENTARY INFORMATION:**Final Determination**

We have determined that wire from Poland is being, or is likely to be, sold in the United States at less than fair value, as provided in section 735 of the Tariff Act of 1930, as amended (19 U.S.C. 1673d) (the Act).

We found that the foreign market value of wire rod exceeded the United States price on 100 percent of the sales compared. These margins ranged from 28.0 percent to 65.9 percent. We have determined the weighted-average margin of sales at less than fair value to be 36.8 percent.

Case History

On November 23, 1983, we received a petition from counsel for Atlantic Steel Company, Continental Steel Co., Georgetown Steel Corp., North Star Steel Co.—Texas, and Raritan River Steel Company, on behalf of the domestic producers of wire rod. In compliance with the filing requirements of § 353.36 of our regulations (19 CFR 353.36), the petitioners alleged that imports of wire rod from Poland are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that these imports are causing material injury, or threaten material injury, to a United States industry.

After reviewing the petition, we determined that it contained sufficient grounds upon which to initiate an antidumping investigation. We notified the ITC of our action and initiated such an investigation on December 13, 1983 (48 FR 57579). On January 9, 1984, the ITC determined that there is a reasonable indication that imports of wire rod are causing material injury to a U.S. industry.

On February 6, 1984, we presented a questionnaire to Stalexport. On March 14 and 21, 1984, we received Stalexport's response. As discussed under the "Foreign Market Value" section of this notice, we have determined that Poland is a state-controlled economy country for the purpose of this investigation.

On May 1, 1984, we preliminarily determined that wire rod from Poland is being sold in the United States at less than fair value (49 FR 19545). On May 30, 1984, we verified Stalexport's response in regard to U.S. sales information at Stalexport's offices in Katowice, Poland. On June 1, 1984, we held a hearing to address the issues arising in this investigation.

Scope of Investigation

The merchandise covered by this investigation is carbon steel wire rod. The term "carbon steel wire rod" covers

wire rod of iron or steel other than alloy iron or steel, not tempered, not treated and not partly manufactured, and valued over 4 cents per pound, as currently provided for in item 607.17 of the *Tariff Schedules of the United States*.

Because Stalexport accounted for all exports of this merchandise to the United States, we limited our investigation to that firm. We investigated all sales of wire rod for calendar year 1983.

Fair Value Comparison

To determine whether sales of the subject merchandise in the United States were made at less than fair value, we compared the United States price with the foreign market value.

United States Price

As provided in section 772 of the Act, we used the purchase price of the subject merchandise to represent the United States price for sales by Stalexport because the merchandise was sold to unrelated purchasers prior to its importation into the United States.

We calculated the purchase price based on the c. & f. or f.o.b. packed price to unrelated purchasers. We made deductions, where appropriate, for ocean freight. Our preliminary determination based costs for packing, foreign inland freight and insurance, and brokerage on the Polish exporter's charge in zlotys. Our verification also disclosed a charge for stowage, also in zlotys. Since prices in a state-controlled economy do not reflect economic reality, we now recognize that use of Polish charges was inappropriate. Accordingly, for purposes of this final determination, as best information available, we based the deduction for foreign inland freight on freight charges within Italy as obtained from the American Consulate in Milan, Italy, and the remaining deductions on estimates of average Italian costs as provided by a Departmental steel industry expert. We used Italian costs because among the countries we considered comparable to Poland, it was the only one from which we could obtain the needed data.

As stated above, in state-controlled economies, supply and demand forces do not operate to produce prices upon which the Department can rely for comparison purposes. S. Rep. No. 93-1293, 93d Cong., 2d Sess. 174 (1974). This, combined with the non-convertibility of the zloty, could produce claims for deductions or additions to U.S. price that are artificial. Because of these types of problems, section 773(c) of the Act precludes the use of state-controlled economy prices to determine

foreign market value. Although the statute is silent with respect to deductions or additions to U.S. price, we do not believe that this silence precludes us from adopting an approach that is more consistent with the intent behind the special provision for state-controlled economies.

Foreign Market Value

In accordance with section 773(c)(1)(B) of the Act, we used surrogate prices of wire rod imported to the United States to determine foreign market value. Petitioners alleged that Poland is a state-controlled economy country and that sales of the subject merchandise from that country do not permit a determination of foreign market value under section 773(a), citing the prior investigation of Certain Carbon Steel Plate from Poland (44 FR 23619 (1979)). After an analysis of Poland's economy and a consideration of the briefs submitted by the parties, we have concluded that Poland is a state-controlled economy country for purposes of this investigation. Central to our decision on this issue is the fact that the central government of Poland strictly controls the prices and levels of production of the Polish steel industry, as well as the internal pricing of the factors of production.

As a result, section 773(c) of the Act requires us to use prices or the constructed value of such or similar merchandise in a "non-state-controlled economy" country. Our regulations establish a preference for foreign market value based upon sales prices. They further stipulate that, to the extent possible, we should determine sales prices on the basis of prices in a "non-state-controlled economy" country at a stage of economic development comparable to the country with the state-controlled economy.

After an analysis of countries producing wire rod, we determined that Greece, Spain, and Italy would be appropriate surrogates. For the purposes of our preliminary determination, we decided against the use of Spain because of concurrent antidumping and countervailing duty investigations in that country and the possibility that its domestic wire rod industry was dumping or being subsidized by the Spanish government. We learned only shortly before our preliminary determination that the Greek firms we had contracted would not cooperate in our investigation. We then approached Italian firms as possible surrogates, but were unable to obtain cooperation in our investigation.

Therefore, for purposes of the May 1, 1984, preliminary determination (49 FR 19545), and pursuant to § 353.8(a)(1) of our regulations, we based foreign market value on the average ex-mill price of all imports of wire rod into the United States from January through March 1983, excluding imports from Poland and the German Democratic Republic (the economy of which has been considered in previous investigations to be state-controlled), from countries currently covered by antidumping or countervailing duty orders or suspension agreements, and from countries currently covered by the United States-European Communities Steel Arrangement and for which we published final affirmative countervailing duty determinations (e.g., Belgium and France). As the best information available, we based ex-mill prices on Departmental census data.

For purposes of this final determination, we have found that our average price in the preliminary determination contained prices for wire rod which was not of the same grade (low carbon) as that exported by Poland. Only Australia, Canada, and Sweden were found to export low carbon wire rod. Since, of these three countries, Australia's economy has been found to be at the most comparable level of economic development as that of Poland, we have based our foreign market value calculations on the average Australian ex-mill price of low carbon wire rod for export to resellers in the United States. We considered only low carbon wire rod to resellers because that is the quality of wire rod which Poland exported to the United States through resellers during the period investigated. We gathered average price information from Departmental Special Summary Steel Invoice (SSSI) statistics, which was the best information available. We made deductions for ocean freight and marine insurance. We also made an adjustment to foreign market value to reflect the difference between commissions paid on Polish sales to the United States and the SSSI average price figure, which contained no commissions.

Verification

In accordance with section 776(a) of the Act, we verified the information used in making this determination by using standard verification procedures, including on-site examination of records and selection of original source documentation containing relevant information.

Comments

Comment 1

Counsel for Stalexport states that our preliminary determination was erroneous in that we did not base foreign market value on sales in a comparable country, in spite of the fact that we had identified Spain, Greece, and Italy as having economies at a stage of economic development comparable to that of Poland.

Counsel for petitioners state that section 773(c) of the Act authorizes the Department, in an investigation involving imports from a state-controlled economy country, to base foreign market value on the prices at which such or similar merchandise of a market economy country or countries is sold to other countries, including the United States. The Department's use, therefore, of an average value of prices of wire rod imports to the United States from non-state-controlled economy countries (other than those subject to an unfair trade determination) is clearly justified by this statute.

DOC Position

As explained in the "Foreign Market Value" section of this notice, for purposes of this final determination, we based foreign market value on the average ex-mill price of all imports of low carbon wire rod (the type of wire rod exported by Poland to the United States) to resellers in the United States from Australia, a country whose economy has been determined to be at the most comparable level of economic development as that of Poland.

This method, as well as the method used in our preliminary determination, is justified by the failure of companies in identified surrogate countries (Greece and Italy) to cooperate in this investigation. Section 776(b) provides that "whenever a party or any other person refuses . . . to produce information requested in a timely manner and in the form required," the Department may rely on the best information available. We consider the data used in this determination to be the best information available at this time.

We also note that Stalexport could have requested a postponement of the final determination pursuant to section 735(a)(2)(A) of the Act, which would have allowed the Department additional time in which to search for a cooperative surrogate. However, counsel for Stalexport expressly declined to request a postponement.

Comment 2

Counsel for Stalexport states that we failed to take into account the

differences between the physical characteristics of the wire rod exported from Poland and those of wire rod exported from other countries and used in our "market basket" of prices for our preliminary determination, although evidence of such differences has been presented to the Department.

Counsel for petitioners state that respondent's claim is for an adjustment to reflect the poor quality of Polish rod and the respondent has failed to identify physical differences between its wire rod and other imported wire rod sold in the United States.

DOC Position

Section 353.16 of our regulations authorizes an allowance for differences in the physical characteristics of the merchandise in the markets being compared. Evidence furnished by the respondent indicates that purchasers of wire rod rejected the wire rod because of difficulties in using it in their manufacturing process. We consider this to be a difference in quality rather than in physical characteristics. Therefore, having failed to identify physical differences between the Polish merchandise and that of any other foreign seller to the United States, no adjustment is warranted under section 353.16 of our regulations. Although we did not adjust for differences in physical characteristics, we based foreign market value on only low carbon wire rod because that is the grade of wire rod which Poland exported to the United States during the period investigated.

Comment 3

Counsel for Stalexport states that we failed to take into account that sales by Stalexport were to resellers who then resold the wire rod to users of the product and that these sales were at a different commercial level of trade than those sales in our preliminary determination "market basket" which included direct sales by exporters to end users.

Counsel for petitioners state that almost all foreign wire rod producers sell in the United States through middlemen, either distributors or brokers receiving commissions, and that these sales are made at a level of trade comparable to those of the respondent. Counsel further states that even if there are sales included in the "basket" at a level of trade different than respondent's, it would be necessary to identify the different levels of trade involved and ascertain which sales are made at each level and there would have to be evidence that prices at the two levels differed due to different

selling costs as between the two levels. Petitioners contend that none of the evidence to support an adjustment is now in the record.

DOC Position

As explained in the "Foreign Market Value" section of this notice, we computed foreign market value by using only those sales to the United States which were to resellers.

Comment 4

Counsel for petitioners state that the foreign market value methodology adopted in our preliminary determination should be retained and object to any change in the current methodology.

DOC Position

After further examination of our "market basket," we determined that only three countries in the basket, Australia, Canada, and Sweden, exported low carbon wire rod, the same type of wire rod that Poland exported to the United States. Since, of these three countries, Australia's economy has been found to be at the most comparable level of economic development as that of Poland, we used Departmental information obtained from SSSI as the best information available and based foreign market value on an average ex-mill price of all imports of wire rod from that country.

Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the United States Customs Service to continue to suspend liquidation of all entries of wire rod from Poland that are entered, or withdrawn from warehouse, for consumption, on or after May 8, 1984. The Customs Service shall continue to require a cash deposit or the posting of a bond equal to the estimated weighted-average margin amount by which the foreign market value of the merchandise subject to this investigation exceeded the United States price, which was 36.8 percent of the f.o.b. value. This suspension of liquidation will remain in effect until further notice.

ITC Notification

In accordance with section 735(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all nonprivileged and nonconfidential information relating to this investigation. We will allow the ITC access to all privileged and confidential information in our files, provided the ITC confirms that it will not disclose such information, either publicly or

under an administrative protective order, without the written consent of the Deputy Assistant Secretary for Import Administration.

The ITC will determine whether these imports are causing material injury, or threaten material injury, to a U.S. industry within 45 days of the publication of this notice.

If the ITC determines that material injury does not exist, this proceeding will be terminated and all securities posted as a result of the suspension of liquidation will be refunded or cancelled. If, however, the ITC determines that such injury does exist, we will issue an antidumping order, directing Customs officers to assess an antidumping duty on wire rod from Poland entered, or withdrawn, for consumption after the suspension of liquidation, equal to the amount by which the foreign market value of the merchandise exceeds the U.S. prices.

This determination is being published pursuant to section 735(d) of the Act (19 U.S.C. 1673d(d)).

Dated: July 14, 1984.

Alan F. Holmer,
Deputy Assistant Secretary for Import
Administration.

[FR Doc. 84-19155 Filed 7-19-84; 9:45 am]

BILLING CODE 3510-06-M

[A-412-027]

Diamond Tips for Phonograph Needles From the United Kingdom; Final Results of Administrative Review of Antidumping Finding

AGENCY: International Trade Administration/Import Administration, Department of Commerce.

ACTION: Notice of Final Results of Administrative Review of Antidumping Finding.

SUMMARY: On April 30, 1984, the Department of Commerce published the preliminary results of its administrative review of the antidumping finding on diamond tips for phonograph needles from the United Kingdom. The review covers the two known exporters of this merchandise to the United States currently covered by the finding and the period April 1, 1982, through March 31, 1983.

† We gave interested parties an opportunity to submit oral or written comments on the preliminary results. We received no comments. Based on our analysis, the final results of review are the same as the preliminary results.

EFFECTIVE DATE: July 20, 1984.

FOR FURTHER INFORMATION CONTACT: Sheila Forbes or Robert J. Marenick,

Office of Compliance, International Trade Administration, U.S. Department of Commerce, Washington, D.C. 20230, telephone (202) 377-2923/5255.

SUPPLEMENTARY INFORMATION:

Background

On April 30, 1984, the Department of Commerce ("the Department") published in the Federal Register (49 FR 18338-9) the preliminary results of its administrative review of the antidumping finding on diamond tips for phonograph needles from the United Kingdom (37 FR 6665, April 1, 1972). The Department has now completed that administrative review.

Scope of the Review

Imports covered by the review are shipments of diamond tips for phonograph needles consisting individually of an almost microscopic chip of diamond bonded to steel and shaped to fit into the grooves of a phonograph record. Diamond tips for phonograph needles are currently classifiable under item 685.3400 of the Tariff Schedules of the United States Annotated. The review covers the two known exporters of British diamond tips to the United States currently covered by the finding and the period April 1, 1982, through March 31, 1983.

Final Results of the Review

We gave interested parties an opportunity to comment on the preliminary results. The Department received no written comments or requests for disclosure or a hearing. Based on our analysis, the final results of our review are the same as the preliminary results, and we determine that the following margins exist for the period April 1, 1982, through March 31, 1983:

| Manufacturer/Exporter | Margin (percent) |
|--------------------------------|------------------|
| Bauden Precision Diamonds Ltd. | 10 |
| Diamond Stylus Ltd. | 9.88 |

† No shipments during the period.

The Department shall determine, and the Customs Service shall assess, dumping duties on all appropriate entries. Individual differences between United States price and foreign market value may vary from the percentages stated above. The Department will issue appraisal instructions on each exporter directly to the Customs Service.

Further, as provided for in § 353.48(b) of the Commerce Regulations, a cash deposit of estimated antidumping duties based upon the above margins shall be required for those firms. For any

Copies of the presiding officer's initial determination and all other nonconfidential documents filed in connection with this investigation are available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 701 E Street NW., Washington, D.C. 20436, telephone 202-523-0161.

FOR FURTHER INFORMATION CONTACT: Gracia M. Berg, Esq., Office of the General Counsel, U.S. International Trade Commission, telephone 202-532-1627.

Issued: May 25, 1984.

By order of the Commission.

Kenneth R. Mason,
Secretary.

[FR Doc. 84-14536 Filed 5-30-84; 8:45 am]
BILLING CODE 7020-02-M

[Investigation No. 337-TA-176]

Certain Outboard Motors and Components Thereof; Commission Decision Not To Review Initial Determination Terminating Investigation on the Basis of Settlement Agreement

AGENCY: International Trade Commission.

ACTION: Notice is hereby given that the Commission has determined not to review an initial determination (I.D.) to terminate this investigation on the basis of a settlement agreement.

Authority: 19 U.S.C. 1337; 19 CFR 210.53 (c) and (h).

SUPPLEMENTARY INFORMATION: Notice of the I.D. was published in the Federal Register of May 2, 1984, 49 FR 18793.

Copies of the I.D. and all other nonconfidential documents filed in connection with this investigation are available for inspection during official business hours (8:45 a.m. to 5 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 701 E Street NW., Washington, D.C. 20436, telephone 202-523-0161.

FOR FURTHER INFORMATION CONTACT: Frank Schuchat, Esq. Office of the General Counsel, U.S. International Trade Commission, telephone 202-523-0421.

Issued: May 18, 1984.

By order of the Commission.

Kenneth R. Mason,
Secretary.

[FR Doc. 84-14543 Filed 5-30-84; 8:45 am]
BILLING CODE 7020-02-M

[Investigation No. 337-TA-193]

Certain Rowing Machines and Components Thereof; Order

Pursuant to my authority as Chief Administrative Law Judge of this Commission, I hereby designate Administrative Law Judge Janet D. Saxon as Presiding Officer in this investigation.

The Secretary shall serve a copy of this order upon all parties of record and shall publish it in the Federal Register.

Issued: May 18, 1984.

Donald K. Duvall,
Chief Administrative Law Judge.

[FR Doc. 84-14529 Filed 5-30-84; 8:45 am]
BILLING CODE 7020-02-M

[Investigation No. 337-TA-192]

Certain Spring Balanced Arm Lamp Heads; Order No. 1

Pursuant to my authority as Chief Administrative Law Judge of this Commission, I hereby designate Administrative Law Judge John J. Mathias as Presiding Officer in this investigation.

The Secretary shall serve a copy of this order upon all parties of record and shall publish it in the Federal Register.

Issued: May 18, 1984.

Donald K. Duvall,
Chief Administrative Law Judge.

[FR Doc. 84-14530 Filed 5-30-84; 8:45 am]
BILLING CODE 7020-02-M

[Investigation No. 337-TA-150]

Certain Self-Stripping Electrical Tap Connectors; Issuance of Exclusion Order

AGENCY: International Trade Commission.

ACTION: Notice is hereby given that the Commission has issued a general exclusion order in the above-captioned investigation.

Authority: 19 U.S.C. 1337.

SUPPLEMENTARY INFORMATION: The presiding officer issued an initial determination on January 11, 1984, in which she determined that there has been a violation of section 337 in the unauthorized importation and sale of certain self-stripping electrical tap connectors by reason of infringement of claim 1 of U.S. Letters Patent 3,388,370, owned by complainant Minnesota Mining and Manufacturing Company, Inc., the effect and tendency of which importation and sale was to

substantially injure the relevant domestic industry.

On February 25, 1984, the Commission determined not to review the presiding officer's initial determination, thereby allowing it to become the Commission determination on violation of section 337. The Commission requested written submissions on the issues of remedy, the public interest, and bonding from the parties, other government agencies, and the public. Complainant and the Commission investigative attorney filed written submissions; no other submissions were received.

Copies of the Commission's Action and Order, its Opinion, and all other non-confidential documents filed in connection with this investigation are available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 701 E Street NW., Washington, D.C. 20436, telephone 202-523-0161.

FOR FURTHER INFORMATION CONTACT: Judith M. Czako, Esq., Office of the General Counsel, U.S. International Trade Commission, telephone 202-523-3395.

Issued: May 24, 1984.

By order of the Commission.

Kenneth R. Mason,
Secretary.

[FR Doc. 84-14574 Filed 5-30-84; 8:45 am]
BILLING CODE 7020-02-M

[Investigations Nos. 731-TA-157, 159, and 160 (Final)]

Carbon Steel Wire Rod From Argentina, Poland, and Spain

AGENCY: International Trade Commission.

ACTION: Institution of final antidumping investigations and scheduling of a hearing to be held in connection with the investigations.

EFFECTIVE DATE: May 8, 1984.

SUMMARY: As a result of affirmative preliminary determinations by the U.S. Department of Commerce that there is a reasonable basis to believe or suspect that imports from Argentina, Poland, and Spain of carbon steel wire rod, provided for in item 607.17 of the Tariff Schedules of the United States, are being, or are likely to be, sold in the United States at less than fair value (LTFV) within the meaning of section 731 of the Tariff Act of 1930 (19 U.S.C. 1673), the United States International Trade Commission hereby gives notice of the institution of investigations Nos. 731-TA-157, 159, and 160 (Final) under

section 735(b) of the act (19 U.S.C. 1673d(b)) to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of such merchandise. Unless the investigations are extended, the Department of Commerce will make its final dumping determinations in these cases on or before July 16, 1984, and the Commission will make its final injury determinations by September 4, 1984 (19 CFR 207.25).

FOR FURTHER INFORMATION CONTACT: Larry Reavis (202-523-0296), Office of Investigations, U.S. International Trade Commission.

SUPPLEMENTARY INFORMATION:

Background

On January 9, 1984, the Commission notified the Department of Commerce that, on the basis of the information developed during the course of its preliminary investigations, there was a reasonable indication that an industry in the United States was materially injured by reason of alleged LTFV imports of carbon steel wire rod from Argentina, Poland, and Spain. The preliminary investigations were instituted in response to a petition filed on November 23, 1983, by the Atlantic Steel Co., Continental Steel Co., Georgetown Steel Corp., North Star Steel Co., Texas, and Raritan River Steel Co.

Participation in the investigations

Persons wishing to participate in these investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's Rules of Practice and Procedure (19 CFR 201.11), not later than 21 days after the publication of this notice in the **Federal Register**. Any entry of appearance filed after this date will be referred to the Chairman, who shall determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

Upon the expiration of the period for filing entries of appearance, the Secretary shall prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations, pursuant to § 201.11(d) of the Commission's rules (19 CFR 201.11(d)). Each document filed by a party to these investigations must be served on all other parties to the investigations (as identified by the service list), and a certificate of service must accompany the document. The Secretary will not

accept a document for filing without a certificate of service (19 CFR 201.16(c)).

Staff report

A public version of the staff report containing preliminary findings of fact in these investigations will be placed in the public record on July 16, 1984, pursuant to § 207.21 of the Commission's rules (19 CFR 207.21).

Hearing

The Commission will hold a hearing in connection with these investigations beginning at 10:00 a.m., on July 31, 1984, at the U.S. International Trade Commission Building, 701 E Street NW., Washington, D.C. 20436. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m.) on July 20, 1984. All persons desiring to appear at the hearing and make oral presentations should file prehearing briefs and attend a prehearing conference to be held at 10:00 a.m., on July 25, 1984, in room 117 of the U.S. International Trade Commission Building. The deadline for filing prehearing briefs is July 26, 1984.

Testimony at the public hearing is governed by § 207.23 of the Commission's rules (19 CFR 207.23). This rule requires that testimony be limited to a nonconfidential summary and analysis of material contained in prehearing briefs and to information not available at the time the prehearing brief was submitted. All legal arguments, economic analyses, and factual materials relevant to the public hearing should be included in prehearing briefs in accordance with § 207.22 (19 CFR 207.22). Posthearing briefs must conform with the provisions of § 207.24 (19 CFR 207.24) and must be submitted not later than the close of business on August 7, 1984.

Written submissions

As mentioned, parties to these investigations may file prehearing and post hearing briefs by the dates shown above. In addition, any person who has not entered an appearance as a party to these investigations may submit a written statement of information pertinent to the subject of the investigations on or before August 7, 1984. A signed original and fourteen (14) true copies of each submission must be filed with the Secretary to the Commission in accordance with § 201.8 of the Commission's rules (19 CFR 201.8). All written submissions except for confidential business data will be available for public inspection during regular business hours (8:45 a.m. to 5:15

p.m.) in the Office of the Secretary to the Commission.

Any business information for which confidential treatment is desired shall be submitted separately. The envelope and all pages of such submissions must be clearly labeled "Confidential Business Information." Confidential submissions and requests for confidential treatment must conform with the requirements of § 201.6 of the Commission's rules (19 CFR 201.6).

For further information concerning the conduct of these investigations, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, subparts A and C (19 CFR Part 207), and Part 201, subparts A through E (19 CFR Part 201).

This notice is published pursuant to § 207.20 of the Commission's rules (19 CFR 207.20).

Issued: May 23, 1984.

By order of the Commission.

Kenneth R. Mason,
Secretary.

[FR Doc. 84-14532 Filed 5-30-84; 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. 337-TA-191]

Certain Stretch Wrapping Apparatus and Components Thereof; Order No. 1

Pursuant to my authority as Chief Administrative Law Judge of this Commission, I hereby designate Administrative Law Judge Donald K. Duvall as Presiding Officer in this investigation.

The Secretary shall serve a copy of this order upon all parties of record and shall publish it in the **Federal Register**.

Issued: May 18, 1984.

Donald K. Duvall,
Chief Administrative Law Judge.

[FR Doc. 84-14542 Filed 5-30-84; 8:45 am]

BILLING CODE 7020-02-M

[Investigation No. 337-TA-186]

Certain Tennis Rackets; Commission Decision Not To Review Initial Determination Terminating Respondent

AGENCY: International Trade Commission.

ACTION: The Commission has determined not to review an initial determination (ID) to terminate Kneissel, Inc. (Kneissel), as a respondent in the above-captioned investigation.

APPENDIX B
CALENDAR OF PUBLIC HEARING

TENTATIVE CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject : Carbon Steel Wire Rod from Poland

Inv. No. : 731-TA-159 (Final)

Date and time : July 31, 1984 - 10:00 a.m.

Sessions were held in connection with the investigation in the Hearing Room of the United States International Trade Commission, 701 E Street, N.W., in Washington.

In support of the imposition of antidumping duties:

Fried, Frank, Harris, Shriver & Kampelman--Counsel
Washington, D.C.
Patton, Boggs & Blow--Counsel
Washington, D.C.
on behalf of

Atlantic Steel Company, Continental Steel Corporation,
Georgetown Steel Corporation, North Star Steel Texas, Inc.,
and Raritan River Steel Company

Richard C. Holzworth, Georgetown Steel Corporation

Fried, Frank, Harris, Shriver & Kampelman

David E. Birenbaum)
Alan G. Kashdan)--OF COUNSEL

Patton, Boggs & Blow

Charles Owen Verrill, Jr.)
Frank R. Samolis)--OF COUNSEL
Michael D. Esch)

Herzfeld & Rubin--Counsel
New York, N.Y.
on behalf of

Stalexport (the exporter from Poland)

Professor Joel B. Dirlam

Hans Muller, Vice President, International Steel
Trading, Erlanger & Company, Inc.

Herzfeld & Rubin

Theodore Ness)
Daniel V. Gsovski) --OF COUNSEL

Graubard, Moskovitz & McCauley

Beatrice Brickell--OF COUNSEL

