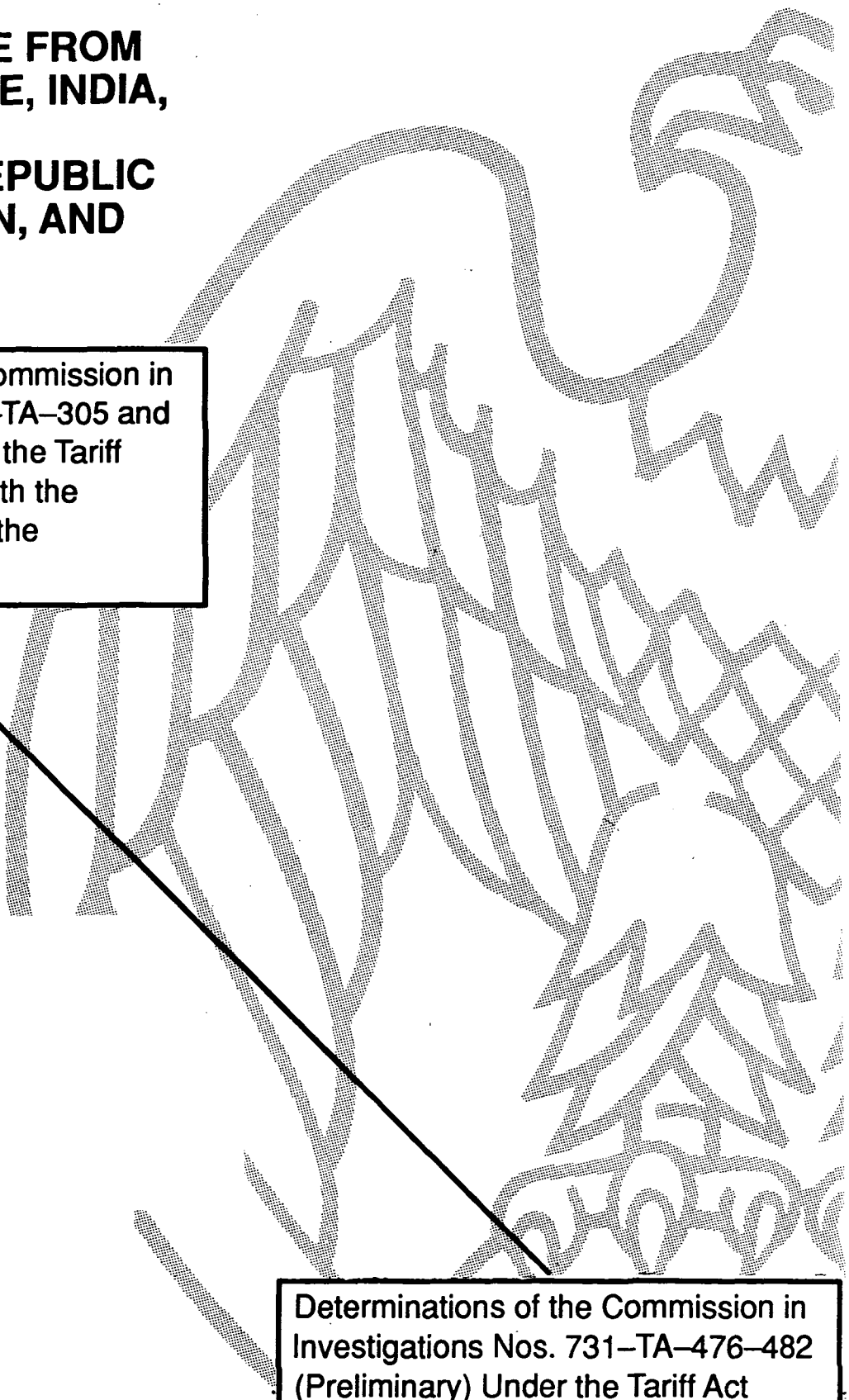
STEEL WIRE ROPE FROM ARGENTINA, CHILE, INDIA, ISRAEL, MEXICO, THE PEOPLE'S REPUBLIC OF CHINA, TAIWAN, AND THAILAND

Determinations of the Commission in Investigations Nos. 701–TA–305 and 306 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations



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Determinations of the Commission in Investigations Nos. 731–TA–476–482 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations

United States International Trade Commission
Washington, DC 20436

UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.--Information that would reveal business proprietary operations of individual concerns may not be published and therefore has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigations Nos. 701-TA-305 and 306, and
731-TA-476 through 482 (Preliminary)

Steel Wire Rope from Argentina, Chile, India, Israel, Mexico,
The People's Republic of China, Taiwan, and Thailand

Determinations

On the basis of the record[1] developed in the subject investigations, the Commission determines,[2] pursuant to section 705(b) of the Tariff Act of 1930 (19 U.S.C. § 1671d(b)) (the Act), that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports from India of steel wire rope,[3] that are alleged to be subsidized by the Government of India. The Commission also determines that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of imports from Israel of steel wire rope, that are alleged to be subsidized by the Government of Israel.

The Commission determines,[2] 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 threatened with material injury by reason of imports from Argentina, India, Mexico, the People's Republic of China, Taiwan and Thailand of steel wire rope, provided for in subheadings 7312.10.60 and 7312.10.90 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value (LTFV).

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[1] The record is defined in sec. 207.2(h) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(h)).
[2] Vice Chairman Brunsdale dissenting.
[3] The imported steel wire rope covered by these investigations consists of ropes, cables and cordage, of iron or steel, other than stranded wire, not fitted with fittings or made into articles, and not made of brass plated wire. Such steel wire rope is provided for in subheadings 7312.10.60 and 7312.10.90 of the Harmonized Tariff Schedule of the United States (HTS) (previously in items 642.14 and 642.16 of the former Tariff Schedules of the United States (TSUS)).

The Commission also unanimously determines that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of imports from Chile of steel wire rope, that are alleged to be sold in the United States at LTFV.

Background

On November 5, 1990, a petition was filed with the Commission and the Department of Commerce by The Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized imports from India, Israel, and Thailand, and by reason of LTFV imports of steel wire rope from Argentina, Chile, India, Mexico, the People's Republic of China, Taiwan and Thailand. Accordingly, effective November 5, 1990, the Commission instituted preliminary countervailing duty investigations Nos. 701-TA-305 and 306, and preliminary antidumping investigations Nos. 731-TA-476-482.[4]

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of November 16, 1990 (55 F.R. 11917). The conference was held in Washington, DC, on November 27, 1990, and all persons who timely requested the opportunity were permitted to appear in person or by counsel.

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[4] The Commission's notice of institution was amended to remove reference to countervailing duty investigation No. 303-TA-21 involving Thailand (55 F.R. 52108, December 19, 1990). Effective July 1, 1990, imports from Thailand of steel wire rope are no longer duty free under GSP, and therefore, are no longer entitled to an injury determination under section 303 of the Act (19 U.S.C. § 1303).

VIEWS OF COMMISSIONERS LODWICK, ROHR AND NEWQUIST

Based on the information obtained in these preliminary investigations, we determine that there is no reasonable indication that an industry in the United States is materially injured or threatened with material injury by reason of allegedly LTFV imports of steel wire rope from Chile or by reason of allegedly subsidized imports of steel wire rope from Israel. We find that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of allegedly LTFV imports of steel wire rope from Argentina, India, Mexico, the People's Republic of China (PRC), Taiwan and Thailand, and allegedly subsidized imports from India.[1]

The Legal Standard in Preliminary Investigations

The legal standard in preliminary countervailing duty and antidumping investigations is set forth in sections 703(a) and 733(a) of the Tariff Act of 1930, as amended.[2] Those sections require the Commission to determine whether, based on the best information available at the time of the preliminary determination, there is a reasonable indication of material injury to a domestic industry, or threat thereof, or material retardation of establishment of an industry, by reason of the imports under investigation.[3]

In American Lamb Co. v. United States,[4] the United States Court of Appeals for the Federal Circuit addressed the standard for preliminary determinations. The Court held that the reasonable indication standard requires more than a finding that there is a possibility of material injury or

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[1] Material retardation of the establishment of an industry is not an issue in this investigation and will not be discussed further.

[2] 19 U.S.C. §§ 1671b(a), 1673b(a).

[3] Maverick Tube Corp. v. United States, 687 F. Supp. 1569, 1573 (CIT 1988).

[4] 785 F.2d 994 (Fed. Cir. 1986).

threat thereof, and that the Commission is to determine if the evidence obtained demonstrates that a reasonable indication exists. The Commission may render a negative preliminary determination only if "(1) the record as a whole contains clear and convincing evidence that there is no material injury or threat of such injury; and (2) no likelihood exists that contrary evidence will arise in a final investigation."[5]

Like Product

In determining whether there is a reasonable indication of material injury or threat thereof to a domestic industry, the Commission must make threshold factual determinations with respect to "like product" and "domestic industry." Section 771(4)(A) of the Tariff Act of 1930 defines the term "industry" as "the domestic producers as a whole of a like product, or those producers whose collective output of the like product constitutes a major proportion of the total domestic production of that product. . . ."[6] "Like product" is defined 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 . . . ."[7]

The Department of Commerce (Commerce) defines the imported merchandise that is subject to the investigation, and the Commission determines the domestic products "like" the imports. The imported product subject to these investigations is steel wire rope from Argentina, Chile, India, Israel, Mexico, the People's Republic of China, Taiwan and Thailand. In the Notice of Initiation, Commerce has defined this product as follows:

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[5] Id. at 1001.

[6] 19 U.S.C. § 1677(4)(A).

[7] 19 U.S.C. § 1677(10).

> Steel wire rope encompasses ropes, cables, and cordage of iron or steel, other than stranded wire, not fitted with fittings or made into articles, and not made of brass plated wire.[8]

While the Commission accepts Commerce's determination as to which merchandise is within the class of merchandise allegedly subsidized or sold at LTFV, the Commission determines what domestic products are like those in the class defined by Commerce.[9]

The Commission's decision regarding the appropriate like product or products in an investigation is essentially a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[10] In analyzing like product issues, the Commission generally considers a number of factors including: (1) physical characteristics; (2) end uses; (3) interchangeability of the products; (4) channels of distribution; (5) production processes; (6) customer or producer perceptions of the products; (7) the use of common manufacturing facilities and production employees; and (8) price.[11]

No single factor is dispositive, and the Commission may consider other factors that it deems relevant based upon the facts of a given investigation. The Commission has found minor product variations to be an insufficient basis

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[8] 55 Fed. Reg. 50729 (Dec. 10, 1990).

[9] Algoma Steel Corp., Ltd. v. United States, 12 CIT ___, 688 F. Supp. 639 (1988), aff'd, 865 F.2d 240 (Fed. Cir. 1989), cert. denied, 109 S.Ct. 3244 (1989).

[10] Associacion Columbiana de Exportadores de Flores, et al. v. United States ("ASOCOFLORES"), 693 F.Supp. 1165, 1169 (CIT 1988).

[11] See, e.g., Sweaters Wholly or in Chief Weight of Manmade Fibers from Hong Kong, the Republic of Korea, and Taiwan, Invs. Nos. 731-TA-448-450 (Final) USITC Pub. 2312 (Sept. 1990) ("Sweaters") at 4-5; Certain Steel Pails from Mexico, Inv. No. 731-TA-435 (Final), USITC Pub. 2277 (May 1990) at 4.

for a separate like product analysis, and instead, has looked for clear dividing lines among products.[12]

Steel wire rope is defined by the industry as a "machine" used to transmit force on earth-moving and materials-handling equipment such as clamshells, cranes, mining machines, hoists and conveyors.[13] It is also used for elevators, for logging, for marine applications, for aircraft control cables, for fish net trawling, and for oil drilling and well servicing. All wire rope consists of three basic components: a core, wires that form a strand, and strands laid helically around a core.

For the purpose of these preliminary investigations, we find one like product consisting of all steel wire rope. Seaborne Trading Corp. (Seaborne) suggests that the Commission should define a separate like product for the specialty steel wire rope that Seaborne imports for use in tuna fishing.[14]

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[12] See, e.g., Industrial Nitrocellulose from Brazil, Japan, People's Republic of China, Republic of Korea, United Kingdom, and West Germany, Inv. Nos. 731-TA-439-444 (Final), USITC Pub. 2295 (June 1990) at 5-8; Phototypesetting and Imagesetting Machines and Subassemblies thereof from the Federal Republic of Germany, Inv. No. 731-TA-456 (Preliminary), USITC Pub. 2281 (May 1990) at 10-11; Antifriction Bearings (Other than Tapered Roller Bearings) and Parts Thereof from the Federal Republic of Germany, France, Italy, Japan, Romania, Singapore, Sweden, Thailand, and the United Kingdom, Inv. Nos. 303-TA-19 and 20, 731-TA-391-99 (Final), USITC Pub. 2185 (May 1989) ("Bearings").

[13] Report to the Commission (Report) at A-7.

[14] Seaborne argues that the product it imports "is a separate like product." To the extent Seaborne is arguing for exclusion of its product from the scope of the investigation, this argument is properly addressed to Commerce, not to the Commission. See Sandvik AB v. United States, 721 F. Supp. 1322, 1329 (CIT 1989); Sony Corp. of America v. United States, 712 F. Supp. 978 (CIT 1989); Phototypesetting and Imagesetting Machines and Subassemblies thereof from the Federal Republic of Germany at 10-11; Bearings at 37-39.

Further, there is evidence of at least one domestically-produced rope (the "Paul-Seine" rope, described in Exhibit 2 to petitioner's post-conference brief) that appears to have characteristics and uses similar to Seaborne's rope. Moreover, Seaborne's argument ignores the fact that, even if its

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However, given the multitude of end uses for steel wire rope, often dependent on grade and size, it is not feasible to make like product distinctions in these preliminary investigations based on end use.[15] Given that there reportedly are more than 2,000 varieties of steel wire rope[16], we find that making like product determinations on the basis of specific end use would result in an unduly fragmented investigation. In any final investigations, however, the Commission will seek further information to determine whether all specialty wire rope constitutes a separate like product.[17]

Although no party has argued for making a like product distinction based on the composition of the rope, we have analyzed the evidence to determine whether it is appropriate to find that carbon steel rope and stainless steel rope constitute separate like products.[18] For the purposes of these

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[14] (...continued)
product is not exactly "like" any domestic steel wire rope product, the Commission must identify a domestically-produced product that is "most similar in characteristics and uses" to the imported product. See 19 U.S.C. § 1677(10); Cambridge Lee Industries, Inc. v. United States, 728 F. Supp. 748, 750 (CIT 1989).

[15] See ASOCOFLORES, 693 F. Supp. at 1170; Bearings; Sewn Cloth Headwear from the People's Republic of China, Inv. No. 731-TA-405 (Final), USITC Pub. 2183 (May 1989) at 5.

[16] Report at A-59, Transcript of Preliminary Conference (Nov. 27, 1990) (Tr.) at 68-69.

[17] Along these lines, one domestic producer suggests that its specialty or "proprietary" products should be excluded from the like product definition. See Report at Appendix D (A-88). We do not have sufficient information to warrant separate treatment for specialty or "proprietary" wire rope in these preliminary investigations, but, as noted above, we will seek additional information in any final investigations.

[18] We note that agreement among the parties to an investigation does not mean the Commission may not determine that the like product is other than that suggested by the parties. See, e.g., Drafting Machines and Parts Thereof from Japan, Inv. No. 731-TA-432 (Preliminary), USITC Pub. 2192 (May 1989) at 6; Industrial Belts from Israel, Italy, Japan, Singapore, South Korea, Taiwan, The United Kingdom and West Germany, Invs. Nos. 731-TA-412 - 419 (Final), USITC Pub. 2194 (May 1989) at 6-7.

preliminary investigations, we have determined that all steel wire rope constitutes one like product.

Carbon steel rope and stainless steel rope generally are produced at the same facilities, using the same equipment, processes and employees.[19] The producers do not maintain separate financial records for their carbon and stainless steel rope production. Unlike previous investigations of other steel products in which the manufacturing facilities for carbon steel and stainless steel were not the same, most U.S. producers agree that the machinery employed in manufacturing both carbon and stainless steel wire rope is the same.[20] The domestic steel wire rope producers purchase their wire rod, be it stainless or carbon, and begin the manufacturing process with the heat treatment of the rod, using the same machinery for each type of wire.

Both types of steel wire rope are sold through similar and overlapping channels of distribution. For both carbon steel and stainless steel wire rope, there is a mix between direct sales to end users and sales to distributors.[21]

For a number of applications, the use of carbon steel rope or stainless steel rope can overlap. To the extent the demands of a particular job require specific physical characteristics, e.g., rust resistance, carbon rope and stainless steel rope are not completely interchangeable. Carbon steel, however, may be galvanized or otherwise coated to make it rust resistant.[22]

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[19] Report at A-15. There is some evidence suggesting that particular producers specialize in production of stainless steel wire rope. See Report at Table D-4 (A-89).

[20] Id.

[21] Id.

[22] Report at A-30. Although steel wire ropes of different compositions are not interchangeable for all uses, the Commission has not required complete

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While there is a price difference between carbon steel and stainless steel rope,[23] the Commission has been reluctant to consider price differences alone to be sufficient reason for finding separate like products.[24]

On balance, we find that the commonality of production processes, facilities, and employees, and the overlap in general uses favor finding one like product for the purposes of these preliminary investigations. In any final investigations, we intend to revisit this question.

Domestic Industry

The statute defines the domestic industry as the "domestic producers as a whole of the like product, or those products whose output of the like product constitutes a major proportion of the total domestic production of the product."[25] Based upon our definition of the like product, the domestic industry is composed of all producers of steel wire rope. The Importers' Association argues that the participating members of the petitioning association do not have standing to bring this investigation, because a "significant number" of these companies are "major" importers of steel wire rope, (mostly from Korea, which is not a country subject to these

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[22] (...continued)
interchangeability to include products in one like product. See, e.g., Industrial Nitrocellulose from Brazil, Japan, People's Republic of China, Republic of Korea, United Kingdom, West Germany, and Yugoslavia, Inv. Nos. 731-TA-439 -445 (Preliminary), Pub. No. 2231 (Nov. 1989), at 6.

[23] Report at A-8, A-32 (Table 7), A-55.

[24] E.g., Certain Steel Wheels from Brazil, Inv. No. 701-TA-296 (Final), USITC Pub. 2193 at 7 (May 1989).

[25] 19 U.S.C. § 1677(4).

investigations.) As we have previously noted, standing questions are properly addressed to Commerce, not the Commission.[26]

To the extent particular domestic producers import steel wire rope from the subject countries,[27] we have considered whether these domestic producers should be excluded from the domestic industry as related parties.[28] For the

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[26] See Silicone Metal from Argentina, Brazil, and the People's Republic of China, Inv. No. 701-TA-304 (Preliminary), USITC Pub. 2325 at 21 (October 1990).

[27] See Report at A-24-25.

[28] 19 U.S.C. § 1677(4)(B). The related parties provision provides that, when a producer is related to the importer or foreign manufacturer of a product, or is itself an importer of the allegedly dumped or subsidized imports, the Commission may, in the exercise of its discretion, exclude such a producer from the domestic industry in "appropriate" circumstances. 19 U.S.C. § 1677(4)(B) provides:

> When some producers are related to the exporters or importers, or are themselves importers of the allegedly subsidized or dumped merchandise, the term "industry" may be applied in appropriate circumstances by excluding such producers from those included in that industry.

Application of the related parties provision is within the Commission's discretion based upon the facts presented in each case. Empire Plow Co. v. United States, 675 F. Supp. 1348, 1352 (CIT 1987). See, e.g., Polyethylene Terephthalate Film, Sheet, and Strip from Japan, the Republic of Korea, and Taiwan ("PET Film"), Inv. Nos. 731-TA-458-460 (Preliminary), USITC Pub. 2292 (June 1990) at 12. The related parties provision may be employed to avoid any distortion in the aggregate data bearing on the condition of the domestic industry that might result from including related parties whose operations are shielded from the effects of the subject imports. Granular Polytetrafluoroethylene Resin from Italy and Japan, Inv. Nos. 731-TA-385 and 386 (Preliminary), USITC Pub. 2043 (1987) at 9.

The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude the related parties include:

> (1) the percentage of domestic production attributable to related producers;
>
> (2) the reason why importing producers choose to import the articles under investigation, i.e., whether they import in order to benefit from the unfair trade practice or in order simply to be able to compete in the domestic market; and
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> (3) the competitive position of the related domestic producer vis-a-vis other domestic producers, i.e.

(continued...)

purpose of these preliminary investigations, we determine that appropriate circumstances do not exist to exclude any of the domestic producers as related parties. In any final investigations, we will seek additional information concerning the importation of steel wire rope from the subject countries by certain domestic producers.

Condition of the Domestic Industry

In assessing the condition of the domestic industry, the Commission considers, among other factors, domestic consumption, production, capacity, capacity utilization, shipments, inventories, employment, financial performance, capital investment, and research and development efforts.[29] We must evaluate these factors within the context of the business cycle and conditions of competition that are distinctive to the affected industry.[30] For the purposes of these preliminary investigations, the Commission collected data bearing on the condition of the domestic industry for the period 1987 through 1989, as well as interim data for the first nine months of 1989 and 1990. The comprehensive data collected and analyzed in these investigations

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[28] (...continued)
whether inclusion or exclusion of the related party will skew the data for the rest of the industry. See, e.g., PET Film at 12; Thermostatically Controlled Appliance Plugs and Internal Probe Thermostats Therefor From Canada, Japan, Malaysia and Taiwan, Inv. Nos. 701-TA-292, 731-TA-400, 402-404 (Final), USITC Pub. 2152 (1989).

The Commission has also considered whether each company's books are kept separately from its "relations" and whether the primary interests of the related producers lie in domestic production or in importation. See, e.g., Rock Salt from Canada, Inv. No. 731-TA-239 (Final), USITC Pub. 1798 (1986) at 12.

[29] 19 U.S.C. § 1677(7)(C)(iii).

[30] See id.

indicate that the domestic industry has experienced a slow but steady recovery during the investigation period.

Apparent domestic consumption of steel wire rope increased from 174,195 short tons in 1987 to 195,735 in 1988, and then fell slightly to 194,621 short tons in 1989, for an overall increase of approximately 12 percent from 1987 through 1989.[31] However, apparent consumption fell by 4.8 percent for the January-September period in 1990 as compared to the same period in 1989. The U.S. producer's share of total apparent consumption moved in the opposite direction from consumption, decreasing slightly from 60.9 percent in 1987 to 57.6 percent in 1989. In interim 1990, the domestic industry's share of total U.S. consumption reached its highest level over the period of investigation--62.3 percent, as compared to 58.3 percent during the corresponding period for 1989.

The capacity of U.S. producers of steel wire rope was basically steady throughout the period of investigation, with slight decreases and increases reflecting sales and purchases of equipment, as well as the temporary idling and subsequent reopening of one company.[32] Capacity utilization hovered at approximately the 50 percent level.

The quantity of U.S. producers' domestic shipments of steel wire rope increased irregularly during the investigation period, from 106,019 short tons in 1987 to 112,202 short tons in 1989.[33] By value, U.S. producers' shipments steadily increased during this period. In terms of both quantity and value,

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[31] Report at A-27-29, Table 5.

[32] Report at A-28-29, Table 6.

[33] Report at A-32, Table 7.

the U.S. producers' shipments were higher for interim 1990 than for interim 1989.

U.S. producers' inventories of steel wire rope decreased during the period of investigation.[34] There was a corresponding drop in the ratio of inventories to production. On December 31, 1987, this ratio was approximately 50 percent, with a 180-day supply in inventory. By contrast, on December 31, 1989, the ratio had dropped to 40 percent, with a 145-day supply in inventory. On September 30, 1990, the actual quantity of inventoried steel wire rope for 1990 was slightly higher than the quantity inventoried on September 30, 1989, whereas the ratio of inventories to production reflected the continuing downward trend.

Employment indicators for the domestic industry were mixed, but were generally favorable.[35] The number of production and related employees rose 12 percent during the period of investigation. Although, as a result of renegotiated labor contracts, hourly wages were reduced in 1989, the number of hours worked rose steadily during the investigation period, while both labor productivity and unit labor costs decreased.

Finally, the financial experience of U.S. producers for operations producing steel wire rope was positive.[36] Net sales, gross profits, and operating income levels all increased steadily from 1987 to 1989. During this investigation period, net sales increased by 21.5 percent, and gross profits rose from 18.9 to 25.8 percent of sales. The industry recovered from an

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[34] Report at A-33, Table 9.

[35] Report at A-34, Table 10.

[36] Report at A-37, Table 12. The domestic producers' financial experience for their overall operations was also positive. Report at A-35, Table 11.

operating loss of $6.5 million in 1987 to show operating income of $10.7 million in 1989. The financial indicators for the interim periods showed similar improvements.[37]

Based on the economic indicators, we find no reasonable indication that the domestic industry producing steel wire rope presently is experiencing material injury. We therefore find it unnecessary to consider the issue of causation.[38]

Reasonable Indication of Threat of Material Injury

Cumulation for threat determinations

Analysis of certain threat factors may be considered on a cumulative basis if the imports compete with each other and with the like product of the domestic industry in the U.S. market.[39] "To the extent practicable," the Commission may, at its discretion, cumulate the price and volume effects of each country's imports for the purposes of assessing market penetration and price suppression and depression.[40]

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[37] The exact financial figures cited above do not include the data for one firm, because the data was received too late for inclusion in the body of the Report. We note that the industry trends are the same when this additional data is included. See Table D-3. Due to the operating circumstances of this particular firm, its interim data were not useful, and therefore were not relied on in our analysis.

[38] See American Spring Wire Corp. v. United States, 590 F.Supp. 1283 (1984), aff'd sub. nom. Armco, Inc. v. United States, 760 F.2d 249 (Fed. Cir. 1985).

[39] 19 U.S.C. S 1677(7)(F)(iv).

[40] See 19 U.S.C. § 1677(7)(F)(i)(III) and (IV). Even in investigations initiated prior to the 1988 amendments, the Court of International Trade suggested that the Commission could measure the rate of increase in United States market penetration by imports, as well as consider the probability that imports of merchandise will enter the United States at prices that would have a depressing or suppressing effect on domestic prices of that merchandise. Metallverken Nederland B.V. v. United States, 728 F.Supp. 730, 741-42 (CIT 1989); Associacion Columbiana de Exportadores de Flores v. United States, 12 CIT ____, 704 F.Supp. 1068, 1171-72 (ASOCOFLORES II).

In assessing whether imports compete with each other and with the domestic like product, the Commission generally has considered four factors, including:

> (1) the degree of fungibility between the imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;
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> (2) the presence of sales or offers to sell in the same geographical markets of imports from different countries and the domestic like product;
>
> (3) the existence of common or similar channels of distribution for imports from different countries and the domestic like product; and
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> (4) whether the imports are simultaneously present in the market.[41]

While no single factor is determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the imports compete with each other and with the domestic like product. Only a "reasonable overlap" of competition is required.[42]

In these investigations, we find that the subject products from all the subject countries compete in the United States, largely on a price basis, both

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[41] See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan, Invs. Nos. 731-TA-278 through 280 (Final), USITC Pub. 1845 (May 1986), aff'd, Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898 (CIT 1988), aff'd, 859 F.2d 915 (Fed. Cir. 1988).

[42] See Wieland Werke, AG v. United States, 718 F.Supp. 50, 52 (CIT 1989) ("Completely overlapping markets are not required."); Granges Metallverken AB v. United States, 716 F.Supp. 17, 21-22 (CIT 1989) ("The Commission need not track each sale of individual sub-products and their counterparts to show that all imports compete with all other imports and all domestic like products. . . the Commission need only find evidence of reasonable overlap in competition"); Florex v. United States, 705 F.Supp. 582, 592 (CIT 1989) (completely overlapping markets are not required).

with each other and with the domestic like product. The evidence indicates that wire rope sold in the United States, whether manufactured domestically or imported, must often conform to federal specifications;[43] as a result, within a particular grade of steel and construction of rope, the various imports and the domestic product are generally interchangeable. Although there are some particular grades of rope for which imports and domestic products tend not to compete, for the most part the imported and domestic products are interchangeable and sell in the same markets.[44]

There is evidence that a number of the U.S. importers import steel wire rope from a combination of the countries under investigation. In many instances, these importers do not differentiate among the import sources for steel wire rope when filling orders,[45] indicating that imported steel wire rope from whatever source often is treated the same by the importers and their purchasers. This in turn indicates that there is competition among the imports.

The confidential bid price and lost sales information obtained in these investigations shows that imports are sold, or offered for sale, in many of the same geographic markets as the domestic like product.[46] Moreover, the imports and the domestic products are marketed through the same distribution channels.[47]

The Mexican respondent, Grupo Industrial Camesa (Camesa) and one nonparty Chinese firm each argue that their products do not compete with other

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[43] Report at A-11, 15-16.

[44] Report at A-14-16.

[45] See, e.g., Report at A-9, n. 15; A-56.

[46] Report at A-61, 64-65.

[47] Report at A-29.

imports for cumulation purposes, in view of the bilateral voluntary restraint agreements (VRAs) between the United States and Mexico and the PRC, respectively.[48] In effect, these parties are arguing that a country's entrance into a VRA affords it "special consideration",[49] i.e., automatic exclusion from cumulation. Camesa recognizes that the Commission previously has cumulated imports when all of the subject countries were subject to quantitative limitation,[50] but suggests that it is nonetheless inappropriate to cumulate imports that are subject to a bilateral agreement with those that are not. There is no statutory basis for such a distinction, and we do not find any other reason to except these countries from cumulation by virtue of the VRAs. Such a general exception would be particularly inappropriate given the statute's explicit exception for imports covered by one particular bilateral trade agreement, i.e. the U.S.-Israel Free Trade Area Agreement (FTA).[51]

Camesa also argues that its products imported into the United States do not compete with the domestic like product. According to Camesa, its products

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[48] They further argue that the VRAs provide appropriate remedies for complaints about compliance, including consultation at the executive level. The Chinese firm points to language in the U.S.-PRC VRA that requires the U.S. Government to "confer with all affected parties regarding the implications" of "any investigation [ ] initiated or litigation constituted with respect to any Arrangement product under U.S. law." Postconference brief at 4. While this provision appears to require that an appropriate U.S. agency confer with affected parties about this ADV/CVD investigation, we note that implicit in this provision is the recognition that the existence of the VRA will not preclude initiation of a title VII investigation concerning products covered under the agreement.

[49] Chinese firm's postconference brief at 4.

[50] See, e.g., Sweaters Wholly or in Chief Weight of Manmade Fibers from Hong Kong, the Republic of Korea, and Taiwan, Inv. Nos. 731-TA-448-450 (Final), USITC Pub No. 2312 (Sept. 1990) at 40, and cases cited therein.

[51] 19 U.S.C. § 1677(7)(C)(v). This provision is discussed in more detail infra.

exported to the United States fall within three categories, none of which compete with the domestic product: (1) the specialty rope imported by Seaborne; (2) oil well rope sold to small-volume distributors "which do not have access to domestic rope;" and (3) rope sold to a domestic producer for resale in a market allegedly reserved for imports."[52]

We are not persuaded by Camesa's arguments. As an initial matter, as discussed above, there is evidence that Camesa's products do compete with other subject imports. With regard to Camesa's further argument that the second competition requirement, i.e., competition with the domestic product, is not met, the evidence does not support Camesa's contentions. First, with respect to Seaborne's tuna cable, we note that petitioner introduced evidence of at least one domestic product that may compete with this type of wire rope;[53] and even if there is no precisely identical domestic product that directly competes with this one particular type of imported Mexican rope, the Commission nevertheless finds that the Mexican imports collectively do compete with the domestic like product (and with other imports).[54] Second, while Camesa may sell its oil well rope to particular distributors, domestic producers likewise produce rope for oil wells that at least competes in an overlapping market. Finally, the evidence indicates that the products imported by domestic producers may vary according to the importing producer's needs, but that such imports still compete with both other imports and domestic products.

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[52] Camesa's postconference brief at 6-8.

[53] Exhibit 2 to Petitioner's postconference brief.

[54] See Sandvik AB, et al v. United States, 721 F.Supp. 1322, 1333 (CIT 1989), aff'd, No. 90-1082 (Fed. Cir. May 17, 1990).

Accordingly, there is an indication of competition among the subject imports and between the imports and the domestic like product. Having found that this prerequisite for cumulation has been met, we have exercised our discretion to cumulate the imports from Argentina, India, Mexico, PRC, Taiwan, and Thailand for the purposes of evaluating the applicable threat criteria. As discussed below, we have determined not to cumulate the imports from Chile on the basis that those imports are negligible. We also have determined not to cumulate the imports from Israel on the basis that those imports did not follow the trends of imports from the other subject countries and further based on the statutory U.S.-Israel FTA provision.

Application of Negligible Imports Exception to Imports from Chile

The statute provides that the Commission is not required to cumulate in any case in which it determines that imports of the merchandise subject to investigation are negligible and have no discernible adverse impact on the domestic industry.[55] In determining whether imports are negligible, the Commission must consider all relevant economic factors including whether:

> (I) the volume and market share of the imports are negligible,
>
> (II) sales transactions involving the imports are isolated and sporadic, and
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> (III) the domestic market for the like product is price sensitive by reason of the nature of the product, so that a small quantity of imports can result in price suppression or depression.[56]

The House Ways and Means Committee Report emphasizes that whether imports are "negligible" may differ from industry to industry and for that

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[55] 19 U.S.C. § 1677(7)(C)(V).

[56] 19 U.S.C. § 1677(7)(C)(V).

reason the statute does not provide a specific numerical definition of negligibility.[57]

We find that imports from Chile are negligible and should not be cumulated with the other imports for the purposes of considering the applicable threat criteria. The specific data and information upon which we base this finding is business proprietary and therefore can be discussed only in general terms. Essentially, we base our finding on a combination of factors including the total Chilean market share of apparent domestic consumption, the interim trend for imports from Chile, and the nature of the sales transactions concerning Chilean products.[58]

Application of U.S.-Israel Free Trade Agreement Provision to Imports from Israel

Section 677(7)(C)(v) provides that, for the purposes of the relevant negligible imports clause,

> the Commission may treat as negligible and having no discernable adverse impact on the domestic industry imports that are the product of any country that is a party to a free trade area agreement with the United States which entered into force and effect before January 1, 1987, if the Commission determines that the domestic industry is not being materially injured by reason of such imports.[59]

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[57] H.R. Rep. No. 40, Part 1, 100th Cong., 1st Sess. (1987) 131; see also H.R. Rep. No. 576, 100th Cong., 2d Sess. (1988) at 621 (Conference Report).

[58] Report at A-26, Table 4; A-45, Table 21.

[59] 19 U.S.C. § 1677(7)(C)(v).

Israel is the only country to which this clause is applicable.[60] Under this provision, if the Commission makes a negative present injury determination with regard to the Israeli imports, the Commission then has the discretion to treat these imports as "negligible and having no discernable adverse impact on the domestic industry."[61] In these investigations, we have determined that there is no reasonable indication that the domestic industry producing steel wire rope is experiencing material injury, and therefore we have made preliminary negative present injury determinations with respect to each country under investigation, including Israel.

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[60] The legislative history affords the following explanation of this provision:

> Before applying the provision, in any investigation, involving imports from Israel, the ITC would first determine whether a domestic industry is materially injured by reason of the imports from Israel. If the ITC made an affirmative determination, this provision would not apply. If the ITC made a negative determination, it would be authorized to consider such imports as negligible and having no discernable impact on the domestic industry.
>
> In deciding whether such imports are negligible and having no discernable impact on the domestic industry, the ITC should consider all relevant economic factors regarding the imports, including the level of the imports from Israel, relative to both domestic production and other imports under investigation, their effect on U.S. prices for the like product, and their impact on domestic producers. Conference Report at 621.

[61] 19 U.S.C. § 1677(7)(C)(v).

In exercising our discretion not to cumulate Israeli imports,[62] we note that imports from Israel have accounted for an insignificant share of apparent domestic consumption of steel wire rope throughout the period of investigation, and have declined for the interim period of 1990 as compared to that period for 1989.[63] Further, in contrast to imports from the other subject countries, which all rose significantly over the period of investigation, imports from Israel were stable.[64] No lost sales allegations were made involving imports from Israel.[65]

Based on these considerations, we determine not to assess the threat of material injury by reason of the Israeli imports cumulatively with the other subject imports.

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[62] Petitioner argues that, before declining to cumulate Israeli imports, the Commission must, in addition to first determining that Israeli imports standing alone are not a cause of material injury, make a second determination that the negligible imports factors applicable to other countries are also met. Petitioner's postconference brief at 9. The Israeli respondent, Messilot, argues that a single finding that Israeli imports are not a cause of present material injury is a sufficient basis for treating such imports as "negligible and having no discernable adverse impact" "unless there is a finding of threat of material injury or some specific factor that the Commission believes is not taken into account by a finding of no material injury by reason of the FTA imports." Messilot's postconference brief at 11.

We agree that the statute does not require a two-part test for the purpose of addressing cumulation of Israeli imports. In the instant investigation, we have considered relevant causation factors in the context of the FTA provision, to assess whether, had there been an indication of present injury to the domestic industry, we would have found a reasonable indication that any such injury was by reason of the Israeli imports. As discussed above, the data indicate that the Israeli imports are not materially injurious.

[63] Report at A-52, Table 27. We note that the non-confidential version of the Israeli respondent's brief estimates that its imports were consistently below 1 percent of apparent domestic consumption. Postconference brief of Wire Rope Works Messilot, Ltd. of Israel (Messilot) at 23.

[64] Report at A-49, Table 26. See generally, ASOCOFLORES II.

[65] Report at A-64.

Threat Criteria

Section 771(7)(F) of the Tariff Act of 1930 directs the Commission to determine whether a U.S. industry is threatened with material injury by reason of imports "on the basis of evidence that the threat of material injury is real and that actual injury is imminent." We may not base an affirmative threat determination on mere supposition or conjecture.[66]

The factors the Commission must consider in its threat analysis are:

> (I) if a subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the subsidy is an export subsidy inconsistent with the Agreement,
>
> (II) any increase in production capacity or existing unused capacity in the exporting country likely to result in a significant increase in imports of the merchandise to the United States,
>
> (III) any rapid increase in United States market penetration and the likelihood that the penetration will increase to an injurious level,
>
> (IV) 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 of the merchandise,
>
> (V) any substantial increase in inventories of the merchandise in the United States,
>
> (VI) the presence of underutilized capacity for producing the merchandise in the exporting country,
>
> (VII) any other demonstrable adverse trends that indicate probability that importation (or sale for importation) of the merchandise (whether or not it is actually being imported at the time) will be the cause of actual injury,
>
> (VIII) the potential for product shifting if production facilities owned or controlled by the foreign manufacturers, which can be used to produce products subject to investigation(s) under section 1671 or 1673 of this title or to final orders under section 1671e or 1673e of this title, are also used to produce the merchandise under investigation,

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[66] See 19 U.S.C. § 1677(7)(F)(ii).

> (IX) in any investigation under this title which involves imports or both raw agricultural product (within the meaning of paragraph (4)(E)(iv) and any product processed from such raw agricultural product, the likelihood there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both), and
>
> (X) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the like product.

In addition, the Commission must consider whether dumping findings or antidumping remedies in markets of foreign companies against the same class of merchandise suggest a threat of material injury to the domestic industry.[67] Factors VIII and IX are inapplicable to these investigations, and there is no reported dumping of steel wire rope from any of the subject countries in third country markets. We consider the remaining factors for each of the subject countries in turn.

No Reasonable Indication of Threat of Material Injury by Reason of Allegedly LTFV Imports from Chile

Factor I does not relate to the imports from Chile, because there is no allegation that these imports are subsidized. On the basis of confidential data (particularly interim 1989 and 1990 data) and other information received regarding foreign capacity, capacity utilization, inventories, home market sales, and the nature of sales of Chilean imports in the United States, we find no likelihood that these imports will significantly increase to an injurious level.[68] Furthermore, these factors, combined with the absence of any evidence of underselling or sales lost to imports from Chile, make it

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[67] 19 U.S.C. § 1677(7)(F)(iii).

[68] See Report at A-26, Table 4; A-45, Table 21; A-49-54, Tables 26 & 27.

highly speculative that such imports will enter the United States in the future at prices that will have depressing or suppressing effects on domestic prices. Finally, we see no adverse trends or other deleterious effects on research and development that might lead us to determine that imports of Chilean steel wire rope pose a threat to the domestic industry.

No Reasonable Indication of Threat of Material Injury by Reason of Allegedly LTFV Imports from Israel

From the information available to the Commission at this stage of the investigation, it appears that at least one of the three types of alleged subsidies to the Israeli producers of steel wire rope may be in the nature of an export subsidy.[69] Nevertheless, we do not find this determinative in light of the other factors.

Because the data upon which we base our determination is business confidential, it can be discussed only in general terms. Capacity utilization has been high over the period of investigation.[70] Although capacity was expanded in 1990, there is an indication that this expansion is attributable to the growing demand from the Israeli construction sector associated with the influx of new immigrants.[71]

With regard to threat factor III, there has not been a rapid increase in the volume of steel wire rope imports from Israel in 1990, but rather a substantial decrease.[72] As such, we do not find it probable that such imports will rise to an injurious level (particularly in view of the projected

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[69] See Report at A-20.

[70] See Report at A-45, Table 22; Messilot's postconference brief at 34.

[71] Report at A-45.

[72] See Report at A-45, Table 22; Messilot's postconference brief at 34-35. Further, during the 1987-1989 period, the absolute and relative increases in the volume of imports from Israel were modest. Id. at A-49, Table 26.

expansion in home market demand) or will have a depressing or suppressing effect on domestic prices. Nor is there evidence of any recent substantial increases in inventories in the U.S. of steel wire rope from Israel.[73]

Finally, we see no other adverse trends or negative effects on domestic research and development efforts by reason of imports of steel wire rope from Israel. As such, we find no reasonable indication that imports from Israel pose a threat of real or imminent material injury to the domestic industry producing steel wire rope.

Reasonable Indication of Threat of Material Injury by Reason of Allegedly LTFV Imports from Argentina, India, Mexico, PRC, Taiwan, and Thailand

Of these countries, the threat factor concerning subsidies is applicable only to India.[74] Based upon the limited information available to the Commission in this preliminary investigation, we find that a number of the subsidies allegedly offered to the Indian producers of steel wire rope may be export subsidies.[75] While this factor alone is not determinative, in combination with the other factors discussed below, it does further indicate that the allegedly subsidized imports from India may threaten material injury to the domestic industry.

For the purposes of evaluating the likelihood that the subject imports will increase to injurious levels and that they will cause price suppression

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[73] Id.; Report at A-47, Table 25.

[74] Although Commerce has initiated a countervailing duty investigation against Thailand under section 303 of the Act (19 U.S.C. § 1303), we are not required to make an injury or threat determination with respect to the allegedly subsidized imports from Thailand, because these imports do not enter the United States duty free. See 19 U.S.C. § 1303(b).

[75] See Report at A-19.

or depression, we have cumulated the imports from these six countries.[76] Imports from the subject countries more than doubled, by quantity, during the period of investigation.[77] By value, these imports nearly tripled over the period.[78] The trend reflected by this data is particularly probative in light of the fungible nature of steel wire rope, the lack of substitute products, and the inherent price sensitivity of this type of product.

The limited price information available in these preliminary investigations is business proprietary, but it does suggest some likelihood that imports of steel wire rope from the subject countries will have a suppressing or depressing effect on domestic prices.[79]

The inventory data available for the individual countries are business proprietary, but have been evaluated in reaching our determination.[80] Likewise, the precise capacity, capacity utilization, and production figures that were provided separately for Argentina, Mexico and Taiwan are business proprietary, but have been considered in our evaluation.[81] Given the absence of any such data for India, Taiwan, and Thailand, we are not prepared to find that "there is clear and convincing evidence" that the domestic industry is not threatened with material injury by reason of the imports from these countries.[82] Nor can we determine that "no likelihood exists that contrary

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[76] Commissioner Rohr notes that, although the numbers and effects are magnified by cumulation, the trends of the imports from the individual countries generally support the cumulative findings.

[77] Report at A-49, Table 26.

[78] Id.

[79] See Report at A-55-65.

[80] Report at A-47, Table 25.

[81] Report at 44-46, Tables 20, 23, & 24.

[82] See American Lamb, 785 F.2d at 1001.

evidence [supporting an affirmative determination] will arise in a final investigation."[83]

Although Mexico and the PRC are parties to bilateral VRAs with the United States, there is no indication that these VRAs will prevent significant increases in the levels of imports from these countries. In addition, these agreements establish quotas by tonnage, leaving open the possibility for producers in Mexico and the PRC to export higher value items that might significantly increase, in value terms, their penetration of the U.S. market. Furthermore, the VRAs do not control the prices at which the subject imports are sold in the United States, and therefore do not prevent the possibility of injurious price effects on the domestic industry.[84]

Confidential information obtained in these investigations suggests that domestic producers may encounter negative effects on their development and production efforts as a result of imports from some of these subject countries.[85]

Finally, although we determine that the domestic industry is not experiencing material injury, it nonetheless is not in such a strong position that the threatened rise in subject imports could not inflict material injury upon the industry in the imminent future. As recently as 1987, the industry suffered large financial losses. Throughout the period of investigation, the industry operated at approximately 50 percent capacity utilization. Based on these facts, we find the industry vulnerable to the cumulative threat of material injury.

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[83] Id.

[84] See Sweaters at 41-42.

[85] Report at A-92.

Accordingly, we find a reasonable indication that the domestic steel wire rope industry is threatened with material injury by reason of the subject imports from Argentina, India, Mexico, PRC, Taiwan, and Thailand.

VIEWS OF CHAIRMAN ANNE E. BRUNSDALE

Steel Wire Rope from Argentina, Chile, India, Israel, Mexico, the People's Republic of China, Taiwan and Thailand
Invs. Nos. 701-TA-305 and 306 (Preliminary)
and Nos. 731-TA-476-482 (Preliminary

In these preliminary investigations, I find no reasonable indication that an industry in the United States is materially injured by reason of imports of steel wire rope from the subject countries or that an industry is threatened with material injury by reasons of such imports.

I concur with my colleagues' determinations regarding like product, domestic industry, and related parties, as well as their description of the condition of the industry. However, unlike my colleagues, I do not believe that an independent legal determination of material injury based on the condition of the industry is either required by the statute or useful to the determination of whether a domestic industry is materially injured by reason of dumped imports.[1]

Here I set forth my views on cumulation, on the causation of material injury, and on the threat of future injury in the current case.

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[1] See Certain Light-Walled Rectangular Pipes and Tubes from Taiwan, Inv. No. 731-TA-410 (Final), USITC Pub. 2169 (March 1989) at 10-15 (Views of Chairman Brunsdale and Vice Chairman Cass). I do, however, find the discussion of the condition of the domestic industry helpful in determining whether any injury resulting from dumped imports is material.

Cumulation

It has long been the Commission's practice to cumulate imports subject to coincident antidumping and/or countervailing duty investigations.[2] Since 1984, that practice has been codified by statute, which states in relevant part:

> **(iv) Cumulation**
>
> For purposes of clauses (i) and (ii), the Commission shall cumulatively assess the volume and effects 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.[3]

The provision was designed to cover the situation where "imports from various countries that each account individually for a small percentage of total market penetration" combine to cause material injury.[4] Congress was concerned that the Commission not overlook cases in which "the impact of imports from each source treated individually is minimal but the combined impact is injurious."[5]

On the heels of the 1984 legislation, the Commission addressed a case involving cold-rolled steel from Argentina in

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[2] Certain Steel Products from Belgium, Brazil, France, Italy, Luxembourg, The Netherlands, Romania, The United Kingdom, and West Germany, Inv. Nos. 701-TA-86 through 144, 146, and 147 (Preliminary) and 731-TA-53 through 86 (Preliminary), USITC Pub. 1221 (February 1982).

[3] 19 U.S.C. 1677(C)(iv).

[4] Conf. Rep. 98-1156, 98th Cong., 2d Sess. (1984).

[5] H.R.Rep. 98-725, 98th Cong., 2d Sess. 37 (1984).

which import penetration levels were minuscule.[6] Citing the fact that import volumes resulted in only "minimal import penetration throughout the period of investigation,"[7] a majority of the Commission determined that the predicates for imposition of antidumping duties had not been satisfied.

As part of its decision in the Argentina case, the majority declined to cumulate the imports under investigation with those subject to coincident investigation. The rationales of the individual Commissioners differed. Two Commissioners -- Rohr and Lodwick -- based their decision on the fact that "imports from Argentina did not contribute to the material injury suffered by the domestic industry."[8] The other two Commissioners in the majority declined to cumulate for different reasons.[9]

The Court of International Trade reversed the Commission's decision both as to injury and as to cumulation.[10] However, the Argentine cold-rolled steel case did not end with the court's

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[6] Cold-Rolled Carbon Steel Sheets from Argentina, Inv. No. 731-TA-175, USITC Pub. 1673 (January 1985).

[7] Id. at 6.

[8] Id. at 8 n.30.

[9] Chairwoman Stern held as a legal matter that the dumped imports under investigation should not be "cross-cumulated" with the subsidized imports at issue in the other investigations. Id. at 8 n.28. Vice Chairman Liebeler held that the imports should not be cumulated with other imports in the absence of evidence of coordinated activity between Argentina and other countries whose exports were subject to investigation. Id. at 8 n.29.

[10] USX Corp. v. United States, 655 F.Supp. 487 (Ct. of Int'l Trade 1987).

remand from the Commission's first decision. Two subsequent Commission determinations and two subsequent court decisions were necessary before the case was finally resolved.[11] Over four years after the original petition was filed, the Commission's negative determination was affirmed.

In 1988, Congress again addressed the cumulation issue. It provided an exception to the cumulation requirement in injury analysis (and the more flexible cumulation provision in threat analysis) in cases where imports from a single country are "negligible." The provision states in pertinent part:

> **(v) Treatment of negligible imports**
>
> The Commission is not required to [cumulate imports] in any case in which the Commission determines that imports of the merchandise subject to investigation are negligible and have no discernable impact on the domestic industry. For purposes of making such determination, the Commission shall evaluate all relevant economic factors regarding the imports, including, but not limited to whether --
>
> (I) the volume and market share of the imports are negligible,
>
> (II) sales transactions involving the imports are isolated and sporadic, and
>
> (III) the domestic market for the like product is price sensitive by reason of the nature of the product,

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[11] Cold Rolled Carbon Steel Plates and Sheets from Argentina, Inv. No. 731-TA-175 (Final)(Remand), USITC Pub. 1967 (March 1987), remanded, USX Corp. v. United States, 682 F.Supp. 60 (Ct. of Int'l Trade 1988), on remand, Cold-Rolled Carbon Steel Plates and Sheets from Argentina, Inv. No. 731-TA-175 (Final)(Second Remand), USITC Pub. 2089 (June 1988), affirmed, USX Corp. v. United States, 698 F.Supp. 234 (Ct. of Int'l Trade 1988).

> so that a small quantity of imports can result in price suppression or depression.[12]

Thus, imports that satisfy the conditions of this provision are not cumulated with other imports and may be assumed not to be a cause of material injury to the domestic industry -- that is, a negative determination is appropriate as to those imports.[13]

The House Ways and Means Committee gave an explanation for the negligible imports provision that harkens back to the Argentine cold-rolled steel case: "Certain cases have been brought to the attention of the Committee where strict application of the cumulation mandate has led to results which are anomalous to an objective analysis of market dynamics."[14] While the Committee did not specify which cases led to the change in the law, it is a reasonable assumption that the Argentine steel case described above was at least of the type the Committee

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[12] 19 U.S.C. 1677(7)(v). The provision also contains an exception to the cumulation provision for imports from countries with which the United States has a free trade agreement that entered into effect before January 1, 1987. That provision applies to the imports from Israel at issue in this case.

[13] This provision thus is inconsistent with the view popular at various times with members of the Commission, that the imports need only be a cause of material injury to reach an affirmative determination. If that were the case, there would be no basis for excluding any imports once material injury had been found, as any imports will satisfy the "a cause" test. The negligible imports provision is, however, consistent with the view of the statute that the dumped imports must themselves cause material injury and that imports whose contribution to that effect are minimal may be excluded. I have long advocated this view of the statute.

[14] H.R. Rep. 100-40, 100th Cong., 1st Sess. 131 (1987).

had in mind. In short, one may assume that Congress intended to mandate the result in Argentine cold-rolled steel -- ultimately affirmed by the court after three years of litigation. It is therefore useful to rely on that decision as a guide to congressional intent.

With respect to the import penetration that is to be considered "negligible", the statute and the legislative history provide no guidance other than the admonition that the appropriate import level should be decided on a case-by-case basis.[15] Looking at the Argentine case, however, one can get a sense of the range Congress probably had in mind. In that case, imports from Argentina consistently captured .9 percent of the domestic market. In contrast, in a separate investigation the Commission had conducted a cumulated analysis of imports of cold-rolled steel products from Brazil and several other countries. In that case imports from Brazil had reached 2.2 percent of domestic consumption in the last full year under investigation and 1.6 percent in the interim period.[16] It is thus fair to say that Commission practice before the 1988 amendments, and codified at that time, clearly permitted exclusion of imports that accounted for less than 1 percent of the domestic market

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[15] Id.

[16] See the record in the Commission's first remand decision, supra n. 11, USITC Pub. 1967 at A-7. Import statistics from other countries are not relevant because they were largely below the level of Argentine imports or above the level of Brazilian imports at relevant times. Id.

(Argentina) but would decline to do so when imports exceeded 1.5 or 2 percent of the domestic market (Brazil), where the product was found to be fungible.[17]

Without prejudging any particular case, it is thus fair to say that for any level of import penetration that falls below 1 percent, as in the Argentine case, cumulation would most likely not be required given the negligible imports exception to cumulation. As imports rise to the 1.6 percent level that the Brazilian imports achieved during the interim period at issue in that case, treating such imports as having negligible impact may well still be appropriate, though it clearly becomes a closer question as the market share increases. Thus, in a recent case, I found that circumstances warranted application of the negligible-imports exception to imports with individual market shares above 1 percent of the domestic market.[18] In light of the admonition in the legislative history to consider the provision on a case-by-case basis, I would not exclude any claim to coverage by the statute to imports with higher market shares, particularly if the imports were not very fungible with the

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[17] Id. at A-8. ("Cold-rolled carbon steel sheets imported from Argentina are fungible with cold-rolled carbon steel sheets imported from other countries and with domestically-produced cold-rolled carbon steel sheets.")

[18] Certain Sodium Sulfur Compounds from the Federal Republic of Germany, the People's Republic of China, Turkey, and the United Kingdom, Inv. Nos. 701-TA-303 and 731-TA-465-468 (Preliminary), USITC Pub. 2307 (August 1990) at 25-34 (Views of Chairman Anne E. Brunsdale Dissenting in Part) and A-38 (import penetration levels).

domestic like product and if the higher import penetration figure occurred in the earlier part of the period of investigation.[19] However, again, the higher the market share the lower the likelihood of a finding that the imports have negligible impact, ceteris paribus.

In the current case, imports from six of the eight countries subject to investigation had market shares that did not exceed 1.5 percent at any point during the period of investigation. These countries were Argentina, Chile, India, Israel, the People's Republic of China, and Thailand. While the previous discussion suggests that such imports would be strong candidates for application of the negligible-imports standard even if the imports were fully fungible with the domestic like product, the fungibility in the current case appears to be somewhat limited. The record contains evidence that purchasers have a strong preference for U.S.-produced steel wire rope, particularly for certain uses. In those cases where there is a substantial concern about product liability, domestic wire rope is preferred because of concerns about the ability to collect damages from foreign producers in the event of an accident. There is also evidence of a preference for U.S.-produced rope because it is easier to get domestic rope replaced if it is defective.

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[19] The legislative history instructs: "The Committee intends that 'negligible' be interpreted in light of industry conditions, and in a manner that makes sense given the realities of the marketplace." H.R. Rep. 100-40, supra, at 131.

Finally, there is evidence that at least some imports are viewed as physically inferior to the domestic product. In particular, certain purchasers identified Thai, Chinese, and Indian rope as inferior to the domestic product.[20]

Given the small market shares of steel wire rope imports from Argentina, Chile, India, Israel, the People's Republic of China, and Thailand and the evidence of limited substitutability between domestic and imported rope, I find that imports from each of these countries has a negligible impact and should not be cumulated for purposes of these preliminary investigations.[21] [22]

Material Injury by Reason of Dumped Imports

While the record in a preliminary antidumping investigation is less developed than in a final and the standard for reaching an affirmative decision is lower, I am required to answer the same

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[20] Staff Report at A-58.

[21] Penetration levels for imports from the remaining two countries -- Mexico and Taiwan -- came close to or exceeded 2 percent in the latter part of the period of investigation. Given the workings of the particular market involved in this case, I find that such penetration levels are too great to justify treating the imports as negligible.

[22] As I noted supra, n. 12, there is special language that provides that imports from Israel may be treated as "negligible and having no discernable adverse impact on the domestic industry . . . if the domestic industry is not being materially injured by reason of such imports." (19 U.S.C. 1677(7)(C)(v)) While, as indicated in my discussion of material injury below, I would find that any injury resulting from imports from Israel would not rise to the level of materiality, I need not undertake that analysis here as I find that imports from Israel should not be cumulated under the standard applicable to all countries.

basic question in both instances. I therefore find it useful to employ the same simple tools of economic analysis in this case as I have utilized in final investigations. By using economic analysis, one can examine directly -- as our governing statute requires -- the impact of the imports in question on the domestic industry, the nature of any such impact, and finally whether that impact constitutes material injury.[23]

Given my decision here that imports from countries other than Mexico and Taiwan that are subject to the current investigation "are negligible and have no discernable adverse impact on the domestic industry",[24] my analysis of material injury and the threat thereof is restricted to the effect of the allegedly dumped imports from Mexico and Taiwan. I note, however, that were I to conduct an injury analysis for the non-

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[23] A more thorough discussion of the economic analysis I use in my approach to causation analysis is contained in Internal Combustion Forklift Trucks from Japan, Inv. No. 731-TA-377 (Final), USITC Pub. 2082, at 66-83 (May 1988) (Additional Views of Vice Chairman Anne E. Brunsdale); see also Color Picture Tubes from Canada, Japan, the Republic or Korea, and Singapore, Inv. Nos. 731-TA-367-370 (Final), USITC Pub. 2046, at 23-32 (December 1987) (Additional Views of Vice Chairman Anne E. Brunsdale); Cold-Rolled Carbon Steel Plates and Sheets from Argentina, Inv. No. 731-TA-175 (Final) (Second Remand), USITC Pub. 2089, at 31-51 (June 1988) (Additional Views of Vice Chairman Anne E. Brunsdale). The Court of International Trade has also discussed with approval the use of elasticities. See Copperweld Corp. v. United States, No. 86-03-00338, slip op. 88-23, at 45-48 (Ct. of Int'l Trade February 24, 1988); USX Corp. v. United States, 12 CIT _____, slip op. 88-30, at 19 (March 15, 1988): Alberta Pork Producers' Marketing Board v. United States, 11 CIT ____, 669 F.Supp. 445, 461-65 (1987).

[24] 19 U.S.C. 1677(7)(C)(iv).

cumulated imports from these other countries, the factors discussed here would lead me to conclude that there was no reasonable indication of material injury caused by imports from any of those countries.[25] The only significant and relevant difference between Mexico and Taiwan on the one hand and any of the countries with negligible imports on the other is the lower level of import penetration by the countries I do not cumulate.

Import Penetration by Unfair Imports and the Dumping Margin. The statute directs that in determining whether a domestic industry has been injured as a result of unfair imports the Commission is to consider the volume of the unfair imports.[26] In addition the Commission is to consider "the effect of imports of that merchandise on prices . . . for like products."[27] One of the factors that will help determine the effect on the price of the like product is the extent to which the price of the allegedly dumped imports is below a "fair" level. This will depend on the dumping margin.[28]

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[25] In particular, I would have found no reasonable indication of material injury by reason of imports from Israel and therefore would have found these imports to have had negligible impact under the provisions applicable only to imports from that country. (See n. 22, supra.)

[26] 19 U.S.C. 1677(7)(B)(i)(I).

[27] 19 U.S.C. 1677(7)(B)(i)(II).

[28] The price decline resulting from dumping may be less than the amount of the dumping margin because the firm engaging in dumping (continued...)

In this case, imports of steel wire rope from Taiwan and Mexico accounted for 2.3 percent of U.S. apparent consumption in 1987, 2.9 percent in 1988, and 3.1 percent in 1989, and in the period January to September 1990.[29] In a preliminary investigation, the only information available on the dumping margin is the allegations contained in the petition. In this case, petitioner alleges dumping margins of 43.2 to 85.4 percent for Mexico and 1.5 to 31.0 percent for Taiwan.[30]

Effect on Prices and Volumes Sold by the Domestic Industry. In any antidumping investigation, I must consider the impact of the dumped imports on the domestic industry.[31] A key factor in that evaluation is how the dumping has affected the demand for the domestic like product. I know from basic economic principles that the imports will, in most cases, tend to reduce demand for the domestic product. I must determine whether such a reduction occurred and, if so, how large it was.

In the current case, the limited penetration of imports from Mexico and Taiwan, along with my understanding of the market for

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[28](...continued)
may be charging a higher price in its home market than it would if forced to eliminate the differences between the prices it charges at home and in the United States.

[29] Staff Report at A-53, Table 27.

[30] Id. at A-21.

[31] 19 U.S.C. 1677(B)(i)(III).

steel wire rope, leads me to conclude that the imports are not materially injuring the domestic industry. Looking first at the impact of the dumped imports on the volume of sales made by the domestic industry, consider what would happen under the extreme assumption that the elimination of dumping would cause the imports from Mexico and Taiwan to be totally eliminated from the U.S. market. Further assume that sales by U.S. producers would increase ton for ton by the amount of sales that are lost by the imports. Even under these extreme assumptions, the increase in sales by the U.S. domestic industry would be relatively small.[32]

Furthermore, it is unlikely that U.S. producers would capture all of the sales lost by subject imports. Imports from other countries that are not subject to these investigations are far greater than those from Mexico and Taiwan.[33] It would be most unusual if some of the sales lost by respondents were not captured by other importers, rather than all of the sales being

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[32] Between January and September 1990, imports from Mexico and Taiwan accounted for 3.1 percent of U.S. apparent consumption. Domestic producers accounted for 62.3 percent of apparent consumption during this period. (Staff Report at A-53, Table 27) Thus, if U.S. producers captured all of the sales that were made by Mexican and Taiwanese producers, U.S. market share would only rise to 65.4 percent.

[33] For example, imports from Korea were more than five times greater than imports from Mexico and Taiwan throughout the period of investigation. Total imports by countries not subject to the current investigations were at least nine times greater than those from Mexico and Taiwan between 1987 and 1989. (Id. at A-49, Table 26)

captured by the domestic U.S. industry.[34] Indeed I would expect non-subject imports to increase by a greater proportion than domestic sales. As I discussed above, the record provides evidence that U.S. rope is preferred to imported rope, especially for certain applications.[35] For those uses where imports are currently employed -- e.g., uses where there is less concern about product liability -- I would expect many purchasers to shift to other sources of imports rather than to the domestic product.[36] [37]

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[34] While imports of steel wire rope from several countries are covered by voluntary restraint agreements (VRAs), these agreements do not appear to preclude increases in imports from countries not subject to the current investigation. For example, imports of steel wire rope from Korea between January 1991 and March 1992 could go as high as 57,500 short tons under the VRA with that country. (Id. at A-18) However, actual imports from Korea were only 45,082 short tons in 1989 and 29,904 short tons in the first three quarters of 1990, down from 33,212 in the same period of 1989. (Id. at A-49, Table 26)

[35] See page 38, above.

[36] More precisely, I would expect that imports would sell for a lower price because of preferences for the domestic product and that many users who currently find the lower price sufficiently attractive to forego the attributes available only with the domestic product would continue to have such preferences.

[37] Another factor suggesting that sales of domestic producers would increase by less than sales of subject imports decline is the tendency of total sales to decline as the price of the product rises. In a preliminary investigation, we do not have a well-developed record on the sensitivity of total sales to changes in price. However, in the current case, I do not expect that the quantity of sales is very responsive to changes in price. Therefore, I do not expect that the elimination of allegedly dumped imports would lead to a significant decrease in total sales.

While any dumping by Mexico and Taiwan has not had a substantial effect on the quantity of sales by the domestic industry, quantity is not the only relevant measure of the effect of dumping. Both the statute and economic logic dictate that one should also consider the effect on the price that the domestic producer will receive for his product.[38] If dumping substantially suppresses the price of the domestic product, the domestic industry could be materially injured even if the quantity of sales was unchanged.

In the present case, I believe that the price of domestic steel wire rope would increase very little, if at all, if the dumping were eliminated. Throughout the period of investigation, there was substantial excess capacity for producing wire rope in the United States. Indeed, domestic capacity utilization never exceeded 55 percent.[39] As a result, domestic producers are able to increase their output by a significant amount in response to a very small increase in price. In addition, the presence of other imports not subject to the current investigation would serve to constrain any price increase. Given the small quantity of sales lost by the domestic industry as a result of the alleged dumping of imports from Mexico and Taiwan, any change in domestic price resulting from this dumping would be extremely small.

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[38] See 19 U.S.C. 1677(7)(B)(i)(II).

[39] Staff Report at A-31, Table 6.

Given the small quantity effect and the even smaller price effect resulting from the elimination of any dumping by Mexico and Taiwan, I conclude that there is no reasonable indication that an industry in the United States is materially injured by reason of the alleged dumping of steel wire rope from these two countries.

Threat of Material Injury

Having determined that there is no reasonable indication of material injury, I must now consider the threat of future injury. In determining that there is no reasonable indication of a threat of material injury caused by imports from Mexico and Taiwan in this case, I am mindful of the factors Congress directs me to consider.[40] I am also mindful of the direction that

> [a]ny determination . . . that an industry in the United States is threatened with material injury shall be made on the basis of evidence that the threat of material injury is real and that actual injury is imminent. Such a determination may not be made on the basis of mere conjecture or supposition.[41]

Particularly important to my finding of no threat of material injury is the low level of import penetration and the absence of any significant increasing trend in the penetration figures. Imports from Mexico and Taiwan accounted for the same

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[40] 19 U.S.C. 1677(7)(F)(i).

[41] 19 U.S.C. 1677(7)(F)(ii).

low percentage of total U.S. consumption in both 1989 and the interim period of 1990. Furthermore, the increase in market penetration between 1988 and 1989 was extremely small.[42] Given the small market share of the imports, it would take a strongly rising trend to provide clear evidence of threatened future injury. In these cases, we have no increase at all in the most recent period.

I have also considered the data on capacity and capacity utilization in Mexico and Taiwan. There was only a minimal increase in reported capacity in these two countries together between 1987 and 1989.[43] Further, Mexican capacity utilization has increased steadily during the period of investigation and that of Taiwan has remained high throughout.[44]

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[42] Staff Report at A-53, Table 27.

[43] Id. at A-46, Table 23 and 24.

[44] Id. I am aware that these capacity and utilization figures do not include data for all of the firms in Mexico or Taiwan. In the case of Mexico, this does not appear to be a serious problem in that the exports to the U.S. from the reporting firm -- Camesa -- accounted for more than [***] percent of total reported imports from Mexico during the entire period of the investigation. (Compare Tables 23 and 24.)

The missing data for Taiwan firms are somewhat more troubling. However, even in this case, it seems very unlikely that the missing data would provide "evidence that the threat of material injury is real and that actual injury is imminent." Even if imports from the firms for whom capacity data are missing were to double or triple, it is unlikely that such imports would result in material injury. Further, imports from these non-reporting firms have not exhibited any steady upward trend during the period of the investigation. Indeed, imports from these sources accounted for a smaller share of domestic consumption during the January-to-September 1990 period than during any other

(continued...)

Finally, the level of inventories of steel wire rope from Mexico and Taiwan held in the United States have increased during the period of investigation both in absolute level and as a percent of imports.[45] However, these inventories are far less than [***] percent of U.S. annual consumption and therefore would not appear to provide any real danger of injury.[46]

Based on the above considerations, I conclude that there is no reasonable indication of the threat of future injury resulting from imports of steel wire rope from Mexico and Taiwan.[47]

Conclusion

I find no reasonable indication that the domestic industry producing steel wire rope is materially injured or is threatened with material injury by reason of imports from Mexico and Taiwan.

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[44](...continued)
period during the investigation. (See Id. at A-46, Table 24, and A-49, Table 26.)

[45] Id. at A-47, Table 25.

[46] Inventories of Mexican and Taiwan steel wire rope held in the U.S. totaled [***] short tons at the end of September 1990. (Id.)

[47] I have also examined the data relevant for a threat determination for the several countries that I have found to have negligible imports. In each case, the available data provides no reasonable indication of a threat of material injury. In those cases where full information is not available, imports from the subject country could increase substantially -- at least by a factor of two -- without causing material injury to the domestic industry. I see no reason to believe that imports will increase by this much in the near future and therefore do not believe the lack of complete data precludes me from finding that there is no reasonable indication of a threat of future material injury.

As regards Argentina, Chile, India, Israel, the People's Republic of China, and Thailand, I find that imports from each of these countries had a negligible impact on the domestic market and therefore are not causing material injury or threatening injury in the future.

As regards Argentina, Chile, India, Israel, the People's Republic of China, and Thailand, I find that imports from each of these countries had a negligible impact on the domestic market and therefore are not causing material injury or threatening injury in the future.

INFORMATION OBTAINED IN THE INVESTIGATIONS

Introduction

On November 5, 1990, petitions were filed with the U.S. International Trade Commission and the U.S. Department of Commerce by counsel on behalf of the Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers. The petitions allege that imports of steel wire rope[1] from India, Israel and Thailand are being subsidized by the governments of India, Israel and Thailand, that imports of steel wire rope from Argentina, Chile, India, Mexico, the People's Republic of China (China), Taiwan and Thailand are being sold in the United States at less than fair value (LTFV), and that an industry in the United States is materially injured and threatened with material injury by reason of such imports.

Accordingly, effective November 5, 1990, the Commission instituted the following preliminary countervailing duty[2] and antidumping investigations under the applicable provisions of the Tariff Act of 1930 to determine whether there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded by reason of imports of such merchandise into the United States:

Country	Countervailing duty investigation No.	Antidumping investigation No.
Argentina.....	[1]	731-TA-476 (Preliminary)
Chile.....	[1]	731-TA-477 (Preliminary)
China.....	[1]	731-TA-480 (Preliminary)
India.....	701-TA-305 (Preliminary)	731-TA-478 (Preliminary)
Israel.....	701-TA-306 (Preliminary)	[1]
Mexico.....	[1]	731-TA-479 (Preliminary)
Taiwan.....	[1]	731-TA-481 (Preliminary)
Thailand.....	[2]	731-TA-482 (Preliminary)

[1] Not applicable.
[2] The Commission's notice of institution was amended to remove all references to the CVD investigation No. 303-TA-21 involving Thailand, since it is no longer entitled to an injury investigation under Section 303.

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[1] The imported steel wire rope covered by these investigations consists of ropes, cables and cordage, of iron or steel, other than stranded wire, not fitted with fittings or made into articles, and not made of brass plated wire. Such steel wire rope is provided for in subheadings 7312.10.60 and 7312.10.90 of the Harmonized Tariff Schedule of the United States (HTS) (previously in items 642.14 and 642.16 of the former Tariff Schedules of the United States (TSUS)).

[2] Thailand is not a signatory of the GATT subsidies code and thus is not "under the Agreement" pursuant to section 701(b) of the Act. This country is no longer entitled to an injury investigation under section 303 of the Act for those articles that are duty free under the GSP, as imports of steel wire rope from Thailand were removed from GSP eligibility effective July 1, 1990.

Notice of the institution of the Commission's investigations and of a public conference to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of November 16, 1990 (55 FR 11917); an amended notice regarding the 303 investigation of Thailand will be published in the Federal Register.[3] The conference was held in Washington, DC, on November 27, 1990.[4] The Commission voted on these investigations on December 17, 1990, and is scheduled to transmit its determinations to the U.S. Department of Commerce on December 20, 1990.

Previous and Related Investigations

Steel wire rope has been the subject of a number of investigations by the Commission since the early 1970s. A listing of the Commission's investigations is presented in table 1.

Table 1
Steel wire rope: Previous and related investigations, since 1973

Item	Investigation number	Date of issue	Report No.
Steel wire rope: Japan[1]	AD-124	1973	TC 608
Steel wire rope: Republic of Korea[2] [3]	731-TA-112(P)	1982	USITC 1314
Carbon and certain alloy steel products[4]	TA-201-51	1984	USITC 1553
Western U.S. steel market	332-256	1989	USITC 2165
Monthly report on the status of the steel industry	332-226	Various	

[1] Subsequent to a Department of Treasury (Treasury) finding that imports of steel wire rope from Japan had been sold in the United States at less than fair value (LTFV), the Commission determined that an industry in the United States was being, or was likely to be, injured by reason of those LTFV imports. The antidumping order against Japan is still in effect.
[2] In September 1977 Broderick & Bascom Rope Company filed a petition regarding imports of steel wire rope from Korea. At that time Treasury did not find more than de minimis sales at LTFV.
[3] In November 1982 the Commission made a preliminary determination that there was a reasonable indication that the industry in the United States was materially injured by reason of alleged LTFV imports of steel wire rope from Korea. Subsequently, Commerce failed to find more than de minimis dumping margins.
[4] The Commission determined that among other steel products, wire and wire products were being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry; and recommended a 5-year program of tariffs and quotas. As a result of subsequent negotiations, steel voluntary restraint agreements (VRAs) were negotiated with steel exporting countries.

Source: Various Commission publications.

[3] Copies of the Commission's and Commerce's notices are presented in app. A.
[4] A list of witnesses appearing at the conference is presented in app. B.

The Product

Description and uses

Product description.--For the purposes of these investigations, "steel wire rope"[5] consists of rope made from wires of carbon and alloy steel, including stainless steel,[6] whether or not covered with a metallic or nonmetallic coating.[7] Specifically excluded from the scope of these investigations is rope that is made of brass plated wires, steel wire rope that is made of stranded wire cables of aluminum or copper, and wire rope that is fitted with fittings or made up into articles. The four types of steel wire rope covered by these investigations include:

> Bright steel wire rope.--Refers to steel wire rope which is made of high carbon steel. "Bright" is a term derived from the shiny appearance of the wires left by passage through the drawing dies during manufacture.
>
> Galvanized steel wire rope.--Refers to steel wire rope which is made of galvanized (zinc coated) carbon steel wire.
>
> Coated (textile, "monel", plastic) steel wire rope.--Refers to steel wire rope which is made of coated steel wire, e.g., covered with textile, "monel", plastic or other nonmetallic coatings. Coated steel wire rope may be either carbon or stainless steel.
>
> Stainless steel wire rope.--Refers to steel wire rope which is made of stainless steel wire.

A wire rope is composed of strands laid around a central core in a helical (spiral) position; each strand consists of a number of wires helically laid in position around a central core. Figure 1 shows these three basic components of a steel wire rope. A wire rope is described by its length, diameter, whether it is preformed, the number of strands and the nominal number of wires per strand, the finish, the grade of steel, the specific makeup of the strand (the formation of the wires within the strand), the type of core, and the "lay".[8]

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[5] As defined, wire rope includes products referred to by the industry as "cable." For example aircraft control cable, elevator cable, automotive brake and transmission cable, and bridge suspension cable are wire ropes. The term, "cable" also covers most fiber ropes used in the maritime industry and heavy wires used for the transmission of electricity. Telephone interview with *** on Nov. 5, 1990.

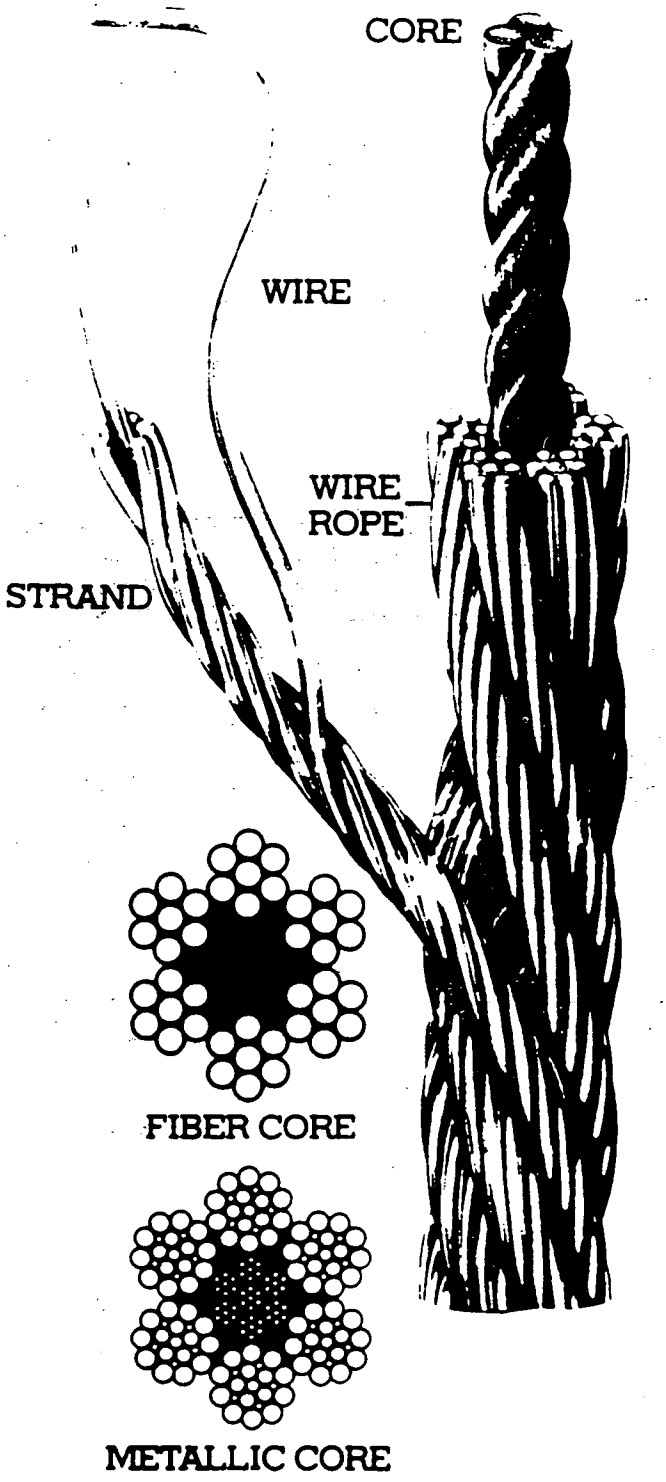
[6] All steel is an alloy composed of iron (which predominates) and carbon, and other elements such as manganese, phosphorus, and silicon. Stainless steel is an alloy steel containing by weight 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements.

[7] Metallic coatings include base metals such as aluminum or zinc, while nonmetallic coatings may be plastic, textile, or rattan.

[8] The rope's "lay" describes the rope's appearance or construction with regard to the direction of the spiral of the strands or the wires within the strands; it also describes the length of the spiral (i.e., the distance over which the strand makes one turn around the rope) measured in a straight line parallel to the center line of the rope, and is directly related to the rope's diameter. Because the lay-length measurement and pitch must match among

(continued...)

Figure 1.--Steel wire rope: Components



Source: The Rochester Corporation, "Wire Rope," p. 4.

Each class of wire rope has approximately the same number of wires in the strand and the same number of strands per rope, although the diameter or shape of the wires in a strand may differ. Wire ropes are commonly broken down into four main classes, described by the number of strands in the rope and the nominal number of wires in each strand. These are 6x7, 6x19, 6x37, and 8x19.[9] The 6x7 class includes ropes with strands containing up to 14 wires each. The 6x19 and 8x19 classes include ropes with strands containing from 15 to 26 wires, and the 6x37 class includes ropes containing from 27 to 49 wires per strand. All ropes within a class have the same breaking strength for a given diameter, the differences in wire numbers being dictated by specific design considerations. Figure 2 shows cross-sections of some commonly used wire rope constructions. Because of the large number of different constructions, estimates of the number of possible types of steel wire rope range up to 2,000.[10]

The core provides the center of a wire rope and keeps the rope round and the strands properly spaced within the design standards and length of lay. The core may be composed of fiber, an independent wire rope core (IWRC), or a wire strand core (WSC). The choice of core is influenced by end use and considerations of flexibility. Fiber cores may be composed of polypropylene or other plastic, or vegetable material such as manila, hemp, or sisal, with the choice among fibers being one of resilience and toughness. The IWRC possesses greater resistance to crushing but is less flexible than the fiber cored rope. The WSC rope is the least flexible, but possesses a high load-bearing capacity. Moreover, the strand used for making wire rope differs from other types of strand and is dedicated to the production of wire rope.[11]

Product characteristics and uses.--The design of the strand is the most important determinant of the operating characteristics of a finished rope.[12] The geometric design of the strands is important because the spacing between wires affects the degree of movement of the wires, while giving support and strength to the rope. The wire rope's resistance to bending fatigue and abrasive wear are directly affected by the design of the strands. The more wires used, for example, the more flexibility and better fatigue resistance

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[8] (...continued)
strands, generally, producers do not form rope by mixing strands from different productions; i.e., producers do not purchase strand to form rope. (Telephone interviews with *** on Nov. 20, 1990; interview with *** on Nov. 13, 1990; and telephone interview with *** on Nov. 16, 1990).

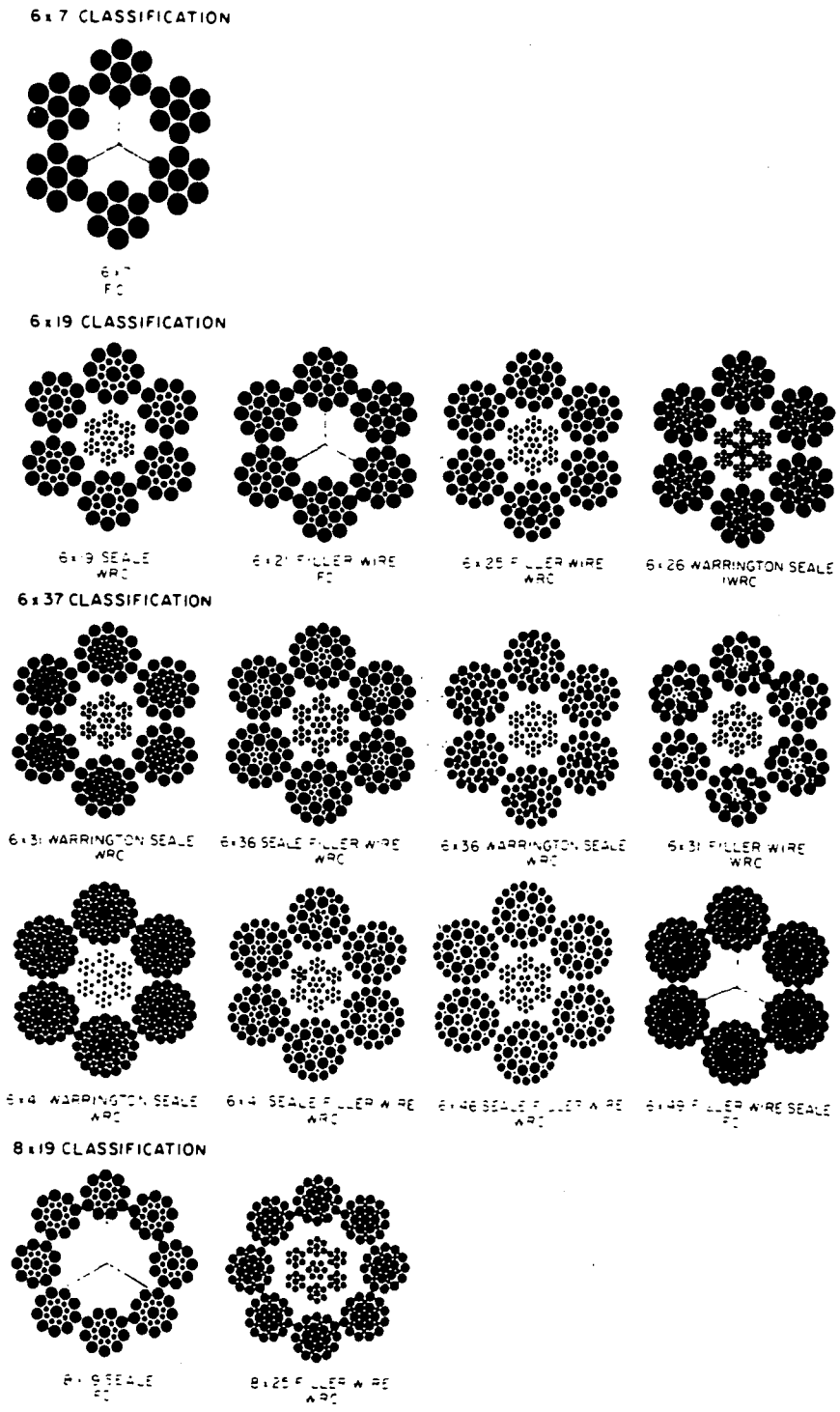
[9] The Rochester Corporation, Wire Rope, (company brochure of March 1987), p. 6. See also, American Iron and Steel Institute, Wire Rope Users Manual, Washington, D.C.: 1981, 2nd ed., p. 16. There are additional constructions listed in the Wire Rope Users Manual and the Federal Specification, Wire Rope and Strand, RR-W-410D (April 25, 1984), but in general the additional classifications include a greater number of wires to the number of strands listed in the four basic classes.

[10] Transcript of the Commission's conference, Nov. 27, 1990 (TR), testimony of Mr. Salanski, Executive Vice President of Wire Rope Corporation of America, pp. 68-69.

[11] A statistical breakout was made in the Harmonized Tariff System of the United States in 1989 for wire strand that is lubricated and having a lay not exceeding 8.5 times the strand diameter in recognition of the end-use dedication. Other types of stranded wire are prestressed concrete strand or guy strand.

[12] The Rochester Corporation, Wire Rope, (company brochure of March 1987), p. 5.

Figure 2.--Steel wire rope: Cross-sections of commonly used constructions



Source: American Iron and Steel Institute, Wire Rope Users Manual, p. 16.

the rope will offer. As the number of wires increases, however, so does the tendency of the strand to deform under a crushing load. For abrasive or corrosive applications, large outer wires will outlast small ones, but there are undesirable side effects in the form of increased stiffness and decreased fatigue resistance. These may be reduced by the substitution of alloy materials (such as stainless steel wire) or coated materials (such as galvanized wire) for the high carbon steels normally used.

Wire rope is considered by the industry to be a "machine" that is used for applications which require mechanical force to be transmitted. Wire rope forms much of the rigging[13] (static and dynamic applications) on earth-moving and materials-handling equipment in industries such as the mining, quarrying, construction, logging and forest, and fishing industries. Wire rope is used for aircraft control cables, elevator hoist cables, and in the petroleum and natural gas industries for drilling and well servicing.[14]

All of the various types of steel wire rope have specific characteristics associated with them. With respect to coated steel wire rope, the coating or alloy imparts a greater resistance to corrosion than that possessed by "bright" steel wire rope. As indicated above, a coating or alloy allows a rope to possess the same abrasion resistance while the smaller diameter gives the rope greater flexibility and less weight than a "bright" rope of similar characteristics. Hence, there are applications for the coated and alloy ropes in light-duty industry, in the home, and on farms based on weight and handling characteristics.

The Commission's questionnaires requested comments regarding the differences and similarities in the physical characteristics and uses of steel wire rope. The following comments concerning a requested comparison of carbon and stainless steel wire rope were reported to the Commission:

Firm	Comments
PRODUCERS:	
***.....	"Carbon steel wire rope has a higher breaking strength and longer wear resistance...Stainless steel is more corrosive resistant...Carbon steel wire rope is used in high strength or wear operation. Stainless is used in high corrosive operations."
***.....	"Stainless, less strength, better corrosive properties. Used in corrosive environments."

[13] Rigging is being used to denote the hoist lines, boom lines and pendants, trip lines, draglines, holding and closing lines, swing lines, bow and stern lines, conveyor lines, and winch lines on power shovels, excavators, clamshells and cranes, dredges, hoists, conveyors, winches, and other equipment.

[14] See, The Rochester Corporation, "Wire Rope," pp. 12-14 for a list of application recommendations for specific types of equipment.

Firm	Comments
PRODUCERS: (continued)	
***	"Generally, similar in breaking strength, endurance and rope construction. Uses/applications can generally overlap. Stainless steel has better corrosion resistance."
***	"Both materials can be fabricated into ropes of similar size and construction for use as tension members or operating wire rope. Standard grades of stainless steel generally will not achieve the strength levels of carbon steel wire rope. Stainless steel wire rope generally used where the rope is exposed to corrosive conditions or temperatures which would be detrimental to plain carbon steel. Some examples are marine atmospheres, alkaline or acidic environments found in chemical processing or food processing applications."
***	"Stainless steel wire rope has lower tensile strength, is corrosion resistant, has lower ductility, and some grades of stainless are non-magnetic. Stainless steel wire rope would be used in a corrosive environment or where non-magnetic characteristics are required."
***	"Carbon steel will rust in a corrosive environment, unless protected by lubricant, galvanize, etc. Stainless steel is resistant to such rust or corrosion in most environments without coating or lubricant. Normally carbon steel is used, since it is cost effective. Many Federal Government purchases are specified stainless steel (in smaller size wire ropes), since they are less bound to be cost effective than commercial users."
***	"Stainless steel wire rope has better resistance to corrosion. Used in marine applications; applications requiring exposure to weather over extended period of time."
IMPORTERS:	
***	"The difference is breaking strength as well as end use. Stainless steel is used in corrosive environments (salt water, sewers, chemicals, etc.). The end use would be interchangeable except that stainless cost is approximately 4 times carbon steel wire rope."

Firm	Comments
IMPORTERS: (continued)	
***.....	"In "like" constructions these products are interchangeable. Stainless offers significant resistance to rust and corrosion. Slightly lower strength in stainless compared to brite carbon."
***.....	"Stainless steel wire rope is used where corrosion resistance is required or in areas that require a low magnetic field--stainless steel wire rope is not interchangeable with carbon steel wire rope."
***.....	"Rope construction can be the same. Breaking strength for carbon steel usually higher than SS. SS ropes have much better resistance against corrosion."
***.....	"Carbon steel wire rope: Most ropes are made from varying chemistries of carbon steel. The exact chemistry combination varies depending on the tensile strength, fatigue resistant and wear resistant required in the application needed in the service of the wire rope. Stainless steel wire rope is mostly made of approximately 18% chromium and 8% nickel making it highly resistant to corrosives. Carbon steel ropes are used in hoisting, excavating, drilling, logging and mining. Stainless steel ropes are used in yachting, aircraft control and where severe corrosion on wire can cause problems."

Through its questionnaires, the Commission also sought data regarding the end-use customers of steel wire rope, whether U.S.-produced or imported from the subject countries. U.S. producers (accounting for 83 percent of total domestic shipments in 1989) and 10 importers (accounting for approximately 10 percent of total imports of steel wire rope from the subject countries in 1989) provided information on shipments of steel wire rope by end-use customer, and the data are presented in table 2.[15] As presented in table 2, such data indicate that the principal markets for U.S.-produced bright steel wire rope are in construction (including machinery); mining, lumbering and quarrying; and machinery industrial equipment and tools. U.S.-produced galvanized steel wire rope is sold chiefly for marine; and machinery, industrial equipment and tools applications.

[15] Importing firms accounting for the vast majority of the subject imports reported that they are not able to provide data regarding end use, given that most sales are to distributors, and the importing firm has no information as to the end use of distributors' customers. Importers also reported that once a product is received and inventoried, the firms cannot identify product shipments by country-of-origin.

Table 2
Steel wire rope: Shares of U.S. shipments of U.S.-produced product and imported product by end use market, 1987-89 and January-September 1989-90

Item	1987	1988	1989	January-September-- 1989	1990
U.S. shipments of U.S.-produced product:					
BRIGHT--					
Aviation & aerospace	***	***	***	***	***
Construction, including machinery	21.8	22.6	24.9	24.4	21.2
Machinery, industrial equipment and tools	24.4	22.9	20.7	20.5	15.9
Mining, lumbering, and quarrying	31.1	32.2	29.4	30.6	31.5
Oil and gas	***	***	***	***	***
Other[1]	***	***	***	***	***
Unclassifiable	***	***	***	***	***
Total	100.0	100.0	100.0	100.0	100.0
GALVANIZED--					
Aviation & aerospace	***	***	***	***	***
Construction, including machinery	***	***	***	***	***
Machinery, industrial equipment and tools	***	***	***	***	***
Mining, lumbering, and quarrying	***	***	***	***	***
Oil and gas	***	***	***	***	***
Other[2]	***	***	***	***	***
Unclassifiable	***	***	***	***	***
Total	100.0	100.0	100.0	100.0	100.0
U.S. imports for consumption:					
BRIGHT--					
Aviation & aerospace	***	***	***	***	***
Construction, including machinery	***	***	***	***	***
Machinery, industrial equipment and tools	***	***	***	***	***
Mining, lumbering, and quarrying	***	***	***	***	***
Oil and gas	***	***	***	***	***
Other	***	***	***	***	***
Unclassifiable	***	***	***	***	***
Total	100.0	100.0	100.0	100.0	100.0
GALVANIZED--					
Aviation & aerospace	***	***	***	***	***
Construction, including machinery	***	***	***	***	***
Machinery, industrial equipment and tools	***	***	***	***	***
Mining, lumbering, and quarrying	***	***	***	***	***
Oil and gas	***	***	***	***	***
Other[3]	***	***	***	***	***
Unclassifiable	***	***	***	***	***
Total	100.0	100.0	100.0	100.0	100.0

[1] Approximately *** percent of reported shipments in this category were shipments to ***.
[2] Approximately *** percent of reported shipments in this category were for *** applications.
[3] Approximately *** percent of reported shipments in this category were for *** applications.

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

The limited data for end use of imports of steel wire rope indicate that bright steel wire rope is present in most markets, with bright steel wire rope sold principally for oil and gas applications, and galvanized steel wire rope sold for construction (including machinery) and marine applications.

With respect to the end use of stainless steel wire rope only *** U.S. producers (accounting for approximately *** percent of stainless steel shipments in 1989) were able to provide data on shipments of their U.S.-produced product. The firms reported that approximately *** percent of sales in 1989 were for aviation and aerospace markets, while the remaining *** percent of shipments went to machinery (including equipment and tools) applications.

Industry specifications.--Rope is often produced to standards established by a number of government or independent groups. The standards often specify the materials to be used, finish, core, mechanical properties (such as tensile strength), fabrication, lay, dimensions, and weight of products.[16] For example, the American Petroleum Institute has established certain standards for wire rope used in oil field applications (termed the API-9A) and the U.S. Bureau of Mines has likewise established certain minimum standards for wire rope in underground mines. The Federal specification, RR-W-410D, was written for procurement by agencies of the Federal government; this standard is reportedly used in the industry as a basic standard.[17] There are also procurement standards for the U.S. military established for specific end-use applications in aircraft controls, the most common of which are MIL-W-5425, MIL-W-1511, and MIL-83420. "Aircraft cable" was a military procurement standard, but the term has become a generic standard for applications using galvanized and stainless steel wire rope in diameters of 1/6 to 3/8 inches.[18] There are standards established by other bodies as well, such as the American Society of Mechanical Engineers which established standards for the ropes used in ski lifts and elevators. Many of these standards have been adopted by the fishing, mining, oil and gas, and construction equipment industries abroad.[19] Wire rope that is sold in the United States meets at least one of the standards listed above. A review of company literature indicates that producers, whether domestic or foreign, state they are able to meet the standards imposed by Fed. Spec. RR-W-410D or API-9A or the MIL specifications listed above, and in several cases have certificates from the applicable testing bodies (e.g., API or Lloyd's) attesting to the quality of the producer's wire rope for specific applications.[20]

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[16] Telephone interview of *** on Nov. 9, 1990.

[17] Telephone interview of *** on Nov. 9, 1990. Company literature describing rope quality often uses the generic statement that the company is capable of meeting RRW-410D; telephone interview of *** on Nov. 20, 1990.

[18] Interview with *** on Nov. 13, 1990; telephone interview with *** on Nov. 20, 1990 and with *** on Nov. 9, 1990.

[19] Telephone interviews with ***.

[20] Petition in these investigations, Vol. II, Exhibits 4, 5, 10, 14, 15, 16, 17, 22, 25, 26, 27, 28, 29, and 31. The language and nomenclature for the foreign-produced product are similar to that contained in product literature from domestic companies, e.g., The Rochester Corporation, Wire Rope, March 1987; Wire Rope Corporation of America, Wire Rope Manufacturing, Technical Data, and catalogs covering usage, 1985; or Bethlehem Steel, Bethlehem Wire Rope (undated).

The manufacturing process[21]

The basic principles of wire making and rope forming have remained relatively unchanged for several decades.[22] There have been incremental improvements in methods for handling, cleaning, coating, or lubricating the rod, and in heat treating and finishing the wire. Changes in the production process also focus on making it more continuous (i.e., reducing the number of discrete steps at which the rod, wire, strand, and rope must be manipulated), automating controls and measurement techniques, and reducing the environmental hazards posed by certain steps such as lead patenting and the handling of acids and lubricants.[23]

The manufacturing process for steel wire rope consists of three major steps: 1) drawing rod into wire, 2) stranding wire, and 2) closing strands into rope. The stages in the process are described below and figure 3 presents a schematic diagram of the process and machinery involved.

Drawing rod into wire.--Steel wire rod is heat treated (termed patenting),[24] coated, and cleaned, and reduced to a smaller diameter through a series of dies to wire. Depending upon the amount of reduction during drawing (termed the draft), the wire may also undergo patenting and re-drawing to a smaller diameter. Wires are laid helically to form strands, which are lubricated, and the strands are "closed" into rope, which is also lubricated.

Hot-rolled steel wire rod is first passed through gas-fired patenting furnaces to improve ductility and to provide for a uniform grain structure. The rod is heated to about 2,000 degrees Fahrenheit in the patenting furnace, then quenched in a bath of molten lead or salt to achieve a desired grain structure of fine pearlite and mechanical properties of high ductility and high tensile strength.[25] After scale or other surface deposits are cleaned from the rod in either a bath of acid or through abrasive techniques, the rod is washed in water and a coating of lime, borax, or phosphate is baked on. This provides the rod with a protective layer and serves as a carrier for the lubricant for the first draw. The patented and cleaned rod is then cold-drawn through a series of wire-forming tungsten carbide dies which reduce its diameter to between approximately 0.009 inches and 0.250 inches and the wire is then wound on air-cooled or water-cooled wire drawing blocks. The cold-drawing process reshapes the steel grain into a fibrous structure and improves tensile strength. However, cold-drawing produces an isothermic reaction disturbing the grain structure, which may necessitate further heat treatment (or patenting), quench, cleaning and coating. The wire for galvanized strand or rope is usually coated prior to being wound after it has reached the desired diameter (i.e., galvanized at its finished size) although it may be drawn galvanized to a smaller diameter.

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[21] This is based on interviews with ***; descriptions of the production process in company literature and The Making, Shaping and Treating of Steel, published under the auspices of the Association of Iron and Steel Engineers, 1985.

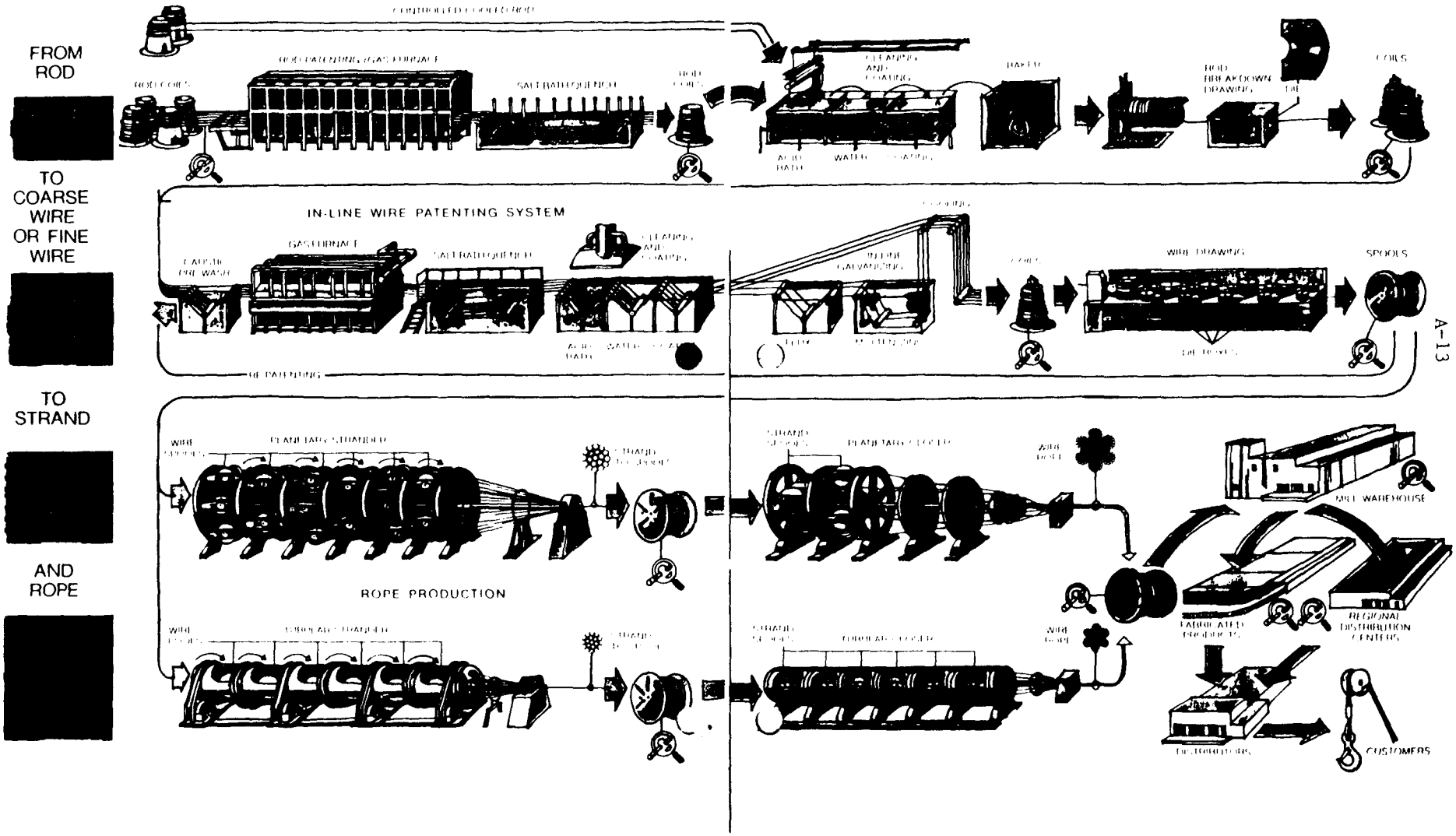
[22] Telephone interview with *** on Nov. 20, 1990, and *** on Nov. 9, 1990.

[23] Telephone interview with *** on Nov. 20, 1990.

[24] "Patenting" is a special heat treatment used only on high-carbon steel (i.e., steel with a carbon content above 0.40 percent, and usually with a carbon content of between 0.60 and 0.80 percent) and is peculiar to the wire industry alone. See Association of Iron and Steel Engineers, The Making, Shaping and Treating of Steel, (Herbick & Held: Pittsburgh, PA, 1985), p. 992.

[25] Making, Shaping and Treating of Steel, p. 999.

Figure 3.--Steel wire rope: Fully-integrated manufacturing process



Source: Wire Rope Corporation of America, "Wire Rope Manufacturing," p. 2-3.

Stranding wire.--Strands are formed in a single operation from individual wires laid about a core so that all wires in the strand can move in unison to distribute load and bending stresses equally. This is achieved with "tubular" or "planetary" stranding machines. Tubular stranders are faster than planetary stranders although planetary stranders are capable of handling a larger number of wires and achieve a heavier weight strand than tubular stranders. Regardless of whether a tubular or planetary strander is used, strand used for making wire rope is generally lubricated as the wires move into the stranding die. This lubrication is necessary to enable the wires and the strands to move freely in the wire rope as well as to protect the strand. After emerging from the stranding die, strand is frequently "postformed," a process that involves passing the strand through a series of straightening rollers in order to remove excessive twist.

Closing into rope.--The final operation is called "closing" and is accomplished on a tubular or planetary closer, operating in a manner similar to tubular or planetary stranders. The difference between the strander and the closer is that a preforming head, which imparts a helical shape to the strands, is positioned in front of the closing die. Preforming the strands reduces stress and results in longer service life. Spools or bobbins of strand are placed in cradles in the closer to dispense simultaneously all strands of a sufficient length needed to make a single rope without a splice. The closing die presses the strands together, forming the rope.

There appears to be little difference between the production processes in domestic facilities and those abroad.[26] This is reflective of a mature industry and attributable to the diffusion of process technology, techniques, and equipment on a world-wide basis, the similarity of engineering requirements for specific end uses, product liability concerns, and the commonality of design or procurement standards, which are described above.[27] Data indicate that the processing of wire into wire rope represents up to a 100 percent increase in value,[28] which provides an incentive for the establishment of a rope-making industry in countries where there is excess raw steel or wire rod-making capacity. Drawing, stranding, and rope-making equipment is reportedly widely available and the capital costs of entry are relatively low, estimated at between $5 million and $10 million.[29]

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[26] Telephone interview with *** on Nov. 20, 1990, and with *** on Nov. 30, 1990; interview with *** on Nov. 13, 1990. A comparison of the production process based on foreign company literature in the Petition, Vol. II, indicates little that is different.

[27] The foreign industry has reportedly been given technical assistance by U.S. and other companies that produce rope manufacturing equipment. For example, Usha Martin Industries was established in 1960 as a joint venture with Martin Black & Co. of Scotland, and has, in turn, established joint venture projects in Yugoslavia and Thailand; Usha Martin recently purchased several machines from British Ropes. See letter dated Dec. 6, 1989 from Harris & Ellsworth. The Chilean industry was provided technical assistance by Bridon American. Telephone interview with *** on Nov. 20, 1990, and GSP petitions.

[28] "Statement of the Committee of Steel Wire Rope and Specialty Cable Manufacturers," before the USITC, Investigation No. 332-256 (Western Steel), November 17, 1988, p. 6.

[29] Interview with *** on Nov. 13, 1990. Estimate is for establishing a "greenfield" plant based on the purchase of used equipment.

The Commission's questionnaires requested comments regarding the differences and similarities in the manufacturing processes used in the production of different types of steel wire rope. The following comments were provided in response to the request for a comparison of carbon and stainless steel wire rope:

Firm	Comments
***.....	"...ropes run parallel with respect to use of equipment, machinery, and employees."
***.....	"Machinery and equipment is interchangeable; set-up skill is higher on carbon steel."
***.....	"The equipment is interchangeable... There should be no change in production inputs, machinery and equipment, and skilled labor."
***.....	"Assuming the availability of high carbon steel wire and stainless steel wire, the machinery to strand and close either rope is interchangeable given a common construction and diameter. Stainless is a "harder" wire which requires more set-up time and slower running speed but should be considered a single like product."
***.....	"Do not produce stainless but could since it is same process."
***.....	"The manufacturing process is identical in all respects."
***.....	"Processing of stainless steel wire significantly different from carbon steel wire. Our comments related to strand and rope manufacture. Stranding and closing machinery is similar. Some special tooling required for stainless steel wire rope. Rope manufacture does not require significant skill above that of carbon steel rope."

Interchangeability

According to industry sources imports are reportedly concentrated in the more general application, medium- and smaller-diameter, commodity-grade steel wire ropes, and compete on the basis of price.[30] According to one importer, imports compete in light-duty industrial, farm, and home applications (which account for about 20 percent of total consumption and are coated or alloy ropes 3/8 inches and less in diameter), and in the general cable categories (1/2 inch to 1-1/4 inches in diameter "bright" ropes).[31] Imported ropes tend not to compete with the domestic product in the heavier grade ropes (e.g., above 1-1/2 inches in diameter);[32] these tend to be sold directly by the

[30] Telephone interview with *** on Nov. 30, 1990 and with *** on Nov. 30, 1990.
[31] Telephone interview with *** on Nov. 30, 1990.
[32] Telephone interview with *** on Nov. 30, 1990.

domestic industry to end users and are usually fitted with fittings, cut to length, and pre-stretched at the factory and make up about 5 percent of industry shipments.[33]

The foreign product may be considered interchangeable with the domestic product within certain limitations[34] that render certain imports not suitable for high-risk applications (i.e., where human life is at risk) and some product niches where there may be little or no competition between imports and the domestically-produced steel wire rope.[35] Certain firms will not import Indian-origin or other origin wire rope for self-imposed product liability reasons and will not sell it for high risk applications.[36] Producers in India and Thailand previously indicated that the quality of their steel wire rope is not equivalent to the domestic product because it does not possess the same tensile strength,[37] but no such argument was made on behalf of these two countries or other countries subject to the present investigations;[38] the applicability of the high-tensile-strength argument is, itself, lessened by design factors and the number of applications that require low or no tensile strength.[39] Product literature from the foreign industry indicates that the subject imports are interchangeable with the domestic product: both use the same nomenclature and same construction, and both are produced to the same U.S. specifications.[40] Supporting the concept of interchangeability between

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[33] Interview with *** on Nov. 13, 1990.

[34] Telephone interview with *** on Nov. 30, 1990. *** indicated that imports, even from India, are fully interchangeable with the domestic product. Restrictions are seemingly self-imposed for reasons of product liability. Telephone interview with *** on Nov. 30, 1990.

[35] Imports do not compete in selected product niches (chiefly in the coated categories) because the domestic products are protected by product or process patents. Telephone interviews with *** on Nov. 30, 1990, and *** on Nov. 27, 1990.

[36] Telephone interview with *** on Nov. 30, 1990. *** also indicated that his firm had encountered quality problems with wire rope from ***, one of the two Mexican producers.

[37] Prehearing brief on behalf of the manufacturers and exporters of steel wire rope from India in opposition to removal from the GSP, Sept. 19, 1989, Dennis James, Jr. of Kaplan Russin & Vecchi, USITC investigation Nos. TA-503(a)-18 and 332-279.

[38] On the other hand, Mr. Greg Stewart of GTR Inc. (TR, pp. 120-122) indicated that the quality of the wire rope his firm imports from Mexico exceeds that of domestic production, a statement supported by Mr. Skip Davey of Camesa Inc. (TR, pp. 125-127).

[39] Tables commonly provided by the domestic and foreign industry in company literature show the nominal strength of rope for given diameters and construction. Wire rope producers generally recommend rope for use where the working load does not exceed 20 to 25 percent of the rope's nominal strength (the nominal strength is generally lower than tensile strength or breaking strength). Designs favor higher strength where the application is the more stringent or there is human life at risk (e.g., elevators), although there are lower demand applications where there is little or no reference to tensile strength (e.g., conveyor rope in coal mining where the rope maintains the continuity--length and width--of the conveyor belt, blasting mats, and lashing); several non-strength applications can be filled by using "used" rope.

[40] Testimony of Mr. C.W. Salanski (TR, pp. 68-69) and Mr. Larry Klayman, Esq. (TR, p. 94). See, also foreign company literature provided in the Petition, Vol. II.

the domestic and imported product is the presence of imports by the domestic industry and the commonality of channels of distribution for both the imported and domestic product (see section of the Report entitled "Channels of Distribution"). Imports into the United States market flow through the same channels of distribution as does the domestic product, namely through producer-related and operated warehouses, non-related distributors, warehousing arrangements, and consigned stock arrangements.[41] The presence of exports to third countries from countries subject to the investigations also provides an indicator of the competitiveness or product interchangeability with the domestic product because of the similarity of national standards for wire rope.[42]

Substitute products

There are few substitutes for steel wire rope at the same price and having the same characteristics.[43] Limitations are imposed by the distance over which force must be transmitted mechanically. For example, several decades ago hydraulic devices replaced wire rope as the lifting device on certain types of earth moving equipment.[44] Limitations are also imposed by the lack of flexibility or abrasion resistance of the substitute product. For example, Kevlar which has a high strength to weight ratio, has been used for offshore mooring lines, but needs to be coated because it has little abrasion resistance;[45] because of its low abrasion resistance it would find little applicability in other than specialized applications.[46] Moreover, Kevlar rope is reportedly more than six times more expensive than steel wire rope, reducing its applicability.[47] There are similar problems with other types of man-made fibers for rope applications.[48]

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[41] Testimony of Mr. Harris and Ms. Ellsworth, TR, p. 70. See also, "Statement of the Committee of Steel Wire Rope and Specialty Cable Manufacturers," before the USITC, Investigation No. 332-256 (Western Steel), November 17, 1988, p. 10.

[42] See, briefs submitted on behalf of the manufacturers and exporters of steel wire rope from India by Dennis James, Jr. pursuant to USITC investigation TA-503(a)-18 and 332-279; brief submitted on behalf of the Government of Thailand by Thomas F. St. Maxens of Oct. 2, 1989 with regard to the President's GSP Determination; and the Petition, Vol. II, exhibit 22 (Argentina).

[43] Telephone interview with *** on Nov. 30, 1990.

[44] Testimony of Mr. Salanski, TR, p. 66.

[45] Telephone interview with *** on Nov. 20, 1990.

[46] TR, Mr. Salanski, p. 66 and telephone interview with *** on Nov. 27, 1990.

[47] Telephone interview with *** on Nov. 20, 1990.

[48] The industry distinguishes between rope applications and strand applications. The latter are static applications where there may be more competition from alternative materials. However, a rope is considered a "machine" which emphasizes those elements lacking in a static application; i.e., flexible transmission of mechanical strength. Testimony of Mr. Salanski and Mr. Harris, TR, pp. 66-67.

U.S. tariff treatment

Imports of steel wire rope subject to these investigations are provided for in subheadings 7312.10.60 and 7312.10.90 of the Harmonized Tariff Schedule of the United States (HTS).[49] See appendix C for tariff nomenclature.

The current column 1 general (most-favored nation) rates of duty for steel wire rope, applicable to imports from the eight countries, are 4.4 percent ad valorem under HTS subheading 7312.10.60 (stainless steel wire rope) and 4.0 percent ad valorem under subheading 7312.10.90 (carbon steel wire rope with a galvanized coating, and carbon steel wire rope with types of coating other than galvanized or brass plated).

The special duty rate applicable under the two HTS items under the Caribbean Basin Economic Recovery Act and the United States-Israel Free Trade Area is free. Duty-free entry for steel wire rope under the Generalized System of Preferences was withdrawn from Chile in March 1988, from Taiwan in January 1989 and from Mexico, India, Thailand, and Argentina in July 1990.

Voluntary restraint agreements.--Since 1984, imports of steel wire rope have been subject to quantitative limitations under the Voluntary Restraint Agreements (VRA) negotiated with 19 foreign governments and the European Community. Many current suppliers of steel wire rope are subject to either market share or quota agreements limiting import quantities. Wire rope is often included in the broader category of wire and wire products within the VRAs; but where specifically mentioned, quotas under the agreements range from a low of 0.676 percent (about 1,115 short tons) of apparent domestic consumption (ADC)[50] for Brazil to a high of about 57,500 short tons for Korea.[51] Most of the VRAs include with the subject goods any imports of wire rope fitted with fittings or brass plated. Of the eight countries subject to these investigations, only Mexico and China have signed a VRA with the United States. There were two VRAs signed with both countries: the first VRA covered the period from October 1, 1984 through September 30, 1989, (VRA I), and the second VRA covers the period from October 1, 1989 through March 31, 1992 (VRA II).

Mexico.--With respect to Mexico, steel wire rope is included in the category "all wire and wire products." Under VRA I there were no separate subcategories. Hence the quota that applied to imports of steel wire rope was the same as that for the overall category--namely, 0.45 percent of ADC of wire and wire products. The U.S. Government tried to break out a new subcategory for wire rope in 1986 but did not convince the Mexican negotiators to do so.

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[49] Before Jan. 1, 1989 when the HTS was adopted, imports of steel wire rope were classified in TSUSA item 642.1400 (stainless steel wire rope corresponding to 7312.10.60) and TSUSA items 642.1200, 642.1615, 642.1620, 642.1650, and 642.1800 which correspond to HTS subheading 7312.10.90. TSUSA item 642.1200 became obsolete when the price of steel wire rope rose above 13 cents per pound and imports under this category are believed to be misclassified. TSUSA item 642.1800 includes steel wire strand, ropes, cables, and cordage covered with textile or other nonmetallic material.

[50] Apparent U.S. consumption is forecast quarterly by Data Resources Inc., Lexington, MA under contract to Commerce; adjustments to the previous period's forecast and quota are made in subsequent periods.

[51] Based on the October 1990 forecast of apparent U.S. consumption of arrangement products subject to export licensing during the final period of Jan. 1, 1991 through Mar. 31, 1992.

and "suppression limits" (regarded more as targets and not enforced by Commerce) were agreed to by both sides.[52] The suppression limits were not exceeded during 1987 and 1988, but were exceeded during 1989. Since October 1, 1989, under VRA II, Mexico has not exceeded its restraint level.[53]

There are four subcategories under the new VRA, of which "wire rope" is one. The import quota was raised from 0.45 percent to 2.54 percent of ADC for the initial period of the new VRA (October 1, 1989 through December 31, 1990) and to 2.94 percent of ADC for the period January 1, 1991 through March 31, 1992 (final period). There is an adjustment provision under the agreement by which import tonnages may be shifted, i.e., the foreign government may grant export certificates for tonnage over and above the specific quota by "taking" quota tonnage from another category or subcategory; up to 5 percent of the imports of one category may be shifted and up to 7 percent of the imports of one subcategory may be shifted without the requirement of intergovernmental consultations. In addition, the U.S. Department of Commerce may adjust the quota ceiling. There have been no shifts within categories/subcategories and no adjustment by Commerce within the period of the VRAs, and neither VRA has been binding.[54] Based on a Data Resources, Inc. October 1990 forecast, the VRA final period quota for wire rope is 6,064 metric tons.

China.--There are two categories within the VRA with China: (1) nails, and (2) all other steel products (which includes all the wire products, including wire rope). There is no separate subcategory for wire rope and the import quota for wire and all other wire products was 25,000 metric tons for the initial period, 22,000 metric tons for 1991, and 5,500 metric tons for the three months ending March 31, 1992.

The Nature and Extent of Alleged Subsidies and Alleged Sales at Less Than Fair Value

The allegations of unfair trade practices as made by the petitioner are summarized below.

Alleged subsidies

India.--The petitioner alleges that producers or exporters of steel wire rope in India receive benefits that constitute subsidies within the meaning of the countervailing duty law. The Department of Commerce has reviewed the petitioner's allegations and has initiated an investigation on the following alleged programs:

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[52] Letter of S. Linn Williams, Deputy U.S. Trade Representative, Exh. 1, postconference brief of counsel for Camesa.

[53] Id.

[54] When the ceiling or VRA quota has been reached, the VRA is said to be "binding."

- o Rebates Under the International Price Reimbursement Scheme (IPRS)
- o Preferential Export Financing Through Export Packing Credits
- o Rebates under the Cash Compensatory Support Program (CCS)
- o Income Tax Deductions for Exporters
- o Preferential Post-Shipment Financing
- o Grants under the Market Development Assistance Program (MDA)
- o Import Permits/Replenishment Licenses

The Committee alleges that the total net subsidy rate which should be applied to Indian exports of steel wire rope to the United States is at least 34.24 percent ad valorem.

Israel.--The petitioner alleges that producers or exporters of steel wire rope in Israel receive benefits that constitute subsidies within the meaning of the countervailing duty law. Commerce has reviewed the petitioner's allegations and has initiated an investigation on the following alleged programs:

- o Encouragement of Capital Investment Law Grants, Long-Term Industrial Development Loans, Tax Exemptions, Accelerated Depreciation, Reduced Income Tax and Interest Subsidy Grants
- o Exchange Rate Risk Insurance Scheme
- o Encouragement of Research and Development Law Grants

The Committee alleges that the total net subsidy rate which should be applied to Israeli exports of steel wire rope to the United States is at least 15.93 percent ad valorem.

Thailand.--The petitioner alleges that producers or exporters of steel wire rope in Thailand receive benefits that constitute bounties or grants within the meaning of the countervailing duty law. Commerce has reviewed the petitioner's allegations and has initiated an investigation on the following alleged programs:

- o Investment Promotion Act (Import Duty and Tax Exemption for Machinery, Income Tax Exemption, Goodwill and Royalties Tax Exemption, Tax Deduction for Dividends, Import Duty and Tax Exemption on Raw and Essential Materials, Import Duty and Tax Exemption on Imports for Re-export, Export Duty and Tax Exemption on Products for Export, and Tax Deduction on Income Resulting from Increased Imports)
- o Export Packing Credits
- o Tax Certificates for Exports
- o Rediscount of Industrial Bills
- o Electricity Discounts for Exporters
- o Export Processing Zones
- o International Trade Promotion Fund

Thailand is not a "country under the agreement" pursuant to section 701(b) of the Act, and effective July 1, 1990, imports from Thailand of steel wire rope are no longer duty free under GSP. Accordingly, the Commission is not conducting a countervailing duty investigation on steel wire rope from Thailand. The Committee alleges that the total net subsidy rate which should be applied to Thai exports of steel wire rope to the United States is at least 24.46 percent ad valorem.

Alleged sales at LTFV

For each of the countries covered by these investigations, the petitioner has calculated LTFV margins by comparing the United States price with foreign market value (FMV). The following tabulation provides estimated dumping margins for each of the foreign countries subject to these investigations:

Country	Estimated dumping margins	
	High	Low
	(percent)	
Argentina 1/	--	200.0
Chile 2/	19.3	61.5
China 3/	99.5	136.4
India 4/	62.5	65.6
Mexico 5/	43.2	85.4
Taiwan 6/	1.5	31.0
Thailand 7/	28.4	34.4

1/ U.S. price was based on an actual price quote, adjusted for U.S. inland freight, distributor mark-up, broker fees, and U.S. duty; and FMV was based on an actual price list adjusted for physical differences in merchandise.
2/ U.S. price was based on actual f.o.b. Chilean port prices for several steel wire rope products, and foreign market value was based on constructed value, using the average costs for producing carbon steel wire rope (both bright and galvanized) from members of the petitioning Committee, adjusted for known differences between Chilean and U.S. products.
3/ U.S. price was based on actual prices offered to a U.S. firm, and FMV was based on constructed value, using the factors of production for steel wire rope in India as the surrogate third country whose economy is market-driven.
4/ U.S. price was based on actual net delivered price quotations to a U.S. distributor for several steel wire rope products, adjusted for overseas shipping and handling, Customs user fees, and U.S. inland freight; and FMV was based on actual prices derived from price lists adjusted by discounts, and foreign inland freight.
5/ U.S price was based on actual prices offered to U.S. distributors for several steel wire rope products, adjusted for overseas shipping, customs user fees, Mexican VAT, and U.S. inland freight; and FMV was based on actual prices derived from price lists adjusted by discounts, foreign inland freight, and VAT.
6/ U.S. price was based on actual prices offered to U.S. distributors, and FMV was based on actual f.o.b. factory prices offered in Taiwan.
7/ U.S. price was based on the average monthly Customs value for imports from Thailand, and FMV was based on actual prices derived from a comprehensive ex-factory price list of a Thai producer.

The U.S. Market

U.S. producers

In its 1982 antidumping investigation of steel wire rope from Korea[55] the Commission identified 15 manufacturers of steel wire rope in the United States. The petition in these investigations identified 9 firms as currently producing steel wire rope, and 4 firms as having ceased or sold steel wire

[55] Inv. No. 731-TA-112, USITC Pub. No. 1314, p. A-9.

rope operations.[56] The Commission sent questionnaires to each of 15 producers identified in 1982, and received completed (or near-complete) responses from all 15 firms. These firms are believed to have accounted for all of U.S. production in 1989. Table 3 presents the known producers of steel wire rope, the locations of their plants, position on petition, and their share of 1989 production.

Current manufacturers.--The firms that continue to produce steel wire rope in the United States are described below.

Bergen Cable Technologies.--Founded in 1942, Bergen Cable is a subsidiary company of Matec Corporation, a diversified technology-based company. As described in Matec's annual report, Bergen Cable manufactures "Stainless steel cable and custom cable assemblies used in a great variety of automotive, aircraft, medical, security and other industrial applications."[57] Bergen Cable produces *** steel wire rope at its facility in Lodi, NJ, and accounted for *** percent of U.S. production of steel wire rope in 1989. Approximately *** percent of Bergen Cable's operations are non-subject wire products such as ***.

Bridon-American.--Bridon American Corp. is a wholly owned subsidiary of Bridon plc, a U.K. company self-described as "the world's foremost ropemaking Group."[58] Bridon-American produces *** steel wire and wire rope at its facilities in Exeter and Ashley, PA, and accounted for *** percent of U.S. production of steel wire rope in 1989. Approximately *** percent of Bridon-American's operations are non-subject wire products such as ***.

Carolina Steel & Wire Corp.--Carolina Steel & Wire produces *** steel wire rope at its facility in Lexington, SC, and accounted for *** percent of U.S. production of steel wire rope in 1989. ***.

Loos & Co.--Loos produces *** steel wire rope at its facility in Pomfret, CT, and accounted for *** percent of U.S. production of steel wire rope in 1989. ***.

Macwhyte Co.--Macwhyte is a wholly-owned operating subsidiary of Amsted Industries, a diversified company whose operations involve railroad, construction and building, and general industrial products. With respect to Macwhyte "Charles Lindbergh's historic flight across the Atlantic with Macwhyte wire rope guiding the Spirit of St. Louis, was just one example of how the Macwhyte Company has served American industries with quality rope since 1896."[59] In 1983, Macwhyte acquired Broderick & Bascom, a U.S. producer of steel wire rope in Sedalia, MO, which continues to operate under its own name. Macwhyte produces *** steel wire rope at its facilities in Sedalia, and Kenosha, WI, and accounted for approximately *** percent of U.S. production of steel wire rope in 1989. Macwhyte also produces non-subject ***.

Paulsen Wire Rope Corp.--Paulsen Wire Rope produces *** steel wire rope at its facility in Sunbury, PA, and accounted for approximately *** percent

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[56] The two firms for which counsel for the petitioners had little or no information were Carolina Industries and Pennsylvania Wire Rope.

[57] Matec Corp. 1989 annual report, front cover back.

[58] Bridon 1989 annual report.

[59] Amsted Industries, Annual report, p. 4.

Table 3
Steel wire rope: U.S. producers, location of producing facility, position on petition, and share of production in 1989

Firm	Location	Position on Petition[1]	Share of U.S production
Bergen Cable Technologies...	Lodi, NJ	***	***
Bethlehem Steel, Wire Rope Division.....	Williamsport, PA	***	***
Bridon-American.....	Exeter, PA	***	***
Carolina Steel & Wire Corp..	Lexington, SC	***	***
Loos & Co.....	Pomfret, CT	***	***
Macwhyte Co.&.....	Kenosha, WI	***	***
Broderick & Bascom	Sedalia, MO		
Paulsen Wire Rope.....	Sunbury, PA	***	***
Pennsylvania Wire Rope[4].....	Williamsport, PA	***	***
Rochester Corp.....	Culpeper, VA	***	***
Williamsport Wirerope Works.	Williamsport, PA	***	***
Wire Rope Corp. of America..	St. Joseph, MO Kansas City, MO	***	***
Total.....			100.0

[1] S-Supports, N-Neutral (does not wish to take a position), and O-Opposes.
[2] Share based on operation during January-June 1989, as Bethlehem Steel, Wire Rope Division, was closed in June 1989, and was subsequently purchased to become Williamsport Wire Rope.
[3] ***.
[4] Ceased operations in June 1990.
[5] Share based on operation during July-December 1989, after purchase of Bethlehem Steel, Wire Rope Division, in June 1989.

Note.--Totals may not add due to rounding.

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

of U.S. production of steel wire rope in 1989. Paulsen also produces non-subject ***.

Rochester Corp.--Rochester Corporation is a principal operating subsidiary of BTR plc, a U.K. holding company. As described in the BTR 1989 annual report, Rochester manufactures "electromechanical cable, steel wire and fibre optics in the USA," and "supplies the oil, communications and defence industries."[60] Rochester produces *** steel wire rope at its facility in Culpeper, VA, and accounted for approximately *** percent of U.S. production of steel wire rope in 1989. Approximately *** percent of Rochester's operations are non-subject wire products such as ***.

Williamsport Wirerope Work, Inc.--Williamsport Wirerope commenced operations in June 1989 after its purchase of the shut-down Bethlehem Steel Wire Rope Division in Williamsport, PA. Williamsport produces *** steel wire rope at its Williamsport facility, and its production during June-December 1989 accounted for approximately *** percent of annual U.S. production of

[60] BTR 1989 annual report, p. 33.

steel wire rope in 1989. Approximately *** percent of Williamsport's operations are non-subject wire products such as ***.

Wire Rope Corporation of America.--With its April 1988 acquisition of the shut-down facilities of Armco Inc.'s Union Wire Rope Division, Wire Rope Corp. has become *** U.S. producer of steel wire rope. This privately-held corporation produces *** steel wire rope at its facilities in St. Joseph and Kansas City, MO, and its production of steel wire rope accounted for approximately *** percent of U.S. production in 1989. Approximately *** percent of Wire Rope's operations are non-subject wire products such as ***.

Previous manufacturers.--To one degree or another, the industry in the United States appears to have restructured and/or rationalized its operations during the period of investigation, with integrated steel producers leaving the market to independent producers. The current status of firms identified as steel wire rope manufacturers in 1982 is described below.

Firm	Comment
Armco Inc.....	Closed its facility effective 3/31/88. All production *** to Wire Rope Corp. as of 4/14/88.
Bethlehem Steel Corp. Wire Rope Div.....	Permanently closed in April 1989. Williamsport commenced operations in June 1989 at ***.
Carolina Industries Inc.....	No longer produces steel wire rope.[61]
Pennsylvania Wire Rope Corp.....	Ceased market production of stainless steel wire rope at its Williamsport, PA facility in December 1989, and now consolidated with its parent Strandflex Inc., producing *** in Oriskany, NY.
Universal Wire Products.....	Sold *** steel wire rope to Wire Rope Corp. in September 1987, ***. ***.[62]

U.S. importers

Information identifying importers of steel wire rope was provided by counsel for the petitioner, and was verified against files provided by the U.S. Customs Service. The Commission sent questionnaires to approximately 75 importers, which included all the known major importers of steel wire rope. The 75 importers are believed to account for approximately 95 percent of total imports of steel wire rope from the countries subject to these investigations. In general, the principal importers in the United States of steel wire rope from the subject countries are U.S. distributors, while smaller importers tend to be end users.

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[61] Nov. 30, 1990, telephone interview with ***.
[62] Nov. 16, 1990, telephone interview with ***.

U.S. producers' imports.--As reported during these investigations, to varying degrees U.S. producers of steel wire rope have imported the subject product from the subject countries during the period of investigation, reportedly to supplement their product lines.[63] Table 4 presents information on the U.S. producers that import the subject steel wire rope products. The ratio of U.S. producers' imports of steel wire rope from the subject countries to their production generally declined throughout the period of investigation. Data indicated U.S. producers' import to production ratio was 3.7 percent in 1987, decreased to 3.3 percent in 1988, increased to 4.3 percent in 1989, and fell to 2.5 percent during January-September 1990. The declining trend is influenced by ***.

Related parties.--No party has argued that U.S. producers of steel wire rope that import should be excluded from the definition of the "U.S. industry". Nonetheless, certain information and data regarding imports of steel wire rope by U.S. producers are noteworthy, and are discussed below.

During the Commission's 1989 deliberations of the petition to graduate Thailand and India from GSP eligibility with respect to imports of steel wire rope,[64] it was alleged that U.S. producers enjoyed "exclusive marketing arrangements" with foreign producers.[65] Counsel for the petitioners in these investigations has testified that although agreements may have existed in the past, the Committee has no knowledge of such exclusive marketing arrangements.[66]

With respect to ***, data presented in table 4 indicate that imports by U.S. producers of steel wire rope ***.

* * * * * * *

Apparent U.S. consumption

The data on apparent U.S. consumption of steel wire rope presented in table 5 are composed of the sum of U.S. shipments (domestic shipments and company transfers) of U.S.-produced steel wire rope by U.S. producers, as reported in response to the Commission's questionnaires; and imports of steel wire rope as reported in official import statistics and in the Commission's questionnaires.

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[63] TR, pp. 69-70.

[64] As in these investigations the GSP petition was filed by the Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers.

[65] Prehearing brief on behalf of Indian respondents during the 1989 GSP review, p. 10.

[66] TR, p. 87.

Table 4
Steel wire rope: U.S. producers' imports, ratio of imports to U.S. production, and share of alleged unfair imports held by U.S. producers, by firms, 1987-89 and January-September 1989-90

Item	1987	1988	1989	January-September-- 1989	1990
	Quantity (short tons)				
Alleged unfair imports:					
* * *	*	*	*	*	
Total	***	***	***	***	***
Alleged unfair imports by:					
* * *	*	*	*	*	
Total	***	***	***	***	***
Production:					
* * *	*	*	*	*	
Total	***	***	***	***	***
	Ratio (in percent)				
Imports/production:					
* * *	*	*	*	*	
Average	3.7	3.3	4.3	4.1	2.5
Share of alleged unfair imports held by U.S. producers:					
* * *	*	*	*	*	
Average	***	***	***	***	***

[1] Data compiled from ***.
[2] ***.

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

Table 5
Steel wire rope: U.S. producers' shipments, U.S. imports for consumption, and apparent U.S. consumption, by products, 1987-89 and January-September 1989-90

(In short tons)

Item	1987	1988	1989	January-September-- 1989	1990
Bright:[1]	Quantity (short tons)				
U.S.-shipments of U.S.-produced product	93,978	107,213	101,215	76,601	77,715
Imports--[2]					
Alleged unfair	4,174	8,049	10,478	7,623	7,152
Other	34,993	39,571	36,789	27,163	22,589
Total imports	39,167	47,620	47,267	34,786	29,741
App. U.S. consumption	133,145	154,833	148,482	111,387	107,456
Galvanized:[1]					
U.S.-shipments of U.S.-produced product					
Imports--	*	*	*	*	*
Alleged unfair	*	*	*	*	*
Other					
Total imports					
App. U.S. consumption					
Coated:[1]					
U.S.-shipments of U.S.-produced product					
Imports--[3]	*	*	*	*	*
Alleged unfair	*	*	*	*	*
Other					
Total imports					
App. U.S. consumption					
Subtotal Carbon:[1]					
U.S.-shipments of U.S.-produced product					
Imports--	*	*	*	*	*
Alleged unfair	*	*	*	*	*
Other					
Total imports					
App. U.S. consumption					
Stainless:[1]					
U.S.-shipments of U.S.-produced product					
Imports--	*	*	*	*	*
Alleged unfair	*	*	*	*	*
Other					
Total imports					
App. U.S. consumption					
Total steel wire rope:[4]					
U.S.-shipments of U.S.-produced product	106,019	116,248	112,202	85,242	86,656
Imports--[5]					
Alleged unfair	***	***	18,161	13,243	10,455
Other	***	***	64,258	47,646	41,959
Total imports	***	***	82,419	60,889	52,414
App. U.S. consumption	174,195	195,735	194,621	146,131	139,070

See footnotes at end of table.

Table 5--Continued
Steel wire rope: U.S. producers' shipments, U.S. imports for consumption, and apparent U.S. consumption, by products, 1987-89 and January-September 1989-90

Item	1987	1988	1989	January-September-- 1989	1990
	Ratio to apparent consumption (percent)				
Bright:					
U.S. shipments of U.S.-produced product	70.6	69.2	68.2	68.7	72.3
Imports--					
Alleged unfair	3.1	5.2	7.1	6.8	6.7
Other	26.3	25.6	24.8	24.4	21.0
Total imports	29.4	30.9	31.9	31.2	27.7
App. U.S. consumption	100.0	100.0	100.0	100.0	100.0
Galvanized:					
U.S. shipments of U.S.-produced product					
Imports--	*	*	*	*	*
Alleged unfair					
Other					
Total imports					
App. U.S. consumption					
Coated:					
U.S. shipments of U.S.-produced product					
Imports--	*	*	*	*	*
Alleged unfair					
Other					
Total imports					
App. U.S. consumption					
Stainless:					
U.S. shipments of U.S.-produced product					
Imports--	*	*	*	*	*
Alleged unfair					
Other					
Total imports					
App. U.S. consumption					
Total steel wire rope:					
U.S. shipments of U.S.-produced product	60.9	59.4	57.6	58.3	62.3
Imports--					
Alleged unfair	***	***	9.3	9.1	7.5
Other	***	***	33.0	32.6	30.2
Total imports	***	***	42.3	41.7	37.7
App. U.S. consumption	100.0	100.0	100.0	100.0	100.0

[1] Not all producers provided U.S. shipments by type of product. Reported U.S. shipments for which product differentiation are not available ranged from *** tons, or *** percent, of producers U.S. shipments in 1988 to *** tons, or *** percent, in 1989. Therefore, U.S. shipments, apparent consumption and the ratio of U.S. product to consumption are likely understated and the ratio of imports to consumption is likely overstated.
[2] Official statistics since 1989 for HTS item 7312.10.90.90 have been reduced by the amounts reported below for imports of coated steel wire rope.
[3] Data derived from questionnaires of the U.S. International Trade Commission.
[4] Includes U.S. shipments for which producers were unable to provide product differentiation.
[5] Figures for 1987 and 1988 differ from official imports reported in table 26 because of ***.

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

Source: Shipments compiled from data submitted in response to questionnaires of the U.S. International Trade Commission; imports compiled from official statistics of the U.S. Department of Commerce, except where noted.

Trends in apparent consumption.--Apparent consumption of all steel wire rope increased from 174,195 short tons in 1987 to 195,735 short tons in 1988, or by 13.8 percent, and then decreased slightly to 194,621 short tons in 1989, or by 0.6 percent. During January-September 1990, apparent consumption fell to 139,070 short tons, or by 4.8 percent when compared to the corresponding period in 1989. Trends in total apparent consumption are heavily influenced by activity in the "bright" steel wire rope category, as it represented 76.3 percent of total apparent consumption (based on quantity) in 1989. Apparent consumption for all categories of rope declined during January-September 1990 when compared to the same period in 1989.[67]

U.S. producers' share of apparent consumption.--The U.S. producers' share of total apparent consumption of all steel wire rope (based on quantity) decreased from 60.9 percent in 1987 to 59.4 percent in 1988, and continued to decrease to 57.6 percent in 1989. During January-September 1990, U.S. producers' share increased to 62.3 percent from 58.3 percent during the corresponding period of 1989. In terms of product categories, U.S. producers' share of apparent consumption of *** steel wire rope fell from 1987-89 and then improved during the January-September periods (with *** shipments decreasing in the interim periods), while shares of apparent consumption for *** steel wire rope rose from 1987-89 and then fell during the most recent interim periods.

Channels of distribution

As was found in the 1982 antidumping investigation of steel wire rope from Korea,[68] the major channel of distribution for steel wire rope for both U.S. producers and importers continues to be distributors/service centers. The following tabulation provides the shares of shipments of steel wire rope by channels of distribution for both U.S. producers and U.S. importers (in percent):[69]

Item	Distributors/ Service centers	End users
U.S. producers.....	68.6	31.4
U.S. importers of steel wire rope from:		
Argentina.....	***	***
Chile.....	***	***
China.....	***	***
India.....	***	***
Mexico.....	***	***
Taiwan.....	***	***
Thailand.....	***	***
Subtotal average...	***	***
Israel.....	***	***
Total average....	85.4	14.6

[67] Projections for annual 1990 based on interim period data results in apparent consumption of 185,000 short tons, with this trend projected to stabilize at 182,000 short tons in 1991 (DRI projections of apparent consumption under the VRAs).

[68] Inv. No. 731-TA-112, USITC Pub. No. 1314, p. A-8.

[69] U.S. importers that were able to provide data on shipments of imports of steel wire rope by channel, accounted for approximately one third of total imports from the subject countries in 1989.

With regard to stainless steel wire rope, 4 U.S. producers, accounting for approximately *** percent of total U.S. producers' stainless steel shipments in 1989, reported *** percent of shipments to distributors and *** percent to end users.[70] The principal importer of stainless steel wire rope from Taiwan indicated that approximately *** percent of such shipments are to distributors and *** percent to end users.[71]

Consideration of Alleged Material Injury

The information in this section of the report was compiled from responses to questionnaires of the U.S. International Trade Commission. The 14 producers that provided questionnaire responses are believed to account for almost all of total U.S. shipments of steel wire rope in 1989.

U.S. production, capacity, and capacity utilization

Data on reported U.S. production, end-of-period capacity, and capacity utilization in connection with operations on steel wire rope are presented in table 6. (See appendix D for data regarding specialty producers.) Production of all steel wire rope increased from 107,515 short tons in 1987 to 123,132 short tons in 1988, or by 14.5 percent, and then decreased to 116,601 short tons in 1989, or by 5.3 percent.[72] Production turned upward by 7.4 percent during January-September 1990 when compared to the same period in 1989.

Capacity to produce all steel wire rope fell from 232,763 short tons in 1987 to 226,575 short tons in 1988, or by 2.7 percent, as a result of the sale and inventory of Universal's steel wire rope machinery and equipment. Capacity increased to 174,353 short tons in 1990, due to ***. The increase in capacity during January-September 1990 when compared to the corresponding period of 1989, reflects ***.[73]

Utilization of capacity to produce all steel wire rope averaged at approximately the 50 percent level over the period of investigation, ranging from a low of 46.2 percent in 1987 to a high of 53.4 percent during January-September 1990.

U.S. producers' domestic shipments

Data on U.S. producers' domestic shipments of steel wire rope are presented in table 7. Shipments of all steel wire rope increased from

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[70] Full line producers, ***, sold all stainless steel wire rope to unrelated distributors, while specialty producers, ***, sold directly to end users.

[71] Dec. 12, 1990, telephone interview with ***.

[72] The shifting trend in production activity during 1988 and 1989 is partially explained as the result of Bridon American's failed attempt to acquire Bethlehem's Wire Rope Div. As noted in Bridon's 1989 annual report, "stocks had been deliberately built up in 1988 during the abortive Bethlehem negotiations" (p. 9).

[73] Capacity levels for the industry have not changed significantly since the Commission's 201 investigation of the industry in 1984, with capacity in 1983 reported at 233,000 short tons (Carbon and certain alloy steel products, USITC Pub. No. 1553, July 1984, p. A-72).

Table 6
Steel wire rope: U.S. capacity, production, and capacity utilization, 1987-89 and January-September 1989-90

Item	1987	1988	1989	January-September-- 1989	1990
CAPACITY (in short tons):					
* * *	*	*	*	*	
Total capacity.....	232,763	226,575	229,625	171,470	174,353
PRODUCTION (in short tons):[1]					
* * *	*	*	*	*	
Total production.....	107,515	123,132	116,601	86,726	93,147
CAPACITY UTILIZATION (in percent):					
* * *	*	*	*	*	
Average.....	46.2	54.3	50.8	50.6	53.4

[1] ***.
Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

1987 to 1988, decreased from 1988 to 1989, and turned upward during the interim periods January-September 1989-90. U.S. producers' shipments of bright steel wire rope were the dominating products (90 percent or more of total shipments based on quantity and 80 percent based on value) during each of the time periods of these investigations.

U.S. producers' exports

Information on U.S. producers' exports of steel wire rope is based on questionnaire responses of 7 firms, accounting for approximately 69 percent of total shipments of U.S.-produced steel wire rope, and the data are presented in table 8. U.S. producers' reported exports of steel wire rope more than doubled between 1987 and 1989, accounting for 4.1 percent of total U.S. producers' shipments in 1989, and then increased by 27.6 percent during January-September 1990 when compared to the same period in 1989. Principal export markets include Canada and Mexico.

U.S. producers' inventories

U.S. producers' inventories of steel wire rope generally decreased over the period of investigation (table 9). As a share of U.S. producers' total production during the preceding year, inventories of steel wire rope decreased from 50.5 percent as of December 31, 1987, to 43.5 percent as of December 31, 1988, and decreased to 39.9 percent at yearend 1989.[74] The trend was also improved as of September 30, 1990 when compared with September 30, 1989.

[74] Decreasing inventories from 1988 to 1989 are partially explained by Bridon American's reduction in finished stock subsequent to the failed Bethlehem negotiations. Bridon 1989 annual report, p. 4.

Table 7
Steel wire rope: U.S. producers' U.S. shipments (domestic shipments and company transfers), by products, 1987-89 and January-September 1989-90

Item	1987	1988	1989	January-September-- 1989	1990
BRIGHT--					
Quantity..(short tons)..	93,978	107,213	101,215	76,601	77,715
Value..(1,000 dollars)..	152,431	171,473	168,449	130,914	133,995
Unit value.....	$1,622	$1,599	$1,664	$1,709	$1,724
Share of subtotal:					
quantity (percent)..	***	***	***	***	***
value (percent).....	***	***	***	***	***
GALVANIZED--					
Quantity..(short tons)..					
Value..(1,000 dollars)..					
Unit value.....					
Share of subtotal:					
quantity (percent)..					
value (percent).....					
COATED-					
Quantity..(short tons)..					
Value..(1,000 dollars)..					
Unit value.....					
Share of subtotal:					
quantity (percent)..					
value (percent).....					
STAINLESS--	*	*	*	*	*
Quantity..(short tons)..					
Value..(1,000 dollars)..					
Unit value.....					
Share of subtotal:					
quantity (percent)..					
value (percent).....					
SUBTOTAL--					
Quantity..(short tons)..					
Value..(1,000 dollars)..					
Unit value.....					
Share of total:					
quantity (percent)..					
value (percent).....					
UNSPECIFIED--[1]					
Quantity..(short tons)..					
Value..(1,000 dollars)..					
Unit value.....					
Share of total:					
quantity (percent)..					
value (percent).....					
TOTAL--					
Quantity..(short tons)..	106,019	116,248	112,202	85,242	86,656
Value..(1,000 dollars)..	195,727	209,381	211,478	164,371	165,515
Unit value.....	$1,846	$1,801	$1,885	$1,928	$1,910

[1] Includes information from those U.S. producers that provided data on U.S. shipments, but did not provide data for shipments by type of steel wire rope.

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

Table 8
Steel wire rope: U.S. producers' U.S. exports, by products, 1987-89 and January-September 1989-90

Item	1987	1988	1989	January-September-- 1989	1990
Quantity..(short tons).....	2,074	2,661	4,828	3,619	4,614
Value..(1,000 dollars).....	3,420	3,746	7,859	5,968	8,508
Unit value.....	$1,649	$1,408	$1,628	$1,649	$1,844
Share of total shipments, by quantity (in percent).....	1.9	2.2	4.1	4.1	5.1

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

Table 9
Steel wire rope: U.S. producers' end-of-period inventories and ratios to production, 1987-89 and January-September 1989-90

Item	December 31-- 1987	1988	1989	September 30--[1] 1989	1990
Inventories: (short tons)..	54,316	53,526	46,498	45,485	46,420
Ratio to production: (percent).....	50.5	43.5	39.9	39.3	37.4
Number of days' supply in inventory.....	180	164	145	140	139

[1] Ratios to production and number of days' supply in inventory are based on annualized production and annualized total shipments, respectively.

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

U.S. producers' employment and wages

The average number of production and related workers producing steel wire rope for the 13 producers that provided employment data reflected increases over the period of investigation (table 10). The number of such employees increased from 1,610 in 1987 to 1,790 in 1988, or by 11.7 percent, and increased to 1,793 in 1989, or by 0.2 percent. The average hourly wage for production and related workers producing all steel wire rope decreased from $11.89 in 1987 and 1988 to $10.47 in 1989, reflecting the shut-down of operations at the integrated steel mills of Armco and Bethlehem (labor contracts were renegotiated to lower levels with subsequent owners).

Workers at three firms, accounting for approximately 54 percent of total steel wire rope production and related workers, were represented by unions in 1989. During the period of investigation labor reductions of 266 employees occurred in 1989 when Bethlehem closed its Wire Rope Division, and in 1987 when Universal sold its steel wire rope production assets.

Table 10
Steel wire rope: Average number of production and related workers, and hours worked by and average hourly wages paid to such employees, 1987-89 and January-September 1989-90[1]

Item	1987	1988	1989	January-September-- 1989	1990
Establishment employees.....	2,518	2,721	2,590	2,578	2,660
Percent change.....	--	8.1	-4.8	--	3.2
Production and related workers producing--					
All products.....	1,743	1,961	1,817	1,784	1,856
Percent change.....	--	12.5	-7.3	--	4.0
Steel wire rope.....	1,603	1,790	1,793	1,741	1,867
Percent change.....	--	11.7	0.2	--	7.2
Hours worked.....(1,000)..	2,777	3,191	3,380	2,519	2,746
Wages paid.....($1,000)..	33,264	38,205	35,523	27,803	31,736
Hourly wage[2].....	$11.89	$11.89	$10.47	$10.93	$11.49
Labor productivity--[2] (tons per 1,000 hours)..	36.8	36.7	32.1	31.9	31.1
Unit labor costs[2] (per ton).....	$442	$435	$431	$449	$483

[1] Employment data were received by 100 percent of the firms for which usable production and shipment data were received. Additionally, *** data are included in employment, although ***.
[2] Calculated from data of firms providing both numerator and denominator information. Unit labor costs were calculated using total compensation (wages plus fringe benefits).

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

Financial experience of U.S. producers

Ten U.S. producers, accounting for virtually all of the U.S. production of steel wire rope in 1989, supplied income-and-loss data on their overall establishment operations and their steel wire rope operations.[75] Additionally, Union Wire Rope (a division of Armco), a producer which sold its wire rope operations in 1988, also provided financial data. Steel wire rope operations accounted for an average of 67.7 percent of total net sales of overall establishment operations during the period covered by the investigations.

Overall establishment operations.--Income-and-loss data on the U.S. producers' overall establishment operations[76] are presented in table 11. Net sales increased 15.6 percent from 1987 to 1988 and another 11.3 percent from 1988 to 1989 before declining slightly during the first nine months of 1990 compared with the corresponding period of 1989. However, total net sales were affected substantially by industry events because ***.

[75] The producers were ***.
[76] ***.

Table 11
Income-and-loss experience of producers[1] for the overall operations of their U.S. establishments, fiscal years[2] 1987-89, January-September 1989, and January-September 1990

Item	1987	1988	1989	January-September 1989	January-September 1990
	Value (1,000 dollars)				
Net sales	223,391	258,340	287,626	200,227	186,017
Cost of goods sold	183,099	202,812	214,691	152,389	138,680
Gross profit	40,292	55,528	72,935	47,838	47,337
Selling, general, and administrative expense	44,634	49,420	54,222	36,156	37,124
Operating income/(loss)	(4,342)	6,108	18,713	11,682	10,213
Net other income or (expense)	(2,492)	(78,049)	(5,271)	(3,387)	(7,811)
Net income/(loss) before income taxes	(6,834)	(71,941)	13,442	8,295	2,402
Depreciation and amortization	9,387	6,820	5,752	5,829	5,754
Cash flow[3]	2,553	8,979[4]	19,194	14,124	8,156
	Share of net sales (percent)				
Cost of goods sold	82.0	78.5	74.6	76.1	74.6
Gross profit	18.0	21.5	25.4	23.9	25.4
Selling, general, and administrative expenses	20.0	19.1	18.9	18.1	20.0
Operating income or (loss)	(1.9)	2.4	6.5	5.8	5.5
Net income or (loss) before taxes	(3.1)	(27.8)	4.7	4.1	1.3
	Number of firms reporting				
Operating losses	***	***	***	***	***
Net losses	***	***	***	***	***
Data	***	***	***[5]	***[6]	***[7]

[1] ***.
[2] Firms which did not have fiscal years ending Dec. 31 and their respective fiscal year ends were as follows: ***.
[3] Cash flow is defined as net income or loss plus depreciation and amortization.
[4] For 1988, cash flow is amended by ***.
[5] Decrease is due to ***.
[6] Decrease is due to ***.
[7] Decrease is due to ***.

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

Since cost of goods sold increased at a much lower rate (10.8 percent from 1987 to 1988 and 5.9 percent from 1988 to 1989) than net sales, gross profits steadily increased from $40.3 million in 1987 (18.0 percent of sales) to $72.9 million (25.4 percent of sales) in 1989. The positive trend in gross profit levels carried through to operating and net income. The overall $71.9 million net loss reported in 1988 is primarily due to ***.

Steel wire rope operations.--Aggregate income-and-loss data for the U.S. producers' steel wire rope operations are presented in table 12. The producers were asked whether they maintained separate profit-and-loss data for the different types of steel wire rope, or whether such data could be constructed. All firms indicated they did not maintain such records, nor could they construct them. Therefore, the information in table 12 pertains to all 4 types of steel wire rope subject to the investigations.

Net sales, gross profits, and operating income levels all increased from 1987 to 1989 and from the interim 1989 period to the first nine months of 1990. Net sales increased 13.0 percent from 1987 to 1988, 8.5 percent from 1988 to 1989, and 3.1 percent from interim 1989 to interim 1990, as *** (see table 13, which presents key income-and-loss data by firm). Again, the relatively small increases in cost of goods sold (6.3 and 5.5 percent, respectively) resulted in the gross profit level steadily increasing from $36.1 million in 1987 (18.9 percent of sales) to $60.4 million (25.8 percent) in 1989. Gross profits increased by almost 11 percent from the 1989 interim period to the comparable period in 1990, and represented 27.0 percent of net sales.

As shown in table 12, the gross profit margins (as a percentage of net sales) had a large increase from 1987 to 1990. The reason for this is an increase in both unit sales values and quantities sold with a slight unit cost-of-goods-sold decline (table 14), together with ***. ***.

Within the individual components of cost of goods sold, there was a marked decrease in direct labor and a corresponding increase in raw materials (table 15). This shift is directly attributable to ***. The composition of the expense items within cost of goods sold appeared to be fairly uniform for all of these latter producers.

Selling, general, and administrative (SG&A) expenses increased 7.1 percent from 1987 to 1988, 8.9 percent from 1988 to 1989, and 13.7 percent from interim 1989 to interim 1990. As a percent of net sales, they decreased from 22.3 percent in 1987 to 21.2 percent in 1989 before increasing to 22.1 percent in interim 1990. Even though the expense on a per-ton basis ***, it increased irregularly in the aggregate from $379 per ton in 1987 to $401 per ton in 1990. The reason for the contradictory trend is ***. ***.

The net other income/(expense) category (consisting of shut-down expenses, interest income/expense, and other items) requires some explanation. ***. This is significant not only because it distorts the overall picture, but also because ***. ***.

Table 12
Income-and-loss experience of producers on their operations producing steel wire rope, fiscal years 1987-89, January-September 1989, and January-September 1990

Item	1987	1988	1989	January-September 1989	January-September 1990
	Value (1,000 dollars)				
Net sales	191,261	216,069	234,401	169,246	174,532
Cost of goods sold	155,167	164,916	173,998	126,744	127,429
Gross profit	36,094	51,153	60,403	42,502	47,103
Selling, general, and administrative expense	42,626	45,634	49,692	33,923	38,582
Operating income/(loss)	(6,532)	5,519	10,711	8,579	8,521
Net other income or (expense)[4]	(1,919)	(53,908)	(3,311)	(2,298)	(4,102)
Net income/(loss) before income taxes[4]	(8,451)	(48,389)	7,400	6,281	4,419
Depreciation and amortization	7,248	5,824	5,117	4,516	3,954
Cash flow[1]	(1,203)	5,435[2]	12,517	10,797	8,373
	Share of net sales (percent)				
Cost of goods sold	81.1	76.3	74.2	74.9	73.0
Gross profit	18.9	23.7	25.8	25.1	27.0
Selling, general, and administrative expenses	22.3	21.1	21.2	20.0	22.1
Operating income or (loss)	(3.4)	2.6	4.6	5.1	4.9
Net income or (loss) before taxes	(4.4)	(22.4)	3.2	3.7	2.5
	Number of firms reporting				
Operating losses	***	***	***	***	***
Net losses	***	***	***	***	***
Data	10	10	10	10	9[3]

[1] Cash flow is defined as net income or loss plus depreciation and amortization.
[2] For 1988, cash flow is amended by ***.
[3] Decrease in 1990 is due to Bethlehem ceasing operations.
[4] ***.

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

Table 13
Income-and-loss experience of producers on their operations producing steel wire rope, by firm, fiscal years 1987-89, January-September 1989, and January-September 1990

Item	1987	1988	1989	January-September 1989	January-September 1990
	Value (1,000 dollars)				
Total net sales:					
* * *	*	*	*	*	*
Total.	191,261	216,069	234,401	169,246	174,532
Operating income or (loss):					
* * *	*	*	*	*	*
Total.....	(6,532)	5,519	10,711	8,579	8,521
Net income or (loss) before income taxes:					
* * *	*	*	*	*	*
Total.....	(8,451)	(48,389)	7,400	6,281	4,419
	Share of net sales (percent)				
Operating income or (loss):					
* * *	*	*	*	*	*
Weighted average.....	(3.4)	2.6	4.6	5.1	4.9
Net income or (loss) before income taxes:					
* * *	*	*	*	*	*
Weighted average.....	(4.4)	(22.4)	3.2	3.7	2.5

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

Table 14
Income-and-loss experience of producers on their operations producing steel wire rope on a per-ton basis, fiscal years 1987-89, January-September 1989, and January-September 1990

Item	1987	1988	1989	January-September 1989	January-September 1990
	Quantity (net tons)[1]				
Net sales	104,733	118,147	124,643	88,327	91,137
	Value (dollars)[2]				
Net sales	1,702	1,699	1,752	1,788	1,792
Cost of goods sold	1,391	1,309	1,306	1,345	1,306
Gross profit	311	390	446	443	486
Selling, general, and administrative expense	379	360	377	361	401
Operating income/(loss)	(68)	30	69	82	85
Net other income or (expense)	(16)	(454)	(23)	(22)	(43)
Net income/(loss) before income taxes	(84)	(424)	46	60	43
Depreciation and amortization	67	47	39	49	42
Cash flow	(18)	46[3]	86	110	85

[1] ***.
[2] Because of rounding, numbers may not add to values shown.
[3] Cash flow is adjusted by accounting for ***.

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

Shut-down expenses were *** in 1988 and 1989. *** Union and Bethlehem incurred shut-down expenses relating to steel wire rope of ***. ***.

In the case of steel wire rope, it is difficult to allocate expenses below the operating income level among different product lines for some companies with any degree of certainty. The annual reports submitted as part of this investigation bear this out. In the reports, income along product lines was only reported at the operating level, while interest expense or income and other income or expenses are only reported at the consolidated income statement level. This is a common practice in this industry with varying levels of product mix.

Decisions to borrow capital and incur interest expense are made at the corporate (overall) level, and are necessarily influenced by many factors not relating to a specific product line. A decision to invest capital in one product line may have little bearing on its ability to repay it, as operating profits from other product lines might be used to service the debt. This difficulty to properly allocate interest expense, coupled with the reporting

Table 15
Percentage distribution of the components of cost of goods sold as a share of total cost of goods sold for steel wire rope, fiscal years 1987-89, January-September 1989, and January-September 1990

Item	1987	1988	1989	January-September 1989	January-September 1990
	Share of cost of goods sold (percent)				
Raw materials--domestic.....	***	***	***	***	***
Raw materials--foreign.....	***	***	***	***	***
Direct labor.....	22.1	21.4	15.0	16.2	14.0
Other costs.....	41.1	39.3	40.9	40.3	40.1
Total.....	100.0	100.0	100.0	100.0	100.0

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

inconsistencies previously outlined, make operating income in the case of steel wire rope a much more reliable indicator of the industry's ongoing financial performance than net income. The net loss in 1988 does reflect the financial difficulties experienced by certain companies in the industry.

Operations producing other steel wire rope.--Operations producing other steel wire rope are presented in table 16. These operations have a considerably lower volume of net sales, ***; no information was requested below the operating level. Based on discussions with producers, these operations are involved in producing the smaller diameter wire ropes which have special markets (such as medical and aviation).

Table 16
Operations producing other steel wire rope, fiscal years 1987-89, January-September 1989, and January-September 1990

* * * * * * *

Investment in productive facilities.--The value of property, plant, and equipment and total assets for the U.S. producers are presented in table 17, as are the operating and net returns on assets. ***.

Research and development expenses.--Research and expenses are detailed in table 18. Overall expenditures for the reporting period ***.

Capital expenditures.--The capital expenditures reported by the U.S. producers are presented in table 19. ***.

Table 17
Steel wire rope: Value of property, plant, and equipment of U.S. producers as of the end of accounting years 1987-89, as of September 30, 1989, and as of September 30, 1990

Item	As of the last day of accounting year-- 1987	1988	1989	As of September 30- 1989	1990
	Value (1,000 dollars)				
All products of establishments:					
Fixed assets:					
Original cost	171,942	137,069	143,806	113,486	121,999
Book value	65,537	60,696	62,458	51,944	58,610
Steel wire rope:					
Fixed assets:					
Original cost	122,665	98,388	102,151	76,799	80,138
Book value	41,914	38,760	38,869	31,171	33,759
Total establishment assets[1]	171,387	188,538	194,517	180,948	189,150
	Return on book value of fixed assets (percent)[2]				
All products of establishments:					
Operating return[3]	(6.6)	8.1	30.0	26.3[5]	23.5[5]
Net return[4]	(11.0)	(97.5)	21.2	18.2[5]	4.7[5]
Steel wire rope:					
Operating return[3]	(19.5)	6.3	16.6	17.9[5]	20.9[5]
Net return[4]	(25.6)	(107.9)	4.1	5.1[5]	3.0[5]
	Return on total assets (percent)[2]				
All products of establishments:					
Operating return[6]	(2.5)	2.9	9.6	9.2[5]	8.2[5]
Net return[7]	(4.2)	(34.8)	6.8	6.4[5]	1.7[5]
Steel wire rope:					
Operating return[8]	(7.4)	2.2	5.3	5.6[5]	6.4[5]
Net return[9]	(16.0)	(61.0)	2.3	2.8[5]	1.7[5]

[1] Defined as book value of all fixed assets plus all current and noncurrent assets.
[2] Computed using data only from those firms supplying both asset and income-and-loss information; may not be derivable from the data presented.
[3] Defined as operating income or loss divided by the book value of the segment's fixed assets.
[4] Defined as net income or loss divided by the book value of the segment's fixed assets.
[5] Based on annualized interim period data; therefore, these figures are estimated and should be used for comparative purposes only.
[6] Defined as operating income or loss divided by the total assets.
[7] Defined as net income or loss divided by the total assets.
[8] Defined as operating income divided by total establishment assets apportioned to steel wire rope on the basis of the ratio of the respective book values of fixed assets.
[9] Defined as operating income divided by total establishment assets apportioned to steel wire rope on the basis of the ratio of the respective book values of fixed assets.

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

Table 18
Research and development expenses of responding firms, fiscal periods 1987-89, January-September 1989, and January-September 1990

* * * * * * *

Table 19
Steel wire rope: Capital expenditures by U.S. producers, fiscal years 1987-89, January-September 1989, and January-September 1990

* * * * * * *

Impact of imports on capital and investment.--The Commission requested U.S. producers to describe any actual or anticipated negative effects of imports of steel wire rope from the subject countries on their existing development and production efforts, growth, investment, and ability to raise capital. Their responses are shown in appendix E.

Consideration of the Question of Threat of Material Injury

Section 771(7)(F)(i) of the Tariff Act of 1930 (19 U.S.C. § 1677(7)(F)(i)) provides that--

> In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of any merchandise, the Commission shall consider, among other relevant factors[77]--
>
> > (I) If a subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the subsidy is an export subsidy inconsistent with the Agreement),
> >
> > (II) any increase in production capacity or existing unused capacity in the exporting country likely to result in a significant increase in imports of the merchandise to the United States,

[77] Section 771(7)(F)(ii) of the act (19 U.S.C. § 1677(7)(F)(ii)) provides that "Any determination by the Commission under this title that an industry in the United States is threatened with material injury shall be made on the basis of evidence that the threat of material injury is real and that actual injury is imminent. Such a determination may not be made on the basis of mere conjecture or supposition."

(III) any rapid increase in United States market penetration and the likelihood that the penetration will increase to an injurious level,

(IV) 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 of the merchandise,

(V) any substantial increase in inventories of the merchandise in the United States,

(VI) the presence of underutilized capacity for producing the merchandise in the exporting country,

(VII) any other demonstrable adverse trends that indicate the probability that the importation (or sale for importation) of the merchandise (whether or not it is actually being imported at the time) will be the cause of actual injury,

(VIII) the potential for product-shifting if production facilities owned or controlled by the foreign manufacturers, which can be used to produce products subject to investigation(s) under section 701 or 731 or to final orders under section 736, are also used to produce the merchandise under investigation,

(IX) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both), and

(X) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the like product.[78]

The available information on the nature of the subsidies found by the Department of Commerce (item (I) above) is presented in the section of this report entitled "Alleged subsidies;" information on the volume, U.S. market penetration, and pricing of imports of the subject merchandise (items (III)

[78] Section 771(7)(F)(iii) of the act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other GATT member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

causal relationship between imports of the subject products and the alleged material injury or threat thereof;" and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts (item (X)) is presented in the section entitled "Consideration of alleged material injury." Item (IX) above is not applicable in these investigations. Available information on U.S. inventories of the subject products (item (V)); foreign producers' operations, including the potential for "product-shifting" (items (II), (VI), and (VIII) above); any other threat indicators, if applicable (item (VII) above); and any dumping in third-country markets, follows.

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

Argentina.--As identified in the petition and verified by the U.S. embassy in Buenos Aires,[79] there are three producers of steel wire rope in Argentina: Acindar, IPH, and Steel Ropes. ***.[80] As reported by the embassy, "The three companies are competitors in the domestic market, which is very depressed since the late 70's when construction (housing and public works) started its dramatic fall. Domestic consumption dropped from about 7,500 metric tons in 1979 to approximately 4,200 metric tons in 1990."[81]

Information on capacity, production, inventories and shipments of steel wire rope for Acindar was provided by counsel. The data are presented in table 20. Exports by Acindar to the United States accounted for *** percent of the firm's total shipments of steel wire rope in 1987; this share *** to *** percent in 1988, and then *** to *** percent in 1989. Acindar reported operating at an average *** percent of capacity during most of the period of investigation, with *** levels of inventory.

Table 20
Steel wire rope: Acindar (Argentina) capacity, production, inventories, capacity utilization, and shipments, 1987-89, January-September 1989-90, and projected 1990-91

* * * * * * *

Chile.--Information on capacity and shipments of steel wire rope for the Prodinsa, the only known Chilean producer/exporter, was provided by counsel for an association of U.S. importers of the subject product.[82] The data are presented in table 21. Exports of steel wire rope to the United States by Prodinsa accounted for *** percent of the firms' total shipments of such

[79] Nov. 18, 1990, telegram from the U.S. embassy in Buenos Aires.

[80] During 1989, Acindar accounted for approximately *** percent of capacity and approximately *** percent of production of steel wire rope in Argentina.

[81] Id.

[82] Dec. 4, 1990 submission by counsel for respondents, the Association of Steel Wire Importers of America, provided in response to a request from Commission staff.

merchandise in 1987, *** to *** percent in 1988, *** to *** percent in 1989, and *** to *** percent of total shipments during January-September 1990. ***.[83]

Table 21
Steel wire rope: Prodinsa (Chile) capacity, production, inventories, capacity utilization, and shipments, 1987-89, January-September 1989-90, and projected 1990-91

* * * * * * *

China.--Foreign producers/exporters in China were not represented by counsel during the preliminary phase of these investigations, so data on Chinese capacity, production, and shipments of steel wire rope were not provided. Moreover, the U.S. embassy in Beijing has not responded to the Commission's request as of December 10, 1990, for information on the steel wire rope industry in the Peoples' Republic of China.

India.--Foreign producers/exporters in India were not represented by counsel during the preliminary phase of these investigations, so data on Indian capacity, production, and shipments of steel wire rope were not provided. The U.S. consulate in Calcutta has responded to the Commission's request for information on the steel wire rope industry in India, with a list of manufacturers of steel wire rope.

Israel.--Information on capacity and shipments of steel wire rope for the only known producer/exporter in Israel, Messilot, was provided by counsel for the respondent. The data are presented in table 22. Exports of steel wire rope to the United States by Messilot accounted for *** percent of the firms' total shipments of such merchandise in 1987, *** to *** percent in 1988, and then *** to *** percent in 1989. According to the U.S. embassy in Tel Aviv, *** increase in capacity is attributable to the growing demand from the construction sector associated with the immigration wave in Israel, with ***.[84]

Table 22
Steel wire rope: Messilot (Israel) capacity, production, inventories, capacity utilization, and shipments, 1987-89, January-September 1989-90, and projected 1990-91

* * * * * * *

Mexico.--As identified in the petition and verified by the U.S. embassy in Mexico City, there are three manufacturers of steel wire rope in Mexico, ***: Camesa, Cablesa, and Aceros Nacionales (ACNAC).[85] The embassy provided the data below (in metric tons) for the three firms, which indicates that Camesa accounted for *** percent of total exports of steel wire rope from Mexico in 1989:

---

[83] Dec. 5, 1990, telephone interview with Fred Sujat, Klayman & Associates.
[84] Dec. 9, 1990, telegram from the U.S. embassy in Tel Aviv.
[85] Nov. 18, 1990, telegram from the U.S. embassy in Mexico City.

* * * * * * *

Information on capacity and shipments of steel wire rope for Camesa, *** producer/exporter in Mexico, was provided by counsel for the respondent. The data are presented in table 23. Exports of steel wire rope to the United States by Camesa accounted for *** percent of the firms' total shipments of such merchandise in 1987, *** to *** percent in 1988, and then *** to *** percent in 1989. Capacity utilization *** over the period of investigation while inventories ***.

Table 23
Steel wire rope: Camesa (Mexico) capacity, production, inventories, capacity utilization, and shipments, 1987-89, January-September 1989-90, and projected 1990-91

* * * * * * *

Taiwan.--Information on capacity and shipments of steel wire rope for one producer/exporter in Taiwan, was provided by counsel for the Taiwanese association of steel wire rope manufacturers and is presented in table 24. The American Institute in Taiwan in Taipei has not responded to the Commission's request for information as of December 10, 1990, on the steel wire rope industry in Taiwan.

Table 24
Steel wire rope: *** (Taiwan) capacity, production, inventories, capacity utilization, and shipments, 1987-89, January-September 1989-90

* * * * * * *

Thailand.--The U.S. embassy in Bangkok reports that there are four manufacturers of steel wire rope in Thailand; Usha Siam Steel Industries and Vivat Industries ***, and Sling Thai Company and Sling & Wirerope Company ***.[86] According to the embassy, "These four companies have a combined production capacity of about 1,000 tons per month, of which 20-30 percent is exported."[87]

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[86] Dec. 3, 1990, telegram from the U.S. embassy in Bangkok. The embassy reports that Sling & Wirerope Company's production is now suspended.

[87] During the Commission's 1989 GSP review, information was provided on the Thai steel wire rope industry for 1988 indicating that 8,600 metric tons of capacity existed in Thailand, operating at a 97.1 percent utilization rate, with exports to the United States representing approximately 60 percent of total exports. It was also reported that "Thai producers only manufacture products with relatively low tensile strength and diameters that do not exceed 1-3/4 inches. (Oct. 2, 1989, statement submitted on behalf of the government of Thailand in opposition to GSP graduation, p. 3).

U.S. importer's inventories

The available data on U.S. importers' inventories of steel wire rope from the subject countries, as reported by 14 importers (accounting for approximately 22 percent of total imports in 1989) in response to the Commission's questionnaires, are presented in table 25. Inventories of imports of steel wire rope from the subject countries have been increasing throughout the period of investigation.

Table 25
Steel wire rope: End-of-period U.S. inventories of imports, by sources, 1987-89 and January-September 1989-90

Item	1987	1988	1989	January-September-- 1989	1990
	Quantity (short tons)				
Inventories of imports from:					
Argentina	***	***	***	***	***
Chile	***	***	***	***	***
India	***	***	***	***	***
Mexico	***	***	***	***	***
PRC	***	***	***	***	***
Taiwan	***	***	***	***	***
Thailand	***	***	***	***	***
Subtotal	***	***	***	***	***
Israel	***	***	***	***	***
Total	603	758	1,383	1,150	1,678
	Ratio (in percent)				
Inventories as a share of imports:					
Argentina	***	***	***	***	***
Chile	***	***	***	***	***
India	***	***	***	***	***
Mexico	***	***	***	***	***
PRC	***	***	***	***	***
Taiwan	***	***	***	***	***
Thailand	***	***	***	***	***
Subtotal	***	***	***	***	***
Israel	***	***	***	***	***
Average	36.9	33.8	34.7	29.7	39.4

[1] Data not available.
[2] There were no imports in the period for the responding importers. Such importers accounted for approximately 22 percent of total imports during 1989.

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

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

Imports

U.S. imports of all steel wire rope from the eight countries subject to these investigations (table 26) increased from 7,336 short tons in 1987 to 11,786 short tons in 1988, or by 60.7 percent, and increased to 18,161 short tons in 1989. During January-September 1990 imports of steel wire rope from the subject countries decreased to 10,455 short tons from 13,243 short tons, or by 21.1 percent, compared with the comparable period of 1989.[88]

The largest source of imports of steel wire rope is Korea, accounting for more than half of total imports. Imports of steel wire rope from Taiwan held the largest share of total subject imports, at the highest unit values (attributable to its stainless category of wire rope), during the period of investigation. In 1989, imports of bright steel wire rope accounted for 58.2 percent of total imports of the subject products from the subject countries. Galvanized steel wire rope accounted for 40.9 percent, and stainless accounted for 159 tons or 0.9 percent of total subject imports in 1989.

Market penetration of imports

Shares of apparent U.S. consumption accounted for by imports of steel wire rope are presented in table 27. On the basis of quantity, imports of steel wire rope from the subject countries represented 4.2 percent of apparent consumption in 1987, increasing to 6.0 percent in 1988, and then increasing to 9.3 percent in 1989. During January-September 1990, imports as a share of apparent consumption decreased to 7.5 percent from 9.1 percent during the same period in 1989.

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[88] See appendix F for import data by category of steel wire rope.

Table 26
Steel wire rope: U.S. imports for consumption, 1987-89 and January-September 1989-90

Item	1987	1988	1989	January-September-- 1989	1990
	Quantity (short tons)				
Argentina	333	1,340	1,878	1,457	1,298
Chile	209	585	881	662	164
China	73	860	2,594	1,795	2,114
India	61	1,580	2,696	2,167	1,283
Mexico	1,238	1,310	2,417	1,629	2,968
Taiwan	2,840	2,355	3,746	2,735	1,323
Thailand	1,219	2,122	2,155	1,532	676
Subtotal	5,974	10,151	16,367	11,977	9,826
Israel	1,362	1,635	1,794	1,266	629
Subtotal	7,336	11,786	18,161	13,243	10,455
Japan	1,795	1,536	1,017	726	834
Korea	46,644	51,637	45,082	33,212	29,904
Malaysia	55	474	382	382	0
All other	12,221	13,942	17,776	13,326	11,221
Subtotal	60,715	67,590	64,258	47,646	41,959
Total	68,051	79,376	82,419	60,889	52,414
	Value (1,000 dollars)[1]				
Argentina	246	1,010	1,608	1,222	1,229
Chile	183	526	853	633	162
China	54	731	2,948	2,101	2,351
India	52	1,443	2,831	2,243	1,321
Mexico	1,204	1,525	2,639	1,913	3,257
Taiwan	4,394	5,040	8,477	6,139	2,978
Thailand	1,692	2,876	2,970	2,152	1,073
Subtotal	7,825	13,151	22,326	16,405	12,372
Israel	1,424	1,932	2,578	1,788	995
Subtotal	9,249	15,083	24,904	18,193	13,367
Japan	3,329	4,077	2,774	2,086	2,068
Korea	54,261	70,016	74,346	54,736	45,974
Malaysia	50	398	360	360	0
All other	21,290	23,682	28,815	21,598	19,365
Subtotal	78,931	98,173	106,295	78,780	67,407
Total	88,180	113,256	131,199	96,973	80,774

See footnote at end of table.

Table 26--Continued
Steel wire rope: U.S. imports for consumption, 1987-89 and January-September 1989-90

Item	1987	1988	1989	January-September-- 1989	1990
	Unit value (per ton)				
Argentina	$737	$754	$856	$839	$947
Chile	877	899	967	956	992
India	845	913	1,050	1,035	1,030
Mexico	973	1,165	1,092	1,174	1,097
PRC	734	851	1,136	1,170	1,112
Taiwan	1,547	2,140	2,263	2,245	2,251
Thailand	1,388	1,355	1,378	1,405	1,588
Average	1,310	1,295	1,364	1,370	1,259
Israel	1,046	1,182	1,437	1,413	1,582
Average, 8 countries	1,261	1,280	1,371	1,374	1,278
Japan	1,855	2,654	2,728	2,875	2,479
Korea	1,163	1,356	1,649	1,648	1,537
Malaysia	909	840	942	942	--
All Other	1,742	1,699	1,621	1,621	1,726
Average	1,300	1,452	1,654	1,653	1,606
Average, all sources	1,296	1,427	1,592	1,593	1,541
	Share of total quantity (in percent)				
Argentina	0.5	1.7	2.3	2.4	2.5
Chile	0.3	0.7	1.1	1.1	0.3
India	0.1	2.0	3.3	3.6	2.4
Mexico	1.8	1.6	2.9	2.7	5.7
PRC	0.1	1.1	3.1	2.9	4.0
Taiwan	4.2	3.0	4.5	4.5	2.5
Thailand	1.8	2.7	2.6	2.5	1.3
Subtotal	8.8	12.8	19.9	19.7	18.7
Israel	2.0	2.1	2.2	2.1	1.2
Subtotal	10.8	14.8	22.0	21.7	19.9
Japan	2.6	1.9	1.2	1.2	1.6
Korea	68.5	65.1	54.7	54.5	57.1
Malaysia	0.1	0.6	0.5	0.6	0.0
All other	18.0	17.6	21.6	21.9	21.4
Subtotal	89.2	85.2	78.0	78.3	80.1
Total	100.0	100.0	100.0	100.0	100.0

See footnote at end of table.

Table 26--Continued
Steel wire rope: U.S. imports for consumption, 1987-89 and January-September 1989-90

Item	1987	1988	1989	January-September-- 1989	1990
	Share of total value (in percent)				
Argentina	0.3	0.9	1.2	1.3	1.5
Chile	0.2	0.5	0.6	0.7	0.2
India	0.1	1.3	2.2	2.3	1.6
Mexico	1.4	1.3	2.0	2.0	4.0
PRC	0.1	0.6	2.2	2.2	2.9
Taiwan	5.0	4.4	6.4	6.3	3.7
Thailand	1.9	2.5	2.3	2.2	1.3
Subtotal	8.9	11.6	17.0	16.9	15.3
Israel	1.6	1.7	2.0	1.8	1.2
Subtotal	10.5	13.3	19.0	18.8	16.5
Japan	3.8	3.6	2.1	2.2	2.6
Korea	61.5	61.8	56.7	56.4	56.9
Malaysia	0.1	0.4	0.3	0.4	0.0
All Other	24.1	20.9	22.1	22.3	24.0
Subtotal	89.5	86.7	81.0	81.2	83.5
Total	100.0	100.0	100.0	100.0	100.0

[1] C.i.f., duty-paid.

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

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

Table 27
Steel wire rope: U.S. producers' U.S. shipments (domestic shipments and company transfers), imports for consumption, apparent U.S. consumption, and market penetration, 1987-89 and January-September 1989-90

Item	1987	1988	1989	January-September-- 1989	1990
	Quantity (short tons)				
Imports:					
Argentina[1]--					
Producer	***	***	***	***	***
Importer	***	***	***	***	***
Total Argentina	333	1,340	1,878	1,457	1,298
Chile[1]--					
Producer	***	***	***	***	***
Importer	***	***	***	***	***
Total Chile	209	585	881	662	164
China--					
Producer	***	***	***	***	***
Importer	***	***	***	***	***
Total China	73	860	2,594	1,795	2,114
India[2]--					
Producer	***	***	***	***	***
Importer	***	***	***	***	***
Total India	61	1,580	2,696	2,167	1,283
Mexico[2]--					
Producer	***	***	***	***	***
Importer	***	***	***	***	***
Total Mexico	1,238	1,310	2,417	1,629	2,968
Taiwan--					
Producer	***	***	***	***	***
Importer	***	***	***	***	***
Total Taiwan	2,840	2,355	3,746	2,735	1,323
Thailand--					
Producer[(3)]	***	***	***	***	***
Importer	***	***	***	***	***
Total Thailand	1,219	2,122	2,155	1,532	676
Subtotal, 7 countries--					
Producer	***	***	***	***	***
Importer	***	***	***	***	***
Subtotal	5,973	10,151	16,367	11,977	9,826
Israel--					
Producer	***	***	***	***	***
Importer	***	***	***	***	***
Total Israel	1,362	1,635	1,794	1,266	629
Total subject countries--					
Producer	1,875	2,681	3,435	2,355	1,603
Importer	5,461	9,105	14,727	10,888	8,852
Subtotal	7,336	11,786	18,161	13,243	10,455
Other imports--					
Producer	2,676	6,335	4,400	3,164	2,918
Importer	58,039	61,255	59,858	44,482	39,041
Subtotal	60,715	67,590	64,258	47,646	41,959
TOTAL imports--					
Producer	4,551	9,016	7,835	5,519	4,521
Importer	63,500	70,360	74,584	55,370	47,893
TOTAL	68,051	79,376	82,419	60,889	52,414
U.S.-produced U.S. shipments	106,019	116,248	112,202	85,242	86,656
Apparent consumption	174,070	195,624	194,621	146,131	139,070

Table 27--Continued
Steel wire rope: U.S. producers' U.S. shipments (domestic shipments and company transfers), imports for consumption, apparent U.S. consumption, and market penetration, 1987-89 and January-September 1989-90

Item	1987	1988	1989	January-September-- 1989	1990
	Share of apparent consumption--quantity (percent)				
Imports:					
Argentina--					
Producer	***	***	***	***	***
Importer	***	***	***	***	***
Total Argentina	0.2	0.7	1.0	1.0	0.9
Chile--					
Producer	***	***	***	***	***
Importer	***	***	***	***	***
Total Chile	0.1	0.3	0.4	0.5	0.1
China--					
Producer	***	***	***	***	***
Importer	***	***	***	***	***
Total China	(4)	0.4	1.3	1.2	1.5
India--					
Producer	***	***	***	***	***
Importer	***	***	***	***	***
Total India	(4)	0.8	1.4	1.5	0.9
Mexico--					
Producer	***	***	***	***	***
Importer	***	***	***	***	***
Total Mexico	0.7	0.7	1.2	1.1	2.1
Taiwan--					
Producer	***	***	***	***	***
Importer	***	***	***	***	***
Total Taiwan	1.6	1.2	1.9	1.9	1.0
Thailand--					
Producer(5)	***	***	***	***	***
Importer	***	***	***	***	***
Total Thailand	0.7	1.1	1.1	1.0	0.5
Subtotal, 7 countries--					
Producer	***	***	***	***	***
Importer	***	***	***	***	***
Subtotal	3.4	5.2	8.4	8.2	7.1
Israel--					
Producer	***	***	***	***	***
Importer	***	***	***	***	***
Total	0.8	0.8	0.9	0.9	0.5
Total subject countries--					
Producer	1.1	1.4	1.8	1.6	1.2
Importer	3.1	4.7	7.6	7.5	6.4
Subtotal	4.2	6.0	9.3	9.1	7.5
Other imports--					
Producer	1.5	3.2	2.3	2.2	2.1
Importer	33.3	31.3	30.8	30.4	28.1
Subtotal	34.9	34.5	33.0	32.6	30.2
TOTAL imports--					
Producer	2.6	4.6	4.0	3.8	3.3
Importer	36.5	36.0	38.3	37.9	34.4
TOTAL	39.1	40.6	42.3	41.7	37.7
U.S.-produced U.S. shipments	60.9	59.4	57.7	58.3	62.3
Apparent consumption	100.0	100.0	100.0	100.0	100.0

Table continued on following page.

Table 27--Continued
Steel wire rope: U.S. producers' U.S. shipments (domestic shipments and company transfers), imports for consumption, apparent U.S. consumption, and market penetration, 1987-89 and January-September 1989-90

Item	1987	1988	1989	January-September-- 1989	1990
	Value (thousands of dollars)				
Imports:					
7 subject countries--					
Producer	***	***	***	***	***
Importer	***	***	***	***	***
Subtotal	7,825	13,151	22,326	16,405	12,372
Israel--					
Producer	***	***	***	***	***
Importer	***	***	***	***	***
Total	1,424	1,932	2,578	1,788	995
Total subject countries--					
Producer	2,035	3,112	4,131	2,901	1,830
Importer	7,214	11,917	20,773	15,292	11,537
Subtotal	9,249	15,083	24,904	18,193	13,367
Other imports--					
Producer	4,095	9,321	7,826	5,424	4,745
Importer	74,836	88,852	98,469	73,356	62,662
Subtotal	78,931	98,173	106,295	78,780	67,407
TOTAL imports--					
Producer	6,130	12,433	11,957	8,325	6,575
Importer	82,050	100,823	119,242	88,648	74,199
TOTAL	88,180	113,256	131,199	96,973	80,774
U.S.-produced U.S. shipments	195,727	209,381	211,478	164,371	165,515
Apparent consumption	283,907	322,637	342,677	261,344	246,289
	Share of apparent consumption--value (percent)				
Imports:					
7 subject countries--					
Producer	***	***	***	***	***
Importer	***	***	***	***	***
Subtotal	2.8	4.1	6.5	6.3	5.0
Israel--					
Producer	***	***	***	***	***
Importer	***	***	***	***	***
Total	0.5	0.6	0.8	0.7	0.4
Total subject countries--					
Producer	0.7	1.0	1.2	1.1	0.7
Importer	2.5	3.7	6.1	5.9	4.7
Subtotal	3.3	4.7	7.3	7.0	5.4
Other imports--					
Producer	1.4	2.9	2.3	2.1	1.9
Importer	26.4	27.5	28.7	28.1	25.4
Subtotal	27.8	30.4	31.0	30.1	27.4
TOTAL imports--					
Producer	2.2	3.9	3.5	3.2	2.7
Importer	28.9	31.2	34.8	33.9	30.1
TOTAL	31.1	35.1	38.3	37.1	32.8
Apparent consumption	100.0	100.0	100.0	100.0	100.0
U.S.-produced U.S. shipments	68.9	64.9	61.7	62.9	67.2

See footnotes on next page.

Footnotes to table 27

[1] In 1987 (Argentina and Chile) and 1988 (Chile), data provided in response to the Commission's questionnaires exceeded official import statistics; official import statistics as provided in table 26 have been used. Imports and apparent consumption presented for 1987 and 1988 differ from those presented in table 5 by the amounts of the reported questionnaire data on *** (as presented in table 5).
[2] In 1987 (India), and 1988 and 1989 (Mexico), data provided in response to the Commission's questionnaires exceeded official import statistics; official import statistics have been pro-rated by the ratio of each type of importers' imports to total reported imports.
[3] ***.
[4] Less than 0.05 percent.
[5] ***.

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

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

Prices

The price of steel wire rope depends on the grade and type of steel from which it is produced, the number of wires in a strand, the number of strands in the rope, the finish of the wire, the kind of core used, and the diameter of the finished wire rope. Stainless steel is more expensive than carbon steel; galvanized wire is more expensive than bright wire; and a polyethylene core is more expensive than a steel core, which in turn is more expensive than a fiber core. For any construction, the more wire and strands within the rope the higher its price. The smaller the size of the rope the higher its price per metric ton and the lower its price per foot.

Marketing practices.--Most U.S. producers and about half of the importers responding to the Commission's questionnaires reported that they publish price lists.[89] These lists serve primarily as a product guide and are used as a benchmark from which discounts are typically given to meet competitive situations. List prices have generally increased one or more times over the period of investigation.[90] Producers also report that the discounts offered on steel wire rope are increasing.

Steel wire rope is sold both on a spot and on a contract basis. U.S. producers report that in 1990, *** percent or more of their sales were spot with the remainder subject to legally binding contracts. ***. Of the importers reporting, half sold over *** percent of their steel wire rope imports spot and the other half *** percent or more by contract.

Sales terms vary from company to company. Most companies offer selling terms of 2 percent/10 net 30 days or net 30 days. Producer's lead times span 1 to 4 days for a warehoused product and 6 to 16 weeks for special or out-of

[89] Importers not publishing price lists determine prices based on acquisition costs and market conditions.
[90] ***.

stock items. Importers require 1 to 5 days in lead time for shipments from inventory and 2 to 4 months for shipments from abroad.

There are a variety of standard quantity requirements with limited similarity among either producers or importers. A few producers and importers report minimum order requirements of $100, $150, or $250. Some also require that customers purchase full reels of rope which may vary from 2,500 to 5,000 feet depending upon the diameter of the rope. *** full container loads of steel wire rope and *** a *** percent premium for selling quantities of less than a master reel. ***.

A typical sales quantity varies considerably from company to company. Producers report typical sales quantities of anywhere from 3,000 to 40,000 pounds. Importers report typical sales quantities of 40,000 pounds or less.[91]

Producers generally sell steel wire rope nationwide with some exceptions.[92] Slightly less than half of the importers report selling on a nationwide basis. Of the remainder, many importers report that their sales are concentrated near coastal areas. Sales are made through company-owned warehouses and contracted warehouses, to related and unrelated distributors, and to end users.

Bid sales.--Steel wire rope is sold both on a bid and a non-bid basis. U.S. producers' sales by bid account for *** of their total sales. *** reported selling steel wire rope by bid.[93] Bids are typically made for sales to government entities or the mining industry. In general, the bid price offered is determined by one or more of the following: the price of the previous contract or bid, the cost of supplying the rope, the price levels of similar contracts, and the volume of the contract. Although price is a major consideration, the lowest price does not always win a contract. Factors such as perceived quality, availability, and service are also important factors.

Bids to supply steel wire rope for a year or less are likely to have a fixed price, whereas bids to supply steel wire rope for more than a year are likely to contain a price escalation clause. These clauses may link price increases to a predetermined percentage of increases in input costs such as steel rod and labor, or to the consumer price index. Price clauses may also contain caps limiting the amount of cost increases that can be passed on the purchaser. Bids may be opened or closed.[94] All public bids for government contracts are closed. In some cases, there may be more than one chance to

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[91] A full truckload and a full container load are both approximately 40,000 pounds.

[92] ***.

[93] Bids made to supply imported steel wire rope to the Federal Government are subject to the Buy America Act. All the countries covered in this investigation, with the exception of Israel, are subject to this Act. Countries subject to the Act have their prices increased by two formulae; the higher of the resulting prices is compared to the prices offered by domestic producers. The lowest price wins the sale. One formula takes the imported price less the U.S. duty and increases it by 50 percent. The second formula takes the imported price including the U.S. duty and increases it by 12 percent if the competing U.S. suppliers are small companies or have a labor surplus, or by 6 percent if the competing suppliers are large companies with no labor surplus. Conversation with ***, Nov. 29, 1990.

[94] Half of the producers that sell by bid responded that bids were always closed; half responded that bids were both open and closed.

quote on a particular sales agreement. Bid specifications often include complementary products such as fitting and assemblies.

Transportation and packaging.--All U.S. producers and half of the importers report that 70 percent or more of their 1990 shipments were priced on a delivered basis. Half of the importers sell at least part of their steel wire rope f.o.b. warehouse. Two importers with no warehouse facilities sold more than 75 percent of their shipments on a port-of-entry basis.

Steel wire rope is generally shipped by truck although rail may occasionally be used. A truck carries approximately 40,000 pounds. Some producers charge customers freight for shipments of less than 3,000 pounds.[95] Overseas shipments are made by container.

Producers and importers have mixed opinions as to whether transportation costs are an important factor in a customer's purchase decision.[96] Depending on the company, freight charges as a percent of total delivered price are reported to range from 2 to 10 percent. *** reported that it generally arranges the transportation. Half of the importers reported that the importer generally arranges the transportation and a third that the purchaser generally does. The remaining companies gave no response.

Most producers sell 95 percent or more of their steel wire rope on reels.[97] All but one company reported that the price of the reel is included in the price of the steel wire rope. Reels are made of wood or steel and are chosen for shipment depending on weight of the steel wire rope being shipped. Wood reels are generally not reusable, but a credit is given for the return of steel reels.[98]

Prices of substitute products.--Most companies responded that they do not know how the prices of steel wire rope compare with the prices of substitute products and most reported that purchasers have not switched to substitute materials. In many cases substitute products are not available for steel wire rope applications. However, in many lifting, pulling, or tie-down applications fiber rope, nylon webbing, chain and other metallic ropes, wire mesh and hydraulic equipment may be used instead of steel wire rope.

Changes in raw material costs.--Most producers reported that the prices of raw materials used to produce steel wire rope have increased over the period of investigation. One producer reported that rod increased in price by *** percent, two producers that it increased in price by *** percent, and one that it ***. Lubricants reportedly increased in price by *** percent.[99] Based on the response of one producer stainless steel increased in price by *** percent. Increases in the prices of core materials, wire, and zinc were also reported.

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[95] As noted above, most U.S. producers' sales are made on a delivered basis, with freight included in the price.

[96] Of *** producers, *** reported that shipping costs were an important consideration in customers' purchase decisions and *** reported that they were not. Of *** importers, *** reported that they were and *** that they were not.

[97] This information is not available for importers at this time.

[98] Conversation with ***, Dec. 7, 1990.

[99] Based on the response of *** producers.

Quality considerations.--As discussed earlier in the report, all steel wire rope sold in the United States must meet certain specification standards according to the steel wire rope's end use. In addition, six of nine U.S. producers and five of 19 importers reported that some customers require qualification tests. ***.

Some purchasers contacted in lost sales calls stated that they only sell U.S.-produced steel wire rope for critical applications to guarantee insurance in case of a failure. One purchaser also noted that it was easier to replace defective wire rope purchased from U.S. producers. Two purchasers described the Thai rope as inferior, one the Chinese rope as inferior, and one the Indian rope as inferior. The Mexican rope was cited as both superior, comparable, and inferior to the U.S. product.[100]

Questionnaire price data.--The Commission requested U.S. producers and importers to provide quarterly price data between January 1987 and September 1990 for six wire rope products as specified below.

PRODUCT 1: Galvanized aircraft wire rope, 1/8 inch diameter, 7x19 classification.

PRODUCT 2: Galvanized wire rope, 1/2 inch diameter, 6x19 classification, improved plow steel (IPS),[101] independent wire rope core (IWRC).

PRODUCT 3: Bright wire rope, 9/16 inch diameter, 6x7 classification, IPS, fiber core (FC).

PRODUCT 4: Bright wire rope, 3/4 inch diameter, 6x19 classification, IPS IWRC.

PRODUCT 5: Bright wire rope, 5/8 inch diameter, 6x19 classification, IPS, IWRC.

PRODUCT 6: Bright wire rope, 1-1/4 inch diameter, 6x19 classification, IPS, IWRC.

Product 1 is a general utility steel wire rope used, for example, as the cable in a garage door. It is also used in aircraft construction. Product 2 is primarily used in winches or hoisting machines at ports. Product 3, called sandline, is used in oil well servicing. Product 4 is a general purpose rope which is frequently used as a sling or as the cable in cranes and other machinery. Product 5 is another general purpose rope also used as a sling and as elevator cable. Product 6 is used in rotary drilling lines or in large machinery and equipment.

*** U.S. producers provided price information for the largest sale made in each quarter for each of the six products that they have produced over the period of investigation and *** importers[102] provided similar price data for the specific products they have imported. Price information was requested for distributors and end users separately. However, limited pricing information was received for sales to end users and is not presented.

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[100] ***.

[101] The grade of steel from which steel wire rope is commonly made.

[102] ***.

The responding U.S. producers provided price information for 4.0 percent of total domestic shipments of steel wire rope over the investigation period; the responding importers provided price information for *** percent of reported U.S. imports from the India, *** percent from Israel, *** percent from Mexico, *** percent from the PRC, *** percent from Taiwan, and *** percent from Thailand. ***. Data for all other countries are scant, for a number of reasons. First, there are more than 2,000 varieties of steel wire rope, making the selection of group of products difficult.[103] In addition, three of the major importers were unable to provide price information by country of origin.[104] ***.

Tables 28-33 present U.S. producers' and importers' sales prices for the six specific steel wire rope products described on the previous page. The importers' prices presented in the tables are for importers that are not U.S. producers or related to U.S. producers, except for the tables on products ***; in those *** tables, the importers' prices include U.S. producers' imports. Appendix tables G-1 and G-2 present separate data on U.S. producers' import prices and unrelated importers' prices for products ***, respectively. ***.

Price trends and comparisons.--The weighted-average U.S. producer price for product 1 fluctuated between $*** and $*** per foot throughout the period of investigation (table 28).[105] This weighted-average price was *** of the investigation period. Price data were provided for imports from the PRC, Taiwan, and Thailand in some quarters. The weighted-average prices of imports from the PRC were $*** per foot in *** of 1988 and 1989 and $*** in *** of 1990, and *** the U.S. product by margins ranging from *** to *** percent. Prices for imports from Taiwan were reported in ***, ranged from $*** to $***, and *** the U.S. product by margins from *** to *** percent.
*** for the imports from Thailand, reported ***, was $*** and *** the U.S. product by *** percent.

The weighted-average U.S. producer price for product 2 *** per foot (table 29).[106] On average, prices were ***. Import price information for product 2 was provided ***. The price of ***.

*** the weighted-average U.S. producer price for product 3, which ranged from $*** to $*** per foot (table 30).[107] Import price information for product 3 is available ***. ***.[108]

The producer prices of product 4 *** (table 31).[109] Prices were reported for imports of product 4 from ***.

The U.S. weighted-average price for product 5 *** with a general *** trend from 1987 to 1989, *** in 1990 (table 32).[110] Prices per foot ranged

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[103] TR pp. 68-69. Although the petitioners assisted in the selection of the 6 products, in no case did more than *** producers provide data for any single product. Seven importers were contacted to confirm that theses products were imported.

[104] ***.

[105] ***.

[106] ***.

[107] Prices for product 4 were reported by ***.

[108] ***.

[109] Producer prices for product 4 were reported by ***. ***.

[110] Price information was reported by ***. ***.

from $*** in *** to $*** in ***. Import prices were reported for products from ***. ***.

Table 28
Steel wire rope, product 1: Weighted-average net delivered prices to distributors of U.S. producers and importers, and percentage margins of underselling (overselling) by the subject imports, by quarters, January 1987-September 1990

* * * * * * *

Table 29
Steel wire rope, product 2: Weighted-average net delivered prices to distributors of U.S. producers and importers, and percentage margins of underselling (overselling) by the subject imports, by quarters, January 1987-September 1990

* * * * * * *

Table 30
Steel wire rope, product 3: Weighted-average net delivered prices to distributors of U.S. producers and importers, and percentage margins of underselling (overselling) by the subject imports, by quarters, January 1987-September 1990

* * * * * * *

Table 31
Steel wire rope, product 4: Weighted-average net delivered prices to distributors of U.S. producers and importers, and percentage margins of underselling (overselling) by the subject imports, by quarters, January 1987-September 1990

* * * * * * *

Table 32
Steel wire rope, product 5: Weighted-average net delivered prices to distributors of U.S. producers and importers, and percentage margins of underselling (overselling) by the subject imports, by quarters, January 1987-September 1990

* * * * * * *

Table 33
Steel wire rope, product 6: Weighted-average net delivered prices to distributors of U.S. producers and importers, and percentage margins of underselling (overselling) by the subject imports, by quarters, January 1987-September 1990

* * * * * * *

*** the U.S. weighted-average price of product 6 (table 33) which ranged from $*** per foot in *** to $*** in ***.[111] ***.

Bid prices.--Producers and importers were also requested to provide pricing information for their largest bid, in terms of value, to supply steel wire rope in each year for the years 1987-90. These bids are shown in Appendix H. Most U.S. producer bids lost were won by ***. ***.

*** submitted information on bids that include a large number of different types of steel wire rope.[112] A mixed bid is likely to be won by the company providing the lowest prices for the largest volume items included in the bid.[113] ***.

*** importers reported selling an imported steel wire rope product by bid.[114] ***.

Exchange rates

Quarterly data reported by the International Monetary Fund indicate that the currencies of seven of the eight countries subject to this investigation fluctuated widely in relation to the U.S. dollar over the period from January-March 1987 through July-September 1990 (table 34).[115] [116] The nominal value of the Argentine, Chilean, Indian, Israeli, and Mexican currencies depreciated by 99.97 percent, 31.9 percent, 25.8 percent, 21.8 percent, and 64.1 percent, respectively, while the respective values of the Taiwan and Thai currencies appreciated by 28.7 percent and 1.3 percent. When adjusted for movements in producer price indexes in the United States and the specified countries, the real values of the Argentine, Chilean, and Indian currencies depreciated by 57.2 percent, 0.7 percent, and 13.2 percent, while the Israeli, Mexican, Taiwan, and Thai currencies appreciated 14.9 percent, 41.8 percent, 6.7 percent, and 6.9 percent, respectively during the periods for which data were collected.

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[111] ***.

[112] These bids are not shown in the tables.

[113] Conversation with Cheryl Ellsworth, Dec. 4, 1990.

[114] All other importers, with the exception of ***, responded that they do not sell imported steel wire rope by bid. ***.

[115] International Financial Statistics, November 1990.

[116] The value of the currency of the People's Republic of China is determined by the Government of China rather than the free market. Therefore, an accurate description of movements in the Chinese exchange rate cannot be presented.

Table 34

Exchange rates:[1] Indexes of nominal and real exchange rates of selected currencies, and indexes of producer prices in specified countries,[2] by quarters, January 1987-September 1990

Period	U.S. producer price index	Argentina			Chile			India		
		Producer price index	Nominal exchange rate index	Real exchange rate index[3]	Producer price index	Nominal exchange rate index	Real exchange rate index[3]	Producer price index	Nominal exchange rate index	Real exchange rate index[3]
1987:										
Jan.-Mar.....	100.0	100.0	100.00	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Apr.-June....	101.6	115.5	86.96	98.9	107.3	95.8	101.6	102.9	101.8	103.1
July-Sept....	102.8	155.5	65.12	98.5	115.7	91.8	103.3	106.5	99.7	103.3
Oct.-Dec.....	103.2	242.4	40.94	96.1	120.6	88.5	103.3	108.6	100.1	105.3
1988:										
Jan.-Mar.....	103.9	321.8	31.96	99.0	114.2	85.0	93.5	110.0	99.8	105.7
Apr.-June....	105.5	539.9	20.59	105.3	116.9	84.1	93.2	112.3	96.9	103.1
July-Sept....	107.1	1,021.4	12.52	119.5	118.7	83.7	92.8	115.5	91.2	98.4
Oct.-Dec.....	107.6	1,263.4	11.07	129.9	120.1	83.8	93.6	116.2	87.2	93.9
1989:										
Jan.-Mar.....	109.9	1,594.5	9.67	140.3	123.8	83.3	93.8	117.2	85.2	90.8
Apr.-June....	111.9	7,526.5	1.06	71.0	131.1	81.4	95.3	121.1	80.8	87.5
July-Sept....	111.5	45,408.0	0.22	91.5	139.1	74.5	93.0	125.1	78.4	88.0
Oct.-Dec.....	111.9	56,608.8	0.15	76.8	147.0	71.4	93.8	126.5	77.0	87.0
1990:										
Jan.-Mar.....	113.5	117,534.0[4]	0.04	42.8[4]	150.1	69.8	92.3	127.3	76.4	85.7
Apr.-June....	113.2	([10])	0.03	([10])	154.4	69.5	94.8	131.9	75.0	87.4
July-Sept....	115.3	([10])	0.03[5]	([10])	168.3	68.1	99.3	135.1[6]	74.2	86.8[6]

See footnotes at end of table.

Table 34--Continued

Exchange rates:[1] Indexes of nominal and real exchange rates of selected currencies, and indexes of producer prices in specified countries,[2] by quarters, January 1987-September 1990

Period	U.S. producer price index	Israel			Mexico			Taiwan			Thailand		
		Producer price index	Nominal exchange rate index	Real exchange rate index[3]	Producer price index	Nominal exchange rate index	Real exchange rate index[3]	Producer price index	Nominal exchange rate index	Real exchange rate index[3]	Producer price index	Nominal exchange rate index	Real exchange rate index[3]
1987:													
Jan.-Mar...	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Apr.-June..	101.6	104.3	100.3	103.0	129.1	82.6	104.9	99.2	107.9	105.3	103.6	100.7	102.7
July-Sept..	102.8	108.7	99.6	105.3	165.3	70.2	112.9	98.4	114.7	109.8	107.5	100.1	104.7
Oct.-Dec...	103.3	113.7	101.8	112.1	206.3	57.5	114.8	97.4	118.3	111.5	110.6	101.5	108.7
1988:													
Jan.-Mar...	103.9	118.6	101.7	116.1	287.8	45.6	126.3	95.6	122.2	112.5	111.9	102.4	110.3
Apr.-June..	105.5	123.6	101.5	118.9	310.4	45.0	132.3	96.8	122.0	112.0	113.5	102.7	110.5
July-Sept..	107.1	128.0	97.8	116.9	322.0	45.0	135.3	98.2	121.7	111.6	115.0	101.3	108.8
Oct.-Sept..	107.6	132.3	99.8	122.7	328.1	45.0	137.2	98.1	123.2	112.4	115.8	102.6	110.4
1989:													
Jan.-Mar...	109.9	144.1	88.5	116.1	346.1	44.1	138.9	98.3	126.4	113.0	116.2	101.9	107.7
Apr.-June..	111.9	149.7	85.2	114.0	357.4	42.5	135.7	98.0	133.1	116.5	119.2	100.5	107.1
July-Sept..	111.5	155.3	80.3	111.9	365.7	40.9	134.3	96.1	135.8	117.2	122.0	99.9	109.4
Oct.-Sept..	111.9	159.0	80.8	114.8	379.7	39.5	133.9	95.2	134.6	114.6	119.9	100.2	107.4
1990:													
Jan.-Mar...	113.5	160.2[7]	81.4	114.9[7]	408.0	38.1	137.1	94.5	133.5	111.2	120.4	100.3	106.4
Apr.-June..	113.2	([10])	78.9	([10])	434.9	36.9	141.8	95.2	129.9	109.3	121.5	99.8	107.1
July-Sept..	115.3	([10])	78.2	([10])	([10])	35.9	([10])	95.6[8]	128.7[8]	106.7[8]	121.7[9]	101.3	106.9[9]

[1] Exchange rates expressed in U.S. dollars per unit of foreign currency.

[2] Producer price indexes--intended to measure final product prices--are based on period-average quarterly indexes presented in line 63 of the International Financial Statistics.

[3] The real exchange rate is derived from the nominal rate adjusted for relative movements in producer prices in the United States and the specified countries.

[4] Derived from Argentine price data reported for January only.

[5] Derived from Argentine price data reported for July-August only.

[6] Derived from Indian price data reported for July only.

[7] Derived from Israeli price data reported for January only.

[8] Derived from Taiwan exchange rate and price data reported for July only.

[9] Derived from Thai price data reported for July only.

[10] Not available.

Note.--January-March 1987 = 100. The real exchange rates, calculated from precise figures, cannot in all instances be derived accurately from rounded nominal exchange rate and price indexes.

Source: International Monetary Fund, International Financial Statistics, November 1990.

Lost sales[117]

Four U.S. producers (***) provided allegations of lost sales; most of these allegations were not complete. ***.[118] No lost sales allegations were made involving imports from Chile, Israel, and Taiwan.[119]

*** named *** in allegations of lost sales to *** involving *** tons of ***. According to ***. *** confirmed that these purchases of the *** product had been made. According to ***, the *** steel wire rope is equal in quality to the U.S.-produced rope, but the *** and *** products are of inferior quality. He stated that if a catastrophe should occur, insurance is more likely to be collected from a domestic producer. He also noted that a domestic producer would be more reliable in replacing a steel wire rope that doesn't perform properly. *** buys *** steel wire rope from ***.

*** was named by *** in *** lost sales allegations involving ***. *** could not recall these specific allegations although he confirmed that *** has purchased *** steel wire rope from the importer ***. He stated that *** buys either U.S.-produced or imported steel wire rope, depending on a customer's request. He commented that some purchasers prefer a U.S. product because it is more likely to carry insurance. Imported products are bought on the basis of price.

*** was named by ***. According to ***, it bid an average price of $*** per foot compared with $*** for the *** product. *** confirmed that the *** steel wire rope had been purchased once, but it had been no good. He stated that *** currently purchases primarily U.S.-produced and *** steel wire rope along with a small amount of steel wire rope imported from ***.

*** was named by *** in ***. According to ***, it lost sales of unspecified volumes of ***. *** alleges that for ***. *** could not remember ever buying *** rope. He stated that *** buys imported steel wire rope mainly from Korea and that the rope meets OSHA and U.S. military specifications. He commented that most of the U.S. manufacturers import rope and noted that ***. He said that only a small percentage of his company's purchases of steel wire rope were imported and that this percentage has remained stable since 1987.

***[120] was named by *** in ***. According to ***, it lost ***. *** thought that *** might be referring to purchases made by ***. According to ***. He commented that *** steel wire rope is cheaper than U.S. steel wire rope and is comparable or superior in quality.

*** named ***, in *** involving ***. According to ***, it lost ***. *** confirmed *** in general terms although he couldn't remember the specific ***. Approximately *** percent of ***'s purchases are of *** steel wire rope. ***. According to *** he prefers selling a U.S. product, however for a

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[117] No allegations of lost revenues were reported.

[118] ***.

[119] Staff notified counsel for the petitioner that ***. According to counsel for the petitioners, distributors think they are purchasing Korean rope whenever they purchase an import, making it difficult to obtain lost sales allegations for the countries under investigation. Counsel alleges that this is because the reels on which the steel wire rope is sold are often not marked. Conversation with Cheryl Ellsworth, Harris & Ellsworth, Nov. 30, 1990.

[120] ***.

competitive bid he usually calls around to get the lowest import price. He said that wire rope is required to be marked with metal tags specifying its origin, but that he often does not pay attention to where an import comes from.

*** was named by *** in ***. According to ***, it lost sales of unspecified amounts of ***. *** also alleges that in ***, it lost ***. *** could not confirm or deny these allegations. He stated that he hadn't purchased any *** rope recently but that his last purchase might have been in ***. He has purchased *** rope *** although most of his imported purchases come from Korea. *** also purchases U.S.-produced steel wire rope. ***, an importer located ***, is ***'s major supplier.

*** was named by *** in ***. According to ***, ***.

*** was named by *** in ***. *** of *** was unable to recall *** wire rope although he noted that he had imported *** from *** in ***. He stated that the quality of this *** steel wire rope had been poor and that he would not be buying any more of it. He confirmed that *** had lost a sale to *** rope supplied by *** and that the *** rope had been cheaper. He stated that *** was his principle domestic supplier although he also purchases from ***. He does not purchase from ***. ***'s main import suppliers are ***. Over the years *** had purchased imports from a number of countries. According to ***, the *** rope is of inferior quality. He only sells the *** rope for noncritical applications and the *** rope for ***. He was unsure about the quality of the *** rope but stated that he would rather not purchase it. He reported that the *** rope produced by *** is of poor quality but ***. He also said *** rope was supposed to be good. He stated that imported steel wire rope is always cheaper than steel wire rope produced in the United States. According to ***, U.S. importers of steel wire rope imported primarily from Korea until 1987. In 1987, after the Koreans' raised their prices by 25 percent, U.S. importers started to import steel wire rope from other countries. He noted that the Koreans have since lowered prices by about 20 percent in order to regain some of their lost business.

***, named by *** in ***. *** alleges that they ***. *** denied *** and stated that to his knowledge he had never purchased an imported product from ***. ***. According to ***. ***. He reported that *** percent of the imported steel wire rope that he purchases is Korean and the remainder ***. *** stated that he usually looks for the cheapest imported product which meets government specifications in a bid situation where he needs to be competitive. He said that reels are usually stamped and sometimes tagged with the country of origin. He was unsure whether he had ever purchased from any of the countries under investigation *** but said he felt it was unlikely. He had heard from some of his customers that the *** was of inferior quality.

*** in ***. *** could not confirm or deny ***. He stated that he mainly buys domestic rope and prefers Korean steel wire rope to steel wire rope imports from other sources. He said insurance might be available on an imported product but that it was easier to get insurance on domestically produced steel wire rope. He noted that the reels on which steel wire rope is sold are marked. He stated that U.S. rope is of a better quality than imported rope and that some of his customers have reported that imported steel wire rope has a shorter life than the U.S. product.

APPENDIX A

THE COMMISSION'S AND COMMERCE'S FEDERAL REGISTER NOTICES

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701-TA-305 and 306, 303-TA-21, and 731-TA-476 through 482 (Preliminary)]

Steel Wire Rope From Argentina, Chile, India, Israel, Mexico, The People's Republic of China, Taiwan, and Thailand

AGENCY: United States International Trade Commission..

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

SUMMARY: The Commission hereby gives notice of the institution of preliminary countervailing duty investigations Nos. 701-TA-305 and 306 (Preliminary) under section 703(a) of the Tariff Act of 1930 (19 U.S.C. 1671b(a)), and investigation No. 303-TA-21 (Preliminary) under section 303 of the Tariff Act (19 U.S.C. 1303), 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 India, Israel and Thailand of steel wire rope,[1] that are alleged to be subsidized by the Governments of India, Israel and Thailand.

The Commission also gives notice of the institution of preliminary antidumping investigations Nos. 731-TA-476 through 482 (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 Argentina, Chile, India, Mexico, the People's Republic of China, Taiwan and Thailand of steel wire rope, provided for in subheadings 7312.10.60 and 7312.10.90 of the Harmonized Tariff Schedule of the United States, that are alleged to be sold in the United States at less than fair value.

As provided in sections 703(a), 733(a) and 303, the Commission must complete preliminary countervailing duty and antidumping investigations in 45 days, or in this case by December 20, 1990.

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

EFFECTIVE DATE: November 5, 1990.

FOR FURTHER INFORMATION CONTACT: Diane J. Mazur (202-252-1184), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202-252-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-252-1000.

SUPPLEMENTARY INFORMATION:

Background.—These investigations are being instituted in response to a petition filed on November 5, 1990, by The Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers.

Participation in the investigations.—Persons wishing to participate in these investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Commission's rules (19 CFR 291.11), not later than seven (7) days after publication of this notice in the Federal Register. Any entry of appearance filed after this date will be referred to the Chairman, who will determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

Public service list.—Pursuant to § 201.11(d) of the Commission's rules (19 CFR 201.11(d)), the Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to these investigations upon the expiration of the period for filing entries of appearance. In accordance with §§ 201.16(c) and 207.3 of the rules (19 CFR 201.16(c) and 207.3), each public document filed by a party to the investigations must be served on all other parties to the investigations (as identified by the public service list), and a certificate of service must accompany the document. The Secretary will not accept a document for filing without a certificate of service.

Limited disclosure of business proprietary information under a protective order and business proprietary information service list.—Pursuant to § 207.7(a) of the Commission's rules (19 CFR 207.7(a)), the Secretary will make available business proprietary information gathered in these preliminary investigations to authorized applicants under a protective order, provided that the application be made not later than seven (7) days after the publication of this notice in the Federal Register. A separate service list will be maintained by the Secretary for those parties authorized to receive business proprietary information under a protective order. The Secretary will not accept any submission by parties containing business proprietary information without a certificate of service indicating that it has been served on all the parties that are authorized to receive such information under a protective order.

[1] The imported steel wire rope covered by these investigations include ropes, cables and cordage, of iron or steel, other than stranded wire, not fitted with fittings or made into articles, and not made of brass plated wire. Such steel wire rope are provided for in subheadings 7321.10.60 and 7312.10.90 of the Harmonized Tariff Schedule of the United States (HTS) (previously in items 642.14 and 642.16 of the former Tariff Schedules of the United States (TSUS)).

Conference.—The Commission's Director of Operations has scheduled a conference in connection with these investigations for 9:30 a.m. on November 27, 1990, at the U.S. International Trade Commission Building, 500 E Street SW., Washington, DC. Parties wishing to participate in the conference should contact Diane Mazur (202-252-1184) not later than November 20, 1990, to arrange for their appearance. Parties in support of the imposition of countervailing or antidumping duties in these investigations and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference.

Written submissions.—Any person may submit to the Commission on or before November 29, 1990, a written brief containing information and arguments pertinent to the subject matter of the investigations, as provided in section 207.15 of the Commission's rules (19 CFR 207.15). If briefs contain business proprietary information, a nonbusiness proprietary version is due November 30, 1990. A signed original and fourteen (14) copies of each submission must be filed with the Secretary to the Commission in accordance with § 201.8 of the rules (19 CFR 201.8). All written submissions except for business proprietary data will be available for public inspection during regular business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary to the Commission.

Any information for which business proprietary treatment is desired must be submitted separately. The envelope and all pages of such submissions must be clearly labeled "Business Proprietary Information." Business proprietary submissions and requests for business proprietary treatment must conform with the requirements of §§ 201.6 and 207.7 of the Commission's rules (19 CFR 201.6 and 207.7).

Parties who obtain access to business proprietary information pursuant to § 207.7(a) of the Commission's rules (19 CFR 207.7(a)) may comment on such information in their written brief, and may also file additional written comments on such information no later than December 3, 1990. Such additional comments must be limited to comments on business proprietary information received in or after the written briefs. A nonbusiness proprietary version of such additional comments is due December 4, 1990.

Authority: This investigation is being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.12 of the Commission's rules (19 CFR 207.12).

By order of the Commission.

Issued: November 7, 1990.

Kenneth R. Mason,

Secretary.

[FR Doc. 90-26714 Filed 11-8-90; 8:45 am]

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50728

Notices

Federal Register
Vol. 55, No. 237
Monday, December 10, 1990

International Trade Administration

[A-357-805]

Initiation of Antidumping Duty Investigation: Steel Wire Rope From Argentina

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce (the Department), we are initiating an antidumping duty investigation to determine whether imports of steel wire rope from Argentina are being, or are likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission (ITC) of this action so that it may determine whether there is a reasonable indication that an industry in the United States is being materially injured, or is threatened with material injury, or the establishment of an industry in the United States is being materially retarded, by reason of imports from Argentina of steel wire rope. If this investigation proceeds normally, the ITC will make its preliminary determination on or before December 20, 1990. If that determination is affirmative, we will make a preliminary determination on or before April 15, 1991.

EFFECTIVE DATE: December 10, 1990.

FOR FURTHER INFORMATION CONTACT: Joel Fischl or Bradford Ward, Office of

Antidumping Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 377-1778 or 377-5288, respectively.

SUPPLEMENTARY INFORMATION:

The Petition

On November 5, 1990, we received a petition filed in proper form by the Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers (the Committee). In compliance with the filing requirements of the Department's regulations (19 CFR 353.12), petitioners allege that imports of steel wire rope are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that there is a reasonable indication that an industry in the United States is being materially injured, or is threatened with material injury, by reason of imports from Argentina of steel wire rope.

Petitioners have stated that they have standing to file the petition because they are interested parties, as defined under section 771(9)(E) of the Act, and because they have filed the petition on behalf of the U.S. industry producing the product that is subject to this investigation. If any interested party, as described under paragraphs (C), (D), (E), or (F) of section 771(9) of the Act, wishes to register support for, or opposition to, this petition, please file a written notification with the Assistant Secretary for Import Administration.

Under the Department's regulations, any producer or reseller seeking exclusion from a potential antidumping duty order must submit its request for exclusion within 30 days of the date of the publication of this notice. The procedures and requirements regarding the filing of such requests are contained in 19 CFR 353.14.

United States Price and Foreign Market Value

Petition presented two methodologies which it used to estimate United States price: (1) Petitioner provided an actual price quote for steel wire rope that was quoted in mid-October 1990 and adjusted for U.S. inland freight, distributor mark-up, broker fees and U.S. duty, supported by an affidavit from an industry expert. (2) Alternatively, petitioner based its estimates of United States price on the average Customs value of imports of bright steel wire rope from Argentina (which accounts for 98 percent of all wire rope imports from Argentina) classified under Harmonized Tariff Schedule (HTS) item number 7312.10.9090. For purposes of initiation, we are calculating United States price based on the actual price quote noted above.

Petitioner's estimate of foreign market value is based on a price list (included in a sales contract between an Argentinian producer and its customer) for steel wire rope. The petitioner adjusted the listed price for physical differences in merchandise.

Based on a comparison of U.S. price and foreign market value, petitioner alleges a dumping margin of 199.99 percent.

Initiation of Investigation

Pursuant to section 732(c) of the Act, the Department must determine, within 20 days after a petition is filed, whether the petition sets forth allegations necessary for the initiation of an antidumping duty investigation, and whether the petition contains information reasonably available to petition supporting the allegations.

We have examined the petition and found that it complies with the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigations to determine whether imports of steel wire rope from Argentina are being, or are likely to be, sole in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination by April 15, 1991.

Scope of Investigation

The product covered by this investigation is steel wire rope. Steel wire rope encompasses ropes, cables, and cordage of iron or steel, other than stranded wire, not fitted with fittings or made up into articles, and not made of brass plated wire.

The appropriate HTS subheadings under which the subject merchandise is classifiable are 7312.10.60, 7312.10.9030, 7312.10.9060 and 7312.10.9090. HTS subheadings are provided for convenience and customs purposes. The written description remains dispositive.

ITC Notification

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 nonproprietary information. We will allow the ITC access to all privileged and business proprietary information in the Department's files, provided the ITC confirms in writing that it will not disclose such information either publicly or under administrative protective order within the written consent of the Deputy Assistant Secretary for Investigations, Import Administration.

Preliminary Determination by ITC

The ITC will determine by December 20, 1990, 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 Argentina of steel wire rope. If its determination is negative, the investigation will be terminated; otherwise, the investigation will proceed according to statutory and regulatory time limits.

This notice is published pursuant to section 732(c)(2) of the Act and 19 CFR 353.13(b).

Dated: November 28, 1990.

Marjorie A. Chorlins,

Acting Assistant Secretary for Import Administration.

[FR Doc. 90-28416 Filed 12-7-90; 8:45 am]

BILLING CODE 3510-DS-M

[A-337-801]

Initiation of Antidumping Duty Investigation: Steel Wire Rope From Chile

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce (the Department), we are initiating an antidumping duty investigation to determine whether imports of steel wire rope from Chile are being, or are likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission (ITC) of this action so that it may determine whether there is a reasonable indication that an industry in the United States is being materially injured, or is threatened with material injury, or the establishment of an industry in the United States is being materially retarded, by reason of imports from Chile of steel wire rope. If this investigation proceeds normally, the ITC will make its preliminary determination on or before December 20, 1990. If that determination is affirmative, we will make a preliminary determination on or before April 15, 1991.

EFFECTIVE DATE: December 10, 1990.

FOR FURTHER INFORMATION CONTACT: Karmi Leiman or Bradford Ward, Office of Antidumping Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 377-8498 or 377-5288, respectively.

SUPPLEMENTARY INFORMATION:

The Petition

On November 5, 1990, we received a petition filed in proper form by the Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers (the Committee). In compliance with the filing requirements of the Department's regulations (19 CFR 353.12), petitioners allege that imports of steel wire rope are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that there is a reasonable indication that an industry in the United States is being materially injured, or is threatened with material injury, by reason of imports from Chile of steel wire rope.

Petitioners have stated that they have standing to file the petition because they are interested parties, as defined under section 771(9)(E) of the Act, and because they have filed the petition on behalf of the U.S. industry producing the product that is subject to this investigation. If any interested party, as described under paragraphs (C), (D), (E), or (F) of section 771(9) of the Act, wishes to register support for, or opposition to, this petition, please file a written notification with the Assistant Secretary for Import Administration.

Under the Department's regulations, any producer or reseller seeking exclusion from a potential antidumping duty order must submit its request for exclusion within 30 days of the date of the publication of this notice. The procedures and requirements regarding the filing of such requests are contained in 19 CFR 353.14.

United States Price and Foreign Market Value

Petitioner presented two different methodologies which it used to estimate United States price: (1) Petitioner based its estimates of United States price on actual F.O.B. Chilean port prices for several steel wire rope products obtained by a consultant, to which no adjustments were made; and (2) alternatively, petitioner based United States price on the unadjusted average monthly customs value of imports of the subject merchandise (both bright and galvanized). For purposes of initiation, we are calculating United States price based on the actual prices noted above.

Petitioner's estimate of FMV is based on constructed value (CV). CV was calculated using the average costs for producing carbon steel wire rope (both galvanized and bright) experienced by members of the Committee, adjusted for known differences between Chilean and U.S. products.

Based on a comparison of U.S. price and foreign market value, petitioner alleges dumping margins ranging from 19.3 to 61.5 percent.

Initiation of Investigation

Pursuant to section 732(c) of the Act, the Department must determine, within 20 days after a petition is filed, whether the petition sets forth allegations necessary for the initiation of an antidumping duty investigation, and whether the petition contains information reasonably available to petitioner supporting the allegations.

We have examined the petition and found that it complies with the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether imports of steel wire rope from Chile are being, or are likely to be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination by April 15, 1991.

Scope of Investigation

The product covered by this investigation is steel wire rope. Steel wire rope encompasses ropes, cables, and cordage of iron or steel, other than stranded wire, not fitted with fittings or made up into articles, and not made of brass plated wire.

The appropriate Harmonized Tariff Schedule (HTS) subheadings under which the subject merchandise is classifiable are 7312.10.60, 7312.10.9030, 7312.10.9060 and 7312.10.9090. HTS subheadings are provided for convenience and U.S. Customs Service purposes. The written description remains dispositive.

ITC Notification

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 nonproprietary information. We will allow the ITC access to all privileged and business proprietary information in the Department's files, provided the ITC confirms in writing that it will not disclose such information either publicly or under administrative protective order without the written consent of the Deputy Assistant Secretary for Investigations, Import Administration.

Preliminary Determination by ITC

The ITC will determine by December 20, 1990, 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 Chile of steel wire rope. If its determination is negative, the investigation will be terminated; otherwise, the investigation will proceed according to statutory and regulatory time limits.

This notice is published pursuant to section 732(c)(2) of the Act and 19 CFR 353.13(b).

Dated: November 26, 1990.

Marjorie A. Chorlins,

Acting Assistant Secretary for Import Administration.

[FR Doc. 90-28417 Filed 12-7-90; 8:45 am]

BILLING CODE 3510-DS-M

[A-570-809]

Initiation of Antidumping Duty Investigation: Steel Wire Rope From The People's Republic of China

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce (the Department), we are initiating an antidumping duty investigation to determine whether imports of steel wire rope from The People's Republic of China (PRC) are being, or are likely to be, sold in the United States at less than fair value. We are notifying the International Trade Commission (ITC) of this action so that it may determine whether there is a reasonable indication that an industry in the United States is being 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 People's Republic of China of steel wire rope. If this investigation proceeds normally, the ITC will make its preliminary determination on or before December 20, 1990. If that determination is affirmative, we will make a preliminary

determination on or before April 15, 1991.

EFFECTIVE DATE: December 10, 1990.

FOR FURTHER INFORMATION CONTACT: Edward Easton or Louis Apple, Office of Antidumping Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230; telephone (202) 377-1777 or 377-1769, respectively.

SUPPLEMENTARY INFORMATION:

The Petition

On November 5, 1990, we received a petition filed in proper form by the Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers (the Committee). In compliance with the filing requirements of the Department's regulations (19 CFR 353-12), petitioners allege that imports of steel wire ropes are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that there is a reasonable indication that an industry in the United States is materially injured, or is threatened with material injury, by reason of imports from The People's Republic of China of steel wire rope.

Petitioner stated that it has standing to file the petition because it is an interested party, as defined under section 771(9)(E) of the Act, and because it has filed the petition on behalf of the U.S. industry producing the product that is subject to this investigation. If any interested party, as described under paragraphs (C), (D), (E), or (F) of section 771(9) of the Act, wishes to register support for, or opposition to, this petition, please file a written notification with the Assistant Secretary for Import Administration.

Under the Department's regulations, any producer or reseller seeking exclusion from a potential antidumping duty order must submit its request for exclusion within 30 days of the date of the publication of this notice. The procedures and requirements regarding the filing of such requests are contained in 19 CFR 353.14.

United States Price and Foreign Market Value

Petitioner alleges that the PRC is a nonmarket economy country within the meaning of section 773(c) of the Act. Accordingly, petitioner based foreign market value on constructed value using factors of production valued in a market economy.

Petitioner based its estimates of United States price on actual prices offered to a U.S. firm for several steel wire rope products. The prices were obtained by a domestic producer of steel wire rope that has contact with personnel associated with the sales of the subject merchandise in the United States. Petitioner adjusted the CIF prices for overseas shipping and handling and selling commissions.

Petitioner's estimate of foreign market value is based on constructed value, using the factors of production for steel wire rope. In valuing the factors of production, petitioner used India, a third country whose economy is market-driven and which petitioner contends is comparable to the PRC.

Based on a comparison of U.S. price and foreign market value, petitioners allege dumping margins ranging from 99.5 to 136.4 percent. We have accepted this comparison.

Initiation of Investigation

Pursuant to section 732(c) of the Act, the Department must determine, within 20 days after a petition is filed, whether the petition sets forth allegations necessary for the initiation of an antidumping duty investigation, and whether the petition contains information reasonably available to petitioner supporting the allegations.

We have examined the petition and found that it complies with the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether imports of steel wire rope from The People's Republic of China are being, or are likely to be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination by April 15, 1991.

Scope of Investigation

The product covered by this investigation is steel wire rope. Steel wire rope encompasses ropes, cables, and cordage of iron or steel, other than stranded wire, not fitted with fittings or made up into articles, and not made of brass plated wire.

The appropriate Harmonized Tariff Schedule (HTS) subheadings under which the subject merchandise is classifiable are 7312.1060, 7312.10.9030, 7312.10.9060 and 7312.10.9090. HTS subheadings are provided for convenience and customs purposes. The written description remains dispositive.

ITC Notification

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 nonproprietary information. We will allow the ITC access to all privileged and business proprietary information in the Department's files, provided the ITC confirms in writing that it will not disclose such information either publicly or under administrative protective order without the written consent of the Deputy Assistant Secretary for Investigations, Import Administration.

Preliminary Determination by ITC

The ITC will determine by December 20, 1990, 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 People's Republic of China of steel wire rope. If its determination is negative, the investigation will be terminated; otherwise, the investigation will proceed according to statutory and regulatory time limits.

This notice is published pursuant to section 732(c)(2) of the Act and 19 CFR 353.13(b).

Dated: November 26, 1990.

Marjorie A. Chorlins,

Acting Assistant Secretary for Import Administration.

[FR Doc. 90-28418 Filed 12-7-90; 8:45 am]

BILLING CODE 3510-DS-M

[A-533-801]

Initiation of Antidumping Duty Investigation: Steel Wire Rope From India

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce (the Department), we are initiating an antidumping duty investigation to determine whether imports of steel wire rope from India are being, or are likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission (ITC) of this action so that it may determine whether there is a reasonable indication that an industry in the United States is being materially injured, or is threatened with material injury, or the establishment of an industry in the United States is being materially retarded, by reason of imports from

India of steel wire rope. If this investigation proceeds normally, the ITC will make its preliminary determination on or before December 20, 1990. If that determination is affirmative, we will make a preliminary determination on or before April 15, 1991.

EFFECTIVE DATE: December 10, 1990.

FOR FURTHER INFORMATION CONTACT: V. Irene Darzenta or Louis Apple, Office of Antidumping Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230; telephone (202) 377-0186 or 377-1769, respectively.

SUPPLEMENTARY INFORMATION:

The Petition

On November 5, 1990, we received a petition filed in proper form by the Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers (the Committee). In compliance with the filing requirements of the Department's regulations (19 CFR 353.12), petitioner alleges that imports of steel wire rope are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that there is a reasonable indication that an industry in the United States is being materially injured, or is threatened with material injury, by reason of imports from India of steel wire rope.

Petitioner has stated that they have standing to file the petition because they are interested parties, as defined under section 771(9)(E) of the Act, and because they have filed the petition on behalf of the U.S. industry producing the product that is subject to this investigation. If any interested party, as described under paragraphs (C), (D), (E), or (F) of section 771(9) of the Act, wishes to register support for, or opposition to, this petition, please file a written notification with the Assistant Secretary for Import Administration.

Under the Department's regulations, any producer or reseller seeking exclusion from a potential antidumping duty order must submit its request for exclusion within 30 days of the date of the publication of this notice. The procedures and requirements regarding the filing of such requests are contained in 19 CFR 353.14.

United States Price and Foreign Market Value

Petitioner presented two methodologies which it used to estimate United States price: (1) Actual net delivered prices quoted to a U.S. distributor for several Indian steel wire rope products; and (2) average monthly Customs value of imports of the subject merchandise. For purposes of initiation, we are calculating United States price based on actual price quotations. Petitioner obtained these prices from a domestic producer of steel wire rope that has contact with personnel associated with sales of the subject merchandise in the United States. Petitioner adjusted these prices for overseas shipping and handling, Customs user fees, and U.S. inland freight.

Petitioner's estimate of foreign market value is based on actual ex-godown prices derived from a price list obtained by a consultant from an Indian producer of the subject merchandise. Petitioner adjusted these prices for discounts and foreign inland freight.

Based on a comparison of United States price and foreign market value, petitioner alleges dumping margins ranging from 62.5 to 65.6 percent.

Initiation of Investigation

Pursuant to section 732(c) of the Act, the Department must determine, within 20 days after a petition is filed, whether the petition sets forth allegations necessary for the initiation of an antidumping duty investigation, and whether the petition contains information reasonably available to petitioner supporting the allegations.

We have examined the petition and found that it complies with the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether imports of steel wire rope from India are being, or are likely to be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination by April 15, 1991.

Scope of Investigation

The product covered by this investigation is steel wire rope. Steel wire rope encompasses ropes, cables, and cordage of iron or steel, other than stranded wire, not fitted with fittings or made up into articles, and not made of brass plated wire.

The appropriate Harmonized Tariff Schedule (HTS) subheadings under which the subject merchandise is classifiable are 7312.10.60, 7312.10.9030, 7312.10.9060 and 7312.10.9090. HTS subheadings are provided for convenience and customs purposes. The written description remains dispositive.

ITC Notification

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 nonproprietary information. We will allow the ITC access to all privileged and business proprietary information in the Department's files, provided the ITC confirms in writing that it will not disclose such information either publicly or under administrative protective order without the written consent of the Deputy Assistant Secretary for Investigations, Import Administration.

Preliminary Determination by ITC

The ITC will determine by December 20, 1990, 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 India of steel wire rope. If its determination is negative, the investigation will be terminated; otherwise, the investigation will proceed according to statutory and regulatory time limits.

This notice is published pursuant to section 732(c)(2) of the Act and 19 CFR 353.13(b).

Dated: November 26, 1990

Marjorie A. Chorlins,

Acting Assistant Secretary for Import Administration.

[FR Doc. 90-28419 Filed 12-7-90; 8:45 am]

BILLING CODE 3510-DS-M

[A-201-803]

Initiation of Antidumping Duty Investigation: Steel Wire Rope From Mexico

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce (the Department), we are initiating an antidumping duty investigation to determine whether imports of steel wire rope from Mexico are being, or are likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission (ITC) of this action so that it may determine whether there is a reasonable indication that an industry in the United States is being materially injured, or is

threatened with material injury, or the establishment of an industry in the United States is being materially retarded, by reason of imports from Mexico of steel wire rope. If this investigation proceeds normally, the ITC will make its preliminary determination on or before December 20, 1990. If that determination is affirmative, we will make a preliminary determination on or before April 15, 1991.

EFFECTIVE DATES: December 10, 1990.

FOR FURTHER INFORMATION CONTACT: Bradford Ward, Office of Antidumping Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone (202) 377-5288.

SUPPLEMENTARY INFORMATION:

The Petition

On November 5, 1990, we received a petition filed in proper form by the Committee of Domestic Steel Wire Rope and Speciality Cable Manufacturers (the Committee). In compliance with the filing requirements of the Department's regulations (19 CFR 353.12), petitioner alleges that imports of steel wire rope are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that there is a reasonable indication that an industry in the United States is being materially injured, or is threatened with material injury, by reason of imports from Mexico of steel wire rope.

Petitioner has stated that it has standing to file the petition because it is an interested party, as defined under section 771(9)(E) of the Act, and because it has filed the petition on behalf of the U.S. industry producing the product that is subject to this investigation. If any interested party, as described under paragraphs (C), (D), (E), or (F) of section 771(9) of the Act, wishes to register support for, or opposition to, this petition, please file a written notification with the Assistant Secretary for Import Administration.

Under the Department's regulations, any producer or reseller seeking exclusion from a potential antidumping duty order must submit its request for exclusion within 30 days of the date of the publication of this notice. The procedures and requirements regarding the filing of such requests are contained in 19 CFR 353.14.

United States Price and Foreign Market Value

Petitioner based its estimates of United States price on actual prices offered to U.S. distributors for several steel wire rope products. The prices were obtained by domestic producers of steel wire rope which have contact with personnel associated with sales of the subject merchandise in the United States. Petitioner adjusted the price for overseas shipping, customs user fees, Mexican value added tax (VAT), and where appropriate, U.S. inland freight.

Petitioner's estimate of foreign market value is based on actual prices derived from price lists obtained by a consultant to petitioner. Petitioner adjusted these prices for discounts, foreign inland freight, and VAT. Petitioner incorrectly calculated the VAT adjustment and, in some cases, improperly compared home market prices effective during one time period to U.S. prices effective during another. We recalculated petitioner's estimate of foreign market value to correct these items.

Based on a comparison of U.S. price and foreign market value, petitioner alleges dumping margins ranging from 59.5 to 111.5 percent. Based on our recalculation, these margins range from 43.2 to 85.4 percent.

Initiation of Investigation

Pursuant to section 732(c) of the Act, the Department must determine, within 20 days after a petition is filed, whether the petition sets forth allegations necessary for the initiation of an antidumping duty investigation, and whether the petition contains information reasonably available to petitioner supporting the allegations.

We have examined the petition and found that it complies with the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether imports of steel wire rope from Mexico are being, or are likely to be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination by April 15, 1991.

Scope of Investigation

The product covered by this investigation is steel wire rope. Steel wire rope encompasses ropes, cables, and cordage of iron or steel, other than stranded wire, not fitted with fittings or made up into articles, and not made of brass plated wire.

The appropriate Harmonized Tariff Schedule (HTS) subheadings under which the subject merchandise is classifiable are 7312.10.60, 732.10.9030, 7312.10.9060 and 7312.10.9090. HTS subheadings are provided for convenience and customs purposes. The written description remains dispositive.

ITC Notification

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 nonproprietary information. We will allow the ITC access to all privileged and business proprietary information in the Department's files, provided the ITC confirms in writing that it will not disclose such information either publicly or under administrative protective order without the written consent of the Deputy Assistant Secretary for Investigations, Import Administration.

Preliminary Determination by ITC

The ITC will determine by December 20, 1990, 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 Mexico of steel wire rope. If its determination is negative, the investigation will be terminated; otherwise, the investigation will proceed according to statutory and regulatory time limits.

This notice is published pursuant to section 732(c)(2) of the Act and 19 CFR 353.13(b).

Dated: November 26, 1990.

Marjorie A. Chorlins,

Acting Assistant Secretary for Import Administration.

[FR Doc. 90-28420 Filed 12-7-90; 8:45 am]

BILLING CODE 3510-DS-M

[A-583-811]

Initiation of Antidumping Duty Investigation: Steel Wire Rope From Taiwan

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce (the Department), we are initiating an antidumping duty investigation to determine whether imports of steel wire rope from Taiwan are being, or are likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission (ITC) of this action so that it may

determine whether there is a reasonable indication that an industry in the United States is being materially injured, or is threatened with material injury, or the establishment of an industry in the United States is being materially retarded, by reason of imports from Taiwan of steel wire rope. If this investigation proceeds normally, the ITC will make its preliminary determination on or before December 20, 1990. If that determination is affirmative, we will make a preliminary determination on or before April 15, 1991.

EFFECTIVE DATES: December 10, 1990.

FOR FURTHER INFORMATION CONTACT: Erik Warga or Louis Apple, Office of Antidumping Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230; telephone (202) 377-8922 or 377-1769, respectively.

SUPPLEMENTARY INFORMATION:

The Petition

On November 5, 1990, we received a petition filed in proper form by the Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers (the Committee). In compliance with the filing requirements of the Department's regulations (19 CFR 353.12), petitioner alleges that imports of steel wire rope are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that there is a reasonable indication that an industry in the United States is being materially injured, or is threatened with material injury, by reason of imports from Taiwan of steel wire rope.

Petitioner has stated that it has standing to file the petition because it is an interested party, as defined under section 771(9)(E) of the Act, and because it has filed the petition on behalf of the U.S. industry producing the product that is subject to this investigation. If any interested party, as described under paragraphs (C), (D), (E), or (F) of section 771(9) of the Act, wishes to register support for, or opposition to, this petition, please file a written notification with the Assistant Secretary for Import Administration.

Under the Department's regulations, any producer or reseller seeking exclusion from a potential antidumping duty order must submit its request for exclusion within 30 days of the date of the publication of this notice. The procedures and requirements regarding the filing of such requests are contained in 19 CFR 353.14.

United States Price and Foreign Market Value

Petitioner based its estimates of United States price on actual prices offered to U.S. distributors for several steel wire rope products. The prices were obtained by a domestic producer of steel wire rope that has contact with personnel associated with the sales of the subject merchandise in the United States. Petitioner adjusted the C.I.F. New York or Norfolk prices for international freight and insurance.

Petitioner's estimate of foreign market value is based on actual prices offered in Taiwan for several steel wire rope products. The terms of the Taiwan prices were F.O.B. factory.

Based on a comparison of U.S. price and foreign market value, petitioner alleges dumping margins ranging from 1.5 to 31.0 percent.

Initiation of Investigation

Pursuant to section 732(c) of the Act, the Department must determine, within 20 days after a petition is filed, whether the petition sets forth allegations necessary for the initiation of an antidumping duty investigation, and whether the petition contains information reasonably available to petitioner supporting the allegations.

We have examined the petition and found that it complies with the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether imports of steel wire rope from Taiwan are being, or are likely to be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination by April 15, 1991.

Scope of Investigation

The product covered in this investigation is steel wire rope. Steel wire rope encompasses ropes, cables and cordage of iron or steel, other than stranded wire, not fitted with fittings or made up into articles, and not made of brass plated wire.

The appropriate Harmonized Tariff Schedule (HTS) subheadings under which the subject merchandise is classifiable are 7312.10.60, 7312.10.9030, 7312.10.9060 and 7312.10.9090. HTS subheadings are provided for convenience and customs purposes. The written description remains dispositive.

ITC Notification

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 nonproprietary information. We will allow the ITC access to all privileged and business proprietary information in the Department's files, provided the ITC confirms in writing that it will not disclose such information either publicly or under administrative protective order without the written consent of the Deputy Assistant Secretary for Investigations, Import Administration.

Preliminary Determination by ITC

The ITC will determine by December 20, 1990, 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 Taiwan of steel wire rope. If its determination is negative, the investigation will be terminated; otherwise, the investigation will proceed according to statutory and regulatory time limits.

This notice is published pursuant to section 732(c)(2) of the Act and 19 CFR 353.13(b).

Dated: November 26, 1990.

Marjorie A. Chorlins,

Acting Assistant Secretary for Import Administration.

[FR Doc. 90-28421 Filed 12-7-90; 8:45 am]

BILLING CODE 3510-DS-M

[A-549-805]

Initiation of Antidumping Duty Investigation: Steel Wire Rope From Thailand

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce (the Department), we are initiating an antidumping duty investigation to determine whether imports of steel wire rope from Thailand are being, or are likely to be, sold in the United States at less than fair value. We are notifying the U.S. International Trade Commission (ITC) of this action so that it may determine whether there is a reasonable indication that an industry in the United States is being materially injured, or is threatened with material injury, or the establishment of an industry in the United States is being materially retarded, by reason of imports from

Thailand of steel wire rope. If this investigation proceeds normally, the ITC will make its preliminary determination on or before December 20, 1990. If that determination is affirmative, we will make a preliminary determination on or before April 15, 1991.

EFFECTIVE DATES: December 10, 1990.

FOR FURTHER INFORMATION CONTACT: Louis Apple or Carolina Olivieri, Office of Antidumping Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone (202) 377-1769 or 377-2778, respectively.

SUPPLEMENTARY INFORMATION:

The Petition

On November 5, 1990, we received a petition filed in proper form by the Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers (the Committee). In compliance with the filing requirements of the Department's regulations (19 CFR 353.12), petitioner alleges that imports of steel wire ropes are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (the Act), and that there is a reasonable indication that an industry in the United States is being materially injured, or is threatened with material injury, by reason of imports from Thailand of steel wire rope.

Petitioner has stated that it has standing to file the petition because it is an interested party, as defined under section 771(9)(E) of the Act, and because it has filed the petition on behalf of the U.S. industry producing the product that is subject to this investigation. If any interested party, as described under paragraphs (C), (D), (E), or (F) of section 771(9) of the Act, wishes to register support for, or opposition to, this petition, please file a written notification with the Assistant Secretary for Import Administration.

Under the Department's regulations, any producer or reseller seeking exclusion from a potential antidumping duty order must submit its request for exclusion within 30 days of the date of the publication of this notice. The procedures and requirements regarding the filing of such requests are contained in 19 CFR 353.14.

United States Price and Foreign Market Value

Petitioner based its estimates of United States price on the average monthly Customs value for imports of the subject merchandise from Thailand.

Petitioner's estimate of foreign market value is based on actual prices derived from a comprehensive price list obtained from a Thai producer of the subject merchandise. The prices derived from this list are stated in ex-factory terms.

Based on a comparison of U.S. price and foreign market value, petitioner alleges dumping margins ranging from 28.4 to 34.4 percent.

Initiation of Investigation

Pursuant to section 732(c) of the Act, the Department must determine, within 20 days after a petition is filed, whether the petition sets forth allegations necessary for the initiation of an antidumping duty investigation, and whether the petition contains information reasonably available to petitioner supporting the allegations.

We have examined the petition and found that it complies with the requirements of section 732(b) of the Act. Therefore, in accordance with section 732 of the Act, we are initiating an antidumping duty investigation to determine whether imports of steel wire rope from Thailand are being, or are likely to be, sold in the United States at less than fair value. If our investigation proceeds normally, we will make our preliminary determination by April 15, 1991.

Scope of Investigation

The product covered by this investigation is steel wire rope. Steel wire rope encompasses ropes, cables, and cordage of iron or steel, other than stranded wire, not fitted with fittings or made up into articles, and not made of brass plated wire.

The appropriate Harmonized Tariff Schedule (HTS) subheadings under which the subject merchandise is classifiable are 7312.10.60, 7312.10.9030, 7312.10.9060 and 7312.10.9090. HTS subheadings are provided for convenience and customs purposes. The written description remains dispositive.

ITC Notification

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 nonproprietary information. We will allow the ITC access to all privileged and business proprietary information in the Department's files, provided the ITC confirms in writing that it will not disclose such information either publicly or under administrative protective order without the written consent of the Deputy Assistant Secretary for Investigations, Import Administration.

Preliminary Determination by ITC

The ITC will determine by December 20, 1990, 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 Thailand of steel wire rope. If its determination is negative, the investigation will be terminated; otherwise, the investigation will proceed according to statutory and regulatory time limits.

This notice is published pursuant to section 732(c)(2) of the Act and 19 CFR 353.13(b).

Dated: November 26, 1990.

Marjorie A. Chorlins,

Acting Assistant Secretary for Import Administration.

[FR Doc. 90-28422 Filed 12-7-90; 8:45 am]

BILLING CODE 3510-DS-M

[C-533-602]

Initiation of Countervailing Duty Investigation: Steel Wire Rope From India

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

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce (the Department), we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in India of steel wire rope (wire rope), as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) of this action so that it may determine whether 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 India of wire rope. If this investigation proceeds normally, the ITC will make its preliminary determination on or before December 20, 1990. If that determination is affirmative, we will make our preliminary determination on or before January 29, 1991.

EFFECTIVE DATE: December 10, 1990.

FOR FURTHER INFORMATION CONTACT: Margot Paijmans or Stephanie Hager, Office of Countervailing Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 377-1442 and (202) 377-5055, respectively.

SUPPLEMENTARY INFORMATION:

The Petition

On November 5, 1990, we received a petition in proper form filed by the Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers (the Committee), on behalf of the U.S. industry producing wire rope. In compliance with the filing requirements of § 355.12 of the Department's regulations (19 CFR 355.12), petitioner alleges that manufacturers, producers, and exporters of wire rope in India receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act).

Since India is a "country under the Agreement" within the meaning of section 701(b) of the Act, title VII of the Act applies to this investigation, and the ITC is required to determine whether imports of the subject merchandise from India materially injure, or threaten material injury to, the U.S. industry.

Petitioner has stated that it has standing to file the petition because it is an interested party as defined under section 771(9)(E) of the Act and because it has filed the petition on behalf of the U.S. industry manufacturing the product which is subject to this investigation. If any interested party, as described under paragraphs (C), (D), (E), or (F) of section 771(9) of the Act, wishes to register support for, or opposition to, this section, please file written notification with the Assistant Secretary for Import Administration.

Initiation of Investigation

Under section 702(c) of the Act, we must determine whether to initiate a countervailing duty proceeding within 20 days after a petition is filed. Section 702(b) of the Act requires the Department to initiate a countervailing duty proceeding whenever an interested party files a petition, on behalf of an industry, that: (1) Alleges the elements necessary for the imposition of a duty under section 701(a), and (2) is accompanied by information reasonably available to the petitioner supporting the allegations. We have examined the petition on wire rope from India and have found that it meets these requirements. Therefore, we are initiating a countervailing duty investigation to determine whether Indian manufacturers, producers, or exporters of wire rope receive subsidies. If our investigation proceeds normally, we will make our preliminary determination on or before January 29, 1991.

Scope of Investigation

The product covered by this investigation is steel wire rope. Steel wire rope encompasses ropes, cables, and cordage of iron or steel, other than standard wire, not fitted with fittings or made up into articles, and not made of brass plated wire. Steel wire rope is currently provided for in subheadings 7312.10.60, 7312.10.9030, 7312.10.9060 and 7312.10.9090 of the Harmonized Tariff Schedule (HTS). The HTS subheadings are provided for convenience and customs purposes. The written description remains dispositive.

Allegations of Subsidies

As stated in the "Initiation of Investigation" section of this notice, we have determined that the petition meets the two criteria of section 702(b) of the Act. All programs alleged by the petitioner are export subsidy programs. When the Department applies the two criteria set out in section 702(b) of the Act to export subsidy allegations, the allegations must identify (1) receipt of benefits contingent upon export performance and (2) provision of a countervailable benefit.

Petitioner lists a number of practices by the Government of India which allegedly confer subsidies on manufacturers, producers, or exporters of wire rope in India. Petitioner has met the criteria listed above. Accordingly, we are initiating an investigation of the following programs:

1. Rebates Under the International Price Reimbursement Scheme (IPRS)
2. Preferential Export Financing Through Export Packing Credits
3. Rebates under the Cash Compensatory Support Program (CCS)
4. Income Tax Deductions for Exporters (Section 80HHC)
5. Preferential Post-Shipment Financing
6. Grants Under the Market Development Assistance Program (MDA)
7. Import Permits/Replenishment Licenses

ITC Notification

Section 702(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 non-privileged and non-proprietary information. We will also allow the ITC access to all privileged and business proprietary information in the Department's files, provided the ITC confirms in writing that it will not disclose such information, either publicly or under administrative protective order, without the written consent of the Deputy Assistant Secretary for Investigations, Import Administration.

Preliminary Determination by the ITC

The ITC will determine by December 20, 1990, whether there is a reasonable indication that imports of wire rope from India materially injure, or threaten material injury to, a U.S. industry. If its determination is negative, this investigation will be terminated; otherwise, this investigation will continue according to statutory and regulatory time limits.

This notice is published pursuant to section 702(c)(2) of the Act.

Dated: November 26, 1990.

Marjorie A. Chorlins,

Acting Assistant Secretary for Import Administration.

[FR Doc. 90-28423 Filed 12-7-90; 8:45 am]

BILLING CODE 3510-DS-M

[C-508-804]

Initiation of Countervailing Duty Investigation: Steel Wire Rope From Israel

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

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce (the Department), we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Israel of steel wire rope (wire rope), as described in the "Scope of Investigation" section of this notice, receive benefits which constitute subsidies within the meaning of the countervailing duty law. We are notifying the U.S. International Trade Commission (ITC) of this action so that it may determine whether 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 reasons of imports from Israel of wire rope. If this investigation proceeds normally, the ITC will make its preliminary determination on or before December 20, 1990. If that determination is affirmative, we will make our

preliminary determination on or before January 29, 1991.

EFFECTIVE DATE: December 10, 1990.

FOR FURTHER INFORMATION CONTACT: Elizabeth A. Graham or Julie Anne Osgood, Office of Countervailing Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone: (202) 377–4105 and (202) 377–0167, respectively.

SUPPLEMENTARY INFORMATION:

The Petition

On November 5, 1990, we received a petition in proper form filed by the Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers (the Committee), on behalf of the U.S. industry producing wire rope. In compliance with the filing requirements of § 355.12 of the Department's regulations (19 CFR 355.12), petitioner alleges that manufacturers, producers, and exporters of wire rope in Israel receive subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act).

Since Israel is a "country under the Agreement" within the meaning of section 701(b) of the Act, Title VII of the Act applies to this investigation, and the ITC is required to determine whether imports of the subject merchandise from Israel materially injure, or threaten material injury to, the U.S. industry.

Petitioner has stated that it has standing to file the petition because it is an interested party as defined under section 771(9)(E) of the Act and because it has filed the petition on behalf of the U.S. industry manufacturing the product which is subject to this investigation. If any interested party, as described under paragraphs (C), (D), (E), or (F) of section 771(9) of the Act, wishes to register support for, or opposition to, this petition, please file written notification with the Assistance Secretary for Import Administration.

Initiation of Investigation

Under section 702(c) of the Act, we must determine whether to initiate a countervailing duty proceeding within 20 days after a petition is filed. Section 702(b) of the Act requires the Department to initiate a countervailing duty proceeding whenever an interested party files a petition, on behalf of an industry, that: (1) Alleges the elements necessary for the imposition of a duty under section 701(a), and (2) is accompanied by information reasonably available to the petitioner supporting the allegations. We have examined the petition on wire rope from Israel and have found that it meets these requirements. Therefore, we are initiating a countervailing duty investigation to determine whether Israeli manufacturers, producers, or exporters of wire rope receive subsidies. If our investigation proceeds normally, we will make our preliminary determination on or before January 29, 1991.

Scope of Investigation

The product covered by this investigation is steel wire rope. Steel wire rope encompasses ropes, cables, and cordage of iron or steel, other than stranded wire, not fitted with fittings or made up into articles, and not made of brass plated wire. Steel wire rope is currently provided for in subheadings 7312.10.60, 7312.10.9030, 7312.10.9060 and 7312.10.9090 of the Harmonized Tariff Schedule (HTS). The HTS subheadings are provided for convenience and customs purposes. The written description remains dispositive.

Allegations of Subsidies

As stated in the "Initiation of Investigation" section of this notice, we have determined that the petition meets the two criteria of section 702(b) of the Act. When the Department applies these two criteria to domestic subsidy allegations, the allegations must identify (1) specificity (i.e., the program is limited to a specific enterprise or industry or group of enterprises or industries); and (2) provision of a countervailable benefit. When the Department applies these two criteria to export subsidy allegations, the allegations must identify (1) receipt of benefits contingent upon export performance; and (2) provision of a countervailable benefit.

Petitioner lists a number of practices by the Government of Israel which allegedly confer subsidies on manufacturers, producers, or exporters of wire rope in Israel. Petitioner has met the criteria listed above. Accordingly, we are initiating an investigation of the following programs:

1. Encouragement of Capital Investment Law Grants, Long-Term Industrial Development Loans, Tax Exemptions, Accelerated Depreciation, Reduced Income Tax and Interest Subsidy Grants
2. Exchange Rate Risk Insurance Scheme
3. Encouragement of Research and Development Law Grants

ITC Notification

Section 702(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 non-privileged and non-proprietary information. We will also allow the ITC access to all privileged and business-proprietary information in the Department's files, provide the ITC confirms in writing that it will not disclose such information, either publicly or under administrative protective order, without the written consent of the Deputy Assistant Secretary for Investigations, Import Administration.

Preliminary Determination by the ITC

The ITC will determine by December 20, 1990, whether there is a reasonable indication that imports of wire rope from Israel materially injure, or threaten material injury to, a U.S. industry. If its determination is negative, this investigation will be terminated; otherwise, this investigation will continue according to statutory and regulatory time limits.

This notice is published pursuant to section 702(c)(2) of the Act.

Dated: November 26, 1990.

Marjorie A. Chorlins,

Acting Assistant Secretary for Import Administration.

[FR Doc. 90-28424 Filed 12-7-90; 8:45 am]

BILLING CODE 3510-DS-M

[C-549-806]

Initiation of Countervailing Duty Investigation: Steel Wire Rope From Thailand

AGENCY: Import Administration, International Trade Administration, Commerce.

ACTION: Notice.

SUMMARY: On the basis of a petition filed in proper form with the U.S. Department of Commerce (the Department), we are initiating a countervailing duty investigation to determine whether manufacturers, producers, or exporters in Thailand of steel wire rope (wire rope), as described in the "Scope of Investigation" section of this notice, receive benefits which constitute bounties or grants within the meaning of the countervailing duty law. If this investigation proceeds normally, we will make our preliminary determination on or before January 29, 1991.

EFFECTIVE DATE: December 10, 1990.

FOR FURTHER INFORMATION CONTACT: Vincent Kane or Ross Cotjanle, Office of Countervailing Investigations, Import Administration, International Trade

Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 377-2815 and (202) 377-3534.

SUPPLEMENTARY INFORMATION:

The Petition

On November 5, 1990, we received a petition in proper form filed by the Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers (the Committee), on behalf of the U.S. industry producing wire rope. In compliance with the filing requirements of § 355.12 of the Department's regulations (19 CFR 355.12), the petition alleges that manufacturers, producers, and exporters of wire rope in Thailand receive certain benefits which constitute bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended (the Act).

Thailand is not a "country under the Agreement" within the meaning of section 701(b) of the Act, and the merchandise being investigated is dutiable. Therefore, section 303 of the Act applies to this investigation. Accordingly, petitioner is not required to allege that, and the U.S. International Trade Commission is not required to determine whether, imports of this product from Thailand materially injure, or threaten material injury to, a U.S. industry.

Petitioner has alleged that it has standing to file the petition because it is an interested party as defined under section 771(9)(E) of the Act and because it has filed the petition on behalf of the U.S. industry manufacturing the product which is subject to this investigation. If any interested party as described under paragraphs (C), (D), (E), or (F) of section 771(9) of the Act wishes to register support for, or opposition to, this petition, please file written notification with the Assistant Secretary for Import Administration.

Initiation of Investigation

Under section 702(c) of the Act, the Department is required to determine whether to initiate a countervailing duty proceeding within 20 days after a petition is filed. Section 702(b) of the Act requires the Department to initiate a countervailing duty proceeding whenever an interested party files a petition on behalf of an industry that: (1) Alleges the elements necessary for the imposition of a duty under section 701(a), and (2) is accompanied by information reasonably available to the petitioner supporting the allegations. We have examined the petition on wire rope from Thailand and have found that it meets these requirements. Therefore, we are initiating a countervailing duty investigation to determine whether Thai manufacturers, producers, or exporters of wire rope, as described in the "Scope of the Investigation" section of this notice, receive bounties or grants. If our investigation proceeds normally, we will make our preliminary determination on or before January 29, 1991.

Scope of Investigation

The product covered by this investigation is steel wire rope. Steel wire rope encompasses ropes, cables, and cordage of iron or steel, other than stranded wire, not fitted with fittings or made up into articles, and not made up of brass plated wire. Steel wire rope is currently provided for in subheadings 7312.10.60, 7312.10.9030, 7312.10.9060, and 7312.10.9090 of the Harmonized Tariff Schedule (HTS). The HTS subheadings are provided for convenience and customs purposes. The written description remains dispositive as to the scope of the product coverage.

Allegations of Bounties or Grants

As stated in the "Initiation of Investigations" section of this notice, we have determined that the petition meets the two criteria of section 702(b) of the Act. When the Department applies these two criteria to domestic subsidy allegations, the allegations must identify (1) specificity (i.e., the program is limited to a specific enterprise or industry or group of enterprises or industries); and (2) provision of a countervailable benefit. When the Department applies these two criteria to export subsidy allegations, the allegations must identify: (1) Receipt of benefits contingent upon export performance; and (2) provision of a countervailable benefit.

Petitioner lists a number of practices by the Government of Thailand which allegedly confer bounties or grants on manufacturers, producers, or exporters of wire rope in Thailand. Petitioner has met the criteria listed above. Accordingly, we are initiating an investigation of the following programs:

1. Export Packing Credits
2. Tax Certificates for Exporters
3. Electricity Discount for Exporters
4. Rediscount of Industrial Bills
5. Export Processing Zones
6. International Trade Promotion Fund
7. Investment Promotion Act
   - Section 28: Import Duty and Tax Exemption for Machinery
   - Section 31: Income Tax Exemption
   - Section 33: Goodwill and Royalties Tax Exemption
   - Section 34: Tax Deduction for Dividends
   - Section 36(1): Import Duty and Tax Exemption on Raw and Essential Materials
   - Section 36(2): Import Duty and Tax Exemption on Imports for Re-export
   - Section 36(3): Export Duty and Tax Exemption on Products for Export
   - Section 36(4): Tax Deduction on Income Resulting from Increased Exports

This notice is published pursuant to section 702(c)(2) of the Act.

Dated: November 26, 1990.

Marjorie A. Chorlins,

Acting Assistant Secretary for Import Administration.

[FR Doc. 90-28425 Filed 12-7-90; 8:45 am]

BILLING CODE 3510-DS-M

APPENDIX B

LIST OF WITNESSES

CALENDAR OF THE PUBLIC CONFERENCE

November 27, 1990

Investigations Nos. 701-TA-305 and 306 and
731-TA-476-482 (Preliminary)

Steel wire rope from Argentina, Chile, India, Israel, Mexico,
The People's Republic of China, Taiwan, and Thailand

Those persons listed below appeared at the United States International Trade Commission's conference held in connection with the subject investigations on November 27, 1990, at the U.S. International Trade Commission, 500 E Street, SW, Washington, DC.

In support of the imposition of countervailing and antidumping duties

Harris & Ellsworth--Counsel
Washington, DC
on behalf of--

The Committee of Domestic Steel Wire Rope and
Specialty Cable Manufacturers

Charles Salanski, Exec. V.P., Wire Rope Corporation
Mark Love, Vice Pres., Economic Consulting Services

Herbert E. Harris)
Cheryl Ellsworth) --OF COUNSEL
Jeffrey Levin)

In opposition to the imposition of countervailing and antidumping duties

Baker & McKenzie--Counsel
Washington, DC
on behalf of--

Acindar Industria, Argentina

Herbert F. Riband) --OF COUNSEL

In opposition to the imposition of countervailing and antidumping duties--Continued

Kaplan Russin & Vecchi--Counsel
Washington, DC
on behalf of--

Wire Rope Works Messilot (Messilot), Israel

Marcos Bogomolski, Managing Director, Messilot
Arnon Grassiani, Export Director, Messilot
Larry Goldstein, Counsel, Kibbutz Movement of Israel

Kathleen Patterson) --OF COUNSEL

Sherman & Sterling--Counsel
Washington, DC
on behalf of--

Groupo Industrial Camesa, S.A. de C.V., Mexico

H. J. Davey, Vice President, Camesa, S.A.
Carmen Aquia, General Counsel, Camesa, S.A.
Luis Rubio, Attorney, Rubio & Associates
Gregory Stewart, President, GTR Inc. (Seaborne Trading Corp.)

Stephan E. Becker)
Thomas Wilner) --OF COUNSEL
Jody Westby)

Klayman & Associates--Counsel
Washington, DC
on behalf of--

Wire Rope Importers' Association of America

Howard Schloss, Vice President, Indusco
Peter Schumann, General Manager, Trefilarbed, Inc.
Seymour Schwartz, UNA Corp.

Larry Klayman)
Frederick J. Sujat) --OF COUNSEL
Karen S. Snow)

APPENDIX C

TARIFF NOMENCLATURE

HARMONIZED TARIFF SCHEDULE of the United States

Annotated for Statistical Reporting Purposes

Heading/ Subheading	Stat. Suf. & cd		Article Description	Units of Quantity	Rates of Duty 1 General	Rates of Duty 1 Special	Rates of Duty 2
7312 (con.)			Stranded wire, ropes, cables, plaited bands, slings and the like, of iron or steel, not electrically insulated (con.):				
7312.10 (con.)			Stranded wire, ropes and cables (con.):				
			Ropes, cables and cordage other than stranded wire:				
			Of stainless steel:				
7312.10.50	00	5	Fitted with fittings or made up into articles	kg	5.7% 1/2/	Free (A,B,C,E,IL) 5.1% (CA)	45%
7312.10.60	00	3	Other	kg	4.4% 1/2/	Free (A,E,IL) 3.9% (CA)	45%
			Other:				
7312.10.70	00	1	Fitted with fittings or made up into articles	kg	5.7% 1/2/	Free (A,B,C,E,IL) 5.1% (CA)	45%
			Other:				
7312.10.80	00	9	Of brass plated wire	kg	4%	Free (A,E,IL) 3.6% (CA)	35%
7312.10.90			Other		4% 1/2/	Free (A,E,IL) 3.6% (CA)	35%
			Galvanized:				
	30	1	With a diameter not exceeding 9.5 mm	kg			
	60	4	With a diameter exceeding 9.5 mm	kg			
	90	8	Other	kg			
7312.90.00	00	9	Other	kg	5.7%	Free (A,B,C,E,IL) 4.5% (CA)	45%
7313.00.00	00	7	Barbed wire of iron or steel; twisted hoop or single flat wire, barbed or not, and loosely twisted double wire, of a kind used for fencing, of iron or steel	kg	Free		Free
7314			Cloth (including endless bands), grill, netting and fencing, of iron or steel wire; expanded metal of iron or steel:				
7314.11			Woven products:				
			Of stainless steel:				
7314.11.10	00	1	With meshes not finer than 12 wires to the lineal centimeter in warp or filling	m^2 .....v kg	4.9%	Free (A,B,E,IL) 4.4% (CA)	35%
7314.11.20	00	9	With meshes finer than 12 but not finer than 36 wires to the lineal centimeter in warp or filling	m^2 .....v kg	4.9%	Free (A,B,E,IL) 4.4% (CA)	50%

1/ Duty on cable for caliper brakes temporarily suspended. See subheading 9902.73.12.
2/ Duty on cables for derailleurs temporarily suspended. See subheading 9902.87.14.

APPENDIX D

DATA REGARDING SPECIALTY PRODUCERS

SPECIALTY STEEL WIRE ROPE

During these investigations a number of responding firms have raised the issue of whether "proprietary" or specialty products should be excluded from these investigations,[1] including ***.

Proprietary products.--*** has argued that its "proprietary product lines[2] (accounting for approximately *** percent of ***'s production of steel wire rope in 1989) are physically and technically different from the classification of general wire rope products, and their markets have not been materially injured or threatened with material injury by the actions of the subject countries."[3] Officials of the firm have indicated that their firm and the industry producing the "round, black and greasy" category of steel wire rope has been injured by imports from the subject countries, but they do not consider their proprietary products to be covered by these investigations. As an example, ***:[4]

* * * * * * *

During these investigations, distinctions have been made between full-line producers and these specialty producers of steel wire rope. Data and information in the staff report reflect all types of steel wire rope (including proprietary products), whereas data are broken out by product in this appendix (tables D-1 thru D-3).

Stainless steel.--Additional trade information regarding stainless steel wire rope are presented in table D-4. Limited price information was obtained for stainless steel wire rope. *** submitted net delivered prices for its largest sale of *** stainless steel wire rope to distributors for ***. *** provided monthly net delivered sales prices to *** for ***. *** prices reported by *** from $*** in ***, to $*** in ***. *** prices reported by *** from $*** per foot in *** to $*** per foot in ***. Margins of *** based on

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[1] Seaborne Trading, an importer of galvanized steel wire rope from Mexico, has argued the their imported product is a "very specialized steel wire rope which is used exclusively on the Super Tuna Purse Seine type fishing vessels (requiring special properties of strength, hardness and ductility); the product has never been sold for any other than this marine application; Seaborne has exclusive distribution rights for the cable; and approximately *** percent of the firm's imports are re-exported. (Nov. 23, 1990, submission of GTR Inc. for its importing operation, Seaborne Trading). All of Seaborne Trading Corp.'s imports for consumption of steel wire rope are reflected in the import tables and apparent U.S. consumption tables in the staff report. However, if Seaborne's subsequent reported re-exports of such steel wire rope were to be excluded from the import data and the apparent U.S. consumption data, the resulting ratio of imports from Mexico by importers to apparent U.S. consumption would be *** percent in 1987, *** percent in 1988, *** percent in 1989, *** percent in January-September 1989, and *** percent in January-September 1990 (compared with *** percent, respectively, in the staff report).

[2] Such products include ***.

[3] Dec. 6, 1990, submission of ***.

[4] Dec. 7, 1990, and Nov. 30, 1990, telephone interviews with ***.

the *** sales prices of the stainless steel from ***, ranged from *** to *** percent.[5]

Table D-1
Steel wire rope: Injury indicators for full-line U.S. producers, 1987-89, and January-September 1989-90

* * * * * * *

Table D-2
Steel wire rope: Injury indicators for specialty producers, 1987-89, and January-September 1989-90

* * * * * * *

Table D-3
Steel wire rope: Injury indicators for all U.S. producers, 1987-89, and January-September 1989-90

* * * * * * *

Table D-4
Steel wire rope: Value of domestic shipments of stainless steel product, 1987-89, and January-September 1989-90

* * * * * * *

[5] According to ***, sales prices were ***. Conversation with ***, Dec. 12, 1990.

APPENDIX E

COMMENTS RECEIVED FROM U.S. PRODUCERS ON THE IMPACT OF IMPORTS OF STEEL WIRE ROPE FROM ARGENTINA, CHILE, INDIA, ISRAEL, MEXICO, THE PEOPLE'S REPUBLIC OF CHINA, TAIWAN, AND THAILAND ON THEIR GROWTH, INVESTMENT, ABILITY TO RAISE CAPITAL, OR EXISTING DEVELOPMENT AND PRODUCTION EFFORTS

The Commission requested U.S. producers to describe any actual or anticipated negative effects of imports of steel wire rope from the subject countries on existing development and production efforts, growth, investment, and ability to raise capital. Five firms--***--indicated they suffered no negative effects. The responses of the three producers which supplied comments are as follows:

Response of U.S. producers to the following questions:

1. Since January 1, 1987, has your firm experienced any actual negative effects on its growth, investment, ability to raise capital, or existing development and production efforts as a result of imports of steel wire rope from Argentina, Chile, India, Israel, Mexico, the People's Republic of China, Taiwan, or Thailand?

* * * * * * *

2. Does your firm anticipate any negative impact of imports of steel wire rope from the subject countries?

* * * * * * *

3. Has the scale of capital investments undertaken been influenced by the presence of imports of steel wire rope from the subject countries?

* * * * * * *

APPENDIX F

OFFICIAL IMPORT STATISTICS FOR PRODUCT CATEGORIES

Table F-1

Steel wire rope: Official import statistics, 1987-89, January-September 1989, and January-September 1990

642.14.00--Stainless, not fitted

7312.10.60--	Quantity (short tons)					Value ($c.i.f.)					Unit value				
	1987	1988	1989	J-S '8	J-S '9	1987	1988	1989	J-S '89	J-S '90	1987	1988	1989	J-S '89	J-S '90
COUNTRY															
Argentina											ERR	ERR	ERR	ERR	ERR
Chile	15	22				$15,058	$17,826				$981	$808	ERR	ERR	ERR
India					13					$50,614	ERR	ERR	ERR	ERR	$3,885
Mexico					9					$46,945	ERR	ERR	ERR	ERR	$5,184
PRC		5					$19,332				ERR	$4,168	ERR	ERR	ERR
Taiwan	325	327	123	90	29	$950,185	$1,349,545	$930,792	$698,878	$186,346	$2,922	$4,121	$7,562	$7,772	$6,438
Thailand	33	1				$273,743	$7,612				$8,422	$7,302	ERR	ERR	ERR
Subtotal	373	355	123	90	51	$1,238,986	$1,394,315	$930,792	$698,878	$283,905	$3,322	$3,926	$7,562	$7,772	$5,564
(% Total)	11.4	15.5	7.6	7.3	3.8	9.4	11.2	8.4	8.3	3.7					
Israel	0	0	36	36	0			$48,905	$48,905		ERR	ERR	$1,347	$1,347	ERR
Subtotal	373	355	159	126	51	1238986	1394315	$979,697	$747,783	$283,905	$3,322	$3,926	$6,146	$5,923	$5,564
(% Total)	11.4	15.5	9.8	10.2	3.8	9.4	11.2	8.9	8.9	3.7					
Japan	108	232	62	42	80	$764,701	$1,630,847	$557,311	$403,586	$516,135	$7,079	$7,018	$9,023	$9,699	$6,491
Korea	1,401	1,379	1,267	954	1,153	$6,719,138	$8,620,162	$8,823,608	$6,694,851	$6,374,499	$4,796	$6,253	$6,962	$7,016	$5,530
Malaysia															
All Other	1,380	325	139	118	56	4,501,826	817,203	705,055	532,415	446,279	$3,262	$2,515	$5,080	$4,531	$7,949
Subtotal	2,889	1,936	1,468	1,113	1,288	$11,985,665	$11,068,212	$10,085,974	$7,630,852	$7,336,913	$4,149	$5,717	$6,871	$6,854	$5,694
Total	3,262	2,291	1,627	1,240	1,340	$13,224,651	$12,462,527	$11,065,671	$8,378,635	$7,620,818	$4,054	$5,440	$6,800	$6,760	$5,689

642.16.15--Galvanized, less than or equal to 3/8"

7312.10.90.30--Galv., less than or equal to 9.5mm

	Quantity (short tons)					Value ($c.i.f.)					Unit value				
COUNTRY	1987	1988	1989	J-S '8	J-S '9	1987	1988	1989	J-S '89	J-S '90	1987	1988	1989	J-S '89	J-S '90
Argentina			81	81	19			$42,262	$42,262	$10,069	ERR	ERR	$523	$523	$523
Chile											ERR	ERR	ERR	ERR	ERR
India		166	230	193	1	$0	$107,613	$178,031	$145,680	$1,681	ERR	$648	$773	$756	$1,999
Mexico			36	35	9			$45,755	$44,443	$16,722	ERR	ERR	$1,283	$1,273	$1,942
PRC	9	100	1,058	743	795	$10,992	$132,627	$1,435,470	$1,014,955	$1,064,452	$1,200	$1,329	$1,356	$1,366	$1,339
Taiwan	1,743	1,467	2,813	2,044	951	$2,493,354	$2,730,144	$6,058,098	$4,366,728	$2,002,509	$1,431	$1,861	$2,154	$2,137	$2,105
Thailand	127	173	510	332	292	$209,142	$310,908	$939,062	$603,398	$535,714	$1,642	$1,797	$1,843	$1,817	$1,837
Subtotal	1,880	1,906	4,728	3,427	2,067	$2,713,488	$3,281,292	$8,698,678	$6,217,466	$3,631,147	$1,444	$1,722	$1,840	$1,814	$1,757
(% Total)	14.4	13.5	27.4	27.0	19.1	15.7	14.1	25.4	25.0	17.7					
Israel	36	116	132	99	63	$50,326	$160,259	$255,436	$179,861	$131,788	$1,386	$1,385	$1,938	$1,826	$2,105
Subtotal	1,916	2,022	4,859	3,526	2,129	2,763,814	3,441,551	8,954,114	6,397,327	3,762,935	$1,443	$1,702	$1,843	$1,815	$1,767
(% Total)	14.7	14.4	28.2	27.8	19.7	16.0	14.8	26.1	25.7	18.3					
Japan	637	421	468	299	452	$958,654	$808,488	$1,077,388	$732,692	$890,408	$1,506	$1,922	$2,304	$2,454	$1,968
Korea	10,198	10,962	11,108	8,280	7,741	$13,149,202	$17,616,773	$22,873,006	$16,662,887	$14,879,661	$1,289	$1,607	$2,059	$2,012	$1,922
Malaysia															
All Other	271	671	821	580	497	408,264	1,387,768	1,355,394	1,077,239	979,263	$1,506	$2,067	$1,651	$1,857	$1,969
Subtotal	11,106	12,054	12,397	9,158	8,691	$14,516,120	$19,813,029	$25,305,788	$18,472,818	$16,749,332	$1,307	$1,644	$2,041	$2,017	$1,927
Total	13,021	14,076	17,256	12,684	10,820	$17,279,934	$23,254,580	$34,259,902	$24,870,145	$20,512,267	$1,327	$1,652	$1,985	$1,961	$1,896

Table continued on following page.

Table F-1--Continued

Steel wire rope: Official import statistics, 1987-89, January-September 1989, and January-September 1990

642.16.20--Galvanized, greater than 3/8"

7312.10.90.60--Galv., greater than 9.5mm

	Quantity (short tons)					Value ($c.i.f.)					Unit value				
	1987	1988	1989	J-S '8	J-S '9	1987	1988	1989	J-S '89	J-S '90	1987	1988	1989	J-S '89	J-S '90
COUNTRY															
Argentina	43	0	33	33	0	$32,885		$30,984	$30,984	$0	$766	ERR	$927	$927	ERR
Chile			80	37	19			$77,443	$34,004	$20,776	ERR	ERR	$971	$922	$1,112
India	44	2	220	143	104	$35,320	$2,101	$273,992	$188,056	$100,512	$805	$1,285	$1,247	$1,311	$964
Mexico			53	35	3			$77,700	$49,810	$3,421	ERR	ERR	$1,478	$1,431	$1,232
PRC		74	667	566	528		$53,630	$816,448	$706,453	$591,274	ERR	$724	$1,224	$1,248	$1,121
Taiwan	54	26	117	90	9	$75,413	$58,710	$197,358	$148,191	$23,733	$1,408	$2,298	$1,682	$1,639	$2,748
Thailand	126	142	434	327	207	$173,536	$238,514	$566,113	$410,851	$294,804	$1,374	$1,683	$1,305	$1,257	$1,427
Subtotal	267	243	1,604	1,232	869	$317,154	$352,955	$2,040,038	$1,568,349	$1,034,520	$1,189	$1,452	$1,272	$1,273	$1,191
(% Total)	2.1	1.6	9.9	10.2	8.3	2.1	1.8	8.9	9.2	7.9					
Israel	606	1,117	961	655	184	$597,954	$1,320,719	$1,275,013	$804,997	$262,959	$986	$1,182	$1,326	$1,228	$1,432
Subtotal	873	1,360	2,565	1,887	1,052	915,108	1,673,674	3,315,051	2,373,346	1,297,479	$1,048	$1,230	$1,292	$1,257	$1,233
(% Total)	6.9	8.8	15.9	15.6	10.1	6.1	8.7	14.5	14.0	9.9					
Japan	427	154	116	95	34	$618,618	$254,836	$274,232	$233,047	$89,631	$1,449	$1,659	$2,368	$2,453	$2,648
Korea	8,202	10,384	10,032	7,209	6,798	$8,393,024	$12,061,445	$13,801,530	$9,835,390	$8,201,083	$1,023	$1,162	$1,376	$1,364	$1,206
Malaysia		235					204,560				ERR	$870	ERR	ERR	ERR
All Other	3,099	3,256	3,449	2,905	2,555	5,101,529	4,999,816	5,524,242	4,539,106	3,464,526	$1,646	$1,536	$1,602	$1,563	$1,356
Subtotal	11,728	14,029	13,597	10,208	9,386	$14,113,171	$17,520,657	$19,600,004	$14,607,543	$11,755,240	$1,203	$1,249	$1,441	$1,431	$1,252
Total	12,601	15,389	16,162	12,096	10,439	$15,028,279	$19,194,331	$22,915,055	$16,980,889	$13,052,719	$1,193	$1,247	$1,418	$1,404	$1,250

Total Galvanized--	Quantity (short tons)					Value ($c.i.f.)					Unit value				
	1987	1988	1989	J-S '8	J-S '9	1987	1988	1989	J-S '89	J-S '90	1987	1988	1989	J-S '89	J-S '90
COUNTRY															
Argentina	43	0	114	114	19	32,885	0	73,246	73,246	10,069	$766	ERR	$642	$642	$523
Chile	0	0	80	37	19	0	0	77,443	34,004	20,776	ERR	ERR	$971	$922	$1,112
India	44	168	450	336	105	35,320	109,714	452,023	333,736	102,193	$805	$654	$1,004	$993	$972
Mexico	0	0	88	70	11	0	0	123,455	94,253	20,143	ERR	ERR	$1,399	$1,352	$1,769
PRC	9	174	1,726	1,309	1,323	10,992	186,257	2,251,918	1,721,408	1,655,726	$1,200	$1,071	$1,305	$1,315	$1,252
Taiwan	1,796	1,493	2,930	2,134	960	2,568,767	2,788,854	6,255,456	4,514,919	2,026,242	$1,430	$1,869	$2,135	$2,116	$2,111
Thailand	254	315	944	659	498	382,678	549,422	1,505,175	1,014,249	830,518	$1,508	$1,746	$1,595	$1,540	$1,667
Subtotal	2,146	2,149	6,331	4,659	2,935	$3,030,642	$3,634,247	$10,738,716	$7,785,815	$4,665,667	$1,412	$1,691	$1,696	$1,671	$1,590
(% Total)	8.4	7.3	18.9	18.8	13.8	9.4	8.6	18.8	18.6	13.9					
Israel	643	1,233	1,093	754	246	648,280	1,480,978	1,530,449	984,858	394,747	$1,009	$1,201	$1,400	$1,306	$1,603
Subtotal	2,789	3,382	7,424	5,413	3,181	3,678,922	5,115,225	12,269,165	8,770,673	5,060,414	$1,319	$1,513	$1,653	$1,620	$1,591
(% Total)	10.9	11.5	22.2	21.8	15.0	11.4	12.1	21.5	21.0	15.1					
Japan	1,063	574	583	394	486	1,577,272	1,063,324	1,351,620	965,739	980,039	$1,483	$1,852	$2,317	$2,453	$2,015
Korea	18,400	21,346	21,141	15,488	14,538	21,542,226	29,678,218	36,674,536	26,498,277	23,080,744	$1,171	$1,390	$1,735	$1,711	$1,588
Malaysia	0	235	0	0	0	0	204,560	0	0	0	ERR	$870	ERR	ERR	ERR
All Other	3,371	3,927	4,270	3,485	3,052	5,509,793	6,387,584	6,879,636	5,616,345	4,443,789	$1,635	$1,626	$1,611	$1,612	$1,456
Subtotal	22,833	26,083	25,994	19,367	18,077	$28,629,291	$37,333,686	$44,905,792	$33,080,361	$28,504,572	$1,254	$1,431	$1,728	$1,708	$1,577
Total	25,622	29,465	33,418	24,780	21,258	32,308,213	42,448,911	57,174,957	41,851,034	33,564,986	$1,261	$1,441	$1,711	$1,689	$1,579

Table continued on following page.

Table F-1--Continued

Steel wire rope: Official import statistics, 1987-89, January-September 1989, and January-September 1990

642.16.50--Bright

7312.10.90.90--Bright

	Quantity (short tons)					Value ($c.i.f.)					Unit value				
	1987	1988	1989	J-S '8	J-S '9	1987	1988	1989	J-S '89	J-S '90	1987	1988	1989	J-S '89	J-S '90
COUNTRY															
Argentina	290	1,340	1,764	1,343	1,279	$212,644	$1,009,781	$1,535,094	$1,148,685	$1,218,969	$733	$754	$870	$856	$953
Chile	194	563	802	626	145	$168,255	$507,901	$775,096	$599,216	$141,567	$868	$902	$967	$958	$977
India	17	1,413	2,246	1,830	1,165	$16,391	$1,333,238	$2,378,724	$1,909,642	$1,168,562	$947	$944	$1,059	$1,043	$1,003
Mexico	1,238	1,310	2,328	1,560	2,948	$1,204,210	$1,525,203	$2,515,744	$1,818,799	$3,189,928	$973	$1,165	$1,080	$1,166	$1,082
PRC	64	681	869	486	791	$42,723	$525,678	$695,614	$380,072	$695,607	$668	$772	$801	$782	$879
Taiwan	719	535	692	511	334	$875,541	$901,341	$1,291,159	$925,475	$765,102	$1,218	$1,684	$1,865	$1,812	$2,293
Thailand	933	1,806	1,211	873	178	$1,035,578	$2,319,105	$1,464,674	$1,138,093	$242,522	$1,110	$1,284	$1,209	$1,304	$1,364
Subtotal	3,455	7,647	9,912	7,228	6,840	$3,555,342	$8,122,247	$10,656,105	$7,919,982	$7,422,257	$1,029	$1,062	$1,075	$1,096	$1,085
(% Total)	8.8	16.1	20.9	20.7	22.9	8.3	13.9	16.9	16.9	18.7					
Israel	719	402	665	476	383	$775,614	$451,190	$998,690	$754,597	$600,395	$1,079	$1,123	$1,502	$1,587	$1,569
Subtotal	4,174	8,049	10,578	7,704	7,223	4,330,956	8,573,437	11,654,795	8,674,579	8,022,652	$1,038	$1,065	$1,102	$1,126	$1,111
(% Total)	10.7	16.9	22.3	22.1	24.2	10.2	14.7	18.5	18.6	20.3					
Japan	623	729	372	290	268	$987,206	$1,382,917	$865,290	$716,476	$571,462	$1,583	$1,896	$2,327	$2,468	$2,130
Korea	26,843	28,913	22,674	16,769	14,213	$25,999,732	$31,717,511	$28,847,762	$21,542,506	$16,518,954	$969	$1,097	$1,272	$1,285	$1,162
Malaysia	55	239	382	382	0	$50,411	$193,924	$360,144	$360,144	$0	$909	$811	$942	$942	ERR
All Other	7,470	9,690	13,368	9,724	8,113	11,278,652	16,477,246	21,230,048	15,449,516	14,474,710	$1,510	$1,700	$1,588	$1,589	$1,784
Subtotal	34,993	39,571	36,796	27,166	22,594	$38,316,001	$49,771,598	$51,303,244	$38,068,642	$31,565,126	$1,095	$1,258	$1,394	$1,401	$1,397
Total	39,167	47,620	47,373	34,869	29,816	$42,646,957	$58,345,035	$62,958,039	$46,743,221	$39,587,778	$1,089	$1,225	$1,329	$1,341	$1,328

Total Steel Wire Rope

	Quantity (short tons)					Value ($c.i.f.)					Unit value				
	1987	1988	1989	J-S '8	J-S '9	1987	1988	1989	J-S '89	J-S '90	1987	1988	1989	J-S '89	J-S '90
COUNTRY															
Argentina	333	1,340	1,878	1,457	1,298	245,529	1,009,781	1,608,340	1,221,931	1,229,038	$737	$754	$856	$839	$947
Chile	209	585	881	662	164	183,313	525,727	852,539	633,220	162,343	$877	$899	$967	$956	$992
India	61	1,580	2,696	2,167	1,283	51,711	1,442,952	2,830,747	2,243,378	1,321,369	$845	$913	$1,050	$1,035	$1,030
Mexico	1,238	1,310	2,417	1,629	2,968	1,204,210	1,525,203	2,639,199	1,913,052	3,257,016	$973	$1,165	$1,092	$1,174	$1,097
PRC	73	860	2,594	1,795	2,114	53,715	731,267	2,947,532	2,101,480	2,351,333	$734	$851	$1,136	$1,170	$1,112
Taiwan	2,840	2,355	3,746	2,735	1,323	4,394,493	5,039,740	8,477,407	6,139,272	2,977,690	$1,547	$2,140	$2,263	$2,245	$2,251
Thailand	1,219	2,122	2,155	1,532	676	1,691,999	2,876,139	2,969,849	2,152,342	1,073,040	$1,388	$1,355	$1,378	$1,405	$1,588
Subtotal	5,974	10,151	16,367	11,977	9,826	$7,824,970	$13,150,809	$22,325,613	$16,404,675	$12,371,829	$1,310	$1,295	$1,364	$1,370	$1,259
(% Total)	8.8	12.8	19.9	19.7	18.7	8.9	11.6	17.0	16.9	15.3					
Israel	1,362	1,635	1,794	1,266	629	1,423,894	1,932,168	2,578,044	1,788,360	995,142	$1,046	$1,182	$1,437	$1,413	$1,582
Subtotal	7,336	11,786	18,161	13,243	10,455	9,248,864	15,082,977	24,903,657	18,193,035	13,366,971	$1,261	$1,280	$1,371	$1,374	$1,278
(% Total)	10.8	14.8	22.0	21.7	19.9	10.5	13.3	19.0	18.8	16.5					
Japan	1,795	1,536	1,017	726	834	3,329,179	4,077,088	2,774,221	2,085,801	2,067,636	$1,855	$2,654	$2,728	$2,875	$2,479
Korea	46,644	51,637	45,082	33,212	29,904	54,261,096	70,015,891	74,345,906	54,735,634	45,974,197	$1,163	$1,356	$1,649	$1,648	$1,537
Malaysia	55	474	382	382	0	50,411	398,484	360,144	360,144	0	$909	$840	$942	$942	ERR
All Other	12,221	13,942	17,776	13,326	11,221	21,290,271	23,682,033	28,814,739	21,598,276	19,364,778	$1,742	$1,699	$1,621	$1,621	$1,726
Subtotal	60,715	67,590	64,258	47,646	41,959	$78,930,957	$98,173,496	$106,295,010	$78,779,855	$67,406,611	$1,300	$1,452	$1,654	$1,653	$1,606
Total	68,051	79,376	82,419	60,889	52,414	88,179,821	113,256,473	131,198,667	96,972,890	80,773,582	$1,296	$1,427	$1,592	$1,593	$1,541

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

APPENDIX G

ADDITIONAL PRICE DATA

Table G-1
Steel wire rope, product ***: Weighted-average net delivered prices to distributors of U.S.-produced steel wire rope, of imports sold by U.S. producers, and imports sold by unrelated importers, by quarters, January 1987-September 1990

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Table G-2
Steel wire rope, product ***: Weighted-average net delivered prices to distributors of U.S.-produced steel wire rope, of imports sold by U.S. producers, and imports sold by unrelated importers, by quarters, January 1987-September 1990

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APPENDIX H

BID INFORMATION

Table H-1
Steel wire rope: Bids submitted by producers, 1987-90

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Table H-2
Steel wire rope: Bids submitted by importers, 1987-90

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