

# **CARBON STEEL WIRE ROD FROM ARGENTINA, MEXICO, POLAND, AND SPAIN**

**Determination of the Commission in  
Investigation No. 701-TA-209  
(Preliminary) Under the Tariff Act of  
1930, Together With the Information  
Obtained in the Investigation**

**Determinations of the Commission in  
Investigations Nos. 731-TA-157-160  
(Preliminary) Under the Tariff Act of  
1930, Together With the Information  
Obtained in the Investigations**

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# **UNITED STATES INTERNATIONAL TRADE COMMISSION**

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# C O N T E N T S

	<u>Page</u>
Determinations-----	1
Views of Commissioners Stern, Haggart, and Lodwick-----	3
Views of Chairman Alfred E. Eckes-----	11
Information obtained in the investigations:	
Introduction-----	A-1
Previous investigations-----	A-2
The product:	
Description and uses-----	A-3
The imported product-----	A-6
The domestic product-----	A-7
U.S. tariff treatment-----	A-7
Nature and extent of alleged subsidies and sales at LTFV:	
Argentina-----	A-8
Mexico-----	A-8
Poland-----	A-8
Spain-----	A-9
Subsidies-----	A-9
LTFV sales-----	A-9
Channels of distribution-----	A-9
U.S. producers-----	A-10
U.S. importers-----	A-10
Consideration of alleged material injury:	
Current status of domestic industry-----	A-12
U.S. production, capacity, and capacity utilization-----	A-13
U.S. producers' shipments-----	A-16
U.S. exports-----	A-18
Inventories-----	A-19
Apparent U.S. consumption-----	A-20
U.S. employment, wages, and productivity-----	A-22
Financial experience of U.S. producers:	
Operations on carbon steel wire rod-----	A-26
Cash flow from operations-----	A-30
Value of plant, property, and equipment (investment in productive facilities)-----	A-31
Capital expenditures-----	A-32
Research and development expenses-----	A-32
Consideration of alleged threat of material injury:	
U.S. importers' inventories-----	A-32
Capacity of foreign producers to generate exports and the availability of export markets other than the United States:	
Argentina-----	A-33
Mexico-----	A-33
Poland-----	A-33
Spain-----	A-34
Consideration of the causal relationship between allegedly subsidized and LTFV imports and the alleged material injury or threat thereof:	
U.S. imports:	
All sources-----	A-34
Argentina-----	A-36

## CONTENTS

Information obtained in the investigations--Continued	
Consideration of the causal relationship between allegedly subsidized and LTFV imports and the alleged material injury or threat thereof--Continued	
U.S. imports--Continued	<u>Page</u>
Mexico-----	A-36
Poland-----	A-36
Spain-----	A-36
All countries subject to active countervailing and antidumping investigations-----	A-36
Market penetration of imports:	
All sources-----	A-40
Argentina-----	A-41
Mexico-----	A-41
Poland-----	A-42
Spain-----	A-42
All countries subject to active countervailing duty and antidumping investigations-----	A-42
Prices-----	A-43
Price trends-----	A-44
Margins of underselling-----	A-46
Exchange rates-----	A-46
Lost sales-----	A-47
Argentina-----	A-48
Mexico-----	A-48
Poland-----	A-48
Spain-----	A-48
Appendix A. Notices of the Commission's institution of its preliminary investigations-----	A-51
Appendix B. The Department of Commerce's notices of its investigations--	A-53
Appendix C. Calendar of witnesses at the Commission's public conference--	A-59
Appendix D. Supplementary statistical tables-----	A-63

## Tables

1. Carbon steel wire rod: U.S. producers, plant locations, capacity, and types of wire rod produced, 1982-----	A-11
2. Carbon steel wire rod: U.S. production, by types of producers, 1980-82, January-August 1982, and January-August 1983-----	A-14



## CONTENTS

3. Carbon steel wire rod: U.S. production capacity and capacity utilization, by types of producers, 1980-82, January-August 1982, and January-August 1983-----	<u>Page</u> A-15
4. Carbon steel wire rod: U.S. producers' total shipments, by types of producers, 1980-82, January-August 1982, and January-August 1983-----	A-17
5. Carbon steel wire rod: U.S. producers' open-market shipments, by types of producers, 1980-82, January-August 1982, and January-August 1983-----	A-18
6. Carbon steel wire rod: U.S. producers' exports, by types of producers, 1980-82, January-August 1982, and January-August 1983-----	A-19
7. Carbon steel wire rod: U.S. producers' end-of-period inventories, by types of producers, 1980-82, January-August 1982, and January-August 1983-----	A-20
8. Carbon steel wire rod: U.S. producers' total shipments, imports for consumption, exports of domestic merchandise, and total apparent U.S. consumption, 1980-82, January-August 1982, and January-August 1983-----	A-21
9. Carbon steel wire rod: U.S. producers' open-market shipments, imports for consumption, exports of domestic merchandise, and apparent U.S. open-market consumption, 1980-82, January-August 1982, and January-August 1983-----	A-22
10. Average number of employees, total and production and related workers, in U.S. establishments producing carbon steel wire rod, and hours worked by and total compensation paid to such workers, by types of producers, 1980-82, January-August 1982, and January-August 1983-----	A-23
11. Labor productivity, hourly compensation, and unit labor costs in the production of carbon steel wire rod, by types of producers, 1980-82, January-August 1982, and January-August 1983-----	A-25
12. Profit-and-loss experience of 12 U.S. producers on their operations producing carbon steel wire rod, by types of producers, accounting years 1980-82, January-June 1982, and January-June 1983-----	A-27
13. Operating profit or (loss) margins of 12 U.S. producers of carbon steel wire rod as a share of net sales, total, and both excluding amortization of Raritan's startup costs and excluding all Raritan data, by types of producers, accounting years 1980-82, January-June 1982, and January-June 1983-----	A-28
14. Operating profit or (loss) margins of 12 U.S. producers on their carbon steel wire rod operations, with and without depreciation and amortization expenses, and pretax net profit or (loss) margin with and without interest expense and/or depreciation and amortization expenses, accounting years 1980-82, January-June 1982, and January-June 1983-----	A-29

## CONTENTS

	<u>Page</u>
15. Cash flow for 9 U.S. producers' operations producing carbon steel wire rod, by types of producers, accounting years 1980-82-----	A-31
16. 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 1980-82-----	A-31
17. Carbon steel wire rod: U.S. imports for consumption, by principal sources, 1980-82, January-August 1982, and January-August 1983----	A-35
18. Carbon steel wire rod: U.S. imports for consumption, from selected countries and from all other sources, 1980-82, January-August 1982, and January-August 1983-----	A-37
19. Carbon steel wire rod: U.S. imports for consumption by specified country groupings, 1980-82, January-August 1982, and January-August 1983-----	A-38
20. Carbon steel wire rod: U.S. imports for consumption, by sources and by quarters, January 1982-September 1983-----	A-39
21. Carbon steel wire rod: U.S. imports for consumption, by sources and by months, January 1982-October 1983-----	A-40
22. Carbon steel wire rod: U.S. imports for consumption from selected countries and from all other sources, 1980-82, January-August 1982, and January-August 1983-----	A-41
23. Carbon steel wire rod: Ratio of imports to apparent U.S. consumption and ratio of imports to apparent U.S. open-market consumption, 1980-82, January-August 1982, and January-August 1983-----	A-42
24. Carbon steel wire rod: U.S. producers' and importers' 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-September 1983-----	A-45
25. Indexes of nominal exchange rates relative to the U.S. dollar, by quarters, January 1981-September 1983-----	A-47
D-1. Carbon steel wire rod: U.S. production, by types of producers and by firms, 1980-82, January-August 1982, and January-August 1983-----	A-64
D-2. Carbon steel wire rod: U.S. production capacity, by types of producers and by firms, 1980-82, January-August 1982, and January-August 1983-----	A-64
D-3. Carbon steel wire rod: U.S. production capacity utilization, by types of producers and by firms, 1980-82, January-August 1982, and January-August 1983-----	A-64

## CONTENTS

	<u>Page</u>
D-4. Carbon steel wire rod: U.S. producers' total shipments, by types of producers and by firms, 1980-82, January-August 1982, and January-August 1983-----	A-64
D-5. Carbon steel wire rod: U.S. producers' commercial shipments, by types of producers and by firms, 1980-82, January-August 1982, and January-August 1983-----	A-64
D-6. Carbon steel wire rod: U.S. producers' domestic shipments, captive and noncaptive, by types of producers and by firms, 1980-82, January-August 1982, and January-August 1983-----	A-64
D-7. Carbon steel wire rod: Ratio of U.S. producers' captive shipments to total U.S. producers' shipments, by types of producers and by firms, 1980-82, January-August 1982, and January-August 1983-----	A-65
D-8. Carbon steel wire rod: U.S. producers' exports, by types of producers and by firms, 1980-82, January-August 1982, and January-August 1983-----	A-66
D-9. Carbon steel wire rod: U.S. producers' end-of-period inventories by types of producers and by firms, 1980-82, January-August 1982, and January-August 1983-----	A-66
D-10. Carbon steel wire rod: Average number of employees, total and production and related workers in U.S. establishments producing carbon steel wire rod, and hours worked by them, by types of producers and by firms, 1980-82, January-August 1982, and January-August 1983-----	A-66
D-11. Total compensation paid to U.S. production and related workers producing carbon steel wire rod, and unit labor related cost (total compensation) per short ton of wire rod produced, by types of producers and by firms, 1980-82, January-August 1982, and January-August 1983-----	A-66
D-12. Carbon steel wire rod: U.S. producers' productivity, by types of producers and by firms, 1980-82, January-August 1982, and January-August 1983-----	A-66
D-13. Profit-and-loss experience of U.S. producers on their operations producing carbon steel wire rod, by types of producers and by firms, accounting years 1980-82, January-June 1982, and January-June 1983-----	A-66
D-14. Operating profit or (loss) margins before depreciation and amortization expenses and pretax net profit or (loss) margins before interest expenses and/or depreciation and amortization expenses, by types of producers and by firms, accounting years 1980-82, January-June 1982, and January-June 1983-----	A-66

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.

Investigations Nos. 701-TA-209 (Preliminary)  
and 731-TA-157 through 160 (Preliminary)

CARBON STEEL WIRE ROD FROM ARGENTINA, MEXICO,  
POLAND, AND SPAIN

Determinations

On the basis of the record 1/ developed in the subject investigations, the Commission determines, pursuant to section 703(a) of the Tariff Act of 1930 (19 U.S.C. § 1671b(a)), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Spain of carbon steel wire rod, provided for in item 607.17 of the Tariff Schedules of the United States (TSUS), which are alleged to be subsidized by the Government of Spain (investigation No. 701-TA-209 (Preliminary)). 2/

The Commission also determines, pursuant to section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from the following countries of carbon steel wire rod, provided for in item 607.17 of the TSUS, which are alleged to be sold in the United States at less than fair value: Argentina (investigation No. 731-TA-157 (Preliminary)), Mexico (investigation No. 731-TA-158 (Preliminary)), Poland (investigation No. 731-TA-159 (Preliminary)), and Spain (investigation No. 731-TA-160 (Preliminary)). 2/

Background

On November 23, 1983, a petition was filed with the U.S. International Trade Commission and the U.S. Department of Commerce by counsel on behalf of

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

2/ Commissioner Stern also determines that there is a reasonable indication that an industry in the United States is threatened with material injury.

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 Spain, provided for in item 607.17 of the Tariff Schedules of the United States (TSUS), are being subsidized. Petitions were also filed on behalf of the same firms alleging that imports of carbon steel wire rod provided for in TSUS item 607.17, from Argentina, Mexico, Poland, and Spain are being sold in the United States at less than fair value. Accordingly, effective November 23, 1983, the Commission instituted preliminary countervailing and antidumping investigations under sections 703(a) and 733(a), respectively, of the Tariff Act of 1930 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 of such merchandise.

Notice of the institution of the Commission's investigations and of the public conference 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 November 30, 1983 (48 F.R. 54139). The conference was held in Washington, D.C., on December 14, 1983, and all persons who requested the opportunity were permitted to appear in person or by counsel.

## VIEWS OF COMMISSIONERS STERN, HAGGART, AND LODWICK

On the basis of the record in these investigations, we conclude that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of carbon steel wire rod from Argentina, Mexico, Poland, and Spain, which are allegedly being sold at less than fair value (LTFV). 1/ We also determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of carbon steel wire rod from Spain which are allegedly subsidized by the Government of Spain. 2/

In the following analysis, we determine the appropriate domestic industry for the purpose of making a material injury assessment and examine the condition of the domestic industry in terms of relevant economic indicators. We then examine the imports under investigation on a country-by-country basis and describe the causal relationship between the condition of the domestic industry and the competition with these imports. Based primarily on the recent increase in import penetration and the low import prices in each of these cases, we have made affirmative determinations.

The domestic industry

As a threshold matter, the Commission is required to identify the domestic industry to be examined for the purpose of making a material injury

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1/ Commissioner Stern also determines that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of allegedly LTFV imports of carbon steel wire rod from Argentina, Mexico, Poland, and Spain. The affirmative determinations were based on the cumulation of imports.

2/ Commissioner Stern also determines that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of allegedly subsidized imports of carbon steel wire rod from the Government of Spain.

assessment. 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." <sup>3/</sup> "Like product," in turn, is defined as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article under investigation." <sup>4/</sup>

The imports subject to investigation are carbon steel wire rod, which is produced in a variety of different grades, sizes, and qualities. <sup>5/</sup> As we have found in previous investigations involving carbon steel wire rod, the product can be differentiated on the basis of carbon content, i.e., low, medium-high, and high carbon steel wire rod. <sup>6/</sup> Carbon steel wire rod can also be differentiated based on the process of manufacturing. "Rimmed" rod is produced by the ingot method and "cast" rod is produced by the continuous casting method.

Domestic producers manufacture and sell low, medium-high, and high carbon steel wire rod. The domestic wire rod is either rimmed or cast wire rod. We have determined that the three types of carbon steel wire rod based on carbon content--low, medium-high, and high carbon steel wire rod--are separate like products. <sup>7/</sup> As we have determined in previous investigations, we conclude that cast and rimmed wire rod are not separate like products.

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<sup>3/</sup> 19 U.S.C. 1677(4)(A).

<sup>4/</sup> 19 U.S.C. 1677(10).

<sup>5/</sup> Imports from the subject countries consist of low and high-carbon wire rod produced by both the cast and ingot methods. Report at A-6.

<sup>6/</sup> See Views of the Commission, Carbon Steel Wire Rod From Brazil and Trinidad and Tobago, Invs. Nos. 731-TA-113 (Final) and 114 (Final), USITC Pub. 1444 (1983).

<sup>7/</sup> Id. at 6-7.



Although we have found three like products, i.e., low, medium-high, and high carbon steel wire rod, the Commission did not have data concerning profitability or employment on the basis of low, medium-high, and high carbon steel wire rod. <sup>8/</sup> Since the available data do not permit the identification of separate like products on the basis of carbon content, the impact of the imports under investigation is assessed under section 771(4)(D) of the Act by examining the domestic production of the narrowest group of products which includes the like products. <sup>9/</sup> <sup>10/</sup> The narrowest group of domestically produced products which includes the three like products is all carbon steel wire rod. The domestic industry, therefore, consists of the producers of all carbon steel wire rod.

#### Condition of the domestic industry

The U.S. industry producing carbon steel wire rod has been experiencing difficulties during the entire period under investigation. Although various economic indicators suggest that there has been an upturn in 1983, data for January-August 1983 indicate that the industry has not returned to 1980 levels of performance. Carbon steel wire rod is a fungible and price sensitive product within each of the three carbon categories. Our specific findings with respect to the condition of the domestic industry for the period 1980 through January-August 1983 are found in Carbon Steel Wire Rod from Brazil and

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<sup>8/</sup> Report at A-22-A-32.

<sup>9/</sup> 19 U.S.C. 1677(4)(D).

<sup>10/</sup> Commissioner Stern notes that while the data in these preliminary cases for the domestic industries' profitability and employment on the basis of low, medium-high, and high carbon steel rod were unavailable, the Commission's staff will attempt, if these investigations go on to the final stage, to obtain the relevant profitability and employment data on the basis of carbon content.

Trinidad and Tobago, Invs. Nos. 731-TA-113 (Final) and 731-TA-114

(Final). 11/ For the purpose of these preliminary investigations, we adopt those findings. 12/

#### Carbon Steel Wire Rod from Argentina

We determine that there is a reasonable indication that imports from Argentina, allegedly sold at LTFV, have caused material injury to the domestic carbon steel wire rod industry. Our decision is based on the sharp increase in imports during the period 1981-1983, the declining unit value of the imports, 13/ and confirmation that purchasers of the Argentine product bought it in lieu of the domestic product for price-related reasons.

No imports of carbon steel wire rod from Argentina were reported in 1980. 14/ Imports in 1981 and 1982 amounted to only 0.4 percent and 0.3 percent of apparent domestic consumption, respectively. As a share of apparent open-market consumption, imports from Argentina accounted for 0.6 and 0.4 percent. 15/ Imports increased significantly to 1.5 percent of total

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11/ USITC Pub. 1444, at 8-13.

12/ During the public conference held in connection with these preliminary investigations, it was argued by counsel representing the parties in opposition to the petitions that the condition of the domestic industry has improved since the Commission's final determination of material injury in the recent investigations involving imports of carbon steel wire rod from Brazil and Trinidad and Tobago. The Commission has obtained limited information in the context of these preliminary investigations which indicates that although domestic shipments have increased in recent months, the domestic producers continue to experience excess capacity, depressed prices, and low profits. Report at A-12-A-13.

13/ During this preliminary investigation, the Commission was unable to gather pricing information on the Argentine products. Although possible changes in the product mix of the imports make unit value data less reliable than price information, the unit value information is the best available information concerning the prices of these products. If this case is returned to the Commission for a final investigation, the Commission will attempt to gather delivered prices of Argentine products.

14/ Report at A-36.

15/ Id. at A-41.

apparent consumption and 1.9 percent of apparent open-market consumption for the period January-August 1983. 16/ The average unit value of these imports decreased throughout the period, declining from \$334 per short ton in 1981, to \$240 in 1982, and to \$208 per short ton during January-August 1983. 17/ Two domestic purchasers acknowledged purchasing some quantity of the imported material rather than domestic product in part due to the lower prices of the imported product. 18/ 19/

#### Carbon Steel Wire Rod from Mexico

We determine that there is a reasonable indication that imports of carbon steel wire rod from Mexico, allegedly sold at LTFV, have caused material injury to the domestic carbon steel wire rod industry. Our decision is based on the sharp increase in imports since 1982, margins of underselling, and a confirmed instance of sales lost by the domestic industry.

No imports of carbon steel wire rod from Mexico were reported in 1980 and 1981. 20/ In 1982, 30,000 tons of the Mexican wire rod were imported. These imports accounted for 0.8 percent of total apparent consumption and 1.0

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16/ Id.

17/ Id. at A-36.

18/ Report at A-47-A-49.

19/ Various counsel for those in opposition to the petitions have argued that the Commission should focus on imports sold to West Coast customers because the U.S. producers cannot be competitive with such imports and sales to West Coast purchasers. The vast majority of imports from Mexico and a significant amount of imports from Argentina and Spain were entered through ports located on the West Coast. The information available to the Commission as of the date of these preliminary determinations indicates that certain domestic producers have sold carbon steel wire rod to West Coast purchasers during the period of investigation. Report at A-39. Certain producers also reported declining sales to their West Coast customers allegedly because of import competition. Report at A-13. If these investigations return, the Commission will explore more thoroughly the role of the subject imports in the "West Coast market."

20/ Id. at A-36.

percent of apparent open-market consumption. 21/ In January-August 1983, imports from Mexico rose to 57,000 tons, representing 2.0 percent and 2.4 percent, respectively, of total and open-market consumption. 22/ In each quarter since July-September 1982, the weighted-average prices for the imports were below domestic prices. 23/ For the April-June and July-September 1983 quarters, these imports were below domestic prices as well as the weighted-average prices for imports from Argentina, Poland, and Spain. 24/ A domestic purchaser acknowledged purchasing the Mexican product in lieu of domestically produced carbon steel wire rod on the basis of a lower price. 25/ 26/

#### Carbon Steel Wire Rod from Poland

We determine that there is a reasonable indication that imports of carbon steel wire rod from Poland, allegedly sold at LTFV, have caused material injury to the domestic carbon steel wire rod industry. Our decision is based on the sharp increase in imports since 1982 and margins of underselling.

No imports of carbon steel wire rod from Poland were reported in 1980 and 1981. 27/ Although imports from Poland only amounted to 0.2 percent of apparent domestic consumption in 1982, 28/ the absolute amount of imports from Poland increased by 150 percent between 1982 and the January-August period of 1983. 29/ Poland's share of open-market consumption rose from 0.2 percent in

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21/ Id. at A-41.

22/ Id. at A-36-A-37.

23/ Id. at A-46.

24/ Id.

25/ Id. at A-49.

26/ See, *supra*, note 19.

27/ Id. at A-36.

28/ Id. at A-42.

29/ Id. at A-36.

1982 to 0.9 percent in January-August 1983. From the October-December quarter of 1982 through the July-September 1983 quarter, imports from Poland undersold domestic carbon steel wire rod. 30/

#### Carbon Steel Wire Rod from Spain

We determine that there is a reasonable indication that imports of carbon steel wire rod from Spain, allegedly sold at LTFV and allegedly subsidized by the Government of Spain, have caused material injury to the domestic carbon steel wire rod industry. Our decision is based on the sharp increase in imports during the period January-August 1983 compared with the same period in 1982, margins of underselling, and lost sales information.

Imports from Spain increased from nearly 6,700 short tons in 1982 to nearly 53,000 short tons during the January-August 1983 period. 31/ Until 1983, the market share represented by Spanish imports was small. During the period January-August 1983, however, such imports represented 1.9 percent of total consumption and 2.3 percent of open-market consumption. Imports of low-carbon wire rod undersold domestically produced low-carbon steel wire rod in each quarter from January-March 1983 through July-September 1983. 32/ A domestic purchaser acknowledged purchasing the Spanish product in lieu of domestically produced carbon steel wire rod in part on the basis of lower price. 33/ 34/

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30/ Id. at A-46.

31/ Id. at A-36.

32/ Id. at A-46. Price comparisons on high-carbon steel wire rod were not available. If this case is returned to the Commission for a final investigation, the Commission will attempt to gather delivered prices on domestically produced and imported Spanish high-carbon steel wire rod.

33/ Id. at A-48.

34/ See, supra, note 19.

### Conclusion

Based on the foregoing analysis, we determine that the available data support the conclusions, made on a country-by-country basis, that a reasonable indication of material injury exists by reason of the imports subject to these investigations.

## VIEWS OF CHAIRMAN ALFRED E. ECKES

On the basis of the record developed in investigation No. 701-TA-209 (Preliminary), I determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of carbon steel wire rod from Spain which are allegedly subsidized. Further, on the basis of the record developed in investigations Nos. 731-TA-157 (Preliminary), 731-TA-158 (Preliminary), 731-TA-159 (Preliminary) and 731-TA-160 (Preliminary), I determine that there is a reasonable indication that an industry in the United States is materially injured by reason of imports from Argentina, Mexico, Poland, and Spain, respectively, which are allegedly sold at less than fair value. My determination in each of these investigations has been made on a case-by-case basis.

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." 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 under investigation.

Both the imported and the domestic products covered by these investigations are carbon steel wire rod, a hot-rolled, semifinished, coiled product of solid, approximately round cross section, not under 0.20 inch nor over 0.74 inch in diameter, which is produced in a variety of different grades, sizes, and qualities. Carbon steel wire rod can be differentiated on

the basis of carbon content and method of manufacture. Viewed in terms of carbon content there are three types of carbon steel wire rod: low, medium-high, and high carbon steel wire rod. Carbon steel wire rod can also be differentiated according to the manufacturing process used. "Rimmed" rod is produced by the ingot method, whereas "cast" rod is produced by the continuous casting method.

In accordance with the Commission's analysis in previous carbon-steel-wire rod investigations, I conclude that domestically produced low, medium-high, and high carbon steel wire rod are separate like products. Also, as in previous investigations, I further conclude that cast rod is like rimmed rod, and domestic producers of both products should be considered part of the same domestic industry. 1/ 2/

Although I have found three like products, domestic producers were not able to break out their data on profitability, employment, and other factors

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1/ See discussion on "like" product in Carbon Steel Wire Rod From Venezuela, Inv. No. 731-TA-88 (Final), USITC Pub. 1338 (1983), and Carbon Steel Wire Rod From Brazil and Trinidad and Tobago, Invs. Nos. 731-TA-113 and 114 (Final), USITC Pub. 1444 (1983) (hereinafter "Carbon Steel Wire Rod From Brazil and Trinidad and Tobago.")

2/ In these preliminary investigations, counsel for the Spanish Steel Producers' Association argued that imports of resulphurized and rephosphorized wire rod should be excluded from the scope of the investigations. The Department of Commerce included these types of rod within the scope of its investigations. I do not find it appropriate to exclude these items in these preliminary investigations.



on the basis of low, medium-high, and high carbon steel wire rod. 3/ Since available data do not permit the identification of separate like products on the basis of carbon content, the effect of the imports subject to these investigations is assessed under section 771(4)(D) of the Act by examination of the domestic production of the narrowest group of products which includes the like products for which the necessary information can be provided. In these investigations, the narrowest group of products which includes the like products is all carbon steel wire rod. Accordingly, the effect of the imports has been assessed in relation to the United States production of all carbon steel wire rod.

#### Condition of the Domestic Industry

The Commission has examined the condition of this domestic industry in previous investigations. In the most recent of these, the Commission made a unanimous determination that the domestic industry is experiencing material injury. 4/ In these preliminary investigations the record indicates that the condition of the domestic industry is essentially unchanged. There has been a recent increase in shipments by domestic producers, however, their production capacity remains underutilized and their operations continue to be unprofitable. Therefore, for purposes of these preliminary investigations, I

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3/ See footnote 10 at p. 8 of the Commission opinion in Carbon Steel Wire Rod From Brazil and Trinidad and Tobago. The questionnaires sent to domestic producers in those final investigations asked them to break out their data on the basis of low, medium-high, and high carbon steel wire rod, but the domestic producers were not able to provide the requested data. Although the domestic producers provided the Commission general estimates of production of low, medium-high, and high carbon steel wire rod, these estimates were not based on actual figures, and, therefore, have not been relied upon.

4/ See Carbon Steel Wire Rod From Brazil and Trinidad and Tobago.

adopt the reasoning in the Commission opinion in the previous investigations and conclude that there is a reasonable indication that the domestic industry is experiencing material injury. 5/

Reasonable Indication of Material Injury 6/

When determining whether there is a reasonable indication that the domestic industry is experiencing material injury by reason of alleged subsidized or less-than-fair-value imports, section 771(7)(B) of the Tariff Act of 1930 directs the Commission to consider, among other factors, (1) the volume of imports of the merchandise under investigation, (2) their impact on domestic prices for the like product, and (3) the consequent impact of the imports on the domestic industry. As part of my analysis of causation in these preliminary investigations, I have considered the factors discussed by the Commission in that part of its opinion in the Carbon Steel Wire Rod from Brazil and Trinidad and Tobago investigations regarding "Conditions of Trade." 7/

IMPORTS FROM SPAIN

In my judgment there is a reasonable indication that the domestic industry is being materially injured by reason of allegedly subsidized and alleged less-than-fair-value imports from Spain. Imports of carbon steel wire rod from Spain entered the U.S. market throughout the period covered by these investigations. Imports from Spain declined from 3,746 tons in 1980 to 1,657 tons in 1981. Then imports increased sharply in 1982 to 6,689 tons, and surged to 52,866 tons during the period January-August 1983 compared with 4,063 tons for the comparable period in 1982. From 1980 to the close of 1982

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5/ Id., pp. 8-11.

6/ 19 U.S.C. 1677(7)(B).

7/ Carbon Steel Wire Rod From Brazil and Trinidad and Tobago, at pp. 11-13.<sup>14</sup>

the market share represented by these imports ranged from less than .05 percent to .2 percent of total apparent U.S. consumption. However, during the period January-August 1983, these imports represented 1.9 percent of total apparent U.S. consumption. Price data developed during these investigations indicate that in each quarter for which data are available, the Spanish wire rod prices were significantly lower than domestic prices. 8/ These data also indicate underselling in the first three quarters of 1983, the period during which imports from Spain increased dramatically. There was also one confirmed instance of sales lost to imports of wire rod from Spain on the basis of price.

#### IMPORTS FROM ARGENTINA

There is a reasonable indication that the domestic industry is being materially injured by reason of alleged less-than-fair-value imports from Argentina. During the period covered by these investigations, imports of carbon steel wire rod from Argentina were first reported in the U.S. market in 1981, when imports were 21,167 tons. In 1982, imports declined to 12,238 tons. But imports rose sharply to 43,277 tons during the period January-August 1983. The market share represented by these imports was below .5 percent of total apparent U.S. consumption during 1981 and 1982. However, during the period January-August 1983, these imports represented 1.5 percent of total apparent U.S. consumption. In this preliminary investigation, there is no useful information available for actual price data regarding imports from Argentina. However, data are available for average unit landed duty-paid values for wire rod from Argentina which indicate pricing patterns similar to

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8/Specific margin figures are confidential.

imports from the other three sources in these investigations which are underselling domestic producers. There are also confirmed instances of sales lost to imports of wire rod from Argentina partly on the basis of price.

#### IMPORTS FROM MEXICO

There is a reasonable indication that the domestic industry is being materially injured by reason of alleged less-than-fair-value imports from Mexico. There were no imports of carbon steel wire rod from Mexico in 1980 or 1981. In 1982, these imports totaled 30,401 tons, and reached 56,678 tons for the period January-August 1983, compared with 3,763 tons for the same period in 1982. Almost all the imports in 1982 entered during the last quarter of the year; therefore, more than 83,000 tons of wire rod were imported from Mexico during the twelve-month period from September 1982-September 1983. Imports from Mexico rose from .8 percent of total apparent U.S. consumption in 1982 to 2.0 percent in January-August 1983. Price data are available for all quarters since April-June 1982. During each quarter, importers' weighted average prices for rod from Mexico were lower than domestic prices, with significant margins of underselling. 9/ There was one confirmed instance of a lost sale to imports from Mexico based on price.

#### IMPORTS FROM POLAND

There is a reasonable indication that the domestic industry is being materially injured by reason of alleged less-than-fair-value imports from Poland. There were no imports of carbon steel wire rod from Poland during the

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9/ Specific margin figures are confidential.

period covered by this investigation until September 1982, when imports from Poland first entered the U.S. market. During the period September-December 1982, there were 7,987 tons imported; during January-August 1983, imports increased to 20,249 tons. Imports from Poland were .2 percent of total apparent U.S. consumption in 1982, and increased to .7 percent for the period January-August 1983. Pricing data were available for each quarter during which there were imports from Poland. In each, prices for these imports were significantly lower than domestic prices. 10/ There was one confirmed instance of a lost sale partly based on the lower price of imported wire rod from Poland.

#### Conclusion

In each of the five investigations considered in these "Views," there is sufficient information to conclude that there is a "reasonable indication" that the domestic industry is being materially injured by the subject imports. The data in these and earlier investigations provide a clear indication that the domestic industry is being injured at the present time. Undoubtedly, the recent domestic recession has had some bearing on this injury, but the Commission is instructed not to weigh the causes of injury in a Title VII investigation. The combination of increased imports and foreign market share, price undercutting, and lost sales all establish a "reasonable indication" that imports are a cause of the material injury.

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10/ Specific margin figures are confidential.



## INFORMATION OBTAINED IN THE INVESTIGATIONS

## Introduction

On November 23, 1983, petitions were 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 an industry in the United States is materially injured and threatened with material injury, by reason of imports from Czechoslovakia, Poland, and Spain, provided for in item 607.17 of the Tariff Schedules of the United States (TSUS), upon which bounties or grants are alleged to be paid. Petitions were also filed on behalf of the same firms alleging that imports of carbon steel wire rod provided for in TSUS item 607.17 from Argentina, Mexico, Poland, and Spain are being sold in the United States at less than fair value (LTFV) and that an industry in the United States is materially injured and threatened with material injury by reason of imports of such merchandise. Accordingly, the Commission instituted preliminary investigation No. 701-TA-209 (Spain) 1/ under section 703(a) of the Tariff Act of 1930 (19 U.S.C. § 1671b(a)) and preliminary investigations Nos. 731-TA-157 (Argentina), 731-TA-158 (Mexico), 731-TA-159 (Poland), and 731-TA-160 (Spain) under section 733(a) of the act (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 of such merchandise. The statute directs that the Commission make its determinations within 45 days after its receipt of a petition, or in this case, by January 9, 1984.

Notice of the institution of the Commission's investigations and of the public conference 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 November 30, 1983 (48 F.R. 54139). 2/ The conference was held in Washington, D.C., on December 14, 1983. 3/ The Commission's briefing and votes were held on January 3, 1984.

## 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 (investigation No. 701-TA-148 (Preliminary)), Brazil (investigation

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1/ Czechoslovakia and Poland are not signatories to the Agreement on Interpretations and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade (GATT) (GATT Subsidies Code) and are, therefore, not entitled to an injury determination by the Commission.

2/ A copy of the Commission's notice of institution of preliminary investigations is presented in app. A. Copies of the Department of Commerce's notices of institution of investigations are presented in app. B.

3/ A list of witnesses appearing at the Commission's conference is presented in app. C.

No. 701-TA-149 (Preliminary)), and France (investigation No. 701-TA-150 (Preliminary)). 1/ The Commission made affirmative determinations that there were reasonable indications that an industry in the United States is being materially injured or threatened with material 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, Oct. 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 (48 F.R. 7821; Feb. 24, 1983). 2/

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 signatory to the GATT Subsidies Code, the Commission was not required to make a preliminary determination on a reasonable indication of material injury. On October 13, 1983, Commerce preliminarily determined that subsidies equivalent to 12.29 percent had been granted on exports of carbon steel wire rod from Trinidad; Commerce's notice of its preliminary determination of countervailable subsidies was published in the Federal Register of October 20, 1983 (48 F.R. 48694).

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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).

2/ Carbon Steel Wire Rod from Venezuela: Determination of the Commission in Investigation No. 731-TA-88 (Final) . . ., USITC Publication 1338, February 1983.



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 (48 F.R. 51178; Nov. 7, 1983). 1/ The Commission's record of all the previous investigations cited above have been placed in the official record of this proceeding. 2/

### The Product

#### Description and uses

For the purpose of these investigations, carbon steel wire rod is a hot-rolled, semifinished, 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. It is categorized by carbon content levels based on specifications provided by the American Iron & Steel Institute (AISI). These categories are low-carbon rod (encompassing AISI grades 1006 through 1022, with a maximum carbon content of 0.23 percent), medium-high carbon rod (encompassing AISI grades 1023 to 1040, in which the carbon content varies from 0.24 to 0.44 percent), and high-carbon rod (encompassing AISI grades 1041 through 1095, with a maximum carbon content exceeding 0.44 percent).

In testimony at the public conference, counsel for Spanish wire rod producers raised the issue of AISI series 1100 and 1200 wire rod. 3/ The 1100 series refers to resulfurized carbon steel grades, and the 1200 series includes both rephosphorized and resulfurized carbon steel grades. Counsel argued that these products were not competitive with AISI 1000 series wire rod and should be excluded from consideration by the Commission. Counsel for petitioners noted that although 1100 and 1200 series wire rod was not specifically identified in their petitions, it was intended that the petitions cover all grades of wire rod imported under TSUS item 607.17. U.S. firms do produce both these grades and have included grade 12L14 wire rod among their lost sales allegations. According to petitioners, series 1100 wire rod is used in the production of nuts and bolts and is known as scrapless steel. When the center of the nut is punched out, the ejected piece of steel is later manufactured into a bolt, thereby the term "scrapless." Series 1200 rod is used in applications where the customer requires material which is easily machinable. Examples would be producers of crankshafts and camshafts that use grade 12L14 wire rod. The lead content allows for faster processing.

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1/ Carbon Steel Wire Rod from Brazil and Trinidad and Tobago: Determinations of the Commission in Investigations Nos. 731-TA-113 and 114 (Final) . . . , USITC Publication No. 1444, October 1983.

2/ Commission staff memorandum to the record, Dec. 8, 1983.

3/ Transcript of the conference, pp. 120 and 121.

The traditional method of making wire rod is the ingot method, which is employed most frequently by the integrated producers. <sup>1/</sup> 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 ingot is 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. This process is used extensively by the nonintegrated wire rod producers. 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" <sup>2/</sup> 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. 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 cooled 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 collect 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.

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<sup>1/</sup> Defined as those companies utilizing blast furnaces and whose principal commercial activity is the production and sale of carbon steel products.

<sup>2/</sup> "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 two methods of billet making produce different types of steel, which may be preferred, or even specified, by consumers of wire rod, depending on 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. However, the lower the desired carbon content of the melt, the higher the amount of deoxidation agents required to kill the steel. 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, there exist only limited end uses of wire rod that

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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.

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 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 an estimated 60 to 65 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.

#### The imported product

All of the wire rod imported from Mexico and Poland is \* \* \* wire rod. <sup>1/</sup> \* \* \* of imports from Mexico are \* \* \*; the remaining \* \* \* is \* \* \*. All imports from Poland are \* \* \*. About \* \* \* percent of the reported imports from Argentina were \* \* \* wire rod, the remaining \* \* \* percent being \* \* \*. Reported imports from Spain were \* \* \* between \* \* \* and \* \* \* and were all \* \* \* wire rod. Counsel for Spanish producers claims that some of these imports consist of AISI grade 1100 and 1200 material, which is a different product than 1000 series wire rod. Domestic producers have the capability to produce all of these products.

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<sup>1/</sup> On the basis of data derived from responses to the Commission's questionnaires in these investigations.

### The domestic product

U.S.-produced carbon steel wire rod (both ingot and cast) is available in all grades and qualities. However, estimates received from 12 major U.S. producers show shipments of carbon steel wire rod were approximately 67 percent low carbon, 5 percent medium-high carbon, and 28 percent high carbon in 1982.

In 1982, 26.3 percent of U.S. producers' total shipments of wire rod were used internally by the producers in the production of wire, nails, staples, and other wire products--down from 33.7 and 34.5 percent in 1980 and 1981, respectively. Wire rod is also sold commercially to independent wire fabricators in the United States or is shipped to export markets. In 1982, domestic production of carbon steel wire rod was estimated at 57.5 percent cast rod and 42.5 percent rimmed rod.

### U.S. tariff treatment

Carbon steel wire rod is classified under items 607.14 and 607.17 of the TSUS. 1/ 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 under this tariff item from any of the countries subject to these investigations during recent years, it has been excluded from these investigations. 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 to an ad valorem rate of duty of 2.0 percent. 2/ 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 for item 607.17 is 5.5 percent ad valorem. 3/ Imports under this item are not eligible for duty-free treatment under the Generalized System of Preferences (GSP). 4/ However, imports from the least developed developing countries (LDDC's) (enumerated in general headnote 3(d) of the TSUS) are assessed the preferential rate of 1.9 percent ad valorem,

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1/ Prior to Jan. 1, 1980, carbon steel wire rod was classified under TSUS items 608.70 and 608.71.

2/ In 1980 and 1981, the col. 1 rate of duty for item 607.17 was 0.25 cent per pound. The col. 1 rates are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUS.

3/ The rate of duty in col. 2 applies to imported products from those Communist countries and areas enumerated in general headnote 3(f) of the TSUS.

4/ The GSP, under title V of the Trade Act of 1974, provides duty-free treatment for specified eligible articles imported directly from designated beneficiary developing countries. The GSP, implemented by Executive Order No. 11888 of Nov. 24, 1975, applies to merchandise imported on or after Jan. 1, 1976, and is expected to remain in effect until January 1985.

representing the full MTN concession rate. This LDDC duty became effective on January 1, 1982, when the MFN rate for item 607.17 was converted from the previous specific rate of duty (0.25 cent per pound) to the rate of 2 percent ad valorem negotiated in the MTN. For most other articles covered by the MTN, the LDDC rate became effective on January 1, 1980. None of the countries subject to these investigations are classified as LDDC's.

#### Nature and Extent of Alleged Subsidies and Sales at LTFV

##### Argentina

Petitioners allege that imports of carbon steel wire rod produced and exported by Industria Argentina de Aceros S.A. (ACINDAR) are being sold in the United States at LTFV. Petitioners adjusted an estimated U.S. purchase price of \$245 per ton by deducting ocean freight, handling, off-loading, and U.S. duty. These adjustments resulted in a factory netback price of \$212 per ton. Foreign-market value was calculated to be \$860 per ton. This represented ACINDAR's base price, f.o.b. origin, for standard industrial-quality, low-carbon wire rod. A comparison of U.S. purchase price and foreign-market value resulted in a dumping margin of \$648 per ton, or 306 percent. Petitioners also allege that imports of high-carbon wire rod from Argentina are being sold at LTFV and requested that Commerce investigate whether this product is also being dumped.

##### Mexico

Petitioners allege that imports of carbon steel wire rod produced by Altos Hornos de Mexico, S.A. (AHMSA) and Siderurgica Lazaro Cardenas-Las Truchas, S.A. (Sicartsa) are being sold at LTFV. Petitioners adjusted an estimated U.S. purchase price of \$240 per ton for ocean freight, handling, off-loading, and U.S. duty. The resulting factory netback price was \$216. Foreign-market value for sales of standard industrial-quality, low-carbon wire rod, f.o.b. origin, was estimated at \$270 per ton. Comparison of these prices resulted in a dumping margin of \$54 per ton, or 25 percent.

##### Poland

Petitioners allege that imports of carbon steel wire rod produced by Huta Cedlera and exported by the Polish Government trading company, Stalexport, are being subsidized 1/ and sold at LTFV in the United States.

Petitioners calculated a factory netback price by deducting ocean freight, handling, off-loading charges, and U.S. duty from the estimated U.S. purchase price of \$240 per ton. This resulted in a price of \$189 per ton. Since Poland has a State-controlled economy, foreign-market value was determined by reference to the home-market price in Spain, a country with a market economy at a comparable stage of development. The home-market price for wire rod in Spain was estimated to be \$298 per ton. A comparison of these two prices results in a dumping margin of \$109 per ton, or 57.7 percent.

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1/ Because Poland is not a signatory to the GATT Subsidies Code, an injury investigation has not been instituted. A-8

## Spain

Carbon steel wire rod from Spain is alleged, by petitioners, to benefit from bounties or grants and to be sold at LTFV. Petitioners allege that two firms, Empresa Nacional Siderurgica, S.A. (ENSIDESA) and Nueva Montana Quijano, S.A., are responsible for substantially all exports of Spanish wire rod to the United States but indicated that seven additional firms produce wire rod in Spain and may also be exporting to the United States.

Subsidies.---It is alleged by petitioners that the Spanish government has provided significant capital and operating subsidies to the Spanish steel industry. Petitioners noted that the Department of Commerce determined in its final affirmative countervailing duty determination in Certain Carbon Steel Products from Spain (47 F.R. 51438; November 15, 1982), that Spanish steel companies received medium- and long-term preferential loans, short-term preferential loans (under the Privileged Circuit Exporter Credits program), capital infusions, and cash grants. These subsidies were calculated as allocable to all steel products produced by respondent companies. Petitioners allege that ENSIDESA has benefited from short-, medium-, and long-term preferential loans, capital infusions to cover losses to the firm, and preferential Government financing of a new wire rod mill. Petitioners believe the total value of these subsidies in 1982 to be approximately 15.52 percent ad valorem.

It is also alleged by petitioners that Nueva Montana Quijano, S.A., was eligible for the benefits provided by the National Steel Industry Program, 1974-82, that was established by Decree 669/74 of March 14, 1974. This program authorized preferential loans and loan terms, accelerated amortization of nonliquid investments, substantial reduction of certain taxes, and expropriation of land for new plant construction. The petitioners do not know the extent to which Nueva Montana made use of these benefits; therefore, they made no attempt to quantify the value of these subsidies.

LTFV sales.---Petitioners calculated a factory netback price for imports of Spanish steel by deducting ocean freight, handling, offloading charges, and U.S. duty from an estimated U.S. purchase price of \$245 per ton. The resulting price of \$213 per ton was then compared with the average base Spanish price, f.o.b. origin, for standard-grade 1008 wire rod of \$298 per ton. This comparison provided an LTFV margin of \$85 per ton, or 39.6 percent.

### Channels of Distribution 1/

Wire rod is ordinarily sold directly from the mill to the customer, which is almost always a wire drawer. The customer may either convert the wire rod into wire for his own purposes or sell it as such for use in an estimated 150,000 different wire products. Thus, the U.S. demand for carbon steel wire rod is dependent on the demand for wire products and the state of the overall economy.

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

As noted earlier in this report, 26.3 percent of total domestic shipments of carbon steel wire rod was captively consumed by the U.S. producers of wire rod in the production of their own wire products in 1982. Therefore, wire rod producers owning wire-fabricating facilities frequently compete directly with their own customers for sales of wire products to consumers. Captive consumption of wire rod by U.S. producers, however, was lower in relation to shipments in 1982 than in 1980 or 1981, and the decline continued during January-August 1983.

#### U.S. Producers

U.S. net shipments of all carbon steel mill products in January-August 1983 totaled 38.5 million tons (according to AISI statistics); of this, net shipments of carbon steel wire rod, as compiled from the Commission's questionnaires, total 2.1 million tons. There are currently 14 firms operating a total of 17 U.S. plants in which carbon steel wire rod is produced. The U.S. producers' wire rod plants are scattered throughout the United States but are concentrated in the Great Lakes area and in Pennsylvania. Five of the firms are fully integrated producers, four are specialty steel producers, and the remaining companies are minimills. <sup>1/</sup> Table 1, which was compiled from data submitted in response to questionnaires of the Commission submitted in investigations Nos. 731-TA-113 and 114 (Final) (Carbon Steel Wire Rod from Brazil and Trinidad and Tobago), lists all known U.S. carbon steel wire rod producers, by types of producers, their plant locations, each firm's carbon steel wire rod production capacity in 1982, and whether the firms produce rimmed wire rod or cast wire rod.

#### U.S. Importers

Information provided by the U.S. Customs Service identifies approximately 14 importers of carbon steel wire rod from Argentina, Mexico, Poland, and Spain. Major importers of carbon steel wire rod from the subject countries are listed in the following tabulation:

<u>Source</u>	<u>Importing firm</u>
Argentina-----	***
Mexico-----	***
Poland-----	***
Spain-----	***
	***
	***

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<sup>1/</sup> For statistical purposes in this report, specialty steel producers and minimills are referred to as nonintegrated producers.



Table 1.--Carbon steel wire rod: U.S. producers, plant locations, capacity, and types of wire rod produced, 1982

Item	Location(s)	Capacity	Share of total	Types of wire rod produced 1/
		1,000 short tons	Percent	
Nonintegrated producers:				
Petitioners:				
Georgetown Texas Steel Corp. 2/-----	Beaumont, Tex.	***	***	C
Georgetown Steel Corp. 2/-----	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-----	-	***	***	-
Other:				
Northwestern Steel & Wire-----	Sterling Ill.	***	***	C
Ameron Steel 4/-----	Etiwanda, Calif.	***	***	C
Keystone Consolidated Industries, Inc. 5/---	Peoria, Ill.	***	***	C
Laclede Steel Co. 5/---	Alton, Ill.	***	***	R
Charter Rolling 5/-----	Saukville, Wis.	***	***	RC 6/
subtotal other-----	-	***	***	-
Total, nonintegrated producers-----	-	***	***	-
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.			

See footnotes at end of table.

Table 1.--Carbon steel wire rod: U.S. producers, plant locations, capacity, and types of wire rod produced, 1982--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				
ducers--Continued				
CF&I Corp-----	Pueblo, Colo.	***	***	C
Subtotal, integrated			***	
producers 9/-----	-	***	***	-
Grand total-----	-	5,775	100.0	-

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

2/ Georgetown Texas Steel Corp. and Georgetown Steel Corp. were both owned by Korf Industries. Together they accounted for \* \* \* short tons of capacity in 1982--\* \* \* percent of total U.S. production capacity in that year. Georgetown Texas, however, was sold by Korf Industries to Cargill, Inc., Minneapolis, Minn., on Aug. 25, 1983, and is now known as North Star Steel-Texas.

3/ Raritan River's production in 1982 was estimated to be \* \* \* percent cast and \* \* \* percent rimmed rod.

4/ 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.

5/ \* \* \*.

6/ Charter Rolling reported its 1982 production to be \* \* \* percent cast and \* \* \* percent rimmed wire rod.

7/ On December 27, 1983, U.S. Steel announced the closing of its rod mills at Cuyahoga and Fairless Hills effective April 1984.

8/ Armco's sales in 1982 were estimated to be \* \* \* percent cast and \* \* \* percent rimmed; in January-August 1983, they 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 \* \* \* short tons at its Aliquippa, Pa., plant. Republic Steel Corp., with a capacity of \* \* \* short tons, \* \* \*.

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

### Consideration of Alleged Material Injury

#### Current status of domestic industry

During the public conference held in connection with these investigations, counsel for parties in opposition to the imposition of countervailing or antidumping duties argued that the economic health of the domestic industry had greatly improved since the Commission's determination of material injury in investigations Nos. 731-TA-113 and 114 (Final) (Carbon

Steel Wire Rod from Brazil and Trinidad and Tobago). Counsel claim that producers' shipments have increased, capacity utilization is at a maximum, order books are overfilled, and profitability is improving. 1/ Counsel for domestic producers argue that the material injury found by the Commission in its prior investigations continues to exist. 2/

In an attempt to determine the current health of the carbon steel wire rod industry, each of the petitioning firms were contacted by the Commission's staff. As a result of these calls, the following picture of the industry emerged. 3/

\* \* \* \* \*

Counsel for those in opposition to the petitions also alleged that the large integrated producers had either withdrawn from the market in favor of captive consumption or were considering closing their wire rod facilities completely. 4/ The Commission staff contacted representatives of Armco, Bethlehem, CF&I and U.S. Steel. In general, \* \* \*. \* \* \* is actively soliciting wire rod orders and is running its rod facility at about \* \* \* percent of capacity. The firm has refused orders, but only because the requested selling price was too low or the delivery time too short. \* \* \* has been forced to withdraw from the low-carbon, industrial-quality market because of competition from imports and domestic minimills. Low prices in this market have adversely affected prices in the high-carbon speciality market that \* \* \* has developed. Representatives for \* \* \* stated that they were losing money on their rod sales, so they have withdrawn from the market, except for the occasional customer that will pay a higher price. They are willing to reenter the market if prices improve. According to a representative of \* \* \*, the firm is still in the open market for wire rod.

The following sections were developed from data collected in investigations Nos. 731-TA-113 and 114 (Final), Carbon Steel Wire Rod from Brazil and Trinidad and Tobago, and cover the period January 1980-August 1983. Data for 1980 and 1981 were reported by 12 firms; data for 1982 and January 1983 are for 11 firms.

#### U.S. production, capacity, and capacity utilization

U.S. production of carbon steel wire rod by 11 reporting U.S. producers 5/ rose from 4.1 million short tons in 1980 to 4.3 million short tons in 1981, but fell in 1982 to 3.0 million short tons, or by 30.1 percent. However, production rose by 19.6 percent in January-August 1983 compared with

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1/ Transcript of the conference, pp 52-63, 71-79.

2/ Conference transcript, pp. 11-13.

3/ Data available from the AISI show that domestic producers net shipments of carbon steel wire rod in January-October 1983 increased 21.3 percent over shipments in the corresponding period of 1982.

4/ Postconference brief of the West Coast Ad Hoc Wire Producers Committee.

5/ These firms together accounted for 91 percent of total U.S. capacity in 1982. Twelve firms reported data in 1980 and 1981. Jones & Laughlin closed its wire rod production facility in October 1981; therefore, its data are reported only for 1980 and 1981.

that in the corresponding period of 1982 (table 2). Table D-1 in appendix D presents U.S. production, by types of producers and by firms, for 1980-82, January-August 1982, and January-August 1983.

Table 2.--Carbon steel wire rod: U.S. production, by types of producers, 1980-82, January-August 1982, and January-August 1983

Producer	1980	1981	1982	January-August--	
				1982	1983
	Quantity (short tons)				
Nonintegrated-----	1,736,200	2,100,581	1,860,088	1,147,160	1,443,081
Integrated-----	2,354,273	2,168,862	1,122,734	775,153	855,205
Total-----	4,090,473	4,269,443	2,982,822	1,922,313	2,298,286
	Percent of total				
Nonintegrated-----	42.4	49.2	62.4	59.7	62.8
Integrated-----	57.6	50.8	37.6	40.3	37.2
Total-----	100.0	100.0	100.0	100.0	100.0

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

The Commission requested specific information on U.S. producers' operations on low-, medium-high, and high-carbon steel wire rod in its questionnaires in investigations Nos. 731-TA-113 and 114 (Final). Because of difficulties in obtaining certain information in past investigations on wire rod operations based on the carbon content of the rod, and because of assertions by U.S. producers that such information was unavailable and would be unreliable if estimated, the Commission's questionnaires did not request separate data based on carbon content of the rod, on U.S. producers' wire rod capacity, shipments, employment, or profit and loss experience. The Commission's questionnaires did, however, request such separate data with regard to production and inventories, but the only complete information received was on production.

The percentage distribution of production in 1982 is presented in the following tabulation: 1/

1/ Producers were generally able only to estimate their production of wire rod based on carbon content (low, medium-high, or high) and type (rimmed or cast). Also, see transcript of the hearing, p. 122, for investigations Nos. 701-TA-148 and 150 (Final).

<u>Carbon content</u>	<u>Rimmed steel</u>	<u>Cast steel</u>	<u>Overall</u>
Low (up to 0.23 percent)-----	49	81	67
Medium-high (0.24 to 0.44 percent)---	10	2	5
High (0.45 percent and over)-----	<u>41</u>	<u>17</u>	<u>28</u>
Total-----	100	100	100

U.S. capacity to produce wire rod, as reported to the Commission by 12 U.S. producers, rose from 5.3 million short tons in 1980 to 5.5 million short tons in 1981, but fell thereafter to 5.3 million short tons in 1982, or by 5.3 percent. During January-August 1983, U.S. producers' wire rod capacity increased by 2.2 percent from that of January-August 1982 (table 3). The closing of the Jones & Laughlin rod mill in October 1981 reduced U.S. capacity in 1982 by more than \* \* \* tons. Another U.S. producer (\* \* \*) also reported reduced capacity in 1982 compared with that of 1981; two other producers (\* \* \*) reported increases in their 1982 capacities (table D-2).

Table 3.--Carbon steel wire rod: U.S. production capacity and capacity utilization, by types of producers, 1980-82, January-August 1982, and January-August 1983

Producer	1980	1981	1982	January-August--	
				1982	1983
	Production capacity (short tons) <u>1/</u>				
Nonintegrated-----	2,468,255	2,793,255	2,787,800	1,858,346	1,937,156
Integrated-----	2,832,500	2,755,000	2,468,920	1,658,840	1,658,840
Total-----	5,300,755	5,548,255	5,256,720	3,517,186	3,595,996
	Capacity utilization (percent)				
Nonintegrated-----	70.3	75.2	66.7	61.7	74.5
Integrated-----	83.1	78.7	45.5	46.7	51.6
Average-----	77.2	77.0	56.7	54.7	63.9

<sup>1/</sup> Data include responses from 12 firms in 1980 and 1981, and 11 firms in 1982 and January-August 1983. Total production capacity by all U.S. producers in 1982 amounted to 5.8 million short tons, as shown in table 1.

<sup>2/</sup> Capacity is defined as the greatest level of output a firm can achieve within the framework of a realistic and sustainable work pattern. Aggregate capacity is based on production facilities operating an average of 149 hours per week, 50.5 weeks per year.

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

The composition of U.S. production has shifted since 1980. In that year, the integrated steel producers accounted for 57.6 percent of overall production; however, by 1982, their share of production had eroded to 37.6 percent. Conversely, the nonintegrated producers increased their share of U.S. production during the period under investigation, from 42.4 percent in 1980 to 62.4 percent in 1982 and to 62.8 percent in January-August 1983 (table D-1).

Utilization of U.S. producers' capacity to produce carbon steel wire rod declined irregularly during the period under consideration, from 77.2 percent in 1980 to 56.7 percent in 1982; the level of utilization in January-August 1983--63.9 percent--was an increase from the 54.6 percent experienced during the corresponding period of 1982 (tables 3 and D-3).

During investigations Nos. 731-TA-113 and 114 (Final) (Brazil and Trinidad and Tobago), counsel for petitioners provided information on the lead time required for domestic producers between the receipt of an order and shipment of the merchandise. He stated that, at least for the petitioners, in 1981, a small percentage of the orders received required a \* \* \* week lead time prior to shipment, but that many orders can be filled in less than \* \* \* weeks.

#### U.S. producers' shipments

For responding U.S. producers, total shipments of carbon steel wire rod rose by 4.6 percent, from 4.0 million short tons in 1980 to 4.2 million short tons in 1981, before falling by 28.6 percent to 3.0 million short tons in 1982. Such shipments, which include both captive and noncaptive shipments, and both domestic and export shipments rose by 9.8 percent, from less than 2.0 million short tons in January-August 1982 to 2.1 million short tons in the corresponding period of 1983, as shown in tables 4 and D-4.

U.S. producers' open-market shipments 1/ decreased irregularly during 1980-82; such shipments rose by 3.2 percent, from 2.7 million short tons in 1980 to 2.8 million short tons in 1981, but then fell by 20.4 percent to 2.2

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1/ Open-market shipments of carbon steel wire rod by responding U.S. producers (consisting of noncaptive domestic shipments plus exports) accounted for 66.3 percent of total shipments in 1980, 65.5 percent in 1981, and 73.7 percent in 1982. The remainder was consumed internally in the production of other products.

Table 4.--Carbon steel wire rod: U.S. producers' total shipments, by types of producers, 1980-82, January-August 1982, and January-August 1983

Producer	1980	1981	1982	January-August--	
				1982	1983
	Quantity (short tons)				
Nonintegrated-----	1,718,116	2,102,644	1,863,744	1,185,132	1,300,013
Integrated-----	2,293,036	2,094,090	1,131,991	769,126	845,689
Total-----	4,011,152	4,196,734	2,995,735	1,954,258	2,145,702
	Percent of total				
Nonintegrated-----	42.8	50.1	62.2	60.6	60.6
Integrated-----	57.2	49.9	37.8	39.4	39.4
Total-----	100.0	100.0	100.0	100.0	100.0

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

million short tons in 1982 (table 5). However, this does not reflect a uniform trend among all U.S. producers of carbon steel wire rod. The open-market shipments of the integrated producers totaled 1.6 million short tons in 1980, but by 1982, such shipments had declined by 49.9 percent to 0.8 million short tons. Nonintegrated producers experienced a gain in their open-market shipments of 35.8 percent, from 1.1 million short tons in 1980 to 1.5 million short tons in 1981, before falling by 4.4 percent to 1.4 million short tons in 1982.

The integrated producers' share of open-market shipments fell from 59.8 percent in 1980 to 36.5 percent in 1982. The average unit value of the integrated producers' shipments rose by 14.5 percent, from \$359 per short ton in 1980 to \$411 per short ton in 1981, but fell to \$406 per short ton in 1982. The average unit value of the nonintegrated producers' shipments declined from \$323 per short ton in 1980 to \$289 per short ton in 1982. Both integrated and nonintegrated producers registered increases in open-market shipments of 22.5 and 12.6 percent, respectively, in January-August 1983, compared with such shipments in the corresponding period of 1982. Table D-5 presents open-market shipments, by types of producers and by firms, for 1980-82, January-August 1982, and January-August 1983; table D-6 presents captive and open-market shipments separately, and table D-7 presents the ratio of U.S. producers' captive shipments to total U.S. producers' shipments, by types of producers and by firms, for the same periods.

Table 5.--Carbon steel wire rod: U.S. producers' open-market shipments, <sup>1/</sup> by types of producers, 1980-82, January-August 1982, and January-August 1983

Producer	1980	1981	1982	January-August--	
				1982	1983
Quantity (short tons)					
Nonintegrated-----	1,079,841	1,466,748	1,401,967	877,956	988,278
Integrated-----	1,609,581	1,308,060	806,979	533,869	653,858
Total-----	2,689,422	2,774,808	2,208,946	1,411,825	1,642,136
Value (1,000 dollars)					
Nonintegrated-----	348,911	495,841	405,205	271,405	314,481
Integrated-----	577,497	537,414	327,780	223,753	240,783
Total-----	926,408	1,033,255	732,985	495,158	555,264
Unit value (per short ton)					
Nonintegrated-----	\$323	\$338	\$289	\$309	\$318
Integrated-----	359	411	406	419	368
Average-----	344	372	332	351	338
Percent of total quantity					
Nonintegrated-----	40.2	52.9	63.5	62.2	60.2
Integrated-----	59.8	47.1	36.5	37.8	39.8
Total-----	100.0	100.0	100.0	100.0	100.0

<sup>1/</sup> Noncaptive domestic shipments plus exports.

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.

#### U.S. exports

Data on U.S. producers' exports of carbon steel wire rod are presented in tables 6 and D-8. These data indicate that, with the exception of 1980, U.S. producers' exports have not represented a significant portion of their overall sales. In 1980, U.S. producers' export shipments totaled 225,161 tons and accounted for 8.4 percent of U.S. producers' commercial shipments, but have since fallen sharply. According to official statistics of the U.S. Department of Commerce, 33 percent of U.S. exports of carbon steel wire rod went to Canada, 30 percent went to the Dominican Republic, and 23 percent went to Mexico in 1982.



Table 6.--Carbon steel wire rod: U.S. producers' exports, by types of producers, 1980-82, January-August 1982, and January-August 1983

Producer	1980	1981	1982	January-August--		
				1982	1983	
	Exports (short tons)					
Nonintegrated----	162,787	27,960	***	***	***	
Integrated-----	62,374	26,278	***	***	***	
Total-----	225,161	54,238	37,471	30,659	184	
	Ratio of exports to total commercial shipments (percent)					
Nonintegrated----	15.1	1.9	***	***	***	
Integrated-----	3.9	2.0	***	***	***	
Average-----	8.4	2.0	1.7	2.2	<u>1/</u>	

1/ Less than 0.05 percent.

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

### Inventories

The quantity of U.S. producers' end-of-period inventories of carbon steel wire rod fell irregularly, from 132,000 short tons as of December 31, 1980, to 113,000 short tons as of December 31, 1982, after rising to 135,000 short tons as of December 31, 1981; however, because U. S. production fell more rapidly, the ratio of end-of-period inventories increased as a share of production from 3.2 percent in 1980 and 1981 to 3.8 percent in 1982, as shown in table 7. Inventories increased from 200,226 short tons as of August 31, 1982, to 245,669 short tons as of August 31, 1983, or by 22.7 percent. The ratio of end-of-period inventories to annualized production rose from 6.9 percent for January-August 1982 to 7.1 percent for January-August 1983. Table D-9 presents U.S. producers' inventories and the ratio of inventories to production, by types of producers and by firms, for 1980-82, January-August 1982, and January-August 1983.

Carbon steel wire rod is not usually held by U.S. producers in more than minimal inventories. Most of the carbon steel wire rod from both domestic and offshore sources is made to order, even though the bulk of the wire rod market is primarily a commodity market. Virtually all of the imports from the subject countries are handled by metal merchants, which, like U.S. producers, keep only minimal inventories. See page A-32 for a discussion of U.S. importers' inventories.

Table 7.--Carbon steel wire rod: U.S. producers' end-of-period inventories, by types of producers, 1980-82, January-August 1982, and January-August 1983

Producer	As of Dec. 31--			As of Aug. 31--	
	1980	1981	1982	1982	1983
Inventories (short tons)					
Nonintegrated-----	69,091	81,369	63,564	138,881	191,171
Integrated-----	63,284	53,477	48,950	61,345	54,498
Total-----	132,375	134,846	112,514	200,226	245,669
Ratio of inventories to production (percent)					
Nonintegrated-----	4.0	3.9	3.4	<u>1/</u> 8.1	<u>1/</u> 8.8
Integrated-----	2.7	2.5	4.4	<u>1/</u> 5.3	<u>1/</u> 4.2
Average-----	3.2	3.2	3.8	<u>1/</u> 6.9	<u>1/</u> 7.1

1/ Based on annualized production.

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

#### Apparent U.S. consumption

Total apparent U.S. consumption of carbon steel wire rod, including captive consumption, rose from 1980 to 1981, but declined sharply in 1982 (table 8). Total apparent U.S. consumption rose from 4.5 million short tons in 1980 to 4.9 million short tons in 1981, or by 8.6 percent; it fell by 22.7 percent to 3.8 million short tons in 1982, but rose by 17.8 percent in January-August 1983, compared with consumption in the corresponding period of 1982.

Table 8.--Carbon steel wire rod: U.S. producers' total shipments, imports for consumption, exports of domestic merchandise, and total apparent U.S. consumption, 1980-82, January-August 1982, and January-August 1983

(In short tons)					
Item	1980	1981	1982	January-August--	
				1982	1983
Producers' total					
shipments <u>1</u> /-----	4,011,152	4,196,734	2,995,735	1,954,258	2,145,702
Imports-----	729,901	760,734	829,804	486,032	694,026
Exports-----	225,161	54,238	37,471	30,659	184
Apparent U.S.					
consumption <u>2</u> /-----	4,515,892	4,903,230	3,788,068	2,409,631	2,839,544

1/ U.S. producers' shipments include intraplant and intracompany transfers as well as commercial shipments to both export and domestic markets.

2/ If total apparent consumption data are adjusted upward to account for estimated shipments of nonreporting U.S. producers, it would amount to an estimated 4.9 million short tons in 1980, 5.3 million short tons in 1981, 4.1 million short tons in 1982, 2.6 million short tons in January-August 1982, and 3.1 million short tons in January-August 1983.

Source: U.S. producers' total shipments and exports, compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; imports for consumption, compiled from official statistics of the U.S. Department of Commerce.

Apparent U.S. open-market consumption of carbon steel wire rod (table 9) followed nearly the same pattern as apparent U.S. total consumption, rising by 9.0 percent, from 3.2 million short tons in 1980 to 3.5 million short tons in 1981, before dropping by 13.8 percent to 3.0 million short tons in 1982. Such consumption, however, rose by 25.1 percent from January-August 1982, to the corresponding period of 1983.

Table 9.--Carbon steel wire rod: U.S. producers' open-market shipments, imports for consumption, exports of domestic merchandise, and apparent U.S. open-market consumption, 1980-82, January-August 1982, and January-August 1983

(In short tons)					
Item	1980	1981	1982	January-August--	
				1982	1983
Producers' open-market shipments-----	2,689,422	2,774,808	2,208,946	1,411,825	1,642,136
Imports-----	729,901	760,734	829,804	486,032	694,026
Exports-----	225,161	54,238	37,471	30,659	184
Apparent U.S. open-market consumption <u>1/</u> -----	3,194,162	3,481,304	3,001,279	1,867,198	2,335,978

1/ If apparent U.S. open-market consumption data are adjusted upward to account for estimated shipments of nonreporting U.S. producers, it would amount to an estimated 3.5 million short tons in 1980, 3.8 million short tons in 1981, 3.2 million short tons in 1982, 2.0 million short tons in January-August 1982, and 2.5 million short tons in January-August 1983.

Source: U.S. producers' open-market shipments and exports, compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; imports for consumption, compiled from official statistics of the U.S. Department of Commerce.

#### U.S. employment, wages, and productivity

The average number of all persons employed in U.S. establishments producing carbon steel wire rod declined in each period under consideration, from 90,822 workers in 1980 to 40,720 workers in 1982, or by 55.2 percent. The number of production and related workers employed in the production of carbon steel wire rod accounted for only 8.6 percent of total workers in 1980, 8.1 percent in 1981, and 10.9 percent in 1982. Table 10 summarizes employment data on carbon steel wire rod. The average number of production and related workers employed in the production of carbon steel wire rod declined from 7,775 to 4,436 workers, or by 42.9 percent, from 1980 to 1982. Employment in the production of carbon steel wire rod continued to decline in January-August 1983, by 5.4 percent from that in the corresponding period of 1982. Table D-10 presents employment in the production of carbon steel wire rod, by types of producers and by firms, for 1980-82, January-August 1982, and January-August 1983. The hours worked by production and related workers producing carbon steel wire rod followed a trend similar to that of employment, declining from 15.1 million hours in 1980 to 9.0 million hours in 1982, or by 40.3 percent. They fell by an additional 2.7 percent in January-August 1983 from the number in the corresponding period of 1982.

Table 10.--Average number of production and related workers in U.S. establishments producing carbon steel wire rod, and hours worked by and total compensation paid to such workers, by types of producers, 1980-82, January-August 1982, and January-August 1983

Item	1980	1981	1982	January-August--	
				1982	1983
Average employment of production and related: workers producing carbon steel wire rod:					
Nonintegrated pro- ducers-----number----	2,553	2,605	2,378	2,089	2,010
Integrated pro- ducers-----do-----	5,222	4,505	2,058	2,253	2,099
Total-----do-----	7,775	7,110	4,436	4,342	4,109
Total hours worked by production and related workers pro- ducing carbon steel wire rod:					
Nonintegrated pro- ducers-1,000 hours----	5,256	5,420	4,931	2,339	2,296
Integrated pro- ducers-----do-----	9,887	8,579	4,104	2,424	2,337
Total-----do-----	15,143	13,999	9,035	4,763	4,633
Average annual hours worked by production and related workers producing carbon steel wire rod:					
Nonintegrated pro- ducers-----hours----	2,059	2,081	2,074	<u>2/</u> 1,679	<u>2/</u> 1,713
Integrated pro- ducers-----do-----	1,893	1,904	1,994	<u>2/</u> 1,614	<u>2/</u> 1,670
Average-----do-----	1,948	1,969	2,037	<u>2/</u> 1,646	<u>2/</u> 1,691

See footnotes at end of table.

Table 10.--Average number of production and related workers in U.S. establishments producing carbon steel wire rod, 1/ and hours worked by and total compensation 2/ paid to such workers, by types of producers, 1980-82, January-August 1982, and January-August 1983--Continued

Item	1980	1981	1982	January-August--	
				1982	1983
Total compensation					
paid <u>1/</u> to production					
and related workers					
producing carbon					
steel wire rod:					
Nonintegrated pro-					
ducers--1,000 dollars--	77,220	91,776	83,023	44,467	46,243
Integrated pro-					
ducers-----do-----	171,675	164,205	87,002	58,554	59,642
Total-----do-----	248,895	255,981	170,025	103,021	105,885

1/ Includes hourly wages, contributions to social security, and other employee benefits.

2/ Annualized on the basis of data for 8 months.

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

Total compensation paid to production and related workers, including wages, contributions to social security, and other benefits, followed a slightly different trend, increasing by 2.8 percent from 1980 to 1981, but declining by 33.6 percent in 1982 (table D-11). Total hourly compensation paid by carbon steel wire rod producers increased from \$16.44 per hour in 1980 to \$22.85 in January-August 1983, or by 39.0 percent (table 10). Total compensation rose by 2.8 percent in January-August 1983 from the level for the corresponding period of 1982. Total hourly wages paid to production and related workers producing carbon steel wire rod have accounted for about 75 percent of the total compensation paid to such workers in recent years.

The productivity of production and related workers in the carbon steel wire rod industry varies significantly from producer to producer; however, the trend for the aggregate has been upward (table 11). As mentioned earlier, however, it is extremely difficult for multiproduct producers to accurately account for personnel and materials devoted to the production of carbon steel wire rod. Methods of allocating workers vary significantly between producers; for each individual producer, however, relatively accurate trends can be shown. Such data are presented, by types of producers and by firms, in table D-12. Productivity in the production of carbon steel wire rod nearly doubled during recent years, from an average of 0.27 short ton per hour in 1980 to 0.50 short ton per hour in January-August 1983. All carbon steel wire rod production and related workers, with the exception of those working for Raritan, are represented by the United Steel Workers of America. Raritan's employees are not represented by a union.

Table 11.--Labor productivity, hourly compensation, and unit labor costs in the production of carbon steel wire rod, by types of producers, 1980-82, January-August 1982, and January-August 1983

Producer	1980	1981	1982	January-August--	
				1982	1983
Labor productivity (short tons per worker hour)					
Nonintegrated-----	0.33	0.39	0.38	0.49	0.63
Integrated-----	.24	.25	.27	.32	.37
Average-----	.27	.30	.33	.40	.50
Total hourly compensation paid <u>1/</u> (per worker)					
Nonintegrated-----	\$14.69	\$16.93	\$16.84	\$19.01	\$20.14
Integrated-----	17.36	19.14	21.20	24.16	25.52
Average-----	16.44	18.29	18.82	21.63	22.85
Unit labor-related costs (per short ton)					
Nonintegrated-----	\$44.48	\$43.69	\$44.63	\$38.76	\$32.04
Integrated-----	72.92	75.71	77.49	75.54	69.74
Average-----	60.85	59.96	57.00	53.59	46.07

1/ Hourly compensation includes both wages and fringe benefits provided to production and related workers producing carbon steel wire rod.

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 firms that furnished profit-and-loss data together accounted for 91 percent of total U.S. production capacity of carbon steel wire rod in 1982. Their net sales of carbon steel wire rod rose by 15.0 percent, from \$1.1 billion in 1980 to \$1.2 billion in 1981, but fell by 25.4 percent to \$0.9 billion in 1982, the lowest sales level for the period (table 12).

The 12 firms' aggregate operations on carbon steel wire rod were not profitable in any of the periods under investigation. The integrated producers sustained significant operating losses in every period, losing as much as \$82.4 million in 1982. In contrast, nonintegrated producers showed much smaller operating losses during all periods except for 1981, when they posted an \$8.7 million operating profit. The carbon steel wire rod industry recorded a net operating loss of \$43.0 million, or 8.5 percent of its net sales, in January-June 1983.

The ratio of the cost of goods sold to net sales rose irregularly from 101.7 percent in 1980 to 105.3 percent in 1982, indicating that, in the aggregate, the 12 firms sold carbon steel wire rod at less than their costs during much of the period.

Some concern was expressed by the respondents in investigations Nos. 731-TA-113 and 114 (Final) (Brazil and Trinidad and Tobago) in their prehearing briefs 1/ and at the public hearing 2/ that Raritan has used startup amortization costs to understate overall profitability. Hence, the data in table 12 show the operating profit or loss margin excluding amortization of startup costs from Raritan's data, and excluding Raritan's data in total from the aggregate data.

Raritan River Steel Co. was still in the developmental stage on December 31, 1980. Hence, Raritan treated all costs incurred up to December 31, 1980, as startup costs. Total startup costs amounted to \* \* \*, which are being amortized over \* \* \* years. The reported depreciation and amortization costs by Raritan for its other productive assets are computed by the \* \* \* method using the following estimated useful lives of the assets:

Buildings-----	*** years
Leasehold improvements-----	*** years
Machinery and equipment-----	*** years
Furniture and fixtures-----	*** years

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1/ See ISCOTT's prehearing brief in connection with investigations Nos. 731-TA-113 and 114 (Final) at pp. 30 and 105.

2/ See transcript of the hearing, p. 142, in connection with investigations Nos. 731-TA-113 and 114 (Final).



Period and type of producer	Net sales	Cost of goods sold	Gross profit or (loss)	General, selling, and admin- istrative expenses	Net operating profit or (loss)	Ratio of net operating profit or (loss) to net sales	Ratio of cost of goods sold to net sales
			Million dollars			Percent	
1980:							
Nonintegrated	399.1	380.2	18.8	24.8	(6.0)	(1.5)	95.3
Integrated	678.6	715.7	(37.1)	19.8	(56.8)	(8.4)	105.5
Total or average	1,077.6	1,095.9	(18.3)	44.6	(62.9)	(5.8)	101.7
1981:							
Nonintegrated	545.0	505.8	39.2	30.4	8.7	1.6	92.8
Integrated	694.6	717.5	(22.9)	21.4	(44.3)	(6.4)	103.3
Total or average	1,239.5	1,223.3	16.3	51.9	(35.6)	(2.9)	98.7
1982:							
Nonintegrated	508.1	491.8	16.3	24.1	(7.8)	(1.5)	96.8
Integrated	416.7	482.3	(65.5)	16.8	(82.4)	(19.8)	115.7
Total or average	924.8	974.1	(49.2)	40.9	(90.2)	(9.8)	105.3
January-June 1982 <sup>3/</sup> :							
Nonintegrated	266.4	264.8	1.6	10.4	(8.8)	(3.3)	99.4
Integrated	232.1	265.0	(32.9)	9.9	(42.8)	(18.4)	114.2
Total or average	498.5	529.8	(31.3)	20.3	(51.6)	(10.3)	106.3
January-June 1983 <sup>3/</sup> :							
Nonintegrated	278.0	267.3	10.6	10.8	(.2)	(.1)	96.2
Integrated	230.5	262.6	(32.1)	10.7	(42.8)	(18.6)	113.9
Total or average	508.4	529.9	(21.5)	21.5	(43.0)	(8.5)	104.2

1/ Jones & Laughlin discontinued production of wire rod in 1981; therefore, data for periods subsequent to 1981 represent the operations of 11 U.S. producers. Raritan River Steel Corp. began production of carbon steel wire rod in March 1980.

2/ 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.

3/ Only 2 producers, \* \* \* and \* \* \*, reported data for January-August 1982 and January-August 1983.

A-27  
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.

Raritan uses the \* \* \* of depreciation for tax purposes. Since \* \* \*, depreciation and amortization expenses of Raritan have included the amortization of startup costs of \* \* \* each year. \* \* \*. When the amortization of Raritan's startup costs is excluded from the reported data, the trend of operating profit or loss margins for nonintegrated producers and for the total industry remained approximately the same during 1980-82, January-June 1982, and January-June 1983, as shown in table 13.

When all Raritan data are excluded from the totals, the trend of operating profit or loss margins for nonintegrated producers and for the total industry also remained approximately the same during 1980-82. However, during January-June 1983, \* \* \*.

Table 13.--Operating profit or (loss) margins of 12 U.S. producers of carbon steel wire rod, as a share of net sales, total and both excluding amortization of Raritan's startup costs and excluding all Raritan data, by types of producers, accounting years 1980-82, January-June 1982, and January-June 1983

(In percent)										
Item	:	1980	:	1981	:	1982	:	January-June--		
								1982	:	1983
Including all Raritan data:	:	:	:	:	:	:	:	:	:	
Nonintegrated producers-----	:	:	:	:	:	:	:	:	:	
Total industry-----	:	(1.5)	:	1.6	:	(1.5)	:	(3.3)	(0.1)	
Excluding amortization of:	:	(5.8)	:	(2.9)	:	(9.8)	:	(10.3)	(8.5)	
Raritan's startup costs:	:	:	:	:	:	:	:	:	:	
Nonintegrated producers-----	:	:	:	:	:	:	:	:	:	
Total industry-----	:	***	:	***	:	***	:	***	***	
Excluding all Raritan data:	:	***	:	***	:	***	:	***	***	
Nonintegrated producers-----	:	:	:	:	:	:	:	:	:	
Total industry-----	:	***	:	***	:	***	:	***	***	
Excluding all Raritan data:	:	:	:	:	:	:	:	:	:	
Nonintegrated producers-----	:	:	:	:	:	:	:	:	:	
Total industry-----	:	***	:	***	:	***	:	***	***	
	:	***	:	***	:	***	:	***	***	

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

In addition to questions about Raritan's treatment of its startup costs, other questions were raised about Georgetown's interest expenses and their impact on the industry's profitability. 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 12. 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. However, both interest expenses and net profits before taxes, by types of producers and by firms, are presented in table D-13.

To further reflect the impact of depreciation, amortization, and interest expenses, operating profit or loss margins before depreciation and amortization expenses and pretax net profit or loss margins before interest expenses and/or depreciation and amortization expenses, by types of producers, are presented in tables 14 and D-14.

The data shown in table 14 generally reflect the same trends as did the operating profit margins in table 12.

Table 14.--Operating profit or (loss) margins of 12 U.S. producers on their carbon steel wire rod operations, with and without depreciation and amortization expenses, and pretax net profit or (loss) margins with and without interest expenses and/or depreciation and amortization expenses, by types of producers, accounting years 1980-82, January-June 1982, and January-June 1983

(In percent)						
Item	1980	1981	1982	January-June--		
				1982	1983	
Operating profit or (loss):						
Nonintegrated producers-----	(1.5)	1.6	(1.5)	(3.3)	(0.1)	
Integrated producers----	(8.4)	(6.4)	(19.8)	(18.4)	(18.6)	
Total industry-----	(5.8)	(2.9)	(9.8)	(10.3)	(8.5)	
Operating profit or (loss) without depreciation and amortization:						
Nonintegrated producers-----	1.6	6.4	4.0	2.8	5.9	
Integrated producers----	(6.6)	(4.4)	(16.2)	(14.9)	(14.3)	
Total industry-----	(3.5)	(0.3)	(5.1)	(5.4)	(3.2)	
Pretax net profit or (loss):						
Nonintegrated producers-----	(8.2)	(7.7)	(11.5)	(13.5)	(9.1)	
Integrated producers----	(7.8)	(5.6)	(19.0)	(18.0)	(17.4)	
Total industry-----	(7.9)	(6.5)	(14.9)	(15.6)	(12.9)	

Table 14.--Operating profit or (loss) margins of 12 U.S. producers on their carbon steel wire rod operations, with and without depreciation and amortization expenses, and pretax net profit or (loss) margins with and without interest expenses and/or depreciation and amortization expenses, by types of producers, accounting years 1980-82, January-June 1982, and January-June 1983--Continued

(In percent)						
Item	1980	1981	1982	January-June---		
				1982	1983	
Pretax net profit or (loss) without interest expenses:						
Nonintegrated producers-----	(1.2):	2.3 :	(1.4):	(3.1):	(0.3)	
Integrated producers---	(7.7):	(5.6):	(19.0):	(18.0):	(11.4)	
Total industry-----	(5.3):	(2.1):	(9.3):	(10.0):	(8.1)	
Pretax net profit or (loss) without depreciation and amortization:						
Nonintegrated producers-----	(5.1):	(2.9):	(5.9):	(7.3):	(3.2)	
Integrated producers---	(6.0):	(3.6):	(15.5):	(14.4):	(13.1)	
Total industry-----	(5.7):	(3.3):	(10.2):	(10.6):	(7.7)	
Pretax net profit or (loss) without interest expenses and without depreciation and amortization:						
Nonintegrated producers-----	1.9 :	7.0 :	4.1 :	3.0 :	5.7	
Integrated producers---	(5.9):	(3.6):	(15.5):	(14.4):	(13.1)	
Total industry-----	(3.0):	1.1 :	(4.7):	(5.1):	(2.8)	

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

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 15. Cash flow from overall operations ranged from a low of a negative \$37 million by the integrated producers in 1982 to a high of \$25 million for the nonintegrated producers in 1981.

Table 15.--Cash flow for 9 U.S. producers' operations producing carbon steel wire rod, by types of producers, accounting years 1980-82

(In thousands of dollars)				
Item	1980	1981	1982	
Nonintegrated producers:				
Net operating profit or (loss)-----	(6,023)	8,732	(7,787)	
Depreciation and amortization-----	12,385	25,956	28,324	
Cash flow-----	6,362	34,688	20,537	
Total cash flow or (deficit)---	(205)	25,464	(16,960)	
Integrated producers:				
Net operating profit or (loss)-----	(18,849)	(23,129)	(52,179)	
Depreciation and amortization-----	12,282	13,905	14,682	
Cash flow <u>1/</u> -----	(6,567)	(9,224)	(37,497)	

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.

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 1980-82. The value of the nine firms' productive facilities used in the production of carbon steel wire rod, at cost, increased by 10.1 percent, from \$484 million in 1980 to \$533 million in 1982 (table 16). The book value of such facilities increased by 9.1 percent, from \$333 million in 1980 to \$363 million in 1982.

Table 16.--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 1980-82

Item	1980	1981	1982	
Original cost-----1,000 dollars--	484,165	515,984	533,222	
Book value-----do-----	332,817	338,944	363,069	
Operating profit or (loss)-----do----	(24,492)	(14,089)	(89,147)	
Ratio of operating profit or (loss) to--				
Net sales-----percent--	(3.3)	(1.5)	(9.7)	
Original cost-----do----	(5.1)	(2.7)	(16.7)	
Book value-----do----	(7.4)	(4.2)	(24.6)	

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

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.

Capital expenditures.--Nine firms supplied data relative to their expenditures during 1980-82 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 26.1 percent, from \$35.3 million in 1980 to \$26.1 million in 1982:

<u>Capital expenditures</u> <u>(1,000 dollars)</u>	
1980-----	35,295
1981-----	33,341
1982-----	26,085

Research and development expenses.--Only six producers supplied data on their research and development expenses relative to their carbon steel wire rod operations during 1980-82. Such expenses fell from \$296,000 in 1980 to \$121,000 in 1982, or by 59.1 percent, as shown in the following tabulation:

<u>Research and development</u> <u>expenses</u> <u>(1,000 dollars)</u>	
1980-----	296
1981-----	205
1982-----	121

#### Consideration of Alleged Threat of Material Injury

##### U.S. importers' inventories

Inventories of imported carbon steel wire rod were reported by only two of the nine firms responding to the Commission's questionnaires. 1/ \* \* \*.

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1/ Responding firms together accounted for over 90 percent of the total imports in 1982 from the countries subject to these investigations.

Capacity of foreign producers to generate exports and the availability of export markets other than the United States

Argentina.--Carbon steel wire rod is produced by several firms in Argentina, but the principal producer and only known exporter to the United States is Industria Argentina de Aceros S.A. (ACINDAR). Data are not currently available on production, shipments, or exports by ACINDAR, but counsel for the firm have indicated that the firm has been a consistent and stable supplier to the U.S. market and that its' exports have never represented more than a very small percentage of the U.S. market. 1/

Mexico.--The majority of wire rod production and exports were accounted for by two firms--Altos Hornos de Mexico, S.A. (AHMSA) and Siderurgica Lazaro Cardenas-Las Trucha, S.A. (Sicartsa). Data on theoretical capacity and estimated production by these firms in 1983 are as shown in the following tabulation:

Capacity-----	*** tons
Production-----	*** tons

Counsel noted that capacity figures were overstated since products other than wire rod were also produced in these facilities. Wire rod production facilities are currently operating at high levels of practical capacity.

In their postconference brief submitted on behalf of AHMSA Steel International Inc., counsel stated that the preponderance of imports from Mexico were purchased by a single west coast customer, Davis Walker Corp. Because of an agreement which established minimum and maximum tonnages and price floors, these imports could not cause price depression or suppression.

Counsel for Hylsa, S.A., a private Mexican steel producer, stated that the Mexican wire rod industry was developed to meet domestic demand and that the industry was operating at full capacity. No plans exist for expanding this capacity. 2/ Counsel also noted that Hylsa's wire rod production is limited to large-diameter wire rod, which does not compete with the overwhelming majority of U.S. production. Exports in 1983 totaled \* \* \* short tons; \* \* \* short tons went to the United States. All exports consisted of grades \* \* \* and \* \* \* wire rod.

Poland.--There are two mills in Poland with facilities to produce wire rod--Nowa Huta and Huta Cedlera. \* \* \*. The following tabulation presents capacity, production, home consumption, and export data for the two firms (in thousands of short tons):

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1/ See postconference brief of ACINDAR, p. 5.

2/ See postconference brief of Hylsa, S.A.

Item	1980	1981	1982	1983 <u>1/</u>
Capacity-----	***	***	***	***
Production-----	***	***	***	***
Home consumption-----	***	***	***	***
Exports to--				
United States <u>2/</u> -----	-	-	8	20
All other-----	***	***	***	***

1/ Estimated for full year.

2/ Derived from official statistics of the U.S. Department of Commerce.

Counsel for Stalexport, the exporter of Polish wire rod, indicates there are \* \* \*. All the wire rod exported to the United States is \* \* \* wire rod produced by the \* \* \* method.

Spain.--According to petitioners, two Spanish wire rod producers--Empresa Nacional Siderugica, S.A. (ENSIDESA) and Nueva Montana Quijano, S.A., together account for substantially all exports of Spanish wire rod to the United States. Counsel for Spanish steel producers provided the following data concerning Spanish production and exports of wire rod (in thousands of short tons):

Item	1981	1982	1983
Production-----	***	***	***
Exports to--			
United States <u>1/</u> -----	2	7	53
Total-----	***	***	***

1/ Derived from official statistics of the U.S. Department of Commerce.

Counsel indicated that although accurate capacity data were not currently available, wire rod capacity in Spain had been reduced in 1982 and no additional capacity was forthcoming.

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

#### U.S. imports

All sources.--The quantity of U.S. imports of carbon steel wire rod from all sources increased from 730,000 short tons in 1980 to 830,000 short tons in 1982, or by 13.7 percent (table 17). U.S. imports increased from 486,000 short tons in January-August 1982 to 694,000 short tons in January-August 1983, or by 42.8 percent.



Table 17.--Carbon steel wire rod: U.S. imports for consumption, by principal sources, 1980-82, January-August 1982, and January-August 1983

Source	1980	1981	1982	January-August--		
				1982	1983	
	Quantity (short tons)					
Canada-----	355,583	314,599	279,987	164,147	174,602	
Japan-----	198,055	167,390	141,930	90,292	103,857	
Brazil-----	0	32,579	111,025	81,323	70,049	
France-----	93,138	101,921	105,068	68,747	41,671	
Trinidad and Tobago--	0	6,010	56,338	26,294	44,250	
Mexico-----	0	0	30,401	3,763	56,678	
Belgium and Luxem-						
bourg-----	20,012	21,547	27,567	8,865	7,185	
United Kingdom-----	711	29,089	14,034	5,451	9,470	
Argentina-----	0	21,167	12,238	12,238	43,277	
Federal Republic of						
Germany-----	13,368	15,564	11,415	4,409	12,948	
Poland-----	0	0	7,987	0	20,249	
Spain-----	3,746	1,657	6,689	4,063	52,866	
Czechoslovakia-----	1,886	331	2,245	371	11,010	
All other-----	43,402	48,880	22,880	16,070	45,914	
Total-----	729,901	760,734	829,804	486,032	694,026	
	Percent of total					
Canada-----	48.7	41.4	33.7	33.8	25.2	
Japan-----	27.1	22.0	17.1	18.6	15.0	
Brazil-----	-	4.3	13.4	16.7	10.1	
France-----	12.8	13.4	12.7	14.1	6.0	
Trinidad and Tobago--	-	.8	6.8	5.4	6.4	
Mexico-----	-	-	3.7	.8	8.2	
Belgium and Luxem-						
bourg-----	2.7	2.8	3.3	1.8	1.0	
United Kingdom-----	.1	3.8	1.7	1.1	1.4	
Argentina-----	-	2.8	1.5	2.5	6.2	
Federal Republic of						
Germany-----	1.8	2.0	1.4	.9	1.9	
Poland-----	-	-	1.0	-	2.9	
Spain-----	.5	.2	.8	.8	7.6	
Czechoslovakia-----	.3	1/	.3	.1	1.6	
All other-----	5.9	6.4	2.8	3.3	6.6	
Total-----	100.0	100.0	100.0	100.0	100.0	

1/ Less than 0.05 percent.

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

Note.--Because of rounding, figures may not add to the totals shown.

The value of total U.S. imports followed a similar trend, increasing from \$235 million in 1980 to \$266 million in 1982, or by 12.8 percent (table 18). The value of imports in January-August 1983 was 16.7 percent greater than that in January-August 1982.

Argentina.--No imports of carbon steel wire rod were reported in 1980 (table 18). Imports in 1981 totaled 21,167 short tons, valued at \$7 million, and then declined to 12,238 short tons, valued at \$3 million, in 1982. Imports rose sharply in January-August 1983 to 43,277 (\$9 million), or by 250 percent from imports in January-August 1982. The average unit value of imports from Argentina declined throughout the period, from \$334 per short ton in 1981 to \$240 in 1982 and to \$208 per short ton in January-August 1983. In 1981, imports from Argentina represented 2.8 percent of total imports. In January-August 1983, they represented 6.2 percent.

Mexico.--No imports of Mexican carbon steel rod were reported in 1980 and 1981. In 1982, 30,401 short tons, valued at \$7 million, were entered from Mexico. In January-August 1983, 56,678 short tons, valued at \$12 million, were reported. Only 3,763 tons were imported in the corresponding period of 1982. The average unit value of imports declined from \$232 per short ton in 1982 to \$207 per short ton in January-August 1983. Imports of carbon steel wire rod from Mexico accounted for 3.7 percent of total imports in 1982 and 8.2 percent in January-August 1983.

Poland.--Imports from Poland followed a pattern similar to those from Mexico, except their entry into the U.S. market was even more sudden. No imports of Polish carbon steel wire rod were reported from January 1980 through August 1982. From September to December 1982, 7,987 short tons, valued at \$1.5 million were reported. In January-August 1983, imports increased to 20,249 short tons, valued at \$4 million. The average unit value of imports from Poland declined from \$186 per short ton in 1982 to \$183 per short ton in January-August 1983. Such imports represented 1.0 and 2.9 percent of total imports of carbon steel wire rod in 1982 and January-August 1983, respectively.

Spain.--Imports of carbon steel wire rod from Spain declined from 3,746 short tons, valued at \$1.7 million, in 1980 to 1,657 short tons, valued at \$834,000, in 1981. Imports increased sharply in 1982 to 6,689 short tons, valued at \$3 million. In January-August 1983, imports from Spain surged to 52,866 short tons, valued at \$14 million. The average unit value of rod from Spain dropped sharply, from \$433 per short ton in 1982 to \$261 per short ton in January-August 1983. Imports from Spain rose from less than 1 percent of total imports in 1982 to 7.6 percent in January-August 1983.

All countries subject to active countervailing duty and antidumping investigations.--As shown in table 19, cumulated imports from the countries subject to these investigations steadily increased from about 4,000 short tons in 1980 to 57,000 short tons in 1982. Imports increased sharply in January-August 1983 to 173,000 short tons. If imports from Czechoslovakia, currently subject to a countervailing duty investigation by Commerce, are added to the total, the trend remains the same, and the aggregate value and volume of imports increases slightly.

Table 18.--Carbon steel wire rod: U.S. imports for consumption from selected countries and from all other sources, 1980-82, January-August 1982, and January-August 1983

Source	1980	1981	1982	January-August--	
				1982	1983
Quantity (short tons)					
Argentina-----	0	21,167	12,238	12,238	43,277
Czechoslovakia-----	1,886	331	2,245	371	11,010
Mexico-----	0	0	30,401	3,763	56,678
Poland-----	0	0	7,987	0	20,249
Spain-----	3,746	1,657	6,689	4,063	52,866
Subtotal-----	5,632	23,155	59,560	20,435	184,080
All other-----	724,269	737,579	770,244	465,598	509,946
Total-----	729,901	760,734	829,804	486,033	694,026
Value (1,000 dollars)					
Argentina-----	-	7,063	2,931	2,931	9,004
Czechoslovakia-----	538	114	781	94	2,346
Mexico-----	-	-	7,050	1,364	11,755
Poland-----	-	-	1,484	-	3,713
Spain-----	1,698	834	2,899	1,841	13,785
Subtotal-----	2,236	8,011	15,145	6,230	40,603
All other-----	233,211	255,553	250,463	156,401	148,150
Total-----	235,447	263,564	265,608	162,631	188,753
Unit value (per short ton)					
Argentina-----	-	\$333.70	\$239.52	\$239.52	\$208.06
Czechoslovakia-----	\$285.53	344.73	347.83	252.87	213.08
Mexico-----	-	-	231.91	362.48	207.39
Poland-----	-	-	185.80	-	183.37
Spain-----	453.36	503.22	433.36	453.18	260.76
Subtotal-----	397.02	345.97	254.28	304.87	220.57
All other-----	322.00	346.48	325.17	335.91	290.52
Total-----	322.57	346.46	320.08	334.61	271.97

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

Note.--Because of rounding, figures may not add to the totals shown.

Table 19.--Carbon steel wire rod: U.S. imports for consumption, by specified country groupings, 1980-82, January-August 1982, and January-August 1983

Period	Countries subject to these investi- gations <u>1/</u>	Countries subject to active countervailing and antidumping investigations <u>2/</u>	All other	Total
Quantity (short tons)				
1980-----	3,746	5,632	724,269	729,901
1981-----	22,824	23,155	737,579	760,734
1982-----	57,315	59,560	770,244	829,804
January-August--				
1982-----	20,064	20,435	465,598	486,033
1983-----	173,070	184,080	509,946	694,026
Value (1,000 dollars)				
1980-----	1,698	2,236	233,211	235,447
1981-----	7,897	8,011	255,553	263,564
1982-----	14,364	15,145	250,463	265,608
January-August--				
1982-----	6,136	6,230	156,401	162,631
1983-----	38,257	40,603	148,150	188,753
Unit value (per short ton) <u>3/</u>				
1980-----	\$453.28	\$397.02	\$322.00	\$322.57
1981-----	346.00	345.97	346.48	346.46
1982-----	250.62	254.28	325.17	320.09
January-August--				
1982-----	305.82	304.87	335.91	334.63
1983-----	221.05	220.57	290.52	271.97

1/ Argentina, Mexico, Poland, and Spain.

2/ Argentina, Czechoslovakia, Mexico, Poland, and Spain.

3/ Calculated from unrounded numbers.

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

Note.--Because of rounding, figures may not add to the totals shown.

Counsel for those in opposition to the imposition of countervailing or antidumping duties allege that the majority of U.S. producers cannot be competitive in sales to west coast customers because of transportation costs. Therefore, much of their clients' sales are on the west coast. Data available from the Department of Commerce on imports, by ports, indicate that about 109,000 tons, or over 60 percent of carbon steel wire rod imports from Argentina, Mexico, and Spain in January-September 1983, were entered through ports on the west coast, as shown in the following tabulation (in short tons):

Source	Los Angeles	San Diego	San Francisco	Seattle	Total
Argentina-----	9,109	0	5,623	3,597	18,329
Mexico-----	18,963	2,900	18,544	24,207	64,614
Poland-----	0	0	0	0	-
Spain-----	8,176	0	6,252	11,555	25,983
Total-----	36,248	2,900	30,419	39,359	108,926

Mexico accounted for the highest volume of imports (65,000 tons), which represented almost 90 percent of their total exports to the United States during the period. About 40 percent of total imports from Argentina and Spain were entered on the west coast. Polish imports and the balance of imports from Argentina and Spain were entered through ports located throughout the United States. Armco, CF&I, North Star-Texas, and Tamco all sold carbon steel wire rod to west coast customers during the period of investigation.

Quarterly imports from the countries subject to these investigations and from all other sources for January 1982-September 1983, as reported by the U.S. Department of Commerce, are shown in table 20.

Table 20.--Carbon steel wire rod: U.S. imports for consumption, by sources and by quarters, January 1982-September 1983

Period	Argentina	Mexico	Poland	Spain	All other	Total
1982:						
Jan.-Mar-----	6,761	0	0	1,909	180,452	189,123
Apr.-June-----	0	3,411	0	1,220	177,105	181,736
July-Sept-----	5,477	2,282	0	1,425	182,873	192,057
Oct.-Dec-----	0	24,709	7,987	2,134	232,058	266,889
1983:						
Jan.-Mar-----	8,551	7,889	3,141	21,465	233,817	274,862
Apr.-June-----	21,827	27,615	11,344	19,763	179,837	260,386
July-Sept-----	16,822	36,607	5,778	19,692	174,869	253,768

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

Monthly imports from Argentina, Mexico, Poland, and Spain are shown in table 21 for January 1982-October 1983.

Table 21.--Carbon steel wire rod: U.S. imports for consumption, by sources and by months, January 1982-October 1983

(In short tons)						
Period	Argen- tina	Mexico	Poland	Spain	All other	Total
1982:	:	:	:	:	:	:
January-----	1,136	0	0	0	66,180	67,316
February-----	5,625	0	0	110	60,142	65,877
March-----	0	0	0	1,800	54,130	55,930
April-----	0	2,992	0	48	28,600	31,640
May-----	0	418	0	33	59,831	60,282
June-----	0	0	0	1,140	88,674	89,814
July-----	0	0	0	827	49,410	50,236
August-----	5,477	353	0	107	59,001	64,938
September-----	0	1,930	0	491	74,462	76,883
October-----	0	8,028	0	1,043	79,944	89,014
November-----	0	14,660	103	965	88,840	104,569
December-----	0	2,021	7,884	127	63,274	73,306
1983:	:	:	:	:	:	:
January-----	5,609	2,448	3,023	4,780	81,256	97,116
February-----	0	583	0	13,339	80,928	94,850
March-----	2,941	4,858	119	3,345	71,633	82,896
April-----	3,817	11,937	46	2,037	50,997	68,835
May-----	18,010	8,112	8,971	11,858	69,376	116,327
June-----	0	7,565	2,327	5,868	59,464	75,225
July-----	4,769	11,778	1,096	8,791	49,965	76,399
August-----	8,130	9,397	4,668	2,846	57,337	82,378
September-----	3,923	15,432	14	8,055	67,567	94,991
October-----	2,005	8,967	3,850	10,826	60,366	86,014
	:	:	:	:	:	:

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

#### Market penetration of imports

All sources.--As a share of total apparent U.S. consumption (including captive consumption), U.S. imports from all sources of carbon steel wire rod increased from 16.2 percent in 1980 to 21.9 percent in 1982 (table 22). They increased further, from 20.2 percent of total apparent U.S. consumption in January-August 1982 to 24.4 percent in the corresponding period of 1983. As a share of noncaptive apparent U.S. consumption, such imports increased from 22.9 percent in 1980 to 27.6 percent in 1982 and from 26.0 percent in January-August 1982 to 29.7 percent in the corresponding period of 1983.

Table 22.--Carbon steel wire rod: U.S. imports for consumption, by sources, 1980-82, January-August 1982, and January-August 1983

Source	1980	1981	1982	January-August--	
				1982	1983
Quantity (short tons)					
Argentina	0	21,167	12,238	12,238	43,277
Mexico	0	0	30,401	3,763	56,678
Poland	0	0	7,987	0	20,249
Spain	3,746	1,657	6,689	4,063	52,866
All other	726,155	737,910	772,489	465,969	520,956
Total	729,901	760,734	829,804	486,033	694,026
Ratio of imports to total apparent U.S. consumption (percent)					
Argentina	-	0.4	0.3	0.5	1.5
Mexico	-	-	.8	.2	2.0
Poland	-	-	.2	-	.7
Spain	.1	<u>1</u> /	.2	.2	1.9
All other	16.1	15.0	20.4	19.3	18.3
Total	16.2	15.5	21.9	20.2	24.4
Ratio of imports to apparent U.S. open-market consumption (percent)					
Argentina	-	0.6	0.4	0.7	1.9
Mexico	-	-	1.0	.2	2.4
Poland	-	-	.3	-	.9
Spain	.1	<u>1</u> /	.2	.2	2.3
All other	22.8	21.3	25.7	25.0	22.3
Total	22.9	21.9	27.6	26.0	29.7

1/ Less than 0.05 percent.

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

Argentina.--The ratio of imports from Argentina to total apparent consumption of carbon steel wire rod declined slightly, from 0.4 percent in 1981 to 0.3 percent in 1982. The ratio jumped to 1.5 percent in January-August 1983. As a share of apparent open-market consumption, imports from Argentina followed a similar trend, decreasing in 1982, and then increasing to 1.9 percent in January-August 1983.

Mexico.--Imports from Mexico rose from 0.8 percent of total U.S. consumption of carbon steel wire rod in 1982 to 2.0 percent in January-August 1983. Mexican imports accounted for an even larger share of apparent open-market consumption--2.4 percent in January-August 1983, the largest market share of any of the countries subject to these investigations.

Poland.--Poland's share of total U.S. consumption of carbon steel wire rod accounted for 0.2 and 0.7 percent of the market in 1982 and January-August 1983, respectively. Its share of open-market consumption rose from 0.3 percent in 1982 to 0.9 percent in January-August 1983.

Spain.--Unlike imports from the other countries subject to these investigations, imports of carbon steel wire rod from Spain entered the U.S. market throughout the entire period covered by these investigations. The market share represented by Spanish imports was small until 1983, when such imports represented 1.9 percent of total consumption and 2.3 percent of open-market consumption.

All countries subject to active countervailing duty and antidumping investigations.--On a cumulated basis, imports subject to these investigations steadily increased their penetration of the U.S. market, as shown in table 23.

Table 23.--Carbon steel wire rod: Ratio of imports to apparent U.S. consumption and ratio of imports to apparent U.S. open-market consumption, 1980-82, January-August 1982, and January-August 1983

(In percent)				
Period	Countries subject to these investigations <sup>1/</sup>	Countries subject to active countervailing and antidumping investigations <sup>2/</sup>	All other	Total
Ratio of imports to total apparent U.S. consumption				
1980-----	0.1	0.1	16.0	16.2
1981-----	.5	.5	15.0	15.5
1982-----	1.5	1.6	20.3	21.9
January-August--				
1982-----	.8	.8	19.3	20.2
1983-----	6.1	6.5	18.0	24.4
Ratio of imports to apparent U.S. open-market consumption				
1980-----	0.1	0.2	22.7	22.9
1981-----	.7	.7	21.2	21.9
1982-----	1.9	2.0	25.7	27.6
January-August--				
1982-----	1.1	1.1	24.9	26.0
1983-----	7.4	7.9	21.8	29.7

<sup>1/</sup> Argentina, Mexico, Poland, and Spain.

<sup>2/</sup> Argentina, Czechoslovakia, Mexico, Poland, and Spain.

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



Imports rose from 0.1 percent of total apparent U.S. consumption in 1980 to 6.1 percent in January-August 1983. Penetration of apparent open-market consumption reached 7.4 percent in 1983. If imports from Czechoslovakia, currently subject to a countervailing duty investigation by Commerce, are added to the total, import penetration would be 6.5 percent in January-August 1983 for total consumption and 7.9 percent for open-market consumption.

### 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. Demand for many of these products has been adversely affected by the recession that began in the last half of 1981. The decline in demand 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 falling 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 \* \* \* to \* \* \* percent of the total invoice value and competitive freight allowances ranging from \* \* \* to \* \* \* percent. In some instances, freight was absorbed, but no competitive allowances were granted. Invoices did not indicate that either type of price adjustment was made in response to import competition. Although freight equalization allowances were granted to buyers in different areas of the United States, the invoices showed that only \* \* \* such instances occurred for shipments to the west coast; these sales were made by Georgetown Texas (North Star Steel-Texas).

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

The weakness in demand for steel wire rod during 1981-83 is also reflected in the Bureau of Labor Statistics (BLS) Producer Price Index 1/ for low-carbon steel wire rod; this index increased by 7.5 percent from January-March 1981 through January-March 1982, and then declined by 1.2 percent through September 1983. The following tabulation shows the BLS Producer Price Index for low-carbon steel wire rod (January-March 1981=100):

<u>Period</u>	<u>Producer Price Index</u>
1981:	
January-March-----	100.0
April-June-----	99.8
July-September-----	107.1
October-December-----	107.2
1982:	
January-March-----	107.5
April-June-----	107.4
July-September-----	107.3
October-December-----	107.2
1983:	
January-March-----	106.2
April-June-----	106.2
July-September-----	106.3

Price trends.--The Commission requested f.o.b. mill price data from domestic producers and f.o.b. port-of-entry price data from importers. Usable data were received from 11 producers and from 7 importers. Price data for low-carbon steel wire rod, AISI grade 1008, 7/32 inch to 27/64 inch in diameter, are shown in table 24.

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 \$305 per short ton in January-March 1983, or by 12 percent. Integrated prices then increased to \$312 per short ton in April-June 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 1.3 percent from January-March 1981 to April-June 1981, but then decreased by 14 percent from April-June 1981 to July-September 1983. Prices decreased in every quarter from January-March 1982 to April-June 1983, by a total of 17.5 percent, before rising 7 percent in July-September 1983.

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1/ The BLS Producer Price Index may reflect changes in list prices rather than actual transaction prices, depending on the data reported by producing firms. List prices generally lag behind transaction prices when declining, but often lead transaction prices when rising.

Table 24.--Carbon steel wire rod: U.S. producers' and importers' 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-September 1983

(Per short ton)							
Period	Domestic producers <sup>1/</sup>			Importers			
	Integrated	Non-integrated	All	Argentina	Mexico	Poland	Spain
1981:							
Jan.-Mar-----	\$338	\$311	\$322	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
Apr.-June-----	346	315	326	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
July-Sept-----	343	313	323	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
Oct.-Dec-----	338	299	313	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
1982:							
Jan.-Mar-----	320	309	310	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
Apr.-June-----	310	300	301	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
July-Sept-----	314	279	282	<u>2/</u>	***	<u>2/</u>	<u>2/</u>
Oct.-Dec-----	327	273	277	<u>2/</u>	***	***	<u>2/</u>
1983:							
Jan.-Mar-----	305	265	269	<u>3/</u> ***	***	***	***
Apr.-June-----	312	255	257	<u>3/</u> ***	***	***	***
July-Sept-----	<u>2/</u>	272	272	<u>3/</u> ***	***	***	***

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

<sup>2/</sup> Not available.

<sup>3/</sup> This price represents the average unit value for landed duty-paid low carbon steel wire rod purchased by \* \* \* during the period January-August 1983. \* \* \* is one of the largest importers of carbon steel wire rod from Argentina. The Commission also received data from another importer, \* \* \*, that reported a purchase in October 1983 of \* \* \* tons of low-carbon steel wire rod, AISI grade 1008, 7/32 inch to 27/64 inch in diameter, from Argentina at a landed, duty paid price of \* \* \* per short ton.

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

As table 24 indicates, importers' weighted-average prices have generally declined. Prices of Mexican wire rod declined \* \* \* percent from July-September 1982 through July-September 1983. Prices of Polish wire rod declined \* \* \* percent from October-December 1982 through July-September 1983, and during January-September 1983, prices of Spanish wire rod declined \* \* \* percent.

Margins of underselling.--In every quarter for which data were received, importers' weighted-average prices were lower than domestic prices. Margins of underselling were \* \* \* for Mexican wire rod and ranged from \* \* \* to \* \* \* percent. Margins of underselling on Polish wire rod generally were \* \* \* than those for imports from Mexico, and ranged from \* \* \* to \* \* \* percent. Margins of underselling were \* \* \* for Spanish wire rod and ranged from \* \* \* to \* \* \* percent. Because data for Argentine wire rod represent average unit values rather than prices, no margins of underselling were estimated.

Exchange rates.--Indexes of exchange rates for the relevant currencies relative to the U.S. dollar are contained in table 25. Between the first quarter of 1981 and the third quarter of 1983, these currencies depreciated in nominal terms by the following percentages: the Argentine peso, by 4,794 percent; the Mexican peso, by 527 percent; and the Spanish peseta, by 179 percent. Poland's currency is not convertible.

To account for relative differences in inflation, indexes of wholesale prices in the United States and the respective foreign countries, when available, were used to convert the nominal exchange-rate indexes into real exchange-rate indexes. These real-exchange rate indexes are also contained in table 25. According to real-exchange rate indexes, between January-March 1981 and April-June 1983 the Argentine peso depreciated 201 percent relative to the U.S. dollar. Between January-March 1981 and January-March 1983, the Mexican peso depreciated 160 percent, and the Spanish peseta depreciated by 124 percent.

Table 25.--Indexes of the nominal and real exchange rates for the Argentine peso, the Mexican peso, the Spanish peseta, and the Polish zloty relative to the U.S. dollar, by quarters, January 1981-September 1983 1/

(January-March 1981=100)								
Period	Argentina Peso		Mexican Peso		Spanish Peseta		Polish Zloty	
	Nominal	Real	Nominal	Real	Nominal	Real	nominal	<u>2/</u>
1981:								
January-March-----	100	100	100	100	100	100		<u>4/</u>
April-June-----	171	132	100	96	109	104		<u>4/</u>
July-September-----	233	129	105	96	117	111		<u>4/</u>
October-December----	296	129	109	94	115	106		<u>4/</u>
1982:								
January-March-----	466	155	142	111	121	108		81.7
April-June-----	620	166	196	133	126	110		82.9
July-September-----	1,711	271	276	158	133	116		84.0
October-December----	1,907	207	305	149	143	122		84.8
1983:								
January-March-----	2,609	197	426	160	155	124		85.7
April-June-----	3,547	201	477	<u>2/</u>	166	<u>3/</u>		86.4
July-September-----	4,794	<u>3/</u>	527	<u>2/</u>	179	<u>3/</u>		89.8

1/ Real-exchange-rate indexes were calculated using a relative wholesale price index. The exchange rates used were the official rates.

2/ Because Poland is a nonmarket economy country, wholesale prices may not reflect normal inflationary influences. Therefore, a real-exchange-rate index was not calculated.

3/ Not available.

4/ Poland has a nonmarket economy, and its currency is not convertible. Prior to 1982, Poland did not have a unified official exchange rate. Because a consistent exchange-rate series was unavailable for earlier years, the data have been omitted.

Source: Compiled from official statistics of the International Monetary Fund, except for Polish exchange rates, which were obtained from data published by the Polish National Bank.

### Lost sales

Domestic producers received questionnaires from the Commission in these investigations requesting specific allegations of sales lost to imports from the countries under investigation. Usable responses were received from six producers, \* \* \*. 1/ With the exception of one allegation, the aggregate lost sales data concentrated on imports of low-carbon, industrial-quality wire

1/ In addition, \* \* \* reported that although they were unable at this time to document specific instances of lost sales, imports from these countries were causing injury. The firm will attempt to compile the necessary information if the Commission conducts final investigations.

rod. The Commission received and investigated 10 lost sales allegations, involving 9 different purchasers. Allegations involving Argentina amounted to about 1,700 short tons; Mexico; 1,500 tons; Poland, 2,000 tons, and Spain, 5,000 tons. The Commission was able to identify purchases of foreign material totaling over 10,000 tons. Purchases were made primarily on the basis of price, although developing alternate sources was also considered an important factor by most of the purchasers. In all cases, imports represented a very small portion of total purchases by these firms, most of which consider domestic producers their principal sources. A summary of the lost sales inquiries follows:

Argentina.--Three domestic producers alleged lost sales to imports from Argentina.

Purchaser 1.--\* \* \* \* \*

Purchaser 2.--\* \* \* \* \*

Purchaser 3.--\* \* \* \* \*

Mexico.--Only one domestic producer, \* \* \*, alleged the loss of sales to imports from Mexico. \* \* \*.

Poland.--Two domestic producers alleged loss of sales to imports from Poland.

Purchaser 1.--\* \* \* \* \*

Purchaser 2.--\* \* \* \* \*

Spain.--Three domestic producers alleged the loss of sales due to imports of wire rod from Spain.

Purchaser 1.--\* \* \* \* \*

Purchaser 2.--\* \* \* \* \*

An additional domestic producer, \* \* \*, responded to the Commission's request for lost sales information, by stating they could identify no instance since January 1, 1980 where imports from Argentina, Poland or Mexico caused the firm to lose sales or reduce prices. The firm also noted that Western European and South African mills were active during the period. \* \* \*. 1/

\* \* \* also submitted extensive lost sales allegations covering sales to twenty seven customers in 1983. Specific allegations totaling about \* \* \* tons of wire rod were made concerning imports from the countries subject to these investigations. Over \* \* \* percent of these lost sales were to customers on the west coast. Because of the late submission of this data (Dec. 21, 1983) the staff was unable to verify any of the allegations. \* \* \*

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1/ Questionnaire response of \* \* \*.

also submitted a late questionnaire response (Dec. 20, 1983) in which the firm alleged the loss of over \* \* \* tons of low-carbon and grade \* \* \* carbon steel wire rod in September and October 1983. All of these losses were attributed to imports from Argentina and Spain. The staff did not attempt to verify these allegations.

In addition to lost sales allegations, two domestic producers, \* \* \* and \* \* \*, provided data on lost revenues totaling over \* \* \*. The data pertained to instances where they lowered prices to customers because of price offers for imported wire rod. Data covered the period from August 1981-August 1983 and involved offers of wire rod from all the countries subject to these investigations. \* \* \* also provided several instances where it had lowered prices but did not provide an estimate of lost revenues. Because of time considerations, staff efforts were concentrated on verifying lost sales allegations. Lost revenue allegations were not checked.





APPENDIX A

NOTICE OF THE COMMISSION'S INSTITUTION OF  
ITS PRELIMINARY INVESTIGATIONS

for U.S. International Trade Commission. If you anticipate commenting on a form but find that time to prepare comments will prevent you from submitting them promptly you should advise OMB of your intent as soon as possible. Copies of any comments should be provided to Charles Ervin (United States International Trade Commission, 701 E Street NW., Washington, D.C. 20436).

Issued: November 21, 1983.

By order of the Commission.

Kenneth R. Mason,  
Secretary.

[FR Doc. 83-32056 Filed 11-29-83; 8:45 am]

BILLING CODE 7020-02-M

[Investigations Nos. 701-TA-209 (Preliminary) and 731-TA-157 Through 160 (Preliminary)]

**Carbon Steel Wire Rod From Argentina, Mexico, Poland, and Spain**

**AGENCY:** International Trade Commission.

**ACTION:** Institution of preliminary countervailing duty and antidumping investigations and scheduling of a conference to be held in connection with the investigations.

**EFFECTIVE DATE:** November 23, 1983.

**SUMMARY:** The United States International Trade Commission hereby gives notice of the institution of investigation No. 701-TA-209 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(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 Spain of carbon steel wire rod, provided for in item 607.17 of the Tariff Schedules of the United States (TSUS), upon which bounties or grants are alleged to be paid.

The Commission also gives notice of the institution of investigations Nos. 731-TA-157 through 160 (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 the following countries of carbon steel wire rod, provided for in TSUS item 607.17, which are alleged to be sold in the United States at less than fair value:

Argentina, 731-TA-157 (Preliminary)

Mexico, 731-TA-158 (Preliminary)  
Poland, 731-TA-159 (Preliminary)  
Spain, 731-TA-160 (Preliminary)

**FOR FURTHER INFORMATION CONTACT:**  
Mr. Daniel Leahy, Office of Investigations, U.S. International Trade Commission, 701 E St. NW., Washington, D.C. 20436, telephone 202-523-1369.

#### **SUPPLEMENTARY INFORMATION:**

##### **Background**

These investigations are being instituted in response to a petition filed on November 23, 1983, by counsel on behalf of Atlantic Steel Company, Continental Steel Co., Georgetown Steel Corp., North Star Steel Co.—Texas, and Raritan River Steel Company. The Commission must make its determinations in these investigations within 45 days after the date of the filing of the petition, or by January 9, 1984 (19 CFR 207.17).

##### **Participation**

Persons wishing to participate in these investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided for in § 201.11 of the Commission's Rules of Practice and Procedure (19 CFR § 201.11), not later than seven (7) 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 notice.

##### **Service of Documents**

The Secretary will compile a service list from the entries of appearance filed in these investigations. Any party submitting a document in connection with the investigations shall, in addition of complying with § 201.8 of the Commission's rules (19 CFR 201.8), serve a copy of each such document on all other parties to the investigation. Such service shall conform with the requirements set forth in § 201.16(b) of the rules (19 CFR 201.16(b), as amended by 47 FR 33682, Aug. 4, 1982).

In addition to the foregoing, each document filed with the Commission in the course of these investigations must include a certificate of service setting forth the manner and date of such service. This certificate will be deemed proof of service of the document. Documents not accompanied by a certificate of service will not be accepted by the Secretary.

##### **Written Submissions**

Any person may submit to the Commission on or before December 16,

1983, a written statement of information pertinent to the subject matter of these investigation (19 CFR 207.15). A signed original and fourteen (14) copies of such statements must be submitted (19 CFR 201.8).

Any business information which a submitter desires the Commission to treat as confidential shall be submitted separately, and each sheet must be clearly marked at the top "Confidential Business Data." Confidential submissions must conform with the requirements of § 201.6 of the Commission's rules (19 CFR 201.6). All written submissions, except for confidential business data, will be available for public inspection.

##### **Conference**

The Director of Operations of the Commission has scheduled a conference in connection with these investigations for 9:30 a.m. on December 14, 1983, at the U.S. International Trade Commission Building, 701 E Street NW., Washington, D.C. Parties wishing to participate in the conference should contact the staff investigator, Mr. Daniel Leahy (202-523-1369), not later than December 9, 1983, to arrange for their appearance. Parties in support of the imposition of countervailing and/or antidumping duties in these investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

##### **Public Inspection**

A copy of the petition and 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, U.S. International Trade Commission, 701 E Street NW., Washington, D.C.

For further information concerning the conduct of these investigations and rules of general application, consult the Commission's Rules of Practice and Procedure, Part 207, subparts A and B (19 CFR Part 207, as amended by 47 FR 33682, Aug. 4, 1982), and Part 201, subparts A through E (19 CFR Part 201, as amended by 47 FR 33682, Aug. 4, 1982). Further information concerning the conduct of the conference will be provided by Mr. Leahy.

This notice is published pursuant to section 207.12 of the Commission's rules (19 CFR 207.12). A-52

Issued: November 25, 1983.

Kenneth R. Mason,  
Secretary.

[FR Doc. 83-32056 Filed 11-29-83; 8:45 am]

**APPENDIX B**

**THE DEPARTMENT OF COMMERCE'S NOTICES  
OF ITS INVESTIGATIONS**

[C-469-009]

**Carbon Steel Wire Rod From Spain;  
Initiation of Countervailing Duty  
Investigation****AGENCY:** International Trade  
Administration, Commerce.**ACTION:** Notice.

**SUMMARY:** On the basis of the petition filed with the U.S. Department of Commerce, we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Spain of carbon steel wire rod as described in the "Scope of Investigation" section below, received benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) of this action so that it may determine whether imports of the merchandise are materially injuring, or threatening to materially injure, a U.S. industry. If our investigation proceeds normally, the ITC will make its preliminary determination on or before January 9, 1984, and we will make ours on or before February 16, 1984.

**EFFECTIVE DATE:** December 21, 1983.

**FOR FURTHER INFORMATION CONTACT:** Laura Campobasso, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street

and Constitution Avenue, NW.,  
Washington, D.C., 20230. (202) 377-3174.

**SUPPLEMENTARY INFORMATION:****Petition**

On November 23, 1983, we received a petition from the Atlantic Steel Company, Continental Steel Company, Georgetown Steel Corporation, North Star Steel Company-Texas, and Raritan River Steel Company, on behalf of the carbon steel wire rod industry. In compliance with the filing requirements of § 355.26 of the Commerce Regulations (19 CFR 355.26), the petition alleges that manufacturers, producers, or exporters in Spain of carbon steel wire rod receive, directly or indirectly, benefits which constitute subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act) and that these imports are materially injuring, or threatening to materially injure, a U.S. industry.

Spain is considered a "country under the Agreement" within the meaning of section 701(b) of the Act, therefore, Title VII of the Act applies to this investigation and in an injury determination is required.

**Initiation of Investigation**

Under section 702(c) of the Act, we must determine, within 20 days after a petition is filed, whether the petition sets forth the allegations necessary for the initiation of a countervailing duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on carbon steel wire rod and have found that the petition meets those requirements.

Therefore, we are initiating a countervailing duty investigation to determine whether the manufacturers, producers, or exporters in Spain of carbon steel wire rod, as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies. If our investigation proceeds normally, we will make our preliminary determination by February 16, 1984.

**Scope of the Investigation**

For the purpose of this investigation the term "*carbon steel wire rod*" covers a coiled, semi-finished, hot-rolled carbon steel product of approximately round solid cross-section, not under 0.20 inch nor over 0.74 inch in diameter, not tempered, not treated, 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*.

**Allegations of Subsidies**

The petition alleges that manufacturers, producers, or exporters in Spain of carbon steel wire rod receive the following benefits which constitute subsidies:

- Preferential Loans
- Capital Infusions for Loss Coverage
- Capital Financing of Wire Rod Mill
- National Steel Industry Program
- Warehouse Construction Loans
- Privileged Circuit Exporter Credits
- Refinancing Loan
- Annual Finance Investment Plan
- Equity Infusions
- Benefits Available to Subsidiaries
- Order of May 22, 1980

**Allegations of Critical Circumstances**

Petitioners allege their petition demonstrates that imports of wire rod from Spain have benefited from Privileged Circuit Exporter Credits, which constitute an export subsidy "inconsistent with the Agreement", and that there have been massive imports of wire rod from Spain over a short period. Accordingly, they allege under 703(e)(1) of the Act and § 355.29(a) of the Department's Regulations that critical circumstances exist.

**Notification to ITC**

Section 702(d) of the Act requires us to notify the U.S. International Trade Commission of these actions and to provide it with the information we used to arrive at these determinations.

We will notify the ITC and make available to it all non-privileged and non-confidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it 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.

**Preliminary Determination by ITC**

The ITC will determine by January 9, 1984, whether there is a reasonable indication that imports of carbon steel wire rod from Spain are materially injuring, or threatening to materially injure, a U.S. industry. If that determination is negative, the investigation will terminate; otherwise, the investigation will proceed to conclusion.

Dated: December 13, 1983.

Alan F. Holmer,

Deputy Assistant Secretary for Import  
Administration.

[FR Doc. 83-33756 Filed 12-20-83; 8:45 am]

BILLING CODE 3510-DS-M

**DEPARTMENT OF COMMERCE****International Trade Administration****(A-301-004)****Carbon Steel Wire Rod From Argentina; Initiation of Antidumping Duty Investigation****AGENCY:** International Trade Administration, Commerce.**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether carbon steel wire rod from Argentina is being, or is likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of these products are materially injuring, or are threatening to materially injure, a United States industry. Also, critical circumstances have been alleged under section 733(e) of the Tariff Act of 1930, as amended (the Act). If this investigation proceeds normally, the ITC will make its preliminary determination on or before January 9, 1984, and we will make ours on or before May 1, 1984.

**EFFECTIVE DATE:** December 30, 1983.

**FOR FURTHER INFORMATION CONTACT:** Julia Hathcox, Office of Investigations, Import Administration, International Trade Administration, United States Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone (202) 377-0184.

**SUPPLEMENTARY INFORMATION:****The Petition**

On November 23, 1983, we received petitions in proper form from counsel for Atlantic Steel Company, Continental Steel Co., Georgetown Steel Corp., North Star Steel Co.—Texas, and Raritan River Steel Company, filed on behalf of the domestic producers of carbon steel wire rod. In compliance with the filing requirements of section 353.36, the petition alleges that imports of the

subject merchandise from Argentina 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 Tariff Act of 1930, as amended (19 U.S.C. 1673) (the Act), and that these imports are materially injuring, or are threatening to materially injure, a United States industry. The allegation of sales at less than fair value is supported by comparisons of factory netback United States prices with the foreign market value as represented by evidence of an offer for sale in the home market.

**Initiation of Investigations**

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petitions on certain carbon steel products, and we have found that they meet the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping investigation to determine whether carbon steel wire rod from Argentina is being, or is likely to be, sold in the United States at less than fair value and whether critical circumstances exist. If our investigation proceeds normally, we will make our preliminary determination by May 1, 1984.

**Scope of Investigation**

The merchandise covered by this investigation is carbon steel wire rod. Carbon steel wire rod is classified under item number 607.17 of the Tariff Schedules of the United States which covers wire rods of iron or steel; other than alloy iron or steel; not tempered, not-treated and not partly manufactured; valued over 4 cents per pound.

**Notification to ITC**

Section 732(d) of the Act requires us to notify the ITC of these actions and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

**Preliminary Determinations by ITC**

The ITC will determine by January 9, 1984, whether there is a reasonable indication that imports of carbon steel wire rod from Argentina are materially injuring, or are likely to materially injure, a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

**Alan F. Holmer,**

*Deputy Assistant Secretary for Import Administration.*

December 13, 1983.

[FR Doc. 83-34642 Filed 12-29-83; 8:45 am]

BILLING CODE 3510-DS-M

[A-301-004]

**Carbon Steel Wire Rod From Mexico; Initiation of Antidumping Duty Investigation****AGENCY:** International Trade Administration, Commerce.**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether carbon steel wire rod from Mexico is being, or is likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product are materially injuring, or are threatening to materially injure, a United States industry. Also, critical circumstances have been alleged under section 733(e) of the Tariff Act of 1930, as amended (the Act). If the investigation proceeds normally, the ITC will make its preliminary determination on or before January 9, 1984, and we will make ours on or before May 1, 1984.

**EFFECTIVE DATE:** December 30, 1983.

**FOR FURTHER INFORMATION CONTACT:** Julia Hathcox, Office of Investigations, Import Administration, International Trade Administration, United States Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230; telephone (202) 377-0184.

**SUPPLEMENTARY INFORMATION:****The Petition**

On November 23, 1983, we received a petition in proper form from counsel for Atlantic Steel Company, Continental Steel Co., Georgetown Steel Corp., North Star Steel Co.—Texas, and Raritan

River Steel Company, filed on behalf of the domestic producers of carbon steel wire rod. In compliance with the filing requirements of section 353.36 of the Commerce regulations (19 CFR 353.36) the petition alleges that imports of the subject merchandise from Mexico 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 Tariff Act of 1930, as amended (19 U.S.C. 1673) (the Act), and that these

imports are materially injuring, or are threatening to materially injure, a United States industry. The allegation of sales at less than fair value is supported by comparisons of the factor netback United States price with the foreign market value as represented by the evidence of offers for sale in the home market.

**Initiation of Investigations**

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on carbon steel wire rod and we have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping investigation to determine whether carbon steel wire rod from Mexico is being, or is likely to be, sold in the United States at less than fair value and whether critical circumstances exist. If our investigation proceeds normally, we will make our preliminary determination by May 1, 1984.

**Scope of Investigation**

The merchandise covered by this investigation is carbon steel wire rod. Carbon steel wire rod is classified under item number 607.17 of the Tariff Schedules of the United States which covers wire rods of iron or steel; other than alloy iron or steel; not tempered, not-treated and not partly manufactured; valued over 4 cents per pound.

**Notification to ITC**

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such

information either publicly or under an administrative protection order without the consent of the Deputy Assistant Secretary for Import Administration.

**Preliminary Determinations by ITC**

The ITC will determine by January 9, 1984, whether there is a reasonable indication that imports of carbon steel wire rod from Mexico are materially injuring, or are likely to materially injure, a United States industry. If its determination is negative, this investigation will terminate; otherwise, it will proceed according to the statutory procedures.

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

December 13, 1983.

[FR Doc. 83-34843 Filed 12-29-83; 8:45 am]

**BILLING CODE 3510-DS-M**

[A-301-004]

**Carbon Steel Wire Rod From Poland;  
Initiation of Antidumping Duty  
Investigation****AGENCY:** International Trade  
Administration, Commerce.**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether carbon steel wire rod from Poland is being, or is likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product are materially injuring, or are threatening to materially injure, a United States industry. Also, critical circumstances have been alleged under section 733(e) of the Tariff Act of 1930, as amended (the Act). If the investigation proceeds normally, the ITC will make its preliminary determination on or before January 9, 1984, and we will make ours on or before May 1, 1984.

**EFFECTIVE DATE:** December 30, 1983.

**FOR FURTHER INFORMATION CONTACT:** Julia Hathcox, Office of Investigations, Import Administration, International Trade Administration, United States Department of Commerce, 14th Street and Constitution Avenue NW., Washington, D.C. 20230; telephone (202) 377-0184.

**SUPPLEMENTARY INFORMATION:  
The Petition**

On November 23, 1983, we received a petition in proper form from counsel for Atlantic Steel Company, Continental Steel Co., Georgetown Steel Corp., North Star Steel Co.—Texas, and Raritan River Steel Company, filed on behalf of the domestic producers of carbon steel

wire rod. In compliance with the filing requirements of section 353.36 of the Commerce Regulations (19 CFR 353.36), the petition alleges that imports of the subject merchandise 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 Tariff Act of 1930, as amended (19 U.S.C. 1673) (the Act), and that these imports are materially injuring, or are threatening to materially injure, a United States industry. The allegation of sales at less than fair value are supported by a comparison of the factory netback United States prices with the foreign market value as represented by evidence of an offer for sale in the Spanish home market. Spain previously has been chosen as a surrogate country in cases involving Poland.

In a case involving a state-controlled economy country, the foreign market value of carbon steel wire rod exported from that country must be determined in accordance with 773(c) of the Act. The surrogate procedure, as prescribed by the Department's regulations (19 CFR 353.8), contemplates the use of prices for the like product when sold for consumption in a market economy comparable in its stage of economic development to the non-market economy country, or a constructed value.

**Initiation of Investigations**

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigation and whether it contains information reasonably available to the petitioner supporting the allegation. We have examined the petition on carbon steel wire rod and we have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping investigation to determine whether carbon steel-wire rod from Poland is being, or is likely to be, sold in the United States at less than fair value and whether critical circumstances exist. If our investigation proceeds normally, we will make our preliminary determination by May 1, 1984.

**Scope of Investigation**

The merchandise covered by this investigation is carbon steel wire rod. Carbon steel wire rod is classified under time number 607.17 of the Tariff Schedules of the United States which covers wire rods of iron or steel; other than alloy iron or steel; not tempered, not-treated and not partly manufactured; valued over 4 cents per pound.

**Notification to ITC**

Section 732(d) of the Act requires us to notify the ITC of these actions and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

**Preliminary Determinations by ITC**

The ITC will determine by January 9, 1984, whether there is a reasonable indication that imports of carbon steel wire rod from Poland are materially injuring, or are likely to materially injure, a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

Alan F. Holmer,

Deputy Assistant Secretary for Import  
Administration.

December 13, 1983.

[FR Doc. 83-34641 Filed 12-29-83; 8 45 am]

BILLING CODE 3510-DS-M

[A-301-004]

**Carbon Steel Wire Rod From Spain;  
Initiation of Antidumping Duty  
Investigation****AGENCY:** International Trade  
Administration, Commerce.**ACTION:** Notice.

**SUMMARY:** On the basis of a petition filed in proper form with the United States Department of Commerce, we are initiating an antidumping duty investigation to determine whether carbon steel wire rod from Spain is being, or is likely to be, sold in the United States at less than fair value. We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product are materially injuring, or are threatening to materially injure, a United States industry. Also, critical circumstances have been alleged under section 733(e) of the Tariff Act of 1930, as amended (the Act). If the investigation proceeds normally, the ITC will make its preliminary determination on or before January 9, 1984, and we will make ours on or before May 1, 1984.

**EFFECTIVE DATE:** December 30, 1983.

**FOR FURTHER INFORMATION CONTACT:** Julia Hathcox, Office of Investigations, Import Administration, International Trade Administration, United States Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, D.C. 20230; telephone (202) 377-0184.

**SUPPLEMENTARY INFORMATION:****The Petitions**

On November 23, 1983, we received a petition in proper form from counsel for Atlantic Steel Company, Continental Steel Co., Georgetown Steel Corp., North Star Steel Co.—Texas, and Raritan River Steel Company, filed on behalf of the domestic producers of carbon steel wire rod. In compliance with the filing requirements of § 353.36 of the Commerce Regulations 919 CFR 353.36], the petition alleges that imports of the subject merchandise from Spain 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 Tariff Act of 1930, as amended (19 U.S.C. 1673) (the Act), and that these imports are materially injuring, or are threatening to materially injure, a United States industry. The allegation of sales at less than fair value is supported by a comparison of the factory netback United States prices with the foreign market value as represented by evidence of an offer for sale in the home market.

**Initiation of Investigation**

Under section 732(c) of the Act, we must determine, within 20 days after a petition is filed, whether it sets forth the allegations necessary for the initiation of an antidumping duty investigation and whether it contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on carbon steel wire rod, and we have found that it meets the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping investigation to determine whether carbon steel wire rod from Spain is being, or is likely to be, sold in the United States at less than

fair value and whether critical circumstances exist. If our investigation proceeds normally, we will make our preliminary determination by May 1, 1984.

**Scope of Investigation**

The merchandise covered by this investigation is carbon steel wire rod. Carbon steel wire rod is classified under item 607.17 which covers wire rods of iron or steel; other than alloy iron or steel; not tempered, not treated and not partly manufactured; valued over 4 cents per pound.

**Notification to ITC**

Section 732(d) of the Act requires us to notify the ITC of this action and to provide it with the information we used to arrive at this determination. We will notify the ITC and make available to it all nonprivileged and nonconfidential information. We will also allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information either publicly or under an administrative protective order without the consent of the Deputy Assistant Secretary for Import Administration.

**Preliminary Determinations by ITC**

The ITC will determine by January 9, 1984, whether there is a reasonable indication that imports of certain carbon steel products from Spain are materially injuring, or are likely to materially injure, a United States industry. If its determination is negative, the investigation will terminate; otherwise, it will proceed according to the statutory procedures.

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

December 13, 1983.

[FR Doc. 83-31840 12-29-83; 8:45 am]

**BILLING CODE 3510-US-M**



APPENDIX C  
CALENDAR OF WITNESSES AT THE COMMISSION'S  
PUBLIC CONFERENCE

## CALENDAR OF PUBLIC CONFERENCE

Investigations Nos. 701-TA-209 (Preliminary) and  
 731-TA-157 through 160 (Preliminary)  
 CARBON STEEL WIRE ROD FROM ARGENTINA, MEXICO, POLAND, AND SPAIN

Those listed below appeared at the United States International Trade Commission conference in connection with the subject investigations on Wednesday, December 14, 1983, in the Hearing Room of the USITC Building, 701 E Street, N.W., Washington, D.C.

In support of the imposition of countervailing and antidumping duties

Patton, Boggs & Blow  
 Washington, D.C.  
on behalf of

Continental Steel Co.  
 Georgetown Steel Corp.  
 North Star Steel-Texas  
 Raritan River Steel Company

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

Fried, Frank, Harris, Shriver & Kampelman  
 Washington, D.C.  
on behalf of

Atlantic Steel Co.

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

In opposition to the imposition of countervailing and antidumping duties

Baker & McKenzie  
 Washington, D.C.  
on behalf of

Acindar Industria Argentina de Aceros S.A. (Acindar)

Thomas P. Ondeck)  
 Nicholas Coward )--OF COUNSEL

In opposition to the imposition of countervailing and antidumping duties

Sharretts, Paley, Carter & Blauvelt  
Washington, D.C.  
on behalf of

West Coast Ad Hoc Carbon Steel Wire  
Producers Committee (WCWPC)

Mr. Ed McNew  
Vice President, Purchasing  
Davis Walker Corporaton

Peter O. Suchman--OF COUNSEL

Daniels, Houlihan & Palmeter  
Washington, D.C.  
on behalf of

AHMSA Steel International Inc. (Importer of Mexico rod)

David Palmeter)  
Martin Lewin )--OF COUNSEL  
Julie Mendoza )

Arnold & Porter  
Washington, D.C.  
on behalf of

Hylsa, S.A. (Mexican producer)

Hadrian Katz )  
Spencer Griffith )-- OF COUNSEL

George V. Egge, Jr.  
Washington, D.C.  
on behalf of

Spanish Steel Producers' Association (UNESID)

George V. Egge Jr.--OF COUNSEL



APPENDIX D  
SUPPLEMENTARY STATISTICAL TABLES

Tables D-1 through D-6

\* \* \* \* \*

Table D-7.--Carbon steel wire rod: Ratio of U.S. producers' captive shipments to total U.S. producers' shipments, 1/ by types of producers and by firms, 2/ 1980-82, January-August 1982, and January-August 1983

(In percent)							
Item	:	:	:	:	:	January-August--	
						1980	1981
Nonintegrated producers:	:	:	:	:	:	:	:
Petitioners:	:	:	:	:	:	:	:
* * *	:	:	:	:	:	:	:
Average, nonintegrated producers-----	:	:	:	:	:	:	:
	:	37.1	:	30.2	:	24.8	:
Integrated producers:	:	:	:	:	:	:	:
* * *	:	:	:	:	:	:	:
Average, integrated producers-----	:	:	:	:	:	:	:
	:	5/ 31.0	:	5/ 39.1	:	28.7	:
Average, all producers-----	:	:	:	:	:	:	:
	:	5/ 33.7	:	5/ 34.5	:	26.3	:
	:	:	:	:	:	:	:
	:	:	:	:	:	:	:

1/ Total U.S. producers' shipments includes captive and noncaptive shipments, and domestic and export shipments.

2/ \*\*\*.

3/ \*\*\*.

4/ \*\*\*.

5/ \*\*\*.

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

Tables D-8 through D-14

\* \* \* \* \*



