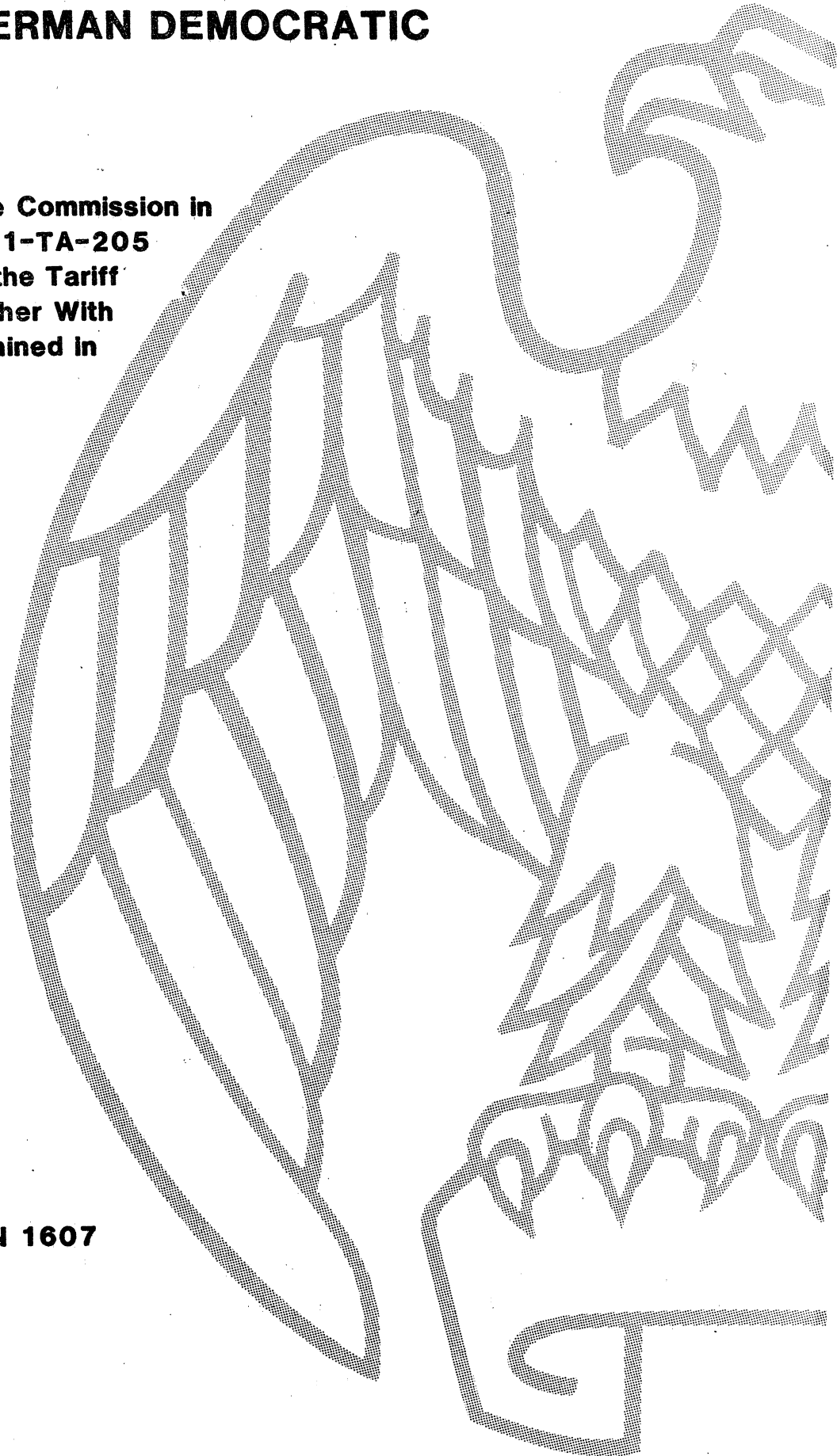


CARBON STEEL WIRE ROD FROM THE GERMAN DEMOCRATIC REPUBLIC

**Determination of the Commission in
Investigation No. 731-TA-205
(Preliminary) Under the Tariff
Act of 1930, Together With
the Information Obtained in
the Investigation**

USITC PUBLICATION 1607

NOVEMBER 1984



UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.—Information which would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

APPENDIX

The first part of the appendix contains a list of the names of the persons who have been mentioned in the text of the book. The names are arranged in alphabetical order. The second part of the appendix contains a list of the names of the persons who have been mentioned in the text of the book. The names are arranged in alphabetical order. The third part of the appendix contains a list of the names of the persons who have been mentioned in the text of the book. The names are arranged in alphabetical order.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Washington, DC

Investigation No. 731-TA-205 (Preliminary)

CARBON STEEL WIRE ROD FROM THE GERMAN DEMOCRATIC REPUBLIC

Determination

On the basis of the record 1/ developed in the subject investigation, the Commission 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 2/ by reason of imports from the German Democratic Republic of carbon steel wire rod, provided for in item 607.17 of the Tariff Schedules of the United States, which are alleged to be sold in the United States at less than fair value (LTFV).

Background

On September 26, 1984, a petition was filed with the Commission and the Department of Commerce by counsel on behalf of Atlantic Steel Co., Continental Steel Co., Georgetown Steel Corp., North Star Steel Co.-Texas, and Raritan River Steel Co., alleging that imports of carbon steel wire rod from the German Democratic Republic are being sold at LTFV. Accordingly, effective September 26, 1984, the Commission instituted a preliminary antidumping investigation under section 733(a) of the Tariff Act of 1930.

Notice of the institution of the Commission's investigation and of a 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, DC, and by publishing the notice in the Federal Register on October 3, 1984 (49 F.R. 39113). The conference was held in Washington DC, on October 19, 1984, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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/ Vice Chairman Liebeler and Commissioner Lodwick determine that there is a

VIEWS OF THE COMMISSION

We determine that there is a reasonable indication that an industry in the United States has been materially injured by reason of imports of carbon steel wire rod from the German Democratic Republic (GDR) which are allegedly being sold at less than fair value (LTFV). 1/

In the following analysis, we determine that the appropriate domestic industry for the purpose of making a material injury assessment consists of the domestic producers of all carbon steel wire rod. Although the performance of the domestic industry has recently shown some improvement, we conclude that it is continuing to exhibit signs of material injury. 2/

Domestic industry

As a threshold inquiry, the Commission is required to identify the domestic industry to be examined for the purpose of making an assessment of material injury. Section 771(4)(A) of the Tariff Act of 1930 defines the term "industry" as "the domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product." 3/ Section 771(10), in turn, defines "like product" as a "product which is like, or in the absence of like, most similar in characteristics and uses with the article subject to an investigation" 4/

1/ Vice Chairman Liebeler and Commissioner Lodwick determine that there is a reasonable indication that an industry in the United States is threatened with material injury by the subject imports of carbon steel wire rod from the German Democratic Republic.

2/ Commissioner Eckes made his affirmative determination of a reasonable indication of material injury based on cumulation as set forth in the Trade and Tariff Act of 1984. Therefore, he joins only that part of the cumulative analysis appearing at 12-13.

3/ 19 U.S.C. § 1677(4)(A).

4/ 19 U.S.C. § 1677(10).

Both the imported and the domestic products covered by this investigation are carbon steel wire rod, a hot-rolled, semi-finished, coiled product of solid, approximately round, cross section, not under 0.20 inch nor over 0.74 inch in diameter, which has not been tempered, treated, or partly manufactured. Carbon steel wire rod is manufactured in a variety of grades, sizes, and qualities. It can be differentiated according to carbon content, i.e., low, medium-high, and high carbon steel wire rod, as well as by process of manufacturing. "Rimmed" wire rod is produced by the more traditional ingot method while "cast" wire rod is produced by the continuous casting method. Imports of carbon steel wire rod from the GDR have been nearly all low carbon, both rimmed and cast. 5/

In prior investigations concerning the same product, the Commission determined that low, medium-high, and high carbon steel wire rod are separate like products. 6/ However, in those investigations, the Commission found that, despite the existence of three separate like products, the data available from the domestic producers of carbon steel wire rod could not be broken out on the basis of profitability or employment for the three domestic industries corresponding to the three like products. Accordingly, the Commission assessed the effect of the imports under investigation upon the domestic producers of all carbon steel wire rod, in accordance with section

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

6/ See, e.g., Carbon Steel Wire Rod from Argentina and Spain, Invs. Nos. 731-TA-157 and 160 (Final), USITC Pub. 1598 (1984); Carbon Steel Wire Rod from Poland, Inv. No. 731-TA-159 (Final), USITC Pub. 1574 (1984); Carbon Steel Wire Rod from Spain, Inv. No. 701-TA-209 (Final), USITC Pub. 1544 (1984).

771(4)(D) of the Tariff Act, 7/ and defined the domestic industry as all producers of carbon steel wire rod, regardless of carbon content. 8/

In this investigation, the domestic producers have been unable to provide the Commission with data broken out by carbon content categories except for the production and shipment information. 9/ Accordingly, we conclude, under section 771(4)(D) the domestic industry consists of the domestic producers of all carbon steel wire rod.

Condition of the domestic industry

We have recently concluded that, despite improved performance in 1983, the domestic carbon steel wire rod industry as a whole was experiencing difficulties, particularly in terms of financial performance, during much of the period of this investigation. 10/ The most recent information shows a continued improvement in most of the indicators of domestic performance. Nonetheless, we conclude that the industry is continuing to exhibit signs of material injury.

Aggregate production of carbon steel wire rod declined from 4.2 million tons in 1981 to 3 million tons in 1982, then increased to 3.5 million tons in

7/ Section 771(4)(D) provides, in pertinent part, that:

[i]f the domestic production of the like product has no separate identity in terms of such criteria [as production process or producer's profits], then the effect of the subsidized or dumped imports shall be assessed by the examination of the production of the narrowest group or range of products, which includes a like product, for which the necessary information can be provided.

8/ See, e.g., Carbon Steel Wire Rod from Argentina and Spain, Invs. Nos. 731-TA-157 and 160 (Final); Carbon Steel Wire Rod from Brazil and Trinidad and Tobago, Invs. Nos. 731-TA-113 and 114 (Final), USITC Pub. 1444 (1983).

9/ Report at A-11.

10/ See Carbon Steel Wire Rod from Argentina and Spain, Invs. Nos. 731-TA-157 and 160 (Final); Carbon Steel Wire Rod from Spain, Inv. No. 701-TA-209 (Final).

1983. Production during the most recent period, January-August 1984, increased to 2.6 million tons, as compared with 2.3 million tons in the corresponding period of 1983. 11/ Commercial (open-market) shipments decreased from 2.7 million tons in 1981 to 2.1 million tons in 1982, then increased to 2.6 million tons in 1983. During January-August 1984, commercial shipments increased to 2.0 million tons, as compared with 1.7 million tons during the corresponding period of 1983. 12/ Capacity utilization declined from 69.8 percent in 1981 to 52.3 percent in 1982, and then rose to 61.2 percent in 1983. Capacity utilization during January-August 1984 increased to 69.8 percent, as compared with 58.7 percent during the corresponding period of 1983. 13/

Both the level of employment and the number of hours worked fell substantially from 1981 to 1982, then increased slightly during 1983. The level of employment dropped from 6,863 workers in 1981 to 4,148 workers in 1982, then increased to 4,479 workers in 1983, and the number of hours worked fell from 13,593 in 1981 to 8,650 in 1982, then increased to 9,035 in 1983. 14/ Data for January-August 1984 show a slight improvement over the corresponding period of 1983. Employment in January-August 1984 increased to 4,429 workers, as compared with 4,161 workers during the corresponding period in 1983, while hours worked increased to 5,834 in January-August 1984 as compared with 5,545 during the corresponding period in 1983. 15/

11/ Report at A-12, Table 4.

12/ Id. at A-15, Table 6.

13/ Id. at A-12, Table 4.

14/ Id. at A-18, Table 9.

15/ Id.

The domestic industry experienced operating losses during the entire period 1981-83. Losses were substantially greater in 1982 than in 1983. 16/ The financial data for the domestic industry reflect continued improvement--the industry has experienced operating profits of \$11.7 million during the period of January-June 1984 as compared with operating losses of \$34.8 million during the corresponding period of 1983. 17/ However, the ratio of these operating profits to net sales during the January-June 1984 period was only 2.0 percent. 18/

Reasonable indication of material injury by reason of allegedly LTFV imports

Section 771(7)(B) of the Tariff Act of 1930 directs the Commission to consider, among other factors, the volume of imports of merchandise under investigation, the effect of such imports on domestic prices, and the impact of such imports on the relevant domestic industry. 19/

Volume of imports

Imports from the GDR had absolutely no presence in the U.S. market until July-September 1983. 20/ Imports from the GDR increased from 1,173 short tons in 1983 to 39,626 short tons in January-August 1984. As a share of U.S. open-market consumption, imports from the GDR were less than 0.05 percent in 1983, and increased to 1.1 percent in the first eight months of 1984. In January-August 1984, imports from the GDR were 39,626 tons, as compared with the comparable period of 1983, during which there were no importations. As a

16/ The industry experienced operating losses of \$25.3 million in 1981, \$94.5 million in 1982, and \$62.9 million in 1983. Id. at A-20, Table 11.

17/ Id.

18/ Id.

19/ 19 U.S.C. § 1677(7).

20/ Report at A-24, Table 14.

share of U.S. open-market consumption, imports from the GDR increased to 1.1 percent during January-August 1984, as compared with the comparable period of 1983, during which imports from the GDR held no part of the domestic market. 21/ The impact of these allegedly LTFV imports comes in addition to that of LTFV imports already found to be injurious.

Cumulation 22/

The most relevant imports for cumulation in the present cases are those imports of carbon steel wire rod from Argentina and Spain against which final antidumping orders were issued in November 1984. 23/ The LTFV imports from Argentina and Spain and the allegedly LTFV imports from the GDR all have access to broad, overlapping areas of the U.S. market. The low-carbon products of Argentina and Spain are fungible with those of the GDR. It has not been adequately established that the GDR rod is of such a lower quality as to eliminate the likelihood that it affects the low-tolerance, standard industrial quality rod market in substantially the same fashion as have the LTFV imports from Argentina and Spain. End users and channels of distribution are similar.

Certain conditions of trade in the carbon steel wire rod market are important in establishing the framework for our analysis of the impact of the imports under investigation on U.S. prices. One fundamental characteristic of carbon steel wire rod is its basic fungibility and price sensitivity within

21/ Id.

22/ Vice Chairman Liebler and Commissioner Lodwick find a reasonable indication of threat of material injury by reason of allegedly LTFV imports from the GDR. They therefore do not reach the issue of cumulation. For their views on threat of material injury, see Additional Views at 14.

23/ Carbon Steel Wire Rod from Argentina and Spain, Invs. Nos. 731-TA-157 and 160 (Final), "Views of the Commission" at 4.

each of the three carbon categories. Although quality may be a factor in some purchasers' decision to purchase a particular carbon content steel wire rod, once certain minimum quality requirements are satisfied, price becomes a major factor in the purchasing decision. 24/

Domestic prices of carbon steel wire rod declined steadily during much of the period under investigation, and have only shown improvement since the fourth quarter of 1983. Average f.o.b. prices paid by purchasers of carbon steel wire rod from integrated producers fell by 18.5 percent from \$346 per short tons in April-June 1981 to a low of \$282 per short ton in July-September 1983, and have since then recovered to \$335 per short ton in April-June 1984. However, prices declined slightly to \$328 per ton in July-September 1984. Nonintegrated producers' prices, while generally lower than the integrated producers', have followed the same trend, decreasing from \$315 per short ton in April-June 1981 to a low of \$254 per short ton in July-September 1983. Prices then recovered to \$301 per short ton in July-September 1984. 25/

The Commission has already analyzed the effect of LTFV imports from Argentina and Spain on prices. In both cases, the Commission concluded that underselling by imports was a primary reason for the ability of the LTFV imports to maintain and expand their share of the U.S. market. The imports of carbon steel wire rod from the GDR subject to the present investigation, while smaller in volume, have behaved in a similar fashion. In every quarter for which data were received, importers' weighted average prices were lower than integrated producers' prices. 26/ Furthermore, the margins of underselling

24/ See Carbon Steel Wire Rod from Spain, Inv. No. 701-TA-209 (Final), USITC Pub. 1544 (1984) at 10, n.24.

25/ Report at A-32, Table 19.

26/ Id.

for wire rod from the GDR increased steadily in the quarters from July-September 1983 to April-June 1984. Although import prices were higher than those of nonintegrated producers in the last half of 1983 and the first quarter of 1984, imports from the GDR undersold nonintegrated U.S. producers in April-June and July-September 1984 because of increased domestic producers' prices. 27/

There is reason to believe that the total cumulative effect on U.S. producers has been loss of sales volume and a suppression of prices. While there has been some improvement in the domestic industry's condition in 1984, there is, nonetheless, reasonable cause to believe that this improvement would have taken place more rapidly had LTFV imports of wire rod from Argentina and Spain together with the allegedly LTFV imports from the GDR not been present in the market. Accordingly, we conclude that an affirmative preliminary finding is merited on the record in this investigation.

Cumulation Prior to the Trade and Tariff Act of 1984 28/

Prior to the Act, the Commission decided the appropriateness of a cumulative analysis of the impact of imports on a case-by-case basis. 29/ Under that analysis, the trend in imports is considered. The trends of LTFV imports from all three countries are similar and overlap significantly in their timing. Argentine imports grew from 0.6 percent of U.S. open-market

27/ Id. at A-31.

28/ Commissioner Rohr has cumulated based on the analysis appearing at 8-10.

29/ See, e.g., Certain Steel Products from Belgium, Brazil, France, Italy, Luxembourg, The Netherlands, Romania, The United Kingdom, and West Germany, Invs. Nos. 701-TA-86-144 and 701-TA-146-147 and 731-TA-53-86, USITC Pub. 1221 (1982), "Views of the Commission" at 16-17.

consumption in 1981 to 1.8 percent in 1983. 30/ The peak level was 2.9 percent in January-June 1984. As a share of U.S. open-market consumption, imports from Spain increased from 0.2 percent in 1982 to 2.2 percent in 1983. 31/ As a share of U.S. open-market consumption, imports from Spain increased to 3.4 percent during January-June 1984, as compared with 2.3 percent during the comparable period in 1983. 32/

All of the 1984 imports from Argentina and Spain entered before the Commission entered a final antidumping order. The period from January-August 1984 is characterized by LTFV sales from Argentina and Spain coincident with sales of the allegedly LTFV carbon steel wire rod from the GDR. Therefore, we conclude that there is sufficient simultaneity of impact and determine that a cumulative analysis is appropriate to determine the impact of the subject imports from the GDR upon the domestic industry.

LTFV imports from Argentina and Spain and allegedly LTFV imports from the GDR grew from 3.3 percent of consumption in 1983 to 5.4 percent in 1984. During January-August 1983, the total share of the market held by LTFV imports from Argentina and Spain was 27 percent. 33/ In January-August 1984, the total share of the LTFV imports and the allegedly LTFV imports from the GDR rose to 5.4 percent.

30/ Carbon Steel Wire Rod from Argentina and Spain, Invs. Nos. 731-TA-157 and 160, "Views of the Commission" at 9. Open-market consumption is the sum of domestic producers' external sales and foreign imports. It does not include production for internal or captive consumption.

31/ Id.

32/ Id.

33/ No importation of wire rod from the GDR had taken place.

Cumulation under the Trade and Tariff Act of 1984

Congress has amended Title VII to make cumulation mandatory in Commission investigations where appropriate. ^{34/} Section 612(a)(2)(A) of the Act amends Title VII by adding a new subsection, § 771(7)(C)(iv):

Cumulation--For purposes of clauses (i) and (ii), the Commission shall cumulatively assess the volume and effect of imports from two or more countries of like products subject to investigation if such imports compete with each other and with like products of the domestic industry in the United States market.

The Conference Report accompanying the Act notes that:

The provision requires cumulation of imports from various countries that each account individually for a small percentage of total market penetration but when combined may cause material injury. The conferees do intend, however, that the marketing of imports that are accumulated [sic] be reasonably coincident. Of course, imports of like products from countries not subject to investigation would not be included in the cumulation. H.R. Rep. No. 1156, 98th Cong., 2d Sess., reprinted in 131 Cong. Record 11531, 11578 (October 5, 1984).

In this instance, the LTFV imports from Argentina and Spain were competing in the domestic market together with allegedly LTFV imports from the GDR between September 1983 and September 1984. Imports from the three countries and the domestic like products are fungible and simultaneously present in the domestic market nationwide. In addition, the three imported products and the domestic like products share similar channels of distribution in the U.S. market. In light of the fact that imports of carbon steel wire rod from Argentina and Spain were subject to antidumping investigations during

^{34/} The new cumulation provisions express Congress' intent on this issue and may guide the Commission's decision on the appropriateness of a cumulative analysis in investigations filed prior to the effective date of the 1984 Act.

the period in which imports from the GDR entered the domestic market, the Commission would be required under the 1984 Act to cumulatively assess the volume and effect of imports from all three countries. Thus, as a result of the cumulative effect of imports of carbon steel wire rod from Argentina, Spain and the GDR, we find there is a reasonable indication of material injury by reason of allegedly LTFV imports from the GDR.

ADDITIONAL VIEWS OF VICE-CHAIRMAN LIEBELER AND COMMISSIONER LODWICK

Reasonable indication of threat of material injury

A finding of a reasonable indication of threat of material injury may not be based on mere supposition, speculation or conjecture; but rather, must be based on a showing that the likelihood of harm is real and imminent. 1/ When determining whether there is a threat of material injury, the Commission considers, among other factors, the rate of increase of subsidized or dumped exports to the U.S. market, the probability that imports of the merchandise will enter the United States at prices that will have a depressing or suppressing effect on domestic prices, the capacity in the exporting country to generate imports, and the availability of other export markets. 2/

Imports of carbon steel wire rod from the GDR first entered the U.S. market in the third quarter of 1983. From a level of 1,173 tons valued at \$0.2 million in 1983, imports of wire rod from the GDR increased to 39,616 tons valued at \$8.3 million in the period January-August 1984. To put the rate of increase in imports from the GDR in sharper focus, roughly 90 percent of the total volume of imports from the GDR entered since the beginning of May 1984. 3/

Since May, 1984, imports from the GDR have undersold the product of both the integrated and nonintegrated domestic producers. Further, the margins of underselling during the April-June and July-September 1984 quarters were greater than for any earlier periods. 4/

1/ Id. at 88-89; S. Rep. No. 1298, 93rd Cong., 2d Sess. 180 (1974); *Alberta Gas Chemicals, Inc. v. United States*, 505 F. Supp. 780, 790 (Ct. Int'l Trade 1981).

2/ 19 C.F.R. Section 207.26(d).

3/ Report at A-10, Table 3.

4/ Id. at A-31.

The carbon steel wire rod subject to this investigation is produced by VEB Stahl & Walzwerk in Brandenburg, German Democratic Republic, and is exported to the United States by Metallurgiehandel, Berlin, German Democratic Republic. 5/ Although the company provided no information to the Commission concerning the capacity, production or export of carbon steel wire rod from the GDR, in light of the dramatic increase in imports of wire rod from the GDR into the U.S. market, we believe that the investigation should be continued. Information on the other factors will be more fully developed in the final investigation. 6/

5/ Id. at A-22.

6/ Id.

INFORMATION OBTAINED IN THE INVESTIGATIONS
Introduction

On September 26, 1984, a petition was filed with the United States International Trade Commission and the Department of Commerce by counsel on behalf of Atlantic Steel Co., Continental Steel Co., Georgetown Steel Corp., North Star Steel Texas, and Raritan River Steel Co., alleging that imports of carbon steel wire rod from the German Democratic Republic (East Germany) are being, or are likely to be, sold in the United States at less than fair value (LTFV) and that these imports are materially injuring, or threatening to materially injure, a U.S. industry. Accordingly, effective September 26, 1984, the Commission instituted investigation No. 731-TA-205 (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 German Democratic Republic of carbon steel wire rod, provided for in item 607.17 of the Tariff Schedules of the United States (TSUS), which are allegedly being sold at LTFV.

Notice of the institution of the Commission's investigation and of the public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register on October 3, 1984 (49 F.R. 39113). A public conference was held on October 19, 1984. 2/ The briefing and vote on this investigation was held on November 6, 1984. The Commission notified Commerce of its determination on November 13, 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 (No. 701-TA-148 (Preliminary)), Brazil (No. 701-TA-149 (Preliminary)), and France (No. 701-TA-150 (Preliminary)). 1/ The Commission made affirmative determinations that there was a reasonable indication of injury or the threat of injury in all three cases. Final investigations were instituted by the Commission in all three cases following preliminary affirmative subsidy determinations by Commerce. On October 1, 1982, the Commission suspended investigation No. 701-TA-149 (Final) (Brazil) following

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/ A list of witnesses is included in Appendix B.

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 (Carbon Steel Wire Rod from Venezuela . . ., USITC Publication 1338) (48 F.R. 7821; Feb. 24, 1983).

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

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

The petitioners in the instant investigation also filed antidumping petitions for Argentina, Mexico, Poland, and Spain as well as countervailing duty petitions for Czechoslovakia, Poland, and Spain. The Commission instituted and conducted preliminary antidumping investigations for Argentina, Mexico, Poland, and Spain (Nos. 731-TA-157 through 160) concurrently with a countervailing duty investigation for Spain (No. 701-TA-209) and issued affirmative preliminary determinations on January 9, 1984. (Czechoslovakia and Poland are not entitled to an injury determination by the Commission for countervailing duty purposes because they are not signatories to the Subsidies Code of the GATT). Following an affirmative final countervailing duty

determination by Commerce for Spain on May 1, 1984, the Commission made an affirmative final injury determination on June 12, 1984 (Carbon Steel Wire Rod from Spain), USITC Publication 1544, June 1984) (49 F.R. 27640; July 5, 1984). On May 1, 1984, Commerce issued negative final countervailing duty determinations for Czechoslovakia and Poland and affirmative preliminary LTFV determinations for Argentina, Poland, and Spain and a negative preliminary determination for Mexico. Subsequently, on June 14, 1984, the petition for Mexico was withdrawn. The Commission made a negative final injury determination for Poland on August 28, 1984 (49 F.R. 35870; Sept. 12, 1984) and an affirmative final determination for Argentina and Spain on November 5, 1984.

The Product

Description and uses

The product which is the subject of the petitioners' complaint is 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 has not been tempered, treated, or partly manufactured. Carbon steel wire rod can be differentiated by its chemistry, diameter, and the process by which it is manufactured. The American Iron & Steel Institute (AISI) categorizes carbon steel wire rod into 3 series: 1000, 1100, and 1200. The 1000 series, which includes most carbon steel wire rod consumed in the United States, can be further subdivided according to carbon content. Low-carbon rod, which encompasses grades 1006 through 1022, has a maximum carbon content of 0.23 percent; medium-high carbon rod, which encompasses grades 1023 through 1040, has a carbon content of 0.24 to 0.44 percent; and high-carbon rod, which encompasses grades 1041 through 1095, has a carbon content which exceeds 0.44 percent. The 1100 series refers to resulfurized carbon steel grades, and the 1200 series includes both rephosphorized and resulfurized carbon steel grades. Prices for 1100 and 1200 series wire rod are generally 75 percent to 100 percent higher than prices for 1000 series.

The traditional method of making wire rod is the ingot method. In this process, pig iron and/or scrap steel are charged into basic oxygen, open hearth, or electric furnaces. The resultant molten steel is poured into ladles which transport the liquid steel to ingot molds (typically 3 or 4 feet square by 6 feet deep) into which the steel is poured and allowed to solidify. When solid, the ingots are removed from the molds and placed in soaking pits for uniform heating. From the soaking pits the 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. Continuous casting is more efficient than the ingot method of billet making, as it forms the billet directly from molten steel, bypassing the need to form, reheat, and reduce ingots. Molten steel is transferred in preheated ladles to the continuous-casting facilities by overhead cranes. Here the molten steel is poured into a receiving basin (known as a tundish), which channels the molten steel into spigots. Wire rod produced from the continuous-casting process is referred to as cast wire rod.

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

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

After exiting from the last finishing stand, the rod is coiled into concentric loops on a conveyor, which moves the hot wire rod along while it cools. The speed at which the wire rod is 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.

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. 2/

Since the amount of oxygen dissolved in molten steel varies inversely with its carbon content, ingot or cast steel intended for use in the production of high-carbon wire rod can be readily killed or semikilled (in the case of ingots) by the introduction of deoxidation agents, principally silicon or aluminum. Besides increasing the cost of the steel, the presence of the deoxidizing agents results in a product higher in nonmetallic inclusions (residuals), which make the resultant billet less ductile. Since the killing process also prevents segregation of these residuals, a killed steel will be inherently less ductile than a rimmed steel of the same carbon content and, conversely, will possess a higher tensile strength. 3/ Thus, wire rod

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

2/ 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.

3/ 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. A-4

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, 1/ can provide a greater yield and normally results in less die wear for the wire drawer. 2/

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. 3/ However, aside from consumer preference, there exist only limited end uses of wire rod that 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 on the following pages.

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

1/ 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.

2/ 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.

3/ In addition, some end users have equipment that employs a mechanical descaling process to clean wire rod. Such a process works best on rimmed rod⁵ because of the type of scale and higher ductility of rimmed rod. Other end users employ chemical cleaning best suited for continuous cast rod. Changing cleaning procedures would require additional expense for new equipment.

rod accounts for about 70 percent of the U.S. market for carbon steel wire rod, with standard industrial quality rod as the industry's mainstay. Standard industrial quality steel wire rod is used primarily in the production of wire mesh, clothes hangers, and chain link fences, where the tolerances required of the product are relatively low. Thus, because product differentiation is less significant, standard industrial-quality rod is a fungible product, and the market for this product is highly competitive.

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

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

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

U.S. tariff treatment

Carbon steel wire rod is classified under items 607.14 and 607.17 of the TSUS. TSUS item 607.14 provides for wire rod of iron or steel, other than alloy iron and steel, not tempered, not treated, and not partly manufactured, and valued at not over 4 cents per pound. However, because there have been no imports from the German Democratic Republic in 1984 under this tariff item, it was not included in the petitioners' complaint and is not covered by this investigation. Item 607.17 provides for wire rod of iron or steel, other than alloy iron or steel, not tempered, not treated, and not partly manufactured, and valued over 4 cents per pound. The column 1 (most favored nation) rate of duty for this item is an ad valorem rate of 2 percent. The column 2 rate of duty assessed on products of enumerated Communist countries, including the German Democratic Republic, is an ad valorem rate of 5.5 percent. The subject imports are not eligible for preferred tariff treatment.

Channels of Distribution ^{1/}

Most carbon steel wire rod manufactured by U.S. producers is sold to wire drawers, i.e., firms which draw the rod into wire. Wire drawers either use the wire in the manufacture of wire products or sell it for such a purpose to other firms. Some U.S. producers of wire rod produce primarily for conversion into wire for use in the production of their own wire products and sell only excess production in the open market.

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

Thus, wire rod producers which own wire fabricating facilities frequently compete with wire drawers for sales of wire products to customers. In 1983, U.S. producers captively consumed approximately 27 percent of their wire rod production in this fashion; however, captive consumption has declined as a share of production since 1981.

Carbon steel wire rod manufactured by the German Democratic Republic producers is sold to unrelated importers in the United States, which in turn sell it to wire drawers. The importers are steel trading companies.

U.S. Producers

There are currently 14 firms operating a total of 15 U.S. plants in which carbon steel wire rod is produced. Another U.S. producer—Jones and Laughlin Steel Corp—closed its wire rod production facility in October 1981. The U.S. producers' wire rod plants are located throughout the United States but are concentrated in the Great Lakes area and in Pennsylvania. Of the 14 firms, 4 are fully integrated. The integrated producers, which manufacture raw steel and produce a wide variety of steel products, include U.S. Steel Corp., Armco Steel Corp., Bethlehem Steel Corp., and CF&I Corp. The remaining producers, which produce a narrower range of products, include the petitioners. Table 1 lists all known U.S. carbon steel wire rod producers by types of producers, their plant locations, each firm's carbon steel wire rod production capacity in 1983, and whether the firms produce rimmed wire rod (R) or cast wire rod (C). All of the firms produce several types of steel products in addition to carbon steel wire rod.

U.S. Importers

According to the producers' petition, two firms in the United States imported carbon steel wire rod from the German Democratic Republic from January 1983 through June 1984. Mannesman Pipe and Steel Corporation, Houston, Texas, accounted for approximately *** percent of such imports while Klockner, Inc., Garden City, New York, imported the remainder.

U.S. Imports

Canada and Japan have been the dominant sources of imports of carbon steel wire rod in recent periods, together accounting for more than 40 percent of imports in 1983 (table 2). The German Democratic Republic had only minimal exports to the U.S. in 1983 (1,173 tons valued at \$0.2 million). However, while Canada and Japan continued to be the dominant sources of imports of carbon steel wire rod, the German Democratic Republic has exported 39,626 tons valued at \$8.3 million to the United States in January–August 1984. This level of imports ranks the German Democratic Republic as the eighth largest import source this year. Imports from the German Democratic Republic by month in 1983 and 1984 are shown in table 3.

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

Item	Location(s)	Capacity 1,000 short tons	Share of total Percent	Types of wire rod produced 1/
Nonintegrated producers:				
Petitioners:				
North Star Steel Texas 2/	Beaumont, TX.	***	***	C.
Georgetown Steel Corp	Georgetown, SC	***	***	C.
Raritan River Steel Co	Perth Amboy, NJ	***	***	RC. 3/
Continental Steel 4/	Kokomo, IN	***	***	R.
Atlantic Steel Co	Atlanta, GA	***	***	C.
Subtotal, petitioners	—	***	***	—
Others:				
Northwestern Steel & Wire 5/	Sterling, IL	***	***	C.
Ameron Steel 6/	Etiwanda, CA	***	***	C.
Keystone Consolidated Industries, Inc.	Peoria, IL	***	***	C.
Laclede Steel Co.	Alton, IL	***	***	R.
Charter Rolling	Saukville, WI	***	***	RC. 7/
Subtotal, others	—	***	***	—
Total, nonintegrated producers	—	***	***	—
Integrated producers:				
U.S. Steel Corp 8/	Cuyahoga, OH Fairless Hills, PA Joliet, IL	***	***	R.
Armco Steel Corp	Kansas City, MO	***	***	RC. 9/
Bethlehem Steel Corp	Johnstown, PA Sparrows Point, MD	***	***	R.
CF&I Corp	Pueblo, CO	***	***	C.
Subtotal, integrated producers 10/	—	***	***	—
Grand total	—	***	***	—

Footnotes on the following page.

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

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- 1/ R=rimmed steel; C=cast steel.
- 2/ Formerly Georgetown Texas Steel Corp. On Aug. 25, 1983, Cargill, Inc., Minn., purchased this firm from Korf Industries, which owns Georgetown Steel Corp., and renamed it North Star Steel Texas.
- 3/ Raritan River's production in 1983 was estimated to be *** percent cast and *** percent rimmed rod.
- 4/ Continental installed an additional mill in April 1984 which increased its capacity by ***.
- 5/ Northwestern's plant ceased production on June 3, 1983. The capacity shown is for the entire year. Northwestern opened a new plant at the same location in April 1984 with an annual capacity of ***.
- 6/ 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.
- 7/ Charter Rolling reported its 1983 production to be *** percent cast and *** percent rimmed wire rod.
- 8/ On Apr. 1, 1984, U.S. Steel closed its rod mills at Cuyahoga and Fairless Hills.
- 9/ Armco's sales in 1983 were estimated to be *** percent cast and *** percent rimmed.
- 10/ Jones & Laughlin Steel Corp. ceased production of carbon steel wire rod in October 1981. Prior to its shutdown, Jones & Laughlin had an annual steel production capacity of 300,000 tons at its Aliquippa, PA., plant. Republic Steel Corp., with a capacity of ***, produces small quantities of wire rod for captive consumption.

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

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

Source	1981	1982	1983	January-August	
				1983	1984
Quantity (short tons)					
Canada	314,599	279,987	272,653	174,602	219,961
Japan	167,390	141,930	175,279	103,857	153,967
Mexico	—	30,401	102,635	56,679	103,978
Spain	1,657	6,689	82,385	52,865	86,855
Brazil	32,579	111,025	76,649	70,049	13,895
France	101,921	105,068	68,868	41,671	67,573
Argentina	21,167	12,238	68,335	43,277	61,990
Trinidad and Tobago	6,010	56,338	63,961	44,249	41,997
Poland	—	7,987	25,843	20,248	—
German Democratic Rep.	—	—	1,173	—	39,626
All other	115,411	78,141	122,862	86,528	116,069
Total	760,734	829,804	1,060,643	694,025	905,911
Percent of total quantity					
Canada	41.4	33.7	25.7	25.2	24.3
Japan	22.0	17.1	16.5	15.0	17.0
Mexico	—	3.7	9.7	8.2	11.5
Spain	0.2	0.8	7.8	7.6	9.6
Brazil	4.3	13.4	7.2	10.1	1.5
France	13.4	12.7	6.5	6.0	7.5
Argentina	2.8	1.5	6.4	6.2	6.8
Trinidad and Tobago	0.8	6.8	6.0	6.4	4.6
Poland	—	1.0	2.4	2.9	—
German Democratic Rep.	—	—	0.1	—	4.4
All other	15.1	9.3	11.7	12.4	12.8
Total	100.0	100.0	100.0	100.0	100.0
Value (1,000 dollars)					
Canada	102,351	91,192	84,332	54,197	73,381
Japan	67,668	55,237	62,371	36,887	55,986
Mexico	—	7,050	21,411	11,755	22,294
Spain	834	2,899	21,765	13,785	20,964
Brazil	10,553	32,151	16,353	14,896	3,556
France	33,357	32,886	21,064	12,563	21,054
Argentina	7,063	2,931	13,847	9,004	13,378
Trinidad and Tobago	1,806	14,824	15,015	10,537	9,816
Poland	—	1,484	4,758	3,713	—
German Democratic Rep.	—	—	224	—	8,326
All other	39,932	24,954	30,943	21,417	31,759
Total	263,564	265,608	292,083	188,754	260,514

Source: Compiled from official statistics of the U.S. Department of Commerce. Includes a correction for imports previously assigned to Venezuela which were actually imported from Argentina (13,423 tons).

Table 3.—Carbon steel wire rod: U.S. imports for consumption from the German Democratic Republic, by months, January 1983–August 1984

Month	(short tons)	
	1983	1984
January	0	54
February	0	527
March	0	2,479
April	0	0
May	0	8,428
June	0	16,723
July	0	6,256
August	0	5,158
September	457	1/
October	0	1/
November	597	1/
December	119	1/

1/ Not available.

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

Consideration of Alleged Material Injury

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

U.S. production, capacity, and capacity utilization

In the aggregate, U.S. production of carbon steel wire rod declined by 27.5 percent from 1981 to 1982 and then increased by 16.3 percent from 1982 to 1983 but still remained 15.6 percent below its level in 1981 (table 4). The trends for nonintegrated and integrated producers differ considerably. While production by nonintegrated producers increased by 3.1 percent in this period, production by integrated producers fell by 35.5 percent. From January–August 1983 to January–August 1984, nonintegrated and integrated producers' production increased by 16.2 percent and 5.7 percent, respectively. With two exceptions, U.S. producers reported no unusual circumstances, such as employment related problems, temporary equipment-related problems, sourcing problems, power shortages, or transitions, which resulted in a loss of production. (***). None of the U.S. producers' declines reflects a reallocation of resources to any foreign subsidiaries.

U.S. producers' production of low, medium-high, and high carbon steel wire rod as a share of their total production is shown in table 5. The data represent over 83 percent of U.S. production. For other than production and shipments, U.S. producers do not maintain separate data by grade. Because^{A-11} U.S. producers consider low, medium-high, and high carbon steel wire rod to be

interdependent products, they do not treat them as separate profit centers. Resource allocation and marketing decisions which affect one will affect the others. They are produced with the same labor and equipment, and their relative shares of production are frequently adjusted in response to the market so that their total contribution to the income of the firm is maximized.

For both nonintegrated and integrated producers, the capacity to produce carbon steel wire rod remained relatively constant throughout the period. The 9.7 percent drop in integrated producers' capacity from 1981 to 1982 reflects the closing of Jones & Laughlin's 300,000 ton capacity mill in October 1981. The closing of U.S. Steel's mills at Cuyahoga, OH, and Fairless Hills, PA, resulted in a 7.6 percent drop in integrated producers' capacity from January–August 1983 to January–August 1984. The 3.5 percent drop in non-integrated producers' capacity from January–August 1983 to January–August 1984 reflects the closing of Northwestern's 400,000 ton capacity mill in June 1983. Northwestern opened a new mill at the same site with a *** annual capacity in April 1984. At the same time, North Star updated existing facilities and Continental opened new facilities which increased their wire rod capacities by *** and ***, respectively.

After falling from 69.8 percent in 1981 to 52.3 percent in 1982, capacity utilization for the production of carbon steel wire rod increased to 61.2 percent in 1983. Integrated producers, as shown in table 4, accounted for most of the decline. From January–August 1983 to January–August 1984, capacity utilization increased from 58.7 percent to 69.8 percent.

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

Item and producer	1981	1982	1983	January–August	
				1983	1984
Production:					
Nonintegrated—short tons—	2,164,347	1,929,602	2,231,747	1,461,514	1,698,960
Integrated—do—	2,041,052	1,120,233	1,316,097	848,713	897,123
Total—do—	4,205,399	3,049,835	3,547,844	2,310,227	2,596,083
Practical capacity:					
Nonintegrated—do—	2,885,000	2,996,000	2,966,000	2,019,807	1,949,767
Integrated—do—	3,137,000	2,832,000	2,832,000	1,915,416	1,770,416
Total—do—	6,022,000	5,828,000	5,798,000	3,935,223	3,720,183
Ratio of production to capacity:					
Nonintegrated—percent—	75.0	64.4	75.2	72.4	87.1
Integrated—do—	65.1	39.6	46.5	44.3	50.7
Average—do—	69.8	52.3	61.2	58.7	69.8

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

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission. A-12

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

(percent)						
Producer and item	1981	1982	1983	January-August		
				1983	1984	
Nonintegrated: <u>1/</u>						
Low carbon-----	77.8	77.6	79.7	79.4	77.3	
Medium-high carbon-----	2.7	2.2	2.4	1.7	2.3	
High carbon-----	19.6	20.2	17.9	18.9	20.4	
Total-----	100.0	100.0	100.0	100.0	100.0	
Integrated: <u>2/</u>						
Low carbon-----	56.3	54.2	54.8	57.9	58.1	
Medium-high carbon- <u>3/-</u>	2.6	2.5	2.7	-	-	
High carbon-----	41.1	43.3	42.5	42.1	41.9	
Total-----	100.0	100.0	100.0	100.0	100.0	
Average:						
Low carbon-----	71.3	71.8	73.1	73.8	71.9	
Medium-high carbon- <u>3/-</u>	2.6	2.3	2.5	1.3	1.7	
High carbon-----	26.0	26.0	24.4	24.9	26.4	
Total-----	100.0	100.0	100.0	100.0	100.0	

1/ Does not include ***.

2/ Does not include ***.

3/ *** was not able to split out medium-high carbon from high carbon steel wire rod and classified both as high carbon steel wire rod. As such, there may be a slight overstatement (less than 1 percent) of high carbon steel wire rod and a corresponding understatement of the medium-high carbon steel wire rod in the partial years 1983 and 1984.

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

U.S. producers' shipments and exports

The trend for U.S. producers' shipments, including captive shipments, parallels that for production (table 6). Total U.S. producers' shipments declined by 26.4 percent from 1981 to 1982 and then increased by 16.9 percent from 1982 to 1983. Shipments in 1983, however, remained 14.0 percent lower than in 1981. From January–August 1983 to January–August 1984, U.S. producers' shipments increased by 14.7 percent. Captive shipments, which declined by 33.7 percent from 1981 to 1983, accounted for most of the decline in total shipments. As a share of total shipments, captive shipments declined from 34.7 percent in 1981 to 26.7 percent in 1983.

Nonintegrated producers did not share the overall decline in total shipments with integrated producers between 1981 and 1983. Despite a 19.6 percent decrease in captive shipments, nonintegrated producers' total shipments increased by 6.9 percent from 1981 to 1983. Whereas U.S. open-market shipments for integrated producers declined by 29.0 percent between 1981 and 1983, that for nonintegrated producers increased by 22.2 percent. Nonintegrated producers' share of U.S. open-market shipments increased from 52.5 percent to 65.6 percent in the same period. Nonintegrated producers' share of total shipments increased similarly. U.S. producers' domestic shipments of low, medium-high, and high carbon steel wire rod as a share of total domestic shipments are shown in table 7. The data represent over 85 percent of U.S. producers' domestic shipments.

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

Inventories

U.S. producers' end-of-period inventories of carbon steel wire rod declined by 21.3 percent from 1981 to 1982 but increased by 31.2 percent from 1982 to 1983 to a level exceeding that in 1981 (table 8). The level of inventory was 16.7 percent lower at the end of August 1984 than at the end of August 1983. As a percent of total shipments during the preceding period, inventories increased from 3.5 percent in 1981 to 4.2 percent in 1983 but declined from 4.0 percent as of August 31, 1983, to 2.9 percent as of August 31, 1984.

Employment

After falling by 39.6 percent from 1981 to 1982, the average number of production and related workers producing carbon steel wire rod increased by 8.0 percent from 1982 to 1983 and by 6.4 percent from January–August 1983 to January–August 1984 (table 9). The level of employment, however, especially of integrated producers, remained below that for 1981. The trend for hours worked by production and related workers is similar to that for average employment, as shown in table 9. The hours worked per worker, however, steadily increased during the period, as did production after 1982. The result was an increase in output from .31 ton per hour in 1981 to .39 ton per hour in 1983 and from .40 ton per hour in January–August 1983 to .43 ton per hour in January–August 1984.

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

Item and producer	1981	1982	1983	January-August	
				1983	1984
Quantity (short tons)					
U.S. open-market shipments:					
Nonintegrated	1,417,604	1,415,337	1,732,102	1,100,065	1,338,760
Integrated	1,280,926	697,962	909,991	570,454	643,736
Total	2,698,530	2,113,299	2,642,093	1,670,519	1,982,496
Captive shipments:					
Nonintegrated	703,426	502,294	565,316	344,526	359,822
Integrated	750,720	432,311	398,856	268,333	276,050
Total	1,454,146	934,605	964,172	612,859	635,872
Exports:					
Nonintegrated	27,263	36,986	63	0	0
Integrated	14,308	1,054	48	48	6
Total	41,571	38,040	111	48	6
Total:					
Nonintegrated	2,148,293	1,954,617	2,297,481	1,444,591	1,698,582
Integrated	2,045,954	1,131,327	1,308,895	838,835	919,792
Total	4,194,247	3,085,944	3,606,376	2,283,426	2,618,374
Value (1,000 dollars)					
U.S. open-market shipments:					
Nonintegrated	439,225	398,107	467,670	283,914	332,474
Integrated	468,440	295,582	339,072	215,752	248,248
Total	907,665	693,689	806,742	499,666	580,722
Exports:					
Nonintegrated	8,451	7,112	13	—	—
Integrated	6,025	376	28	28	3
Total	14,476	7,488	41	28	3
Total:					
Nonintegrated	447,676	405,219	467,683	283,914	332,474
Integrated	474,465	295,958	339,100	215,780	248,251
Total	922,141	701,177	806,783	499,694	580,725

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

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

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

Producer and item	(percent)				
	1981	1982	1983	January-August	
				1983	1984
Nonintegrated: <u>1/</u>					
Low carbon	79.3	76.4	80.6	80.4	80.2
Medium-high carbon	3.1	2.6	2.6	2.7	3.4
High carbon	17.7	21.0	16.9	16.9	16.4
Total	100.0	100.0	100.0	100.0	100.0
Integrated: <u>2/</u>					
Low carbon	64.7	63.5	65.3	72.0	73.3
Medium-high carbon- <u>3/-</u>	4.0	3.5	3.2	-	-
High carbon	31.3	33.0	31.5	28.0	26.7
Total	100.0	100.0	100.0	100.0	100.0
Average:					
Low carbon	75.3	73.6	76.9	78.6	78.4
Medium-high carbon- <u>3/-</u>	3.3	2.8	2.7	2.1	2.6
High carbon	21.4	23.6	20.4	19.3	19.0
Total	100.0	100.0	100.0	100.0	100.0

1/ Does not include ***.

2/ Does not include ***.

3/ *** was not able to split out medium-high carbon from high carbon steel wire rod and classified both as high carbon steel wire rod. As such, there may be a slight overstatement (less than 1 percent) of high carbon steel wire rod and a corresponding understatement of the medium-high carbon steel wire rod in the partial years 1983 and 1984.

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

Total compensation paid to production and related workers declined by 34.8 percent from 1981 to 1982 but increased by 11.8 percent from 1982 to 1983 and by 4.8 percent from January-August 1983 to January-August 1984 (table 10). The average hourly compensation paid to these workers increased by 9.7 percent from 1981 to 1983, but declined by 0.3 percent from January-August 1983 to January-August 1984. Unit labor costs declined throughout the period. The average unit labor cost per short ton of carbon steel wire rod produced declined from \$59.36 per short ton in 1981 to \$51.31 per short ton in 1983, or by 13.6 percent and continued to decline by 7.3 percent from January-August 1983 to the corresponding period in 1984. Unit labor costs for nonintegrated producers were about half of those for integrated producers throughout the period.

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

Table 8.—Carbon steel wire rod: U.S. producers' inventories of U.S. production, by types of producers, as of December 31, 1981–83, and August 31, 1983 and 1984 ^{1/}

Item and producer	As of December 31—			As of August 31—	
	1981	1982	1983	1983	1984
Inventories:					
Nonintegrated—short tons—	93,190	73,292	101,940	81,771	87,739
Integrated—do—	52,929	41,634	48,836	54,909	26,167
Total—do—	146,119	114,926	150,776	136,680	113,906
Ratio of inventories to total shipments during the preceding period:					
Nonintegrated—percent—	4.3	3.8	4.4	<u>2/</u> 3.8	<u>2/</u> 3.5
Integrated—do—	2.6	3.7	3.7	<u>2/</u> 4.4	<u>2/</u> 1.9
Average—do—	3.5	3.7	4.2	<u>2/</u> 4.0	<u>2/</u> 2.9

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

^{2/} Annualized.

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

Financial experience of U.S. producers

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

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

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

Item and producer	1981	1982	1983	January-August--	
				1983	1984
Average number of production and related workers producing carbon steel wire rod in U.S. establishments:					
Nonintegrated—number	2,358	2,192	2,180	2,091	2,109
Integrated—do	4,505	1,956	2,299	2,070	2,320
Total—do	6,863	4,148	4,479	4,161	4,429
Hours worked by production and related workers producing carbon steel wire rod in U.S. establishments:					
Nonintegrated—1,000 hours	5,014	4,563	4,432	2,701	2,816
Integrated—do	8,579	4,087	4,603	2,844	3,018
Total—do	13,593	8,650	9,035	5,545	5,834
Output:					
Nonintegrated—short tons per hour	0.43	.42	.50	.51	.58
Integrated—do	.24	.27	.29	.30	.30
Average—do	.31	.35	.39	.40	.43

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

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

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

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

Item and producer	1981	1982	1983	January-August-	
				1983	1984
Total compensation paid to production and related workers producing carbon steel wire rod:					
Nonintegrated—1,000 dollars—	85,437	76,038	81,747	50,651	54,436
Integrated—do—	164,215	86,821	100,283	62,579	64,258
Total—do—	249,652	162,859	182,030	113,230	118,694
Hourly compensation paid to production and related workers producing carbon steel wire rod:					
Nonintegrated—per hour					
per worker—	17.04	16.66	18.44	18.75	19.33
Integrated—do—	19.14	21.24	21.79	22.00	21.29
Average—do—	18.37	18.83	20.15	20.42	20.35
Unit labor cost:					
Nonintegrated—per short ton—	39.47	39.41	36.63	36.76	33.33
Integrated—do—	80.46	77.50	76.20	73.33	70.97
Average—do—	59.36	53.40	51.31	51.05	47.33

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

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

Table 11 does not include interest expense in the computation. Not all of the petitioners provided data on interest expense for their entity. Several of the producers did not receive allocations of interest expense from their corporate office but were managed on the basis of operating profit levels. This is not unusual especially in corporations with a diverse product mix where the allocation of interest expense to the individual segments tend to be arbitrary.

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

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

Period and type of producer	Net sales	Cost of goods sold	Gross profit or (loss)	General, selling, and administrative expenses	Operating profit or (loss)	Ratio of operating profit or (loss) to net sales	Ratio of cost of goods sold to net sales
1981:							
Nonintegrated	642.2	605.5	36.7	23.3	13.4	2.1	94.3
Integrated	646.2	665.0	(18.8)	19.9	(38.7)	(6.0)	102.9
Total or average	1,288.4	1,270.5	17.9	43.2	(25.3)	(2.0)	98.6
1982:							
Nonintegrated	558.8	545.9	13.0	25.1	(12.1)	(2.2)	97.7
Integrated	424.3	489.7	(65.4)	17.0	(82.4)	(19.4)	115.4
Total or average	983.2	1,035.6	(52.4)	42.1	(94.5)	(9.6)	105.3
1983:							
Nonintegrated	604.6	572.3	32.3	23.4	8.9	1.5	94.7
Integrated	454.0	503.9	(50.0)	21.9	(71.8)	(15.8)	111.0
Total or average	1,058.6	1,076.2	(17.7)	45.3	(62.9)	(5.9)	101.7
January-June 1983 2/:							
Nonintegrated	245.0	233.4	11.6	10.3	1.3	0.5	95.3
Integrated	231.4	257.7	(26.3)	9.8	(36.1)	(15.6)	111.4
Total or average	476.4	491.1	(14.7)	20.1	(34.8)	(7.3)	103.0
January-June 1984 2/:							
Nonintegrated	326.2	293.8	32.4	11.8	20.6	6.3	90.1
Integrated	257.5	255.1	2.4	11.3	(8.9)	(3.5)	99.1
Total or average	583.7	548.9	34.8	23.1	11.7	2.0	94.0

1/ Profit-and-loss data for U.S. Steel include sales of alloy wire rod accounting for * * *.

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

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

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

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

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

^{1/} Negative cash flow is understated to the extent that ***.

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 1981-83. The value of the nine firms' productive facilities used in the production of carbon steel wire rod, at cost, increased by 5.7 percent, from \$391.5 million in 1981 to \$414.0 million in 1983 (table 13). The book value of such facilities increased by 5.8 percent, from \$250.3 million in 1981 to \$264.8 million in 1983. The relationship of operating profit or loss to the value of productive facilities, whether at original cost or book value, generally followed the same trend as did the ratio of such profits to net sales; the ratios were negative in each instance, with 1982 being the weakest year of the period.

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

Item	1981	1982	1983
Fixed assets-----1,000 dollars-----	391,527	390,250	414,037
Net book value-----do-----	250,345	254,987	264,815
Operating profit or (loss)-----do-----	(22,198)	(76,490)	(39,607)
Return on sales-----percent-----	(2.8)	(12.3)	(5.6)
assets----- ^{1/} -----do-----	(8.9)	(30.0)	(15.0)

^{1/} Return on the net book value of the fixed assets.

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

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

	<u>Capital expenditures</u> (1,000 dollars)
1981_____	40,067
1982_____	25,961
1983_____	25,749
January–June—	
1983_____	7,855
1984_____	23,527

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

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

***.

Consideration of Alleged Threat of Material Injury

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

Carbon steel wire rod is produced by VEB Stahl & Walzwerk in Brandenburg, German Democratic Republic and is exported by Metallurgiehandel, Berlin (German Democratic Republic). No information on the capacity, production, or exports of carbon steel wire rod from the German Democratic Republic is available at this time.

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

U.S. consumption and market penetration of imports

U.S. consumption of carbon steel wire rod declined by 21.1 percent from 1981 to 1982 (table 14). Although consumption increased by 20.4 percent from 1982 to 1983, it remained 5.0 percent below the level in 1981. The decline was consistent with trends in many sectors of the U.S. economy in this period; it did not reflect a market shift from wire and wire products. U.S. consumption increased by 18.5 percent from January-August 1983 to January-August 1984. Imports from the German Democratic Republic began in September 1983, and through the first eight months of 1984 constituted a 1.1 percent share of apparent U.S. consumption.

U.S. open-market consumption increased by 7.0 percent from 1981 to 1983, after falling by 14.9 percent from 1981 to 1982 and increased by 22.2 percent from January-August 1983 to January-August 1984 (table 15). Table 16 shows imports and the ratio of imports to consumption for all countries which have been the subject of antidumping or countervailing duty investigations since 1981. Tables 17 and 18 summarize outstanding countervailing and antidumping orders by country and by companies.

Approximately *** percent of the carbon steel wire rod from the German Democratic Republic was imported through the port of Houston with the remainder going through the ports of Seattle, San Francisco, and Los Angeles. The allegations of lost sales/lost revenues appear to be mainly in the Gulf area rather than the West Coast.

Table 14.—Carbon steel wire rod: U.S. producers' shipments and captive consumption, ^{1/} imports for consumption, exports of domestic merchandise, and apparent consumption, 1981-83, January-August 1983, and January-August 1984

Period	Producers' shipments and captive consumption	Imports			Total
		From GDR	From other countries		
		Short tons			
1981	4,194,247	0	760,734		760,734
1982	3,085,944	0	829,804		829,804
1983	3,606,376	1,173	1,059,470		1,060,643
January-August					
1983	2,281,426	0	694,025		694,025
1984	2,618,374	39,626	866,285		905,911
		Ratio of imports to consumption—			
Producers' exports	Apparent consumption	From			Total
		From GDR	From other countries		
		Short tons		Percent	
1981	41,571	4,913,410	0	15.5	15.5
1982	38,040	3,877,708	0	21.4	21.4
1983	111	4,666,908	2/	22.8	22.8
January-August					
1983	48	2,975,403	0	23.3	23.3
1984	6	3,524,279	1.1	24.6	25.7

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

^{2/} Less than 0.05 percent.

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

Table 15.—Carbon steel wire rod: U.S. producers' commercial shipments, ^{1/} imports for consumption, exports of domestic merchandise, and apparent open market consumption, 1981-83, January-August 1983, and January-August 1984

Period	Producers' commercial shipments	Imports			
		From GDR	From other countries	Total	
<u>Short tons</u>					
1981	2,740,101	0	760,734	760,734	
1982	2,151,339	0	829,804	829,804	
1983	2,642,204	1,173	1,059,470	1,060,643	
January-August					
1983	1,670,519	0	694,025	694,025	
1984	1,982,496	39,626	866,285	905,911	
<u>Ratio of imports to consumption—</u>					
	Producers' exports	Apparent consumption	From GDR	From other countries	Total
<u>Short tons</u>			<u>Percent</u>		
1981	41,571	3,459,264	0	21.9	21.9
1982	38,040	2,943,103	0	28.2	28.2
1983	111	3,702,736	<u>2/</u>	28.6	28.6
January-August					
1983	48	2,364,544	0	29.4	29.4
1984	6	2,888,407	1.4	30.0	31.4

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

^{2/} Less than 0.05 percent

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

Table 16.—Carbon steel wire rod: Imports and ratio of imports to consumption, by sources which have been the subject of antidumping or countervailing duty investigations since 1981, 1981-83, January-August 1983, and January-August 1984

Source	1981	1982	1983	January-August	
				1983	1984
<u>Short tons</u>					
Mexico <u>1/</u>	0	30,401	102,635	56,678	103,978
Spain <u>2/</u>	1,657	6,689	82,385	52,865	86,855
Brazil <u>3/</u>	32,579	111,025	76,649	70,049	13,895
France <u>4/</u>	101,921	105,068	68,868	41,671	67,573
Argentina <u>5/</u>	21,167	12,238	68,335	43,276	61,990
Trinidad and Tobago <u>6/</u>	6,010	56,338	63,961	44,250	41,997
Poland <u>7/</u>	0	7,987	25,843	20,248	0
Belgium <u>8/</u>	21,547	27,567	8,199	7,185	12,182
Venezuela <u>9/</u>	25,443	0	0	0	16,433
Czechoslovakia <u>10/</u>	331	2,245	18,992	11,010	11,147
South Africa <u>11/</u>	17,991	1,470	9,754	7,787	9,431
Total	228,646	361,028	525,621	355,019	425,482
<u>Percent</u>					
Mexico	—	0.8	2.2	1.9	3.0
Spain	<u>12/</u>	.2	1.8	1.8	2.5
Brazil	0.7	2.9	1.6	2.4	0.4
France	2.1	2.8	1.5	1.4	1.9
Argentina	.4	.3	1.5	1.5	1.8
Trinidad and Tobago	.1	1.5	1.4	1.5	1.2
Poland	—	.2	.6	.7	—
Belgium	.4	.7	.2	.2	.3
Venezuela	.5	—	—	—	.5
Czechoslovakia	<u>12/</u>	.1	.4	.4	.3
South Africa	.4	<u>12/</u>	.2	.3	.3
Total	4.7	9.3	11.3	12.0	12.5

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

2/ Affirmative final subsidy determinations by Commerce and the Commission (June 1984) and countervailing duty order in effect. Affirmative final LTFV determinations by the Commission (Nov. 5, 1984) and Commerce (Sept 27, 1984).

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

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

Footnotes for table 16—Continued

5/ Countervailing duty investigation suspended in September 1982 following an agreement to eliminate the countervailable subsidies. Affirmative final LTFV determinations by the Commission (Nov. 5, 1984) and Commerce (Sept 27, 1984). The table includes a correction for imports previously assigned to Venezuela which were actually imported from Argentina (13,423 tons).

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

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

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

9/ Negative final LTFV determination by the Commission on Feb. 14, 1983. The table includes a correction for imports previously assigned to Venezuela which were actually imported from Argentina (13,423 tons).

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

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

12/ Less than 0.05 percent.

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

Table 17. Carbon steel wire rod : Outstanding antidumping orders and pending antidumping investigations, with dumping margins as of Aug. 27, 1984, by countries and by companies, for selected periods, 1981-1983, January-June 1983, and January-June 1984

Item and country	Effective Date	Weighted-average margin as of Aug. 27, 1984	Date of Bond	Ratio of imports to consumption			
				1981	1982	1983	January-June 1983 : 1984
				Percent			
Dumping order issued:							
Brazil	Nov. 8, 1983	Cosigua-49.61 Belgo-Mineria-76.49 All other producers/ importers/manufac- turers-63.51	May 4, 1983	0.7	2.9	1.6	3.2 : 1/
Trinidad and Tobago	Nov. 8, 1983	9.79	May 4, 1983	0.1	1.5	1.4	1.5 : 1.2
Spain	May 8, 1984	Empresa Nacional- Siderugica, S.A.-17.4; Nueva Montana Quijano, S.A.-13.7 Forjas Alavesas-0 All other producers/ exporters/manufac- turers-12.3 2/	May 8, 1984	1/	0.2	1.8	1.2 : 2.9
Argentina	May 8, 1984	Acindar-176.1	May 8, 1984	0.4	0.3	1.5	1.4 : 1.9

1/ Less than 0.05 percent.

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

Source: U.S. Department of Commerce.

Table 18.—Carbon steel wire rod: Outstanding countervailing duty orders, with countervailing margins, as of Aug. 27, 1984, by countries as of Oct. 22, 1984, and by companies, for selected periods, 1981-1983, January-June 1983, and January-June 1984

Item and country	Effective date	Weighted-average margin as of Aug. 27, 1984	Date of bond	Ratio of imports to consumption			
				1981	1982	1983	January-June— 1983 : 1984
CVD order issued:		Percent			Percent		
Spain	July 10, 1984	Empresa Nacional Siderurgica, S.A.— 29.94		1/	0.2	1.8	1.2 : 2.9
	Nov. 8, 1983	Nueva Montana Quijano, S.A.—17.13					
		Forjas Alavesas, S.A.—16.03					
		All other producers/exporters/manufacturers—16.95					
Trinidad and Tobago	Jan. 4, 1984	—6.738	Oct. 20, 1983	0.1	1.5	1.4	1.5 : 1.2
South Africa	Sept. 27, 1982	Before April 1, 1982— 11.1	July 14, 1984	0.4	1/	0.2	0.4 : 0.1
		After April 1, 1982— 0.35 2/	Sept. 27, 1982				

1/ Less than 0.05 percent.

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

Source: U.S. Department of Commerce.

Prices

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

Invoices received by the Commission in 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 the reason for these price adjustments.

Price trends.—The Commission requested f.o.b. mill price data from domestic producers and f.o.b. port-of-entry price data from importers. Usable data were received from two importers of material produced in the German Democratic Republic and 11 U.S. producers. Price data for low-carbon steel wire rod, AISI grade 1008, 7/32 inch to 27/64 inch in diameter, are shown in table 19. Most U.S. produced carbon steel wire rod is shipped by commercial truck except that which is shipped to the west coast by rail. Although rail rates are often cheaper than truck rates, trucking is usually the preferred method of transportation because wire rod so shipped is less subject to damage, and many customers do not have rail unloading facilities. Inland transportation costs to purchasers via truck can range up to \$75 per ton. 2/

Because there are U.S. producers in most regional markets, f.o.b. price comparisons generally reflect actual price competition. One exception is the West Coast, where approximately *** percent of the East German produced

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

2/ The cost of truck transportation to the west coast as estimated by U.S. producers and customers in investigation No. 731-TA-114.

material is imported, and there are no large U.S. producers. *** ^{1/} Rail is the primary method of transportation used by U.S. producers to the west coast. According to one of the largest importers in this region, rail freight from Texas and Missouri is \$50 per ton and \$47 per ton respectively. *** reported the rail freight from Texas to the west coast is \$ 57.31 per ton, but can be reduced to \$49.44 per ton if high enough volumes are shipped. *** reported that it could ship wire rod to Los Angeles by ocean freight at a cost of \$44 per ton.

Integrated domestic producers' f.o.b. prices rose from \$338 per short ton in January-June 1981 to \$346 per short ton in April-June 1981 and then fell irregularly to a low of \$282 per short ton in July-September 1983, or by 18.5 percent. Integrated producers' prices increased to \$335 per short ton in April-June 1984, or by 18.8 percent from July-September 1983. Prices declined slightly, however, to \$328 per ton in July-September 1984.

Although nonintegrated domestic producers' f.o.b. prices were consistently lower than integrated producers' prices, they followed a similar declining trend through September 1983. Nonintegrated domestic producers prices increased by 1.3 percent from January-March 1981 to April-June 1981, but then decreased by 19.4 percent from April-June 1981 to July-September 1983. Prices decreased in every quarter from April-June 1981 to July-September 1983, but increased in every quarter after September 1983. In July-September 1984 the price received by non-integrated producers was 18.5 percent above a year earlier.

As table 19 indicates, no sales of wire rod from the German Democratic Republic were reported until July-September 1983. The German Democratic Republic prices fluctuated between *** in October-December 1983 and *** in July-September 1984. The price in the later period was *** percent above July-September 1983.

Margins of underselling.—In every quarter for which data were received, importers' weighted-average prices were lower than integrated producers' prices. Margins of underselling increased steadily in July-September 1983 to *** in April-June 1984. Importers' prices were higher than those of non-integrated producers in the last half of 1983 and the first quarter of 1984, but, because of increasing producers prices, imports undersold nonintegrated U.S. producers by *** percent and *** percent in April-June and July-September 1984 respectively.

Exchange rates.—The currency of the German Democratic Republic is controlled by the government and does not reflect open market conditions. No reliable exchange rate or inflation rate data are available for periods after 1981.

^{1/} Before mid 1983 *** supplied open market customers on the west coast. It is reported by customers that *** ceased such sales in 1983 (see e.g. telephone conversation with ***, investigation No. 731-TA-157). *** .

Table 19.—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 1984

Period	(Per short ton)					
	Domestic producers ^{1/}		Imported from German Democratic Republic	Margin of (over)/under selling		
	Integrated	Non- Integrated		Inte- grated	Non- int'd	
1981:						
Jan.-Mar	\$338	\$311	3/	3/	3/	3/
Apr.-June	346	315	3/	3/	3/	3/
July-Sept	343	313	3/	3/	3/	3/
Oct.-Dec	338	299	3/	3/	3/	3/
1982:						
Jan.-Mar	330	293	3/	3/	3/	3/
Apr.-June	285	284	3/	3/	3/	3/
July-Sept	314	277	3/	3/	3/	3/
Oct.-Dec	327	274	3/	3/	3/	3/
1983:						
Jan.-Mar	290	271	3/	3/	3/	3/
Apr.-June	285	255	3/	3/	3/	3/
July-Sept	282	254	***	***	***	***
Oct.-Dec	283	255	***	***	***	***
1984:						
Jan.-Mar	314	271	***	***	***	***
Apr.-June	335	294	***	***	***	***
July-Sept	328	301	***	***	***	***

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

^{2/} German Democratic Republic prices are f.o.b. port-of-entry (ex-dock).

^{3/} No prices reported on imports from the German Democratic Republic.

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

Lost sales and lost revenues

Four U.S. producers alleged that they had lost sales of wire rod to importers of East German wire, or that they had lowered prices to meet competition from importers of East German wire rod in 1983-84. The 18 instances alleged by producers, involving 12 separate customers, are discussed below.

1. Producer 1 ***.
2. Producer 1 and Producer 2 ***.
3. Producer 2 ***.
4. Producer 2 and Producer 3 ***.
5. Producer 2 ***.
6. Producer 2 ***.
7. Producer 2 ***.
8. Producer 4 ***.
9. Producer 4 ***.
10. Producer 2 ***.
11. Producer 4 ***.
12. Producer 4 ***.

APPENDIX A

COMMERCE'S AND COMMISSION'S NOTICES

FOR FURTHER INFORMATION CONTACT:

Maps or additional information on these areas may be obtained by writing the Boise District BLM, 3948 Development Avenue, Boise, Idaho 83705 or by calling Ted Milesnick at 208-334-1582 or FTS 554-1582.

Dated: September 26, 1984.

Martin J. Zimmer,
District Manager.

[FR Doc. 84-26205 Filed 10-2-84; 8:45 am]
BILLING CODE 4310-00-M

[OR 36742 A and B]**Oregon; Realty Action Direct Sale of Public Land in Josephine County**

AGENCY: Bureau of Land Management, Interior.

ACTION: Notice of Direct Sale of Public Land in Josephine County, Oregon.

SUMMARY: The following revested Oregon and California Railroad Grant (O&C) Land has been examined and identified as being suitable for disposal by sale under section 203 of the Federal Land Policy and Management Act of 1976 (96 Stat. 2750, 43 U.S.C. 1713), at no less than the appraised fair market value.

Bidder	Legal description	Acres	Value
Robert and Betty R. Wheeler OR 36742A.	T. 36 S., R. 7 W., Will. Mer., sec. 13, lot 11.	2.36	\$1,500
Claude R. and Laurel J. Williams OR 36742B.	T. 36 S., R. 7 W., sec. 13, lot 12.	2.36	\$1,500

Except for the provisions of section 203 of the Federal Land Policy and Management Act of 1976, (90 Stat. 2750; 43 U.S.C. 1713), the above described lands are hereby segregated from appropriation under the public land laws, including the mining laws.

The sale will be held on Wednesday, December 5, 1984 at 1:00 P.M. in the Medford District's Oregon Room, 3040 Biddle Road, Medford, Oregon 97504.

The sale is consistent with publicly supported Bureau planning. The sale involves an isolated parcel surrounded by private land. The parcel is difficult and uneconomical to manage and is not suitable for management by another Federal department or agency. The public interest would be served by offering this land for sale.

Direct Sale Procedure

The parcels identified by Serial Nos. OR 36742A (Lot 11), and OR 36742B (Lot 12), are being offered using direct sale procedures (43 CFR 2711.3-2(b)). The land will be sold at fair market value to the adjacent landowners without bidding. If the parcels are not sold, they

will be withdrawn from public sale.

Federal law requires that all bidders be U.S. citizens, 18 years of age or more, a state or state instrumentality authorized to hold property, or in the case of corporations, be authorized to own real estate in the state in which the sale is offered. Proof of these requirements shall accompany all sale bids.

Terms and Conditions of This Sale Are

1. Both the Williams and the Wheelers will be required to submit a deposit of either cash, bank draft money order, or any combination, for not less than 30 percent of the appraised value. The remainder of the full appraised price must be submitted prior to the expiration of 180 days from the date of the sale. Failure to submit the remainder of the full appraised price shall result in the cancellation of the sale and forfeiture of the 30 percent deposit.

2. Acceptance or rejection of the William's or Wheeler's offer to purchase will be in writing within 30 days from the date of the sale. Prior to the expiration of this 30 day period, the Authorized Officer conducting this sale may refuse to accept the offers or may withdraw the tract of public land from sale according to 43 CFR 2711.3-1 (f) and (g).

3. Reservations to the title or patent shall be as follows:

a. Both parcels will be subject to all existing rights including Josephine County's Gunnell Road Right-of-Way (43 U.S.C. 1718).

b. All minerals will be reserved to the United States (43 U.S.C. 1719).

c. The right to access and development for ditches and canals on behalf of the United States shall be reserved (43 U.S.C. 945).

Detailed information concerning the sale, including the planning documents, environmental assessment, land report and fair market appraisal, is available for review at the Bureau of Land Management, Medford District Office, 3040 Biddle Road, Medford, Oregon 97504, or by calling Jim Badger, Area Realty Specialist, (503) 776-3941.

For a period of 45 days from the date of this notice, interested parties may submit comments regarding the proposed action. Comments shall reference Serial Number OR 36742 A & B. Any adverse comments will be evaluated by the District Manager who may vacate or modify this realty action and issue a final determination. In the absence of any action by the District Manager, this realty action will become the final determination of the Department of the Interior.

Dated: September 24, 1984.

Hugh R. Shera,
District Manager.

[FR Doc. 84-26206 Filed 10-2-84; 8:45 am]
BILLING CODE 4310-33-M

[OR-35082]**Conveyance of Public Lands; Order Providing for Opening of Lands, Oregon****Correction**

In FR Doc. 84-24890, appearing on page 36935 in the issue of Thursday, September 20, 1984, make the following correction:

In the second column, eleventh line of the land description under the heading Willamette Meridian, "SW ½ and W ¼ SE ¼" should have read "SW ¼ and W ½ SE ¼".

BILLING CODE 1505-01-M

National Park Service**Women's Rights National Historical Park; Meeting**

AGENCY: Women's Rights NHP Advisory Commission, National Park Service, Interior.

ACTION: Notice of meeting.

SUMMARY: This notice sets forth the date of the forthcoming meeting of Women's Rights NHP Advisory Commission. Notice of this meeting is required under the Federal Advisory Committee Act.

DATES: October 25, 1984, Public Forum, October 26, 1984, 8:00 a.m. to 4:00 p.m.; 4:00 p.m. to 6:00 p.m.; 9:00 a.m. to 12:00 p.m.

ADDRESS: Women's Rights National Historical Park, 116 Fall Street, P.O. Box 70, Seneca Falls, New York 13148.

FOR FURTHER INFORMATION CONTACT: Judy Hart, Superintendent, Women's Rights National Historical Park, 116 Fall Street, P.O. Box 70, Seneca Falls, New York 13148, (315) 568-2991.

Dated: September 21, 1984.

Steven H. Lewis,
Deputy Regional Director, North Atlantic Region.

[FR Doc. 84-26190 Filed 10-2-84; 8:45 am]
BILLING CODE 4310-70-M

INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-285 • A-36
(Preliminary)]

Import Investigations; Carbon Steel Wire Rod From The German Democratic Republic

AGENCY: International Trade Commission.

ACTION: Institution of preliminary investigation and scheduling of a conference to be held in connection with the investigation.

SUMMARY: The United States International Trade Commission hereby gives notice of the institution of investigation No. 731-TA-205 (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 German Democratic Republic 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 sold at less than fair value.

EFFECTIVE DATE: September 26, 1984.

FOR FURTHER INFORMATION CONTACT: Mr. C. F. Cleary, Office of Investigations, U.S. International Trade Commission, 701 E Street, N.W., Washington, D.C. 20436, telephone 202-523-0439.

SUPPLEMENTARY INFORMATION:

Background.— This investigation is being instituted in response to a petition filed on September 26, 1984, by Atlantic Steel Company, Continental Steel Corporation, Georgetown Steel Corporation, North Star Steel Co.-Texas, and Raritan River Steel Company. The Commission must make its determination in this investigation within 45 days after the date of the filing of the petition, or by November 13, 1984 (19 CFR § 207.17).

Participation.— Persons wishing to participate in this investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's Rules of Practice and Procedure (19 CFR § 201.11), not later than 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 Chairwoman, who shall determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

Service of documents.— The Secretary will compile a service list from the entries of appearance filed in this investigation. Any party submitting a document in connection with the investigation shall, in addition to 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)).

In addition to the foregoing, each document filed with the Commission in the course of this investigation 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 October 23, 1984, a written statement of information pertinent to the subject matter of this 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 section 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 this investigation for 9:30 a.m. on October 19, 1984, at the U.S. International Trade Commission Building, 701 E Street, NW, Washington, D.C. Parties wishing to participate in the conference should contact Mr. Cleary (202-523-0439), not later than October 17, 1984, to arrange for their appearance. Parties in support of the imposition of antidumping duties in this investigation 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 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 this investigation and rules of general application, consult the Commission's Rules of Practice and Procedure, part 207, subparts A and B (19 CFR Part 207), and part 201, subparts A through E (19 CFR Part 201).

This notice is published pursuant to § 207.12 of the Commission's rules (19 CFR § 207.12).

Issued: September 28, 1984.

Kenneth R. Mason,
Secretary.

[FR Doc. 84-28253 Filed 10-2-84; 8:45 am]
BILLING CODE 7020-02-M

[Investigation No. 337-TA-189]

Import Investigations; Certain Optical Waveguide Fibers; Commission Decision Denying Application for Interlocutory Review

AGENCY: International Trade Commission.

ACTION: Denial of respondents' application for interlocutory review of the presiding officer's ruling (Order No. 18) denying respondents' motion (Motion 189-15) to declare the above-referenced investigation "more complicated" under section 337(b)(1) of the Tariff Act of 1930 and Commission rule 210.15.

Authority: Section 337 of the Tariff Act of 1930 (19 U.S.C. 1337) and 19 CFR 210.60(b).

SUPPLEMENTARY INFORMATION: On August 20, 1984, respondents Sumitomo Electric Industries, Ltd., and Sumitomo Electric U.S.A. Inc., (Sumitomo) filed an application for Commission review, under Commission rule 210.60(b), of the presiding officer's denial of their motion to designate the above-referenced investigation "more complicated" under section 337(b)(1) and Commission rule 210.15. (Order No. 18, July 20, 1984, denying Motion No. 189-15.) On August 27, 1984, complainant Corning Glass Works (Corning) filed an answer in opposition to the application for review.

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

FOR FURTHER INFORMATION CONTACT: Wayne Herrington, Esq., Office of General Counsel, U.S. International Trade Commission, telephone 202-523-0480.

Issued: September 25, 1984.

By order of the Commission.

Kenneth R. Mason,
Secretary.

[FR Doc. 84-28251 Filed 10-2-84; 8:45 am]
BILLING CODE 7020-02-M

A-37

textiles and textile products is estimated to be 1020.

Singapore. The Department currently is investigating 19 alleged subsidy practices that may provide bounties or grants to producers or exporters of textiles and textile products currently classifiable under approximately 379 categories of the TSUSA. Certain practices, such as the training center for apparel workers and venture capital tax incentives, are complex. The number of firms producing or exporting textiles and textile products is estimated to be 542.

Sri Lanka. The Department currently is investigating 10 alleged subsidy practices that may provide bounties or grants to producers or exporters of textiles and textile products currently classifiable under approximately 222 categories of the TSUSA. Certain practices, such as textile self-sufficiency programs, are complex. In addition, the issues presented are novel, because we have never before conducted a countervailing duty investigation involving Sri Lanka under the Act. The number of firms producing or exporting textiles and textile products is estimated to be 379.

Thailand. The Department currently is investigating 13 alleged subsidy practices that may provide bounties or grants to producers or exporters of textiles and textile products currently classified under approximately 412 categories of the TSUSA. In addition, the issues presented are novel, because we are aware of only one countervailing duty investigation involving Thailand under the Act, and that investigation was conducted by the Treasury Department. The Number of firms producing or exporting textiles and textile products is expected to be large.

Turkey. The Department currently is investigating 12 alleged subsidy practices that may provide bounties or grants to producers or exporters of textiles and textile products currently classified under approximately 139 categories of the TSUSA. Certain practices, such as the effect of multiple exchange rates, equity infusions, free trade zones, and the interrelationship of eligibility for and the use of programs, are complex. In addition, the issues presented are novel, because we have never before conducted a countervailing duty investigation involving Turkey under the Act. The number of firms producing or exporting textiles and textile products is estimated to be 139.

We also determine that additional time is necessary to make the preliminary determination in each of these cases. In this regard, we note that petitioners filed these thirteen cases almost simultaneously, and that together

they encompass an enormous number of companies and TSUSA categories.

We intend to issue preliminary countervailing duty determinations not later than December 17, 1984 for Argentina, Indonesia, Malaysia, Peru, Portugal, Singapore, Sri Lanka, Thailand, and Turkey: December 20, 1984 Colombia and Panama: December 21, 1984 for Mexico: and December 31, 1984 for the Philippines.

This notice is published pursuant to section 703(c)(2) of the Act.

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

[FR Doc. 84-27983 Filed 10-23-84; 8:45 am]

BILLING CODE 3510-08-M

[A-429-403]

Carbon Steel Wire Rod From the German Democratic Republic; Initiation of Antidumping Duty Investigation

AGENCY: International Trade Administration, Import Administration, Commerce.

ACTION: Notice of Initiation of Antidumping Duty Investigation.

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 the German Democratic Republic is being, or is likely to be, sold in the United States at less than fair value. Also, critical circumstances are alleged under section 733(e) of the Tariff Act of 1930, as amended (19 U.S.C. 1673(b)(e)) (the Act). We are notifying the United States International Trade Commission (ITC) of this action so that it may determine whether imports of this product materially injure, or threaten material injury to, a United States industry. If this investigation proceeds normally, the ITC will make its preliminary determination on or before November 13, 1984, and we will make ours on or before March 5, 1985.

EFFECTIVE DATE: October 24, 1984.

FOR FURTHER INFORMATION CONTACT: David Johnston, Office of Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington D.C. 20230; telephone: (202) 377-2239.

SUPPLEMENTARY INFORMATION:

The Petition

On September 26, 1984, we received a petition in proper form filed by Atlantic

Steel Company, Continental Steel Corp., Georgetown Steel Corp., North Star Steel Texas, Inc., and Raritan River Steel Company on behalf of the U.S. industry producing carbon steel wire rod. In compliance with the filing requirements of § 353.36 of the Commerce Regulations (19 CFR 353.36), the petitioners allege that the imports of the subject merchandise from the German Democratic Republic (GDR) are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 the Act, and that these imports are materially injuring, or are threatening material injury to, a United States industry.

The petition further alleges that the GDR is a state-controlled economy within the meaning of the Act. It alleges that sales of carbon steel wire rod in the GDR do not permit a determination of foreign market value and that the Department of Commerce must choose a surrogate country for the purposes of determining the foreign market value of this product. The petitioners suggest the Federal Republic of Germany (FRG) as a surrogate country and support their allegation of sales at less than fair value by comparing the average of quotations obtained by the petitioners for F.O.B. plant prices charged for the product in the FRG to the GDR's offers for sale to U.S. purchasers, less amounts for foreign inland freight, ocean freight, handling, off-loading and U.S. duty.

A comparison of the United States price with the foreign market value yields an apparent dumping margin of 20.13 percent. Also, petitioners allege that "critical circumstances," under section 733(e) of the Act, exist.

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 petitioners 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 the GDR is being, or is likely to be, sold in the United States at less than fair value. We will also determine whether "critical circumstances" exist. If our investigation proceeds normally, we will make our preliminary determination by March 5, 1985.

Scope of Investigation

The product under investigation is carbon steel wire rod provided for under item number 607.17 of the *Tariff Schedules of the United States (TSUS)*, which covers wire rods of iron or steel; other than alloy or steel; not tempered, not treated, and not partly manufactured; valued over 4 cents per pound.

Notification of 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 Determination by ITC

The ITC will determine by November 13, 1984, whether there is a reasonable indication that imports of carbon steel wire rod from the GDR are materially injuring, or threaten material injury to, a United States industry. If its determination is negative, the investigation will terminate, otherwise, it will proceed according to the statutory procedures.

Dated: October 16, 1984.

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

[FR Doc. 84-27990 Filed 10-23-84; 8:45 am]
BILLING CODE 3510-DS-M

Applications for Duty-Free Entry of Scientific Instruments; University of California, et al.

Pursuant to section 6(c) of the Educational, Scientific and Cultural Materials Importation Act of 1966 (Pub. L. 89-651; 80 Stat. 897; 15 CFR Part 301), we invite comments on the question of whether instruments of equivalent scientific value, for the purposes for which the instruments shown below are intended to be used, are being manufactured in the United States.

Comments must comply with § 301.5(a)(3) and (4) of the regulations and be filed within 20 days with the Statutory Import Programs Staff, U.S. Department of Commerce, Washington, D.C. 20230. Applicants may be examined between 8:30 A.M. and 5:00 P.M. in Room 1523, U.S. Department of

Commerce, 14th and Constitution Avenue, NW., Washington, D.C.

Docket No. 84-326. Applicant: University of California, Los Angeles, 405 Hilgard Avenue, Los Angeles, CA 90024. Instrument: Electron Paramagnetic Resonance Spectrometer System, Model ER/200D. Manufacturer: Bruker Analytik GmbH, West Germany. Intended use: Studies of a wide variety of mostly new compounds in solutions, frozen solutions, single crystals and matrix isolated samples. Specific research projects include:

Reactive Intermediates and Conducting Polymers Photochemical Generation of Radical Ions
Hydrogenation of Model Coal Constituents Using Iron Carbonyl as a catalyst

Rotational Relaxation in Liquids
Single Crystal EPR of Iron Porphyrins
Metal Complex Activation of Dioxygen and Cu-Zn Superoxide Dismutase
The instrument will also be used by graduate students in their research work towards the Ph.D. Degree in Chemistry and Biochemistry. Application received by Commissioner of Customs: October 2, 1984.

Docket No. 84-327. Applicant: University of Minnesota, Department of Pediatrics, 420 Delaware Street, SE, Minneapolis, MN 55455. Instrument: Electrophoresis Separator with 90 Fractions Capability, Model VAP II and Accessories. Manufacturer: Bender & Hobein, West Germany. Intended use: Investigation of surface change, age and function variations of human blood cells and pulmonary macrophages in order to better understand human cell physiology. Application received by Commissioner of Customs: October 2, 1984.

Docket No. 84-328. Applicant: The University of Chicago, The James Franck Institute, 5640 South Ellis Avenue, Chicago, IL 60637. Instrument: Model EAF 18D Computer Controlled Electromagnet, Stabilized Power Supply and Type TAOI Interface. Manufacturer: Drusch Et Cie, France. Intended use: The study of magnetohydrodynamics, using liquid methods in order to understand the transition to turbulence. Magneto-thermal experiments, where the fluid is heated from below will be conducted in an effort to understand how turbulence onset is affected by the direction and magnitude of the magnetic field. Application received by Commissioner of Customs: October 2, 1984.

Docket No. 84-329. Applicant: Los Alamos National Laboratory, Los Alamos, NM, 87545. Instrument: Ultra Fast Streak Framing Camera, Model IMACON 675 I/520 and Accessories.

Manufacturer: Hadland Photonics, United Kingdom. Intended use: Laboratory programs and applications such as equation-of-state, detonation front characterization, optical pyrometry, hydrodynamic instabilities, and relativistic electron beam propagation. Application received by Commissioner of Customs: October 2, 1984.

Docket No. 84-330. Applicant: University of Southern Mississippi, Purchasing Department, Box 5003, Hattiesburg, MS 39406-5003. Instrument: Viscometer and Accessories. Manufacturer: W. Krannich-Zimm-Crothers, West Germany. Intended use: Studies of the viscosity behavior of high molecular weight enhanced oil recovery polymers to determine percent differences obtained using the Zimm-Crothers viscometer and other methods. In addition, the instrument will be used in the courses, Polymer Physical Chemistry, Polymer Organic Chemistry, Special Projects and Graduate Research to prepare the graduates to enter the industrial community or to continue with graduate level studies. Application received by Commissioner of Customs: October 2, 1984.

(Catalog of Federal Domestic Assistance Program No. 11.105, Importation of Duty-Free Educational and Scientific Materials)
Frank W. Creel,
Acting Director, Statutory Import Programs Staff.

[FR Doc. 84-27989 Filed 10-23-84; 8:45 am]
BILLING CODE 3510-DS-M

Applications for Duty-Free Entry of Scientific Instruments; University of Tennessee, et al.

Pursuant to section 6(c) of the Educational, Scientific and Cultural Materials Importation Act of 1966 (Pub. L. 89-651; 80 Stat. 897; 15 CFR Part 301), we invite comments on the question of whether instruments of equivalent scientific value, for the purposes for which the instruments shown below are intended to be used, are being manufactured in the United States.

Comments must comply with § 301.5(a)(3) and (4) of the regulations and be filed within 20 days with the Statutory Import Programs Staff, U.S. Department of Commerce, Washington, D.C. 20230. Applications may be examined between 8:30 A.M. and 5:00 P.M. in Room 1523, U.S. Department of Commerce, 14th and Constitution Avenue, NW., Washington, D.C.

Docket No. 84-298. Applicant: University of Tennessee, College of Dentistry, 1924 Alcoa Highway U-63,

APPENDIX B

CALENDAR OF PUBLIC CONFERENCE

CALENDAR OF PUBLIC CONFERENCE

Investigation No. 731-TA-205 (Preliminary)

CARBON STEEL WIRE ROD FROM THE GERMAN DEMOCRATIC REPUBLIC

Those listed below are scheduled to appear at the United States International Trade Commission conference in connection with the subject investigation on Friday, October 19, 1984, in the Hearing Room of the USITC Building, 701 E Street, N.W., Washington, D.C.

In support of the imposition of antidumping duties

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

Continental Steel Co.
Georgetown Steel Corp.
North Star Steel—Texas
Raritan River Steel Co.

Frank Samolis)
Jennifer Hillman) —OF COUNSEL

William Swift, Sales Manager
North Star Steel

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

Atlantic Steel Co.

Alan G. Kashdan—OF COUNSEL

