

# **STEEL WIRE ROPE FROM ARGENTINA AND MEXICO**

Determinations of the Commission in  
Investigations Nos. 731-TA-476 and  
479 (Final) Under the Tariff Act of  
1930, Together With the Information  
Obtained in the Investigations



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Washington, DC 20436**

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Note.--Information that would reveal business proprietary operations of individual concerns may not be published and therefore has been deleted from this report.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. 731-TA-476 and 479 (Final)  
Steel Wire Rope from Argentina and Mexico

Determinations

On the basis of the record<sup>1</sup> developed in the subject investigations, the Commission unanimously determines, pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)) (the Act), that an industry in the United States is not materially injured or threatened with material injury, and the establishment of an industry in the United States is not materially retarded, by reason of imports from Argentina and Mexico of steel wire rope, provided for in subheading 7312.10.90 of the Harmonized Tariff Schedule of the United States, that have been found by the Department of Commerce to be sold in the United States at less than fair value (LTFV).<sup>2</sup>

Background

The Commission instituted these investigations effective April 18, 1991, following a preliminary determination by the Department of Commerce that imports of steel wire rope from Argentina and Mexico were being sold at LTFV within the meaning of section 733(b) of the act (19 U.S.C. § 1673b(b)). Notice of the institution of the Commission's investigation and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register of May 1, 1991 (56 F.R. 20024). The hearing was held in Washington, DC, on July 9, 1991, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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

<sup>2</sup> 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 stainless steel or brass plated wire. Such steel wire rope was previously provided for in item 642.16 of the former Tariff Schedules of the United States (TSUS)).



### VIEWS OF THE COMMISSION

Based on the information obtained in these final investigations, we unanimously determine that an industry in the United States is not materially injured or threatened with material injury by reason of imports of steel wire rope from Argentina and Mexico that are sold at less than fair value (LTFV).<sup>1</sup>

#### Like Product and Domestic Injury

In determining whether there is a reasonable indication of material injury or threat thereof to a domestic industry, the Commission must make threshold 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. . . ."<sup>2</sup> "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 . . . ."<sup>3</sup>

The Department of Commerce (Commerce) defines the imported merchandise that is subject to the investigation, and the Commission determines what domestic products are "like" the imports. The imported product subject to these investigations is steel wire rope from Argentina and Mexico. Commerce has defined this product as follows:

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 into articles, and not made of brass plated wire. Excluded from this

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<sup>1</sup> Material retardation of the establishment of an industry is not an issue in these investigations and will not be discussed further.

<sup>2</sup> 19 U.S.C. § 1677(4)(A).

<sup>3</sup> 19 U.S.C. § 1677(10).

investigation is stainless steel wire rope, i.e., ropes, cables, and cordages other than stranded wire, of stainless steel, not fitted with fittings or made into articles, which is classifiable under Harmonized Tariff Schedule (HTS) subheading 7312.10.6000<sup>4</sup>

While the Commission accepts Commerce's determination as to which merchandise is within the class of merchandise allegedly sold at less than fair value (LTFV), the Commission determines what domestic products are like the ones in the class defined by Commerce.<sup>5</sup>

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.<sup>6</sup> 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.<sup>78</sup> No single factor is dispositive, and the

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<sup>4</sup>Final Determinations of Sales at Less than Fair Value: 56 Fed. Reg. 31112 (July 9, 1991) (Argentina); 56 Fed. Reg. 31098 (July 9, 1991) (Mexico).

<sup>5</sup> Algoma Steel Corp., Ltd. v. United States, 688 F. Supp. 639 (Ct. Int'l Trade 1988), aff'd, 865 F.2d 240 (Fed. Cir. 1989), cert. denied, 109 S.Ct. 3244 (1989).

<sup>6</sup> Asociacion Columbiana de Exportadores de Flores, et al. v. United States ("ASOCOFLORES"), 693 F.Supp. 1165, 1169 (Ct. Int'l Trade 1988).

<sup>7</sup> 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.

<sup>8</sup> For Acting Chairman Brunsdale's analysis of the like product issue in these investigations, see Steel Wire Rope from Canada, Inv. No. 731-TA-524 (Preliminary), USITC Pub. 2409 (August 1991) at 26-28 (Additional Views of Acting Chairman Anne E. Brunsdale). The like product in these investigations is  
(continued...)



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 for a separate like product analysis, and instead, has looked for clear dividing lines among products.<sup>9</sup>

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. 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. A wire rope consists of three basic components: a core, wires that form a strand, and strands laid helically around a core.

In the preliminary investigations, petitioner, the Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers, urged the Commission to find one like product consisting of all steel wire rope. The Commission found one like product consisting of both carbon and stainless steel wire rope, regardless of end use.<sup>10</sup>

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<sup>8</sup>(...continued)

identical to that in Steel Wire Rope from Canada, and the analysis set forth in that opinion applies equally to the current investigations.

<sup>9</sup> 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) ("Antifriction Bearings"), aff'd sub nom., The Torrington Co. v. United States, 747 F.Supp. 744 (Ct. Int'l Trade, 1990), aff'd, No. 91-1084 (Fed. Cir., July 3, 1991).

<sup>10</sup> Steel Wire Rope from Argentina, Chile, India, Israel, Mexico, The People's Republic of China, Taiwan, and Thailand, Invs. Nos. 701-TA-305 & 306  
(continued...)

In these final investigations, petitioner urges the Commission to find that stainless steel wire rope is not part of the like product, on the grounds that carbon steel rope and stainless steel rope are not used for the same purposes, have different physical characteristics, and sell for different prices.

Petitioner also points to three collateral factors that it contends support its proposed like product definition. First, petitioner notes that the scope of the products under investigation does not include stainless rope.<sup>11</sup> Second, petitioner indicates that the U.S. producers do not produce much stainless steel rope. Third, petitioner notes that the operating profitability of domestic stainless steel wire rope operations is considerably higher than that for most other types of domestic wire rope operations.<sup>12</sup>

One respondent to these investigations has addressed the like product question. That respondent, Cablesa, S.A. de C.V. (Cablesa), a Mexican producer of subject steel wire rope, argues that stainless steel rope should be included in the like product definition. Cablesa argues that there are overwhelming similarities between the two products, specifically, that both are manufactured using the same equipment, processes and employees, are distributed through the same channels, and serve the same ultimate end use, i.e., the transmission of

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<sup>10</sup>(...continued)  
and 731-TA-476-482 (Preliminary) USITC Pub. No. 2343 (Dec. 1990) at 6-10. The Commission noted that, in any final investigations, it would reexamine the definition.

<sup>11</sup> The scope definition for the final investigations differs from that of the preliminary definitions in that stainless steel rope is no longer included within the scope. This modification was made as a result of a May 28, 1991, request by petitioner that the petition be amended to delete the HTS subheading covering stainless steel rope.

<sup>12</sup> See, e.g., Transcript of Hearing (July 9, 1991) ("Hearing Tr.") at 46-47.

force. Cablesa also suggests that the Commission should be consistent with its previous determinations in the preliminary investigations here and in the preliminary investigation of steel wire rope from Korea, in which the Commission included carbon steel and stainless steel in one like product.<sup>13</sup>

We have reexamined the like product question in light of the amended scope and the record created here and have determined again that the like product includes all steel wire rope, whether stainless or carbon, regardless of end use.

As an initial matter, we address petitioner's suggestion that we should mold our like product definition to the scope of this investigation.<sup>14</sup> The purpose of our like product inquiry is to determine those products that are like the products subject to investigation, so that we may define the relevant domestic industry and evaluate the impact of subject imports upon that industry. In so doing, the Commission can, and has in the past, defined the like product

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<sup>13</sup> Steel Wire Rope from the Republic of Korea (Preliminary), No. 731-TA-112, USITC Pub. 1314 (Nov. 1982) In that preliminary investigation, the Commission determined that there was a reasonable indication that a U.S. industry was experiencing material injury by reason of dumped imports of steel wire rope from the Republic of Korea. The Department of Commerce subsequently issued a final negative determination in that investigation, finding no more than de minimis dumping margins for the Korean firms subject to the investigation. The Committee appealed Commerce's determination, but withdrew the appeal after the United States entered into a voluntary restraint agreement (VRA) with Korea.

We note that the Commission is not bound to follow a like product definition made in a previous investigation, particularly where the scope is different. See, e.g., Citrosuco Paulista S.A. v. United States, 704 F.Supp. 1075, 1088 (CIT 1980). See also Portable Electric Typewriters from Singapore, Inv. No. 731-TA-515 (Preliminary) USITC Pub. 2388 (June 1991) at 7.

<sup>14</sup> It should be noted that, although the scope of these final investigation technically is narrower than that of the preliminary investigations, the imported products that were subject to the broader scope, in fact, included almost exclusively carbon steel. See Report at A-83, Table 28.

to be broader than the scope of the products evaluated by Commerce for its LTFV determination.<sup>15</sup>

Nor are we persuaded by petitioner's suggestion that stainless steel wire rope should be excluded from the like product because U.S. firms' stainless steel rope production operations are performing better than their overall steel wire rope operations. The Commission may not fashion its like product definition to reach a particular result.<sup>16</sup>

Carbon steel rope and stainless steel rope generally are produced at the same facilities, using the same equipment, processes and employees.<sup>17</sup> Most firms reported that the production processes were identical and that the machinery was interchangeable. 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.<sup>18</sup> 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.

The channels of distribution for both compositions of rope are similar. For both domestic carbon steel and stainless steel wire rope, there is a mix

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<sup>15</sup> E.g., Generic Cephalexin Capsules from Canada, Inv. No. 731-TA-423 (Final), USITC Pub. 2211 (Aug. 1989) at 10, 13; Shock Absorbers and Parts, Components, and Subassemblies Thereof from Brazil, Inv. No. 731-TA-421 (Preliminary), USITC Pub. 2128 (Sept. 1988) at 7-16; 64K Dynamic Random Access Memory Components from Japan, Inv. No. 731-TA-270 (Final), USITC Pub. 1862 (June 1986) at 3-; Certain Natural Bristle Paint Brushes from the People's Republic of China, Inv. No. 731-TA-244 (Final), USITC Pub. 1805 (Jan. 1986) at 4-7.

<sup>16</sup> ASOCOFLORES at 9.

<sup>17</sup> Report at A-25 & 26.

<sup>18</sup> Id.

between direct sales to end users and sales to distributors. For both types of rope, the majority of shipments were made through distributors or service centers.<sup>19</sup>

For a number of applications, either carbon steel rope or stainless steel may be used. For example, both types of rope are employed for industrial and machinery uses.<sup>20</sup> Both carbon and stainless steel can be fabricated into ropes of similar size and construction. 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.<sup>21</sup>

While there is a definite price difference between carbon steel and stainless steel rope,<sup>22</sup> the Commission has been reluctant to consider price differences alone to be sufficient reason for finding separate like products.<sup>23</sup>

On balance, we find that the commonality of production processes, facilities, and employees, producer and customer perceptions, and the overlap in general uses favor finding including stainless steel rope in the like product definition.

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<sup>19</sup> Report at A-48.

<sup>20</sup> Report at A-16, Table 2.

<sup>21</sup> Report at A-8. Although steel wire ropes of different compositions are not interchangeable for all uses, the Commission has not required complete 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.

<sup>22</sup> See, e.g., Report at A-46 (Table 7).

<sup>23</sup> E.g., Certain Steel Wheels from Brazil, Inv. No. 701-TA-296 (Final), USITC Pub. 2193 at 7 (May 1989).

Although no party has raised the issue in these final investigations, we have also examined whether proprietary or specialty products should constitute a separate like product. We have determined that these products are not a separate like product.

Proprietary ropes are generally made of carbon steel using the same machinery and processes as other rope, but are then subjected to added processes such as swaging (i.e. compacting) or impregnating with plastic.<sup>24</sup> In many respects, these processes are analogous to the end processes that any rope must go through to meet customer specifications, such as galvanizing or plastic coating. The mere fact that certain products are patented or custom-made does not mean they constitute a different like product.<sup>25</sup>

Both proprietary products and nonproprietary products generally sell within a similar range of prices. Proprietary and nonproprietary wire rope products are basically substitutable and are employed in the same end uses. Like other types of wire rope, proprietary rope covers a wide range of uses, making a like product distinction difficult.<sup>26</sup> Further, the disagreement among producers as to just what products are "proprietary," emphasizes the absence of

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<sup>24</sup> Report at A-29-30.

<sup>25</sup> Generic Cephalixin Capsules from Canada, USITC Pub. 2211 at 7; Antifriction Bearings, USITC Pub. 2185 at 32; Certain Steel Wheels from Brazil, USITC Pub. 2193 at 5-8.

<sup>26</sup> See ASOCOFLORES, 693 F. Supp. at 1170; Polyethylene Terephthalate Film, Sheet, and Strip from Japan, the Republic of Korea, and Taiwan ("PET Film"), Inv. Nos. 731-TA-458 and 459 (Final), USITC Pub. 2383 (May 1991) at 8; Antifriction Bearings, USITC Pub. 2185 at 24, 27, 30,; Sewn Cloth Headwear from the People's Republic of China, Inv. No. 731-TA-405 (Final), USITC Pub. 2183 (May 1989) at 5. There reportedly are more than 2,000 varieties of steel wire rope. Report at A-128; Transcript of Preliminary Conference (Nov. 27, 1990) at 68-69.

a "clear dividing line" distinguishing proprietary rope from other types of rope.<sup>27</sup>

Accordingly, we define the like product to consist of all steel wire rope, regardless of composition or end use. Concomitantly, the domestic industry is composed of all producers of steel wire rope.<sup>28</sup>

## II. Condition of the Domestic Industry<sup>29</sup>

In assessing the condition of the domestic industry, the Commission considers, among other factors, domestic consumption, production, capacity,

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<sup>27</sup> For example, the domestic producers do not define swaged rope as proprietary, whereas the Canadian producers do consider it to be a proprietary product. Report at A-27-28.

<sup>28</sup> Although no party has raised a related party question, we have considered whether Bridon American should be excluded from the domestic industry as a related party on the basis of its relationship as an importer of steel wire rope from Mexico (Tr. 170). See 19 U.S.C. § 1677(4)(B). Inclusion or exclusion of its data does not skew the data for the rest of the industry. Nor does it appear that Bridon is importing in order to benefit from the unfair trade practice or that Bridon is "shielded" from the impact of the unfair imports. See Minivans from Japan, Inv. No. 731-TA-522 (Preliminary), USITC Pub. 2402 at 25-31; PET Film at 17-18; 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). Accordingly, we have determined that appropriate circumstances do not exist to exclude Bridon as a related party.

<sup>29</sup> Acting Chairman Brunsdale joins in this discussion of the condition of the domestic industry. She does not, however, join in her colleagues conclusion that this information establishes that there is no material injury to a domestic industry. She does not believe that a discussion of the condition of the industry, taken alone, can establish that a domestic industry has not been materially injured by reason of dumped imports, which is the question the Commission is directed to consider. She does, however, find the discussion of the condition of the domestic industry helpful in determining whether any injury resulting from the dumped imports is material. (For a discussion of the basis for her determination that there is no material injury by reason of the dumped imports, see her Additional Views in the preliminary investigation of Canadian steel wire rope. (Steel Wire Rope from Canada, Inv. No. 731-TA-524 (Preliminary), USITC Pub. 2409 (August 1991) at 25-42 (Additional Views of Acting Chairman Anne E. Brunsdale).) The factual record in that investigation was identical to that in the current cases and the analysis set forth there applies equally to her determinations here.)

capacity utilization, shipments, inventories, employment, financial performance, capital investment, and research and development efforts.<sup>30</sup> We must evaluate these factors within the context of the business cycle and conditions of competition that are distinctive to the affected industry.<sup>31</sup> For the purpose of these final investigations, the Commission collected data bearing on the condition of the domestic industry for the period 1988 through 1990, as well as interim data for the first six months of 1990 and 1991. The data collected and analyzed in these investigations indicates that the domestic industry is not suffering material injury.

Apparent domestic consumption of steel wire rope increased slightly from 198,913 short tons in 1988 to 203,211 in 1989, and then decreased to 190,539 short tons in 1990.<sup>32</sup> However, apparent consumption was slightly higher for the first six months of 1991 as compared to the same period for 1990. During the three year investigatory period, the U.S. producer's share of total apparent consumption moved in the opposite direction from consumption, decreasing slightly from 60.1 percent in 1988 to 59.4 percent in 1990, and then increasing to a period high of 62 percent in 1990.<sup>33</sup> The interim share for 1991 was lower than the interim share for 1990.

Domestic production of steel wire rope increased slightly during the three year investigatory period, from 126,820 short tons in 1988 to 129,874 short tons in 1990.<sup>34</sup> The capacity of U.S. producers of steel wire rope was basically

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<sup>30</sup> 19 U.S.C. § 1677(7)(C)(iii).

<sup>31</sup> See id.

<sup>32</sup> Report at A-83, Table 28.

<sup>33</sup> Report at A-84, Table 29.

<sup>34</sup> Report at A-50, Table 6.



steady throughout the period of investigation, with a slight (2.6 percent) increase reflecting sales and purchases of equipment.<sup>35</sup> Capacity utilization dipped slightly from 55 percent in 1988 to 52 percent in 1989, and then rose again to 55 percent in 1990. For the first six months of 1990, utilization was at a high of 58 percent, as compared to 51 percent for the first six months of 1991.<sup>36</sup>

The quantity of U.S. producers' domestic shipments of steel wire rope remained relatively steady during the period of investigation, although the slight increases and decreases followed the opposite trends from production.<sup>37</sup> By value, U.S. producers' shipments increased during this period. In terms of both quantity and value, the U.S. producers' shipments were higher for interim 1990 than for interim 1991.

U.S. producers' inventories of steel wire rope decreased during the three-year period of investigation and were lower in interim 1991 than in interim 1990.<sup>38</sup> There was a corresponding drop in the ratio of inventories to production for the three-year period and a corresponding rise in interim 1991 as compared to interim 1990.

Employment indicators for the domestic industry were generally favorable.<sup>39</sup> The number of production and related employees rose slightly during the period of investigation, as did total compensation. As a result of renegotiated labor contracts, hourly wages were reduced from \$11.62 in 1988 to

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<sup>35</sup> Report at A-50, Table 6.

<sup>36</sup> Report at A-50, Table 6.

<sup>37</sup> Report at A-51, Table 7.

<sup>38</sup> Report at A-54, Table 9.

<sup>39</sup> Report at A-55, Table 10.

\$11.35 in 1989, but then rose to \$11.51 in 1990. The number of hours worked rose steadily during the investigation period, while labor productivity decreased.

Finally, the financial experience of U.S. producers for operations producing steel wire rope was positive.<sup>40</sup> Net sales, gross profits, and operating income levels all increased steadily from 1988 to 1990. During this investigation period, net sales increased from \$225 million to \$239 million, and gross profits rose from \$52.7 million to 63.4 million. This trend was also reflected in operating income, which increased markedly from \$6.4 million in 1988 to \$11.1 million in 1990. Gross profit margins, as a percentage of sales likewise increased throughout the three-year period, from 23.4 percent of sales in 1988 to 26.6 percent in 1990. These financial indicators all were lower for the first three months of 1991 than they were for the first quarter of 1990, but even for interim 1991, gross profits, as a percent of sales were at a higher level than the 1990 level.<sup>41</sup>

Based on the foregoing, we find that the domestic industry producing steel wire rope is not presently experiencing material injury. Capacity, production, capacity utilization, domestic shipments, and the employment indicators were basically steady throughout the investigatory period, with slight dips and rises from year to year. At the same time, the financial indicators increased

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<sup>40</sup> Report at A-59, Table 12. The domestic producers' financial experience for their overall operations was also positive. Report at A-57, Table 11.

<sup>41</sup> Petitioner has argued that the sales of steel wire rope which were in the inventory acquired by some domestic producers when they purchased other firms should not be included in the net sales figure because this rope was not manufactured by the producers who ultimately sold the products. In this case, we have included the ultimate sales of acquired inventory in the net sales figure because the original transfers of the goods were not reported as sales by the firms that were purchased, the amounts are substantial, and the inventory was valued as fair market value by independent auditors.

steadily. Although a comparison of the interim 1990 and 1991 data shows some downward movement, these changes are marginal, and seem typical of the slight up and down movement in trends during the three year investigatory period.<sup>42</sup>

Nevertheless, we are mindful that a domestic industry's positive performance trends during a period of recovery may mask material injury caused by LTFV imports.<sup>43</sup> Even if we believed that it was proper to characterize the condition of the domestic industry as showing present material injury, we would make a negative determination based on the lack of causal nexus between the subject imports and any harm suffered by the domestic industry.

### III. No Material Injury by Reason of Subject Imports<sup>44</sup>

In addressing whether any material injury suffered by the domestic industry is by reason of the subject imports,<sup>45</sup> the Commission assesses whether import volumes or increases in volume, either absolutely or relatively, are significant, whether there has been significant underselling by the imported products, whether imports otherwise significantly depress or suppress prices,

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<sup>42</sup> Commissioner Lodwick does not join in the remainder of the discussion of the condition of the industry or in Section III of the Commission's opinion.

<sup>43</sup> See National Association of Mirror Manufacturers v. United States, 696 F.Supp. 642, 647 (Ct. Int'l Trade 1988); S. REP. No. 1385, 90th Cong., 2d Sess. Pt. 2, 11 (1968), reprinted in U.S. Code Congressional and Administrative News 4539, 4548 ("An industry which is prospering can be injured by dumped imports. . ."); S. REP. No. 71, 100th Cong., 1st Sess. 116 (1987) ("temporary trends can mask real harm caused by imports").

<sup>44</sup> Acting Chairman Brunsdale does not join this section of the Commission's opinion. (Her analysis is set forth separately in her Additional Views in the preliminary investigation of Canadian steel wire rope. (Steel Wire Rope from Canada, Inv. No. 731-TA-524 (Preliminary), USITC Pub. 2409 (August 1991) at 25-42 (Additional Views of Acting Chairman Anne E. Brunsdale).) The factual record in that investigation was identical to that in the current cases and the analysis set forth there applies equally to her determinations here.)

<sup>45</sup> 19 U.S.C. § 1673d(b)(1).

and any other impact the subject imports may be having on the domestic industry.<sup>46</sup>

After considering the record in these investigations, we find no causal link between the condition of the industry and the cumulated subject imports from the six countries subject to final investigations and Canada, which was subject on vote day to a preliminary investigation.<sup>47</sup> The cumulated market share of the subject imports is relatively small and has been so throughout the period of investigation.

Moreover, there is no evidence of any casual relationship between the pattern of the increases and decreases in the subject imports and the performance of the domestic industry. During the three year investigatory period, both the domestic industry and the subject imports gained market share, at the

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<sup>46</sup> 19 U.S.C. § 1677 (7)(B) and (C).

<sup>47</sup> Steel Wire Rope from Canada, Inv. No. 731-TA-524 (Preliminary). See Grey Portland Cement and Clinker from Japan, Inv. No. 731-TA-461 (Final), USITC Pub. 2316 (April 1991) at 31, n. 88; Chaparral Steel Company v. United States, 901 F.2d 1097, 1104 (Fed. Cir. 1990).

In addressing causation for material injury purposes, the statute requires the Commission to cumulatively assess the volume and effect of imports from two or more countries of like products subject to investigation if such imports compete with one another and with the like product of the domestic industry in the United States market. 19 U.S.C. § 1677(7)(C)(iv). We find that the requirements for cumulation are met with respect to subject imports from the seven countries under investigation. All the subject imports as well as the U.S. products are simultaneously present in the market, and all are sold nationwide or in overlapping geographic regions. See Report at A-81 and 83-85, Figure 6 and Tables 28 & 29. The imported and domestic ropes are sold mainly through distributorships, although some domestic rope and some of the imports are sold directly to end users. Report at A-48. The bulk of the products sold in the United States, whether produced domestically or exported from each of the subject countries, fall within the bright carbon steel mid-size category. See Report at A-51, Table 7; B-64-68 (Tables F-1, F-2 and F-3). In addition, there is a significant overlap in end uses among the various imports and the U.S. products, indicating that they are competing for sales to the same customers. See Report at A-16, Table 2.

expense of Korean imports,<sup>48</sup> which are not subject to a title VII investigation, and are therefore considered to be fairly traded. In the first six months of 1991, both domestic and subject producers lost some of this share back to the Koreans. In this regard, we note that the slight downward interim 1991 trends for the domestic industry corresponded to a substantial decrease in penetration by the subject imports and a substantial increase in Korean imports. These roughly parallel changes in the volume and market share of the domestic products and the subject imports belie any casual link between the volume of these imports and the performance of the domestic industry. Rather, the data reflect interplay between Korean imports on one hand and both the domestic and subject imports collectively on the other.

We also find no evidence of adverse price effects by the cumulated subject imports. The evidence does not demonstrate that underselling of the imports has depressed prices. Notwithstanding evidence of some underselling by the imports, prices of the domestic products generally increased during the period of investigation.<sup>49</sup> This is especially so in the case of bright wire rope, which accounts for the bulk of U.S. production and shipments, by both quantity and value.<sup>50</sup>

Finally, the allegations of lost sales and lost revenues were unfirmed. In sum, even if we were to have found that the domestic industry is suffering present material injury, any such injury was not "by reason of" the subject imports.

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<sup>48</sup> Report at A- 83-85, Tables 28 & 29.

<sup>49</sup> Report at A-95, Table 30.

<sup>50</sup> Report at A-51, Table 7; A-95, Table 30.

#### IV. Threat of Material Injury

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.<sup>51</sup>

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 [GATT] 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

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<sup>51</sup> See 19 U.S.C. § 1677(7)(F)(ii).

1673e of this title, are also used to produce the merchandise under investigation,

(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.<sup>52</sup>

Factors I, 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.

In reaching its threat determination, the Commission may, "to the extent practicable," cumulate the price and volume effects of imports from different countries for the purposes of assessing market penetration and price suppression and depression.<sup>53</sup> For the purposes of a threat determination, petitioner urges the Commission to cumulate the imports from all seven countries subject to preliminary or final investigations, i.e. imports from Argentina, India, Mexico, The People's Republic of China, Taiwan, Thailand, and Canada.

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<sup>52</sup> 19 U.S.C. § 1677(7)(F)(iii).

<sup>53</sup> 19 U.S.C. § 1677(7)(F)(i), (iv).

We note that the varying import trends among the products from the seven countries makes cumulation difficult.<sup>54</sup> Nonetheless, we have evaluated the relevant threat criteria on both a cumulative and an independent basis. We find that the neither the subject imports from Argentina or Mexico, whether evaluated cumulatively or independently, threaten the domestic industry with material injury. Some of the data upon which we base our determination are business proprietary and can only be discussed in general terms.

No Threat of Material Injury by Reason of LTFV Imports from Argentina

There has been no increase in Argentine production capacity during the period of investigation. Nor does there appear to be a likelihood of any such increase. Rather, recent employee layoffs and reductions in work schedules suggest the opposite.<sup>55</sup> In addition, Argentine capacity utilization has been high throughout the period of investigation.<sup>56</sup>

When all imports are evaluated on a cumulative basis, their market share has been fairly low throughout the period of investigation in terms of quantity, and even more so in terms of value.<sup>57</sup> There has been no rapid increase in penetration of the subject imports. Both the volume and market share of subject imports decreased from 1989 to 1990 and decreased substantially for the first six months of 1991 as compared to the first six months of 1990.<sup>58</sup> Consequently,

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<sup>54</sup> See, e.g., Tart Cherry Juice and Tart Cherry Juice Concentrate from Germany and Yugoslavia, Invs. Nos. 731-TA-512 and 513 (Preliminary), USITC Pub. 2378 (May 1991) at 24.

<sup>55</sup> Report at A-67; See prehearing brief of Acindar Industria Argentina de Aceros S.A. (Acindar) at 2-3.

<sup>56</sup> Report at A-63-68, Table 19.

<sup>57</sup> Report at A-84-85, Table 29.

<sup>58</sup> Report at A-77-79, Table 27; A-83-85, Tables 28 & 29.



there is no reasonable indication that penetration of the subject imports will increase to injurious levels.

We reach the same conclusion if the volume and market penetration of Argentine imports are evaluated independently. Both the volume and market share of Argentine imports have remained low throughout the investigatory period.<sup>59</sup> In interim 1991, there was a marked drop in the already low volume of Argentine imports, resulting in a corresponding drop in market share.<sup>60</sup>

On a cumulative basis, there is no indication that subject imports will have depressing or suppressing effects on U.S. prices. Although there is evidence of underselling by the subject imports, there is no indication that the prices of the subject imports have depressed or suppressed domestic prices, or that they will do so in the future. Even in the face of underselling by the imports, prices of the domestic products generally increased during the period of investigation.<sup>61</sup>

A noncumulative evaluation of potential pricing effects likewise shows that it is unlikely that Argentine imports will have depressing or suppressing effects on U.S. prices. For all product categories in which there is evidence of underselling by Argentine imports, the U.S. prices rose during the period of investigation.<sup>62</sup> Further, for the product category in which there is evidence of more than one instance of Argentine underselling (3/4-inch bright wire rope),

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<sup>59</sup> Report at A-84-85, Table 29.

<sup>60</sup> Id.; See also Report at A-78-79, Table 27. Although the Commission Report shows some nominal amount of Argentine imports in 1991, the Argentine respondent states that it had "no exports of steel wire rope to the United States in the first quarter of 1991 and projects that it will have no exports to the United States in calendar years 1991 and 1992." Prehearing brief of Acindar.

<sup>61</sup> Report at A-95, Table 30.

<sup>62</sup> See Report at A-91, 106, & 95, Table 30.

the price of the U.S. product generally remained continuously above its initial period value, rising as much as 10 percent during the investigatory period.<sup>63</sup>

Further, the record does not indicate that there have been sales lost to, or revenues reduced as a result of, Argentine imports, whether viewed independently or cumulatively with other subject imports. Commission Staff contacted purchasers named in lost sales allegations involving Argentina and other countries subject to investigation. There were no lost revenue allegations made involving Argentina, but Commission Staff contacted purchasers named in lost revenue allegations involving other countries subject to investigation. The exact responses to these contacts, concerning both lost sales and revenues, are business proprietary, but, generally, the allegations were not borne out.<sup>64</sup>

Finally, there is no indication that Argentine imports, whether evaluated cumulatively or independently, will adversely impact upon domestic research and development efforts.<sup>65</sup>

No Threat of Material Injury by Reason of LTFV Imports from Mexico

During the three-year investigatory period, there have been no increases in production capacity for Mexican producers. Although one Mexican producer projected a future increase in capacity, that producer explained that the projected increase results only from the replacement of old machinery and will be used primarily to meet projected increases in consumption in the Mexican and third-country markets.<sup>66</sup>

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<sup>63</sup> Id.

<sup>64</sup> Report at A-114-115.

<sup>65</sup> See Report at A-62 (Table 17). The data reflecting domestic research and development expenses are business proprietary.

<sup>66</sup> Tr. 171-173; Prehearing brief of Grupo Industrial Camesa, Comercial Camesa, Cables Camesa, and Camesa, Inc. (Camesa) at 26-27.

The cumulative volume and price effects of subject imports have been discussed above and will not be repeated here. On a noncumulative basis, although Mexican imports have increased, they still account for a small share of the market by volume and even smaller share by value.<sup>67</sup> We do not find any likelihood that market penetration of Mexican imports will rise imminently to an injurious level.

Nor is there evidence that imports from Mexico independently will have a depressing or suppressing effect on prices of the domestic products. For all product categories in which there is evidence of underselling by Mexican imports, the U.S. prices rose during the period of investigation.<sup>68</sup> Further, for the product category in which there is evidence of multiple instances of Mexican underselling (9/16-inch bright wire rope), the price of the U.S. product remained above its initial period value throughout the investigatory period.<sup>69</sup>

There were no lost revenue allegations made involving imports from Mexico. As noted above, neither the lost revenue allegations concerning other countries, nor the lost sales allegations, including those involving Mexico, were substantiated. Finally, there is no indication that Mexican imports, whether evaluated cumulatively or independently, will adversely impact upon domestic research and development efforts.

#### CONCLUSION

Based on the information obtained in these final investigations, we determine that the domestic industry producing steel wire rope is not materially

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<sup>67</sup> Report at A-84-85, Table 29. See also Report at A-78-79, Table 27.

<sup>68</sup> See Report at A-108, 95, Table 30, and 96, Table 31.

<sup>69</sup> Id. Further, as these price increases occurred, unit costs remained fairly stable, and in fact were lower at the end of the investigatory period than they were at the beginning of the period. See Report at A-61, Table 14.

injured or threatened with material injury by reason of the LTFV imports  
Argentina and Mexico.

**INFORMATION OBTAINED IN THE INVESTIGATIONS**



## INTRODUCTION

This report contains information gathered during the final investigations of steel wire rope from six countries and the preliminary investigation concerning Canada. Given the coincidence of work schedules and the significance for both the Commission and the parties of cumulation issues, on July 16, 1991, the Commission approved a limited waiver of its rules to allow for the consolidation of its staff report in the investigations. The consolidated staff report is contained herein.

## Multicountry Final Investigations

## INSTITUTION OF INVESTIGATIONS

On February 4, 1991, the U.S. Department of Commerce (Commerce) published in the Federal Register (56 F.R. 4259) its preliminary determination that imports of steel wire rope<sup>1</sup> from India are being subsidized by the government of India.<sup>2</sup> Therefore, effective February 4, 1991, the Commission instituted final countervailing duty investigation No. 701-TA-305 (Final) to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from India of steel wire rope that have been found by Commerce to be subsidized by the Government of India (56 F.R. 8217, February 27, 1991).<sup>3,4</sup>

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<sup>1</sup> As defined by Commerce, 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 (56 F.R. 31009, July 9, 1991). Such steel wire rope is provided for in subheading 7312.10.90 of the Harmonized Tariff Schedule of the United States (HTS) (previously in item 642.16 of the former Tariff Schedules of the United States (TSUS)).

Excluded from these investigations is stainless steel wire rope, i.e., ropes, cables, and cordage other than stranded wire, of stainless steel, not fitted with fittings or made into articles, and not made of brass plated wire. Such stainless steel wire rope is provided for in HTS subheading 7312.10.60 (previously in former TSUS item 642.14). Exclusion of stainless steel wire rope from the scope of these investigations resulted from Commerce's acceptance of an amendment to the petition dated May 28, 1991, as filed by counsel for petitioner, which deleted HTS subheading 7312.10.60 from the petition.

<sup>2</sup> On Feb. 20, 1991, Commerce amended its preliminary determination to correct for ministerial error with changes to the estimated margins (56 F.R. 6837).

<sup>3</sup> Copies of the Commission's and Commerce's cited Federal Register notices are presented in app. A.

<sup>4</sup> On Feb. 13, 1991, Commerce received and subsequently granted a request from petitioner to extend the due date for the final countervailing duty determination to coincide with the date of the final antidumping determination on the same product from India (56 F.R. 11406, Mar. 18, 1991). Therefore, in  
(continued...)

On April 18, 1991, Commerce notified the Commission, with notice subsequently published in the Federal Register (56 F.R. 16317, April 22, 1991), that imports of steel wire rope from Argentina, India, Mexico,<sup>5</sup> China, Taiwan, and Thailand are being, or are likely to be, sold in the United States at less than fair value (LTFV). Accordingly, effective April 18, 1991, the Commission instituted and established a schedule for the following final countervailing duty and antidumping investigations under the applicable provisions of the Tariff Act of 1930 to determine whether an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of such merchandise:

<u>Country</u>	<u>Countervailing duty investigation No.</u>	<u>Antidumping investigation No.</u>
Argentina.....	(1)	731-TA-476 (Final)
China.....	(1)	731-TA-480 (Final)
India.....	701-TA-305 (Final)	731-TA-478 (Final)
Mexico.....	(1)	731-TA-479 (Final)
Taiwan.....	(1)	731-TA-481 (Final)
Thailand.....	(1)	731-TA-482 (Final)

<sup>1</sup> Not applicable.

Notice of the institution of the Commission's final investigations, and of the public hearing to be held in connection therewith, was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register on May 1, 1991 (56 F.R. 20024). The hearing was held in Washington, DC, on July 9, 1991.<sup>6</sup>

On May 13, 1991, Commerce published a notice in the Federal Register postponing final determinations as to whether sales of steel wire rope from India, China, Taiwan, and Thailand have been made at LTFV until not later than September 4, 1991 (56 F.R. 21988). Accordingly, the Commission voted only on

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<sup>4</sup> (...continued)

its notice of institution the Commission postponed establishing a schedule for the countervailing duty investigation until Commerce made its preliminary determination in the antidumping investigation.

<sup>5</sup> On May 14, 1991, petitioner submitted to Commerce and the Commission an amendment to the petition alleging that critical circumstances exist with respect to steel wire rope from Mexico, and seeking retroactive imposition of antidumping duties on steel wire rope from Mexico. On July 9, 1991, Commerce found there have not been massive imports of the subject merchandise since the filing of the petition, and therefore, determined that critical circumstances do not exist with respect to imports of steel wire rope from Mexico.

<sup>6</sup> A list of witnesses appearing at the hearing is presented in app. B.



the investigations concerning Argentina and Mexico on August 8, 1991, and will transmit its determinations to Commerce on August 15, 1991.<sup>7</sup>

#### COMMERCE'S FINAL DETERMINATIONS

On July 9, 1991, Commerce published in the Federal Register (56 F.R. 31098 and 31112) its final determinations that imports of steel wire rope from Argentina and Mexico are being, or are likely to be, sold in the United States at LTFV. Regarding allegations of critical circumstances for imports of steel wire rope from Mexico, Commerce did not find that there have been massive imports of the subject merchandise since the filing of the petition, and therefore, determined that critical circumstances do not exist with respect to such imports.

#### BACKGROUND

These investigations result from petitions filed by counsel on behalf of the Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers on November 5, 1990. The petitions alleged that imports of steel wire rope from India, Israel, and Thailand are being subsidized by the governments of those countries, and that imports of steel wire rope from Argentina, Chile, India, Mexico, China, Taiwan and Thailand are being sold in the United States at LTFV, and that an industry in the United States is materially injured and threatened with material injury by reason of such imports. In response to that petition the Commission instituted countervailing duty and antidumping investigations Nos. 701-TA-305 and 306, and 731-TA-476 through 482 (Preliminary) (55 F.R. 47145, November 9, 1990).<sup>8</sup>

On December 20, 1990, the Commission determined that there was 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 that were alleged to be subsidized by the Government of India. The Commission also determined that there was 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 were alleged to be subsidized by the Government of Israel.

With respect to the antidumping investigations, the Commission determined that there was a reasonable indication that an industry in the United States is threatened with material injury by reason of alleged LTFV

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<sup>7</sup> No vote has been scheduled for the investigations concerning China, India, Taiwan, and Thailand, but determinations would be due to be transmitted to Commerce no later than Oct. 18, 1991, or 45 days after Commerce's final determinations.

<sup>8</sup> 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 did not conduct a countervailing duty investigation on steel wire rope from Thailand.

imports of steel wire rope from Argentina, India, Mexico, China, Taiwan, and Thailand, and that there was 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 alleged LTFV imports of steel wire rope from Chile (56 F.R. 286, January 3, 1991).<sup>9</sup>

#### Canadian Preliminary Investigation

On June 28, 1991, another petition was filed with the Commission and Commerce by counsel on behalf of the Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers. The petition alleges that imports of steel wire rope<sup>10</sup> from Canada are being sold in the United States at LTFV, and that an industry in the United States is materially injured and threatened with material injury by reason of such imports. In response to that petition the Commission instituted antidumping investigation No. 731-TA-524 (Preliminary) (56 F.R. 30765, July 5, 1991).

Notice of the institution of the Commission's preliminary investigation, and of the public conference to be held in connection therewith, was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the Federal Register on July 5, 1991 (56 F.R. 30765). The conference was held in Washington, DC, on July 18, 1991.<sup>11</sup> The Commission voted on this investigation on August 8, 1991, and transmitted its determination to Commerce on August 12, 1991.

#### 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 those investigations is presented in table 1.

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<sup>9</sup> See Steel wire rope from Argentina, Chile, India, Israel, Mexico, the People's Republic of China, Taiwan, and Thailand, USITC Pub. 2343, Dec. 1990.

<sup>10</sup> As identified in the Commission's notice of institution, the imported steel wire rope covered by this investigation consists of ropes, cables, and cordage, of iron or steel, excluding stainless 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 HTS subheading 7312.10.90 (previously in former TSUS item 642.16).

<sup>11</sup> A list of witnesses appearing at the conference is presented in app. B.

Table 1

Steel wire rope: Previous and related investigations since 1973

Item	Investigation number	Date of issue	Report No.
Steel wire rope: Japan <sup>1</sup> .....	AD-124	1973	TC 608
Steel wire rope: Korea <sup>2,3</sup> .....	731-TA-112(P)	1982	USITC 1314
Carbon and certain alloy steel products <sup>4</sup> .....	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	

<sup>1</sup> Subsequent to a Department of the Treasury (Treasury) finding that imports of steel wire rope from Japan had been sold in the United States at 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.

<sup>2</sup> In September 1977 Broderick & Bascom Rope Co. 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.

<sup>3</sup> In November 1982 the Commission made a preliminary determination that there was a reasonable indication that an 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.

<sup>4</sup> 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.

## THE PRODUCTS

### Description and Uses

For the purposes of these investigations, "steel wire rope"<sup>12</sup> consists of rope made from wires of carbon and alloy steel, whether or not covered with

<sup>12</sup> 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 (products not covered by these investigations). Telephone interview with \*\*\* on Nov. 5, 1990.

a metallic or nonmetallic coating.<sup>13</sup> 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, copper, or stainless steel,<sup>14</sup> and wire rope that is fitted with fittings or made up into articles. The three 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 (although only that made from carbon steel wire is covered by the investigations).

A wire rope is composed of strands laid around a central core in a helical (spiral) position, and each strand consists of a number of wires also 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,<sup>15</sup> the specific makeup of the strand (the formation of the wires within the strand), the type of core, and the "lay".<sup>16</sup>

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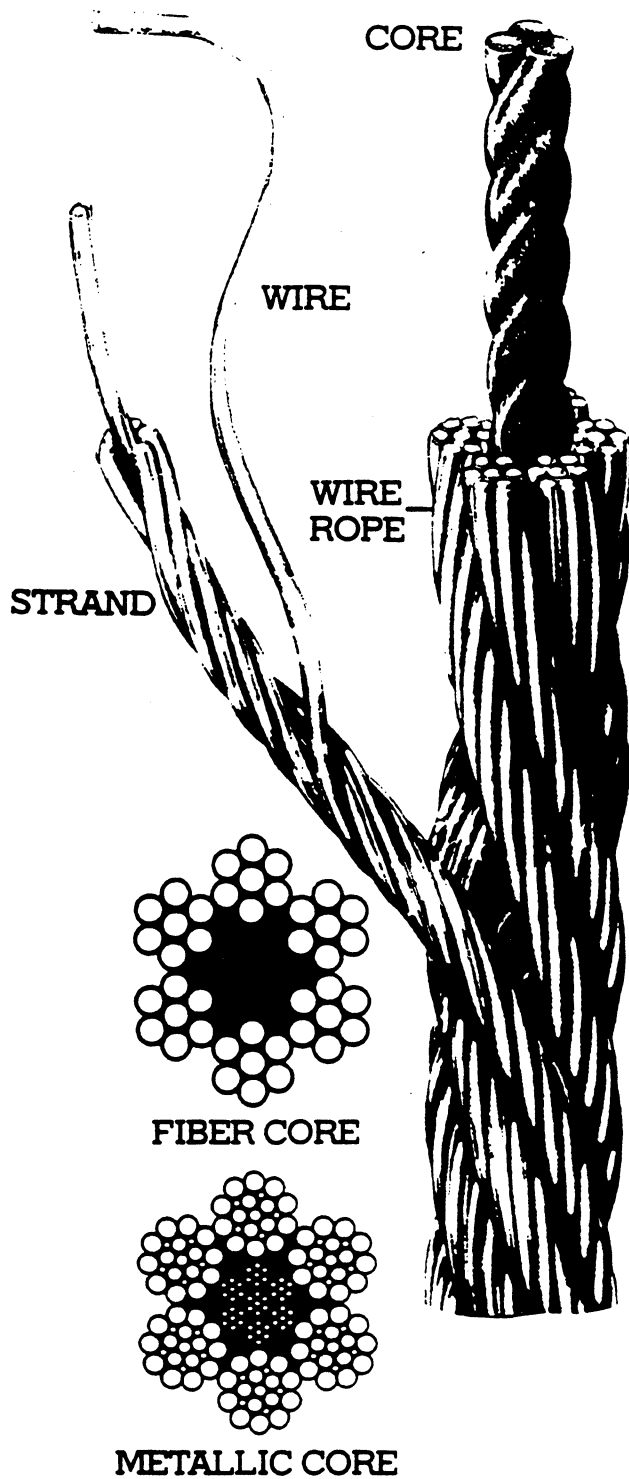
<sup>13</sup> Metallic coatings include base metals such as aluminum or zinc, while nonmetallic coatings may be plastic, textile, or rattan.

<sup>14</sup> 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.

<sup>15</sup> The grade of steel refers to gradations based on tensile strength or breaking strength. The grades of steel used for bright and coated steel wire ropes are (listed in ascending order by tensile strength) mild plow steel, plow steel, improved plow steel, and extra-improved plow steel. (Allan B. Dove, Robert F. Dixon, and Regina Robert (ed.), Ferrous Wire. (Guilford, CN: The Wire Association International Inc., 1989), p. 107.)

<sup>16</sup> Wires are said to be laid into strands without being twisted on their own axis, hence the term "lay" instead of "twist." 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 strands, generally, producers do not form rope by mixing strands from different productions; i.e., producers do (continued...)

Figure 1.--Steel wire rope: Components



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.<sup>17</sup> 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. Several basic designs describe the arrangement of wires in the strand (i.e., the wires' relationship to the core and to one another, and the relationship of strands to one another and to the core); these are the Seale, Warrington, and filler wire principles. 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.<sup>18</sup>

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 is generally composed of one or more steel wires, but it may be a steel wire rope (called an independent wire rope core or IWRC), a steel wire strand (wire strand core or WSC), or may be composed of a fiber material (fiber core or FC). The choice of core is influenced by end use and considerations of flexibility. Fiber cores may be composed of polypropylene or other synthetic material such as nylon or rayon, 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.<sup>19</sup>

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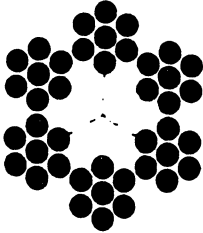
<sup>17</sup> The Rochester Corp., Wire Rope, (company brochure of Mar. 1987), p. 6. See also, American Iron and Steel Institute, Wire Rope Users Manual, Washington, DC: 1981, 2nd ed., p. 16. There are additional constructions listed in the Wire Rope Users Manual and the Federal Specification, Wire Rope and Strand, RR-W-410D (Apr. 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.

<sup>18</sup> Transcript (TR) of the Commission's multicountry staff conference, Nov. 27, 1990, testimony of Mr. Salanski, Executive Vice President of Wire Rope Corp. of America, pp. 68-69.

<sup>19</sup> A statistical reporting number was created in the Harmonized Tariff Schedule of the United States in 1989 for wire strand that is lubricated and has a lay not exceeding 8.5 times the strand diameter in recognition of the end-use dedication. Other types of stranded wire include prestressed concrete steel wire strand or guy strand, which are used for static applications only.

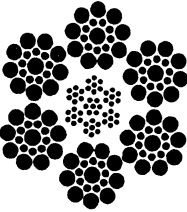
Figure 2.--Steel wire rope: Cross-sections of commonly used constructions

6x7 CLASSIFICATION

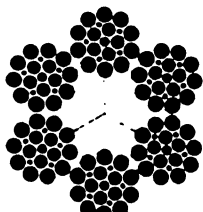


FC

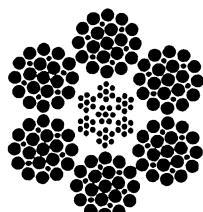
6x19 CLASSIFICATION



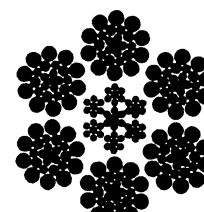
6x19 SEALE  
WRC



6x19 FILLER WRC

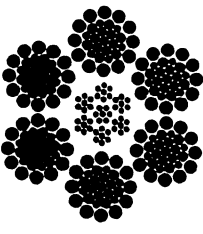


6x19 FILLER WRC

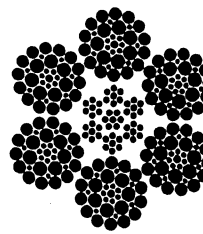


6x19 WARRINGTON SEALE  
WRC

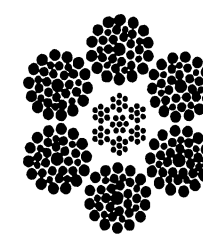
6x37 CLASSIFICATION



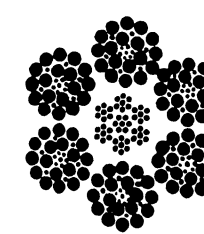
6x37 WARRINGTON SEALE  
WRC



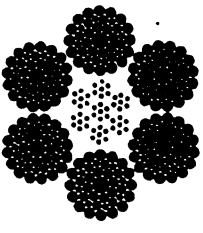
6x37 SEALE FILLER WRC



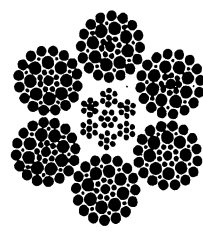
6x37 WARRINGTON SEALE  
WRC



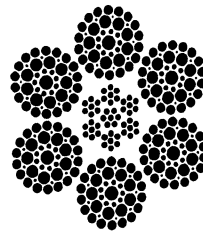
6x37 FILLER WRC



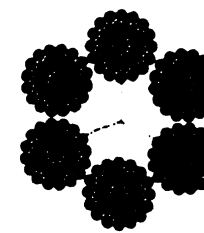
6x42 WARRINGTON SEALE  
WRC



6x42 SEALE FILLER WRC

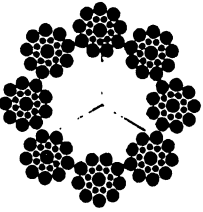


6x42 SEALE FILLER WRC

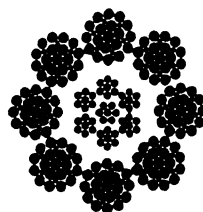


6x42 FILLER WRC

8x19 CLASSIFICATION



8x19 SEALE  
WRC



8x19 FILLER WRC

## PRODUCT CHARACTERISTICS AND USES

The design of the strand is the most important determinant of the operating characteristics of a finished rope.<sup>20</sup> During the operation of a wire rope the main strands and individual wires change position longitudinally with respect to one another; these relative motions tend to distribute and equalize the combined stresses among the component strands and wires as the rope is flexed. 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. Hence, 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 the rope will offer; this characteristic might induce a rope maker to increase the number of strands in a rope (i.e., use 8 strands rather than 6 strands) while maintaining the overall weight of the rope the same as a rope with fewer strands. 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) for the high carbon steels normally used, or the carbon steel may be coated with a protective material such as zinc (termed galvanizing).

Specific working characteristics of steel wire rope may be enhanced by changing the number of wires or strands, alluded to above; altering the shape of rope's surfaces, or through the use of coatings to the rope or its component parts. Such modifications are more common on carbon steel wire rope than on ropes comprised of specialty steels.

For example, the rope or its strands may be coated as a protection against corrosion; such coatings may be of zinc (galvanizing), usually to all wires in a rope, or the coating may be of plastic (usually a polypropylene). Benefits of plastic coating are that it inhibits outside agents from contaminating the rope's lubricant and reduces abrasion to the rope and to strands within the rope.<sup>21</sup> Polypropylene may be extruded around the core, the strands, or the finished rope; the process is termed "plastic impregnation" when it refers to a complete polypropylene covering of all component strands within a rope. One of the Canadian producers differentiates among its polypropylene coated ropes with the terminology: cushion core, cushion rope, and cushion cover. Cushion core and cushion cover indicate that only the core and the outside of the rope, respectively, are plastic-coated; cushion rope implies full plastic impregnation of the strands and the rope.<sup>22</sup>

"Swaging" indicates a process where a finished steel wire rope is passed once or twice through a "swaging machine" (which is similar to a rotary

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<sup>20</sup> The Rochester Corp., Wire Rope, (company brochure of Mar. 1987), p. 5.

<sup>21</sup> Staff interview with \*\*\*.

<sup>22</sup> Ibid.



hammer) that compacts the rope's outer surfaces;<sup>23</sup> this produces a rope of a smaller finished diameter and higher tensile strength for the same length of rope compared to non-swaged ropes. The swaging process flattens the exterior surfaces of a steel wire rope and enhances its working characteristics, particularly the rope's abrasion resistance and its tensile strength, and extends the rope's useful life. With respect to abrasion resistance, the radial pressure and wear on the rope is distributed over a greater number of wires (there is a greater bearing surface in contact with a sheave groove) as compared with a rope comprised of round wires.<sup>24</sup>

A swaged rope of greater length, compared to a rope that has not been swaged, may be coiled onto the same size reel, thereby providing a comparative advantage where strength to diameter ratios are important. Swaging also inhibits the tendency of a rope to "porcupine."<sup>25</sup> The usefulness of a swaged rope lies in its adaptability to unusually heavy loads and where a compact rope is required to reduce crushing under such loads, and where the speed of operation is not too fast.<sup>26</sup> A swaged rope may be coated with zinc or plastic for protection against corrosion (for underwater towing), but generally is not, because its primary end use is in the logging industry where rates of consumption are high. Utilities tend to use a 3-strand swaged rope for stringing heavy overhead electrical transmission lines because a greater length of rope may be coiled onto the same size reel, reducing set-up times for the work crews.<sup>27</sup> There is apparently some difference of opinion within the industry as to whether a steel wire rope must be designed for swaging and whether a swaged rope is a specialized product.<sup>28</sup> However, swaged steel wire ropes came into use during the 19th century<sup>29</sup> and swaged ropes have been used extensively in logging industries in the United States and Canada.

Die-formed rope and shaped strand are two other types of steel wire rope in which the surface of the rope's wires has been modified in order to enhance the rope's working characteristics and extend its useful life. In both instances the member is drawn through a die that reduces its outside diameter:

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<sup>23</sup> Super-swaged apparently indicates that the rope is swaged twice, each time reducing its outside diameter by approximately 1/8 inch. (Staff interviews with \*\*\* on July 17, 1991, and \*\*\* on July 3, 1991.)

<sup>24</sup> Dove, Ferrous Wire, p. 106.

<sup>25</sup> During heavy use and after repeated bending, the outer wires tend to break and the broken ends to stick up, a process called "porcupining;" because swaging compresses the wires, they become harder and lie flatter. (Staff interview with \*\*\*).

<sup>26</sup> Dove, Ferrous Wire, p. 104.

<sup>27</sup> Staff interview with \*\*\* on July 3, 1991, \*\*\* on July 18, 1991, and \*\*\* on July 17, 1991.

<sup>28</sup> Compare the statements at the staff conference on July 18, 1991, of Mr. Charles Salanski of Wire Corp. of America (Canadian conference TR, p. 56) with that of Mr. William Manning and Mr. James Morris of Wrights Canadian Ropes, Ltd. (Id., pp. 104 and 132, respectively).

<sup>29</sup> R.P. Rothwell was issued patent 133059 on Nov. 12, 1872, for "improvements in compacting rope," apparently the same process as swaging. (See, Don Sayenga, "Gimme a Little Squeeze," in Wire Rope News and Sling Technology, vol. 9, No. 2 (Dec. 18, 1987), p. 16.

in the case of die-formed rope, the strands, which are oversized with respect to the desired final size, are drawn through a die that deforms the outer wires, and the strands are then formed into a rope. In the case of shaped strand, the wires that comprise the strand are drawn to the desired form (triangular, locking, or flattened) and then stranded, and the rope is formed from the shaped strand.<sup>30</sup> There are also rope constructions where the layer of outer wires locks together. Like with compacted rope, abrasion resistance and breaking strength are enhanced. Die-formed rope and shaped strand accept coatings and plastic impregnation more readily than does compacted rope; also, they are apparently capable of being run at higher speeds than is swaged rope, i.e., they are more flexible. The mining and oil field service industries tend to use these two types of steel wire rope. Additionally, these two types of rope tend to counteract the tendency of a rope to rotate when used as a single line in lifting or supporting a free load, such as in applications on cranes and other lifting or hoist devices; in this regard, the design duplicates what is achieved by altering the lay of the strand/rope (i.e., a lang lay).

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<sup>31</sup> (static and dynamic applications) on earth-moving and materials-handling equipment in industries such as mining, quarrying, construction, logging, and fishing. Wire rope is used for aircraft control cables, elevator hoist cables, and in the petroleum and natural gas industries for drilling and well servicing.<sup>32</sup> Specific operating characteristics of the rope help determine its end use; for example, there may be different forms of wire rope (e.g.; coated or non-coated, different diameters, different number of strands and wires, etc.) on the same machine.

All of the various types of steel wire rope have specific associated characteristics. 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 a smaller diameter gives the rope greater flexibility and less weight than a "bright" rope of similar characteristics. Hence, there are applications for coated and alloy ropes in light-duty industry, in the home, and on farms based on weight and handling characteristics.

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<sup>30</sup> Staff interview with \*\*\* on July 3, 1991. See also, remarks of Mr. McNally of Wire Rope Industries, p. 133 of the Canadian conference TR, July 18, 1991.

<sup>31</sup> "Rigging" denotes 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.

<sup>32</sup> See, The Rochester Corp., Wire Rope, pp. 12-14, for a list of application recommendations for specific types of equipment.

## Questionnaire responses

Through its questionnaires, the Commission 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 94 percent of total domestic shipments in 1990) and 10 importers (accounting for approximately 46 percent of total imports of steel wire rope from the subject countries in 1990) provided information on shipments of steel wire rope by end-use customer; the data are presented in table 2.<sup>33</sup> Such data indicate that the principal markets for U.S.-produced steel wire rope are in construction (including machinery); mining, lumbering and quarrying; and machinery, industrial equipment, and tools applications. The limited data for end use of imports from the 6 countries subject to final investigation indicate that steel wire rope is present in most markets, but is sold principally for oil and gas, marine, and construction (including machinery) applications. Imports of steel wire rope from Canada are sold principally in mining, lumbering, and quarrying applications.

With respect to the end use of stainless steel wire rope, only two U.S. producers (accounting for approximately \*\*\* percent of stainless steel shipments in 1990) were able to provide data on shipments of their U.S.-produced product. The firms reported that approximately \*\*\* percent of sales in 1990 were for marine applications; \*\*\* percent of shipments also went to machinery (including equipment and tools) applications, and \*\*\* percent went to other applications such as automotive end uses.

## INDUSTRY SPECIFICATIONS

Wire 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.<sup>34</sup> 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.<sup>35</sup> There are also procurement standards for the U.S. military established for specific end-use applications

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<sup>33</sup> Importing firms accounting for the 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.

<sup>34</sup> Telephone interview with \*\*\* of \*\*\* on Nov. 9, 1990.

<sup>35</sup> Telephone interview with \*\*\* of \*\*\* on Nov. 9, 1990. Company literature describing rope quality often uses the generic statement that the company is capable of meeting RR-W-410D; telephone interview with \*\*\* of \*\*\* on Nov. 20, 1990.

Table 2

Steel wire rope: Shares of U.S. shipments of U.S.-produced product and imported product by end-use market, and reporting coverage during 1990

Item	(In percent)							Reporting coverage
	Aviation & aerospace	Construction, maintenance	Machinery, industrial equip. & tools	Marine	Mining quarrying & lumbering	Oil & gas	Unclassifiable	
U.S. shipments of U.S.-produced product:								
Carbon SWR.....	***	***	***	***	***	***	***	***
Stainless SWR.....	***	***	***	***	***	***	***	***
Total SWR.....	.8	27.5	17.5	5.0	31.4	14.1	3.8	93.2
U.S. imports for consumption, by source:								
Argentina.....	***	***	***	***	***	***	***	***
China.....	***	***	***	***	***	***	***	***
India.....	***	***	***	***	***	***	***	***
Mexico.....	***	***	***	***	***	***	***	***
Taiwan.....	***	***	***	***	***	***	***	***
Thailand.....	***	***	***	***	***	***	***	***
Subtotal 6 countries.....	***	***	***	***	***	***	***	***
Canada.....	***	***	***	***	***	***	***	***
Total subject countries..	(1)	5.2	3.1	17.4	55.4	15.0	3.8	45.7

<sup>1</sup> No data reported.

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

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 inch.<sup>36</sup> 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.<sup>37</sup> 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.<sup>38</sup>

### The Manufacturing Process<sup>39</sup>

The basic principles of wire making and rope forming have remained relatively unchanged for several decades.<sup>40</sup> 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 faster and 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.<sup>41</sup>

The manufacturing process for steel wire rope consists of three major steps: (1) drawing rod into wire, (2) stranding wire, and (3) 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.

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<sup>36</sup> Interview with \*\*\* on Nov. 13, 1990; telephone interview with \*\*\* and with \*\*\*.

<sup>37</sup> Telephone interviews with \*\*\*.

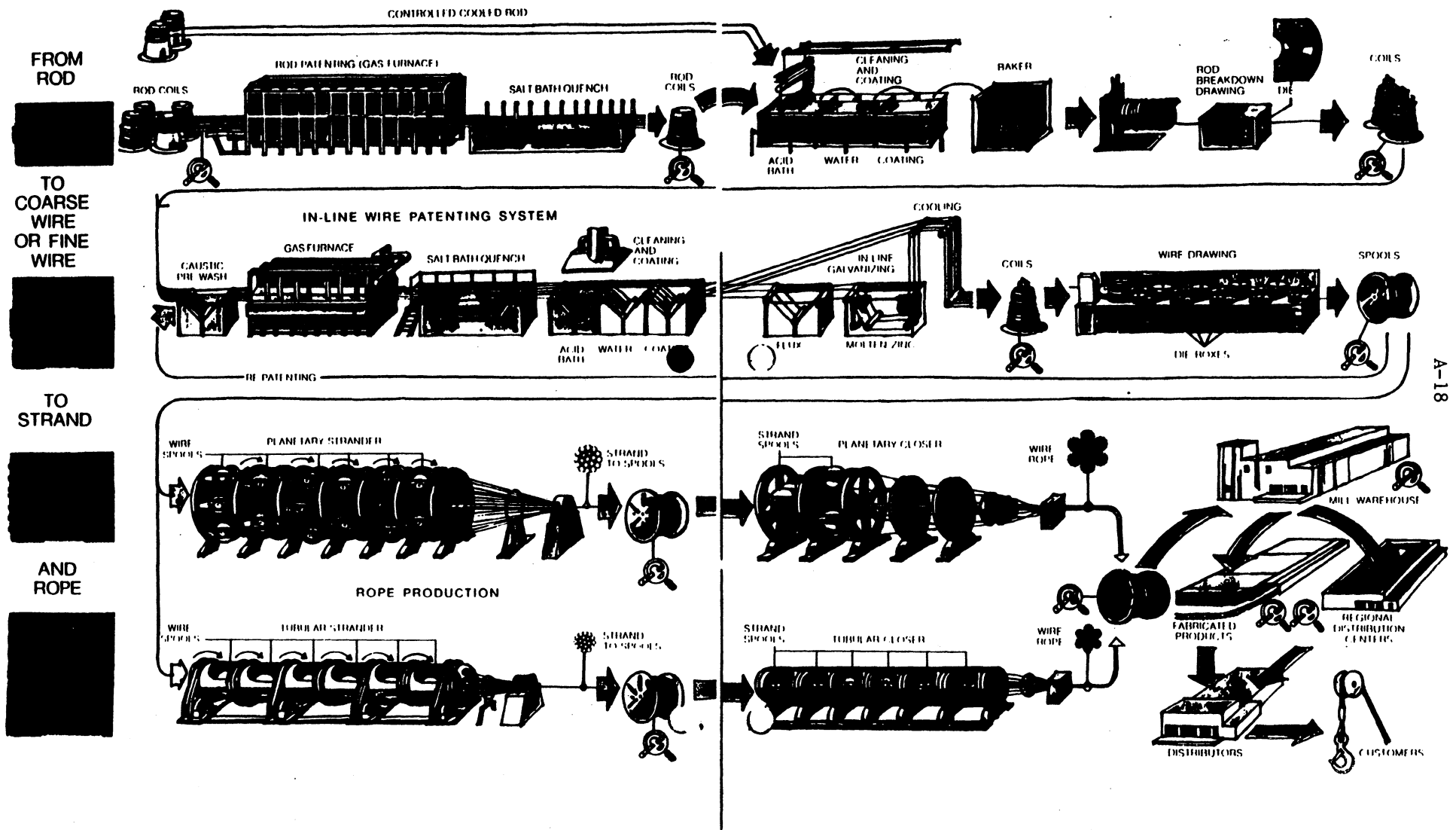
<sup>38</sup> Petition in these multicountry final investigations, Vol. II, Exhibits 4, 5, 10, 14, 15, 16, 17, 22, 25, 26, 27, 28, 29, and 31. The language and nomenclature for the foreign-produced product are similar to that contained in product literature from domestic companies, e.g., The Rochester Corp., Wire Rope, Mar. 1987; Wire Rope Corp. of America, Wire Rope Manufacturing, Technical Data, and catalogs covering usage, 1985; or Bethlehem Steel, Bethlehem Wire Rope (undated).

<sup>39</sup> This section is based on interviews with company officials and visits to the production facilities of Wire Rope Corp. of America, St. Joseph, MO, and The Rochester Corp., Culpeper, VA, as well as, 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.

<sup>40</sup> Telephone interview with \*\*\* on Nov. 20, 1990, and \*\*\* on Nov. 9, 1990.

<sup>41</sup> Staff telephone interviews with \*\*\* and \*\*\*.

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



A-18

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

## DRAWING ROD INTO WIRE

Steel wire rod is heat treated (termed patenting),<sup>42</sup> coated, cleaned, and reduced to a smaller diameter through a series of dies to wire.<sup>43</sup> Depending upon the amount of reduction during drawing (termed the draft), the wire may also undergo patenting and re-drawing to a smaller diameter.

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.<sup>44</sup> 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 that reduce its diameter to between approximately 0.009 inch and 0.250 inch, 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), quenching, 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 the wire may be drawn galvanized to a smaller diameter.

## 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

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<sup>42</sup> "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.

<sup>43</sup> Not all manufacturers draw rod into wire, although a majority do.

<sup>44</sup> Making, Shaping and Treating of Steel, p. 999.

to remove excessive twist. The strand may be die-formed or flattened, or coated at this point.

## 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.

In general, there appears to be little difference between the production processes in domestic facilities and those abroad.<sup>45</sup> 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.<sup>46</sup> However certain processes, including certain types of coating processes, are considered proprietary.<sup>47</sup>

Data indicate that the processing of wire into wire rope represents up to a 100 percent increase in value,<sup>48</sup> which provides an incentive for establishing a rope-making industry in countries where there is excess raw

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<sup>45</sup> Telephone interview with \*\*\*, \*\*\*; interview with \*\*\*. A comparison of the production process based on foreign company literature in the Petition, Vol. II, indicates little that is different.

<sup>46</sup> 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); Wire Rope Corp. is establishing a joint venture in China. Wire Rope Industries, one of the two manufacturers in Canada, has reportedly \*\*\* (see July 25, 1991, submission of Dow, Lohnes & Albertson); and the annual report of one of the manufacturers in Mexico, Camesa, indicates that British Ropes was instrumental in the company's founding and technical success from the beginning (British Ropes helped establish producers in the United States and Canada as well).

<sup>47</sup> Testimony at the staff conference in the preliminary investigation concerning Canada indicates that firms are actively seeking enforcement of their patents, as evidenced by the patent infringement suit filed by Macwhyte Co. \*\*\* against Wire Rope Industries in Canada and Wire Rope Industries' counter-suit against Macwhyte (see Canadian conference TR, p. 134). \*\*\*. However, questions as to the extent to which the process technology was used in the industry prior to its being patented by Macwhyte during the late 1970s were used as arguments \*\*\*.

<sup>48</sup> "Statement of the Committee of Steel Wire Rope and Specialty Cable Manufacturers" before the USITC, Investigation No. 332-256 (Western Steel), Nov. 17, 1988, p. 6.



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; estimates range between \$5 million and \$25 million with the time required between 6 months and 2 years.<sup>49</sup>

### Like Product Considerations

#### STAINLESS STEEL VERSUS CARBON STEEL WIRE ROPE

During the preliminary phase of the multicountry final investigations, although no party argued that a like product distinction should be made based on the composition of the rope, the Commission analyzed the evidence and determined that all steel wire rope constitutes one like product. Subsequently, petitioner has submitted, and Commerce has approved, an amendment to the petition to exclude stainless steel wire rope from the scope of the investigations. Information on carbon and stainless steel wire rope has been gathered during these investigations and is presented separately in the staff report, wherever possible, in order to facilitate consideration of the like product issue.

#### Petitioner's arguments

In its post-conference brief during the multicountry preliminary investigations, counsel for the petitioner argued that in the 1982 antidumping investigation of Steel wire rope from Korea<sup>50</sup> the Commission found a single like product, and that the "factors which the Commission found persuasive in the 1982 investigation remain equally so with respect to the instant investigations. These factors include:

- (1) both domestic and imported steel wire rope conform to federal specifications;
- (2) steel wire rope, whether stainless, bright, or galvanized, is produced on the same machinery, utilizing the same production methods and labor force;
- (3) the equipment used to produce steel wire rope does not, to any significant degree, have other uses;
- (4) only a very small percentage of domestic production and a very small percentage of imports from subject countries are of stainless wire rope (footnote omitted); and
- (5) domestic producers normally do not maintain separate profit and loss figures for stainless, bright and galvanized wire rope."<sup>51</sup>

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<sup>49</sup> Interview with \*\*\* on Nov. 13, 1990. Subsequently, \*\*\*.

<sup>50</sup> Steel wire rope from Korea, Inv. No. 731-TA-112 (Preliminary), USITC Pub. 1314 (Nov. 1982).

<sup>51</sup> Post-conference brief of Harris & Ellsworth on behalf of the petitioner, Nov. 29, 1990 (pp. 5 and 6).

In its May 28, 1991, amendment to the petition to delete stainless steel wire rope, counsel for the petitioner explains its request to exclude in light of the following:

- (1) minimal imports from the subject countries since 1988;
- (2) minimal amount manufactured by members of the Committee participating in the investigations;
- (3) most U.S. producers do not manufacture stainless steel wire rope;
- (4) stainless steel wire rope is made from a different raw material than is carbon steel wire rope;
- (5) stainless steel wire rope has different applications than carbon steel wire rope; and
- (6) the cost per ton of stainless steel wire rope is "so much higher than carbon steel wire rope as to make the market for stainless steel wire rope extremely limited."<sup>52</sup>

In general, respondents argue that the Commission's traditional like product analysis and established precedent require that stainless steel wire rope be included with the like product definition, Commerce's removal of the product from the class of imports under investigation notwithstanding.<sup>53</sup>

#### Questionnaire responses

##### *Differences and similarities in physical characteristics and uses*

The Commission's questionnaires in both the preliminary and final investigations 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:

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<sup>52</sup> May 28, 1991, Amendment of Petition, p. 3. Counsel for petitioner also argues that with costs to produce of 8 to 10 times more than carbon steel wire rope, inclusion of stainless steel wire rope within the scope of the investigations "seriously distorts the domestic wire rope industry's performance." (See prehearing brief of Harris & Ellsworth, p. 10.)

<sup>53</sup> Prehearing brief of Willkie, Farr & Gallagher, p. 6. Counsel for the Indian and Thai respondents also argues that the "quantity produced or shipped is not among the factors for defining like product" and "(t)hat the petitioner's injury case is weakened by inclusion of stainless steel wire rope is not a legitimate reason to exclude it from the like product definition." (See posthearing brief of Willkie, Farr & Gallagher, p. 3.)

FirmComments**PRODUCERS:**

\*\*\*..... "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 (is) 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."

\*\*\*..... "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 steel wire rope has better resistance to corrosion. Used in marine applications; applications requiring exposure to weather over extended period of time."

\*\*\*..... "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 ropes are used in limited applications where environmental attack is prevalent or maintenance access is limited."

\*\*\*..... "Stainless, less strength, better corrosive properties. Used in corrosive environments."

FirmCommentsPRODUCERS:  
(continued)

- \*\*\*..... "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. The two products are not interchangeable. Stainless steel wire rope is for specialty applications only."
- \*\*\*..... "Generally similar in breaking strength, endurance and rope construction. Uses/applications can generally overlap. Stainless steel has better corrosion resistance." Differences: carbon steel has greater breaking strength--both have flexibility."

## 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."
- \*\*\*..... "In "like" constructions these products are interchangeable. Stainless offers significant resistance to rust and corrosion. Slightly lower strength in stainless compared to brite carbon."
- \*\*\*..... "Rope construction can be the same. Breaking strength for carbon steel usually higher than SS. SS ropes have much better resistance against corrosion."
- \*\*\*..... "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. Steel wire rope is not made of stainless wire or galvanized steel wire--physical characteristics are similar but rope are not used interchangeably."

FirmComments**IMPORTERS:**  
(continued)

\*\*\*..... "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."

***Differences and similarities in manufacturing processes***

The Commission's producer's questionnaires requested comments regarding the differences and similarities in the manufacturing processes used in the production of carbon and stainless steel wire rope. The following comments were received:

FirmComments

\*\*\*..... "The manufacturing process is identical in all respects."

\*\*\*..... "...ropes run parallel with respect to use of equipment, machinery, and employees. Cost of stainless wire rope materials, labor and manufacturing processes are greater than carbon steel cables. Some machinery & equipment are interchangeable between carbon & stainless steel wire ropes."

\*\*\*..... "Machinery and equipment is interchangeable; set-up skill is higher on carbon steel. Equipment & labor is interchange (sic) except for size of cable."

\*\*\*..... "The equipment is interchangeable... There should be no change in production inputs, machinery and equipment, and skilled labor. Manufacturing processes are the same."

Firm  
(continued)

Comments

- \*\*\*..... "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."
- \*\*\*..... "No product experience however the stranding and rope making equipment and processes would be interchangeable."
- \*\*\*..... "Processing of stainless steel wire (emphasis added) 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."

**PROPRIETARY/SPECIALTY VERSUS GENERAL PURPOSE STEEL WIRE ROPE**

During the preliminary phase of the multicountry investigations a number of responding firms raised the issue of whether "proprietary" or specialty products should be excluded from these investigations, including \*\*\*, a producer of "proprietary" products such as \*\*\* steel wire rope, and \*\*\*, a producer of specialty \*\*\* steel wire rope.<sup>54,55</sup> During the instant preliminary investigation concerning Canada, counsel for the respondents has argued that steel wire rope imports from Canada are not fungible with imports from the other countries subject to investigation, as the Canadians "principally sell a highly-engineered product to the U.S. mining and logging industry."<sup>56</sup>

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<sup>54</sup> \*\*\*.

<sup>55</sup> Seaborne Trading, an importer of galvanized steel wire rope from Mexico, has also argued that their imported product is a "very specialized steel wire rope which is used exclusively on 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, and June 7, 1991, submissions of GTR Inc. for its importing operation, Seaborne Trading.)

<sup>56</sup> July 17, 1991, submission of Dow, Lohnes & Albertson, p. 7.

\*\*\* has argued that its proprietary product lines<sup>57</sup> (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."<sup>58</sup> Officials of the firm have indicated that their firm and the industry producing the "round, black and greasy" category of steel wire rope have been injured by imports from the subject countries, but they do not consider their proprietary products to be covered by the multicountry final investigations. As an example, \*\*\*.<sup>59</sup>

\* \* \* \* \*

#### Questionnaire responses

##### *Differences and similarities in physical characteristics and uses*

During the Canadian preliminary investigation, supplemental questionnaires were sent to U.S. producers and Canadian manufacturers/exporters requesting information on their proprietary/specialty steel wire rope operations. Comments regarding the differences and similarities in the physical characteristics and uses in a comparison of general purpose and specialty steel wire rope were reported to the Commission as follows:

<u>Firm</u>	<u>Comments</u>
<b>U.S. PRODUCERS:</b>	
***.....	"Swaged rope is compacted giving it greater surface area on outer wires that contact the drum. Plastic rope uses a special polymer material to fill the valleys between the strands to provide uniform support for the strands. General purpose ropes are fully interchangeable with specialty ropes. The specialty ropes should provide enhanced service (life) in certain applications."
***.....	"Specialty products are frequently more costly and may not always be cost effective. Other than addressing special features like: higher strength, better rotation-resistance, improved fatigue life, little could be claimed from most specialty ropes."

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<sup>57</sup> Such products include \*\*\*.

<sup>58</sup> Dec. 6, 1990, submission of \*\*\*.

<sup>59</sup> Dec. 7, and Nov. 30, 1990, telephone interviews with \*\*\*.

FirmCommentsU.S. PRODUCERS:  
(continued)

- \*\*\*..... "(c)ompacted ropes and ropes with fiber fillers are essentially the same basic wire rope but which have been "enhanced" to provide additional strength or fatigue resistance and resistance to internal wear. Both of these products may be used interchangeably with general purpose ropes."
- \*\*\*..... "Generally, swaged is used where extra strength is required or limited drum capacity. Plastic generally is used where abrasion and environmental factors are of greater consideration than strength. Specialty ropes are simply general purpose ropes with one more process added - swaging or extruding. Applications are totally interchangeable. General purpose was used on all applications before swaged and plastic impregnated were developed."
- \*\*\*..... "Proprietary products have special characteristics such as plastic additives, rotation resistance and engineered design which differ from general rope...designed to fill the need for demanding mining, marine and general industrial use. Each product meeting a specific need."
- \*\*\*..... "General purpose ropes are used in a multitude of applications and offer baseline properties in resistance to bending fatigue and abrasion. Specialty/proprietary ropes are offered for the same applications as GP ropes to improve either bending fatigue life or abrasion resistance as required."

## CANADIAN MANUFACTURERS/EXPORTERS:

- \*\*\*..... "(s)waged rope has a 30-40% greater breaking strength than improved plow steel general purpose rope of the same diameter which would be used as the alternative...swaged rope has a greater metal content than the same diameter of general purpose rope and, because it has been compacted, it is more resistant to crushing, distortion and abrasion than general purpose rope."



**CANADIAN MANUFACTURERS/EXPORTERS:**  
(continued)

\*\*\*..... General purpose (generic) wire rope "requires conventional raw materials and manufacturing processes." Through extensive research and development highly engineered ropes of specially produced wire provide "greater resistance to wear and crushing pressure...increased breaking load capabilities...wear is more even and the loss of sectional area of the vital outside wires is much reduced...swaging produces the ultimate in strength-to-diameter ratio."

***Differences and similarities in manufacturing processes***

The Commission's supplemental questionnaires in the Canadian preliminary investigation requested comments regarding the differences and similarities in the manufacturing processes used in the production of proprietary/specialty and general purpose steel wire rope. The following comments were received:

Firm

Comments

**U.S. PRODUCERS:**

\*\*\*..... "Ropes are made in the same wire drawing, stranding and closing machines with one additional machine required to swage or impregnate. Apart from the final production step of swaging or impregnating, all machinery and labor is interchangeable with the other bright rope in our product code."

\*\*\*..... "(g)eneral purpose ropes are manufactured on the same machinery as its "compacted" ropes and its ropes with "fiber fillers." All machinery and labor are fully interchangeable for these products."

\*\*\*..... "Specialty/proprietary ropes could be ropes generally consisting of an additional process incorporating an extra feature into the wire rope; such as plastic impregnation, swaging, strand compaction."

\*\*\*..... "Proprietary products are run on the same stranders and closers as general rope... (however) patented processes are used to produce proprietary products. These processes require special (additional) equipment and trained operators."

FirmComments**U.S. PRODUCERS:**

(continued)

\*\*\*..... "Swaged wire rope can be any wire rope that is put through the additional step of swaging the rope. Plastic impregnated can be any wire rope which is put through the additional process of extruding plastic onto the wire rope. Specialty wire ropes are made of the same materials on the same equipment using the same wire rope designs and layouts as general purpose wire rope. The only difference is the additional step of swaging or extruding."

\*\*\*..... "Swaged ropes and plastic impregnated/enhanced steel ropes require different types of equipment and specialized techniques and labor. General purpose wire rope and certain (other) types of specialty ropes are produced on similar equipment without specialized labor but using special techniques."

**CANADIAN MANUFACTURERS/EXPORTERS:**

\*\*\*..... "There are fundamental design and manufacturing differences...wire rope used to produce swaged rope is specially designed for swaging...the proprietary rope is different as to the grades of steel, sizes of wire, stranding and closing specifications, strand and core diameters than general purpose rope...rope designed for swaging cannot be used as an alternative to general purpose rope."

\*\*\*..... "The similarity between round ropes and (specialty) ropes lies in the stranding and closing operations but ends there. Cushion rope and cushion core requires special steel \*\*\* during stranding process followed by plastic impregnation on specialty equipment. Rope in excess of 1-1/2" requires large heavy duty equipment not standard in general purpose manufacturing. General purpose manufacturing requires semi-skilled labour versus highly skilled labour in specialty manufacturing."

### Interchangeability

According to industry sources, imports from five of the six countries subject to the instant final investigations (except Mexico) are concentrated in the more general application, medium- and smaller-diameter, commodity-grade steel wire ropes, and compete on the basis of price.<sup>60</sup> According to one importer, these 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-inch and less in diameter), and in the general cable categories (1/2 inch to 1-1/4 inches in diameter "bright" ropes).<sup>61</sup> Imported ropes from the five countries tend not to compete with the domestic product in the heavier grade ropes (e.g., above 1-1/2 inches in diameter).<sup>62</sup> Import penetration by the five countries appears to be restrained not so much from a lack of technological sophistication of the foreign producers but by a lack of after-sales technical service and provision of manufacturers' warranties on their part, and experience with using rope manufactured in the five countries on the part of U.S. consumers. Partly, this slow advance upward on the learning curve is expressed in product liability concerns (a concern about product quality) on the part of U.S. consumers, although there are limitations on import penetration imposed by domestic-buy provisions.<sup>63</sup>

On the other hand, imports from Mexico and Canada have penetrated U.S. markets for the medium to heavy sizes and for demanding applications, such as in the fishing, logging, and mining industries. This may be due to their ability to provide after-sales technical service to U.S. consumers (partly a matter of being in close geographical proximity) and meet product liability concerns, as well as having a track record of quality.<sup>64</sup>

The foreign products may be considered interchangeable with domestic products within certain limitations<sup>65</sup> that render certain imports not suitable for high-risk applications (i.e., where human life is at risk) and in some product niches where there may be little or no competition between imports and the domestically-produced steel wire rope.<sup>66</sup> As indicated above, this may be from a lack of U.S. consumer experience with certain imports, or it may be because for certain applications the rope is considered so differentiated that

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<sup>60</sup> Telephone interview with \*\*\* and with \*\*\*.

<sup>61</sup> Telephone interview with \*\*\*.

<sup>62</sup> Telephone interview with \*\*\* and \*\*\* on Nov. 30, 1990.

<sup>63</sup> "Post-Hearing Brief of Grupo Industrial Camesa, Commercial Camesa, Cables Camesa, and Camesa Inc.," July 17, 1991, pp. 10-11.

<sup>64</sup> For example, see the testimony of Mr. Michael McNally and Mr. William Manning, pp. 63-72 and pp. 103-110, staff conference TR, July 18, 1991.

<sup>65</sup> 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.

<sup>66</sup> 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 interview with \*\*\*. Telephone interview with \*\*\* on Nov. 27, 1990.

the consumer will not change his source of supply. Product literature from the foreign industries indicates that most of the subject imports are interchangeable with the domestic product: all use the same nomenclature and nearly same construction, and all are produced to the same U.S. specifications.<sup>67</sup> Further, imports into the U.S. market are often commingled and sold interchangeably,<sup>68</sup> and imports flow through the same channels of distribution as do the domestic products, namely through producer-related and operated warehouses, non-related distributors, warehousing arrangements, consigned stock arrangements, and in some cases through the marketing channels of U.S. producers.<sup>69</sup> The presence of exports to third countries from countries subject to these investigations also provides an indicator of product competitiveness because of the similarity of national standards for wire rope.<sup>70</sup>

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.<sup>71</sup> 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,<sup>72</sup> but no such argument was made on behalf of these two countries or other countries in the present investigations.<sup>73</sup> The applicability of the high-tensile-strength argument is,

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<sup>67</sup> Testimony of Mr. C.W. Salanski (hearing TR, pp. 68-69) and Mr. Larry Klayman, Esq. (*Id.*, p. 94). See, also foreign company literature provided in the Petition, Vol. II.

<sup>68</sup> Testimony of Messrs. Schloss, Seymour Schwartz, and Fred Couse, Jr., hearing TR, pp. 164-165, July 9, 1991.

<sup>69</sup> Testimony of Mr. Harris and Ms. Ellsworth, hearing TR, p. 70. Wire Rope Industries and Camesa both testified that Bridon purchased their rope for sales within its distribution system. See also, "Statement of the Committee of Steel Wire Rope and Specialty Cable Manufacturers," before the USITC, Investigation No. 332-256 (Western Steel), Nov. 17, 1988, p. 10.

<sup>70</sup> See, briefs submitted on behalf of the manufacturers and exporters of steel wire rope from India by Dennis James, Jr. pursuant to USITC investigations Nos. TA-503(a)-18 and 332-279; brief submitted on behalf of the Government of Thailand by Thomas F. St. Maxens on Oct. 2, 1989, with regard to the President's GSP Determination; and the Petition, Vol. II, exhibit 22 (Argentina).

<sup>71</sup> Telephone interview with \*\*\* on Nov. 30, 1990. \*\*\* also indicated that his firm had encountered quality problems with wire rope from Cablesa, one of the two Mexican producers.

<sup>72</sup> 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 investigations Nos. TA-a503(a)-18 and 332-279.

<sup>73</sup> On the other hand, Mr. Greg Stewart of GTR Inc. (hearing 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.

itself, lessened by design factors and the limited number of applications that require low or no tensile strength.<sup>74</sup>

### Substitute Products

There are few substitutes for steel wire rope at the same price and having the same characteristics.<sup>75</sup> 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.<sup>76</sup> 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;<sup>77</sup> because of its low abrasion resistance it would find little applicability in other than specialized applications.<sup>78</sup> Moreover, Kevlar rope is reportedly more than six times as expensive as steel wire rope.<sup>79</sup> There are similar problems with other types of man-made fibers for rope applications.<sup>80</sup>

### U.S. Tariff Treatment

Imports of steel wire rope subject to these investigations are provided for in subheading 7312.10.90 of the Harmonized Tariff Schedule of the United

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<sup>74</sup> 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 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.

<sup>75</sup> Telephone interview with \*\*\*.

<sup>76</sup> Testimony of Mr. Salanski, hearing TR, p. 66.

<sup>77</sup> Telephone interview with \*\*\*.

<sup>78</sup> Multicountry conference TR, Mr. Salanski, p. 66, and telephone interview with \*\*\*.

<sup>79</sup> Telephone interview with \*\*\*.

<sup>80</sup> 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, hearing TR, pp. 66-67.

States (HTS).<sup>81</sup> (See appendix C for tariff nomenclature). The column 1-general (most-favored-nation) rate of duty for steel wire rope, applicable to imports from the six countries subject to the instant final investigations, is 4.0 percent ad valorem. Imports from Canada are subject to a special duty rate of 2.8 percent ad valorem under the United States-Canada Free-Trade Agreement (tariffs on eligible goods under the agreement are subject to mutual staged reductions to zero over a 10-year period).

The special duty rates applicable under the Caribbean Basin Economic Recovery Act and the United States-Israel Free-Trade Area are free. Duty-free entry under the Generalized System of Preferences was withdrawn 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 Voluntary Restraint Agreements (VRAs) negotiated with 19 foreign governments and the European Community.<sup>82</sup> The VRA program was an outgrowth of earlier trade measures from the period of 1969-84, although these arrangements covered flat-rolled products, pipe and tube, and wire rod for the most part. Export restraints were pursued under the VRA program to allow the U.S. steel industry's capacity utilization rates to improve and the industry to restructure in response to the structural crisis and to become competitive with foreign producers. Foreign suppliers were provided partial protection from U.S. unfair trade laws and more than 100 trade cases were suspended.<sup>83</sup> The VRA program was expanded in 1984 and 1985, but generally covered those countries and products subject to antidumping and countervailing duty complaints at the time.

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<sup>81</sup> Before Jan. 1, 1989, when the HTS was implemented, imports of steel wire rope were reported under TSUS items 642.1200, 642.1615, 642.1620, 642.1650, and 642.1800. TSUS item 642.12 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. TSUS item 642.18 included steel wire strand, ropes, cables, and cordage covered with textile or other nonmetallic material; an estimated 65 percent of imports in this category are now believed to fall under HTS subheading 7312.10.90.

<sup>82</sup> The restraint limits discussed in this section are more accurately defined as export limits, as the countries under agreement control their shipments of exports in lieu of U.S. import quotas.

<sup>83</sup> For discussions of the VRA program see, Hearings before the Subcommittee on Trade, Committee on Ways and Means House of Representatives, Steel Import Stabilization Extension Act and Other Proposals Related to the Steel Voluntary Restraint Agreement Program, June 13, 15, 26, and Aug. 1, 1989; also see, Thomas R. Howell, William A. Noellert, Jesse G. Kreier, and Alan Wm. Wolff, Steel and the State: Government Intervention and Steel's Structural Crisis (Boulder, CO: Westview Press, 1988). For a discussion of trade and adjustment assistance for labor, see John P. Hoerr, And the Wolf Finally Came: The Decline of the American Steel Industry. (Pittsburgh, PA: University of Pittsburgh Press, 1988).

Many current suppliers of steel wire rope are subject to either market share limits or 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, import limits under the agreements range from a low of 0.676 percent (about 1,115 short tons) of apparent U.S. consumption (ADC)<sup>84</sup> for Brazil to a high of about 57,500 short tons for Korea.<sup>85</sup> Most of the VRAs include with the subject goods any imports of wire rope fitted with fittings or wire rope that is plated with brass. Of the seven countries subject to these investigations, only Mexico and China have signed a VRA with the United States. There were two VRAs signed with each of these 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 limit 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, and "suppression limits" (regarded as targets and not enforced by Commerce)<sup>86</sup> were agreed to by both sides.<sup>87</sup> The suppression limits were not exceeded during 1987 or 1988, but were exceeded during 1989. Since October 1, 1989, under VRA II, Mexico has not exceeded its restraint level.<sup>88</sup>

There are four subcategories under the new VRA, of which "wire rope" is one. The import limit 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 apparent U.S. consumption 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

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<sup>84</sup> 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.

<sup>85</sup> Based on the Oct. 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.

<sup>86</sup> Technically, VRAs are "enforced" by the exporting countries, but Commerce can object to lack of compliance and threaten quotas which have legal force.

<sup>87</sup> Letter of S. Linn Williams, Deputy U.S. Trade Representative, Exh. 1, postconference brief in the multicountry investigations of counsel for Camesa. Counsel for Camesa has argued that the suppression limits "were not mandatory limits and were never agreed to by Mexico as part of the VRA" and "(t)he Mexican industry was never even informed" of the suppression limits (posthearing brief, p. 8, fn 10).

<sup>88</sup> Id.

specific limit by "taking" 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, Commerce may adjust the 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.<sup>89</sup> Based on a Data Resources, Inc., October 1990 forecast, the VRA final-period limit for wire rope from Mexico 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. The import limit for wire and wire products was 25,000 metric tons for the initial period, 22,000 metric tons for 1991, and 5,500 metric tons for the 3 months ending March 31, 1992. However, based on export certificate data compiled by the U.S. Department of Commerce, it appears that \*\*\*.<sup>90</sup> This would imply \*\*\*.

#### Overall VRA activity

Data on overall VRA activity indicate that during 1988-90 Mexico \*\*\* its steel wire rope suppression limits/allocations. It is difficult to draw a conclusion as to how "binding" the VRAs were with respect to China because of inclusion of wire rope in the broader category "all other steel products." With respect to non-subject countries that have entered into specific steel wire rope VRAs, Brazil and the EC reached but did not exceed import allocations during 1988-90. During 1988 Korean exports of steel wire rope exceeded import limits by 3.7 percent, while it \*\*\* its allocations during 1989 and 1990.

The data on overall VRA activity are presented in the following tabulation (in metric tons):

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<sup>89</sup> When the ceiling or VRA limit has been reached, the VRA is said to be "binding."

<sup>90</sup> Staff telephone interview with \*\*\*. One of the statistical problems with the data is that they are representative, but may not account for 100 percent of the exports; there are discrepancies from Census data which may arise because of numerical errors or processing errors. However, the trend is rather constant.



Country	Final adjusted limit level <sup>1</sup>			Country exports <sup>2</sup>		
	1988	1989 <sup>3</sup>	1990 <sup>4</sup>	1988	1989 <sup>3</sup>	1990 <sup>4</sup>
<b>Subject countries:</b>						
Mexico <sup>5,6</sup> .....	1,278	503	4,343	1,227	1,734	***
China <sup>7</sup> .....	37,187	27,488	46,737	31,149	17,050	***
<b>Non-subject countries:</b>						
Korea <sup>8</sup> .....	44,353	32,365	57,500	46,008	32,282	***
Brazil <sup>8</sup> .....	747	562	1,000	728	381	***
EC <sup>9</sup> .....	5,608	4,339	12,250	4,108	4,339	***

<sup>1</sup> "Product description" clause lists product categories for the purposes of the arrangement. The category may contain wire strand, which is not subject to these investigations, and usually also contains wire rope products not subject to the investigations. ADC is estimated by Data Resources Inc. (DRI) and the estimates are used for the purposes of establishing limit levels.

<sup>2</sup> Based on export certificate data as compiled by the Department of Commerce.

<sup>3</sup> Represents the 9-month period, January-September 1989, under VRA-I.

<sup>4</sup> Represents the "initial period," October 1989 through December 1990; data for the column "final adjusted limit level" are based on DRI's October 1989 forecast, while data for exports are based on preliminary export certificate data compiled by the U.S. Department of Commerce.

<sup>5</sup> Wire rope is not a separate category under VRA-I for Mexico, but is contained within a broader category of "wire and wire products." The wire and wire products category was subject to a quota limit of 15,196 mt and 6,451 mt in 1988 and 1989 (9 months), respectively. Wire rope was not bound by limits, but was subject to a target "suppression limit" of 9 percent of the category, which is shown as the "final adjusted limit level" in the tabulation.

<sup>6</sup> Under VRA-II, wire rope is a separate category, and consists of HTS subheadings 7312.10.50, 7312.10.60, 7312.10.70, 7312.10.80, and 7312.10.90.

<sup>7</sup> Under the VRAs, wire rope is included in a broader category of "all other steel products."

<sup>8</sup> Under VRA-II, wire rope is a separate category and consists of HTS subheadings 7312.10.50, 7312.10.60, 7312.10.70, and 7312.10.90.

<sup>9</sup> Under the VRAs, wire rope is a separate category, and consists of HTS subheadings 7312.10.60 and 7312.10.90, although exports are not subject to quota if the wire rope is covered with a textile material.

**THE NATURE AND EXTENT OF SUBSIDIES,  
SALES AT LESS THAN FAIR VALUE, AND  
ALLEGED SALES AT LESS THAN FAIR VALUE**

**Multicountry Final Investigations**

Commerce's determinations regarding subsidies and sales at LTFV are summarized below.

**SUBSIDIES**

Commerce has preliminarily determined that there is reason to believe or suspect that benefits which constitute subsidies within the meaning of the Tariff Act of 1930 are being provided to manufacturers, producers, or exporters in India of steel wire rope. Commerce preliminarily determined that the following programs confer subsidies:

	<u>Amount</u> <u>(percent ad valorem)</u>
International Price Reimbursement Scheme (IPRS) ..	29.17
Pre-Shipment Export Loans (Export Packing Credit) .....	1.78
Post-Shipment Financing .....	0.71
Import Duty Exemptions Available through Advance Licenses .....	0.13
Sale of an Additional License .....	<u>0.01</u>
Net subsidy .....	31.80

Commerce amended its preliminary determination to correct for ministerial errors and changed estimated margins for Indian producers as follows:

	<u>Amount</u> <u>(percent ad valorem)</u>
Usha Martin Industries Limited .....	14.57
Bombay Wire Ropes, Ltd. ....	32.93
All others .....	32.93

**SALES AT LTFV**

The following tabulation provides dumping margins determined by Commerce for each of the foreign countries (and companies) subject to these investigations (in percent):<sup>91</sup>

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<sup>91</sup> Commerce's period of investigation was June 1, 1990, through Nov. 30, 1990.

<u>Country</u>	<u>Dumping margins</u>
Final determinations:	
Argentina.....	100.00 <sup>(1)</sup>
Mexico.....	45.11 <sup>(2)</sup>
Preliminary determinations:	
China.....	24.44 <sup>(3)</sup>
India:	
Usha Martin.....	3.18 <sup>(4)</sup>
Bombay Wire Rope.....	24.26 <sup>(4)</sup>
All others.....	17.17
Taiwan.....	16.07 <sup>(5)</sup>
Thailand.....	30.20 <sup>(6)</sup>

<sup>1</sup> The principal producer of steel wire rope in Argentina, Acindar, did not respond to Commerce's questionnaire; therefore, final results are based on the "best information available" (BIA). U.S. price was based on petitioner's estimate, which utilized an actual price quote, adjusted for U.S. movement charges and distributor mark-up. Foreign market value (FMV) was based on petitioner's estimate, which utilized an actual Acindar price list adjusted for physical differences in merchandise.

<sup>2</sup> Commerce based fair value comparisons on BIA because the principal producer of steel wire rope in Mexico, Camesa, failed to correct deficiencies in its questionnaire response. U.S. price was based on petitioner's estimate, which utilized 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; FMV was based on actual prices derived from price lists, adjusted by discounts, foreign inland freight, and VAT.

<sup>3</sup> U.S. price was based on the C&F or c.i.f. packed price to unrelated purchasers in the United States. Commerce treated China as a nonmarket economy country so that FMV was based on the market valuation of the factors of production using India, Indonesia, and Pakistan as surrogates whose economies are market-driven.

<sup>4</sup> U.S. price was based on purchase price based on packed c.i.f. and f.o.b. prices to unrelated customers in the United States, adjusted for overseas shipping and handling; FMV was based on delivered prices to unrelated purchasers in the home market.

<sup>5</sup> Because respondents' questionnaire responses were inadequate, U.S. price was based on petitioner's estimate, which utilized actual prices offered to U.S. distributors; FMV was based on petitioner's estimate, which utilized actual f.o.b. factory prices offered in Taiwan.

<sup>6</sup> Because respondent's questionnaire response was inadequate, U.S. price was based on petitioner's estimate, which utilized the average monthly Customs value for imports from Thailand. FMV was based on petitioner's estimate, which utilized actual prices derived from a comprehensive ex-factory price list of a Thai producer.

#### Canadian Preliminary Investigation

The petitioner has calculated LTFV margins for the two identified manufacturers/exporters of steel wire rope in Canada by comparing the United States price with foreign market value. The calculated margins for each of the companies as contained in the petition are summarized below (in percent):

<u>Company</u>	<u>Estimated dumping margins</u>	
	<u>Low</u>	<u>High</u>
Wire Rope Industries <sup>1</sup> .....	49.14	106.31
Wrights Canadian Ropes <sup>2</sup> .....	4.81	47.51

<sup>1</sup> U.S. price based on recent actual sales/offer to sell WRI rope by a WRI distributor, adjusted to reflect estimated distributor mark-up, foreign freight, U.S. freight and duty. FMV is derived from the company's current Western price list, adjusted to reflect a typical 45 percent discount.

<sup>2</sup> U.S. price based on current actual sales/offer to sell wire rope to distributors, including delivery, adjusted by foreign freight and duty. FMV is derived from the company's current Western price list, adjusted to reflect a typical 45-48 percent discount.

Petitioner argues that the calculated dumping margin that should be applied to imports of steel wire rope from Canada is at least 70.88 percent, which represents the highest average rate calculated.

#### THE U.S. MARKET

##### U.S. Producers

In its 1982 antidumping investigation of steel wire rope from Korea<sup>92</sup> 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 rope operations.<sup>93</sup> The Commission sent questionnaires to each of the 15 producers identified in 1982, and received varying levels of response from all 15 firms. These firms are believed to have accounted for almost all U.S. production in 1990. During these final investigations, questionnaires were sent to an additional 25 firms listed in industry directories as manufacturers of specialty/stainless steel wire rope and/or cable.<sup>94</sup> Table 3 presents the major known producers of steel wire rope, the locations of their plants, position on petition, and their share of 1990 total production of steel wire rope.

<sup>92</sup> Steel wire rope from Korea, Inv. No. 731-TA-112 (Preliminary), USITC Pub. 1314 (Nov. 1982), p. A-9.

<sup>93</sup> The two firms for which counsel for the petitioners had little or no information were Carolina Industries and Pennsylvania Wire Rope.

<sup>94</sup> Data from 15 of these firms indicates that \*\*\* do not produce steel wire rope, and \*\*\* firms that do manufacture accounted for U.S. shipments of \*\*\* tons of stainless steel wire rope, valued at \$\*\*\*, during 1990.

Table 3

Steel wire rope: U.S. producers, location of producing facility, position on petitions, and share of production in 1990

Firm	Location	Position on petitions <sup>1</sup>		Share of U.S. production		
		Finals	Canada	Carbon	Stain-less	Total
Bergen Cable Technologies.....	Lodi, NJ	***	***	***	***	***
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	S	S	***	***	***
Penn Wire Rope/ Strandflex <sup>4</sup> .....	Oriskany, NY	***	***	***	***	***
Rochester Corp.....	Culpeper, VA	S	S	***	***	***
Williamsport Wire-rope Works.....	Williamsport, PA	S	S	***	***	***
Wire Rope Corp. of America.....	St. Joseph, MO Kansas City, MO	S	S	***	***	***
Total.....				***	***	100.0

<sup>1</sup> S=Supports, N=Neutral (does not wish to take a position), and O=Opposes.

<sup>2</sup> Less than 0.05 percent.

<sup>3</sup> Data not available.

<sup>4</sup> Penn Wire Rope of Williamsport, PA, consolidated operations with the Strandflex Division of Maryland Specialty Wire on January 1, 1990.

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

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

#### 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 of Matec Corp., 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."<sup>95</sup> 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 1990 (\*\*\*). Approximately \*\*\* percent of Bergen Cable's operations are other wire products such as \*\*\*.

#### Bridon American

Bridon American Corp. is a wholly-owned subsidiary of Bridon plc, a British company self-described as "the world's foremost ropemaking Group."<sup>96</sup> From June 1988 to February 1989 Bridon American and Bethlehem Steel Corp. were involved in unsuccessful negotiations regarding a Bridon American purchase of Bethlehem's Wire Rope Division at Williamsport, PA.<sup>97</sup> Bridon American produces \*\*\* steel wire rope at its facilities in Exeter and Ashley, PA, and accounted for \*\*\* percent of U.S. production of steel wire rope in 1990. Approximately \*\*\* percent of Bridon American's operations are other wire products such as \*\*\*.

#### Carolina Steel & Wire Corp.

Carolina Steel & Wire produced \*\*\* steel wire rope at its facility in Lexington, SC, and accounted for \*\*\* percent of U.S. production of steel wire rope in 1990 (\*\*\*). \*\*\*.

#### 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 1990. \*\*\*.

#### 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. As described in Amsted's Annual Report, "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

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<sup>95</sup> Matec Corp. 1989 Annual Report, front cover back.

<sup>96</sup> Bridon 1989 Annual Report. Bridon plc also had \*\*\*.

<sup>97</sup> In \*\*\* Bridon American entered into negotiations with Bethlehem regarding a purchase of Bethlehem's Wire Rope Division at Williamsport, PA. An initial letter of agreement was signed in \*\*\* between the two firms; the agreement was submitted to the Department of Justice and the Federal Trade Commission in \*\*\* for antitrust considerations. However, in \*\*\* the two firms withdrew from negotiations and ended the agreement (Dec. 6, 1990, telephone interview with \*\*\*).

1896."<sup>98</sup> 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 1990 (\*\*\*). Macwhyte also produces \*\*\* of \*\*\* at its Kenosha facility.

#### Paulsen Wire Rope Corp.

Paulsen Wire Rope produces \*\*\* steel wire rope at its facility in Sunbury, PA, and accounted for approximately \*\*\* percent of U.S. production of steel wire rope in 1990. Paulsen also produces \*\*\*.

#### Rochester Corp.

Rochester Corp. is a principal operating subsidiary of BTR plc, a British holding company. As described in BTR's 1989 Annual Report, Rochester manufactures "electromechanical cable, steel wire and fibre optics in the USA," and "supplies the oil, communications and defense industries."<sup>99</sup> 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 1990.<sup>100</sup> Approximately \*\*\* percent of Rochester's operations are wire products such as \*\*\*.

#### Strandflex

Formerly part of National-Standard, Strandflex was acquired by Maryland Specialty Wire in December 1989. During 1990 Maryland Specialty Wire consolidated Penn Wire Rope, its smaller operation in Williamsport, PA, with Strandflex, which now manufactures \*\*\* steel wire rope at its plant in Oriskany, NY, and accounted for \*\*\* percent of U.S. production of steel wire rope in 1990 (\*\*\*). Approximately \*\*\* percent of Strandflex's operations are wire and other rope products such as \*\*\*.

#### Williamsport Wirerope Works, 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 1990 accounted for approximately \*\*\* percent of total U.S. production of steel wire rope. Approximately \*\*\* percent of Williamsport's operations are other wire products such as \*\*\*.

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<sup>98</sup> Amsted Industries, Annual Report, p. 4.

<sup>99</sup> BTR 1989 Annual Report, p. 33.

<sup>100</sup> During the preliminary phase of the multicountry investigations \*\*\*.

## Wire Rope Corp. 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 1990 (\*\*\*). Approximately \*\*\* percent of Wire Rope's operations are wire and other rope products such as \*\*\*.

## PREVIOUS MANUFACTURERS

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

<u>Firm</u>	<u>Comment</u>
Armco, Inc.....	Closed its facility effective 3/31/88. All production facilities/inventories sold/leased 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 a much reduced operating level.
Carolina Industries Inc.....	No longer produces steel wire rope. <sup>101</sup>
Pennsylvania Wire Rope Corp.....	Ceased market production of stainless steel wire rope at its Williamsport, PA, facility in December 1989, and is now consolidated with its parent Strandflex, producing steel wire rope in Oriskany, NY.
Universal Wire Products.....	Sold *** to Wire Rope Corp. in September 1987, ***. ***. <sup>102</sup>

## 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. During the multicountry final investigations, the Commission sent questionnaires to approximately 75 importers, which included

<sup>101</sup> Nov. 30, 1990, telephone interview with \*\*\*.

<sup>102</sup> Nov. 16, 1990, telephone interview with \*\*\*.



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. During the preliminary investigation concerning Canada, the Commission sent questionnaires to approximately 50 importers identified in the petition and in Customs files. Importer's questionnaires have been received from the two Canadian manufacturers/exporters, and account for approximately \*\*\* percent of total imports of steel wire rope from Canada during 1990. 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.

#### U.S. PRODUCERS' IMPORTS

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.<sup>103</sup> 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 \*\*\* from 1988 to 1990, and \*\*\* during January-June 1991 when compared to the same period in 1990. The data indicate that U.S. producers' share of unfair imports (6-country subtotal) \*\*\* from \*\*\* percent in 1988 to \*\*\* percent in 1990, and \*\*\* to \*\*\* percent during January-June 1991.<sup>104</sup> \*\*\*.<sup>105</sup>

Table 4

Carbon steel wire rope: U.S. producers' imports, ratio of imports to U.S.-production, and share of imports held by U.S. producers, by firms, 1988-90 and January-June 1990-91

\* \* \* \* \*

#### Related parties

During these investigations, 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.

#### *Multicountry final investigations*

During the Commission's 1989 deliberations of the petition to graduate Thailand and India from GSP eligibility with respect to imports of steel wire

<sup>103</sup> Multicountry conference TR, pp. 69-70.

<sup>104</sup> The declining trend from 1988 to 1990 is influenced by \*\*\*, while \*\*\*.

<sup>105</sup> During January-June 1991, \*\*\*.

rope,<sup>106</sup> it was alleged that U.S. producers enjoyed "exclusive marketing arrangements" with foreign producers.<sup>107</sup> During the preliminary phase of the multicountry investigations counsel for the petitioner testified that although agreements may have existed in the past, the Committee had no knowledge of such exclusive marketing arrangements.<sup>108</sup> In the instant investigations, the Commission's importer's and foreign producer's questionnaires sought information as to whether firms had entered into special/exclusive marketing agreements with respect to the subject steel wire rope. \*\*\*.

Nonetheless, with respect to \*\*\*, data presented in table 4 indicate that imports by U.S. producers of steel wire rope from \*\*\* represented \*\*\* percent of total imports from \*\*\* in 1988, \*\*\* percent in 1989, and \*\*\* percent in 1990. \*\*\*.

With respect to \*\*\*, \*\*\*.<sup>109</sup> This is further evidenced by questionnaire responses from other U.S. importers reporting \*\*\*.

#### *Canadian preliminary investigation*

With respect to Canada, \*\*\*.<sup>110</sup>

#### **Apparent U.S. Consumption**

Data on apparent U.S. consumption of carbon steel wire rope are presented in table 5 and 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.

#### **TRENDS IN APPARENT CONSUMPTION**

Apparent consumption of carbon steel wire rope increased from 195,806 short tons in 1988 to 200,643 short tons in 1989, or by 2.5 percent, and then decreased to 188,195 short tons in 1990, or by 6.2 percent. During January-June 1991, apparent consumption rose to 96,281 short tons, or by 2.3 percent when compared to the corresponding period in 1990. Trends in total apparent consumption are heavily influenced by activity in the "bright" steel wire rope category, as it represented approximately 80 percent of total apparent consumption (based on quantity) in 1990.

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<sup>106</sup> As in these investigations, the GSP petition was filed by the Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers.

<sup>107</sup> Prehearing brief on behalf of Indian respondents during the 1989 GSP review, p. 10.

<sup>108</sup> Multicountry conference TR, p. 87.

<sup>109</sup> Id.

<sup>110</sup> \*\*\*.

Table 5

Carbon steel wire rope: U.S. producers' shipments, U.S. imports for consumption, and apparent U.S. consumption, 1988-90 and January-June 1990-91

Item	1988	1989	1990	January-June--	
				1990	1991
	Quantity (short tons)				
U.S.-shipments of U.S.- produced product.....	118,721	119,852	117,541	60,228	57,273
Imports--					
6-country subtotal.....	9,233	15,362	13,258	6,717	2,997
Canada.....	5,446	6,418	5,390	2,550	2,809
Subtotal subject.....	14,680	21,781	18,647	9,267	5,806
Other.....	62,405	59,011	52,007	25,108	33,742
Total imports.....	77,085	80,792	70,654	34,375	39,548
App. U.S. consumption.....	195,806	200,643	188,195	94,603	96,821
	Ratio to apparent consumption (percent)				
U.S.-shipments of U.S.- produced product.....	60.6	59.7	62.5	63.7	59.2
Imports--					
6-country subtotal.....	4.7	7.7	7.0	7.1	3.1
Canada.....	2.8	3.2	2.9	2.7	2.9
Subtotal subject.....	7.5	10.9	9.9	9.8	6.0
Other.....	31.9	29.4	27.6	26.5	34.8
Total imports.....	39.4	40.3	37.5	36.3	40.8
App. U.S. consumption.....	100.0	100.0	100.0	100.0	100.0

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.

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

#### U.S. PRODUCERS' SHARE OF APPARENT CONSUMPTION

The U.S. producers' share of total apparent consumption of carbon steel wire rope (based on quantity) decreased from 60.6 percent in 1988 to 59.7 percent in 1989, and then increased to 62.5 percent in 1990. During January-June 1991, the U.S. producers' share decreased to 59.2 percent from 63.7 percent during the corresponding period of 1990.

#### Channels of Distribution

As was found in the 1982 antidumping investigation of steel wire rope from Korea,<sup>111</sup> and confirmed during the current investigations, the major

<sup>111</sup> See Steel Wire Rope from the Republic of Korea, USITC Pub. 1314, Nov. 1982.

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, and the reporting coverage for each item (in percent) in 1990:<sup>112</sup>

<u>Item</u>	<u>Distributors/ Service centers</u>	<u>End users</u>	<u>Reporting coverage</u>
U.S. producers:			
Carbon SWR.....	***	***	***
Stainless SWR....	***	***	***
Total SWR.....	74.7 <sup>(1)</sup>	25.3	99.2
U.S. imports of carbon steel wire rope from:			
Argentina.....	***	***	***
China.....	***	***	***
India.....	***	***	***
Mexico.....	***	***	***
Taiwan.....	***	***	***
Thailand.....	***	***	***
Average.....	***	***	***
Canada.....	***	***	***
Average.....	91.8	8.2	53.9

<sup>1</sup> Shipments to related distributors/service centers account for approximately \*\*\* percent of this channel of trade.

<sup>2</sup> Not available.

#### CONSIDERATION OF MATERIAL INJURY TO AN INDUSTRY IN THE UNITED STATES

The information in this section of the report was compiled from responses to questionnaires of the U.S. International Trade Commission. The 15 producers that provided questionnaire responses are believed to account for approximately 95 percent of U.S. shipments of total steel wire rope in 1990. (See appendix D for a summary of data including data regarding specialty producers.)

#### 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

<sup>112</sup> U.S. importers that were able to provide data on shipments of imports of steel wire rope by channel accounted for approximately \*\*\* of total imports from the subject countries in 1990.

table 6.<sup>113</sup> Production of all steel wire rope decreased from 126,820 short tons in 1988 to 121,340 short tons in 1989, or by 4.3 percent, and then increased to 129,874 short tons in 1990, or by 7.0 percent, with trends partially explained by \*\*\*.<sup>114</sup> Production turned downward by 11.3 percent during January-June 1991 when compared with that in the same period in 1990.

Capacity to produce all steel wire rope rose during 1988-90 from 229,575 short tons in 1988 to 235,547 short tons in 1990, or by 2.6 percent, due to \*\*\*.<sup>115</sup> Utilization of capacity to produce all steel wire rope hovered at the 50-55 percent level over the period of investigation, with utilization decreasing to 51.4 percent during January-June 1991 when compared to 58.0 percent during the corresponding period of 1990.

Data were also reported, by producers accounting for approximately \*\*\* percent of capacity in 1990, for capacity to produce and production of steel wire rope by size of rope. As shown in table 6, such data indicate that capacity utilization is highest in the middle-range size of steel wire rope, while capacity utilization to produce small-size rope is lowest.

#### U.S. Producers' U.S. Shipments

Data on U.S. producers' U.S. shipments of steel wire rope, by type of steel, are presented in table 7. Aggregate shipments of all steel wire rope increased from 1988 to 1989 by 1.0 percent, decreased from 1989 to 1990 by 2.2 percent, and declined from interim 1990 to interim 1991 by 4.9 percent.<sup>116</sup> U.S. producers' shipments of bright steel wire rope were the dominating products (90 percent of carbon steel wire rope shipments based on quantity and 83 percent based on value in 1990). Questionnaire data regarding shipments by size of rope indicate that during 1990 approximately \*\*\* percent of U.S. producers' U.S. shipments of carbon steel wire rope were less than or equal to 3/8 inch in diameter, \*\*\* percent were greater than 3/8 inch but less than 1-1/2 inches, and \*\*\* percent were greater than 1-1/2 inches.

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<sup>113</sup> Data include stainless steel wire rope operations, as capacity is calculated for equipment capable of producing all steel wire rope.

<sup>114</sup> The shifting trend in production activity during 1988 and 1989 is also partially explained by 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).

<sup>115</sup> 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, representing a 39.8 percent utilization rate (Carbon and certain alloy steel products, pp. A-72 and 73).

<sup>116</sup> The increase in U.S. producers' U.S. shipments when compared to data presented during the preliminary investigations is due principally to \*\*\*.

Table 6

Steel wire rope: U.S. capacity, production, and capacity utilization, by firms and by sizes; and production by types, 1988-90 and January-June 1990-91

Item	1988	1989	1990	January-June--	
				1990	1991
<b>BY FIRM:</b>					
CAPACITY					
(in short tons): <sup>1</sup>					
	*	*	*	*	*
Total capacity...	229,575	232,722	235,547	117,663	117,703
PRODUCTION (in short tons):					
	*	*	*	*	*
Total production..	126,820	121,340	129,874	68,202	60,518
CAPACITY UTILIZATION					
(in percent):					
	*	*	*	*	*
Average.....	55.2	52.1	55.1	58.0	51.4
<b>BY SIZE:<sup>2,3</sup></b>					
CAPACITY (in short tons):					
	*	*	*	*	*
PRODUCTION (in short tons):					
	*	*	*	*	*
CAPACITY UTILIZATION					
(in percent):					
	*	*	*	*	*
Average.....	58.4	51.8	54.6	56.4	51.2
<b>BY TYPE:</b>					
Carbon.....	***	***	***	***	***
Stainless <sup>4</sup> .....	***	***	***	***	***
Total production....	***	***	***	***	***

<sup>1</sup> Capacity was generally reported for a 3-shift operation, at 160 hours per week, 50 weeks per year.

<sup>2</sup> Based on diameter of rope, in inches.

<sup>3</sup> Includes questionnaire data for U.S. producers accounting for approximately \*\*\* percent of reported capacity during 1990.

<sup>4</sup> Includes production of stainless steel wire rope by \*\*\*, so that production totals do not reconcile.

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

Table 7

Steel wire rope: U.S. producers' U.S. shipments (domestic shipments and company transfers); by types, 1988-90 and January-June 1990-91; and by sizes, 1988-90 and January-March 1990-91

Item	1988	1989	1990	January-June--	
				1990	1991
BY TYPE:					
Bright:					
Quantity--short tons..	109,430	108,779	105,816	54,369	51,349
Value--1,000 dollars..	172,475	177,482	178,484	93,034	88,844
Unit value (per ton)..<	\$1,576	\$1,632	\$1,687	\$1,711	\$1,730
Share of subtotal:					
Quantity (percent)..<	92.2	90.8	90.0	90.2	89.6
Value (percent).....	86.8	84.3	82.8	84.3	83.6
Galvanized:					
Quantity--short tons..	***	***	***	***	***
Value--1,000 dollars..	***	***	***	***	***
Unit value <sup>1</sup> (per ton)..<	\$3,618	\$4,143	\$4,917	\$4,818	\$4,833
Share of subtotal:					
Quantity (percent)..<	***	***	***	***	***
Value (percent).....	***	***	***	***	***
Coated:					
Quantity--short tons..	***	***	***	***	***
Value--1,000 dollars..	***	***	***	***	***
Unit value <sup>1</sup> (per ton)..<	***	***	***	***	***
Share of subtotal:					
Quantity (percent)..<	***	***	***	***	***
Value (percent).....	***	***	***	***	***
Carbon subtotal:					
Quantity--short tons..	118,721	119,852	117,541	60,228	57,273
Value--1,000 dollars..	198,761	210,494	215,437	110,387	106,240
Unit value <sup>1</sup> .....	\$1,666	\$1,747	\$1,823	\$1,823	\$1,848
Share of total:					
Quantity (percent)..<	99.3	99.2	99.5	99.5	99.4
Value (percent).....	91.5	91.8	94.5	94.6	94.8
Stainless:					
Quantity--short tons..	816	940	619	322	326
Value--1,000 dollars..	18,403	18,809	12,420	6,299	5,821
Unit value <sup>1</sup> (per ton)..<	\$20,268	\$17,140	\$16,281	\$15,928	\$15,264
Share of total:					
Quantity (percent)..<	.7	.8	.5	.5	.6
Value (percent).....	8.5	8.2	5.5	5.4	5.2
Total:					
Quantity--short tons..	119,537	120,792	118,160	60,550	57,599
Value--1,000 dollars..	217,164	229,303	227,856	116,685	112,061
Unit value <sup>1</sup> (per ton)..<	\$1,793	\$1,866	\$1,899	\$1,898	\$1,924

--continued on next page

Table 7--Continued

Steel wire rope: U.S. producers' U.S. shipments (domestic shipments and company transfers), by types, 1988-90 and January-June 1990-91; and by sizes, 1988-90 and January-March 1990-91

Item	1988	1989	1990	January-March--	
				1990	1991
BY SIZE:					
≤ 3/8":					
Quantity--short tons..	***	***	***	***	***
Value--1,000 dollars..	***	***	***	***	***
Unit value (per ton)...	\$4,412	\$4,818	\$5,489	\$4,721	\$5,739
Share of subtotal:					
Quantity (percent)...	3.2	3.4	3.4	3.4	3.1
Value (percent).....	8.6	9.4	10.3	8.9	9.7
> 3/8" ≤ 1-1/2":					
Quantity--short tons..	***	***	***	***	***
Value--1,000 dollars..	***	***	***	***	***
Unit value (per ton)...	\$1,690	\$1,786	\$1,833	\$1,854	\$1,866
Share of subtotal:					
Quantity (percent)...	67.8	67.2	70.2	69.2	70.6
Value (percent).....	69.1	68.8	70.6	71.5	71.3
> 1-1/2":					
Quantity--short tons..	***	***	***	***	***
Value--1,000 dollars..	***	***	***	***	***
Unit value (per ton)...	\$1,278	\$1,291	\$1,314	\$1,280	\$1,331
Share of subtotal:					
Quantity (percent)...	29.0	29.4	26.4	27.4	26.3
Value (percent).....	22.3	21.7	19.1	19.5	18.9
Carbon subtotal:					
Quantity--short tons..	***	***	***	***	***
Value--1,000 dollars..	***	***	***	***	***
Unit value.....	\$1,658	\$1,744	\$1,822	\$1,794	\$1,847
Share of total:					
Quantity (percent)...	***	***	***	***	***
Value (percent).....	***	***	***	***	***
Stainless:					
	*	*	*	*	*
Total:					
Quantity--short tons..	***	***	***	***	***
Value--1,000 dollars..	***	***	***	***	***
Unit value (per ton)...	\$1,788	\$1,877	\$1,911	\$1,877	\$1,924

<sup>1</sup> Unit values calculated using data of firms providing both quantity and value of shipments.

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



## U.S. Exports

Information on U.S. producers' exports of steel wire rope is based on questionnaire responses of \*\*\* firms, accounting for approximately \*\*\* percent of total shipments of U.S.-produced steel wire rope in 1990 (table 8). U.S. producers' exports of steel wire rope more than doubled between 1988 and 1990, and accounted for 5.0 percent of all U.S. producers' total shipments in 1990. A continuation of this increasing trend for exports is also evident when analyzing most recently available data, with exports increasing by 7.6 percent during January-June 1991 when compared to the same period in 1990. Principal export markets include Canada and Mexico.

Table 8  
Steel wire rope: U.S. producers' exports, by types, 1988-90 and January-June 1990-91

Item	1988	1989	1990	January-June--		
				1990	1991	
Carbon:						
	*	*	*	*	*	
Stainless:						
	*	*	*	*	*	
Total:						
Quantity..(short tons)....	2,663	4,811	6,239	3,016	3,244	
Value..(1,000 dollars)....	3,761	7,935	10,533	4,937	5,017	
Unit value (per ton).....	\$1,412	\$1,649	\$1,688	\$1,637	\$1,547	
Share of total ship-						
ments (in percent),						
By quantity.....	2.2	3.8	5.0	4.8	5.4	
By value.....	1.7	3.4	4.4	4.1	4.3	

<sup>1</sup> Less than 0.5 percent.

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

## U.S. Producers' Inventories

U.S. producers' inventories of steel wire rope generally decreased from 1988 to 1990, and decreased again in January-June 1991 (table 9). As a share of U.S. producers' total production during the preceding year, inventories of steel wire rope decreased from 43.7 percent as of December 31, 1988, to 38.2

Table 9

Steel wire rope: U.S. producers' inventories and ratios to production, by type, 1988-90 and January-June 1990-91

	January-June-- <sup>1</sup>				
Item	1988	1989	1990	1990	1991
Carbon:					
	*	*	*	*	*
Stainless:					
	*	*	*	*	*
Total:					
Inventories:					
Quantity (short tons).	55,321	46,307	49,185	49,242	48,431
Ratio to production:					
(percent).....	43.7	38.2	37.9	36.1	40.0
Number of days' supply					
in inventory.....	165	135	144	141	145

<sup>1</sup> 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.

percent as of December 31, 1989, and to 37.9 percent at yearend 1990.<sup>117</sup> During January-June 1991 the inventory to production ratio increased to 40.0 percent when compared to 36.1 percent during the comparable period of 1990.

#### U.S. Producers' Employment and Wages

The average number of production and related workers producing steel wire rope for the 14 producers that provided employment data increased from 1,809 in 1988 to 1,822 in 1989, or by 0.7 percent, and increased to 1,825 in 1990, or by 0.1 percent (table 10). The average hourly wage for production and related workers producing all steel wire rope decreased from \$11.62 in 1988 to \$11.35 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), and then increased to \$11.51 in 1990.

<sup>117</sup> Decreasing inventories from 1988 to 1989 are principally due to \*\*\*.

Table 10

Steel wire rope: Average number of production and related workers, and hours worked by and average hourly wages paid to such employees, 1988-90 and January-June 1990-91

Item	1988	1989	1990	January-June--	
				1990	1991
Establishment employees.....	***	***	***	***	***
Percent change.....	(1)	-4.4	2.2	(1)	-1.4
Production and related workers producing--					
All products.....	2,475	2,368	2,378	2,416	2,396
Percent change.....	(1)	-5.5	.4	(1)	-.8
Steel wire rope.....	1,809	1,822	1,825	1,857	1,880
Percent change.....	(1)	.7	.1	(1)	1.2
Hours worked (1,000 hours)..	3,435	3,578	3,890	1,977	1,911
Wages paid (1,000 dollars)..	39,909	40,607	44,782	22,008	21,577
Total compensation (1,000 dollars)..	50,646	50,948	57,584	29,269	29,100
Hourly wage <sup>2</sup> .....	\$11.62	\$11.35	\$11.51	\$11.13	\$11.29
Labor productivity-- <sup>2</sup> (tons per 1,000 hours)....	36.9	33.9	33.4	34.5	31.7
Unit labor costs <sup>2</sup> (per ton).....	\$399	\$420	\$443	\$429	\$481

<sup>1</sup> Not available.

<sup>2</sup> 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.

Workers at three firms, accounting for approximately 54 percent of total steel wire rope production and related workers, were represented by unions in 1989. Labor reductions of 266 employees occurred in 1989 when Bethlehem closed its Wire Rope Division.

#### TRADE ADJUSTMENT ASSISTANCE

On May 26, 1989, the U.S. Department of Labor, Employment and Training Administration (ETA), issued a certification of eligibility for workers at the former wire rope division of Bethlehem Steel to apply for trade adjustment assistance under section 223 of the Trade Act of 1974. ETA's determination stated that "(t)he Bethlehem Wire Rope Division increased its imports of wire, wire rope, and strand, from 1981 to 1988. These products are directly competitive with those manufactured at the Williamsport, PA facility in 1988." The determination concluded that "increases of imports of articles like or directly competitive with steel wire, wire rope and wire strand produced at the Williamsport Wire Rope Division of the Bethlehem Steel Corporation

contributed importantly to the decline in sales or production and to the total or partial separation of workers of that firm."<sup>118</sup> All workers who became totally or partially separated from employment on or after October 1, 1988, but before May 26, 1991, were eligible for assistance. ETA has provided the following information on payment activity through May 1991 for the affected Williamsport employees:

<u>Number of</u>	<u>Amount</u>	<u>Type of assistance</u>
<u>workers</u>	<u>paid</u>	

*	*	*	*	*	*	*
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Counsel for petitioner also reports that Wire Rope Corp. has filed a petition for trade adjustment assistance for 35 employees laid off in June 1991.<sup>119</sup>

#### Financial Experience of U.S. Producers

Eleven U.S. producers, accounting for virtually all U.S. production of steel wire rope in 1990, supplied income-and-loss data on their overall establishment operations and their steel wire rope operations.<sup>120</sup> Union Wire Rope (a division of Armeo), a producer which sold its wire rope operations in 1988, also provided financial data. Steel wire rope operations accounted for about 67 percent of total net sales of overall establishment operations during the period covered by the investigations.

Wire Rope's data were verified by the Commission. Minor discrepancies were found in the 1990/91 data, and Wire Rope has submitted revised data.

#### OVERALL ESTABLISHMENT OPERATIONS

Income-and-loss data on the U.S. producers' overall establishment operations are presented in table 11. In the aggregate, net sales had modest increases from 1988 to 1990 and a modest decrease during the first 3 months of 1991 compared with the corresponding period of 1990. On a company-by-company basis, \*\*\*.

Operating income virtually doubled from 1988 to 1989, due both to increased sales and decreased cost of goods sold. Operating income then decreased from 1989 to 1990 and from interim 1990 to interim 1991. \*\*\*.

<sup>118</sup> ETA Certification No. TA-W-22758 provided by counsel to the petitioner, July 25, 1991.

<sup>119</sup> Petitioner's posthearing brief, app. 2, attachment G.

<sup>120</sup> The producers were \*\*\*.

Table 11

Income-and-loss experience of U.S. producers on the overall operations of their establishments in which steel wire rope is produced, fiscal years<sup>1</sup> 1988-90, January-March 1990, and January-March 1991

Item	1988	1989	1990	January-March--	
				1990	1991
Value (1,000 dollars)					
Net sales . . . . .	334,410	343,255	355,126	90,613	87,827
Cost of goods sold . . . . .	261,776	260,472	263,900	67,720	66,237
Gross profit . . . . .	72,634	82,783	91,226	22,893	21,590
Selling, general, and administrative expenses . . . .	61,125	60,541	70,516	18,143	17,297
Operating income . . . . .	11,509	22,242	20,710	4,750	4,293
Startup or shutdown expense . .	71,509	0	272	0	34
Interest expense . . . . .	6,382	7,259	9,025	2,215	2,083
Other income or (expense), net . . . . .	(497)	823	1,038	94	(501)
Net income or (loss) before income taxes . . . . .	(66,879)	15,806	12,451	2,629	1,675
Depreciation and amortiza- tion . . . . .	8,402	9,022	7,199	2,347	2,740
Cash flow <sup>2</sup> . . . . .	11,023 <sup>3</sup>	24,828	19,650	4,976	4,415
Ratio to net sales (percent)					
Cost of goods sold . . . . .	78.3	75.9	74.3	74.7	75.4
Gross profit or (loss) . . . . .	21.7	24.1	25.7	25.3	24.6
Selling, general, and administrative expenses . . . .	18.3	17.6	19.9	20.0	19.7
Operating income or (loss) . .	3.4	6.5	5.8	5.2	4.9
Net income or (loss) before income taxes . . . . .	(20.0)	4.6	3.5	2.9	1.9
Number of firms reporting					
Operating losses . . . . .	***	***	***	***	***
Net losses . . . . .	***	***	***	***	***
Data . . . . .	***	***	***	***	***

<sup>1</sup> Firms which did not have fiscal years ending Dec. 31 and their respective fiscal year ends were as follows: \*\*\*.

<sup>2</sup> Cash flow is defined as net income or loss plus depreciation and amortization.

<sup>3</sup> \*\*\*.

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

STEEL WIRE ROPE OPERATIONS<sup>121</sup>

Aggregate income-and-loss data for the U.S. producers' steel wire rope operations are presented in table 12. The producers were requested to present separate profit-and-loss data on the four different types of steel wire rope: bright, galvanized, stainless (now excluded from the investigations), and coated. Most producers attempted to respond; however, for purposes of this report, the data were unusable. Therefore, the data presented in this section of the report pertain to all types of steel wire rope, including stainless.

Net sales increased moderately from 1988 to 1990, as the majority of producers who had continuous operations experienced sales increases (see table 13, which presents key income-and-loss data by firm). Cost of goods sold had even smaller increases, resulting in the gross profit level steadily increasing from \$52.7 million in 1988 to \$63.4 million in 1990. This trend continued through to operating income, which steadily increased from \$6.4 million in 1988 to \$11.1 million in 1990. All three financial indicators then decreased in value from the 1990 interim period to the comparable period in 1991.

As shown in table 12, gross profit margins (as a percentage of net sales) steadily increased from 1988 to 1990, and then decreased from interim 1990 to interim 1991 (but were still higher than the fiscal 1990 figure).

The primary reason for these increases was \*\*\*. Since \*\*\*. The gross profit margin (on a percentage basis) for all of the other firms \*\*\* over the reporting period.

Within the individual components of cost of goods sold, there was a decrease in direct labor and a corresponding increase in raw materials (table 14), a trend directly attributable to \*\*\*. Those \*\*\* had direct labor expenses of about \$\*\*\* per ton (\*\*\* percent of cost of goods sold (COGS)) while the average for the rest of the industry was about \$\*\*\* per ton (\*\*\* percent of COGS) throughout the period of the investigation. On the other hand, \*\*\* had raw material costs of about \$\*\*\* per ton (\*\*\* percent of COGS) while the average for the rest of the industry has been about \$\*\*\* per ton (\*\*\* percent of COGS).

As large, fully-integrated producers, the steel wire rope operations of Union and Bethlehem were substantially different from the rest of the industry. Bethlehem's and Union's costs accumulated from the basic ore input to the finished product; the rest of the industry purchased steel rod and added fabrication costs to arrive at a total cost. Consequently, the raw material costs of fully-integrated producers are lower, while their labor costs are higher.

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<sup>121</sup> Counsel for the petitioner has argued that the steel wire rope inventory Williamsport and Wire Rope acquired when they purchased Bethlehem and Union, respectively, should not be reported as sales since they did not manufacture the rope. \*\*\*. Therefore, the sale of the inventory is included in table 12 as sales of steel wire rope. Footnote 1 to table 12 explains the effect of not including the inventory in sales.

Table 12

Income-and-loss experience of U.S. producers on their operations producing steel wire rope, fiscal years 1988-90, January-March 1990, and January-March 1991

Item	1988 <sup>1</sup>	1989	1990	January-March--	
				1990	1991
Value (1,000 dollars)					
Net sales . . . . .	225,379	228,310	238,531	60,812	58,218
Cost of goods sold . . . . .	172,652	172,090	175,122	43,936	42,680
Gross profit . . . . .	52,727	56,220	63,409	16,876	15,538
Selling, general, and administrative expenses . . . .	46,300	45,468	52,322	13,648	12,838
Operating income . . . . .	6,427	10,752	11,087	3,228	2,700
Startup or shutdown expense . .	49,332	0	0	0	11
Interest expense . . . . .	4,709	5,357	6,340	1,638	1,504
Other income or (expense), net . . . . .	(98)	1,384	1,287	417	(119)
Net income or (loss) before income taxes <sup>2</sup> . . . . .	(47,712)	6,779	6,034	2,007	1,066
Depreciation and amortization .	6,153	6,763	5,276	1,560	1,910
Cash flow <sup>3</sup> . . . . .	7,773 <sup>4</sup>	13,542	11,310	3,567	2,976
Ratio to net sales (percent)					
Cost of goods sold . . . . .	76.6	75.4	73.4	72.2	73.3
Gross profit or (loss) . . . . .	23.4	24.6	26.6	27.8	26.7
Selling, general, and administrative expenses . . . .	20.5	19.9	21.9	22.4	22.1
Operating income or (loss) . . .	2.9	4.7	4.6	5.3	4.6
Net income or (loss) before income taxes . . . . .	(21.2)	3.0	2.5	3.3	1.8
Number of firms reporting					
Operating losses . . . . .	***	***	***	***	***
Net losses . . . . .	***	***	***	***	***
Data . . . . .	***	***	***	***	***

<sup>1</sup> If the steel wire rope inventory Williamsport and Wire Rope acquired when they purchased Bethlehem and Union, respectively, was not included in the data, sales would be \$\*\*\* million, cost of goods sold would be \$\*\*\* million, SG&A expense would be \$\*\*\* million, operating income would be \$\*\*\* million, and operating income as a percent of sales would be \*\*\* percent.

<sup>2</sup> \*\*\*.

<sup>3</sup> Cash flow is defined as net income or loss plus depreciation and amortization.

<sup>4</sup> \*\*\*.

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

Table 13

Income-and-loss experience of U.S. producers on their operations producing steel wire rope, by firms, fiscal years 1988-90, January-March 1990, and January-March 1991

Item	Value (1,000 dollars)				
	1988	1989	1990	January-March- 1990	1991
Net sales:					
	*	*	*	*	*
Total . . . . .	225,379	228,310	238,531	60,812	58,218
Operating income or (loss):					
	*	*	*	*	*
Total . . . . .	6,427	10,752	11,087	3,228	2,700
Net income or (loss) before income taxes:					
	*	*	*	*	*
Total . . . . .	(47,712)	6,779	6,034	2,007	1,066
Operating income or (loss):					
	*	*	*	*	*
Average . . . . .	2.9	4.7	4.6	5.3	4.6
Net income or (loss) before income taxes:					
	*	*	*	*	*
Average . . . . .	(21.2)	3.0	2.5	3.3	1.8

<sup>1</sup> \*\*\*.

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



Table 14

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 1988-90, January-March 1990, and January-March 1991

	January-March--				
Item	1988	1989	1990	1990	1991
Share of cost of goods sold (percent)					
Raw materials--domestic.....	***	***	***	***	***
Raw materials--foreign.....	***	***	***	***	***
Direct labor.....	***	***	***	***	***
Other factory costs.....	39.1	43.6	43.1	42.1	43.9
Total.....	100.0	100.0	100.0	100.0	100.0
On a per-ton basis					
Raw materials--domestic.....	\$***	\$***	\$***	\$***	\$***
Raw materials--foreign.....	***	***	***	***	***
Direct labor.....	***	***	***	***	***
Other factory costs.....	538	628	594	558	596
Total.....	1,375	1,440	1,378	1,323	1,357

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

Based on the foregoing, \*\*\*. Other factory costs consist of (1) all non-production factory labor costs (warehouse, maintenance, etc.), (2) supplies, (3) heat, light, and power, and (4) depreciation. These costs are generally directly proportional to direct labor costs. \*\*\*.

In terms of both value and as a percent of net sales, SG&A expenses rose irregularly from 1988 to 1990, and then decreased from the first 3 months of 1990 to the corresponding time period in 1991. On a per-ton basis, SG&A expenses decreased for all producers during 1989 and then increased for virtually all producers during 1990. Despite these swings, the aggregate expenses increased from \$\*\*\* per ton in 1988 to \$\*\*\* per ton in 1990 (see table 15, which details revenue and expense items on a per-ton basis). The primary reason for this trend is \*\*\*. \*\*\*.

Table 15

Income-and-loss experience of U.S. producers providing both quantity and value information on their operations producing steel wire rope, fiscal years 1988-90, January-March 1990, and January-March 1991

\* \* \* \* \*

\*\*\* firms--\*\*\*--were unable to provide data relating to interest expense or "other" income or expense items. This is significant not only because it distorts the overall picture, but also because \*\*\*. Even if the companies could have reported interest expense, it is unclear \*\*\*. \*\*\*.

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 these investigations 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 in properly allocating interest expense, coupled with the reporting 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, however, does reflect the financial difficulties experienced by certain companies in the industry.

#### INVESTMENT IN PRODUCTIVE FACILITIES

The value of property, plant, and equipment and total assets for the U.S. producers are presented in table 16, as are the operating and net returns on assets. The decline in assets from 1988 to 1990 can be attributed to \*\*\*.

#### RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses are detailed in table 17. Overall expenditures for the reporting period (\$\*\*\* million) were dominated by \$\*\*\* million in R&D expenses for the benefit of steel wire rope. \*\*\*.

#### CAPITAL EXPENDITURES

The capital expenditures reported by the U.S. producers are presented in table 18. \*\*\*.

Table 16

Value of assets and return on assets of U.S. producers' establishments wherein steel wire rope is produced, fiscal years 1988-90, January-March 1990, and January-March 1991

Item	As of the end of fiscal year--			As of Mar. 31--	
	1988	1989	1990	1990	1991
Value (1,000 dollars)					
All products:					
Fixed assets:					
Original cost . . . . .	141,236	147,890	128,773	121,898	131,812
Book value . . . . .	61,622	63,039	58,403	67,478	73,099
Total assets <sup>1</sup> . . . . .	154,357	136,291	147,315	150,149	149,220
Steel wire rope:					
Fixed assets:					
Original cost . . . . .	101,852	105,815	86,141	82,469	86,942
Book value . . . . .	39,522	39,614	35,482	34,244	34,879
Total assets <sup>2</sup> . . . . .	108,893	92,060	89,821	57,322	50,005
Return on book value of fixed assets (percent) <sup>3</sup>					
All products:					
Operating return <sup>4</sup> . . . . .	16.5	29.0	28.6	27.5	20.7
Net return <sup>5</sup> . . . . .	(48.2)	18.9	14.4	15.0	6.4
Steel wire rope:					
Operating return <sup>4</sup> . . . . .	12.1	16.4	19.7	35.5	24.7
Net return <sup>5</sup> . . . . .	(58.5)	6.4	5.4	21.3	5.9
Return on total assets (percent) <sup>3</sup>					
All products:					
Operating return <sup>4</sup> . . . . .	5.8	12.0	10.4	11.3	9.9
Net return <sup>5</sup> . . . . .	(19.0)	8.6	5.8	6.2	3.3
Steel wire rope:					
Operating return <sup>4</sup> . . . . .	4.1	6.2	6.3	18.7	15.6
Net return <sup>5</sup> . . . . .	(21.0)	2.8	1.5	11.2	3.6

<sup>1</sup> Defined as the book value of fixed assets plus current and noncurrent assets.

<sup>2</sup> Total establishment assets are apportioned, by firm, to product groups on the basis of the ratios of the respective book values of fixed assets.

<sup>3</sup> Computed using data from only those firms supplying both asset and income-and-loss information, and, as such, may not be derivable from data presented. Data for the partial-year periods are calculated using annualized income-and-loss information.

<sup>4</sup> Defined as operating income or loss divided by asset value.

<sup>5</sup> Defined as net income or loss divided by asset value.

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

Table 17

Research and development expenses of U.S. producers of steel wire rope, fiscal years 1988-90, January-March 1990, and January-March 1991

\* \* \* \* \*

Table 18

Capital expenditures by U.S. producers of steel wire rope, fiscal years 1988-90, January-March 1990, and January-March 1991

\* \* \* \* \*

### 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.

### RELATIVE FINANCIAL CONDITION OF THE STEEL WIRE ROPE INDUSTRY

The following tabulation compares net return on assets for steel wire rope producers (per table 16) with net return on assets for the industry type, miscellaneous fabricated wire products (all figures in percent):

Year	Net R.O.A. per table 16	Net R.O.A. per Dun & Bradstreet <sup>1</sup>			Net R.O.A. per Robert Morris Assoc. <sup>1</sup>		
		Upper <sup>2</sup>	Median <sup>2</sup>	Lower <sup>2</sup>	Upper <sup>2</sup>	Median <sup>2</sup>	Lower <sup>2</sup>
1988....	(21.0)	15.0	6.0	1.5	12.7	6.9	1.9
1989....	2.8	14.6	7.1	1.2	15.5	7.6	1.2
1990....	1.5	16.2	7.5	1.9	14.2	6.5	1.7

<sup>1</sup> Dun & Bradstreet refers to the 1990-91 edition of Dun & Bradstreet's Information Norms and Key Business Ratios; Robert Morris Assoc. refers to the 1990 edition of Robert Morris Associates Annual Statement Studies.

<sup>2</sup> Upper refers to the midpoint of the upper half of all companies responding to the survey, median refers to the midpoint of all companies responding to the survey, and lower refers to the midpoint of the lower half of all companies responding to the survey.

While exact comparisons are not possible, the data gathered in the investigations strongly suggests the steel wire rope industry is doing poorly relative to its industry type.

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<sup>122</sup>--

(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 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,

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<sup>122</sup> 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."

(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.<sup>123</sup>

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 "The nature and extent of subsidies, sales at less than fair value, and alleged sales at less than fair value;" information on the volume, U.S. market penetration, and pricing of imports of the subject merchandise (items (III) and (IV) above) is presented in the section entitled "Consideration of the causal relationship between imports of the subject products and material injury;" 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 material injury to an industry in the United States." 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.

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<sup>123</sup> 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."

**Ability of Foreign Producers to Generate Exports  
and the Availability of  
Export Markets Other Than the United States**

Information presented in this section has generally been provided by counsels for the responding foreign firms. Telegrams were also sent to the respective U.S. embassies in the countries under investigation seeking information regarding the respective foreign industries, and information reported in the cables has been incorporated into this report.

**MULTICOUNTRY FINAL INVESTIGATIONS<sup>124</sup>**

**Argentina**

As identified in the petition and verified by the U.S. embassy in Buenos Aires during the preliminary phase of the investigations,<sup>125</sup> there are three producers of steel wire rope in Argentina: Acindar, IPH, and Steel Ropes. \*\*\*.<sup>126</sup> 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."<sup>127</sup>

Information on capacity, production, inventories and shipments of steel wire rope for Acindar was provided by counsel and the data are presented in table 19. Its capacity to produce steel wire rope in Argentina \*\*\* during 1988-90, and then \*\*\* percent during January-March 1991 when compared to the same period in 1990, as Acindar "underwent dramatic changes" in its steel production capability, reducing work schedules and laying off employees.<sup>128</sup> The company expects to be operating at \*\*\* capacity during 1991-92.

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<sup>124</sup> Interim periods in the investigations cover January-March 1990 and January-March 1991, and represent the most recently available information for the countries subject to final investigations.

<sup>125</sup> Nov. 18, 1990, telegram from the U.S. embassy in Buenos Aires.

<sup>126</sup> During 1989, Acindar accounted for approximately \*\*\* percent of capacity and approximately \*\*\* percent of production of steel wire rope in Argentina.

<sup>127</sup> Nov. 18, 1990, telegram from the U.S. embassy in Buenos Aires.

<sup>128</sup> Acindar posthearing brief, p. 2 and attachment. Counsel for Acindar argues that "Acindar's production capacity is unlikely to increase in the future, in that of 3,600 laid off workers, company management now expects that perhaps 2,100 will ultimately retain their jobs" (pp. 2 and 3).

Table 19

Carbon steel wire rope: Acindar's (Argentina) capacity, production, inventories, capacity utilization, and shipments, 1988-90, January-March 1990-91, and projected 1991-92

\* \* \* \* \*

Exports by Acindar to the United States accounted for \*\*\* percent of the firm's total shipments of steel wire rope in 1988; this share \*\*\* to \*\*\* percent in 1989, and then \*\*\* to \*\*\* percent in 1990. \*\*\* of Acindar's exports to the United States consisted of \*\*\*.<sup>129</sup> Acindar reported operating at an average \*\*\* percent of capacity during most of the period of investigation, with \*\*\* levels of inventory.

#### China

Foreign producers in China export their steel wire rope products through the China National Metals and Minerals Import and Export Association, the sole trading company authorized by the government of China to export steel wire rope pursuant to the VRA. Information on capacity, production, inventories and shipments of steel wire rope for China National was provided by counsel, and the data are presented in table 20. Exports by China National to the United States accounted for 11.4 percent of the firm's total shipments of steel wire rope in 1989; this share increased to 11.5 percent in 1990, and then decreased to 4.0 percent during January-March 1991. China National reported that the producing firms for which it exports operated at an average 93 percent of capacity during most of the period of investigation, with decreasing levels of inventory.

#### India

During the preliminary investigation the U.S. consulate in Calcutta responded to the Commission's request for information on the steel wire rope industry in India with the name of an industry association, The Indian Wire Rope Manufacturers Association of India, and a list of approximately 50 member companies.<sup>130</sup> During the final investigation counsel for the two principal producers of steel wire rope in India, as identified in the petition, submitted information to support their argument that Usha Martin and Bombay Wire are the most significant Indian exporters of steel wire rope, and they are the "only exporters which have demonstrated a continuing interest in the U.S. market."<sup>131</sup>

<sup>129</sup> During January-March 1990, Acindar reported exports of \*\*\* tons of galvanized steel wire rope to the United States, which accounted for \*\*\* percent of total shipments.

<sup>130</sup> Dec. 5, 1990, telegram from the U.S. consulate in Calcutta.

<sup>131</sup> June 10, 1991, letter from counsel for Usha Martin and Bombay Wire.



Table 20

Carbon steel wire rope: Chinese capacity, production, inventories, capacity utilization, and shipments, 1988-90, January-March 1990-91, and projected 1991-92

Item	1988	1989	1990	January- March--		Projected--	
				1990	1991	1991	1992
Quantity (short tons)							
Capacity.....	23,000	23,000	22,800	4,600	4,500	23,000	23,000
Production.....	22,000	22,000	20,000	4,500	4,000	22,000	22,000
Inventories.....	1,400	1,400	500	0	540	0	0
Shipments:							
Home market.....	21,200	17,000	17,800	3,400	2,800	19,000	19,100
Exports:							
U.S.:							
≤ 3/8".....	0	600	800	300	100	300	400
> 3/8" ≤ 1-1/2"	0	1,900	1,600	200	60	500	600
> 1-1/2".....	0	0	0	0	0	0	0
Total <sup>1</sup> .....	0	2,500	2,400	500	160	800	1,000
Other countries..	400	2,500	700	600	1,000	2,200	2,000
Total exports..	400	5,000	3,100	1,100	1,160	3,000	3,000
Total shipments..	21,600	22,000	20,900	4,500	3,960	22,000	22,100
Ratios and shares (percent)							
Capacity utilization.....	95.7	95.7	87.7	97.8	88.9	95.7	95.7
Inventories to production.....	6.4	6.4	2.5	0	3.4	0	0
Share of shipments:							
Home market.....	98.1	77.3	85.2	75.6	70.7	86.4	86.4
Exports:							
U.S.:							
≤ 3/8".....	0	2.7	3.8	6.7	2.5	1.4	1.8
> 3/8" ≤ 1-1/2"	0	8.6	7.7	4.4	1.5	2.3	2.7
> 1-1/2".....	0	0	0	0	0	0	0
Total.....	0	11.4	11.5	11.1	4.0	3.6	4.5
Other.....	1.9	11.4	3.3	13.3	25.3	10.0	9.0

<sup>1</sup> Exports to the United States for this trading company should account for total imports from China during the period of investigation. However, data reported by China National on its exports in 1988 and 1990 are less than official U.S. statistics, resulting in a shortfall in exports of 855 short tons in 1988 and 554 tons in 1990. Counsel for China National reported that problems with statistical record keeping in China occurred during 1988, but counsel was unable to explain the discrepancy in 1990 data.

Source: Compiled from data submitted by counsel for China National in response to questionnaires of the U.S. International Trade Commission.

Information on capacity, production, inventories, and shipments of steel wire rope for Usha Martin and Bombay Wire was provided by counsel. The data are presented in table 21. Exports to the United States accounted for \*\*\* percent of the firms' total shipments of steel wire rope in 1988; this share \*\*\* to \*\*\* percent in 1989, and then \*\*\* to \*\*\* percent in 1990. The Indian firms reported operating \*\*\* capacity \*\*\* the period of investigation,<sup>132</sup> with \*\*\* levels of inventory.

Table 21

Steel wire rope: Indian capacity, production, inventories, capacity utilization, and shipments, 1988-90, January-March 1990-91, and projected 1991-92

\* \* \* \* \*

### Mexico

As identified in the petition and verified by the U.S. embassy in Mexico City during the preliminary investigation, there are three manufacturers of steel wire rope in Mexico, all of which export: Camesa, Cablesa, and Aceros Nacionales (ACNAC).<sup>133</sup> The embassy provided the data below (in metric tons) for the three firms, which indicate that Camesa accounted for \*\*\* percent of total exports of steel wire rope from Mexico in 1989:

<u>Item</u>	<u>Camesa</u>	<u>Cablesa</u>	<u>ACNAC</u>	<u>Total</u>
Capacity <sup>1</sup> .....	***	***	***	***
Domestic sales.....	***	***	***	***
Export sales.....	***	***	***	***

<sup>1</sup> Data regarding capacity for Camesa and Cablesa differ with data provided by counsel for the respondents during these investigations, and may be explained by the inclusion of strand products in the above figures (see May 30, 1991, submission by counsel for Camesa).

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<sup>132</sup> The Indian producers report \*\*\* (June 6, 1991, submissions by counsel for Usha Martin and Bombay Wire Rope).

Counsel for the petitioner argues that the "claimed capacity immediately appears understated, as most U.S. and foreign wire rope factories calculated capacity based upon operating \*\*\* hours per week, or \*\*\* shifts per day, \*\*\* days per week." Counsel further asserts that "the very nature of wire rope manufacturing encourages three-shift operation, since start-up and shut-down costs and inefficiencies are minimized." (June 25, 1991, submission by counsel for petitioners).

Counsel for the Indian respondents argue that even if capacity is converted to the most common basis utilized by domestic producers (i.e., \*\*\* hours per week, \*\*\* weeks per year), capacity utilization in India would be at \*\*\* levels (prehearing brief of Willkie, Farr & Gallagher, pp. 37 and 39, fn 56 and 59).

<sup>133</sup> Nov. 18, 1990, telegram from the U.S. embassy in Mexico City.

Information on Mexican capacity and shipments of steel wire rope was also provided by counsels for the respondents Camesa and Cablesa, and these data are presented in table 22. Exports of steel wire rope to the United States by the two Mexican firms accounted for \*\*\* percent of their total shipments of such merchandise in 1988, \*\*\* to \*\*\* percent in 1989, and then \*\*\* to \*\*\* percent in 1990. The Mexican firms reported operating at \*\*\* capacity over the period of investigation, with \*\*\* inventories.

Table 22

Carbon steel wire rope: Mexican capacity, production, inventories, capacity utilization, and shipments, 1988-90, January-March 1990-91, and projected 1991-92

\* \* \* \* \*

In its questionnaire response Camesa reported \*\*\*.<sup>134</sup>

#### Taiwan

Information on capacity and shipments of steel wire rope for producers/exporters in Taiwan was provided by the American Institute in Taiwan (AIT) and the information is presented in table 23.<sup>135</sup> Exports of steel wire rope to the United States by Taiwanese firms accounted for 3.5 percent of their total shipments of such merchandise in 1988, increasing to 3.7 percent in 1989, and then decreasing to 2.5 percent in 1990. The firms reported operating at a 50-60 percent level of capacity utilization over the period of investigation, with increasing inventories. According to the AIT in Taipei, the Taiwan Steel Wire and Wire Rope Association of manufacturers report that "there has been no significant change of capacity in 1991...production and utilization rates may decline a little in 1991 due to a downturn in Taiwan's local demand and competition from South Korea and the PRC in overseas markets." (See July 2, 1991, cable from the AIT in Taipei.) Because the Taiwan Steel Wire and Wire Rope Association did not respond to the Commission's request for information through their Washington counsel, the firms did not provide specific data by type of steel wire rope, but indicated that they produce "ungalvanized," galvanized, and coated products.

<sup>134</sup> July 22, 1991, submission by counsel for Camesa.

<sup>135</sup> The Taiwan Steel Wire and Wire Rope Association is a party to these investigations but has provided limited data regarding their foreign operations, despite repeated efforts by staff to obtain such information from counsel for the association. \*\*\*.

Table 23

Steel wire rope: Taiwan capacity, production, inventories, capacity utilization, and shipments, 1988-90, January-March 1990-91, and projected 1991-92

Item	1988	1989	1990	January- March--		Projected-	
				1990	1991	1991	1992
Quantity (short tons)							
Capacity <sup>1</sup> .....	65,862	88,082	94,368	(2)	(2)	-	-
Production.....	39,527	52,849	47,184	10,496	11,998	-	-
Inventories.....	1,767	2,239	2,792	2,845	3,100	-	-
Shipments:							
Home market.....	36,214	48,729	43,247	9,741	9,562	-	-
Exports:							
U.S. <sup>3</sup> .....	1,381	1,990	1,183	250	388	-	-
Other countries..	2,399	2,721	2,285	495	384	-	-
Total exports..	3,780	4,711	3,468	745	772	-	-
Total shipments..	39,994	53,440	46,715	10,486	10,334	-	-
Ratios and shares (percent)							
Capacity utilization.....	60.0	60.0	50.0	(2)	(2)	-	-
Inventories to production.....	4.5	4.2	5.9	6.8	6.5	-	-
Share of shipments:							
Home market.....	90.5	91.2	92.6	92.9	92.5	-	-
Exports:							
U.S.:.....	3.5	3.7	2.5	2.4	3.8	-	-
Other.....	6.0	5.1	4.9	4.7	3.7	-	-

<sup>1</sup> Capacity was calculated from utilization rates provided in the AIT cable.

<sup>2</sup> Data not available.

<sup>3</sup> Exports to the United States for the responding firms represented approximately 70 percent of total imports from Taiwan in 1990, and 55 percent in 1989.

Source: Compiled from data submitted by the AIT in Taipei.

#### Thailand

During the preliminary investigation, the U.S. embassy in Bangkok reported that there are four manufacturers of steel wire rope in Thailand; Usha Siam Steel Industries and Vivat Industries produce for export (beginning in 1988), and Sling Thai Company and Sling & Wirerope Company produce solely for the domestic market.<sup>136</sup> According to the embassy, "These four companies

<sup>136</sup> Dec. 3, 1990, telegram from the U.S. embassy in Bangkok. The embassy reports that Sling & Wirerope Co.'s production is now suspended.

have a combined production capacity of about 1,000 tons per month, of which 20-30 percent is exported."<sup>137</sup>

During the final investigation, information on capacity and shipments of steel wire rope for Usha Siam and Vivat Steel was provided by counsel for Usha Siam and is presented in table 24. Exports to the United States accounted for \*\*\* percent of the firms' total shipments of steel wire rope in 1988; this share \*\*\* to \*\*\* percent in 1989, and then \*\*\* to \*\*\* percent in 1990.<sup>138</sup> The Thai firms reported operating \*\*\* capacity throughout the period of investigation,<sup>139</sup> with \*\*\* levels of inventory.

Table 24

Carbon steel wire rope: Thai capacity, production, inventories, capacity utilization, and shipments, 1988-90, January-March 1990-91, and projected 1991-92

\* \* \* \* \*

#### CANADIAN PRELIMINARY INVESTIGATION

As identified in the petition there are currently two manufacturers/exporters of steel wire rope in Canada: Wire Rope Industries, Ltd., and Wrights Canadian Rope. Information on capacity, production, inventories, and shipments of steel wire rope for the Canadian producers was provided by counsel and the data are presented in table 25.

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<sup>137</sup> 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).

<sup>138</sup> Counsel for the Thai respondents reports that the decline of exports to the United States is attributable to the loss of a major customer, Bethlehem, and the loss of GSP status in June 1990 (May 30, 1991, submission by counsel for Usha Siam).

<sup>139</sup> Usha Siam reports \*\*\* (June 6, 1991, submissions by counsel for Usha Siam). Counsel for the petitioner asserts that the "claimed capacity immediately appears understated, as most U.S. and foreign wire rope factories calculated capacity based upon operating \*\*\* hours per week, or \*\*\* shifts per day, \*\*\* days per week." Counsel further asserts that "the very nature of wire rope manufacturing encourages three-shift operation, since start-up and shut-down costs and inefficiencies are minimized." (June 18, 1991, submission by counsel for the petitioners).

Table 25

Carbon steel wire rope: Canadian capacity, production, inventories, capacity utilization, and shipments, 1988-90, January-June 1990-91, and projected 1991-92

\* \* \* \* \*

While the capacity of the Canadian industry \*\*\* throughout the period of investigation,<sup>140</sup> capacity utilization fluctuated between \*\*\* and \*\*\* percent.<sup>141</sup> Production \*\*\* percent in 1989 and \*\*\* percent in 1990. A comparison of interim production reveals \*\*\* percent. Ending inventories \*\*\* percent between 1988 and 1990, as inventories ranged from \*\*\* percent to \*\*\* percent as a ratio to production.<sup>142</sup>

Total shipments \*\*\* by \*\*\* percent in 1989 and \*\*\* the following year by \*\*\* percent. Shipments in the interim periods \*\*\* percent. Throughout the period of investigation, the Canadian market absorbed roughly \*\*\* of the shipments of steel wire rope produced by Wire Rope Industries and Wrights. A \*\*\* portion of total shipments--from \*\*\* to \*\*\* percent--went to export markets other than the United States, while the United States accounted for the remainder. Canadian exporters reported sales of \*\*\*. In fact, an increasing share of these sales has been in the \*\*\* category. In 1988, 1989, and 1990, exports of \*\*\* rope to the United States accounted for \*\*\*, \*\*\*, and \*\*\* percent, respectively, of total shipments. By January-June 1991, they accounted for \*\*\* percent. Meanwhile, the share of exports of \*\*\* rope \*\*\* from \*\*\* percent in 1988 to \*\*\* percent in 1990; in interim 1991, it reached \*\*\* percent.

#### CROSS OWNERSHIP ISSUES

Petitioners argue that cross-ownership between production plants in at least four of the countries subject to investigation is a significant factor in the context of the consideration of threat of material injury. As stated by counsel for the petitioner "(t)he critical question as regards cross-ownership is how it enhances the ability to source imports to the United States from the plants located in different countries."<sup>143</sup>

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<sup>140</sup> Counsel for respondents argues that end-of-period capacity data for 1988 do not reflect the purchase and sale and disposal of steel wire rope production assets (with an estimated capacity of \*\*\* tons) of Greening & Donald, a former Canadian producer purchased in July 1988 by Wire Rope Industries. (July 22, 1991, submission by counsel for Wire Rope Industries).

<sup>141</sup> Wire Rope Industries notes in its response to the Commission's foreign producer's questionnaire that capacity utilization for its equipment producing coated steel wire rope, which has accounted for \*\*\* of Wire Rope Industries' exports to the United States, has been \*\*\*.

<sup>142</sup> In its questionnaire response, Wire Rope Industries argues that \*\*\*.

<sup>143</sup> Petitioner's posthearing brief, p. 11.

With respect to India and Thailand, Usha Siam, which accounted for \*\*\* exports of steel wire rope to the United States from Thailand in 1990, is a joint venture between Usha Martin of India and private Thai investors. Usha Martin, which accounted for approximately \*\*\* percent of exports of steel wire rope to the United States from India in 1990, holds \*\*\* percent of the common equity of Usha Siam. Usha Siam holds \*\*\* in Usha Martin.<sup>144</sup> Counsel for respondents argues that the firms operate independently of each other with "no joint production strategies."<sup>145</sup>

With respect to Canada and Mexico, Wire Rope Industries of Canada (accounting for approximately \*\*\* percent of total exports to the United States from Canada in 1990) is a wholly-owned subsidiary of Noranda Inc., reportedly the eighth largest corporation in Canada. Noranda holds a minority interest in Camesa of Mexico, which accounted for approximately \*\*\* percent of exports to the United States from Mexico in 1990. According to counsel for Camesa, Noranda's minority ownership interest in Camesa amounts to \*\*\* percent of outstanding stock, \*\*\*.<sup>146</sup> \*\*\* percent of Noranda's ownership interest in Wire Rope Industries (purchased in \*\*\*) and the \*\*\*-percent interest in Camesa (purchased during \*\*\*) were secured from Bridon plc, a British holding company, which is the parent of Bridon American, a U.S. producer of steel wire rope.<sup>147</sup>

#### U.S. Importers' Inventories

Data on U.S. importers' inventories of steel wire rope from the subject countries, as reported by 20 importers (accounting for approximately 35 percent of total imports in 1990) in response to the Commission's questionnaires, are presented in table 26. Inventories of imports of steel wire rope from the six countries under final investigation have been increasing throughout the period of investigation. U.S. importers' inventories of steel wire rope from Canada represent data reported by one of the two Canadian manufacturers/exporters that act as importers-of-record for U.S. purchasers of such product. Such data indicate that while inventories have \*\*\*.

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<sup>144</sup> Posthearing brief of Willkie, Farr & Gallagher, exh. A, p. 5.

<sup>145</sup> Id., p. 6.

<sup>146</sup> July 30, 1991, telephone interview with J. Winton.

<sup>147</sup> See statement of M. McNally, Canadian preliminary conference TR, p. 116.

Table 26

Carbon steel wire rope: End-of-period U.S. inventories of imports, by sources, 1988-90 and January-March 1990-91<sup>1</sup>

	January-March--				
Item	1988	1989	1990	1990	1991
	Quantity (short tons)				
Inventories of imports from:					
Argentina.....	***	***	***	***	***
India.....	***	***	***	***	***
Mexico.....	***	***	***	***	***
China.....	***	***	***	***	***
Taiwan.....	***	***	***	***	***
Thailand.....	***	***	***	***	***
Subtotal unfair.....	***	***	***	***	***
Canada <sup>3</sup> .....	***	***	***	***	***
Total subject.....	601	788	1,602	941	1,896
	Ratio (in percent)				
Inventories as a share of imports:					
Argentina.....	***	***	***	***	***
India.....	***	***	***	***	***
Mexico.....	***	***	***	***	***
China.....	***	***	***	***	***
Taiwan.....	***	***	***	***	***
Thailand.....	***	***	***	***	***
Average.....	***	***	***	***	***
Canada <sup>3</sup> .....	***	***	***	***	***
Total subject.....	16.0	15.9	26.7	19.7	35.4

<sup>1</sup> Importers that were able to identify shipments and, therefore, inventories by country-of-origin accounted for approximately \*\*\* percent of total imports during 1990.

<sup>2</sup> Data not available.

<sup>3</sup> Represents data for only one of two exporters/importers-of-record, \*\*\*.

<sup>4</sup> There were no imports in the period by the responding importers.

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 MATERIAL INJURY

Imports

U.S. imports of carbon steel wire rope based on official import statistics are presented in table 27 and figures 4 and 5.<sup>148</sup> The largest source of U.S. imports of steel wire rope is Korea, which accounted for more than half of total imports during the period of investigation, reaching its highest share of 70 percent of total imports during January-May 1991.

Imports of steel wire rope from the six countries subject to final investigations increased from 9,233 short tons in 1988 to 15,362 short tons in 1989, or by 66.4 percent, and decreased by 13.7 percent to 13,258 short tons in 1990. During January-May 1991 imports from the six countries decreased to almost half of the import level in the same period of 1990. Imports from the subject six countries represented 12 percent of total U.S. imports in 1988, 19 percent in 1988 and 1989, and reached their lowest level of 9 percent during January-May 1991. During 1988-89 imports of steel wire rope from Taiwan held the largest share of total imports from the six countries subject to final investigations. Since 1989 imports of steel wire rope from Mexico surpassed those from Taiwan to hold the largest share, accounting for 71.6 percent of the subject imports during January-May 1991.<sup>149</sup>

Imports of steel wire rope from Canada increased from 5,446 short tons in 1988 to 6,418 short tons in 1989, or by 17.8 percent, and decreased by 16.0 percent to 5,390 short tons in 1990. During January-May 1991 imports from Canada increased by 7.7 percent when compared to the corresponding period of 1990. Imports from Canada represented 7.1 percent of the total U.S. imports in 1988, 7.9 percent in 1989, decreased to 7.6 percent in 1990, and decreased to 7.0 during January-May 1991 from a 7.5 share during the same period in 1990. Of all imports from countries subject to investigation, imports from Canada held the largest share, based either on quantity or value, during the period of investigation.

In 1990, imports of bright steel wire rope accounted for 70 percent of total imports of wire rope from the subject countries. With respect to size, analysis of questionnaire data indicate that during 1990 approximately 16 percent of U.S. imports of the subject products were less than or equal to 3/8 inch in diameter, 70 percent were greater than 3/8 inch but less than 1-1/2 inches, and 15 percent were greater than 1-1/2 inches (see appendix F, table F-3).

Information on U.S. imports of steel wire rope from the subject countries during 1990, as entered through customs districts, is presented in figure 6.

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<sup>148</sup> See app. F for import data by category of steel wire rope.

<sup>149</sup> In its amendment to the petition, May 14, 1991, counsel for petitioner alleged critical circumstances with respect to imports of steel wire rope from Mexico. Commerce determined that critical circumstances do not exist.

Table 27

Carbon steel wire rope: U.S. imports for consumption, by sources, 1988-90 and January-May 1990-91

Item	1988	1989	1990	January-May--	
				1990	1991
Quantity (short tons)					
Argentina.....	1,340	1,878	1,627	667	169
China.....	855	2,594	3,354	1,136	311
India.....	1,580	2,696	1,428	884	18
Mexico.....	1,310	2,417	4,467	1,476	2,127
Taiwan.....	2,028	3,622	1,680	883	278
Thailand.....	2,121	2,155	702	562	67
Subtotal 6.....	9,233	15,362	13,258	5,609	2,971
Canada.....	5,446	6,418	5,390	2,117	2,280
Subtotal 7.....	14,680	21,781	18,647	7,725	5,251
Korea.....	50,259	43,815	41,295	15,885	22,837
Japan.....	1,304	956	805	516	149
Chile.....	563	881	165	124	0
Israel.....	1,635	1,758	634	558	79
All other.....	8,645	11,601	9,107	3,401	4,139
Subtotal other.....	62,405	59,011	52,006	20,484	27,203
Total.....	77,085	80,792	70,654	28,209	32,454
Value (1,000 dollars) <sup>1</sup>					
Argentina.....	1,010	1,608	1,539	363	165
China.....	712	2,948	3,620	930	295
India.....	1,443	2,831	1,440	635	15
Mexico.....	1,525	2,639	4,675	1,000	1,455
Taiwan.....	3,690	7,547	3,599	1,246	416
Thailand.....	2,869	2,970	1,122	718	87
Subtotal 6.....	11,249	20,542	15,994	4,891	2,432
Canada.....	8,270	10,831	8,760	2,509	2,219
Subtotal 7.....	19,518	31,374	24,754	7,401	4,651
Korea.....	61,396	65,522	54,931	12,229	16,399
Japan.....	2,446	2,217	1,692	829	425
Chile.....	508	853	164	104	0
Israel.....	1,932	2,529	1,002	656	4
All other.....	14,994	17,638	15,282	3,461	4,220
Subtotal other.....	81,276	88,759	73,071	17,278	21,048
Total.....	100,794	120,133	97,825	24,679	25,699
Unit value (per ton)					
Argentina.....	\$754	\$856	\$946	\$910	\$991
China.....	833	1,136	1,079	1,257	1,004
India.....	913	1,050	1,008	1,074	824
Mexico.....	1,165	1,092	1,047	1,113	923
Taiwan.....	1,820	2,083	2,142	2,115	2,451
Thailand.....	1,352	1,378	1,598	1,604	1,290
Average 6.....	1,218	1,337	1,206	1,335	1,061
Canada.....	1,518	1,688	1,625	1,827	1,728
Average 7.....	1,330	1,440	1,327	1,469	1,301
Korea.....	1,222	1,495	1,330	1,474	1,171
Japan.....	1,877	2,318	2,102	1,975	3,549
Chile.....	902	967	998	984	0
Israel.....	1,182	1,439	1,580	1,532	1,686
All other.....	1,734	1,520	1,678	1,737	1,667
Average other.....	1,302	1,504	1,405	1,537	1,263
Average, all sources..	1,308	1,487	1,385	1,516	1,270

See footnotes at end of table.

Table 27--Continued

Carbon steel wire rope: U.S. imports for consumption, by sources, 1988-90 and January-May 1990-91

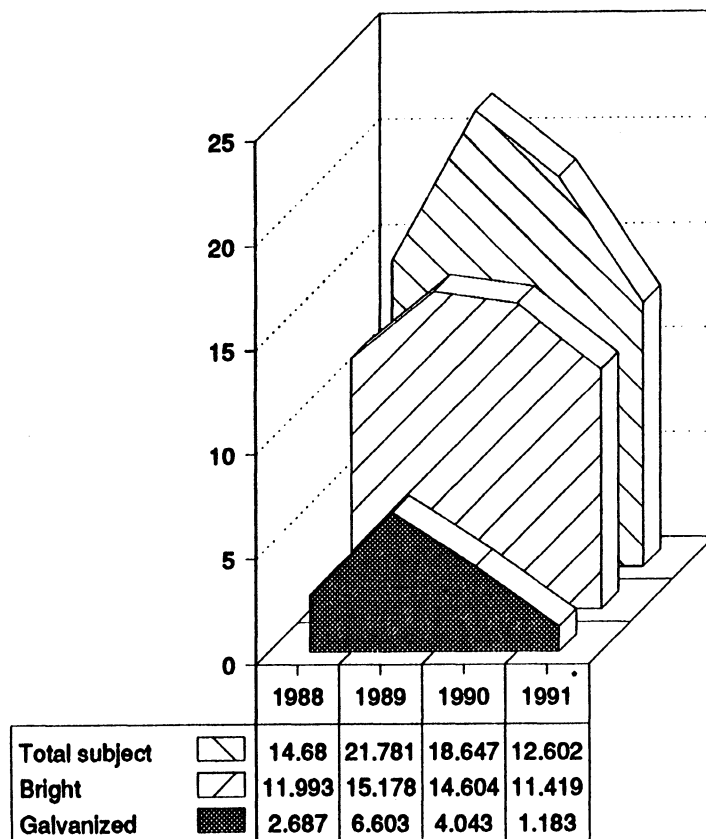
Item	1988	1989	1990	January-May--	
				1990	1991
Share of total quantity (in percent)					
Argentina.....	1.7	2.3	2.3	2.4	.5
China.....	1.1	3.2	4.7	4.0	1.0
India.....	2.1	3.3	2.0	3.1	.1
Mexico.....	1.7	3.0	6.3	5.2	6.6
Taiwan.....	2.6	4.5	2.4	3.1	.9
Thailand.....	2.8	2.7	1.0	2.0	.2
Subtotal 6.....	12.0	19.0	18.8	19.9	9.2
Canada.....	7.1	7.9	7.6	7.5	7.0
Subtotal 7.....	19.0	27.0	26.4	27.4	16.2
Korea.....	65.2	54.2	58.4	56.3	70.4
Japan.....	1.7	1.2	1.1	1.8	.5
Chile.....	.7	1.1	.2	.4	0
Israel.....	2.1	2.2	.9	2.0	.2
All other.....	11.2	14.4	12.9	12.1	12.8
Subtotal other.....	81.0	73.0	73.6	72.6	83.8
Total.....	100.0	100.0	100.0	100.0	100.0
Share of total value (in percent)					
Argentina.....	1.0	1.3	1.6	1.5	.6
China.....	.7	2.5	3.7	3.8	1.1
India.....	1.4	2.4	1.5	2.6	.1
Mexico.....	1.5	2.2	4.8	4.1	5.7
Taiwan.....	3.7	6.3	3.7	5.0	1.6
Thailand.....	2.8	2.5	1.1	2.9	.3
Subtotal 6.....	11.2	17.1	16.3	19.8	9.5
Canada.....	8.2	9.0	9.0	10.2	8.6
Subtotal 7.....	19.4	26.1	25.3	30.0	18.1
Korea.....	60.9	54.5	56.2	49.6	63.8
Japan.....	2.4	1.8	1.7	3.4	1.7
Chile.....	.5	.7	.2	.4	0
Israel.....	1.9	2.1	1.0	2.7	(2)
All other.....	14.9	14.7	15.6	14.0	16.4
Subtotal other.....	80.6	73.9	74.7	70.0	81.9
Total.....	100.0	100.0	100.0	100.0	100.0

<sup>1</sup> C.i.f., duty-paid.<sup>2</sup> Less than 0.05 percent.

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

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

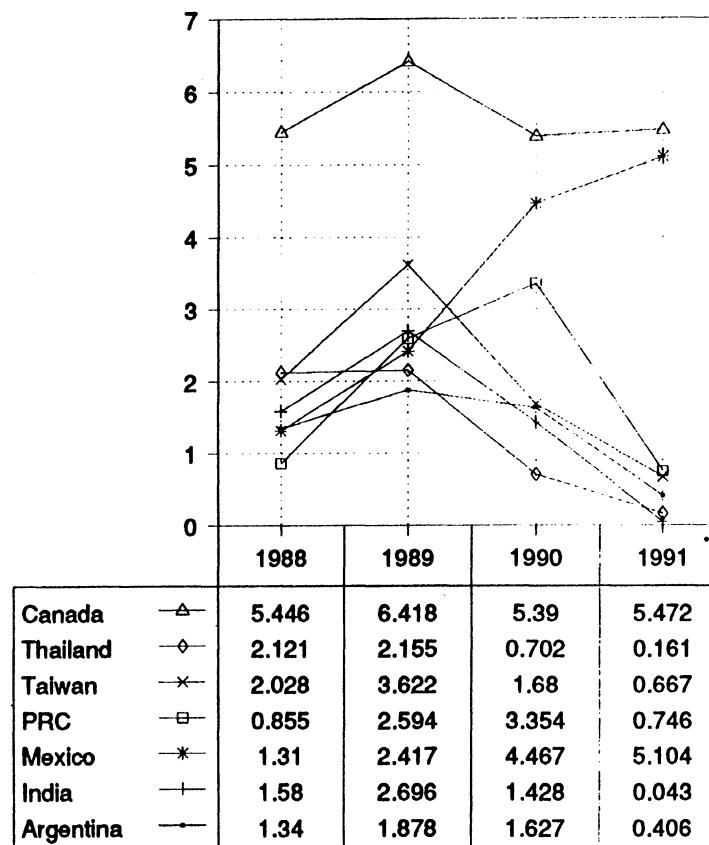
**Figure 4. SWR: Subject imports**  
(quantity, in 1,000 short tons)



\* Annualized from January-May statistics.

Source: Official import statistics

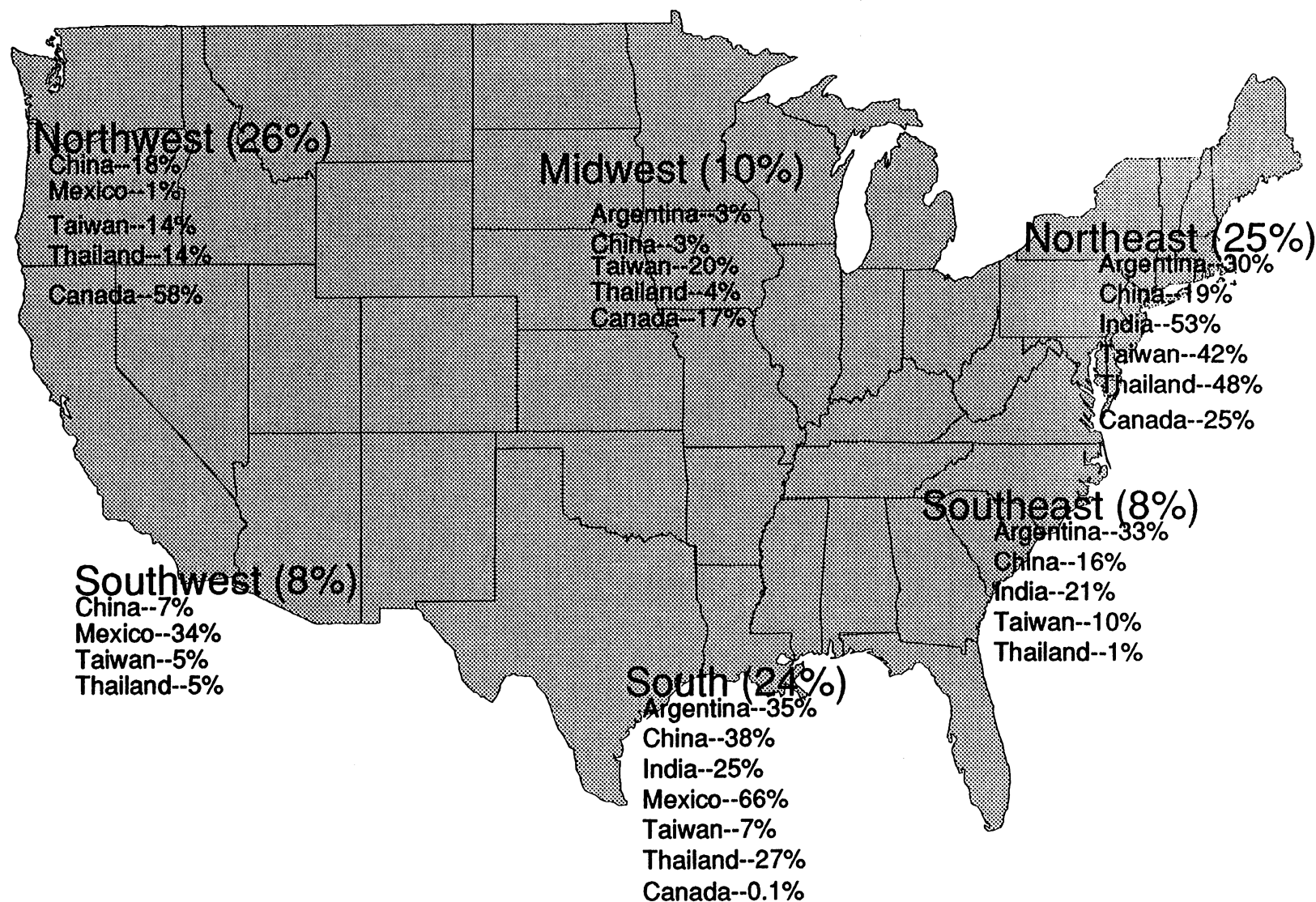
**Figure 5. SWR: Imports by source**  
(quantity, in 1,000 short tons)



\* Annualized from January-May statistics.

Source: Official import statistics.

Figure 6. SWR: Imports by Customs Districts, 1990



Source: Official Import statistics

### Market Penetration of Imports

Shares of apparent U.S. consumption accounted for by imports of steel wire rope are presented in tables 28 and 29. On the basis of quantity, imports of carbon steel wire rope from the six countries subject to final investigations represented 4.6 percent of apparent consumption of steel wire rope in 1988, increasing to 7.6 percent in 1989, and then decreasing to 7.0 percent in 1990. During January-June 1991, imports as a share of apparent consumption of total steel wire rope decreased to their lowest share during the period of investigation at 3.1 percent, down from 7.0 percent during the same period in 1990.

Imports of carbon steel wire rope from Canada represented 2.7 percent of apparent consumption of total steel wire rope in 1988, increasing to 3.2 percent in 1989, and then decreasing to 2.8 percent in 1990. During January-June 1991, imports as a share of apparent consumption of total steel wire rope increased to 2.9 percent from 2.7 percent during the same period in 1990.

Table 28

Steel wire rope: U.S. producers' U.S. shipments (domestic shipments and company transfers), imports for consumption, and apparent U.S. consumption, 1988-90 and January-June 1990-91

Item	1988	1989	1990	January-June-- <sup>1</sup>	
				1990	1991
Imports:	Quantity (short tons)				
Carbon:					
Argentina.....	1,340	1,878	1,627	823	169
China.....	855	2,594	3,354	1,452	320
India.....	1,580	2,696	1,428	1,022	18
Mexico.....	1,310	2,417	4,466	1,862	2,127
Taiwan.....	2,028	3,622	1,680	984	296
Thailand.....	2,121	2,155	702	574	67
Subtotal 6 carbon...	9,233	15,362	13,257	6,717	2,997
Canada.....	5,446	6,418	5,390	2,550	2,809
Subtotal 7 carbon...	14,680	21,780	18,647	9,267	5,806
Korea.....	50,259	43,815	41,295	15,885	22,837
All other imports.....	12,146	15,196	10,712	9,223	10,905
Subtotal other.....	62,405	59,011	52,007	25,108	33,742
Total carbon.....	77,085	80,791	70,654	34,375	39,548
Stainless:					
6-country imports.....	333	123	85	24	15
Canada.....	86	(2)	2	2	0
Subtotal.....	420	123	87	26	15
Korea.....	1,379	1,267	1,473	735	701
All other.....	493	238	165	95	92
Total stainless...	2,291	1,628	1,725	856	817
U.S.-produced U.S. shipments:					
Carbon.....	118,721	119,852	117,541	60,228	57,273
Stainless.....	816	940	619	322	326
Total.....	119,537	120,792	118,160	60,550	57,599
Total app. consumption:					
Carbon.....	195,806	200,643	188,195	94,603	96,821
Stainless.....	3,107	2,568	2,344	1,178	1,143
Total.....	198,913	203,211	190,539	95,781	98,964
Imports:	Value (thousands of dollars)				
Carbon:					
Argentina.....	1,010	1,608	1,539	753	170
China.....	712	2,948	3,620	1,696	318
India.....	1,443	2,831	1,440	1,035	15
Mexico.....	1,525	2,639	4,675	2,066	1,968
Taiwan.....	3,690	7,547	3,599	2,044	714
Thailand.....	2,869	2,970	1,122	927	87
Subtotal 6.....	11,249	20,542	15,994	8,521	3,272
Canada.....	8,270	10,831	8,760	4,649	4,845
Subtotal 7.....	19,519	31,374	24,754	13,170	8,117
Korea.....	61,396	65,522	54,931	18,744	24,452
Other imports.....	19,879	23,237	18,139	17,992	20,496
Subtotal other.....	81,275	88,759	73,070	36,736	44,948
Total imports.....	100,794	120,133	97,825	49,906	53,065
Stainless:					
6-country imports.....	1,376	978	431	155	119
Canada.....	201	10	3	3	0
Subtotal.....	1,577	988	434	158	119
Korea.....	8,620	8,824	8,227	3,999	3,887
All other.....	2,266	1,241	1,228	592	553
Total stainless...	12,463	11,053	9,889	4,749	4,559
U.S.-produced U.S. shipments:					
Carbon.....	198,761	210,494	215,437	110,387	106,240
Stainless.....	18,403	18,809	12,420	6,299	5,821
Total.....	217,164	229,303	227,857	116,686	112,061
Total App. consumption:					
Carbon.....	299,555	330,627	313,262	160,293	159,305
Stainless.....	30,866	29,862	22,309	11,048	10,380
Total.....	330,421	360,489	335,571	171,342	169,685

<sup>1</sup> Imports for June 1991 were estimated from January-May 1990-91 relationships, as well as month-to-month activity during January-June 1990 and January-May 1991.

<sup>2</sup> Less than 0.5 tons.

Table 29

Steel wire rope: Market penetration, 1988-90 and January-June 1990-91<sup>1</sup>

Item	1988	1989	1990	January-June--	
				1990	1991
Share of apparent consumption--quantity (percent)					
CARBON:					
Imports:					
Argentina.....	0.7	0.9	0.9	0.9	0.2
China.....	.4	1.3	1.8	1.5	.3
India.....	.8	1.3	.8	1.1	(2)
Mexico.....	.7	1.2	2.4	2.0	2.2
Taiwan.....	1.0	1.8	.9	1.0	.3
Thailand.....	1.1	1.1	.4	.6	.1
Subtotal 6.....	4.7	7.7	7.0	7.1	3.1
Canada.....	2.8	3.2	2.9	2.7	2.9
Subtotal 7.....	7.5	10.9	9.9	9.8	6.0
Korea.....	25.7	21.8	21.9	16.8	23.6
All other imports.....	6.2	7.6	5.7	9.7	11.3
Subtotal other.....	31.9	29.4	27.6	26.5	34.8
Total imports.....	39.4	40.3	37.5	36.3	40.8
U.S.-produced U.S. shipments.....	60.6	59.7	62.5	63.7	59.2
TOTAL:					
Carbon imports:					
Argentina.....	.7	.9	.9	.9	.2
China.....	.4	1.3	1.8	1.5	.3
India.....	.8	1.3	.7	1.1	(2)
Mexico.....	.7	1.2	2.3	1.9	2.2
Taiwan.....	1.0	1.8	.9	1.0	.3
Thailand.....	1.1	1.1	.4	.6	.1
Subtotal 6.....	4.6	7.6	7.0	7.0	3.1
Canada.....	2.7	3.2	2.8	2.7	2.9
Subtotal subject.....	7.4	10.7	9.8	9.7	5.9
Stainless imports:					
6-country imports.....	.2	.1	-	-	-
Canada.....	-	-	-	-	-
Subtotal.....	.2	.1	-	-	-
Other total imports:					
Korea.....	26.0	22.2	22.5	17.4	24.0
All other imports.....	6.3	7.6	5.7	9.7	11.2
Subtotal other.....	32.3	29.8	28.2	27.1	35.2
Total imports.....	39.9	40.6	38.0	36.8	41.1
U.S.-produced U.S. shipments:					
Carbon.....	59.7	59.0	61.7	62.9	58.5
Stainless.....	.4	.5	.3	.3	.3
Total.....	60.1	59.4	62.0	63.2	58.8

--continued on next page



Table 29--Continued

Steel wire rope: Market penetration, 1988-90 and January-June 1990-91<sup>1</sup>

Item	1988	1989	1990	January-June-- 1990	1991
<u>Share of apparent consumption--value (percent)</u>					
<b>CARBON:</b>					
Imports:					
Argentina.....	0.3	0.5	0.5	0.5	0.1
China.....	.2	.9	1.2	1.1	.2
India.....	.5	.9	.5	.6	(2)
Mexico.....	.5	.8	1.5	1.3	1.2
Taiwan.....	1.2	2.3	1.2	1.3	.4
Thailand.....	1.0	.9	.4	.6	.1
Subtotal 6.....	3.8	6.2	5.1	5.3	2.1
Canada.....	2.8	3.3	2.8	2.9	3.0
Subtotal 7.....	6.5	9.5	7.9	8.2	5.1
Korea.....	20.6	19.9	17.6	11.7	15.3
All other imports.....	6.7	7.1	5.8	11.2	12.8
Subtotal other.....	27.2	26.9	23.4	23.0	28.2
Total imports.....	33.8	36.5	31.3	31.2	33.3
U.S.-produced U.S. shipments.....	66.2	63.5	68.7	68.8	66.7
<b>TOTAL:</b>					
Carbon imports:					
Argentina.....	0.3	0.4	0.5	0.4	0.1
China.....	.2	.8	1.1	1.0	.2
India.....	.4	.8	.4	.6	(2)
Mexico.....	.5	.7	1.4	1.2	1.2
Taiwan.....	1.1	2.1	1.1	1.2	.4
Thailand.....	.9	.8	.3	.5	.1
Subtotal 6.....	3.4	5.7	4.8	5.0	1.9
Canada.....	2.5	3.0	2.6	2.7	2.9
Subtotal 7.....	5.9	8.7	7.4	7.7	4.8
Stainless imports:					
6-country imports.....	.4	.3	.1	.1	.1
Canada.....	.1	-	-	-	-
Subtotal.....	.5	.3	.1	.1	.1
Other total imports:					
Korea.....	21.2	20.6	18.9	13.2	16.7
All other imports.....	6.7	6.7	5.8	10.8	12.4
Subtotal other.....	27.9	27.3	24.7	24.0	29.1
Total imports.....	34.3	36.4	32.1	31.9	34.0
U.S.-produced U.S. shipments:					
Carbon.....	60.2	58.4	64.2	64.4	62.6
Stainless.....	5.6	5.2	3.7	3.7	3.4
Total.....	65.7	63.6	67.9	68.1	66.0

<sup>1</sup> Imports for June 1991 were estimated from January-May 1990-91 relationships, as well as month-to-month activity during January-June 1990 and January-May 1991.

<sup>2</sup> Less than 0.05 percent.

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

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

### Prices

The price of steel wire rope depends on the grade and type of steel from which it is produced,<sup>150</sup> the number of wires in a strand, the number of strands in the rope, the finish of the wire,<sup>151</sup> the kind of core used, the diameter of the completed wire rope, and the finish of the rope.<sup>152</sup> 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.

### MARKETING PRACTICES

Most U.S. producers and about a third of the importers<sup>153</sup> responding to the Commission's questionnaires reported that they publish price lists.<sup>154</sup> These lists serve primarily as a product guide and are used as a benchmark from which discounts are typically given to meet competitive situations.

Sales terms vary from company to company. Most companies offer selling terms of 2 percent/10 net 30 days or net 30 days. Producers' lead times span 1 to 4 days for a warehoused product and 6 to 16 weeks for special or out-of-stock items. Importers subject to the final investigations require 1 to 5 days in lead time for shipments from inventory and 2 to 4 months for shipments from abroad. Of the two Canadian importers, \*\*\*.

Minimum quantity requirements vary among producers and among importers, with individual firms reporting typical sales quantities ranging from 3,000 to 40,000 pounds. 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 in length depending upon the diameter of the rope. One importer sells only full container loads of steel wire rope and another requires a 10-percent premium for selling quantities of less than a full reel. \*\*\*.

Steel wire rope is sold on both a spot and on a contract basis.<sup>155</sup> U.S.

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<sup>150</sup> Grades (from less to more costly) include plow steel, improved plow steel, extra improved plow steel, and extra-extra improved plow steel. Types of steel include carbon steel and stainless steel.

<sup>151</sup> For example, bright and galvanized wire.

<sup>152</sup> Steel wire rope can be compacted, through a process called swaging, or coated or impregnated with plastic.

<sup>153</sup> \*\*\*.

<sup>154</sup> Importers not publishing price lists negotiate prices based on acquisition costs and actual market conditions at the time of sale.

<sup>155</sup> U.S. producers' and importers' contracts are typically 1 year, but may extend for a longer period. Contract terms vary considerably, from fixed prices and specified quantities and shipment dates for the full contract period, to an agreement to supply steel wire rope at prices current at the time of shipment. One U.S. producer reported a meet-or-release price provision in its annual contracts, and importers reported 60-90 day notices

producers reported that about 35 percent of their sales were spot and 65 percent subject to contracts. About 40 percent of U.S. producers' contract sales were on a bid basis. For the reporting importers subject to the final investigations, about 53 percent of their steel wire rope imports were sold on a spot basis and 47 percent were by contract. Almost 25 percent of U.S. importers' contract sales were on a bid basis. \*\*\*.<sup>156</sup>

As stated earlier, steel wire rope is sold on both a bid and a non-bid basis. Information obtained during the final investigations indicates that U.S. producers' sales by bid account for about 26 percent of their total sales. Only a few importers subject to the final investigations reported selling steel wire rope by bid, whereas \*\*\*.<sup>157</sup> Bids are typically made for sales to government entities, the mining industry, or OEM manufacturers. In general, a bid 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, except for U.S. Government purchases. Factors such as perceived quality, availability, and service are also important.

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. Price clauses may also contain caps limiting the amount of cost increases that can be passed on to the purchaser. In some cases, there may be more than one chance to quote on a particular sales agreement. Bid specifications often include complementary products such as fittings and assemblies.

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<sup>155</sup> (...continued)

prior to any price changes during contract periods. The more flexible contract terms tend to result in prices that are similar to spot prices, reflecting market conditions at the time of shipment.

<sup>156</sup> \*\*\*.

<sup>157</sup> Bids made to supply imported steel wire rope to the Federal Government are subject to the Buy America Act. All the countries covered in these investigations are subject to this Act. Bids from these countries have their prices adjusted by two formulae; the higher of the resulting values is compared to the prices offered by domestic producers and the lowest of these wins. 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 unemployed labor resources, or by 6 percent if the competing suppliers are large companies with no unemployed labor resources. Conversation with \*\*\*, Nov. 29, 1990.

## Transportation and Packaging

With some exceptions, U.S. producers generally sell steel wire rope nationwide.<sup>158</sup> Slightly less than half of the importers subject to the final investigations reported selling on a nationwide basis. Of the remainder, many importers reported that their sales are concentrated near coastal areas.<sup>159</sup> \*\*\* U.S.-produced steel wire rope and that imported from the six countries subject to the final investigations are sold through company-owned warehouses and leased warehouses to related and unrelated distributors and end users. Steel wire rope imported from Canada is \*\*\*.

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, but absorb the freight charges on orders above this amount. Overseas shipments are made by container.<sup>160</sup>

Five of 10 responding U.S. producers indicated that they generally sold steel wire rope during 1990 on a delivered basis, and the other producers sold on an f.o.b. plant basis. Three of 18 responding importers subject to the final investigations typically sold their imported steel wire rope on a delivered basis. Fifteen of the 18 importers in the final investigations and \*\*\* sold on an f.o.b. U.S. selling location basis. As discussed immediately below, a majority of U.S. producers and importers selling on an f.o.b. basis arrange freight to their customers and, as a result, frequently know delivered costs to their customers.

Producers and importers have mixed opinions as to whether transportation costs are an important factor in a customer's purchase decision. Four of 11 producers, 9 of 19 importers subject to the final investigations, and \*\*\* reported that U.S. freight costs are an important sourcing consideration for purchasers. Depending on the company, U.S. freight charges as a percent of total delivered price are reported to range from 3 to about 23 percent. All 8 producers responding to the question reported that they generally arrange the transportation. Eleven of 18 responding importers subject to the final investigations and \*\*\* reported that they generally arrange the U.S. transportation; 7 importers in the final investigation indicated that the purchaser generally does.

U.S. producers, importers subject to the final investigations, and the two Canadian importers in the preliminary investigation reported selling most of their steel wire rope on reels; wood reels average 0.3 to 3 percent of the U.S. f.o.b. selling prices and steel reels average 3.5 to 5 percent of the f.o.b. selling prices. Prices of wood reels are almost always included in the price of the steel wire rope, whereas prices of steel reels are usually shown separately. Reels of wood or steel are chosen for shipment depending on the

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<sup>158</sup> \*\*\*.

<sup>159</sup> In comparison with U.S. producers, importers generally reported selling a higher proportion of their imported steel wire rope to customers located less than 500 miles from their U.S. selling locations.

<sup>160</sup> A full truckload and a full container load are both approximately 40,000 pounds.

weight of the steel wire rope being shipped. No credit is given for the return of wood reels, which are generally thrown away by the purchaser, but a credit is offered for the return of steel reels.

#### Prices Of Substitute Products

Responding U.S. producers and importers, including the two Canadian importers, reported 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 some lifting, pulling, or tie-down applications, fiber rope, nylon webbing, chain and other metallic ropes or straps, wire mesh, and hydraulic equipment may be used instead of steel wire rope.<sup>161</sup>

#### QUALITY CONSIDERATIONS

As discussed earlier in the report, all steel wire rope sold in the United States must meet certain specification standards according to its end use. For distributor/service center customers, all 8 responding U.S. producers reported that they did not have to be qualified, whereas 10 of the 20 responding importers subject to the final investigations and \*\*\* reported that they had to be qualified. For end-user customers, 6 of the 10 responding U.S. producers, 8 of the 18 responding importers subject to the final investigations, and \*\*\* had to be qualified. One producer, \*\*\*, and one importer, \*\*\*, reported that \*\*\*.

Some distributors contacted in lost sales calls involving the six countries subject to the final investigations stated that, to guarantee insurance coverage in case of a failure, they offer only U.S.-produced steel wire rope for critical applications. One purchaser also noted that it was easier to replace defective wire rope purchased from U.S. producers. Two purchasers described Thai rope as inferior, one Chinese rope as inferior, and one Indian rope as inferior. Mexican rope was cited variously as superior, comparable, and inferior to the U.S. product.<sup>162</sup>

Some distributors and end users of wire rope have claimed that the Canadians are able to compete in the market, despite higher prices, due to the quality and service associated with the Canadian product.<sup>163</sup> For example, a

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<sup>161</sup> \*\*\*.

<sup>162</sup> With one exception, \*\*\*.

<sup>163</sup> Mr. Casey Florence of Rocky Mountain Wire Rope and Rigging, a distributor, testified at the conference in the preliminary investigation that a customer, Kennecott Copper Mine, found Canadian rope to offer a 30-33 percent longer working life than domestic wire ropes (Canadian conference TR, pp. 89-94). Mr. Daniel Gore, former mine manager of Magma Copper Co., testified that Canadian wire rope carried between 30 and 60 percent more tons than did domestic wire rope (*Id.*, pp. 98-102).

distributor of wire rope to the logging industry stated that it based its purchases of Canadian swaged rope on the Canadian manufacturer's willingness to send service representatives into the field to work with end users.<sup>164</sup> Distributors of swaged rope have also pointed to the durability of Canadian rope under hazardous conditions.<sup>165</sup>

To the extent that the mining steel wire rope imported from Canada is able to last longer than the competitive domestic product, importers may be able to sustain a higher price per foot of rope and still make sales in the U.S. market. Contract terms for this critical mining rope, and the way in which contracts are influenced by quality considerations, are discussed in appendix G. To evaluate the quality of wire rope, mining companies generally reserve some percentage of wire rope purchased for testing. Records are kept on the tonnage carried by the test wire rope, as well as the working wire rope during the life of each rope. These records are used to calculate the cost of each wire rope per ton of material carried by the rope. An example of such record-keeping is included in appendix H. In this example, a mine compared wire rope from three different suppliers on the basis of average tons carried per rope and the corresponding cost per ton. In this instance, the Canadian rope demonstrated a higher average tonnage carried and a lower cost per ton than its competitors. Appendix H also includes charts which illustrate the assertion that Canadian mining wire ropes outlast U.S. products.

#### QUESTIONNAIRE PRICE DATA

The Commission requested pricing data for seven products during the final investigations.<sup>166</sup> Pricing data for three of the seven products and for four additional products were requested during the preliminary investigation involving Canada. All the products are listed below.<sup>167</sup> For the preliminary

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<sup>164</sup> See letter dated July 16, 1991, from David Chapman, President of Bearing and Industrial Sales, Inc., of Oregon, to the Secretary of the Commission.

<sup>165</sup> See letters from Richard Labonville, Vice President of Labonville, Inc., of New Hampshire, and from David Chapman, President of Bearing and Industrial Sales, Inc., of Oregon, to the Secretary of the Commission. Both letters are dated July 16, 1991.

<sup>166</sup> The petitioner indicated during preparation of the questionnaires for the final investigations that these steel wire rope products were representative of the competition between U.S.-produced and the subject imported steel wire rope. (Telephone conversation with Cheryl Ellsworth, counsel for petitioner, on Apr. 23, 1991). Seven importers were also contacted during the preliminary investigations to confirm that these products were imported.

<sup>167</sup> If the questionnaire recipient did not produce or import the specified products, the Commission requested it to report prices for steel wire rope products that are close substitutes for the specified products and to provide a description of such products.

investigation, products 4-6 were duplicated from the final investigations and products 8-11 were selected specifically for the investigation of steel wire rope imported from Canada.<sup>168</sup>

Multicountry final investigations:

- 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),<sup>169</sup> 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, FC.
- PRODUCT 6: Bright wire rope, 1-1/4-inch diameter, 6x19 classification, IPS, IWRC.
- PRODUCT 7: Stainless steel wire rope, 5/16-inch diameter, 7x19 classification, preformed (PRF), SS304.

Canadian preliminary investigation<sup>170</sup>

- PRODUCT 8: Swaged bright wire rope, 5/8 inch diameter, 6x26 classification, IPS, IWRC.<sup>171</sup>
- PRODUCT 9: Swaged bright wire rope, 1-3/8 inch diameter, 6x26 classification, IPS, IWRC.
- PRODUCT 10: Bright wire rope, 2-1/4 inch diameter, 6x37 classification, IPS, IWRC.
- PRODUCT 11: Bright wire rope, 2-3/8 inch diameter, 6x37 classification, IPS, IWRC.

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<sup>168</sup> These four products were selected by Commission staff in consultation with representatives for the U.S. producers and for the two Canadian importers; the latter recommended focusing on these swaged (products 8 and 9) and large-diameter mining ropes (products 10 and 11) as representative of imports from Canada. In addition, Commission staff called 2 end users and 10 distributors of Canadian wire rope to verify that these products were representative of Canadian imports. According to questionnaire responses, all imported Canadian swaged steel wire rope and large-diameter mining ropes (the latter Canadian steel wire ropes are mostly plastic impregnated) accounted for \*\*\* percent of all imported Canadian carbon steel wire rope during the period of investigation. The specific imported Canadian products 8-11 for which price data was reported accounted for \*\*\* percent of the value of all U.S. imports of carbon steel wire rope from Canada during the investigation period.

<sup>169</sup> The grade of steel from which steel wire rope is commonly made.

<sup>170</sup> Prices of products 4-6 were also requested during the preliminary investigation.

<sup>171</sup> The term swaged refers to a manufacturing process which compacts the rope, making it more durable and better able to withstand the rough terrain found in logging operations.

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 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. Product 7 is used in wet/corrosive environments for such uses as boat and aircraft riggings and for small hoists. Products 8 and 9 are commonly used in logging and oil drilling operations. Products 10 and 11 are relatively large diameter ropes which are used on large equipment in mining operations.

### U.S. Producers And Importers

For the multicountry final investigations the Commission requested U.S. producers and importers to provide quarterly price data between January 1988 and March 1991 for products 1-7. The price data were requested on a net U.S. f.o.b. and delivered basis for the responding firm's largest sale and total quarterly sales to distributors.<sup>172</sup> During the final investigations, nine U.S. producers provided price information for the largest sale made in each quarter for each of the seven products that they produced over the period of investigation. Six importers provided the price data for the specific products they imported.<sup>173</sup>

The responding U.S. producers provided price information for products accounting for 3.5 percent of the total value of domestic shipments of carbon steel wire rope over the investigation period;<sup>174</sup> the responding importers provided price information for \*\*\* percent of reported U.S. imports of all steel wire rope<sup>175</sup> from China, \*\*\* percent from India, \*\*\* percent from Mexico, \*\*\* percent from Taiwan, and \*\*\* percent from Thailand. No price data for imports from Argentina were reported by U.S. importers. Data are scant for a number of reasons. First, there are more than 2,000 varieties of steel wire rope, so any small number of products will provide limited coverage. In addition, three of the major importers, \*\*\*, \*\*\*, and \*\*\*, were unable to

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<sup>172</sup> The Commission further requested that the sales price data be reported only for transactions where potential suppliers were not restricted by "Buy America" provisions.

<sup>173</sup> Importing U.S. producers, however, did not report during the final investigations selling prices of their subject imported steel wire rope products. The importing U.S. producers indicated in their questionnaire responses that they do not track their sales of imported steel wire rope by country of origin.

<sup>174</sup> This percentage did not include stainless steel wire rope in either the numerator as product 7 or the denominator in the total value of domestic steel wire rope shipments. Including stainless steel wire rope raises the percentage somewhat to about 3.8 percent.

<sup>175</sup> Although separate figures for imports of stainless steel wire rope are not available, such imports from the 6 countries subject to the multicountry final investigations are believed to be insignificant.



provide price information by country of origin.<sup>176</sup> These firms are the only importers of steel wire rope from Argentina and are important importers of steel wire rope from India, Mexico, Taiwan, and Thailand.

For the Canadian preliminary investigation, the Commission requested price data during January 1988-June 1991 for products 4-6 and 8-11. During this investigation, four U.S. producers were able to provide the requested price data, five fewer than the nine responding producers during the final investigations. There are only two importers of record of steel wire rope from Canada, both of which provided price data.<sup>177</sup> The products for which price information was obtained from U.S. producers responding to the questionnaires in the Canadian preliminary investigation represent \*\*\* percent of the total value of domestic shipments of carbon steel wire rope during January 1988-June 1991.<sup>178</sup> The price information from responding Canadian importers represent \*\*\* percent of the total value of imports of carbon steel wire rope from Canada during this period.<sup>179</sup>

#### Purchasers

For the final investigations, the Commission also requested both distributors/service centers and end users to provide quarterly delivered purchase prices and quantities for the specified steel wire rope products purchased between January 1989 and March 1991. The price data were requested for the responding firm's largest purchase and total quarterly purchases; pricing data for purchases not restricted by "Buy America" provisions were requested separately from pricing data for purchases subject to "Buy America" provisions.<sup>180,181</sup> The 75 firms that were sent purchaser questionnaires were large buyers as reported by U.S. producers and importers. Twenty-three

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<sup>176</sup> According to these companies they could only compile this information by going through all of their invoices individually.

<sup>177</sup> \*\*\*.

<sup>178</sup> The percentage decreases to \*\*\* percent when stainless steel wire rope is included in total domestic shipments.

<sup>179</sup> \*\*\*.

<sup>180</sup> About 12 percent of U.S. producers' total sales of steel wire rope involved "Buy-American" conditions.

<sup>181</sup> Most of the reported purchaser price data did not involve "Buy America" restrictions. Price data reported in pricing tables and discussed in the text are based on wire rope purchases not constrained by "Buy America" provisions. A single purchaser, \*\*\*, reported limited selling price data, encompassing 12 sales transactions, that involved "Buy America" provisions. The limited data should be viewed with caution. In 8 of a total 12 comparisons, covering products 4-6, purchase prices of domestic products involving "Buy America" provisions were less than purchase prices of domestic products not constrained by such provisions, by an average of 4 percent. In the 4 other comparisons, purchase prices of the domestic products involving these provisions averaged almost 6 percent higher than prices of the domestic products not constrained by such provisions.

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purchasers, all distributors, reported at least some of the requested price data.<sup>182</sup>

### Price Trends In The Multicountry Final Investigations

Price trends of U.S.-produced steel wire rope and steel wire rope imported from the subject countries were based on the net U.S. delivered selling prices<sup>183</sup> to distributors/service centers reported in producers' and importers' questionnaire responses received during the final investigations. In addition, prices of products 4-6 during April-June 1991 that were reported in producer questionnaires during the preliminary investigation involving Canada are also included in the final data set. Quarterly weighted-average prices of the specified steel wire rope products are shown in table 30 for sales of the domestic products and table 31 for sales of the imported products. Importers reported only limited delivered price data for the products from China, India, Mexico, Taiwan, and Thailand, and did not report any delivered price data for the products from Argentina.

Price trends for the U.S.-produced and subject imported steel wire rope products were difficult to measure during the period of investigation. Prices of U.S.-produced steel wire rope showed quarterly price fluctuations in some periods, but stable prices during other periods. On a quarterly basis, prices of five of the seven domestic products increased and prices of the other two products fell.<sup>184</sup> Because only limited data were reported for the subject imported products, the resulting price trends are tenuous. Based on the imported products where at least two quarters of data were reported, prices of product 5 imported from India were down, prices of product 1 from China and product 3 from Mexico were stable, and prices of product 1 from Taiwan and product 4 from Thailand were up somewhat.

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<sup>182</sup> These firms accounted for about 12 percent of the total value of U.S. producers' domestic shipments of steel wire rope during 1990, 7 percent of reported U.S. imports from Argentina, 28 percent from China, 5 percent from India, 3 percent from Mexico, and 6 percent from Thailand. No price data for imports from Taiwan were reported by U.S. purchasers.

<sup>183</sup> Selling price data that included delivery charges were reported more frequently than prices that were on an f.o.b. basis.

<sup>184</sup> Prices of the domestic products fluctuated strongly in some quarters.

Table 30

Net U.S. delivered selling prices of U.S.-produced steel wire rope products 1-7 sold to distributors/service centers, by quarters, January 1988-June 1991<sup>1</sup>

(Per foot)							
Period	Prod. 1	Prod. 2	Prod. 3	Prod. 4	Prod. 5	Prod. 6	Prod. 7
1988:							
Jan-Mar.....	\$0.12	\$0.97	\$0.38	\$0.88	\$0.58	\$1.54	\$***
Apr-June....	.16	.97	.38	.85	.61	1.76	***
July-Sept...	.14	1.01	.42	.89	.62	1.62	***
Oct-Dec.....	.12	.97	.42	.88	.58	1.84	***
1989:							
Jan-Mar.....	.15	.90	.43	.86	.61	2.09	***
Apr-June....	.12	1.12	.44	.86	.61	1.76	***
July-Sept...	.17	.84	.43	.92	.55	1.80	***
Oct-Dec.....	.17	.87	.41	.94	.62	1.88	***
1990:							
Jan-Mar.....	.16	.89	.43	.96	.60	1.78	***
Apr-June....	.18	.95	.40	.89	.61	1.61	***
July-Sept...	.18	.78	.40	.91	.63	1.78	***
Oct-Dec.....	.18	.94	.40	.93	.48	1.63	***
1991:							
Jan-Mar.....	.15	.66	.40	.97	.51	1.72	***
Apr-June....	-	-	-	.96	.62	1.59	***

<sup>1</sup> Prices of the domestic steel wire rope products are averages of the net U.S. delivered quarterly selling prices of the responding U.S. producers' largest quarterly sales weighted by each firm's total quarterly sales quantity of the specified product sold to distributors/service centers.

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

Table 31

Net U.S. delivered selling prices of the subject imported steel wire rope products 1 and 3-6 sold to distributors/service centers, by countries of origin and by quarters, January 1988-March 1991<sup>1</sup>

(Per foot)					
Product and period	China	India	Mexico	Taiwan	Thailand
Product 1:					
1988--					
Apr-June.....	-	-	-	\$***	-
Oct-Dec.....	-	-	-	***	-
1989--					
Jan-Mar.....	-	-	-	***	-
July-Sept.....	-	-	-	***	-
1990--					
July-Sept.....	\$***	-	-	-	-
Oct-Dec.....	***	-	-	***	-
1991--					
Jan-Mar.....	-	-	-	***	-
Product 3:					
1988--					
Jan-Mar.....	-	-	\$***	-	-
Apr-June.....	-	-	***	-	-
July-Sept.....	-	-	***	-	-
Oct-Dec.....	-	-	***	-	-
1989--					
Jan-Mar.....	-	-	***	-	-
Apr-June.....	-	-	***	-	-
July-Sept.....	-	-	***	-	-
Oct-Dec.....	-	-	***	-	-
1990--					
Jan-Mar.....	-	-	***	-	-
Apr-June.....	-	-	***	-	-
July-Sept.....	-	-	***	-	-
Oct-Dec.....	-	-	***	-	-
1991--					
Jan-Mar.....	-	-	***	-	-
Product 4:					
1990--					
Jan-Mar.....	-	-	-	-	\$***
July-Sept.....	-	-	-	-	***
Product 5:					
1990--					
July-Sept.....	-	\$***	-	-	-
Oct-Dec.....	-	***	-	-	-
1991--					
Jan-Mar.....	-	***	***	-	-
Product 6:					
1991--					
Jan-Mar.....	-	-	***	-	-

<sup>1</sup> Prices of the imported steel wire rope products are averages of the net U.S. delivered quarterly selling prices of the responding U.S. importers' largest quarterly sales weighted by each firm's total quarterly sales quantity of the specified product from each country sold to distributors/service centers.

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

### *United States*

Quarterly delivered selling prices of domestic products 1 and 3-6 fluctuated but ended higher than their initial-period values during the period for which data are available--January 1988-March 1991 for products 1 and 3 and January 1988-June 1991 for products 4-6. Price increases ranged from 3 percent for product 6 to 25 percent for product 1; prices of product 3 rose by about 5 percent, prices of product 4 rose by about 9 percent, and prices of product 5 rose by about 7 percent. Prices of product 6 fluctuated but remained consistently above the initial-period value of \$1.54 per foot during January-March 1988 and ended at \$1.59 per foot during April-June 1991. Prices of product 1 rose from \$0.12 per foot during January-March 1988 to \$0.15 per foot during January-March 1991, but this final quarter price was about 17 percent lower than the price in the previous quarter. The price of product 3 rose from \$0.38 per foot during January-March 1988 to \$0.44 per foot in April-June 1989, declined to \$0.40 per foot by April-June 1990, and held at that level for the remainder of the period.

Prices of products 4 and 5 remained above their initial-period values of \$0.88 per foot and \$0.58 per foot, respectively, during much of the investigation period and ended at \$0.96 per foot for product 4 and \$0.62 per foot for product 5.

Prices of domestic product 2 fluctuated but generally remained below the initial-period value of \$0.97 per foot, ending at \$0.66 per foot in January-March 1991, or 32 percent below the initial-period value. On the other hand, prices of domestic product 7 generally remained above the initial-period value of \*\*\* per foot, but also ended lower, at \*\*\* per foot in January-March 1991, or about \*\*\* percent below the initial value.

### *Imported*

Quarterly delivered selling prices of the imported Chinese product 1 remained unchanged at \*\*\* per foot during the two quarters reported, July-December 1990. Quarterly delivered selling prices of product 5 from India fell from \*\*\* per foot in July-September 1990 to \*\*\* per foot in January-March 1991, or by about \*\*\* percent. Quarterly selling prices of product 3 from Mexico were down during April 1988-March 1989 but thereafter remained at the initial-period value of \*\*\* per foot through January-March 1991. Quarterly selling prices of product 1 from Taiwan fluctuated but increased somewhat from \*\*\* per foot during April-June 1988 to \*\*\* per foot by July-September 1989, and stayed at this somewhat higher price through January-March 1991. Quarterly prices of the imported Thai product 4 increased somewhat from \*\*\* per foot during January-March 1990 to \*\*\* per foot during July-September 1990. Price trends could not be developed for Argentina or for other imported products of the above subject countries.

## Price Trends In The Canadian Preliminary Investigation

Price trends of U.S.-produced steel wire rope and steel wire rope imported from Canada were based on the net U.S. delivered selling prices to distributors/service centers reported in producers' and importers' questionnaire responses received during the preliminary investigation involving Canada and the final investigations involving six other countries. Quarterly weighted-average prices of the specified steel wire rope products are shown in table 32 for sales of the imported Canadian products 4 and 6 and 8-11 and table 33 for sales of the domestic products 8-11. Prices of the domestic products 4-6 were shown in table 30. Prices of Canadian products 10 and 11 shown in table 32 are derived from prices reported by \*\*\*.<sup>185</sup> In addition, Canadian products 10 and 11 include a plastic filler around the core of the steel wire rope. Price trends of the reported Canadian products and those produced in the United States are also shown graphically by product in figures 7-12.

Both domestic and imported price trends are calculated from an average of delivered prices which had been weighted by the quantity of rope sold. Because of the small number of U.S. producers and Canadian importers that provided price data, the price trends can be influenced by variations in the number of respondents in each quarter. This is particularly noticeable in quarterly changes of U.S. prices, where the number of responding firms varies between 1 and 5 among quarters. Notes associated with each table indicate where differences in the number of responding firms apparently influenced quarter-to-quarter changes in prices. The price data cover the period between January 1988 and June 1991.

U.S. price trends for products 4, 5, and 6 were discussed in the previous section and will not be repeated here. The quarterly delivered price of Canadian product 4 generally increased during the period of investigation, rising from \*\*\* per foot in January-March 1988 to \*\*\* per foot during April-June 1991. The Canadian importers did not report price data for product 5. Although prices for Canadian product 6 declined in 1988, higher prices in 1989 and 1990 led to an overall increase from \*\*\* per foot in January-March 1988 to \*\*\* per foot in July-September 1990, the last period for which data were reported.

U.S. prices of domestic and imported Canadian swaged steel wire rope, products 8 and 9, typically used by the logging industry, generally increased during the period of investigation. The quarterly delivered price for U.S.-produced product 8, which is the most common size of swaged rope, fluctuated but remained consistently above the initial-period value, rising from \$0.68 per foot during January-March 1988 to \$0.85 per foot during April-June 1991, or by 25 percent. The price of the U.S.-produced product 9, a larger swaged rope, also typically remained above the initial value. Prices of domestic product 9 rose from \*\*\* per foot in January-March 1988 to a peak of \*\*\* per foot in January-March 1991 and then fell to \*\*\* per foot in April-June 1991, for a period increase of about 5 percent.

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<sup>185</sup> \*\*\*. These data were insufficient for price trends, but are discussed in the price comparison section.

Table 32

Net U.S. delivered selling prices of steel wire rope imported from Canada and sold to distributors/service centers, by products and by quarters, January 1988-June 1991<sup>1</sup>

Period	(Per foot)					
	Product 4	Product 6 <sup>2</sup>	Product 8 <sup>3</sup>	Product 9 <sup>4</sup>	Product 10 <sup>5</sup>	Product 11 <sup>5</sup>
1988:						
Jan.-March...	\$***	\$***	\$***	\$***	\$***	-
April-June...	***	***	***	***	***	-
July-Sept....	***	***	***	***	***	-
Oct.-Dec.....	***	***	***	***	***	-
1989:						
Jan.-March...	***	-	***	***	***	-
April-June...	***	***	***	***	***	-
July-Sept....	***	***	***	***	***	\$***
Oct.-Dec.....	***	***	***	***	***	***
1990:						
Jan.-March...	***	***	***	***	***	***
April-June...	***	***	***	***	***	***
July-Sept....	***	***	***	***	***	***
Oct.-Dec.....	***	-	***	-	***	***
1991:						
Jan.-March...	***	-	***	***	***	***
April-June...	***	-	***	***	***	***

<sup>1</sup> Prices of the imported steel wire rope products are averages of the net U.S. delivered quarterly selling prices of the responding U.S. importers' largest quarterly sales weighted by each firm's total quarterly sales quantity of the specified product from Canada sold to distributors/service centers.

<sup>2</sup> With 3 exceptions, the quarterly prices for product 6 are based on data provided by 1 importer. The exceptions include the first quarter of 1988, the third quarter of 1989, and the first quarter of 1990.

<sup>3</sup> The second and third quarters of 1990 and the second quarter of 1991 include price data for only 1 importer.

<sup>4</sup> The first and second quarters of 1990 include price data for only 1 importer.

<sup>5</sup> These prices are for 8-strand, plastic-impregnated steel wire rope.

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

Table 33

Net U.S. delivered selling prices of U.S.-produced steel wire rope products 8-11 sold to distributors/service centers, by quarters, January 1988-June 1991<sup>1</sup>

(Per foot)				
Period	Product 8	Product 9 <sup>2</sup>	Product 10 <sup>3</sup>	Product 11 <sup>4</sup>
1988:				
January-March.....	\$0.68	***	***	***
April-June.....	.69	***	***	***
July-September.....	.69	***	***	***
October-December...	.80	***	***	***
1989:				
January-March.....	.79	***	***	***
April-June.....	.81	***	***	***
July-September.....	.79	***	***	***
October-December...	.81	***	***	***
1990:				
January-March.....	.78	***	***	***
April-June.....	.82	***	***	***
July-September.....	.79	***	***	***
October-December...	.85	***	***	***
1991:				
January-March.....	.87	***	***	***
April-June.....	.85	***	***	***

<sup>1</sup> Prices of the domestic steel wire rope products are averages of the net U.S. delivered quarterly selling prices of the responding U.S. producers' largest quarterly sales weighted by each firm's total quarterly sales quantity of the specified product sold to distributors/service centers.

<sup>2</sup> The number of U.S. producers that provided price data for product 9 varied between 1 and 2 throughout the period of investigation, with the exception of April-June 1991 which included 3 responses.

<sup>3</sup> The number of U.S. producers that provided price data for product 10 varied between 2 and 4 throughout the period of investigation.

<sup>4</sup> The number of U.S. producers that provided price data for product 11 varied between 1 and 5 throughout the period of investigation.

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



Figure 7

Product 4: Quarterly net U.S. delivered prices for U.S. producers and importers of Canadian rope, January 1988-June 1991

\* \* \* \* \*

Figure 8

Product 6: Quarterly net U.S. delivered prices for U.S. producers and importers of Canadian rope, January 1988-June 1991

\* \* \* \* \*

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and presented in tables 30 and 32.

Figure 9

Product 8: Quarterly net U.S. delivered prices for U.S. producers and importers of Canadian rope, January 1988-June 1991

\* \* \* \* \*

Figure 10

Product 9: Quarterly net U.S. delivered prices for U.S. producers and importers of Canadian rope, January 1988-June 1991

\* \* \* \* \*

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and presented in tables 32 and 33.

Figure 11

Product 10: Quarterly net U.S. delivered prices for U.S. producers and importers of Canadian rope, January 1988-June 1991

\* \* \* \* \*

Figure 12

Product 11: Quarterly net U.S. delivered prices for U.S. producers and importers of Canadian rope, January 1988-June 1991

\* \* \* \* \*

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and presented in tables 32 and 33.

The price of Canadian product 8 rose fairly steadily from \*\*\* per foot during January-March 1988 to \*\*\* per foot during April-June 1991. The price for Canadian product 9 rose during 1988 and 1989, but experienced several significant decreases during 1990 and 1991. By the second quarter of 1991, the Canadian weighted-average price of \*\*\* per foot for product 9 had nearly returned to the price of \*\*\* per foot for January-March 1988.

Quarterly prices of U.S.-produced and imported Canadian products 10 and 11, the large mining ropes, fluctuated but generally increased during the period of investigation. The price of domestic product 10 began at \*\*\* per foot in January-March 1988, but immediately increased to \*\*\* per foot in April-June 1988 and fluctuated during the rest of the investigation period between \*\*\* per foot and \*\*\* per foot. The price of the domestic product 10 ended the period in April-June 1991 at \*\*\* per foot. Similarly, the U.S. price for product 11 fluctuated during the investigation period, but overall moved from a January-March 1988 price of \*\*\* per foot to an April-June 1991 price of \*\*\* per foot, for an increase of \*\*\* percent.

Although prices of imported Canadian product 10 remained relatively stable during 1988, higher prices during the rest of the period of investigation led to an overall increase from \*\*\* per foot in January-March 1988 to \*\*\* per foot in April-June 1991. The price for Canadian product 11 rose from \*\*\* per foot in July-December 1989, the initial quarters reported, to \*\*\* per foot in January-March 1990. The price remained at \*\*\* per foot for most of 1990, but fell to \*\*\* per foot by April-June 1991, the end of the investigation period. These fluctuations resulted in an overall price increase of \*\*\* percent during the quarters for which prices were reported, July-September 1989 through April-June 1991.

#### **Price Comparisons In The Multicountry Final Investigations**

Quarterly price comparisons between U.S.-produced steel wire rope and the products imported from the subject foreign countries were developed from net delivered prices reported in the U.S. producers' and importers' questionnaires and net delivered prices reported in the purchasers' questionnaires. Based on producer and importer questionnaire data, 28 price comparisons were possible, involving steel wire rope imported from 5 of the 6 subject foreign countries (table 34); no price comparisons involving Argentine products were possible from data reported in the producer and importer questionnaires.<sup>186</sup> Twenty-five of the 28 price comparisons showed the imported products to be priced less than the domestic products; 1 showed no difference between the U.S. and imported price; and 2 showed the imported products from India to be priced more than the domestic product.

Based on purchaser questionnaire data, 25 delivered price comparisons were possible involving steel wire rope imported from 4 of the 6 subject

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<sup>186</sup> Prices of imported Argentine steel wire rope reported in purchaser questionnaires, however, resulted in price comparisons between the domestic and imported products.

Table 34

Margins of under/overselling<sup>1</sup> between U.S.-produced steel wire rope and that imported from the subject countries based on producer and importer questionnaire responses, by countries, by products, and by quarters, January 1988-March 1991<sup>2</sup>

(In percent)					
Product and period	China	India	Mexico	Taiwan	Thailand
Product 1:					
1988:					
April-June.....	-	-	-	***	-
October-December...	-	-	-	***	-
1989:					
January-March.....	-	-	-	***	-
July-September.....	-	-	-	***	-
1990:					
July-September.....	***	-	-	-	-
October-December...	***	-	-	***	-
1991:					
January-March.....	-	-	-	***	-
Product 3:					
1988:					
January-March.....	-	-	***	-	-
April-June.....	-	-	***	-	-
July-September.....	-	-	***	-	-
October-December...	-	-	***	-	-
1989:					
January-March.....	-	-	***	-	-
April-June.....	-	-	***	-	-
July-September.....	-	-	***	-	-
October-December...	-	-	***	-	-
1990:					
January-March.....	-	-	***	-	-
April-June.....	-	-	***	-	-
July-September.....	-	-	***	-	-
October-December...	-	-	***	-	-
1991:					
January-March.....	-	-	***	-	-
Product 4:					
1990:					
January-March.....	-	-	-	-	***
July-September.....	-	-	-	-	***
Product 5:					
1990:					
July-September.....	-	***	-	-	-
October-December...	-	***	-	-	-
1991:					
January-March.....	-	***	***	-	-
Product 6:					
1991:					
January-March.....	-	-	***	-	-

<sup>1</sup> Price differences between the U.S. and imported products were calculated as ratios of the U.S. producers' weighted-average net delivered price. Figures in parentheses indicate that the price of the imported product was higher than the price of the domestic product.

<sup>2</sup> Margins of underselling were developed from net delivered price data reported in producer and importer questionnaires and shown in tables 30 and 31.

Note: Percentage margins are calculated from the unrounded weighted-average prices.

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

foreign countries (table 35); no price comparisons involving steel wire rope from China or Taiwan were possible from data reported in the purchaser questionnaires. All 25 price comparisons showed the imported products to be priced less than the domestic products.<sup>187</sup>

### *Argentina*

Based on purchaser questionnaire data, six quarterly price comparisons, involving products 1,<sup>188</sup> 4, and 5, were possible between the domestic and imported Argentine steel wire rope. The lone comparison involving product 1 showed the imported product to be priced less than the domestic product by a margin of \*\*\* percent during January-March 1989. The four comparisons involving product 4 showed the imported product to be priced lower than the domestic product, by an average margin of almost \*\*\* percent during April 1990-March 1991. The single comparison involving product 5 showed the imported product to be priced almost \*\*\* percent below the domestic product during July-September 1990.

### *China*

Based on producer and importer questionnaire data, two quarterly price comparisons, involving product 1, were possible between the domestic and imported Chinese steel wire rope during July-December 1990. Both price comparisons showed the imported product to be priced less than the domestic product, each by a margin of \*\*\* percent.

### *India*

Based on producer and importer questionnaire data, three quarterly price comparisons, involving product 5, were possible between the domestic and imported Indian steel wire rope during July 1990-March 1991. One price comparison showed that the imported product was equal in price to the domestic product in July-September 1990. Two quarterly price comparisons during October 1990-March 1991 showed the imported product to be priced higher than the domestic product, by margins of \*\*\* and \*\*\* percent. \*\*\*.<sup>189</sup>

Based on purchaser questionnaire data, 13 quarterly price comparisons, involving products 1, 4, and 5, were possible between the domestic and imported Indian steel wire rope during January 1989-March 1991. All 13 price

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<sup>187</sup> All 12 responding purchaser firms indicated in their questionnaire returns that the foreign products were priced less than the domestic products. In addition, purchasers indicated that prices of the subject imported products typically would have to rise in a range 25 to 50 percent, and up to 100 percent for the Chinese products, before they would switch their purchases of the foreign products to U.S.-produced steel wire rope.

<sup>188</sup> \*\*\*.

<sup>189</sup> \*\*\*.

Table 35

Margins of underselling<sup>1</sup> between U.S.-produced steel wire rope and that imported from the subject countries based on purchaser questionnaire responses, by countries, by products, and by quarters, January 1989-March 1991<sup>2</sup>

(In percent)

Product and period	Argentina	India	Mexico	Thailand
Product 1:				
1989:				
January-March.....	***	***	-	-
April-June.....	-	***	-	-
October-December....	-	***	-	-
Product 2:				
1990:				
April-June.....	-	-	-	***
Product 3:				
1990:				
April-June.....	-	-	***	-
July-September.....	-	-	***	-
1991:				
January-March.....	-	-	***	-
Product 4:				
1989:				
January-March.....	-	***	-	-
April-June.....	-	***	-	-
July-September.....	-	***	-	-
October-December....	-	***	-	-
1990:				
January-March.....	-	***	-	-
April-June.....	***	***	-	-
July-September.....	***	***	-	-
October-December....	***	-	-	-
1991:				
January-March.....	***	-	***	-
Product 5:				
1990:				
July-September.....	***	***	-	-
October-December....	-	***	-	-
1991:				
January-March.....	-	***	-	-
Product 6:				
1990:				
July-September.....	-	-	***	-

<sup>1</sup> Price differences between the U.S. and imported products were calculated as ratios of the U.S. producers' weighted-average net delivered price.

<sup>2</sup> The margins of underselling were based on weighted-average net delivered prices developed from price data reported in purchaser questionnaires.

Note: Percentage margins are calculated from the unrounded weighted-average prices.

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

comparisons showed the imported products to be priced less than the domestic products, by margins averaging about \*\*\* percent during this period; no clear trends in the quarterly margins of underselling were evident.

#### **Mexico**

Based on producer and importer questionnaire data, 15 quarterly price comparisons, involving products 3, 5, and 6, were possible between the domestic and imported Mexican steel wire rope during January 1988-March 1991. All 15 price comparisons showed the imported products to be priced less than the domestic products, by margins averaging about \*\*\* percent during this period. After increasing from \*\*\* percent in January-March 1988 to \*\*\* percent in January-March 1989, margins of underselling for product 3 tended to decline throughout the rest of the investigation period, to \*\*\* percent in January-March 1991.

Based on purchaser questionnaire data, 5 quarterly price comparisons, involving products 3, 4, and 6, were possible between the domestic and imported Mexican steel wire rope during April 1990-March 1991. All 5 price comparisons showed the imported products to be priced less than the domestic products, by margins averaging about \*\*\* percent during this period; no clear trends in the quarterly margins of underselling were evident.

#### **Taiwan**

Based on producer and importer questionnaire data, 6 quarterly price comparisons, involving product 1, were possible between the domestic and imported Taiwan steel wire rope during April 1988-March 1991. These 6 price comparisons showed the imported product to be priced less than the domestic product, by margins fluctuating between approximately \*\*\* percent and \*\*\* percent and averaging about \*\*\* percent.

#### **Thailand**

Based on producer and importer questionnaire data, two quarterly price comparisons, involving product 4, were possible between the domestic and imported Thai steel wire rope during January-September 1990. The two price comparisons showed the imported product to be priced less than the domestic product, by margins of \*\*\* and \*\*\* percent.

Based on purchaser questionnaire data, one quarterly price comparison, involving product 2, was possible between the domestic and imported Thai steel wire rope during April-June 1990. The single price comparisons showed the imported product to be priced less than the domestic product by a margin of \*\*\* percent.



## Price Comparisons In The Canadian Preliminary Investigation

Price comparisons for U.S. and Canadian steel wire rope are reported in table 36 and shown graphically in figures 7-12. A total of 73 price comparisons were possible. Twenty comparisons showed underselling by the imported Canadian product, 51 showed overselling, and 2 showed prices of the domestic and Canadian products to be equal. Margins of underselling averaged \*\*\* percent, while margins of overselling averaged \*\*\* percent.

The greatest frequency of underselling occurred in price comparisons of product 4. Margins for product 4 show the Canadian product underselling the U.S. product in 10 of 14 quarters, with an average underselling margin of \*\*\* percent. In one quarter, April-June 1990, the price of the Canadian product was equal to the price of the domestic product. In three recent quarters, July-September 1990 and January-June 1991, the Canadian product was priced higher than the domestic product by an average margin of \*\*\* percent. The margins for product 6 fluctuated between overselling and underselling, with 4 of 10 quarters showing underselling by the Canadian product, with an average margin of \*\*\* percent. Six quarters showed overselling by the Canadian product, with an average margin of \*\*\* percent.

The margins for products 8-11, the products added for the Canadian investigation, show a general pattern of overselling by the Canadian importers. Products 8 and 9, the steel wire ropes used in the logging industry, show underselling by the Canadian products in 5 of 27 price comparisons. The average margin of underselling was \*\*\* percent. In one quarter, January-March 1990, the Canadian price for product 9 was \*\*\* the U.S. producer price. In 21 price comparisons, Canadian products 8 and 9 were priced higher than the domestic products by an average margin of \*\*\* percent. In fact, all quarters of the investigation period show Canadian product 8 priced higher than the U.S. product. The Canadian prices for products 10 and 11, the mining steel wire ropes, were less than domestic prices in 1 of 22 quarters, in which the underselling margin was \*\*\* percent. In 21 price comparisons, Canadian products 10 and 11 were priced higher than the domestic products by an average margin of \*\*\* percent. In each of the 8 quarters for which prices were reported for product 11, the Canadian product was priced higher than the U.S. product.

In addition, it should be noted again that \*\*\* reported prices of plastic impregnated \*\*\* rope for products 10 and 11. Although these products compete for the same applications, distinct design features may affect the price differential. \*\*\*.

\*\*\*, however, reported prices of the specified Canadian products 10 and 11 (i.e., 6-strand) for three quarters. The single price comparison involving the domestic and imported 6-strand product 10 showed underselling by the Canadian product of \*\*\* percent in April-June 1990, with the Canadian price for that quarter at \*\*\* per foot and the U.S. producer price at \*\*\* per foot. For 6-strand domestic and imported product 11, the Canadian prices were greater than U.S. producer prices in the two quarters reported. In April-June 1990, Canadian product 11 was priced \*\*\* percent above the domestic product, with a Canadian price of \*\*\* per foot and a U.S. producer price of

Table 36

Margins of under/overselling<sup>1</sup> between U.S.-produced steel wire rope and that imported from Canada based on producer and importer questionnaire responses, by products and by quarters, January 1988-June 1991<sup>2</sup>

(In percent)							
Period	Product 4	Product 5 <sup>3</sup>	Product 6	Product 8	Product 9	Product 10	Product 11
1988:							
Jan.-March...	***	-	***	***	***	***	-
April-June...	***	-	***	***	***	***	-
July-Sept....	***	-	***	***	***	***	-
Oct.-Dec.....	***	-	***	***	***	***	-
1989:							
Jan.-March...	***	-	-	***	***	***	-
April-June...	***	-	***	***	***	***	-
July-Sept....	***	-	***	***	***	***	***
Oct.-Dec.....	***	-	***	***	***	***	***
1990:							
Jan.-March...	***	-	***	***	***	***	***
April-June...	***	-	***	***	***	***	***
July-Sept....	***	-	***	***	***	***	***
Oct.-Dec.....	***	-	-	***	-	***	***
1991:							
Jan.-March...	***	-	-	***	***	***	***
April-June...	***	-	-	***	***	***	***

<sup>1</sup> Price differences between the U.S. and imported Canadian products were calculated as ratios of the U.S. producers' weighted-average net delivered price. Figures in parentheses indicate that the price of the imported product was higher than the price of the domestic product.

<sup>2</sup> Margins of underselling were developed from net delivered price data reported in producer and importer questionnaires and shown in tables 30, 32, and 33.

<sup>3</sup> There are no price comparisons for product 5, because the importers did not report price data for that product.

Note: Percentage margins are calculated from the unrounded weighted-average prices.

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

\*\*\* per foot. In the other quarter reported, April-June 1991, the Canadian product was priced \*\*\* percent above the domestic product, with a Canadian price of \*\*\* per foot and a U.S. producer price of \*\*\* per foot.

## EXCHANGE RATES

Quarterly data reported by the International Monetary Fund for 5 of the 6 foreign countries subject to the final investigations<sup>190</sup> and for Canada, subject to the preliminary investigation, indicate that values of the reported currencies depreciated in real terms for 3 countries and appreciated for the other 3 countries relative to the U.S. dollar during January 1988-March 1991,<sup>191</sup> or, for some countries, during a period where the most recent data were not available through March 1991. Exchange rate changes for the 6 countries are shown in table 37 and discussed below.

### Argentina

The nominal value of the Argentine austral depreciated relative to the U.S. dollar by almost 100 percent during January 1988-March 1990. High inflation in Argentina during this period, of about 36,418 percent compared with about 9 percent inflation in the United States, resulted in less depreciation of the austral against the U.S. dollar in real terms. In real terms the austral depreciated against the U.S. dollar by about 57 percent.

### Canada

The nominal value of the Canadian dollar appreciated relative to the U.S. dollar by about 10 percent during January 1988-March 1991. Approximately 6 percent inflation in Canada compared with about 13 percent inflation in the United States during this period resulted in less appreciation of the Canadian dollar in real terms compared with appreciation in nominal terms. In real terms, the Canadian dollar appreciated against the U.S. dollar during January 1988-March 1991 by about 3 percent.

### India

The nominal value of the Indian rupee depreciated relative to the U.S. dollar by almost 30 percent during January 1988-March 1991. Higher inflation in India of about 29 percent compared with about 13 percent inflation in the United States during this period resulted in less depreciation of the Indian rupee in real terms compared with nominal terms. In real terms, the Indian

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<sup>190</sup> Useable market exchange-rate data for the Chinese renminbi are not available. The Government of China limits convertibility of its currency with other currencies.

<sup>191</sup> International Financial Statistics, June 1991.

Table 37

Exchange rates:<sup>1</sup> Indexes of the nominal and real exchange rates between the U.S. dollar and currencies of 6 specified countries, and indexes of producer prices in the foreign countries and the United States,<sup>2</sup> by quarters, January 1988-March 1991

Period	<u>Argentina</u>			<u>Canada</u>			U.S. producer price index
	Nominal exchange- rate index	Producer price index	Real exchange- rate index <sup>3</sup>	Nominal exchange- rate index	Producer price index	Real exchange- rate index <sup>3</sup>	
1988:							
Jan.-Mar...	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Apr.-June..	64.4	167.8	106.4	103.1	101.2	102.7	101.6
July-Sept..	39.2	317.4	120.6	103.9	102.3	103.1	103.1
Oct.-Dec...	34.6	392.4	131.2	105.1	103.1	104.6	103.5
1989:							
Jan.-Mar...	31.3	495.4	146.5	106.3	104.6	105.2	105.8
Apr.-June..	3.3	2,338.5	71.5	106.2	104.8	103.4	107.7
July-Sept..	0.7	14,108.5	92.1	107.2	104.4	104.4	107.3
Oct.-Dec...	0.5	17,588.6	77.5	108.5	103.8	104.5	107.7
1990:							
Jan.-Mar...	0.1	36,518.4	43.2	107.2	104.2	102.2	109.3
Apr.-June..	0.1	( <sup>4</sup> )	( <sup>4</sup> )	108.3	104.4	103.6	109.1
July-Sept..	0.1	( <sup>4</sup> )	( <sup>4</sup> )	109.9	104.4	103.4	111.0
Oct.-Dec...	0.1	( <sup>4</sup> )	( <sup>4</sup> )	109.2	105.7	100.9	114.3
1991:							
Jan.-Mar...	0.1	( <sup>4</sup> )	( <sup>4</sup> )	109.7	105.7	102.8	112.7
	<u>India</u>			<u>Mexico</u>			U.S. producer price index
	Nominal exchange- rate index	Producer price index	Real exchange- rate index <sup>3</sup>	Nominal exchange- rate index	Producer price index	Real exchange- rate index <sup>3</sup>	
1988:							
Jan.-Mar...	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Apr.-June..	97.1	102.0	97.6	98.6	107.9	104.7	101.8
July-Sept..	91.4	105.0	93.1	98.6	111.9	107.1	103.2
Oct.-Dec...	87.4	105.6	89.2	98.6	114.0	108.6	103.6
1989:							
Jan.-Mar...	85.3	106.5	86.0	98.6	120.3	110.0	105.9
Apr.-June..	81.0	110.1	82.8	93.1	124.2	107.4	107.7
July-Sept..	78.5	113.7	83.2	89.7	127.1	106.3	107.3
Oct.-Dec...	77.1	115.0	82.3	86.5	131.9	106.0	107.7
1990:							
Jan.-Mar...	76.6	115.7	81.1	83.6	141.8	108.5	109.3
Apr.-June..	75.2	119.9	82.7	80.9	151.1	112.2	109.1
July-Sept..	74.3	123.5	82.6	78.7	159.9	113.4	111.0
Oct.-Dec...	72.1	126.4	79.7	77.1	166.2	112.1	114.3
1991:							
Jan.-Mar...	70.1	129.4	80.6	76.0	( <sup>4</sup> )	( <sup>4</sup> )	112.7

See footnotes at end of table.

Table 37--Continued

Exchange rates:<sup>1</sup> Indexes of the nominal and real exchange rates between the U.S. dollar and currencies of 6 specified countries, and indexes of producer prices in the foreign countries and the United States,<sup>2</sup> by quarters, January 1988-March 1991

Period	Taiwan			Thailand			U.S. producer price index
	Nominal exchange- rate index	Producer price index	Real exchange- rate index <sup>3</sup>	Nominal exchange- rate index	Producer price index	Real exchange- rate index	
1988:							
Jan.-Mar...	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Apr.-June..	99.9	101.3	99.6	100.3	101.4	100.1	101.6
July-Sept..	99.6	102.7	99.2	98.9	102.8	98.7	103.1
Oct.-Dec...	100.9	102.6	99.9	100.2	103.5	100.1	103.5
1989:							
Jan.-Mar...	103.5	102.8	100.5	99.5	103.8	97.6	105.8
Apr.-June..	108.9	102.4	103.6	98.1	106.5	97.1	107.7
July-Sept..	111.2	100.5	104.2	97.6	109.0	99.2	107.3
Oct.-Dec...	110.2	99.6	101.9	97.8	107.1	97.3	107.7
1990:							
Jan.-Mar...	109.3	98.8	98.8	97.9	107.6	96.5	109.3
Apr.-June..	106.3	99.6	97.2	97.5	108.6	97.1	109.1
July-Sept..	105.0	101.5	96.0	98.9	109.6	97.7	111.0
Oct.-Dec...	105.1	102.6	94.2	100.6	115.4	101.5	114.3
1991:							
Jan.-Mar...	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	100.3	( <sup>4</sup> )	( <sup>4</sup> )	112.7

<sup>1</sup> Based on exchange rates expressed in U.S. dollars per unit of foreign currency.

<sup>2</sup> The producer price indexes are aggregate measures of inflation at the wholesale level in the United States and the above foreign countries. As a result, these indexes only approximate actual price changes of steel wire rope in the United States and the subject foreign countries. Quarterly producer prices in the United States fluctuated but rose, by 12.7 percent, during January 1988-March 1991. Producer prices in Canada increased by 5.7 percent during this period. Producer prices in Taiwan increased by 2.6 percent during January 1988-December 1990, the latest period for which data were available, and producer prices in Thailand rose by 15.4 percent during this period. During the periods that data were available, producer prices in India and Mexico rose by 29.4 and 66.2 percent, respectively, and producer prices in Argentina increased by 36,418.4 percent.

<sup>3</sup> The real values of the foreign currencies are the nominal values adjusted for the difference between inflation rates as measured by the producer price indexes in the individual foreign countries and the United States.

<sup>4</sup> Data not available.

Note.--January-March 1988=100.0

Source: International Monetary Fund, International Financial Statistics, June 1991.

rupee depreciated against the U.S. dollar during the period by about 19 percent, or 11 percentage points less than the depreciation in nominal terms.

#### Mexico

The nominal value of the Mexican peso depreciated relative to the U.S. dollar by 23 percent during January 1988-December 1990, but high inflation in Mexico during this period of about 66 percent, compared with about 14 percent inflation in the United States, resulted in a 12 percent real appreciation of the peso against the U.S. dollar.

#### Taiwan

The nominal value of the New Taiwan dollar appreciated relative to the U.S. dollar by about 5 percent during January 1988-December 1990. Approximately 3 percent inflation in Taiwan compared with about 14 percent inflation in the United States during this period resulted in depreciation of the New Taiwan dollar in real terms compared with appreciation in nominal terms. In real terms, the New Taiwan dollar depreciated against the U.S. dollar during January 1988-December 1990 by about 6 percent.

#### Thailand

The nominal value of the Thai baht fluctuated closely around the value of the U.S. dollar during January 1988-December 1990, ending the period less than 1 percent higher in value relative to the U.S. dollar. Somewhat higher inflation in Thailand of about 15 percent compared to 14 percent for the United States during this period resulted in greater appreciation of the Thai baht in real terms compared with nominal terms. In real terms, the Thai baht appreciated against the U.S. dollar during the period by about 2 percent.

### Lost Sales

#### ALLEGATIONS DURING THE MULTICOUNTRY FINAL INVESTIGATIONS

Two U.S. steel wire rope producers, \*\*\* and \*\*\*, reported during the final investigations lost sales allegations involving competition from steel wire rope imported from Argentina and Mexico.<sup>192,193</sup> The lost sales allegations

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<sup>192</sup> Three other U.S. producers of steel wire rope, \*\*\*, \*\*\*, and \*\*\*, indicated in their questionnaire responses that they had lost sales to the subject imported products, but were unable to provide any details. No U.S. producers alleged losing sales to steel wire rope imported from Thailand.

<sup>193</sup> \*\*\* also identified eight firms that allegedly purchased steel wire rope from Argentina, China, India, Mexico and Taiwan, although the producer indicated that it did not quote prices to these purchasers. In addition, \*\*\* did not know the quantities purchased or when the alleged transactions occurred for most of the purchases that it alleged. Staff conversations with the purchasers cited are presented in app. I.

totaled \$983,725, or 640,800 feet of steel wire rope.<sup>194</sup> The Commission staff contacted all of the purchasers named in lost sales allegations and these conversations are reported below.<sup>195</sup>

\* \* \* \* \*

#### ALLEGATIONS DURING THE CANADIAN PRELIMINARY INVESTIGATION

Three U.S. producers of wire rope alleged that they lost sales to imports from Canada. \*\*\* and \*\*\* each alleged one instance of a lost sale, and \*\*\* alleged 13 instances of lost sales to four customers. Commission staff conversations with the purchasers named in the lost sales allegations that it was able to contact are reported below.

\* \* \* \* \*

#### Lost Revenue

#### ALLEGATIONS DURING THE MULTICOUNTRY FINAL INVESTIGATIONS

No lost revenue allegations involving steel wire rope from the subject foreign countries were reported during the final or preliminary investigations involving Argentina, China, India, Mexico, Taiwan, or Thailand. Three U.S. steel wire rope producers, \*\*\*, \*\*\*, and \*\*\*, indicated in their questionnaire responses during the final investigations that they had to reduce prices in competition with the subject imported products, but were unable to provide any details.<sup>196</sup>

\* \* \* \* \*

#### ALLEGATIONS DURING THE CANADIAN PRELIMINARY INVESTIGATION

A single lost revenue allegation involving steel wire rope from Canada was reported during the preliminary investigation. \*\*\*.

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<sup>194</sup> The value and quantity of alleged lost sales, by the subject countries cited, are shown in the following tabulation:

<u>Country</u>	<u>Value</u>	<u>Number of feet</u>
Argentina.....	\$15,502	16,000
Mexico.....	968,223	624,800

<sup>195</sup> Lost sales allegations investigated during the preliminary multicountry investigations are shown in app. J.

<sup>196</sup> \*\*\*.





APPENDIX A

THE COMMISSION'S AND COMMERCE'S FEDERAL REGISTER NOTICES

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,<sup>1</sup> 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 7312.10.80 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). 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.<sup>4</sup>

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). 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.

The Commission transmitted its determinations in these investigations to the Secretary of Commerce on December 20, 1990. The views of the Commission are contained in USITC Publication 2343 (December 1990), entitled "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, and 731-TA-476-482 (Preliminary) Under the Tariff Act of 1930, Together With the Information Obtained in the Investigations."

By Order of the Commission.

Issued: December 24, 1990.

Kenneth E. Mason,

Secretary.

[FR Dec. 31-34 Filed 1-2-91; 8:45 am]

STANDARD CODE 7000-00-01

[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<sup>1</sup> developed in the subject investigations, the Commission determines,<sup>2</sup> 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,<sup>3</sup> that are alleged to be

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

<sup>2</sup> Vice Chairman Brunedule dissenting.

<sup>3</sup> 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 7312.10.80 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)).

<sup>4</sup> The Commission's notice of institution was amended to remove reference to countervailing duty investigation No. 303-TA-21 involving Thailand (55 FR 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).

**International Trade Administration**  
**'C-533-802]**

**Preliminary Affirmative Countervailing  
 Duty Determination: Steel Wire Rope  
 from India**

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

**ACTION:** Notice.

**SUMMARY:** We preliminarily determine that benefits which constitute subsidies within the meaning of the countervailing duty law are being provided to manufacturers, producers, or exporters in India of steel wire rope ("wire rope"), as described in the "Scope of Investigation" section of this notice. The estimated net subsidy is 31.80 percent *ad valorem* for all manufacturers, producers, or exporters in India of wire rope.

We are directing the U.S. Customs Service to suspend liquidation of all entries of wire rope from India that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice and to require a cash deposit or bond on entries of this product in an amount equal to the estimated net subsidy.

If this investigation proceeds as expected, we will make a final determination on or before April 15, 1991.

**EFFECTIVE DATE:** February 4, 1991.

**FOR FURTHER INFORMATION CONTACT:**  
 Roy A. Malmrose or Paulo Mendes,  
 Office of Countervailing Investigations,  
 Import Administration, International  
 Trade Administration, U.S. Department  
 of Commerce, Washington, DC 20230 at  
 (202) 377-5414 or (202) 377-5050,  
 respectively

**SUPPLEMENTARY INFORMATION:**

**Preliminary Determination**

Based on our investigation, we preliminarily determine that there is reason to believe or suspect that benefits which constitute subsidies within the meaning of section 701 of the Tariff Act of 1930, as amended (the Act), are being provided to manufacturers, producers, or exporters in India of wire rope. We preliminarily determine that the following programs confer subsidies:

- International Price Reimbursement Scheme (IPRS)
  - Pre-Shipment Export Loans (Export Packing Credit)
  - Post-Shipment Financing
  - Import Duty Exemptions Available through Advance Licenses
  - Sale of an Additional License
- We preliminarily determine the estimated net subsidy to be 31.80

percent *ad valorem* for all manufacturers, producers, or exporters in India of wire rope.

**Case History**

Since the publication of the Notice of Initiation in the Federal Register (55 FR 50731, December 10, 1990), the following events have occurred. On December 7, 1990, we presented a questionnaire to the Government of India in Washington, DC, concerning petitioners' allegations. In response to requests from the responding companies and the Government of India, on December 24, and 28, 1990, respectively, the due date for the questionnaire responses was extended until January 15, 1991. On December 27, 1990, the responding companies filed a letter requesting an extension of the preliminary determination on the grounds that the case is extraordinarily complicated. On January 2, 1991, we notified respondents that pursuant to section 703(c)(1)(B) of the Act, the Department did not find sufficient reason to postpone the preliminary determination in this investigation. On January 3, 1991, the U.S. International Trade Commission preliminarily found that imports of wire rope from India materially injure, or threaten material injury to, a U.S. industry (56 FR 286). On January 15, 1991, we received responses from the Engineering Export Promotion Council (EEPC), on behalf of the Government of India, and two manufacturers: Usha Martin Industries Limited (UMIL) and Bombay Wire Ropes (BWR) Ltd. The responses indicated that exports had been made to the United States through certain trading companies. However, responses were received from only the two above-mentioned manufacturers. While the responses indicate that these two manufacturers account for well over a majority of total exports by volume to the United States, their combined export volumes do not account for 100 percent of exports to the United States. The Department intends to solicit additional information, prior to verification, from those companies which account for the remaining portion of wire rope exports to the United States.

**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

**Analysis of Programs**

For purposes of this preliminary determination, the period for which we are measuring subsidies ("the review period") is April 1, 1988, through March 31, 1990, which corresponds to the most recently completed fiscal year of the respondent companies.

Consistent with our practice in preliminary determinations, when a response to an allegation denies the existence of a program, receipt of benefits under a program, or eligibility of a company or industry under a program, and the Department has no persuasive evidence showing that the response is incorrect, we accept the response for purposes of the preliminary determination. All such responses, however, are subject to verification. If the response cannot be supported at verification, and the program is otherwise countervailable, the program will be considered a subsidy in the final determination.

Based on our analysis of the responses to our questionnaire, we preliminarily determine the following:

**I. Programs Preliminarily Found to Confer Subsidies**

We preliminarily determine that subsidies are being provided to manufacturers, producers, or exporters in India of wire rope under the following programs:

**A. International Price Reimbursement Scheme (IPRS)**

On February 9, 1981, the Government of India introduced the IPRS for exporters of products with steel inputs.

The purpose of the program is to rebate the difference between higher domestic and lower international prices of steel. On January 10, 1985, and June 2, 1988, the Government of India extended the IPRS to include stainless wire rod and high carbon steel wire rod, respectively. Wire rod is the primary input into wire rope. According to the questionnaire responses, the price of wire rod in India is not controlled. Eligibility for IPRS rebates is restricted to wire rope inputs purchased domestically.

The EEPC, a non-profit organization funded by the Government of India and private firms, processes the claims for, and disburses, the IPRS rebate. The IPRS rebate is based on (1) the differential between the domestic and international prices of steel wire rod and (2) the actual wire rod consumption.

inclusive of a maximum ten percent allowance for waste. The domestic price of wire rod is based on a calculated average of domestic producers' prices. The international price of wire rod is derived from international prices of an upstream steel product. During the review period both wire rope manufacturers covered by this investigation received IPRS rebates on exports of wire rope to the United States.

We consider a government program that results in the provision of an input to exporters at a price lower than to producers of domestically-sold products to confer a subsidy within the meaning of section 771(5)(A) of the Act. Therefore, we preliminarily determine the IPRS program to confer a countervailable export subsidy. We consider the benefit to be the entire IPRS rebate with an adjustment for administrative costs in the form of banking charges.

Respondents reported IPRS rebates received during the review period on exports of the subject merchandise to the United States. To calculate the benefit for each company, we divided the amount of rebates received by the value of respondents' exports of the subject merchandise to the United States. We then weighted each company's benefit by its share of exports of the subject merchandise to the United States. On this basis, we preliminarily determine the net subsidy from this program to be 29.17 percent *ad valorem* for all manufacturers and exporters in India of wire rope.

#### **B. Pre-Shipment Export Loans (Export Packing Credit)**

The Reserve Bank of India, through commercial banks, provides pre-shipment or "packing" credits to exporters under the Pre-Shipment and Post-Shipment Credit Scheme. Pre-shipment financing provides working capital to manufacturers/exporters for the purchase of raw materials and packing materials based on presentation of a confirmed order or letter of credit. Typically, 90 percent of the value of the purchase order is eligible for pre-shipment financing, although no provision exists restricting such financing for the remaining 10 percent of the order value.

In general, pre-shipment loans are granted for a period of 180 days. During the review period, the interest rate under this program was 7.5 percent for goods shipped within the first 180 days. A manufacturer/exporter can apply for an extension of up to 90 days. If approved, the manufacturer/exporter is charged 9.5 percent interest during the

90 day extension period. In the event that a manufacturer/exporter does not ship until after the 270th day, it will be charged 7.5 percent for the first 180 days, 9.5 percent for the next 90 days, and its "regular" interest rate for the remainder of the loan. Interest on these loans is paid quarterly or at the date of repayment. Because only exporters are eligible for these pre-shipment loans, we determine that they are countervailable to the extent that they are provided at preferential rates.

According to the responses, the benchmark interest rate at which short-term commercial loans were available in India during the review period was 16.0 percent. Comparing the benchmark interest rate to the rate charged under this program, we find that the rate on the pre-shipment loans is preferential. Therefore, we determine this program to be countervailable.

To calculate the benefit, we followed the short-term loan methodology which has been applied consistently in our past determinations and is described in more detail in the *Subsidies Appendix* attached to the notice of *Cold-Rolled Carbon Steel Flat-Rolled Products from Argentina: Final Affirmative Countervailing Duty Determination and Countervailing Duty Order* (49 FR 18006, April 26, 1984); see also, *Alhambra Foundry v. United States*, 626 F. Supp. 402 (CIT, 1985).

Accordingly, we compared the amount of interest paid on those loans related to sales of wire rope to the United States during the review period to the amount that would have been paid at the benchmark rate. For each company, we divided the difference by its total exports of the subject merchandise to the United States. We then weighted each company's benefit by its share of exports of the subject merchandise to the United States. On this basis, we preliminarily determine the net subsidy from this program to be 1.78 percent for all manufacturers and exporters in India of wire rope.

#### **C. Post-Shipment Financing**

The Reserve Bank of India, through commercial banks, provides post-shipment financing under the Pre-Shipment and Post-Shipment Credit Scheme. Post-shipment financing provides working capital to manufacturers/exporters for the interim period between shipment of goods and receipt of payment. Post-shipment financing is available to manufacturers/exporters upon presentation of a confirmed order or letter of credit subsequent to shipment of the goods. The terms of post-shipment financing with respect to the due date are those

stated in the purchase order/contract. The due date may in no case exceed 180 days. During the review period, the interest rate under this program was 8.65 percent. Interest on these loans is mainly paid up front at the time of the discount. Because only exporters are eligible for these post-shipment loans, we determine that they are countervailable to the extent that they are provided at preferential rates.

According to the responses, the benchmark interest rate at which short-term commercial loans were available in India during the review period was 16.0 percent. Comparing the benchmark interest rate to the rate charged under this program, we find that the rate on the post-shipment loans is preferential. Therefore, we determine this program to be countervailable.

To calculate the benefit, we followed the short-term loan methodology which has been applied consistently in our past determinations and is described in more detail in the *Subsidies Appendix* attached to the notice of *Cold-Rolled Carbon Steel Flat-Rolled Products from Argentina: Final Affirmative Countervailing Duty Determination and Countervailing Duty Order* (49 FR 18006, April 26, 1984); see also, *Alhambra Foundry v. United States*, 626 F. Supp. 402 (CIT, 1985).

Accordingly, we compared the amount of interest paid on those loans related to sales of wire rope to the United States during the review period to the amount that would have been paid at the benchmark rate. For each company, we divided the difference by its total exports of the subject merchandise to the United States. We then weighted each company's benefit by its share of exports of the subject merchandise to the United States. On this basis, we preliminarily determine the net subsidy from this program to be 0.71 percent for all manufacturers and exporters in India of wire rope.

#### **D. Import Duty Exemptions Available Through Advance Licenses**

Advance licenses are only available to exporters and provide an import duty exemption on inputs of raw materials used in the production of exports. In its response, UMIL stated that it has used four advance licenses to import raw materials used in the production of wire rope and their non-subject merchandise. Because this program is limited to exporters, any import duty exemption provided on imported products not physically incorporated into an exported product constitutes a countervailable export subsidy. According to the response, the only material imported on

UMIL under an advance license which was not physically incorporated into an exported product was soap. Therefore, we consider the duty-savings attributable to imports of soap a countervailable export subsidy.

To calculate the benefit, we divided the total duty-savings by UMIL's total exports to all markets. We then weighted this rate by UMIL's share of exports of the subject merchandise to the United States. On this basis, we preliminarily determine the net subsidy from the use of this license to be 0.13 percent of all manufacturers and exporters in India of wire rope.

#### E. Sale of an Additional License

Additional Licenses are transferable licenses available to Export/Trading Houses based on a percentage of the annual FOB value of exports. Imports under these licenses are subject to customs duties and need not necessarily be used in the production of goods for export. In its response, UMIL indicated that it sold one Additional License during the review period.

Because exporters receive these licenses based on their status as an exporter, we consider the proceeds resulting from sales of these licenses a countervailable export subsidy. To calculate the benefit, we divided the amount UMIL received on selling the license by its total exports to all markets. We then weighted this rate by UMIL's share of exports of the subject merchandise to the United States. On this basis, we preliminarily determine the net subsidy from the sale of this license to be 0.01 percent for all manufacturers and exporters in India of wire rope.

#### II. Program Preliminarily Found Not to Confer Subsidies

##### Cash Compensatory Support (CCS) Program

In 1966, the Government of India established the CCS program as a mechanism by which to rebate indirect taxes on exported merchandise. The rebate for exports of wire rope was set at a maximum of 10 percent for the review period, and is paid as a percentage of the FOB invoice price. This rate was based on the results of a 1989 audited survey of domestic wire rope manufacturers administered by the Ministry of Commerce (MOC) and the ZEPIC. This survey, which is updated every three years, covered wire rope manufacturers whose cumulative production levels approximate 80 percent of total exports.

To determine whether an indirect tax rebate system confers a subsidy, we must apply the following analysis. (See,

*Preliminary Affirmative Countervailing Duty Determination: Textile Mill Products and Apparel from Indonesia*, 49 FR 49872, December 21, 1984). First, we examine whether the system is intended to operate as a rebate of both indirect taxes and import duties. Next, we analyze whether the government properly ascertained the level of the rebate. This includes a review of the sample used in the study, including the documentation and the accuracy of the information gathered from the sample on input coefficients, import prices and rates of duty on imported inputs, the ratio of imported inputs to domestically produced inputs (when, for a given imported input, there is also domestic production of the input), and the exchange rates used to convert import prices denominated in a foreign currency to the local currency. Finally, we review whether the rebate schedules are revised periodically in order to determine if the rebate amount reflects the amount of duty and indirect taxes paid.

When the study upon which the indirect tax and import duty rebate system is based meets these conditions, the Department will consider that the system does not confer a subsidy if the amount rebated for duties and indirect taxes on physically incorporated inputs does not exceed the fixed amount set forth in the rebate schedule for the exported product. Based on the information provided in the responses and the Department's previous examination of the CCS program (See, for example, *Certain Iron Metal Castings From India: Final Results of Countervailing Duty Administrative Review* 55 FR 1978, January 18, 1991), we preliminarily determine that the CCS rebate meets all the above-mentioned criteria. In the present investigation, we will verify whether rebates under this program continue to reasonably reflect the incidence of indirect taxes on inputs.

We preliminarily consider wire rod, zinc, lead, fiber cores, lubricants, and packing materials to be raw material inputs that are physically incorporated into the subject merchandise. In determining the extent to which the rebate exceeded the tax incidence on the items physically incorporated into the exported product for each company, we compared the rebate rate provided in the response to the indirect taxes on items physically incorporated as a percentage of the total FOB value of exports of the subject merchandise. The calculation for both companies yields tax incidence rates greater than 10 percent. On this basis, we preliminarily determine that the CCS program

provides no overrebate and, therefore, is not countervailable.

#### III. Programs Preliminarily Determined To Be Not Used

We preliminarily determine that the following programs were not used by manufacturers, producers, or exporters in India of wire rope during the review period:

##### A. Use or Sale of Import Replenishment Licenses

Import Replenishment Licenses permitting the import of merchandise are issued to exporters based on a ratio of the FOB prices of previous export sales. Imports under these licenses are subject to value limits and customs duties, but need not necessarily be used in production for export.

##### B. Income Tax Deductions Available Under 8 OHHC

Section 8 OHHC of the Finance Act of 1930 provides exporters with an income tax deduction calculated by multiplying the exporters' profits from the sale of goods by the ratio of export sales to total sales.

##### C. Development Assistance (MDA)

The Federation of Indian Export Organizations administers and the Ministry of Commerce approves all MDA grants. The purpose of the program is to provide grants-in-aid to approved organizations (i.e., export houses) to promote the development of markets for Indian goods abroad. Such development projects may include market research, export publicity, and participation in trade fairs and exhibitions.

#### IV. Programs for Which Additional Information is Needed

Based on our analysis of the questionnaire responses, we have determined that additional information is required for the following programs before a determination can be made with respect to whether or not they confer subsidies.

##### A. Import Duty Exemptions Available to 100 Percent Export-Oriented Units (EOU)

Designated status as an EOU permits an exporter to import raw materials as well as machinery and equipment duty-free. These imported materials must be entirely incorporated into the exported product. The responses indicate that UMIL may have benefited from its status as an EOU through (1) the domestic sale of final products for which inputs were imported duty-free, (2) the

duty-free importation of certain inputs that were not physically incorporated into exported merchandise, or (3) the duty-free importation of machinery and equipment during the review period. We have preliminarily determined that additional information on this program is needed.

#### **B. Sick Industrial Companies Act**

The responses describe assistance available under the Sick Industrial Companies Act, enacted in January 1986. Although this program was not included in the petition or our initiation, the responses explain that it can provide a rehabilitation package to companies designated as "sick or potentially sick" by the Board for Industrial and Financial Reconstruction. The EEPC response states BWR was designated a sick company in July 1988 and provides a copy of the rehabilitation package created for it. Although the narrative portion of the questionnaire response states that this program is not specific within the meaning of section 771(5)(A) of the Act, the law establishing the program states that assistance is limited to "scheduled" industries. Therefore, we will solicit further information concerning the specificity of assistance provided under the Sick Industrial Companies Act.

#### **C. Use of An Additional License**

In its response, UMIL indicated that it used one Additional License during the review period for imports used in the manufacture of subject and non-subject merchandise sold in the domestic and export markets. The details regarding these licenses are identical to those described in the "Sale of An Additional License" section of this notice. Because we lack specific information regarding the administration and value of these licenses, we have preliminarily determined that additional information on this license is needed.

#### **Verification**

In accordance with section 776(b) of the Act, we will verify the information used in making our final determination.

#### **Suspension of Liquidation**

In accordance with section 703(d) of the Act, we are directing the U.S. Customs Service to suspend liquidation on all entries of wire rope from India which are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the Federal Register and to require a cash deposit or bond for each such entry of this merchandise equal to 31.80 percent *ad valorem*. This suspension will remain in effect until further notice.

#### **ITC Notification**

In accordance with section 703(f) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all nonprivileged and nonproprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Deputy Assistant Secretary for Investigations, Import Administration.

If our final determination is affirmative, the ITC will make its final determination within 45 days after the Department makes its final determination.

#### **Public Comment**

In accordance with 19 CFR 355.38 of the Commerce Department's regulations, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on this preliminary determination. Such a hearing will be held at 10 a.m. on Thursday, April 4, 1991, at the U.S. Department of Commerce, room 3708, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Individuals who wish to participate in the hearing must submit a request within ten days of the publication of this notice in the Federal Register to the Assistant Secretary for Import Administration, U.S. Department of Commerce, room B-099, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

Requests should contain: (1) The party's name, address, and telephone number; (2) the number of telephone numbers; (3) the reason for attending; and (4) a list of the issues to be discussed. In addition, ten copies of the business proprietary version and five copies of the nonproprietary version of the case briefs must be submitted to the Assistant Secretary no later than March 25, 1991. Ten copies of the business proprietary version and five copies of the nonproprietary version of the rebuttal briefs must be submitted to the Assistant Secretary no later than March 29, 1991. An interested party may make an affirmative presentation only on arguments included in that party's case brief and may make a rebuttal presentation only on arguments included in that party's rebuttal brief. Written comments should be submitted in accordance with § 355.38 of the Commerce Department's regulations and

will be considered if received within the time limits specified in this notice.

Authority: This determination is published pursuant to sec. 703(f) of the Act (19 U.S.C. 1671b(f)).

Dated: January 29, 1991.

Eric L. Garfinkel,

Assistant Secretary for Import Administration.

[FR Doc. 91-2556 Filed 2-1-91; 8:45 am]

BILLING CODE 3510-02-01

[C-549-906]

#### **Preliminary Negative Countervailing Duty Determination; Steel Wire Rope from Thailand**

**AGENCY:** Import Administration, International Trade Administration, Commerce.

**ACTION:** Notice.

**SUMMARY:** We preliminarily determine that benefits are being provided to manufacturers, producers, or exporters in Thailand of steel wire rope ("wire rope") as described in the "Scope of Investigation" section of this notice. The estimated net bounty or grant is 0.40 percent *ad valorem*. Since this rate is *de minimis*, our preliminary countervailing duty determination is negative.

If this investigation proceeds normally, we will make a final determination on or before April 15, 1991.

**EFFECTIVE DATE:** February 4, 1991.

**FOR FURTHER INFORMATION CONTACT:** Vincent Kane 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) 377-2815 or 377-0167.

#### **SUPPLEMENTARY INFORMATION:**

##### **Preliminary Determination**

Based on our investigation, we preliminarily determine that countervailable benefits are being provided to manufacturers, producers, or exporters in Thailand of wire rope. For purposes of this investigation, the following programs are preliminarily found to confer bounties or grants:

- Short-Term Provided under the Export Packing Credits Program
- Tax Certificates for Exports
- Electricity Discount for Exporters

The estimated net bounty or grant is 0.40 percent *ad valorem*. Since the countervailable benefits are *de minimis*, our preliminary countervailing duty determination is negative.

### Case History

Since publication of the Notice of Initiation in the Federal Register (55 FR 50734, December 10, 1990), the following events have occurred. On December 7, 1990, we presented a questionnaire to the Government of Thailand (GOT) in Washington, DC, concerning petitioner's allegations. On January 14, 1991, after granting an extension, we received responses from the GOT and from two respondent companies, Usha Siam Steel Industries Limited (Usha Siam) and Vivat Steel Wire Rope (1979) Company Limited (Vivat). On January 23, 1991, we issued a supplemental/deficiency questionnaire to the GOT and the respondent companies. Responses to the supplemental questionnaire are due no later than February 1, 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 7312.10.00, 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.

### Analysis of Programs

Consistent with our practice in preliminary determinations, when a response to an allegation denies the existence of a program, receipt of benefits under a program, or eligibility of a company or industry under a program, and the Department has no persuasive evidence showing that the response is incorrect, we accept the response for purposes of the preliminary determination. All such responses, however, are subject to verification. If the response cannot be supported at verification, and the program is otherwise countervailable, the program will be considered a bounty or grant in the final determination.

For purposes of this preliminary determination, the period for which we are measuring bounties or grants ("the review period") is calendar year 1989, which corresponds to the fiscal year of the respondent companies. Based upon our analysis of the petition and the responses to our questionnaires, we preliminarily determine the following:

### I. Programs Preliminarily Determined to Confer Bounties or Grants

We preliminarily determine that bounties or grants are being provided to manufacturers, producers, or exporters in Thailand of wire rope under the following programs:

#### A. Short-Term Loans Provided Under the Export Packing Credits Program

Export packing credits (EPCs) are short-term loans used for either pre-shipment or post-shipment financing. Exporters apply to commercial banks for EPCs. The commercial banks, in turn, must submit an application for approval to the Bank of Thailand (BOT). Under the "Regulations Governing the Purchase of Promissory Notes Arising from Exports" (B. E. 2528), effective January 2, 1986, the BOT repurchases promissory notes issued by creditworthy exporters through commercial banks. To qualify for the repurchase arrangement, promissory notes must be supported by a letter of credit, sales contract, purchase order, usance bill or warehouse receipt. The notes are available for up to 180 days, and interest is paid on the due date of the loan rather than the date of receipt.

The BOT charges an interest rate of five percent per annum to commercial banks on repurchased packing credits issued in connection with exports of goods specified in categories one and two of the "Notification of the Board of Investment No. 40/2521." The commercial banks are permitted to charge exporters no more than seven percent per annum for the purchase of such notes.

On the due date of the loan, the BOT debits the commercial bank's account for the principal amount and the interest charged the commercial bank. If the terms of the loan are not met, the BOT charges the commercial bank a penalty, retroactive to the first day of the loan.

Similarly, on the due date of the loan, the commercial bank debits the exporter's account for the principal amount and the maximum of seven percent interest charged the exporter. If the exporter has not met the terms of the loan, the commercial bank passes on the penalty charge over the term of the loan.

The penalty is refunded to the commercial bank by the BOT and by the commercial bank to the exporter, if the company can prove shipment of the goods took place within 60 days after the due date (in the case of pre-shipment loans), or the foreign currency was received within 60 days after the due date (in the case of post-shipment loans). Otherwise, the penalty is not refunded. The purpose of the penalty

charge is to ensure that companies take out EPC loans only to finance actual export sales.

On October 1, 1988, the GOT issued new regulations that coexisted with the prior regulations until December 31, 1988. On January 1, 1989, the new regulations completely replaced the former ones. Until January 1, 1989, exporters could still receive EPC loans under the terms of the program described above. Under the new regulations, the maximum rate commercial banks can charge exporters was raised from seven to ten percent. In addition, the BOT now rediscounts only up to 50 percent of the loan amount, whereas under the previous program the BOT could rediscount the full value of the loan.

According to the responses, Usha Siam received EPC loans on which interest was paid during the review period. Because only exporters are eligible for these loans, we determine that they are countervailable to the extent that they are provided at preferential rates.

As the benchmark for short-term loans, it is our practice to use the predominant form of short-term financing or a national weighted-average commercial interest rate. In the absence of a predominant form of short-term financing in the Thai economy, we are using the weighted-average interest rate charged by commercial banks on domestic loans, bills and overdrafts during 1989, and, where loans were issued in 1988, the weighted-average interest rate of the same composition for 1988. This is the benchmark that we have applied in all previous Thai cases, most recently in *Final Affirmative Countervailing Duty Determination and Countervailing Duty Order: Butt-Weld Pipe Fittings from Thailand* (55 FR 1695, January 18, 1990) (*Pipe Fittings*).

Comparing the weighted-average interest rates for 1988 and 1989, as reported in the GOT response, to the rate charged on EPCs, as reported in the company responses, we find that the rate on EPCs is preferential and, therefore, confers a bounty or grant on exports of wire rope. According to the responses, only Usha Siam received benefits under this program during the review period.

To calculate the benefit from the EPC loans on which interest was paid during the review period, we followed the short-term loan methodology which has been applied consistently in our past determinations (see, for example, *Pipe Fittings*; and *Final Affirmative Countervailing Duty Determination and Countervailing Duty Order: Ceramic*



*Tile from Mexico* (53 FR 15290, April 28, 1988) and which is described in more detail under § 355.44(b)(3) of "Countervailing Duty Notice of Proposed Rulemaking and Request for Public Comment" (54 FR 23366, May 31, 1989); see also, *Alhambra Foundry versus United States*, 628 F. Supp. 402 (CIT, 1985).

We compared the amount of interest actually paid during the review period to the amount that would have been paid at the benchmark rate. Because the responses specified which EPC loans were tied to exports to the United States, we calculated the amount of interest that Usha Siam would have been paid on such loans at the benchmark rate and subtracted the amount of interest that the company actually paid. We then weighted the benefits received by Usha Siam by its share of exports to the United States. On this basis we preliminarily determined the net subsidy from this program to be 0.074 percent *ad valorem* for all manufacturers and exporters in Thailand of wire rope.

#### B. Tax Certificates for Exports

The GOT issues to exporters tax certificates which are freely transferable and which constitute a rebate of indirect taxes and import duties on inputs used to produce exports. This rebate program is provided for in the "Tax and Duty Compensation of Exported Goods Produced in the Kingdom Act" (Tax and Duty Act). The rebate rates under the Tax and Duty Act are computed on the basis of an Input/Output (I/O) study published in 1980, based on 1975 data, and updated in 1985 using 1980 data.

Using the I/O study, the Thai Ministry of Finance computes the value of total inputs (both imports and local purchases) used in a discrete range of sector-specific products at ex-factory prices. It also calculates the import duties and indirect taxes on each input. The Ministry then calculates two rebate rates. The "A" rate includes both import duties and indirect taxes. The "B" rate includes only indirect domestic taxes. The "B" rate is claimed when firms participate in Thailand's customs duty drawback program or duty exemption program on imported raw materials, or when firms do not use imported materials in their production process. New rebate rates, announced on February 5, 1986, were computed using the study published in 1985. Since 1986, the "A" rate applicable to exports of wire rope has been 7.19 percent and the "B" rate has been 0.59 percent. The "A" or "B" rate, as appropriate, is then applied to the FOB value of the export to

determine the amount of rebate that will be provided.

Under the Tax and Duty Act, the rebates are paid to companies through tax certificates which can be used to pay various tax liabilities. These tax certificates can also be transferred to other companies which can use them to pay their tax liabilities.

According to the responses, both Usha Siam and Vivat received tax certificates during the review period at the "B" rate.

To determine whether an indirect tax rebate system confers an overrebate and, therefore, a bounty or grant, we must apply the following analysis. (See, for example, *Preliminary Affirmative Countervailing Duty Determination: Textile Mill Products and Apparel from Indonesia*, 49 FR 49672 (December 21, 1984).) First, we examine whether the system is intended to operate as a rebate of both indirect taxes and import duties. Next, we analyze whether the government properly ascertained the level of the rebate. This includes a review of a sample from the I/O study used by the Government to quantify the rebate. We analyze the documentation supporting the study to determine the accuracy of the sample on input coefficients, the import prices and rates of duty on imported inputs, the ratio of imported inputs to domestically produced inputs (when, for a given imported input, there is also domestic production of the input), and the exchange rates used to convert import prices denominated in a foreign currency to the local currency. Finally, we review whether the rebate schedules are revised periodically in order to determine whether the rebate amount reasonably reflects the amount of duty and indirect taxes paid.

When the study upon which the indirect tax and import duty rebate system is based is shown to bear a reasonable relation to the actual indirect tax incidence, the Department will consider that the system does not confer a bounty or grant unless the fixed amount set forth in the rebate schedule for the exported product exceeds the amount of duties and indirect taxes paid on physically incorporated inputs. When the system rebates duties and indirect taxes on both physically incorporated and non-physically incorporated inputs, we find a bounty or grant exists to the extent that the fixed rebate remits duties and indirect taxes on non-physically incorporated inputs.

In the *Final Affirmative Countervailing Duty Determination and Countervailing Duty Order: Certain Apparel from Thailand* (50 FR 9818, 9820, March 12, 1985), we examined

Thailand's rebate system under the Tax and Duty Act. We found that the program was intended to rebate indirect taxes and import duties and that the rebate rates had been reasonably calculated. However, to the extent that the program rebates indirect taxes and import duties on non-physically incorporated inputs, we found that the remissions are excessive. In subsequent investigations involving products from Thailand, the most recent of which was *Pipe Fittings*, we undertook the analysis described above and reiterated that export tax certificate rebates are countervailable only to the extent that the remissions are excessive. In the present investigation, we will verify whether rebates under this program continue to reasonably reflect the incidence of indirect taxes and import duties on inputs.

For purposes of our preliminary determination, to determine whether, and the extent to which, the tax certificates confer an excessive remission of indirect taxes, we calculated the indirect taxes paid on physically incorporated inputs according to the most recent I/O table. We divided the tax incidence on all items physically incorporated into all products classified in the other fabricated metal products sector by the FOB-adjusted value of all domestically produced finished goods in the secondary steel sector. We then compared the authorized rebate rate of 0.59 percent, which is based on both physically and non-physically incorporated inputs, to the allowable rebate rate and found that there is an excessive remission of indirect taxes to exporters of wire rope. The difference between the two rebate rates equals the net overrebate. On this basis, we calculated an estimated net bounty or grant of 0.15 percent *ad valorem*.

#### C. Electricity Discounts for Exporters

The Electricity Generating Authority of Thailand, the Metropolitan Electricity Authority, and the Provincial Electricity Authority provide discounts on electricity rates charged to producers of export products. According to the responses, this program provides discounts of 20 percent of the cost of electricity consumed to produce exports. Any producer that consumes electricity in manufacturing products that are eligible to receive tax certificates for exports is eligible for the electricity discount. Once a producer has qualified for the electricity discount and has completed an export transaction involving eligible products, it may apply to the electricity authority from which it



receives its electricity bill. The authority then calculates the amount of the discount and credits a deduction on a subsequent electricity bill. According to the responses, Usha Siam received benefits under this program during the review period.

Since these benefits were contingent on export, we divided the total amount of the discounts received by Usha Siam by that company's total exports. We then weighed the benefit received by Usha Siam by its share of exports of the subject merchandise to the United States. On this basis we preliminarily determined the net subsidy from this program to be 0.171 percent *ad valorem* for all manufacturers and exporters in Thailand of wire rope.

According to the responses, effective January 1, 1990, the GOT eliminated entirely the electricity rebate for exporters. The law terminating the program was issued on January 18, 1990.

## II. Programs Preliminarily Determined Not To Be Used

We preliminarily determine that the following programs were not used by manufacturers, producers, or exporters in Thailand of wire rope during the review period:

### A. Tax and Duty Exemptions Under Section 28 of the Investment Promotion Act

The Investment Promotion Act (IPA) of 1977 provides incentives for investment to promote development of the Thai economy. Administered by the Board of Investment, the IPA authorizes, among other incentives, the exemption from import duties and certain taxes with respect to qualifying projects. Section 28 provides for exemption from payment of import duties and business taxes on machinery.

### B. Rediscount of Industrial Bills

The BOT authorizes rediscounts for short-term promissory notes arising from industrial activity. The BOT's "Regulations Governing the Rediscount of Promissory Notes Arising from Industrial Undertakings" permit commercial banks to rediscount short-term promissory notes for industrial purchases. Commercial banks may charge their industrial customers a maximum of seven percent per annum, while the rate charged to commercial banks by the BOT is five percent per annum.

### C. International Trade Promotion Fund

This fund is used to finance export promotion activities, such as marketing research and trade fairs.

### D. Export Processing Zones

Under the Industrial Estates Authority of Thailand Act, firms located in designated export processing zones and industrial estates receive tax and import duty exemptions on: (1) Machinery used for factory construction and operation; (2) goods imported for use in the production of exports; (3) items produced for export; and (4) items imported for re-export.

### E. Additional Incentives Under the IPA

- Section 31 of the IPA provides a three-to-eight year exemption from payment of corporate income tax on profits derived from promoted activities, as well as deductions from net profits for losses incurred during the tax exemption period.

- Section 33 of the IPA provides a five-year tax exemption for goodwill and royalty payments.

- Section 34 provides an additional deduction from taxable income for dividends paid on promoted activities.

- Section 36(1) authorizes exemptions from import duties and business taxes on "raw and necessary materials".

- Section 36(2) provides an exemption from import duties and business taxes on items imported for re-export.

- Section 36(3) provides an exemption from export duties and business taxes on products produced or assembled by promoted firms.

- Section 36(4) provides a deduction from assessable income of an amount equal to five percent of the increased income over the previous year derived from exports.

### Verification

In accordance with section 776(b) of the Act, we will verify the information used in making our final determination.

### Public Comment

In accordance with 19 CFR 355.38 of the Department's regulations, we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on this preliminary determination on April 2, 1991, at 10:30 a.m., at the U.S. Department of Commerce, room 3708, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Individuals who wish to request a hearing must submit such a request within ten days of the publication of this notice in the Federal Register to the Assistant Secretary for Import Administration, U.S. Department of Commerce, room B-099, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

Requests should contain: (1) The party's name, address, and telephone

number; (2) the number of participants; (3) the reason for attending; and (4) a list of the issues to be discussed. In addition, ten copies of the business proprietary version and five copies of the nonproprietary version of case briefs or other written comments must be submitted to the Assistant Secretary no later than March 25, 1991. Ten copies of the business proprietary version and five copies of the nonproprietary version of the rebuttal briefs must be submitted to the Assistant Secretary no later than March 30, 1991. An interested party may make an affirmative presentation only on arguments included in that party's case brief and may make a rebuttal presentation only on arguments included in that party's rebuttal brief. If no hearing is requested, interested parties still may comment on these preliminary results in the form of case and rebuttal briefs. Written arguments should be submitted in accordance with § 355.38 of the Commerce Department's regulations and will be considered if received within the time limits specified in this notice.

Authority: This determination is published pursuant to sec. 703(f) of the Act (19 U.S.C. 1671b(f)).

Dated: January 29, 1991.

Eric I. Garfinkel,  
Assistant Secretary for Import  
Administration.

[FR Doc. 91-2557 Filed 2-1-91; 8:45 am]

SELLING CODE 2510-08-11

determinations only establish estimated margins, which are subject to verification and which almost always change in the final determination. However, in an investigation where the ministerial error results in a change of significant magnitude, we have determined that an amendment of the preliminary determination is appropriate. Therefore, the Department hereby amends its preliminary determination to correct for the ministerial error involved. This correction changes the estimated margins for UMIL, BWR and the "All Others Rate" as indicated below.

In order to ensure consistency, the Department intends to implement regulations governing the amendment of preliminary determinations in antidumping and countervailing duty investigations. The Department does not intend to alter its practice with regard to preliminary results in administrative reviews.

Therefore, in accordance with section 703(d)(2) of the Tariff Act of 1930, as amended, the Department will direct U.S. Customs officers to require a cash deposit or posting of a bond on all entries of steel wire rope from India subject to the suspension of liquidation equal to the following corrected estimated amounts:

Manufacturers/producers/exporters	Margin percentage
Usha Martin Industries Limited .....	14.57
Bombay Wire Ropes, Ltd .....	32.93
All Others .....	32.93

This constitutes an amendment to the preliminary determination with respect to steel wire rope from India.

Dated: February 13, 1991.

Eric I. Garfinkel,

*Assistant Secretary for Import Administration.*

[FR Doc. 91-3962 Filed 2-19-91; 8:45 am]

BILLING CODE 3510-06-01

[C-533-802]

**Amendment to the Preliminary Countervailing Duty Determination; Steel Wire Rope From India**

**AGENCY:** Import Administration, International Trade Administration, Commerce.

**ACTION:** Notice.

**ANALYSIS:** In its preliminary determination, published on February 4, 1991 (56 FR 4259), the U.S. Department of Commerce determined that benefits which constitute subsidies within the meaning of the countervailing duty law are being provided to manufacturers of steel wire rope in India. The Department held a disclosure conference on February 1, 1991. Counsel to respondents filed a submission on February 4, 1991 alleging the Department had made a ministerial error that overstated the benefits bestowed on Usha Martin Industries Ltd. (UMIL) under the International Price Reimbursement Scheme (IPRS). The Department has received no comments from petitioner contesting this. After reviewing respondents' comments, we agree that we made a ministerial error and that this error significantly affected UMIL's preliminary margin and changed the "All Other" rate.

It is not standard Departmental practice to amend preliminary determinations since these

1671d(b)) (the act) to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from India of steel wire rope<sup>1</sup> that have been found by the Department of Commerce, in a preliminary determination, to be subsidized by the Government of India.

Pursuant to a request from petitioner under section 705(a)(1) of the act (19 U.S.C. 1671d(a)(1)), Commerce has extended the date for its final determination to coincide with that to be made in the ongoing antidumping investigation on steel wire rope from India. Accordingly, the Commission will not establish a schedule for the conduct of the countervailing duty investigation until Commerce makes a preliminary determination in the antidumping investigation (currently scheduled for April 15, 1991).

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

**EFFECTIVE DATE:** February 4, 1991.

**FOR FURTHER INFORMATION CONTACT:** George Deyman (202-252-1197), 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.**—This investigation is being instituted as a result of an affirmative preliminary determination by the Department of Commerce that certain benefits which constitute subsidies within the meaning of section 703 of the act (19 U.S.C. 1671b) are being provided to manufacturers, producers, or exporters in India of steel wire rope.

<sup>1</sup> The imported steel wire rope covered by this investigation 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 7312.10.00 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)).

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[Investigation No. 701-TA-305 (Final)]

**Steel Wire Rope From India; Institution of Final Countervailing Duty Investigation**

**AGENCY:** International Trade Commission.

**ACTION:** Institution of final countervailing duty investigation.

**SUMMARY:** The Commission hereby gives notice of the institution of final countervailing duty investigation No. 701-TA-305 (Final) under section 705(b) of the Tariff Act of 1930 (19 U.S.C.

The investigation was requested in a petition filed on November 5, 1990, by The Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers. In response to that petition the Commission conducted a preliminary countervailing duty investigation and, on the basis of information developed during the course of that investigation, determined that there was a reasonable indication that an industry in the United States was materially injured by reason of imports of the subject merchandise (56 FR 286, January 3, 1991).

**Participation in the investigation.**—Persons wishing to participate in this investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules (19 CFR 201.11), not later than twenty-one (21) days after the publication of this notice in the Federal Register. Any entry of appearance filed after this date will be referred to the Chairman, who 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 this investigation 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 investigation must be served on all other parties to the investigation (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 this final investigation to authorized applicants under a protective order, provided that the application be made not later than twenty-one (21) 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.

**Authority:** This investigation is being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.20 of the Commission's rules (19 CFR 207.20).

By order of the Commission.

Issued: February 21, 1991.

Kenneth R. Mason,

Secretary.

[FR Doc. 91-4591 Filed 2-26-91; 8:45 am]

SELLING CODE 7030-00-01

**International Trade Administration**  
**[C-533-802, C-549-806]**

**Alignment of the Final Countervailing  
 Duty Determinations on Steel Wire  
 Rope from India and Thailand with the  
 Final Antidumping Duty  
 Determinations on Steel Wire Rope  
 from India and Thailand**

**AGENCY:** International Trade  
 Administration, Import Administration,  
 Department of Commerce.  
**ACTION:** Notice.

**SUMMARY:** This notice informs the public that we are extending the due date for the final determinations in the countervailing duty investigations of steel wire rope from India and Thailand to coincide with the due date for the final determinations in the antidumping duty investigations of steel wire rope from India and Thailand. The final determinations will now be due by July 1, 1991.

**EFFECTIVE DATE:** March 18, 1991.

**FOR FURTHER INFORMATION CONTACT:**  
 Vince Kane or Roy A. Malmrose, Office  
 of Countervailing Investigations, Import  
 Administration, U.S. Department of  
 Commerce, 14th Street and Constitution  
 Avenue, NW., Washington, DC 20230,  
 (202) 377-2815 or 377-5414, respectively.

**SUPPLEMENTARY INFORMATION:** On February 4, 1991, we published a preliminary negative countervailing duty determination pertaining to steel wire rope from Thailand (56 FR 4282) and a preliminary affirmative countervailing duty determination pertaining to steel wire rope from India (56 FR 4259). The notices stated that, if the investigations proceeded normally, we would make our final countervailing duty determinations not later than April 15, 1991.

On February 13, 1991, in accordance with section 705(a)(1) of the Tariff Act of 1930, as amended ("the Act") (19 U.S.C. 1671d(a)(1)), petitioner requested an extension of the due date for the final countervailing duty determinations to correspond to the date of the final antidumping duty determinations on the same product from India and Thailand, which is July 1, 1991.

In accordance with section 705 of the Act, and article 5, paragraph 3, of the Subsidies Code, the Department will direct the U.S. Customs Service to terminate the suspension of liquidation in the countervailing duty investigation of steel wire rope from India on June 4, 1991, which is 120 days from the date of publication of the preliminary determination in the countervailing duty investigation. No cash deposits or bonds for potential countervailing duties will be required for merchandise which enters on or after June 4, 1991. The suspension of liquidation will not be resumed unless and until the Department publishes a countervailing duty order. We will also direct the U.S. Customs Service to hold any entries suspended between February 4, 1991, through June 3, 1991 until the conclusion of these investigations.

**Public Comment**

Because no parties requested a public hearing within ten days of the publication of our preliminary determination pertaining to Thailand, we will not hold a public hearing in this investigation.

On February 14, 1991, respondent in the countervailing duty determination pertaining to India requested a public hearing in accordance with 19 CFR 355.38 of the Commerce Department's regulations. The public hearing for this investigation, previously scheduled for April 4, will now be held at 10 a.m. on Friday, June 7, 1991, at the U.S. Department of Commerce, room 3708, 14th and Constitution Avenue, NW., Washington, DC 20230.

An interested party may submit ten copies of the business proprietary version and five copies of the public version of case briefs in both the

countervailing duty investigations for India and Thailand to the Assistant Secretary for Import Administration by May 28, 1991. Ten copies of the business proprietary version, and five copies of the public version, of rebuttal briefs must be submitted to the Assistant Secretary by June 5, 1991. Written arguments should be submitted in accordance with § 355.38 of the Commerce Department's regulations (19 CFR 355.38) and will be considered only if received within the time limits specified in this notice.

The U.S. International Trade Commission is being advised of this postponement, in accordance with section 705(d) of the Act. Furthermore, this notice is published pursuant to section 705(d) of the Act.

Dated: March 8, 1991.

Marjorie A. Chorlines,  
*Acting Assistant Secretary for Import  
Administration.*

[FR Doc. 91-6390 Filed 3-15-91; 8:45 am]

BILLING CODE 3510-06-M

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[A-201-803]

**Preliminary Determination of Sales at  
Less Than Fair Value: Steel Wire Rope  
from Mexico**

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

**ACTION:** Notice.

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**SUMMARY:** We preliminarily determine that steel wire rope from Mexico is being, or is likely to be, sold in the United States at less than fair value. We have notified the U.S. International Trade Commission (ITC) of our determination and have directed the U.S. Customs Service to suspend liquidation of all entries of steel wire rope from Mexico, as described in the "Suspension of Liquidation" section of this notice. If this investigation proceeds normally, we will make a final determination by July 1, 1991.

**EFFECTIVE DATE:** April 22, 1991.

**FOR FURTHER INFORMATION CONTACT:**  
David J. Goldberger 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) 377-4136 or  
(202) 377-5288, respectively.

**SUPPLEMENTARY INFORMATION:**

**Preliminary Determination**

We preliminarily determine that steel wire rope from Mexico is being, or is likely to be, sold in the United States at

less than fair value, as provided in section 733 of the Tariff Act of 1930, as amended (19 U.S.C. 1673b) (the Act). The estimated margins are shown in the "Suspension of Liquidation" section of this notice.

#### Case History

Since the notice of initiation on December 10, 1990 (55 FR 50732), the following events have occurred:

On December 21, 1990, the Department presented its questionnaire to Grupo Industrial Camesa, S.A. de C.V. (Camesa), which accounts for more than sixty percent of the subject merchandise imports from Mexico. On December 24, 1990, the ITC preliminarily determined that there is a reasonable indication that an industry in the United States is being materially injured by reason of imports of steel wire rope from Mexico (56 FR 286, January 3, 1991).

In January and February, 1991, we received responses to the questionnaire. We issued supplemental deficiency questionnaires following receipt of the questionnaire responses, and received this information prior to the date of this preliminary determination.

On April 4, 1991, Camesa advised us by telephone, and on April 8 in writing, that its home market sales listing contained major errors. Camesa could not correct these errors in time for the data to be used for the preliminary determination. Consequently, we have based our preliminary determination on the best information otherwise available, as described below under "Fair Value Comparisons".

#### Scope of the 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.

#### Period of Investigation

The period of investigation is June 1, 1990 through November 30, 1990.

#### Such or Similar Comparisons

We have determined that all of the steel wire rope covered by the investigation constitute one such or similar category.

#### Fair Value Comparisons

to determine whether sales of steel wire rope from Mexico to the United States were made as less than fair value, we compared the United States price (USP) to the foreign market value (FMV), as specified in the "United States Price" and "Foreign Market Value" sections of this notice. We used best information available as required by section 776(c) of the Act (19 U.S.C. 1677e(c)) because Camesa's questionnaire response contained major errors that Camesa was unable to correct in time for use in the preliminary determination. We determined that the best information available was information submitted by the petitioner, revised to account for contemporaneous price quotes, appropriate currency exchange rates, and value-added tax methodology, as indicated below. We will consider Camesa's questionnaire response for purposes of making our final determination if Camesa remedies the errors in a timely manner and if the information can be verified.

#### United States Price

We based USP on price quotes for particular Camesa products sold in large quantities, as cited in the petition. We used those U.S. price quotes which were most contemporaneous with the home market prices provided. We deducted from the USP foreign inland freight and insurance, U.S. Customs fees and U.S. inland freight, where appropriate, based on information reported by the petitioner. In accordance with section 772(d)(1)(C) of the Act, we added to the USP the amount of Mexican value-added tax which would have been rebated, or not collected, by reason of exportation of the merchandise. We made no other deductions or adjustments to USP.

#### Foreign Market Value

We based FMV on Camesa's home market price list, as contained in the petition, for products identical to, and in the most comparable quantities as, those for which USP quotes were provided. We deducted discounts and inland freight, based on information reported by petitioner. We made a circumstance of sale adjustment for the Mexican value-added tax.

Petitioner converted FMV using the exchange rate effective at the time of the price list issuance. We converted FMV using the exchange rate effective on the date of the U.S. price quotation.

#### Currency Conversion

No certified rates of exchange, as furnished by the Federal Reserve Bank of New York, were available for the

period of investigation. In place of the official certified rates, we used the average monthly exchange rates published by the International Monetary Fund as best information available.

#### Verification

As provided in section 776(b) of the Act (19 U.S.C. 1673e(b)), we will verify all information that we determine is acceptable for use in making our final determination.

#### Suspension of Liquidation

In accordance with section 733(d)(1) of the Act (19 U.S.C. 1673b(d)(1)), we are directing the U.S. Customs Service to suspend liquidation of all entries of steel wire rope from Mexico, as defined in the "Scope of Investigation" section of this notice, that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the *Federal Register*. The U.S. Customs Service shall require a cash deposit or posting of a bond equal to the estimated preliminary dumping margin, as shown below. The suspension of liquidation will remain in effect until further notice. The average dumping margins are as follows:

Manufacturer/Producer/Exporter	Marginal Percentage
Grupo Industrial Camesa, S.A. de C.V.	45.11
All Others	45.11

#### ITC Notification

In accordance with section 733(f) of the Act (19 U.S.C. 1673b(f)), we have notified the ITC of our determination. In addition, we are making available to the ITC all nonprivileged and nonproprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our 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.

If our final determination is affirmative, the ITC will determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry before the later of 120 days after the date of this preliminary determination or 45 days after our final determination.



**Public Comment**

In accordance with 19 CFR 353.38, case briefs or other written comments in at least ten copies must be submitted to the Assistant Secretary no later than June 3, 1991, and rebuttal briefs no later than June 10, 1991. In accordance with 19 CFR 353.38(b), we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. The hearing will be held on June 12, 1991, at 10 a.m. at the U.S. Department of Commerce, room 3708, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Interested parties who wish to participate in the hearing must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, room B-099, within ten days of the publication of this notice in the Federal Register. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; (3) the reasons for attending; and (4) a list of the issues to be discussed. In accordance with 19 CFR 353.38(b), oral presentations will be limited to issues raised in the briefs.

This determination is published pursuant to section 733(f) of the Act (19 U.S.C. 1673b(f)) and 19 CFR 353.15.

Dated: April 15, 1991.

Eric I. Garfinkel,

*Assistant Secretary for Import Administration.*

[FR Doc. 91-9378 Filed 4-19-91; 8:45 am]

BILLING CODE 3510-06-M

[A-570-809]

**Preliminary Determination of Sales at Less Than Fair Value: Steel Wire Rope From the People's Republic of China**

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

**ACTION:** Notice.

**SUMMARY:** We preliminarily determine that steel wire rope from the People's Republic of China (PRC) is being, or is likely to be, sold in the United States at less than fair value. We have notified the U.S. International Trade Commission (ITC) of our determination and have directed the U.S. Customs Service to suspend liquidation of all entries of steel wire rope from the PRC, as described in the "Suspension of Liquidation" section of this notice. If this investigation proceeds normally, we will make a final determination by July 1, 1991.

**EFFECTIVE DATE:** April 22, 1991.

**FOR FURTHER INFORMATION CONTACT:** Louis Apple or Edward Easton, 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 (202) 377-1777, respectively.

**SUPPLEMENTARY INFORMATION:**

**Preliminary Determination**

We preliminarily determine that steel wire rope from the PRC is being, or is likely to be, sold in the United States at less than fair value, as provided in section 733 of the Tariff Act of 1930, as amended (19 U.S.C. 1673b) (the Act). The estimated less-than-fair-value margins are shown in the "Suspension of Liquidation" section of this notice.

**Case History**

Since the notice of initiation was published in the *Federal Register* on December 10, 1990 (55 FR 50730), the following events have taken place:

On December 20, 1990, the ITC determined that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports of steel wire rope from the PRC (USITC Pub. No. 2343, December 1990).

On January 30, 1991, we issued an antidumping questionnaire to the China Chamber of Commerce of Importers and Exporters of Metals and Mineral Products and Chemical Products. On January 31, 1991, the Washington, DC Embassy of the PRC informed the Department that the China National Metals and Minerals Import and Export Corporation is the proper organization to respond to the Department's questionnaire.

On February 13, 1991, we received a response to section A of the questionnaire. We received responses to the other sections of the questionnaire on February 27, 1991, March 12, 1991, April 1, 1991, and April 10, 1991.

We issued a deficiency letter on March 27, 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, 7312.10.90.30, 7312.10.90.60 and 7312.10.90.90. HTS subheadings are provided for

convenience and customs purposes. The written description remains dispositive.

**Period of Investigation**

The period of investigation is June 1, 1990 through November 30, 1990.

**Fair Value Comparisons**

To determine whether sales of steel wire rope from the PRC to the United States were made at less than fair value, we compared the United States price (USP) to the foreign market value (FMV), as specified in the "United States" and "Foreign Market Value" sections of this notice.

**United States Price**

In calculating USP, the Department used purchase price, as defined in section 772 of the Act, because the steel wire rope was sold to unrelated purchasers in the United States prior to importation into the United States. Purchase price was based on the C&F or CIF, packed price to unrelated purchasers in the United States. We made deductions for charges incurred for inland freight, ocean freight, and marine insurance.

In accordance with the policy set forth in our final determination in the investigation of carbon steel wire rod from Poland (49 FR 29434, July 20, 1984), we based the deduction for inland freight on freight rates in market economy countries.

Since the goods exported from China to the United States were, for the most part, transported aboard market-economy carriers, we based the deduction for ocean freight on the charges reported by the exporter. At this time, we do not have enough information to distinguish the shipments made on non-market economy carriers.

**Foreign Market Value**

In past cases (e.g., Tapered Roller Bearings from the People's Republic of China: Final Determination of Sales at Less than Fair Value, 52 FR 19748 (May 27, 1987)), the Department has treated the PRC as a nonmarket economy country. The exporter of steel wire rope from the PRC is stated-owned and has not contested non-market economy treatment. The Department, therefore, will continue to treat the PRC as a nonmarket economy country for the purposes of this investigation.

Accordingly, section 773(c) of the Act, as amended by the Omnibus Trade and Competitiveness Act of 1988 ("1988 Act"), requires the Department to determine foreign market value on the basis of the market valuation of the

factors of production utilized in producing the subject merchandise.

The 1988 Act further requires the Department to value the factors of production, to the extent possible, in one or more market economy countries that are at a level of economic development comparable to that of the NME and that are significant producers of comparable merchandise.

Of countries known to produce steel wire rope, we have determined that India, Pakistan, Indonesia and the Philippines are comparable to the PRC in terms of per capita GNP, the national distribution of labor, and growth rate in per capita GNP. We calculated FMV based on factors of production reported by the Chinese producers—Dalian Steel Wire Rope Factory, Jiang Yin Steel Wire Rope Factory, Nantong Steel Wire Rope Factory, Wuxian No. 2 Steel Wire Rope Factory, and Zhang Jainguang Steel Wire Rope Factory. We used actual prices paid by PRC manufacturers for inputs imported from market economy countries as well as information regarding values of various factors of production from Pakistan and Indonesia.

Although we chose India as the most comparable surrogate on the basis of per capita GNP, the national distribution of labor, and the growth rate in per capita GNP, there was far more publicly available information from Pakistan.

For those factors for which no Pakistani price was available, we assigned values based on data from Indonesia, the only other country for which the Department has adequate publicly available data. Where appropriate, the factor values were inflated to POI levels using wholesale price indices published by the International Monetary fund.

The components required to produce steel wire rope were reduced to a factor representing the quantity needed to manufacture one metric ton of steel wire rope. This factor was multiplied by the value for each component material. We then added amounts for labor and energy costs. To the resulting sum, we added an amount for factory overhead based on information relayed by our embassy in Pakistan. We then added a statutory minimum amount of 10 percent for general expenses and the experience of Pakistani producers for profit. Finally, we added an amount for packing costs from data supplied by the U.S. Embassy in Indonesia to arrive at a constructed foreign market value for a metric ton of steel wire rope. We then compared this value to the U.S. price for a metric ton of steel wire rope. We made currency conversions in accordance with 19 CFR 353.60(a).

The Department invites comments as to the desirability of relying on published, publicly available sources for information to value factors of production in cases involving non-market economy countries. In particular, we would like parties to address the possible trade-off between the "precision" that can sometimes be obtained through gathering information directly from surrogate producers and the predictability that could be gained through reliance on published, publicly available data.

#### Verification

As provided in section 776(a) of the Act, we will verify all information used in reaching our final determination.

#### Suspension of Liquidation

In accordance with section 773(d) of the Act, we are directing the United States Customs Service to suspend liquidation of all entries of steel wire rope from the PRC that are entered, or withdrawn from warehouse, for consumption, on or after the date of publication of this notice in the *Federal Register*. The United States Customs Service shall require a cash deposit or the posting of a bond equal to the estimated weighted-average amount by which the foreign market value of the merchandise subject to this investigation exceeds the United States price as shown in the table below. This suspension of liquidation will remain in effect until further notice.

Manufacturer/Producer/Exporter	Weighted-Average Margin Percentage
All Manufacturers, Producers, and Exporters	24.44

#### ITC Notification

In accordance with section 773(f) of the Act, we have notified the ITC of our determination and findings. In addition, we are making available to the ITC all nonprivileged and nonproprietary information relating to these investigations. We will allow the ITC access to all privileged and business proprietary information in our 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. If our final determination is affirmative, the ITC will determine whether these imports are materially injuring, or threatening

material injury to the U.S. industry before the later of 120 days after the date of these preliminary determinations or 45 days after our final determinations.

#### Public Comment

In accordance with 19 CFR 353.38, case briefs or other written comments in at least ten copies must be submitted to the Assistant Secretary no later than June 5, 1991, and rebuttal briefs no later than June 12, 1991. In accordance with 19 CFR 353.38(b), we will hold a public hearing, if requested to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. The hearing will be held at 10 a.m. on June 13, 1991, at the U.S. Department of Commerce, room 3708, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Interested parties who wish to participate in the hearing must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, room B-099 within 10 days of the publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; (3) the reasons for attending; and (4) a list of the issues to be discussed. In accordance with 19 CFR 353.38(b), oral presentations will be limited to issues raised in the briefs.

This determination is published pursuant to section 773(f) of the Act (19 U.S.C. 1673(b)(f)) and 19 CFR 353.15.

Dated: April 15, 1991.

Eric I. Garfinkel,  
Assistant Secretary for Import  
Administration.

[FR Doc. 91-8379 Filed 4-19-91; 8:45 am]

BILLING CODE 3510-06-M

[A-357-805]

#### Preliminary Determination of Sales at Less Than Fair Value: Steel Wire Rope From Argentina

**AGENCY:** Import Administration,  
International Trade Administration,  
Commerce.

**ACTION:** Notice.

**SUMMARY:** We preliminarily determine that steel wire rope from Argentina is being, or is likely to be, sold in the United States at less than fair value. We have notified the U.S. International Trade Commission (ITC) of our determination and have directed the U.S. Customs Service to suspend liquidation of all entries of steel wire rope from Argentina, as described in the "Suspension of Liquidation" section of

this notice. If this investigation proceeds normally, we will make a final determination by July 1, 1991.

**EFFECTIVE DATE:** April 22, 1991.

**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 (202) 377-5288, respectively.

#### Preliminary Determination

We preliminarily determine that steel wire rope from Argentina is being, or is likely to be, sold in the United States at less than fair value, as provided in section 733 of the Tariff Act of 1930, as amended (19 U.S.C. 1673b) (the Act). The estimated margins are shown in the "Suspension of Liquidation" section of this notice.

#### Case History

Since the notice of initiation on December 10, 1990 (55 FR 50728), the following events have occurred:

On December 21, 1990, the Department presented its questionnaire to Acindar Industria Argentina de Aceros, S.A. (Acindar), which accounts for more than sixty percent of the subject merchandise imports from Mexico. On December 24, 1990, the ITC preliminarily determined that there is a reasonable indication that an industry in the United States is being materially injured by reason of imports of steel wire rope from Argentina (56 FR 236, January 3, 1991).

On January 16, 1991, we were informed by Acindar's counsel that Acindar would not be responding to the Department's questionnaire.

#### Scope of the 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.

#### Period of Investigation

The period of investigation is June 1, 1990 through November 30, 1990.

#### Fair Value Comparisons

Acindar did not respond to the Department's questionnaire, therefore, our preliminary results are based on the best information available. For use as the best information available, we compared the United States price to the foreign market value, as reported in the petition, and specified below in the "United States Price" and "Foreign Market Value" sections of this notice.

#### United States Price

As best information available we used petitioner's estimate of United States price for steel wire rope which is based on an actual price quote from mid-October 1990. This price was adjusted for U.S. movement charges and distributor mark-up.

#### Foreign Market Value

As best information available we used petitioner's estimate of foreign market value which is based on a February 1990 price list (f.o.b. Acindar's factory) for sales of steel wire rope. Petitioner adjusted for physical differences in the merchandise.

#### Currency Conversion

In accordance with 19 CFR 353.60, we converted foreign currency into the equivalent amount of United States currency using the official exchange rates in effect on the appropriate dates.

#### Verification

Since Acindar did not furnish a response to the Department's questionnaire, we will not conduct a verification.

#### Suspension of Liquidation

In accordance with section 733(d)(1) of the Act, we are directing the U.S. Customs Service to suspend liquidation of all entries of steel wire rope from Argentina, as defined in the "Scope of Investigation" section of this notice, that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the Federal Register. The U.S. Customs Service shall require a cash deposit or posting of a bond equal to the estimated preliminary dumping margin, as shown below. The suspension of liquidation will remain in effect until further notice. The dumping margins are as follows:

Manufacturer/producer/exporter				Margin percentage
Acindar	Industria	Argentina	de	100.00
Aceros, S.A.				
All others				100.00

#### ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our determination. In addition, we are making available to the ITC all nonprivileged and nonproprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our 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.

If our final determination is affirmative, the ITC will determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry before the later of 120 days after the date of this preliminary determination or 45 days after our final determination.

#### Public Comment

In accordance with 19 CFR 353.38, case briefs or other written comments in at least ten copies must be submitted to the Assistant Secretary for Imports Administration no later than June 3, 1991, and rebuttal briefs no later than June 10, 1991. In accordance with 19 CFR 353.38(b), we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case of rebuttal briefs. The hearing will be held on June 12, 1991, at 2 p.m. at the U.S. Department of Commerce, room 3708, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Interested parties who wish to participate in the hearing must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, room B-099, within ten days of the publication of this notice in the Federal Register. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; (3) the reasons for attending; and (4) a list of the issues to be discussed. In accordance with 19 CFR 353.38(b), oral presentations will be limited to issues raised in the briefs.

This determination is published pursuant to section 733(f) of the Act (19 U.S.C. 1673b(f)) and 19 CFR 353.15.

Dated: April 15, 1991.

Eric I. Garfinkel,

Assistant Secretary for Import Administration.

[FR Doc. 91-9380 Filed 4-19-91; 8:45 am]

BILLING CODE 3510-06-01

[A-533-801]

**Preliminary Determination of Sales at Less Than Fair Value: Steel Wire Rope from India**

**AGENCY:** Import Administration, International Trade Administration, Commerce.

**ACTION:** Notice.

**SUMMARY:** We preliminarily determine that 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 have notified the U.S. International Trade Commission (ITC) of our determination and have directed the U.S. Customs Service to suspend liquidation of all entries of steel wire rope from India, as described in the "Suspension of Liquidation" section of this notice. If this investigation proceeds normally, we will make a final determination by July 1, 1991.

**EFFECTIVE DATE:** April 22, 1991.

**FOR FURTHER INFORMATION CONTACT:** Tracey Oakes 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) 377-3174 or 377-1769, respectively.

**SUPPLEMENTARY INFORMATION:****Preliminary Determination**

We preliminarily determine that imports of steel wire rope from India are being, or are likely to be, sold in the United States at less than fair value, as provided in section 733 of the Tariff Act of 1930, as amended (19 U.S.C. 1673b) (the Act). The estimated margins are shown in the "Suspension of Liquidation" section of this notice.

**Case History**

Since publication of the notice of initiation on December 10, 1990 (55 FR 50731), the following events have occurred. On January 3, 1991, the ITC published its determination 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 (56 FR 286).

On January 18, 1991, the Department presented questionnaires to Usha Martin Industries Ltd. (Usha Martin), and Bombay Wire Rope Ltd. (BWR). These two manufacturers together are believed to account for approximately 51 percent of all exports of the subject merchandise to the United States during the period of investigation (POI).

On February 11, 1991, respondents submitted responses to section A of the

questionnaire. On March 4, 1991, respondents submitted responses to sections B and C of the Department's questionnaire. The Department issued deficiency questionnaires for sections A, B, and C to each respondent on March 28, 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. The HTS subheadings are provided for convenience and customs purposes. The written description remains dispositive.

**Period of Investigation**

The period of investigation is June 1, 1990, through November 30, 1990.

**Such or Similar Comparisons**

We have determined that all of the steel wire rope covered by the investigation constitutes one such or similar category. Product comparisons were made on the basis of the following criteria: (1) Type of steel wire; (2) diameter; (3) core type; and (4) class/construction.

**Fair Value Comparisons**

To determine whether sales of steel wire rope from India to the United States were made at less than fair value, we compared the United States price (USP) to the foreign market value (FMV), as specified in the "United States Price" and "Foreign Market Value" sections of this notice. For certain comparisons, we also used the best information available as required by section 778(c) (19 U.S.C. 1677e(c)) of the Act, as explained below in the "Best Information Available" section. We will further consider any information provided prior to verification for purposes of making our final determination provided that all identified deficiencies are remedied and if the information can be verified.

**Best Information Available**

For comparison with its sales of stainless steel wire rope to the United States, Usha Martin provided constructed value information as the basis for FMV. In so doing, Usha Martin failed to inform the Department beforehand of its belief that the use of constructed value was appropriate.

Moreover, Usha Martin did not provide data concerning any physical differences in the merchandise sold in the United States and the merchandise sold in the home market which might justify its decision to provide constructed value data as the basis for FMV.

The Department evaluated the constructed value data submitted by Usha Martin and found it to be incomplete. As a result, we did not use this information for purposes of the preliminary determination, and instead resorted to the best information available. As best information available, the Department applied the highest margin calculated for an individual transaction by Usha Martin. We have provided Usha Martin with a deficiency letter for the constructed value information. We may use this information if Usha Martin remedies the errors in a timely manner.

**United States Price**

For each company, we based the United States price on purchase price, in accordance with section 772(b) of the Act (19 U.S.C. 1677a(b)), because all sales were made directly to unrelated parties prior to importation into the United States.

For Usha Martin, we calculated purchase price based on packed c.i.f. and f.o.b. prices to unrelated customers in the United States. We made deductions, where appropriate, for foreign inland freight, foreign insurance, foreign brokerage, discounts and ocean freight. We also made additions, where appropriate, for rebates of indirect taxes, indirect taxes not collected on export sales and duty drawback.

For Bombay Wire Rope, we calculated purchase prices based on packed, f.o.b. and c.i.f. price to unrelated customers in the United States. We made deductions, where appropriate, for foreign inland freight, foreign brokerage, ocean freight and marine insurance. We made additions, where appropriate, for rebates of indirect taxes and indirect taxes not collected on export sales.

**Foreign Market Value**

In order to determine whether there were sufficient sales of steel wire rope in the home market to serve as the basis for calculating FMV, we compared the volume of home market sales to the volume of third country sales, in accordance with section 773(a)(1) of the Act (19 U.S.C. 1677b(a)(1)(B)). For each respondent, the volume of home market sales exceeded five percent of the aggregate volume of third country sales.

For Usha Martin, we calculated FMV based on ex-godown prices to unrelated purchasers in the home market. We made deductions, where appropriate, for inland freight, insurance, and cash discounts. Because all comparisons involved purchase price sales, we made circumstance of sale adjustments, where appropriate, for credit and indirect taxes not collected on export sales. We also adjusted for physical differences in merchandise.

For Bombay Wire Rope, we calculated FMV based on delivered prices to unrelated purchasers in the home market. We made deductions, where appropriate, for inland freight, insurance, cash discounts, and good customer discounts. Because all comparisons involved purchase price sales, we made circumstance of sale adjustments, where appropriate, for credit and indirect taxes not collected on export sales. We also adjusted for physical differences in merchandise.

#### Currency Conversion

We made currency conversions based on the official exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank.

#### Verification

As provided in section 776(b) of the Act (19 U.S.C. 1677e(b)), we will verify all information that we determine is acceptable for use in making our final determination.

#### Suspension of Liquidation

In accordance with section 733(d)(1) of the Act (19 U.S.C. 1673b(d)(1)), we are directing the U.S. Customs Service to suspend liquidation of all entries of steel wire rope from India, as defined in the "Scope of Investigation" section of this notice, that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the Federal Register. The U.S. Customs Service shall require a cash deposit or posting of a bond equal to the estimated preliminary dumping margin, as shown below. The suspension of liquidation will remain in effect until further notice. The dumping margins are as follows:

Manufacturer/producer/exporter	Margin percentage
Usha Martin	3.18
Bombay Wire Rope	24.26
All others	17.17

#### ITC Notification

In accordance with section 733(f) of the Act (19 U.S.C. 1673b(f)), we have

notified the ITC of our determination. In addition, we are making available to the ITC all nonprivileged and nonproprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our 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.

If our final determination is affirmative, the ITC will determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry before the later of 120 days after the date of this preliminary determination or 45 days after our final determination.

#### Public Comment

In accordance with 19 CFR 353.38, case briefs or other written comments in at least ten copies must be submitted to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room B-099, 14th Street and Constitution Avenue, NW., Washington, DC 20230 no later than May 31, 1991, and rebuttal briefs no later than June 7, 1991. In accordance with 19 CFR 353.38(b), we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. The hearing will be held at 1 p.m. on June 11, 1991 at the U.S. Department of Commerce, Room 3708, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Interested parties who wish to participate in the hearing must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room B-099 within 10 days of the publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; (3) the reasons for attending; and (4) a list of the issues to be discussed. In accordance with 19 CFR 353.38(b), oral presentations will be limited to arguments raised in the briefs.

This determination is published pursuant to section 733(f) of the Act (19 U.S.C. 1673b(f)) and 19 CFR 353.15.

Dated: April 15, 1991.

Eric I. Garfinkel,

Assistant Secretary for Import Administration.

[FR Doc. 91-8381 Filed 4-19-91; 8:45 am]

BILLING CODE 3510-06-M

[A-549-805]

#### Preliminary Determination of Sales at Less Than Fair Value: Steel Wire Rope From Thailand

AGENCY: Import Administration, International Trade Administration, Commerce.

#### ACTION: Notice.

**SUMMARY:** We preliminarily determine that 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 have notified the U.S. International Trade Commission (ITC) of our determination and have directed the Customs Service to suspend liquidation of all entries of steel wire rope from Thailand, as described in the "Suspension of Liquidation" section of this notice. If this investigation proceeds normally, we will make a final determination by July 1, 1991.

**EFFECTIVE DATE:** April 22, 1991.

**FOR FURTHER INFORMATION CONTACT:** Louis Apple or David C. Smith, 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 (202) 377-3788, respectively.

#### SUPPLEMENTARY INFORMATION:

##### Preliminary Determination

We preliminarily determine that imports of steel wire rope from Thailand are being, or are likely to be, sold in the United States at less than fair value, as provided in section 733 of the Tariff Act of 1930, as amended (19 USC 1673b) (the Act). The estimated margins are shown in the "Suspension of Liquidation" section of this notice.

##### Case History

Since publication of the notice of initiation on December 10, 1990 (55 FR 50734), the following events have occurred. On January 3, 1991, the ITC published its determination that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports from Thailand of steel wire rope (56 FR 286).

On January 24, 1991, the Department presented a questionnaire to Usha Siam Steel Industries, Ltd., ("Usha Siam"). Usha Siam is believed to account for over 60 percent of all Thai exports of the subject merchandise to the United States during the period of investigation (POI).

On February 11, 1991, respondent Usha Siam submitted its response to section A of the questionnaire. On March 4, 1991, respondent submitted its response to sections B and C of the Department's questionnaire. On March 26, 1991, the Department issued a deficiency/supplemental section A, B, and C questionnaire to the respondent.

On March 22, 1991, petitioner alleged that Usha Siam was selling in the home market at prices below cost of production (COP). On April 1, 1991, petitioner filed information supplementing its COP allegation. As petitioner acknowledges, the allegation was not filed "at least 45 days before the scheduled date for the Secretary's determination . . ." pursuant to 19 CFR 353.31(c)(1)(i). However, 19 CFR 353.31(c)(1)(i) also allows the Secretary to alter the time limit when "a relevant response is untimely or incomplete." Because petitioner did not receive respondent's responses until March 13, 1991, we determined that the cost allegation was timely. Based on petitioner's allegations and supplemental submissions, we initiated a COP investigation. On April 11, 1991, we issued a COP questionnaire to Usha Siam.

#### 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. The HTS subheadings are provided for convenience and customs purposes. The written description remains dispositive.

#### Period of Investigation

The period of investigation is June 1, 1990, through November 30, 1990.

#### Such or Similar Comparisons

We have determined that all of the steel wire rope covered by the investigation constitutes one such or similar category.

#### Fair Value Comparisons

To determine whether sales of steel wire rope from Thailand to the United States were made at less than fair value, we compared the United States price (USP) to the foreign market value (FMV), as specified in the "United States Price" and "Foreign Market

Value" sections of this notice. We used best information available as required by section 776(c) of the Act (19 USC 1677e(c)) because respondent's questionnaire response was inadequate. We determined that the best information available was information submitted by the petitioner. We will consider respondent's questionnaire responses for purposes of making our final determination of Usha Siam remedies the errors in a timely manner. Although time constraints precluded any consideration of whether the home market sales of Usha Siam were at prices below COP for purposes of this preliminary determination, we will consider information provided by petitioner and respondents with respect to sales below COP for purposes of making our final determination.

#### United States Price

We based USP on Bureau of the Census data for three categories of steel wire rope. These prices were provided in the petition. We made no other deductions or adjustments to USP.

#### Foreign Market Value

We based FMV on ex-factory prices, also contained in the petition, for merchandise comparable to that for which petitioner provided U.S. prices. We made no deductions or adjustments to FMV.

#### Currency Conversion

We made currency conversions based on the official exchange rates for May, 1990, as certified by the Federal Reserve Bank.

#### Verification

As provided in section 776(b) of the Act (19 USC 1677e(b)), we will verify all information that we determine is acceptable for use in making our final determination.

#### Suspension of Liquidation

In accordance with section 733(d)(1) of the Act (19 USC 1673b(d)(1)), we are directing the Customs Service to suspend liquidation of all entries of steel wire rope and the specified parts thereof from Thailand, as defined in the "Scope of Investigation" section of this notice, that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the Federal Register. The Customs Service shall require a cash deposit or posting of a bond equal to the estimated preliminary dumping margin, as shown below. The suspension of liquidation

will remain in effect until further notice. The dumping margin is as follows:

Manufacturer/producer/exporter	Margin percentage
All companies .....	30.20

#### ITC Notification

In accordance with section 773(f) of the Act (19 USC 1673b(f)), we have notified the ITC of our determination. In addition, we are making available to the ITC all nonprivileged and nonproprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our 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.

If our final determination is affirmative, the ITC will determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry before the later of 120 days after the date of this preliminary determination or 45 days after our final determination.

#### Public Comment

In accordance with 19 CFR 353.38, case briefs or other written comments in at least ten copies must be submitted to the Assistant Secretary no later than June 5, 1991, and rebuttal briefs no later than June 12, 1991. In accordance with 19 CFR 353.38(b), we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. The hearing will be held at 1 p.m. June 14, 1991 at the U.S. Department of Commerce, room 3708, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Interested parties who wish to participate in the hearing must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room B-099 within 10 days of the publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; (3) the reasons for attending; and (4) a list of the issues to be discussed. In accordance with 19 CFR section 353.38(b), oral presentations will be limited to arguments raised in the briefs.



This determination is published pursuant to section 733(f) of the Act (19 USC 1673b(f)) and 19 CFR 353.15(a)(4).

Eric I. Garfinkel,  
Assistant Secretary for Import  
Administration.

[FR Doc. 91-9382 Filed 4-19-91; 8:45 am]

BILLING CODE 3510-08-M

[A-583-811]

**Preliminary Determination of Sales at Less Than Fair Value: Steel Wire Rope from Taiwan**

**AGENCY:** Import Administration, International Trade Administration, Commerce.

**ACTION:** Notice.

**SUMMARY:** We preliminarily determine that 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 have notified the U.S. International Trade Commission (ITC) of our determination and have directed the U.S. Customs Service to suspend liquidation of all entries of steel wire rope from Taiwan, as described in the "Suspension of Liquidation" section of this notice. If this investigation proceeds normally, we will make a final determination by July 1, 1991.

**EFFECTIVE DATE:** April 22, 1991.

**FOR FURTHER INFORMATION CONTACT:** Louis Apple or Erik Warga, 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 (202) 377-8922, respectively.

**SUPPLEMENTARY INFORMATION:**

**Preliminary Determination**

We preliminarily determine that imports of steel wire rope from Taiwan are being, or are likely to be, sold in the United States at less than fair value, as provided in section 733 of the Tariff Act of 1930, as amended (19 U.S.C. 1673b) (the Act). The estimated margins are shown in the "Suspension of Liquidation" section of this notice.

**Case History**

Since publication of the notice of initiation on December 10, 1990 (55 FR 50733), the following events have occurred. On January 3, 1991, the ITC published its determination that there is a reasonable indication that an industry in the United States is threatened with material injury by reason of imports from Taiwan of steel wire rope (56 FR 286).

On January 24, 1991, the Department presented questionnaires to Song Ho Industrial Corporation (Song Ho) and Yng-Chern Fine Wire Ropes Co. (Yng-Chern). On February 12, 1991, the Department presented questionnaires to Sevens Industrial Corporation (Sevens) and Yuan Yang Trading Company (Yuan Yang). These four manufacturers together are believed to account for approximately 80 percent of all exports of the subject merchandise to the United States during the period of investigation (POI).

On March 1, 1991, the four respondents submitted responses to section A of the questionnaire. On March 11, 1991, the four respondents submitted responses to sections B and C of the Department's questionnaire. On March 26, 1991, the Department issued deficiency/supplemental section A, B, and C questionnaires to all four respondents.

On March 22, 1991, petitioner alleged that three of the four respondents—Sevens, Yng-Chern, and Yuan Yang—were selling in the home market at prices below cost of production (COP). On April 1, 1991, petitioner filed information supplementing its three COP allegations. As petitioner acknowledges, the allegations were not filed at least "45 days before the scheduled date for the Secretary's preliminary determination" pursuant to 19 CFR 353.31(c)(1)(i). However, 19 CFR 353.31(c)(1)(i) also allows the Secretary to alter the time limit when "a relevant response is untimely or incomplete." Because petitioner did not receive respondents' responses until March 13, 1991, we determined that the allegations were timely. Based on petitioner's allegations and supplemental submissions, we initiated COP investigations for the three respondents named by petitioner. On April 11, 1991, we issued COP questionnaires to Sevens, Yng-Chern, and Yung Yang.

**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.

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. The HTS subheadings are provided for convenience and customs purposes. The written description remains dispositive.

**Period of Investigation**

The period of investigation is June 1, 1990, through November 30, 1990.

**Such or Similar Comparisons**

We have determined that all of the steel wire rope covered by the investigation constitutes one such or similar category.

**Fair Value Comparisons**

To determine whether sales of steel wire rope from Taiwan to the United States were made at less than fair value, we compared the United States price (USP) to the foreign market value (FMV), as specified in the "United States Price" and "Foreign Market Value" sections of this notice. We used best information available as required by section 776(c) of the Act (19 U.S.C. 1677e(c)) because respondents' questionnaire responses were inadequate. We determined that the best information available was information submitted in the petition. We will consider respondents' questionnaire responses for purposes of making our final determination if respondents remedy the errors in a timely manner. Although time constraints precluded any consideration of whether the home market sales of Sevens, Yng-Chern, and Yuan Yang were at prices below COP for purposes of making our preliminary determination, we will also consider information provided by petitioner and respondents with respect to sales below COP for purposes of making our final determination.

**United States Price**

We based USP on recent CIF price quotations for several different varieties of wire rope. These prices were provided in the petition. We deducted from the unit USP the per-unit charge reported by petitioner for international freight and insurance. We made no other deductions or adjustments to USP.

**Foreign Market Value**

We based FMV on recent FOB price quotations, also contained in the petition, for merchandise comparable to that for which petitioner provided U.S. prices. We made no deductions or adjustments to FMV. Petitioner converted the prices using the exchange rate effective on the date of the home market price quotation. We converted the prices using the exchange rate effective on the date of the U.S. price quotation.

**Currency Conversion**

We made currency conversions based on the official exchange rates in effect

on the dates of the U.S. sales as certified by the Federal Reserve Bank.

#### Verification

As provided in section 778(b) of the Act (19 U.S.C. 1677e(b)), we will verify all information that we determine is acceptable for use in making our final determination.

#### Suspension of Liquidation

In accordance with section 733(d)(1) of the Act (19 U.S.C. 1673(d)(1)), we are directing the U.S. Customs Service to suspend liquidation of all entries of steel wire rope and the specified parts thereof from Taiwan, as defined in the "Scope of Investigation" section of this notice, that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the Federal Register. The U.S. Customs Service shall require a cash deposit or posting of a bond equal to the estimated preliminary dumping margin, as shown below. The suspension of liquidation will remain in effect until further notice. The dumping margin is as follows:

Manufacturer/producer/exporter	Margin percentage
All companies	16.07

#### ITC Notification

In accordance with section 733(f) of the Act (19 U.S.C. 1673b(f)), we have notified the ITC of our determination. In addition, we are making available to the ITC all nonprivileged and nonproprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our 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.

If our final determination is affirmative, the ITC will determine whether these imports are materially injuring, or threaten material injury to, the U.S. industry before the later of 120 days after the date of this preliminary determination or 45 days after our final determination.

#### Public Comments

In accordance with 19 CFR 353.38, case briefs or other written comments in at least ten copies must be submitted to the Assistant Secretary no later than June 5, 1991, and rebuttal briefs no later

than June 12, 1991. In accordance with 19 CFR 353.38(b), we will hold a public hearing, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. The hearing will be held at 10 a.m. June 14, 1991, at the U.S. Department of Commerce, Room 3708, 14th Street and Constitution Avenue NW., Washington, DC 20230. Interested parties who wish to participate in the hearing must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, Room B-099 within 10 days of the publication of this notice. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; (3) the reasons for attending; and (4) a list of the issues to be discussed. In accordance with 19 CFR 353.38(b), oral presentations will be limited to arguments raised in the briefs.

This determination is published pursuant to section 733(f) of that Act (19 USC 1673b(f)) and 19 CFR 353.15(a)(4).

Dated: April 15, 1991.

Eric L. Garfinkel,

Assistant Secretary for Import Administration.

[FR Doc. 91-9363 Filed 4-19-91; 8:45 am]

BILLING CODE 3510-00-01



(Investigations Nos. 701-TA-306 (Final) and 731-TA-476 and 478-482 (Final))

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

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

**ACTION:** Institution and scheduling of final antidumping investigations and scheduling of the ongoing countervailing duty investigation.

**SUMMARY:** The Commission hereby gives notice of the institution of final antidumping investigations Nos. 731-TA-476 and 478-482 (Final) under section 735(b) of the Tariff Act of 1930 (19 U.S.C. 1673d(b)) (the act) to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from Argentina, India, Mexico, the People's Republic of China, Taiwan and Thailand of steel wire rope, provided for in subheadings 7312.10.80 and 7312.10.90 of the Harmonized Tariff Schedule of the United States.<sup>1</sup> the Commission also gives notice of the schedule to be followed in these antidumping investigations and the ongoing countervailing duty investigation regarding imports of steel wire rope from India (inv. No. 701-TA-306 (Final)), which the Commission instituted effective February 4, 1991 (56 FR 8217, February 27, 1991). The schedules for the subject investigations will be identical, pursuant to Commerce's alignment of its final subsidy and dumping determinations (56 FR 11406, March 18, 1991).

For further information concerning the conduct of these investigations, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201, as amended by 56 FR 11918, Mar. 21, 1991), and part 207, subparts A and C (19 CFR part 207, as amended by 56 FR 11918, Mar. 21, 1991).

**EFFECTIVE DATE:** April 18, 1991.

**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 persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-252-1610. 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**

The subject antidumping investigations are being instituted as a result of affirmative preliminary determinations by the Department of Commerce that imports of steel wire rope from Argentina, India, Mexico, the People's Republic of China, Taiwan and Thailand are being sold in the United States at less than fair value within the meaning of section 733 of the act (19 U.S.C. 1673b). The Commission instituted the subject countervailing duty investigation on February 4, 1991 (56 FR 8217, February 27, 1991). These investigations were requested in a petition filed on November 5, 1990, by The Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers.

##### **Participation in the Investigations and Public Service List**

Any person have already filed an entry of appearance in the countervailing duty investigation is considered a party in the antidumping investigations. Any other persons wishing to participate in the investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, not later than twenty-one (21) days after publication of this notice in the Federal Register. The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations upon the expiration of the period for filing entries of appearance.

##### **Limited Disclosure of Business Proprietary Information (BPI) Under an Administrative Protective Order (APO) and BPI Service List**

Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in these final investigations available to authorized applicants under the APO issued in the investigations, provided that the application be made not later than twenty-one (21) 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 BPI under the APO.

##### **Staff Report**

The prehearing staff report in these investigations will be placed in the nonpublic record on June 25, 1991, and a public version will be issued thereafter, pursuant to section 207.21 of the Commission's rules.

##### **Hearing**

The Commission will hold a hearing in connection with these investigations beginning at 9:30 a.m. on July 9, 1991, at the U.S. International Trade Commission Building. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before July 1, 1991. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on July 2, 1991, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by §§ 201.6(b)(2), 201.13(f), and 207.23(b) of the Commission's rules.

##### **Written Submissions**

Each party is encouraged to submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of § 207.22 of the Commission's rules; the deadline for filing is July 5, 1991. Parties may also file written testimony in connection with their presentation at the hearing, as provided in § 207.23(b) of the Commission's rules, and posthearing briefs, which must conform with the provisions of § 207.24 of the Commission's rules. The deadline for filing posthearing briefs is July 17, 1991; witness testimony must be filed no later than three (3) days before the hearing. In addition, any person who has not entered an appearance as a party to the investigations may submit a written statement of information pertinent to the subject of the investigations on or before July 17, 1991. All written submissions must conform with the provisions of § 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules.

In accordance with sections 201.16(c) and 207.3 of the rules, each document filed by a party to the investigations must be served on all other parties to the investigations (as identified by either the public or BPI service list), and a certificate of service must be timely

<sup>1</sup> 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 was previously provided for in items 642.14 and 642.16 of the former Tariff Schedules of the United States (TSUS)).

filed. The Secretary will not accept a document for filing without a certificate of service.

**Authority:** These investigations are being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.20 of the Commission's rules.

By order of the Commission.

Issued: April 23, 1991.

**Kenneth R. Mason,**

*Secretary.*

[FR Doc. 91-10259 Filed 4-30-91; 8:45 am]

BILLING CODE 7030-02-M

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**International Trade Administration**

((A-533-801); (A-570-809); (A-583-811); (A-549-805))

**Postponement of Final Antidumping Duty Determinations: Steel Wire Rope From India, the People's Republic of China, Taiwan, and Thailand**

**AGENCY:** Import Administration, International Trade Administration, Commerce.

**ACTION:** Notice.

**SUMMARY:** This notice informs the public that we have received requests from the respondents in each of the above-referenced antidumping duty investigations to postpone the final determinations, as permitted in section 735(a)(2) of the Tariff Act of 1930, as amended (the Act), (19 U.S.C. 1673d(a)(2)). Based on these requests, we are postponing our final determinations as to whether sales of steel wire rope from India, the People's Republic of China (PRC), Taiwan, and Thailand have been made at less than fair value until not later than September 4, 1991.

**EFFECTIVE DATE:** May 10, 1991.

**FOR FURTHER INFORMATION CONTACT:** 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, at (202) 377-1769.

**SUPPLEMENTARY INFORMATION:** In all of the above-referenced proceedings, we received requests from respondents believed to export a significant proportion of the subject merchandise,

that the Department postpone the final determinations until not later than 135 days after the publication date of the preliminary determinations, in accordance with section 735(a)(2) of the Act. The dates that we received the requests are as follows: April 22, 1991. (India); April 23, 1991. (Taiwan and Thailand); April 29, 1991. (PRC). Accordingly, we are postponing the final determinations until not later than September 4, 1991.

In accordance with 19 CFR 353.38, case briefs or other written comments and rebuttal briefs in at least ten copies must, respectively, be submitted to the Assistant Secretary for Import Administration no later than July 18, 1991, and July 25, 1991 (India); July 19, 1991, and July 26, 1991 (PRC); August 1, 1991, and August 8, 1991 (Taiwan); July 31, 1991, and August 7, 1991 (Thailand). In accordance with 19 CFR 353.38(b) of the Department's regulations, we will hold separate public hearings with respect to each investigation, if requested, to afford interested parties an opportunity to comment on arguments raised in case or rebuttal briefs. The dates that the hearings will be held are as follows: July 29, 1991, 10 a.m. (India); July 30, 1991, at 10 a.m. (PRC); August 9, 1991, 2 p.m. (Thailand); August 12, 1991, 10 a.m. (Taiwan). All hearings will take place at the U.S. Department of Commerce, room 3708, 14th Street and Constitution Avenue, NW., Washington, DC 20230. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time. Interested parties who wish to participate in any of the hearings must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, room B-099, within ten days of the publication of this notice in the Federal Register. Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; (3) the reasons for attending; and (4) a list of the issues to be discussed. In accordance with 19 CFR 353.38(b) of the Department's regulations, oral presentations will be limited to issues raised in the briefs.

This notice is published pursuant to section 735(d) of the Act and 19 CFR 353.20(b)(2).

Dated: May 1, 1991.

Eric I. Garfinkel,  
Assistant Secretary for Import  
Administration.

[FR Doc. 91-11319 Filed 5-10-91; 8:45 am]

BILLING CODE 3510-06-01

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[C-533-892, C-545-896]

**Postponement of Final Countervailing  
Duty Determinations: Steel Wire Rope  
From India and Thailand**

**AGENCY:** Import Administration,  
International Trade Administration,  
Commerce.

**ACTION:** Notice.

**SUMMARY:** This notice informs the public that we are postponing the date of the final determinations of the countervailing duty investigations of steel wire rope from India and Thailand to coincide with the date of the final determinations of the companion antidumping duty investigations of steel wire rope. The final determinations in the countervailing duty investigations of steel wire rope from India and Thailand are postponed until no later than September 4, 1991.

**EFFECTIVE DATE:** June 12, 1991.

**FOR FURTHER INFORMATION CONTACT:** Roy A. Malmrose or Vince Kane, Office of Countervailing Investigations, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Pennsylvania Avenue, NW., Washington, DC 20230, at (202) 377-5414 or (202) 377-2815, respectively.

**SUPPLEMENTARY INFORMATION:** On March 8, 1991, we aligned the final determination dates of the countervailing and antidumping duty investigations of steel wire rope from India and Thailand (56 FR 11406). On May 13, 1991, pursuant to requests from respondents, we published a notice informing the public of the postponement of the antidumping duty determinations and public hearings for the investigations of steel wire rope

from Thailand, Taiwan, the People's Republic of China and India until no later than September 4, 1991 (56 FR 21988). Accordingly, we are also postponing the final countervailing duty determinations of steel wire rope from Thailand and India until no later than September 4, 1991.

In accordance with 19 CFR 353.38, case briefs or other written comments and rebuttal briefs in at least ten copies must be submitted to the Assistant Secretary for Import Administration no later than August 7, 1991, and August 14, 1991, respectively, in the case of India; and June 18, 1991, and June 25, 1991, respectively, in the case of Thailand. The public hearing for the final determination of the countervailing duty investigation of steel wire rope from India will be held on August 16, 1991, at 10 a.m. in room 3708 at the U.S. Department of Commerce, 14th Street and Pennsylvania Avenue, NW., Washington, DC 20230. We will not hold a public hearing for the investigation pertaining to Thailand because no parties requested a public hearing within ten days of publication of the preliminary determination. Parties should confirm by telephone the time, date, and place of the hearing 48 hours before the scheduled time.

This notice is published pursuant to section 735(d) of the Act and 19 CFR 353.20(b)(2).

Dated: June 4, 1991.

**Eric I. Garfinkel,**

*Assistant Secretary for Import  
Administration.*

[FR Doc. 91-13982 Filed 6-11-91; 8:45 am]

BILLING CODE 3510-06-M

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**International Trade Administration**

**[A-201-803]**

**Preliminary Negative Determination of  
Critical Circumstances; Steel Wire  
Rope From Mexico**

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

**EFFECTIVE DATE:** June 20, 1991.

**FOR FURTHER INFORMATION CONTACT:**  
David J. Goldberger, 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) 377-4136.

**Preliminary Negative Determination of  
Critical Circumstances**

The Department of Commerce (the Department) published its preliminary determination of sales at less than fair value in this investigation on April 22, 1991 (56 FR 18317). On May 14, 1991, petitioner alleged that critical circumstances exist with respect to imports of the subject merchandise. A supplement to that allegation was filed on May 28, 1991. Petitioner and respondent, Grupo Industrial Camesa, S.A. de C.V. (Camesa), submitted case briefs on June 3, 1991 to the Department, which included comments on the critical circumstances allegation. On June 4, 1991, we also received comments on the critical circumstances allegation from Cablesa S.A. de C.V., another Mexican manufacturer of the subject merchandise.

In accordance with 19 CFR 353.16(b)(2)(ii), when a critical circumstances allegation is filed later than 20 days before the scheduled date of the preliminary determination (as was done in this case), we must issue our

preliminary determination not later than 30 days after the allegation is filed.

Section 733(e)(1) of the Act provides that the Department will preliminary determine that critical circumstances exist if we determine that there is a reasonable basis to believe or suspect:

(A) (i) There is a history of dumping in the United States or elsewhere of the class or kind of merchandise which is the subject of the investigation, or

(ii) The person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the merchandise which is the subject of the investigation at less than its fair value, and

(B) There have been massive imports of the class or kind of merchandise which is the subject of the investigation over a relatively short period.

Pursuant to section 733(e)(1)(B), we generally consider the following factors in determining whether imports have been massive over a short period of time: (1) The volume and value of the imports; (2) seasonal trends (if applicable); and (3) the share of domestic consumption accounted for by imports.

In this investigation, we relied on U.S. Commerce Department import data to reach this determination. We did not request monthly shipment data from Camesa because, given that Camesa failed to correct the deficiencies in its questionnaire response that resulted in a preliminary determination based on the best information available, verification of the accuracy of any company-specific shipment data would have been unlikely. Moreover, the Harmonized Tariff Schedule (HTS) numbers under which the subject merchandise enters the United States are exclusive to the subject merchandise and are thus a reliable indicator as to whether or not there have been massive imports of steel wire rope since the filing of the petition.

Pursuant to 19 CFR 353.16(g), we compare the export volume for a minimum three-month period beginning with the month the petition was filed (the comparison period) with a minimum three-month period prior to the filing of the petition (the base period). Since complete import data are available to extend the comparison period to five months, we compared that five-month period to a five-month base period.

Petitioner has argued that we should include the month prior to filing of the petition, October 1990, in the comparison period, rather than the base period, contending that the Mexican producers of the subject merchandise had prior knowledge, through petitioner's extensive market research activities, that an antidumping petition

would be filed. Thus, petitioner contends that the Mexican producers capitalized on this advance knowledge and shipped large quantities of the merchandise as early as October 1990 in order to avoid prospective antidumping duties. We find that there is no information on the record, apart from petitioner's claim, to support the contention that Mexican producers had prior knowledge of the petition. Consequently, we have not changed our base or comparison periods.

Our analysis of the imports of steel wire rope from Mexico shows that the volume of imports increased by less than five percent from the base period to the comparison period. Under 19 CFR 353.16(f)(2), unless imports of the subject merchandise have increased by at least 15 percent, we will not consider the imports massive. Consequently, we have found there have not been massive imports of the subject merchandise since the filing of the petition. Therefore, we do not need to consider whether there is a history of dumping or whether importers of steel wire rope knew or should have known that it was being sold at less than fair value. Thus, we preliminary determine that critical circumstances do not exist with respect to imports of steel wire rope from Mexico. We will make a final determination of critical circumstances by July 1, 1991.

#### ITC Notification

In accordance with section 733(f) of the Act, we have notified the ITC of our determination.

#### Public Comment

Since this determination is being made subsequent to the due dates for public comment as published in our notice of preliminary determination of sales at less than fair value, we will accept written comments limited to this preliminary determination on critical circumstances if they are submitted to the Assistant Secretary for Import Administration no later than June 20, 1991.

This determination is published pursuant to section 733(f) of the Act.

Dated: June 13, 1991.

Eric I. Garfinkel,  
Assistant Secretary for Import  
Administration.

[FR Doc. 91-14745 Filed 6-19-91; 8:45 am]  
BILLING CODE 3510-06-01

# INTERNATIONAL TRADE COMMISSION

[Investigation No. 731-TA-524  
(Preliminary)]

## Steel Wire Rope From Canada; Institution and Scheduling of a Preliminary Antidumping Investigation

**AGENCY:** International Trade Commission.

**ACTION:** Institution and scheduling of a preliminary antidumping investigation.

**SUMMARY:** The Commission hereby gives notice of the institution of preliminary antidumping investigation No. 731-TA-524 (Preliminary) under section 733(a) of the Tariff Act of 1930 (19 U.S.C. 1673(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 Canada of steel wire rope, provided for in subheading 7312.10.90 of the Harmonized Tariff Schedule of the United States,<sup>1</sup> that are alleged to be sold in the United States at less than fair value. The Commission must complete preliminary antidumping investigations in 45 days, or in this case by August 12, 1991.

For further information concerning the conduct of this investigation and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201, as amended by 56 FR 11918, Mar. 21, 1991), and part 207, subparts A and B (19 CFR part 207, as amended by 56 FR 11918, Mar. 21, 1991).

**EFFECTIVE DATE:** June 28, 1991.

**FOR FURTHER INFORMATION CONTACT:** Jeff Doidge (202-252-1183), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-252-1810. 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**—This investigation is being instituted in response to a petition

<sup>1</sup> The imported steel wire rope covered by this investigation consists of ropes, cables, and cordage, of iron or steel, excluding stainless steel, other than stranded wire, not fitted with fittings or made into articles, and not of brass plated wire. Such steel wire rope was previously provided for in item 642.10 of the former Tariff Schedules of the United States (TSUS).

filed on June 28, 1991, by the Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers.

**Participation in the investigation and public service list.**—Persons (other than petitioners) wishing to participate in the investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in sections 201.11 and 207.10 of the Commission's rules, not later than seven (7) days after publication of this notice in the Federal Register.

The Secretary will prepare a public service list containing the names and addresses of all persons, or their representatives, who are parties to this investigation upon the expiration of the period for filing entries of appearance.

**Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.**—Pursuant to § 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in this preliminary investigation available to authorized applicants under the APO issued in the investigation, provided that the application is 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 BPI under the APO.

**Conference.**—The Commission's Director of Operations has scheduled a conference in connection with this investigation for 9:30 a.m. on July 18, 1991, at the U.S. International Trade Commission Building, 500 E Street SW., Washington, DC. Parties wishing to participate in the conference should contact Jeff Doidge (202-252-1183) not later than July 16, to arrange for their appearance. Parties in support of the imposition of antidumping duties in this investigation and parties in opposition to the imposition of such duties will each be collectively allocated one hour within which to make an oral presentation at the conference. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the conference.

**Written submissions.**—As provided in §§ 201.8 and 201.15 of the Commission's rules, any person may submit to the Commission on or before July 23, 1991, a written brief containing information and arguments pertinent to the subject matter of the investigation. Parties may file written testimony in connection with their presentation at the conference no later than three (3) days before the conference. If briefs or written testimony contain BPI, they must



conform with the requirements of §§ 201.6, 207.3, and 207.7 of the Commission's rules.

In accordance with §§ 201.16(c) and 207.3 of the rules, each document filed by a party to the investigation must be served on all other parties to the investigation (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

**Authority:** This investigation is being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to section 207.12 of the Commission's rules.

By order of the Commission.

Issued: July 1, 1991.

**Kenneth R. Mason,**

*Secretary.*

[FR Doc. 91-16071 Filed 7-3-91; 8:45 am]

BILLING CODE 7020-02-M

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## Notices

Federal Register

Vol. 56, No. 131

Tuesday, July 9, 1991

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### International Trade Administration

[A-201-883]

#### Final Determination of Sales at Less Than Fair Value: Steel Wire Rope From Mexico

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

**EFFECTIVE DATE:** July 9, 1991.

**FOR FURTHER INFORMATION CONTACT:**  
David J. Goldberger, 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) 377-4136.

#### Final Determination of Sales at Less Than Fair Value

The Department of Commerce (the Department) determines that imports of steel wire rope from Mexico are being, or are likely to be, sold in the United States at less than fair value, as provided in section 735(a) of the Tariff Act of 1930, as amended (19 U.S.C. 1673d(a)) (the Act). The estimated margins are shown in the "Continuation of Suspension of Liquidation" section of this notice.

#### Case History

Since publication of the preliminary determination on April 22, 1991, (56 FR

16317), the following events have occurred:

On May 14, 1991, the petitioner alleged that critical circumstances exist for the subject merchandise. The petitioner supplemented its allegation on May 28, 1991.

The petitioner amended the petition on May 28, 1991 to exclude stainless steel wire rope from the scope of the investigation. Comments on this issue were submitted by the petitioner and respondent, Grupo Industrial Camesa, S.A. de C.V. (Camesa), on June 14, 1991.

On June 3, 1991, the petitioner and Camesa submitted case briefs to the Department, including comments on the critical circumstances allegation. On June 4, 1991, we also received comments on the critical circumstances allegation from Cablesa S.A. de C.V. (Cablesa), another Mexican manufacturer of the subject merchandise. The parties submitted rebuttal briefs on June 10, 1991.

On June 13, 1991, we made a preliminary negative determination of critical circumstances with respect to imports of steel wire rope (June 20, 1991, 56 FR 28370). The petitioner submitted comments on June 20, 1991, concerning this preliminary determination.

#### Scope of the 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. Excluded from this investigation is stainless steel wire rope, *i.e.*, ropes, cables and cordage other than stranded wire, of stainless steel, not fitted with fittings or made up into articles, which is classifiable under Harmonized Tariff Schedule (HTS) subheading 7312.10.6000.

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

#### Period of Investigation

The period of investigation is June 1, 1990, through November 30, 1990.

#### Fair Value Comparisons

To determine whether sales of steel wire rope from Mexico to the United States were made at less than fair value, we compared the United States price (USP) to the foreign market value (FMV), as specified in the "United States Price" and "Foreign Market Value" sections of this notice. We used

best information available (BIA) as required by section 776(c) of the Act because Camesa failed to correct the deficiencies in its questionnaire response which resulted in a preliminary determination based on BIA. As our preliminary determination, we used as BIA information submitted by the petitioner, revised to account for contemporaneous price quotes, appropriate currency exchange rates, and value-added tax methodology, as indicated below. In calculating a margin for Camesa, we used the highest of the margins calculated from the information submitted by the petitioner (See Comment 1).

#### United States Price

We based USP on price quotes for particular Camesa products sold in large quantities, as provided in the petition. We used those U.S. price quotes which were most contemporaneous with the home market prices provided. We deducted from the USP foreign inland freight and insurance, U.S. Customs fees and U.S. inland freight, where appropriate, based on information reported by the petitioner. In accordance with section 772(d)(1)(C) of the Act, we added to the USP the amount of Mexican value-added tax which would have been rebated, or not collected, by reason of exportation of the merchandise. We made no other deductions or adjustments to USP.

#### Foreign Market Value

We based FMV on Camesa's home market price list, as contained in the petition, for products identical to, and in the most comparable quantities as, those for which USP quotes were provided. We deducted discounts and inland freight, based on information reported by the petitioner. We made a circumstance of sale adjustment for the Mexican value-added tax.

The petitioner converted FMV using the exchange rate effective at the time of the price list issuance. We converted FMV using the exchange rate effective on the date of the U.S. price quotation.

#### Final Negative Determination of Critical Circumstances

Section 735(a)(3) of the Act provides that the Department will determine that critical circumstances exist if we determine that:

(A)(i) There is a history of dumping in the United States or elsewhere of the class or kind of merchandise which is the subject of the investigation, or

(ii) The person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the merchandise

which is the subject of the investigation at less than its fair value, and

(B) There have been massive imports of the class or kind of merchandise which is the subject of the investigation over a relatively short period.

Pursuant to 19 CFR 353.16(f), we generally consider the following factors in determining whether imports have been massive over a short period of time: (1) The volume and value of the imports; (2) seasonal trends (if applicable); and (3) the share of domestic consumption accounted for by imports.

Pursuant to 19 CFR 353.16(g), we normally compare the export volume for the three-month period beginning with the month the petition was filed (the comparison period) with the three-month period prior to the filing of the petition (the base period). In our preliminary negative determination of critical circumstances, we compared the export volume of the subject merchandise during a comparison period of five months beginning with the month the petition was filed, November 1990, to a base period of the five months prior to the filing of the petition, in accordance with 19 CFR 353.16(g), because complete import data was available for five months from the month the petition was filed. For the final determination, we have obtained additional information to include the export volume of the subject merchandise for six months beginning with the month the petition was filed. Thus, the comparison period is November 1990–April 1991, and the base period is May–October 1990 (*i.e.*, the six months prior to the filing of the petition). The choice of comparison and base periods is discussed further in Comment 3 below.

Export volume data was obtained from U.S. Commerce Department import data. Our analysis of the imports of steel wire rope from Mexico continues to show that the imports of the subject merchandise from Mexico during the period subsequent to the receipt of the petition have not been massive, as defined by 19 CFR 353.16(f)(2), when compared to imports prior to receipt of the petition.

Since we do not find that there have been massive imports, we do not need to consider whether there is a history of dumping or whether there is reason to believe that importers of steel wire rope knew or should have known that it was being sold at less than fair value.

Therefore, we determine that critical circumstances do not exist with respect to imports of steel wire rope from Mexico.

**Currency Conversion**

No certified rates of exchange, as furnished by the Federal Reserve Bank of New York, were available for the period of investigation. In place of the official certified rates, we used the average monthly exchange rates published by the International Monetary Fund as BIA.

**Interested Party Comments****Comment 1:**

The petitioner contends that, as Camesa has failed to participate in this investigation since the issuance of the preliminary determination, the dumping margin should be equal to the highest rate calculated from the petitioner's information, rather than the average rate used in the preliminary determination.

Camesa argues that it responded fully to the Department's questionnaires up until the time the errors were discovered. Given the effort it put into preparing the response, Camesa believes that the average of the margins alleged in the petition should be used for the final determination, as it was in the preliminary determination.

**DOC Position:**

Section 776(c) of the Act requires the Department to use the best information available "whenever a party or any other person refuses or is unable to produce information requested in a timely manner or in the form required, or otherwise significantly impedes an investigation." In deciding what to use as BIA, the Department's regulations provide that the Department may take into account whether a party refuses to provide requested information (19 CFR 353.37(b)). Thus, the Department may determine, on a case-by-case basis, what the best information is, including consideration of the respondent's degree of cooperation in the proceeding.

In this case, the errors in Camesa's computerized sales listing rendered the response unacceptable for purposes of calculating dumping margins. The Department brought these errors to Camesa's attention prior to the preliminary determination and afforded Camesa several opportunities to correct the errors in order to permit use of Camesa's response for the final determination. However, Camesa did not correct these errors and provided no further information regarding its questionnaire response.

When the Department determines that a respondent is noncooperative, Department practice generally is to assign that respondent the highest margin found in the petition. See, e.g., *Sweaters Wholly or in Chief Weight of*

*Man-Made Fiber from Hong Kong*, 55 FR 30733 (July 27, 1990). Based on Camesa's lack of cooperation in correcting its response, despite repeated opportunities to do so, we have assigned, as BIA, the highest margin in the petition, adjusted as noted in the "United States Price" and "Foreign Market Value" sections of this notice.

**Comment 2:**

Camesa opposes the petitioner's request to exclude stainless steel wire rope from the investigation. Camesa argues that the petitioner has no legal basis to amend the scope as the Department has determined in the past that the scope of the "class or kind of merchandise" is to be established by reference to objective factors (See *Antifriction Bearings from the Federal Republic of Germany*, 54 FR 18992, 18998 (May 3, 1989)). Camesa contends that, since the petitioner has not provided any information for the record to demonstrate that stainless steel wire rope is produced, used, sold or advertised in a different manner than other steel wire rope, the petitioner has failed to make a case that stainless steel wire rope is a separate "class or kind". Without any support for distinguishing the products, Camesa states that the scope cannot be redefined solely based on the wishes of the petitioner.

**DOC Position:**

The Department has the "inherent authority" to define, as well as clarify, the scope of an antidumping duty investigation. See *NTN Bearing Corp. of America, et al. v. United States*, 747 F.Supp. 726 (CIT 1990); *Diversified Products Corp. v. United States*, 572 F.Supp. 883 (CIT 1983); *Royal Business Machines Inc. v. United States*, 507 F.Supp. 1007 (CIT 1983).

Under 19 CFR 353.12 (a) (4), the petitioner is required to provide "a detailed description of the merchandise that defines the requested scope of the investigation, including technical characteristics . . .". Both section 732 (b) (1) of the Act and 19 CFR 353.12(e) permit the Department to allow for timely amendment of the petition. The petitioner's amendment was timely and thus the petition no longer includes stainless steel wire rope within its intended scope. Because the Department finds no reason not to follow the intended scope of the petition, we have amended the scope of the investigation consistent with the scope of the petition.

Camesa's objection is centered on the definition of "class or kind" of merchandise covered by the scope of the investigation. There is no requirement that a petitioner define the scope of the

petition to include everything that theoretically could fall within a class or kind. The petitioner's amendment concerns what is to be covered by the investigation, not the classification of merchandise within the scope of the investigation. The petitioner has indicated it no longer has any interest in pursuing unfair trade remedies for this type of product. Under these circumstances, we have determined it is appropriate to amend the scope of investigation to exclude stainless steel wire rope, as requested by the petitioner.

**Comment 3:**

The petitioner contends that the appropriate comparison period for considering whether or not critical circumstances exist should begin with October 1990, the month prior to the filing of the petition, because the petitioner believes that the respondent and/or importers possessed prior knowledge of the filing of the petition due to the petitioner's extensive market research activities, and Mexico's proximity to the United States. The petitioner alleges that one or more of these parties used that knowledge to begin a surge of "massive imports" at that time. According to the petitioner, including October 1990 in the comparison period will show "massive imports" when compared to the base period prior to that time.

Alternatively, the petitioner requests that the Department exclude October 1990 from both the base and comparison periods because the placement of this month in the critical circumstances analysis is in dispute between the parties, and the data represents a massive aberration from the data for any preceding month. Finally, the petitioner argues that, even if October 1990 is not included in the base period, the import data still will show evidence of "massive imports", as newly-available April 1991 shipment data confirms the pattern of a "massive surge".

Camesa states that it had no information that an antidumping duty petition would be filed until the actual filing date of November 5, 1991, and that there is no evidence that Mexican exporters knew of the petition before it was filed. Camesa explains the October 1990 increase in shipments as based on the Mexican Government's reallocation of Mexico's steel wire rope quota under the Voluntary Restraint Agreement, which enabled Camesa to utilize an unused portion of the quota. Moreover, Camesa contends that the petitioner's allegation of prior knowledge resulting

in the October 1990 increase is inconsistent with petitioner's earlier statement in the petition that steel wire rope producers in subject countries "learned as early as February 1990 that unfair trade actions were being prepared against them."

#### DOC Position:

Under 19 CFR 353.16(g), the Department "normally will consider the period beginning on the date the proceeding begins and ending at least three months later. However, if the Secretary finds that importers, or exporting producers and resellers, had reason to believe at some time prior to the beginning of the proceeding that a proceeding was likely, then the Secretary may consider a period of not less than three months from that earlier time."

The petitioner's claim of respondent's or importer's prior knowledge of the petition filing rests solely on circumstantial evidence. That is, since there was a substantial increase in steel wire imports from Mexico during October 1990, *ipso facto* the respondent had prior knowledge of the petition filing. The petitioner offers as further support the fact that it was conducting market research prior to November 1990, and Mexico's geographical proximity to the United States. The petitioner, however, has not submitted any evidence on the record that Camesa or any other producer or importer of the subject merchandise was aware of its market research, nor has the petitioner demonstrated how geographical proximity leads to advance knowledge of the petition filing. We do not believe that the petitioner's inference, absent any other evidence on the record, is sufficient to establish that Camesa or any importer had reason to believe that an antidumping petition would be filed prior to the actual filing date.

While the import statistics show an increase of subject merchandise imports from 331 to 691 metric tons from September to October 1990, an increase of over 200%, this increase is not necessarily aberrant. For example, steel wire rope imports from Mexico increased from 149 to 457 metric tons from February to March 1990, an increase of about 300%. Data from other months since January 1989 show additional month-to-month fluctuations, though they are not as great as these two examples. The overall trend in imports since January 1989 has been a steady increase.

Given these circumstances, we have determined that the petitioner has failed to establish, for purposes of this final determination, that the respondent or

importers had reason to believe that the filing of an antidumping petition on the subject merchandise was likely under 19 CFR 353.16(g). Further, we see no basis for classifying October 1990 as aberrant and excluding it from our critical circumstances analysis. Therefore, we have included October 1990 in our base period, as described above in our critical circumstances analysis. Accordingly, we have found that critical circumstances do not exist with respect to the subject merchandise.

#### Continuation of Suspension of Liquidation

In accordance with section 733(d) of the Act, we are directing the U.S. Customs Service to continue to suspend liquidation of all entries of steel wire rope from Mexico, as defined in the "Scope of Investigation" section of this notice, that are entered, or withdrawn from warehouse, for consumption on or after April 21, 1991. The U.S. Customs Service shall continue to require a cash deposit or posting of a bond equal to the estimated amounts by which the foreign market value of the subject merchandise from Mexico exceeds the United States price as shown below. Given the exclusion of stainless steel wire rope from the scope of this investigation, we will instruct the U.S. Customs Service to terminate the suspension of liquidation on that merchandise and to refund any cash deposits or bonds now posted on such merchandise. This suspension of liquidation on all other steel wire rope will remain in effect until further notice. The dumping margins are as follows:

Manufacturer/Producer/Exporter	Margin percentage
Grupo Industrial Camesa, S.A. de C.V.	52.46
All Others	52.46

#### ITC Notification

In accordance with section 735(d) of the Act, we have notified the U.S. International Trade Commission (ITC) of our determination. In addition, we are making available to the ITC all nonprivileged and nonproprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our 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.

If the ITC determines that material injury, or threat of material injury, does not exist with respect to steel wire rope, the proceeding will be terminated and all securities posted as a result of the suspension will be refunded or cancelled. However, if the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing Customs officials to assess antidumping duties on all steel wire rope from Mexico, on or after the effective date of the suspension of liquidation, equal to the amount by which the foreign market value exceeds the U.S. price.

This determination is published pursuant to section 735(d) of the Act (19 U.S.C. 1673d(d)) and 19 CFR 353.20.

Dated: July 1, 1991.

Marjorie A. Chorlins,

Acting Assistant Secretary for Import Administration.

[FR Doc. 91-16278 Filed 7-8-91; 8:45 am]

BILLING CODE 3510-08-M

(A-357-805)

**Final Determination of Sales at Less Than Fair Value: Steel Wire Rope From Argentina**

**AGENCY:** Import Administration, International Trade Administration, Commerce.

**EFFECTIVE DATE:** July 9, 1991.

**FOR FURTHER INFORMATION CONTACT:** Joel Fischl, 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.

**Final Determination of Sales at Less than Fair Value**

The Department of Commerce (the Department) determines that imports of steel wire rope from Argentina are being, or are likely to be, sold in the United States at less than fair value, as provided in section 735(a) of the Tariff Act of 1930, as amended (19 U.S.C. 1673d(a)) (the Act). The estimated margins are shown in the "Continuation of Suspension of Liquidation" section of this notice.

**Case History**

On April 22, 1991, the Department published an affirmative preliminary determination (56 FR 16320). The Department did not receive a hearing request from either petitioner or respondent. On June 3, 1991, the Department received a case brief from petitioner. The Department received no case brief from the respondent.

**Scope of the 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. Excluded from this investigation is stainless steel wire rope, i.e., ropes, cables and cordages other than stranded wire, of stainless steel, not fitted with fittings or made up into articles, which is classifiable under Harmonized Tariff Schedule (HTS) subheading 7312.10.6000. See *Final Determination of Sales at Less Than Fair Value: Steel Wire Rope from Mexico* (published in this section of the Federal Register).

The appropriate HTS subheadings under which the subject merchandise is classifiable are 7312.10.9030, 7312.10.9060, and 7312.10.9090. Although the HTS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

**Period of Investigation**

The period of investigation is June 1, 1990 through November 30, 1990.

**Fair Value Comparisons**

The one respondent in this investigation, Acindar Industria Argentina de Aceros, S.A. (Acindar), did not respond to the Department's questionnaire. Therefore, according to section 776(c) of the Act, our results are based on the best information available (BIA). For use as BIA, we compared the United States price to the foreign market value, as reported in the petition, and specified below in the "United States Price" and "Foreign Market Value" sections of this notice.

**United States Price**

As BIA we used petitioner's estimate of United States price for steel wire rope which is based on an actual price quote from mid-October 1990. This price was adjusted for U.S. movement charges and distributor mark-up.

**Foreign Market Value**

As BIA we used petitioner's estimate of foreign market value which is based on a February 1990 price list (f.o.b. Acindar's factory) for sales of steel wire rope. Petitioner adjusted for physical differences in the merchandise.

**Currency Conversion**

In accordance with 19 CFR 353.60, we converted foreign currency into the equivalent amount of United States currency using the official exchange rates in effect on the appropriate dates.

**Continuation of Suspension of Liquidation**

In accordance with section 733(d) of the Act, we are directing the U.S. Customs Service to continue to suspend

liquidation of all entries of steel wire rope from Argentina, as defined in the "Scope of Investigation" section of this notice, that are entered, or withdrawn from warehouse, for consumption on or after April 21, 1991. The U.S. Customs Service shall continue to require a cash deposit or posting of a bond equal to the estimated amounts by which the foreign market value of the subject merchandise from Argentina exceeds the United States price as shown below. Given the exclusion of stainless steel wire rope from the scope of this investigation, we will instruct the U.S. Customs Service to terminate the suspension of liquidation on that merchandise and to refund any cash deposits or bonds now posted on such merchandise. The suspension of liquidation on all other steel wire rope will remain in effect until further notice. The dumping margins are as follows:

Manufacturer/producer/exporter	Margin percentage
Acindar Industria Argentina de Aceros, S.A.	100.00%
All Others	100.00%

**ITC Notification**

In accordance with section 735(d) of the Act, we have notified the ITC of our determination. In addition, we are making available to the ITC all nonprivileged and nonproprietary information relating to this investigation. We will allow the ITC access to all privileged and business proprietary information in our 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.

If the ITC determines that material injury, or threat of material injury, does not exist with respect to steel wire rope, the proceeding will be terminated and all securities posted as a result of the suspension will be refunded or cancelled. However, if the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing Customs officials to assess antidumping duties on all steel wire rope from Argentina, on or after the effective date of the suspension of liquidation, equal to the amount by which the foreign market value exceeds the U.S. price.

This determination is published  
pursuant to section 735(d) of the Act (19  
U.S.C. 1673d(d)) and 19 CFR 353.20.

Marjorie A. Chorlins,

*Acting Assistant Secretary for Import  
Administration.*

[FR Doc. 91-16277 Filed 7-8-91; 8:45 am]

BILLING CODE 3510-DS-M

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**ACTION:** Closure of a portion of a Commission hearing to the public.

**SUMMARY:** Upon request of petitioner in the above-captioned final investigations, the Commission has unanimously determined to conduct a portion of its hearing scheduled for July 9, 1991, *in camera*. See Commission rules 201.13 and 201.35(b)(3) (19 CFR 201.13 and 201.35(b)(3)). The remainder of the hearing will be open to the public.

**FOR FURTHER INFORMATION CONTACT:** Andrea C. Casson, Esq., Office of the General Counsel, U.S. International Trade Commission, 500 E Street, SW., Washington, DC 20436, telephone (202) 252-1105. Hearing impaired individuals are advised that information on this matter may be obtained by contacting the Commission's TDD terminal on (202) 252-1810.

**SUPPLEMENTARY INFORMATION:** The Commission believes that unusual circumstances are present in these investigations so as to make it appropriate to hold a portion of the hearing *in camera*. In light of the desirability of affording a full discussion at the hearing of business proprietary information (BPI) concerning (1) the purchase of the assets of one particular domestic producer by another domestic producer; (2) particular pricing of one producer; and (3) management-labor negotiations on wage and benefit reductions, the Commission has determined to reserve 15 minutes of the time allotted for petitioner's presentation to the discussion of these matters. In making this decision, the Commission nevertheless reaffirms its belief that, whenever possible, its business should be conducted in public.

Petitioner's *in camera* presentation will be limited to a discussion of the specific BPI mentioned above, followed by questions from the Commission as appropriate. Respondents, through their representatives who have been granted access to BPI under a Commission administrative protective order (APO) and are included on the Commission's APO service list in these investigations, will then have an opportunity to respond, and may also be questioned by the Commission as appropriate. For the *in camera* discussion, the room will be cleared of all persons except: (1) those who have been granted access to BPI under a Commission APO and are included on the Commission's APO service list in these investigations, and (2) persons who will be presenting *in camera* testimony on behalf of petitioner, and (3) personnel of the Commission. All those planning to

[Investigations Nos. 701-TA-305 (Final) and 731-TA-476 and 478-482 (Final)]

**Steel Wire Rope From Argentina, India, Mexico, the People's Republic of China, Taiwan and Thailand; Closure of a Portion of a Commission Hearing to the Public**

**AGENCY:** U.S. International Trade Commission.



attend the *in camera* portions of the hearing should be prepared to present proper identification.

**Authority:** The General Counsel has certified pursuant to Commission Rule 201.39 (19 CFR 201.39) that, in her opinion, a portion of the Commission's hearing in the above-captioned investigations may be closed to the public to prevent the disclosure of BPI.

Issued: July 9, 1991.

By order of the Commission.

**Kenneth R. Mason,**

*Secretary.*

[FR Doc. 91-17022 Filed 7-16-91; 8:45 am]

BILLING CODE 7020-02-M

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## DEPARTMENT OF COMMERCE

## International Trade Administration

(A-122-812)

## Initiation of Antidumping Duty Investigation: Steel Wire Rope From Canada

AGENCY: Import Administration, International Trade Administration, Commerce.

EFFECTIVE DATE: July 24, 1991.

FOR FURTHER INFORMATION CONTACT: Michael Ready, Office of Antidumping Investigations, Import Administration, U.S. Department of Commerce, room B099, 14th Street and Constitution Avenue NW., Washington, DC 20230; telephone (202) 377-2613.

## Initiation

*The Petition*

On June 28, 1991, the Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers filed with the Department of Commerce (the Department) an antidumping duty petition on behalf of the United States Industry producing steel wire rope. In accordance with 19 CFR 353.12, the petitioner alleges that imports of steel wire rope from Canada 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 these imports are materially injuring, or threaten material injury to, the U.S. industry. Petitioner amended its petition on July 11, 15, and 16, 1991.

The petitioner has stated that it has standing to file the petition because it is an interested party, as defined in 19 CFR 353.2(k), and because it has filed the petition on behalf of the U.S. industry producing steel wire rope. If any interested party, as described in 19 CFR 353.2(k) (3), (4), (5), or (6), wishes to register support for, or opposition to, this investigation, please file written notification with the Assistant Secretary for Import Administration.

*United States Price and Foreign Market Value*

Petitioner based its calculation of United States Price (USP) for Wire Rope Industries Ltd. (WRI) on price quotes from a Minnesota-based distributor of WRI products. Deductions were made for the estimated distributor's markup, foreign and U.S. inland freight, and U.S. customs duty and merchandise processing fee. Petitioner based its calculation of USP for Wrights Canadian Ropes Ltd. (Wrights) on Wrights' price quotes, and price list to distributors in

California and Oregon. Deductions were made for estimated foreign and U.S. customs duty and merchandise processing fee. Petitioner added to the U.S. selling price of both companies the amount of the Canadian federal sales tax that would have been collected if the merchandise had not been exported.

Petitioner based Foreign Market Value on the Western Canadian price list (applicable west of Ontario) of WRI and Wrights. Deductions from list price were made for discounts the petitioner believes are granted to western Canada distributors and for freight charges. An addition was made for the amount of Canadian federal sales tax that was added to each U.S. selling price.

Based on the above comparisons, petitioner calculated margins ranging from 2.69 to 90.96 percent.

*Initiation of Investigation*

Under 19 CFR 353.13(a), the Department must determine, within 20 days after the petition is filed, whether the petition properly alleges the basis on which an antidumping duty may be imposed under section 731 of the Act, and whether the petition contains information reasonably available to the petitioner supporting the allegations. We have examined the petition on steel wire rope from Canada and find that it meets the requirements of 19 CFR 353.13(a). Therefore, we are initiating an antidumping duty investigation to determine whether imports of steel wire rope from Canada are being, or are likely to be, sold in the United States at less than fair value.

In accordance with 19 CFR 353.13(b) we are notifying the International Trade Commission (ITC) of this action.

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.

*Scope of Investigation*

The product covered in this investigation is carbon steel wire rope. "Steel wire rope" encompasses ropes, cables and cordage of iron or carbon steel (i.e., other than stainless steel), other than stranded wire, not fitted with fittings or made up into articles, and not made up of brass plated wire. The three types of steel wire rope covered by this petition include bright, galvanized, and coated (textile, plastic) steel wire rope. Swaged (compacted) wire rope is also included within the scope of this investigation. Steel wire rope is currently classified under subheading

7312.10.9030, 7312.10.9060 and 7312.10.9090 of the Harmonized Tariff Schedule (HTS). Although the HTS subheadings are provided for convenience and customs purposes, our written description of the scope of this proceeding is dispositive.

*Preliminary Determination by ITC*

The ITC will determine by August 12, 1991, whether there is a reasonable indication that imports of steel wire rope from Canada are materially injuring, or threaten material injury to, a U.S. industry. If its determination is negative, the investigation will be terminated. If affirmative, the Department will make its preliminary determination on or before December 5, 1991, unless the investigation is terminated pursuant to 19 CFR 353.17 or the preliminary determination is extended pursuant to 19 CFR 353.15.

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

Dated: July 18, 1991.

Eric L. Garfinkel,

Assistant Secretary for Import Administration.

[FR Doc. 91-17586 Filed 7-23-91; 8:45 am]

BILLING CODE 3510-06-M

[Investigations Nos. 701-TA-305 (Final) and 731-TA-478 and 478-482 (Final)]

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

**AGENCY:** International Trade Commission.

**ACTION:** Limited waiver of rules and revised schedule for the subject investigations.

**EFFECTIVE DATE:** July 16, 1991.

**FOR FURTHER INFORMATION CONTACT:** Diane J. Mazur (202-205-1184), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired persons can obtain information on this matter by contacting the Commission's TDD terminal on 202-205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000.

**SUPPLEMENTARY INFORMATION:** On April 18, 1991, the Commission instituted the subject investigations and established a schedule for their conduct (56 FR 20024, May 1, 1991). Subsequently, on May 13, 1991, the Department of Commerce extended the date for its final determinations in the investigations concerning India, the People's Republic of China, Taiwan, and Thailand from July 1, 1991, to September 4, 1991 (56 FR 21988).

In addition, on June 28, 1991, the Commission instituted preliminary investigation No. 731-TA-524 concerning steel wire rope from Canada, pursuant to a petition filed by the Committee of Domestic Steel Wire Rope and Specialty Cable Manufacturers, alleging that such imports are being sold in the United States at less than fair value, and that an industry in the United States is materially injured and threatened with material injury by reason of such imports (56 FR 30765, July 5, 1991).

The Commission, therefore, is partially waiving its rules and revising its schedule as follows: in the subject final investigations, the Commission is waiving its rules regarding the submission of briefs to allow for the filing of additional briefs (not to exceed 5 pages) to discuss the issue of whether imports from Canada should be cumulated with imports from the subject countries and the impact of any such cumulation, and the deadline for filing such supplemental briefs is July 23, 1991; and in the final investigations concerning India, the People's Republic

of China, Taiwan, and Thailand, supplemental briefs (not to exceed 10 pages) will be allowed to discuss Commerce's final margins, and the deadline for filing such supplemental briefs is September 13, 1991.

For further information concerning these investigations see the Commission's notices of investigations cited above and the Commission's rules of practice and procedure, part 201, subparts A through E (19 CFR part 201, as amended by 56 FR 11918, Mar. 21, 1991), and part 207, subparts A and C (19 CFR part 207, as amended by 56 FR 11918, Mar. 21, 1991).

Authority: These investigations are being conducted under authority of the Tariff Act of 1930, title VII. This notice is published pursuant to § 207.20 of the Commission's rules.

Issued: July 16, 1991.

By order of the Commission.

Kenneth R. Mason,

Secretary.

[FR Doc. 91-18124 Filed 7-30-91; 8:45 am]

BILLING CODE 7020-02-M

**APPENDIX B**  
**LIST OF WITNESSES**

## CALENDAR OF HEARING

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

Subject	:	STEEL WIRE ROPE FROM ARGENTINA, INDIA, MEXICO, THE PEOPLE'S REPUBLIC OF CHINA, TAIWAN AND THAILAND
Inv. No.	:	701-TA-305 (Final) and 731-TA-476, and 478-482 (Finals)
Date and Time	:	July 9, 1991 - 9:30 a.m.

Sessions were held in connection with the investigation in the Main Hearing Room 101 of the United States International Trade Commission, 500 E Street, S.W., Washington, D.C.

**In Support of Imposition of  
Countervailing and/or Antidumping Duties**

**Harris & Ellsworth  
Washington, D.C.  
On behalf of**

**The Committee of Domestic Steel Wire Rope and  
Specialty Cable Manufacturers**

**Charles W. Salanski, Chairman of the  
Committee and Executive Vice President,  
Wire Rope Corporation of America, Inc.  
St. Joseph, Missouri**

**Garland Kennedy, Jr., Vice President  
Kennedy Wire Rope and Sling  
Corpus Christi, Texas**

**Gary Brown, former President of Local 2499,  
United Steel Workers,  
Williamsport, Pennsylvania**

**Joseph Mendez, President  
Local 9251, United Steel Workers  
Williamsport, Pennsylvania**

**In Support of Imposition of  
Countervailing and/or Antidumping Duties**

**Harris & Ellsworth (Cont'd)**

**George Bonz, District Sales Manager  
Wire Rope Corporation of America, Inc.**

**William Adams, President, Williamsport**

**Fredrik Paulsen, Jr., President, Paulsen Wire & Rope Co.**

**T.I. Martin, Jr., Vice President, Rochester Corp.**

**Mark Love, Economic Consultant Systems**

**Dan Cannistra, Economic Consultant Systems**

<b>Herbert E. Harris II</b>	<b>)</b>
<b>Cheryl Ellsworth</b>	<b>)--OF COUNSEL</b>
<b>Jeffrey S. Levin</b>	<b>)</b>

**In Opposition to the Imposition of  
Counterveiling and/or Antidumping Duties**

**Wilkie Farr & Gallagher  
Washington, D.C.  
On behalf of**

**(Producers and exporters of steel wire rope)**

**Usha Martin Industries, Ltd. (India)**

**Bombay Wire Ropes, Ltd. (India)**

**Usha Siam Steel Industries, Ltd. (Thailand)**

**Peter Schumann, President  
Trefil Arbed, Inc.**

**Christopher Dunn )  
Kenneth J. Pierce )--OF COUNSEL  
Daniel L. Porter )**

**Graham & James  
Washington, D.C.  
On behalf of**

**China National Metals and Minerals  
Import and Export Corporation**

**Minmetals, Inc.**

**Lawrence R. Walders )  
Jeffrey L. Snyder )--OF COUNSEL  
Christopher Eliopulos )**

**Klayman & Associates, P.C.  
Washington, D.C.  
On behalf of**

**Wire Rope Importers Association of America**

**Taiwan Steel Wire and Wire Rope  
Industries Association**

**Richard Dooley, President, Feher Brothers Industries, Inc.  
Fred Couse, Jr., Feher Brothers Industries, Inc.  
Howard Schloss, Indusco-Industrial Sales Co.  
Henry Schloss, President, Indusco-Industrial Sales Co.  
Seymour Schwartz, U.N.A. Corporation**

**Larry Klayman)--OF COUNSEL**



**In Opposition to the Imposition of  
Counterveiling and/or Antidumping Duties**

**Brownstein Zeidman and Schomer  
Washington, D.C.**

**On behalf of**

**Cablesa, S.A. de C.V. (Mexico)  
(Mexican manufacturer and exporter of  
steel wire rope to the U.S.)**

**Ronald M. Wisla )  
Steven P. Kersner )--OF COUNSEL  
Claudia G. Pasche )**

**Shearman & Sterling  
Washington, D.C.**

**On behalf of**

**Grupo Industrial Camesa**

**Jorge L. Cano, Managing Director  
Grupo Industrial Camesa**

**H. J. Davey, Vice President  
Camesa, Inc.**

**Jorge Garces, Asst. Vice President,  
International Sales, Camesa**

**Robert Acuna, Grupo Industrial Camesa**

**Ing. Elmer Langholz, Camesa**

**Thomas Wilner**

**Jeffrey Winton**

**Note: Brownstein yielded their  
portion of time to Shearman &  
Sterling and did not testify.**

**- END -**

CALENDAR OF THE PUBLIC CONFERENCE

July 18, 1991

Investigation No. 731-TA-524 (Preliminary)

Steel wire rope from Canada

Those persons listed below appeared at the United States International Trade Commission's conference held in connection with the subject investigation on July 18, 1991, at the U.S. International Trade Commission, 500 E Street, SW, Washington, DC.

In support of the imposition of 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, V.P., Economic Consulting Services, Inc.  
Daniel Cannistra, Sr. Economist, Economic Consulting Services

Herbert E. Harris     )  
Cheryl Ellsworth     ) --OF COUNSEL  
Jeffrey Levin         )

In opposition to the imposition of antidumping duties

Dow, Lohnes & Albertson--Counsel  
Washington, DC  
on behalf of--

Wire Rope Industries  
Wrights Canadian Ropes

Michael McNally, Exec. V.P., Wire Rope Industries  
William Manning, Pres., Wrights Canadian Ropes  
Casey Florence, Pres., Rocky Mountain Wire Rope & Rigging  
Daniel Goar, former mine manager

APPENDIX C

TARIFF NOMENCLATURE

## HARMONIZED TARIFF SCHEDULE of the United States (1991)

Annotated for Statistical Reporting Purposes

XV  
73-14

Heading/ Subheading	Stat. Suf. & cd	Article Description	Units of Quantity	Rates of Duty		
				General	Special	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.):				
7312.10.30		Stranded wire (con.):				
		Other (con):				
		Other.....		4.9% 1/	Free (E,IL) 3.4% (CA)	35%
	05 5	Tire cord.....	kg			
	10 8	For prestressing concrete: Covered with textile or other nonmetallic material.....	kg			
	12 6	Other.....	kg			
	20 6	Other, stranded wire hav- ing a lay or twist of not more than 1 revolution for a length equal to the strand diameter multiplied by 8.5.....	kg			
	45 7	Other: Of brass plated wire.....	kg			
	65 2	Other: Galvanized: ACSR core strand.....	kg			
	70 5	Other: Cover- ed with tex- tile or other nonme- tallic mater- ial..	kg			
	74 1	Other.....	kg			
	80 3	Other.....	kg			
		Ropes, cables and cordage other than stranded wire:				
7312.10.50	00 5	Of stainless steel: Fitted with fittings or made up into articles.....	kg.....	5.7% 2/3/	Free (B,C,E,IL) 3.9% (CA)	45%
7312.10.60	00 3	Other.....	kg.....	4.4% 2/3/	Free (E,IL) 3% (CA)	45%
7312.10.70	00 1	Other: Fitted with fittings or made up into articles.....	kg.....	5.7% 2/3/	Free (B,C,E,IL) 3.9% (CA)	45%
7312.10.80	00 9	Other: Of brass plated wire.....	kg.....	4%	Free (A,E,IL) 2.8% (CA)	35%
7312.10.90		Other.....		4% 2/3/	Free (E,IL) 2.8% (CA)	35%
	30 1	Galvanized: 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) 2.2% (CA) 4/	45%

1/ Duty on certain inner wire for caliper and cantilever bicycle brakes temporarily suspended. See subheading 9902.73.12

2/ Duty on cable for caliper and cantilever bicycle brakes temporarily suspended. See subheading 9902.73.12.

3/ Duty on cables for derailleurs temporarily suspended. See subheading 9902.87.14.

4/ Equipment, originating in the territory of Canada, intended for use in the repair or maintenance of certain motor vehicles subject to accelerated staged rate reductions. See heading 9905.

APPENDIX D

SUMMARY OF DATA INCLUDING SPECIALTY OPERATIONS

Table D-1

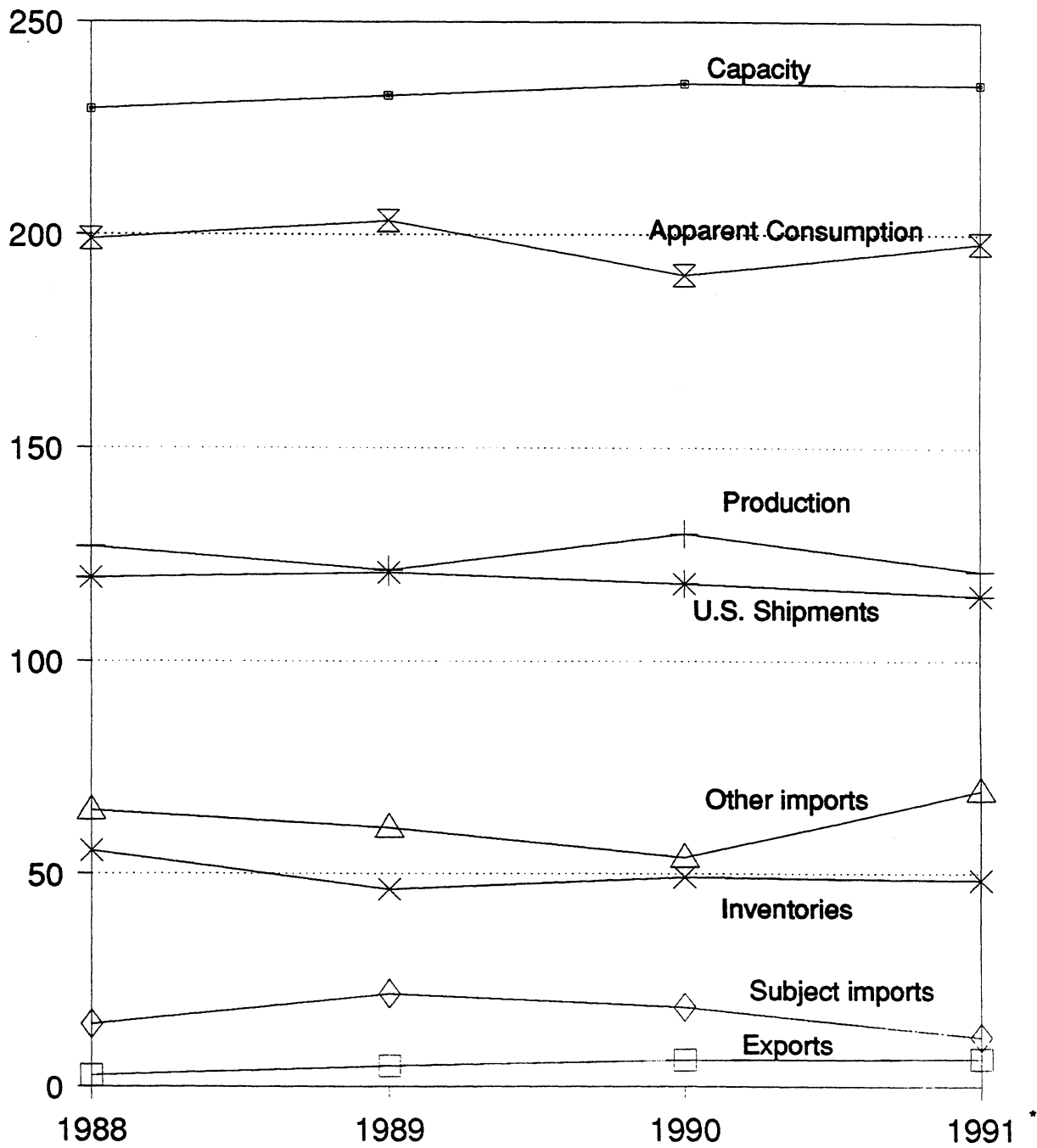
**TOTAL steel wire rope: Injury indicators for U.S. producers' TOTAL operations, 1988-90 and January-June 1990-91<sup>1</sup>**

(In short tons and thousands of dollars, except as noted)									
Item	1988	1989	1990	Jan.-June		88-89	89-90	88-90	J-J 90-91
				1990	1991				
-----Percent change-----									
Capacity.....	229,575	232,722	235,547	117,663	117,703	1.4	1.2	2.6	(1)
Production.....	126,832	121,348	129,878	68,204	60,525	-4.3	7.0	2.4	-11.3
Cap. utilization..	55.2	52.1	54.1	58.0	51.4	-5.6	5.7	-2	-11.3
U.S. shipments:									
Quantity.....	119,537	120,791	118,160	60,550	57,599	1.0	-2.2	-1.2	-4.9
Value.....	217,164	229,303	227,856	116,685	112,061	5.6	-6	4.9	-4.0
Unit value...	\$1,793	\$1,866	\$1,899	\$1,898	\$1,924	4.1	1.8	6.0	1.4
Exports:									
Quantity.....	2,663	4,811	6,239	3,016	3,244	80.7	29.7	134.3	7.6
Value.....	3,761	7,935	10,533	4,937	5,017	110.0	32.7	180.1	1.6
Unit value....	\$1,412	\$1,649	\$1,688	\$1,637	\$1,547	16.8	2.4	19.5	-5.5
Total shipments:									
Quantity.....	122,200	125,602	124,399	63,566	60,846	2.8	-1.0	1.8	-4.3
Value.....	220,925	237,238	238,389	121,622	117,078	7.4	.5	7.9	-3.7
Unit value....	\$1,784	\$1,858	\$1,888	\$1,885	\$1,904	4.5	1.5	6.0	.6
EOP inventories..	55,321	46,307	49,185	49,240	48,435	-16.3	6.2	-11.1	-1.6
Inv/prod (%).....	43.6	38.2	37.9	36.1	40.0	-12.5	-8	-13.2	10.9
Rope employees...	1,809	1,822	1,825	1,857	1,880	11.7	0.2	11.9	7.2
Financials: <sup>1</sup>									
Net sales.....	225,379	228,310	238,531	60,812	58,218	1.3	4.5	5.8	-4.3
COGS.....	172,652	172,090	175,122	43,936	42,680	-.3	1.8	1.4	-2.9
Gross profit..	52,727	56,220	63,409	16,876	15,538	6.6	12.8	20.3	-7.9
GSA.....	46,300	45,468	52,322	13,648	12,838	-1.8	15.1	13.0	-5.9
Oper. profit..	6,427	10,752	11,087	3,228	2,700	67.3	3.1	72.5	-16.4
Oper. margin..	2.9	4.7	4.6	5.3	4.6	65.1	-1.3	63.0	-12.6

<sup>1</sup> Interim periods for financial data are January-March 1990-91.

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

**Figure D-1. Steel Wire Rope: Indicators**  
(quantity, in 1,000 short tons)



\*Annualized from January-June data.

Source: Table D-1 and table 28.

Table D-2

STAINLESS steel wire rope: Injury indicators for U.S. producers' STAINLESS steel operations, 1988-90 and January-June 1990-91

(In short tons and thousands of dollars, except as noted)									
Item	1988	1989	1990	1990	Jan.-June	88-89	89-90	88-90	J-J
					1991				90-91
-----Percent change-----									
Capacity.....	-	-	-	-	-	-	-	-	-
Production.....	***	***	***	***	***	***	***	***	***
Cap. utilization.	-	-	-	-	-	-	-	-	-
U.S. shipments:									
Quantity.....	816	940	619	322	326	15.2	-34.1	-24.1	1.2
Value.....	18,403	18,809	12,420	6,299	5,821	2.2	-34.0	-32.5	-7.6
Unit value...	\$20,268	\$17,149	\$16,283	\$15,929	\$15,279	-15.5	-4.9	-19.7	-4.1
Exports:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value...	***	***	***	***	***	***	***	***	***
Total shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value...	***	***	***	***	***	***	***	***	***
EOP inventories..	***	***	***	***	***	***	***	***	***
Inv/prod (%).....	***	***	***	***	***	***	***	***	***
Rope employees <sup>1</sup> ..	***	***	***	***	***	***	***	***	***

<sup>1</sup> \*\*\*.

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



Table D-3

CARBON Steel wire rope: Injury indicators for U.S. producers' CARBON operations, 1988-90 and January-June 1990-91<sup>1</sup>

(In short tons and thousands of dollars, except as noted)									
Item	1988	1989	1990	Jan-June 1990	1991	88-89	89-90	88-90	J-J 90-91
						-----Percent change-----			
Capacity.....	-	-	-	-	-	-	-	-	-
Production.....	***	***	***	***	***	***	***	***	***
Cap. utilization..	-	-	-	-	-	-	-	-	-
U.S. shipments:									
Quantity.....	118,721	119,852	117,541	60,228	57,273	1.0	-1.9	-1.0	-4.9
Value.....	198,761	210,494	215,437	110,387	106,240	5.9	2.3	8.4	-3.8
Unit value...	\$1,676	\$1,747	\$1,823	\$1,823	\$1,848	4.9	4.4	9.5	1.4
Exports:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value...	***	***	***	***	***	***	***	***	***
Total shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value...	***	***	***	***	***	***	***	***	***
EOP inventories..	***	***	***	***	***	***	***	***	***
Inv/prod (%).....	***	***	***	***	***	***	***	***	***
Rope employees...	***	***	***	***	***	***	***	***	***
Financials: <sup>2</sup>									
Net sales.....	225,379	228,310	238,531	60,812	58,218	1.3	4.5	5.8	-4.3
COGS.....	172,652	172,090	175,122	43,936	42,680	-3	1.8	1.4	-2.9
Gross profit..	52,727	56,220	63,409	16,876	15,538	6.6	12.8	20.3	-7.9
GS&A.....	46,300	45,468	52,322	13,648	12,838	-1.8	15.1	13.0	-5.9
Oper. profit..	6,427	10,752	11,087	3,228	2,700	67.3	3.1	72.5	-16.4
Oper. margin..	2.9	4.7	4.6	5.3	4.6	65.1	-1.3	63.0	-12.6

<sup>1</sup> Interim periods for financial data are January-March 1990-91.

<sup>2</sup> Includes data for stainless steel wire rope, as data provided by \*\*\* firms on their stainless steel operations were \*\*\*.

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

Table D-4

**SPECIALTY Steel wire rope: Injury indicators for U.S. producers' SPECIALTY operations, 1988-90 and January-June 1990-91**

(In short tons and thousands of dollars, except as noted)									
Item	1988	1989	1990	Jan. - June		88-89	89-90	88-90	J-J
				1990	1991				90-91
-----Percent change-----									
Capacity.....	-	-	-	-	-	-	-	-	-
Production.....	***	***	***	***	***	***	***	***	***
Cap. utilization..	-	-	-	-	-	-	-	-	-
U.S. shipments:									
Quantity.....	9,352	11,064	15,210	7,500	9,043	18.3	37.5	62.6	20.6
Value.....	19,928	24,182	32,793	15,656	17,889	21.3	35.6	64.6	14.3
Unit value...	\$2,131	\$2,186	\$2,156	\$2,087	\$1,978	2.6	-1.4	1.2	-5.2
Exports:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value...	***	***	***	***	***	***	***	***	***
Total shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value...	***	***	***	***	***	***	***	***	***
EOP inventories..	***	***	***	***	***	***	***	***	***
Inv/prod (%).....	***	***	***	***	***	***	***	***	***
Rope employees...	***	***	***	***	***	***	***	***	***
Financials:									
Net sales.....	3,957	4,666	9,091	-	-	17.9	94.8	129.7	-
COGS.....	2,592	3,069	6,181	-	-	18.4	101.4	138.5	-
Gross profit..	1,365	1,597	2,910	-	-	17.0	82.2	113.2	-
GS&A.....	1,012	1,043	1,984	-	-	3.1	90.2	96.0	-
Oper. profit..	353	554	926	-	-	56.9	67.1	162.3	-
Oper. margin..	8.9	11.9	10.2	-	-	33.1	-14.2	14.2	-

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

Table D-5

GENERAL PURPOSE steel wire rope: Injury indicators for U.S. producers' GENERAL-PURPOSE operations, 1988-90 and January-June 1990-91

(In short tons and thousands of dollars, except as noted)									
Item	1988	1989	1990	Jan-June		88-89	89-90	88-90	J-J
				1990	1991				90-91
-----Percent change-----									
Capacity.....	-	-	-	-	-	-	-	-	-
Production.....	***	***	***	***	***	***	***	***	***
Cap. utilization..	-	-	-	-	-	-	-	-	-
U.S. shipments:									
Quantity.....	109,369	108,787	102,331	52,728	48,230	- .5	-5.9	-6.4	-8.5
Value.....	178,833	186,312	182,643	94,730	88,351	4.2	-2.0	2.1	-6.7
Unit value...	\$1,615	\$1,699	\$1,772	\$1,787	\$1,821	4.7	4.2	9.1	2.2
Exports:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value...	***	***	***	***	***	***	***	***	***
Total shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value...	***	***	***	***	***	***	***	***	***
EOP inventories..	***	***	***	***	***	***	***	***	***
Inv/prod (%).....	***	***	***	***	***	***	***	***	***
Rope employees...	***	***	***	***	***	***	***	***	***
Financials:									
Net sales.....	221,422	223,644	229,440	-	-	1.0	2.6	3.6	-
COGS.....	170,060	169,021	168,941	-	-	- .6	(1)	- .7	-
Gross profit.	51,362	54,623	60,499	-	-	6.3	10.8	17.8	-
GS&A.....	45,288	44,425	50,338	-	-	-1.9	13.3	11.2	-
Oper. profit....	6,074	10,198	10,161	-	-	67.9	- .4	67.3	-
Oper. margin....	2.7	4.6	4.4	-	-	66.2	-2.9	61.4	-

<sup>1</sup> Less than 0.5 percent.

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



APPENDIX E

COMMENTS RECEIVED FROM U.S. PRODUCERS ON THE IMPACT OF IMPORTS  
OF STEEL WIRE ROPE FROM ARGENTINA, CANADA, INDIA, MEXICO,  
THE PEOPLE'S REPUBLIC OF CHINA, TAIWAN, AND THAILAND  
ON THEIR GROWTH, INVESTMENT, ABILITY TO RAISE CAPITAL,  
OR EXISTING DEVELOPMENT AND PRODUCTION EFFORTS

COMMENTS RECEIVED FROM U.S. PRODUCERS ON THE IMPACT OF IMPORTS  
OF STEEL WIRE ROPE FROM ARGENTINA, CANADA, INDIA, 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. \*\*\*. \*\*\*. The responses of the \*\*\* producers which supplied comments are as follows:

Response of U.S. producers to the following questions:

1. Since January 1, 1988, 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, Canada, India, 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,  
ANALYSIS OF IMPORTS BY SIZE, AND  
ANALYSIS OF SPECIALTY PRODUCTS

Table F-1

Steel wire rope: Official import statistics, 1988-90, and January-May 1990-91

642.16.15--Galvanized, less than or equal to 3/8"

7312.10.90.30--Galv., less than or equal to 9.5mm

COUNTRY	Quantity (short tons)					Value (\$c.i.f.)					Unit value				
	1988	1989	1990	J-May 90	J-May 91	1988	1989	1990	J-May 90	J-May 91	1988	1989	1990	J-May 91	J-May 91
Argentina		81	19	0	0		\$42,262	\$10,069	0	0	ERR	\$523	\$523	ERR	ERR
India	166	230	1	0	0	\$107,613	\$178,031	1681	\$0	\$0	\$648	\$773	\$1,681	ERR	ERR
Mexico	0	36	9	8	3	\$0	\$45,755	16722	\$14,808	\$3,664	ERR	\$1,283	\$1,942	\$1,850	\$1,274
PRC	100	1,058	1286	424	91	\$132,627	\$1,435,470	1669326	\$612,618	\$132,500	\$1,329	\$1,356	\$1,298	\$1,444	\$1,450
Taiwan	1,467	2,813	1232	712	161	\$2,730,144	\$6,058,098	2572095	\$1,471,468	\$369,252	\$1,861	\$2,154	\$2,087	\$2,067	\$2,287
Thailand	173	510	311	273	12	\$310,908	\$939,062	571495	\$505,477	\$17,546	\$1,797	\$1,843	\$1,837	\$1,850	\$1,442
Subtotal	1,906	4,728	2,859	1,417	268	\$3,281,292	\$8,698,678	4,841,388	2,604,371	522,962	\$1,722	\$1,840	\$1,694	\$1,838	\$1,952
(% Total)	13.5	27.4	20.0	21.7	4.7	14.1	25.4	18.2	34.2	9.0					
Canada	19	161	16	0	22	55926	131068	39625	0	39239	\$2,902	\$814	\$2,477	ERR	\$1,749
Subtotal	1,925	4,889	2,875	1,417	290	\$3,337,218	\$8,829,746	4,881,013	2,604,371	562,201	\$1,733	\$1,806	\$1,698	\$1,838	\$1,937
(% Total)	13.7	28.3	20.1	21.7	5.1	14.4	25.8	18.4	34.2	9.7					
Korea	10,962	11,108	10374	4,282	4,853	\$17,616,773	\$22,873,006	19611847	\$4,619,935	\$4,699,987	\$1,607	\$2,059	\$1,890	\$1,079	\$968
Japan	421	469	455	361	48	\$808,488	\$1,077,388	895431	\$509,391	\$182,943	\$1,922	\$2,297	\$1,968	\$1,410	\$3,834
Chile	0	0	0	0	0						ERR	ERR	ERR	ERR	ERR
Israel	116	132	68	49	13	\$160,259	\$255,436	138613	\$104,566	\$0	\$1,382	\$1,935	\$2,038	\$2,134	\$0
All Other	652	658	537	411	434	\$1,331,842	\$1,224,326	1,062,398	(226,489)	356,590	\$2,042	\$1,861	\$1,977	(\$551)	\$821
Subtotal	12,151	12,367	11,434	5,103	5,349	\$19,917,362	\$25,430,156	21,708,289	\$5,007,403	\$5,239,520	\$1,639	\$2,056	\$1,899	\$981	\$980
Total	14,076	17,256	14,309	6,521	5,639	\$23,254,580	\$34,259,902	\$26,589,302	\$7,611,774	\$5,801,721	\$1,652	\$1,985	\$1,858	\$1,167	\$1,029

642.16.20--Galvanized, greater than 3/8"

7312.10.90.60--Galv., greater than 9.5mm

COUNTRY	Quantity (short tons)					Value (\$c.i.f.)					Unit value				
	1988	1989	1990	J-May 90	J-May 91	1988	1989	1990	J-May 90	J-May 91	1988	1989	1990	J-May 91	J-May 91
Argentina	0	33	0	0	14	\$0	\$30,984	0	\$0	\$15,546	ERR	\$927	ERR	ERR	\$1,100
India	2	220	143	50	0	\$2,101	\$273,992	133497	\$51,792	\$0	\$1,285	\$1,247	\$934	\$1,044	ERR
Mexico	0	53	3	1	21	\$0	\$77,700	3421	\$1,662	\$36,265	ERR	\$1,478	\$1,232	\$1,662	\$1,727
PRC	74	667	725	367	0	\$53,630	\$816,448	796016	\$423,412	\$0	\$724	\$1,224	\$1,098	\$1,155	ERR
Taiwan	26	117	30	4	1	\$58,710	\$197,358	75994	\$12,076	\$1,378	\$2,298	\$1,682	\$2,533	\$2,762	\$1,685
Thailand	142	434	207	145	45	\$238,514	\$566,113	294804	\$211,426	\$58,894	\$1,683	\$1,305	\$1,424	\$1,461	\$1,306
Subtotal	243	1,524	1,108	566	81	\$352,955	\$1,962,595	1,303,732	700,368	112,083	\$1,452	\$1,288	\$1,177	\$1,237	\$1,383
(% Total)	1.6	9.4	7.9	10.2	1.2	1.8	8.6	7.5	9.3	1.3					
Canada	519	190	61	10	122	\$973,484	\$413,061	132417	\$33,231	263,270	\$1,876	\$2,173	\$2,180	\$3,324	\$2,159
Subtotal	762	1,714	1,169	576	203	\$1,326,439	\$2,375,656	1,436,149	\$733,599	\$75,353	\$3,329	\$1,386	\$1,229	\$1,273	\$1,849
(% Total)	5.0	10.6	8.4	10.3	3.0	6.9	10.4	8.3	9.7	4.4	266.9				
Korea	10,384	10,032	9437	3,758	5,596	\$12,061,445	\$13,801,530	11162907	\$4,760,443	\$6,478,684	\$1,162	\$1,376	\$1,183	\$1,267	\$1,158
Japan	154	116	53	12	5	\$254,836	\$274,232	133729	\$38,959	\$14,440	\$1,659	\$2,368	\$2,523	\$3,157	\$2,852
Chile	0	80	19	19	0	\$0	\$77,443	20776	\$20,776	\$0	ERR	\$971	\$1,093	\$1,112	ERR
Israel	1,117	961	184	184	51	\$1,320,719	\$1,275,013	262959	\$262,959	\$74,005	\$1,182	\$1,326	\$1,429	\$1,432	\$1,437
All Other	2,972	3,259	3,098	1,021	937	\$4,230,892	\$5,111,181	4,386,531	\$1,711,020	\$1,657,473	\$1,423	\$1,568	\$1,416	\$1,675	\$1,769
Subtotal	14,627	14,448	12,792	4,994	6,590	\$17,867,892	\$20,539,399	15,966,902	\$6,794,157	\$8,224,602	\$1,222	\$1,422	\$1,248	\$1,360	\$1,248
Total	15,389	16,162	13,960	5,570	6,793	\$19,194,331	\$22,915,055	\$17,403,051	\$7,527,756	\$8,599,955	\$1,247	\$1,418	\$1,247	\$1,351	\$1,266

Continued on following page--



Table F-1--continued

Steel wire rope: Official import statistics, 1988-90, and January-May 1990-91

Steel wire rope											
Total galvanized--				Quantity (short tons)			Value (\$c.i.f.)			Unit value	
1988	1989	1990	J-May 90	J-May 91	1988	1989	1990	J-May 90	J-May 91	1988	J-May
COUNTRY											
Argentina	0	114	0	14	0	73,246	10,069	0	15,546	ERR	ERR
India	168	450	50	0	109,714	452,023	135,178	51,792	0	\$654	\$1,044
Mexico	0	88	9	24	0	123,455	20,143	16,470	39,929	ERR	\$1,829
PRC	174	1,726	791	91	186,257	2,251,918	2,465,342	1,036,030	132,500	\$1,071	\$1,310
Taiwan	1,493	2,930	716	162	2,788,854	6,255,456	2,648,089	1,483,544	370,630	\$1,869	\$1,450
Thailand	315	944	418	57	549,422	1,505,175	866,299	716,903	76,440	\$1,746	\$2,071
Subtotal	2,149	6,252	1,984	349	3,634,247	10,661,273	6,145,120	3,304,739	635,045	\$1,691	\$1,715
(% Total)	7.3	18.7	16.4	2.8	8.6	18.6	14.0	21.8	6.4	\$1,691	\$1,666
Canada	538	351	77	144	1,029,410	544,129	172,042	33,231	302,509	\$1,913	\$3,324
Subtotal	2,687	6,603	4,043	493	4,663,657	11,205,402	6,317,162	3,337,970	937,554	\$1,736	\$1,674
(% Total)	9.1	19.8	16.3	4.0	11.0	19.6	14.4	22.0	6.5		
Korea	21,346	21,141	19,811	10,450	29,678,218	36,674,536	30,774,754	9,380,378	11,178,671	\$1,390	\$1,167
Japan	574	585	508	53	1,063,324	1,351,620	1,029,160	548,350	197,383	\$1,852	\$1,468
Chile	0	80	19	0	0	77,443	20,776	20,776	0	ERR	\$1,112
Israel	1,233	1,093	252	65	1,480,978	1,530,449	401,572	367,525	74,005	\$1,201	\$1,580
All Other	3,624	3,917	3,636	1,372	5,562,734	6,335,507	5,448,929	1,684,531	2,014,063	\$1,535	\$1,037
Subtotal	26,778	26,815	24,226	11,939	37,785,254	45,969,555	37,675,191	11,801,560	13,464,122	\$1,411	\$1,169
Total	29,465	33,418	28,269	12,432	42,448,911	57,174,957	43,992,353	15,139,530	14,401,676	\$1,441	\$1,252
642.16.50--Bright											
7312.10.90.90--Bright											
Quantity (short tons)				Value (\$c.i.f.)			Unit value				
1988	1989	1990	J-May 90	J-May 91	1988	1989	1990	J-May 90	J-May 91	1988	J-May
COUNTRY											
Argentina	1,340	1,764	1607	667	155	\$1,009,781	\$1,535,094	\$624,919	\$154,535	\$754	\$937
India	1,413	2,246	1284	834	18	\$1,333,238	\$2,378,724	\$858,033	\$14,767	\$944	\$1,029
Mexico	1,310	2,328	4655	1,467	2,103	\$1,525,203	\$2,515,744	\$1,628,455	\$1,927,732	\$1,165	\$1,110
PRC	681	869	1343	346	220	\$525,678	\$695,614	\$1154853	\$292,243	\$772	\$845
Taiwan	535	692	418	167	116	\$901,341	\$1,291,159	\$367,977	\$297,143	\$1,684	\$845
Thailand	1,806	1,211	184	144	10	\$2,319,105	\$1,464,674	\$180,471	\$10,132	\$1,284	\$2,558
Subtotal	7,084	9,111	9,291	3,625	2,622	\$7,616,346	\$9,881,009	\$3,952,098	\$2,581,577	\$1,075	\$1,027
(% Total)	14.9	19.2	21.9	22.5	13.1	15.7	18.3	18.6	10.6		\$984
Canada	4908	6,067	5313	2,107	2,136	\$7,240,152	\$10,287,271	\$3,697,464	\$3,658,694	\$1,475	\$1,755
Subtotal	11993	15178	14604	5732	4758	\$14,854,498	\$20,168,280	\$7,649,562	\$6,240,271	\$1,239	\$1,335
(% Total)	25.2	32.0	34.5	23.8	25.5	32.0	34.2	36.0	25.7		\$1,312
Korea	28,913	22,674	21484	7,844	12,387	\$31,717,511	\$28,847,762	\$9,363,466	\$13,272,921	\$1,097	\$3,080
Japan	729	372	298	142	96	\$1,382,917	\$865,290	\$320,691	\$360,213	\$1,896	\$2,253
Chile	563	802	146	105	0	\$507,901	\$775,096	\$103,664	\$0	\$902	\$984
Israel	402	665	383	325	14	\$451,190	\$998,690	\$472,941	\$19,774	\$1,123	\$1,454
All Other	5,021	7,682	5,470	1,969	2,767	\$9,431,018	11,302,921	\$3,317,602	4,373,628	\$1,878	\$1,685
Subtotal	35,627	32,195	27,781	10,386	15,264	\$3,490,537	35,395,587	13,578,364	18,026,536	\$1,221	\$1,307
Total	47,620	47,373	42,385	16,118	20,022	\$58,345,035	\$62,958,039	\$53,832,201	\$21,227,926	\$1,225	\$1,317

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Table F-1--continued  
Steel wire rope: Official import statistics, 1988-90, and January-May 1990-91  
Carbon Steel Wire Rope

COUNTRY	Quantity (short tons)				Value (\$c.i.f.)				Unit value						
	1988	1989	1990	J-May 90	J-May 91	1988	1989	1990	J-May 90	J-May 91	1988	1989	1990	J-May	J-May
Argentina	1,340	1,878	1,627	667	169	1,009,781	1,608,340	1,538,517	624,919	170,081	\$754	\$856	\$946	\$937	\$1,004
India	1,580	2,696	1,428	884	18	1,442,952	2,830,747	1,439,789	909,825	14,767	\$913	\$1,050	\$1,008	\$1,029	\$824
Mexico	1,310	2,417	4,466	1,476	2,127	1,525,203	2,639,199	4,674,770	1,644,925	1,967,661	\$1,165	\$1,092	\$1,047	\$1,114	\$925
PRC	855	2,594	3,354	1,136	311	711,935	2,947,532	3,620,195	1,328,273	309,768	\$833	\$1,136	\$1,079	\$1,169	\$995
Taiwan	2,028	3,622	1,680	883	278	3,690,195	7,546,615	3,598,896	1,851,521	667,773	\$1,820	\$2,083	\$2,142	\$2,096	\$2,398
Thailand	2,121	2,155	703	562	67	2,868,527	2,969,849	1,122,072	897,374	86,572	\$1,352	\$1,378	\$1,597	\$1,598	\$1,290
Subtotal	9,233	15,362	13,258	5,609	2,971	\$11,248,593	\$20,562,282	\$15,994,239	\$7,256,837	\$3,216,622	\$1,218	\$1,337	\$1,206	\$1,294	\$1,083
(% Total)	12.0	19.0	18.8	19.9	9.2	11.2	17.1	16.3	20.0	8.3					
Canada	5,446	6,418	5,390	2,117	2,280	8,269,562	10,831,400	8,759,537	3,730,695	3,961,203	\$1,518	\$1,688	\$1,625	\$1,762	\$1,737
Subtotal	14,680	21,781	18,648	7,725	5,251	19,518,155	31,373,682	24,753,776	10,987,532	7,177,825	\$1,330	\$1,440	\$1,327	\$1,422	\$1,367
(% Total)	19.0	27.0	26.4	27.4	16.2	19.4	26.1	25.3	30.2	18.6					
Korea	50,259	43,815	41,295	15,885	22,837	61,395,729	65,522,298	54,930,655	18,743,844	24,451,592	\$1,222	\$1,495	\$1,330	\$1,180	\$1,071
Japan	1,304	957	806	516	149	2,446,241	2,216,910	1,692,172	869,041	557,596	\$1,877	\$2,317	\$2,099	\$1,684	\$3,751
Chile	563	881	165	124	0	507,901	852,539	164,205	124,440	0	\$902	\$967	\$995	\$1,003	ERR
Israel	1,635	1,758	635	558	79	1,932,168	2,529,139	1,001,967	840,466	93,779	\$1,182	\$1,438	\$1,578	\$1,507	\$1,193
All Other	8,645	11,599	9,105	3,401	4,139	14,993,752	17,638,428	15,281,779	4,802,133	6,387,691	\$1,734	\$1,521	\$1,678	\$1,412	\$1,543
Subtotal	62,405	59,010	52,007	20,484	27,203	81,275,791	88,759,314	73,070,778	25,379,924	31,490,658	\$1,302	\$1,504	\$1,405	\$1,239	\$1,158
Total	77,085	80,791	70,654	28,209	32,454	100,793,946	120,132,996	97,824,554	36,367,456	38,668,483	\$1,308	\$1,487	\$1,385	\$1,289	\$1,191

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642.14.00--Stainless, not fitted

7312.10.60--

7312.10.60--															
COUNTRY	Quantity (short tons)				Value (\$c.i.f.)				Unit value						
	1988	1989	1990	January-May J-May 90	J-May 91	1988	1989	1990	January-May J-May 90	J-May 91	1988	1989	1990	J-May	J-May
Argentina															
India			14												
Mexico			9				47,000	53,000	0	0					
PRC	5					19,332									
Taiwan	327	123	62	15	15	1,349,545	930,792	331,000	108,000	83,000	\$4,121	\$7,562	\$5,315	\$7,312	\$5,508
Thailand	1					7,612					\$7,302				
Subtotal	333	123	85	15	15	1,376,489	977,792	431,000	108,000	83,000	\$4,132	\$7,944	\$5,068	\$7,312	\$5,508
(% Total)	14.5	7.6	5	2	2	11	9	4	3	2					
Canada	86	0.3	2	2	0	201,376	10,207	3,000	3,000	7,000	\$2,331	\$33,795	\$1,890	\$1,890	\$14,499
Subtotal	420	123	87	16	16	1,577,865	987,999	434,000	111,000	90,000	\$3,761	\$8,007	\$5,010	\$6,786	\$5,787
(% Total)	18.3	5.4	5	2	2	ERR	8	4	3	2					
Korea	1,379	1,267	1,473	606	578	8,620,162	8,823,608	8,227,000	3,163,000	3,073,000	\$6,253	\$6,962	\$5,584	\$5,221	\$5,318
Japan	232	62	98	61	11	1,630,847	557,311	703,000	278,000	118,000	\$7,018	\$9,023	\$7,157	\$4,554	\$11,106
Chile	22					17,826					\$808				
Israel	0	36	0	0	0		48,905	0	0	0		\$1,347			
All Other	239	139	67	36	82	615,827	635,160	525,000	300,000	417,000	\$2,582	\$4,583	\$7,867	\$8,287	\$5,084
Subtotal	493	237	165	97	93	2,264,500	1,241,376	1,228,000	578,000	535,000	\$4,594	\$5,245	\$7,445	\$5,944	\$5,774
Total	2,291	1,628	1,725	719	686	12,462,527	11,052,983	9,889,000	3,852,000	3,698,000	\$5,440	\$6,791	\$5,733	\$5,354	\$5,390

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Table F-1--continued  
Steel wire rope: Official import statistics, 1988-90, and January-May 1990-91  
Total Steel Wire Rope

COUNTRY	Quantity (short tons)					Value (\$c.i.f.)					Unit value				
	1988	1989	1990	J-May 90	J-May 91	1988	1989	1990	J-May 90	J-May 91	1988	1989	1990	J-May	J-May
Argentina	1,340	1,878	1,627	667	169	1,009,781	1,608,340	1,538,517	624,919	170,081	\$754	\$856	\$946	\$937	\$1,004
India	1,580	2,696	1,442	884	18	1,442,952	2,830,747	1,492,789	909,825	14,767	\$913	\$1,050	\$1,035	\$1,029	\$824
Mexico	1,310	2,417	4,475	1,476	2,127	1,525,203	2,686,199	4,721,770	1,644,925	1,967,661	\$1,165	\$1,112	\$1,055	\$1,114	\$925
PRC	860	2,594	3,354	1,136	311	731,267	2,947,532	3,620,195	1,328,273	309,768	\$851	\$1,136	\$1,079	\$1,169	\$995
Taiwan	2,355	3,746	1,742	898	294	5,039,740	8,477,407	3,929,896	1,959,521	750,773	\$2,140	\$2,263	\$2,256	\$2,182	\$2,558
Thailand	2,122	2,155	703	562	67	2,876,139	2,969,849	1,122,072	897,374	86,572	\$1,355	\$1,378	\$1,597	\$1,598	\$1,290
Subtotal	9,566	15,486	13,343	5,623	2,986	812,625,082	\$21,520,074	\$16,425,239	\$7,364,837	\$3,299,622	\$1,320	\$1,390	\$1,231	\$1,310	\$1,105
(% Total)	12.1	18.8	18.4	19.4	9.0	11.1	16.4	15.2	18.3	7.8					
Canada	5,535	6,418	5,391	2,118	2,280	8,470,938	10,841,607	8,762,537	3,733,695	3,968,203	\$1,531	\$1,689	\$1,625	\$1,762	\$1,740
Subtotal	15,099	21,904	18,734	7,742	5,267	21,096,020	32,361,681	25,187,776	11,098,532	7,267,825	\$1,397	\$1,477	\$1,344	\$1,434	\$1,380
(% Total)	19.0	26.6	25.9	26.8	15.9	18.6	24.7	23.4	27.6	17.2					
Korea	51,637	45,082	42,769	16,491	23,415	70,015,891	74,345,906	63,157,655	21,906,844	27,524,592	\$1,356	\$1,649	\$1,477	\$1,328	\$1,176
Japan	1,536	1,018	904	577	159	4,077,088	2,774,221	2,395,172	1,147,041	675,596	\$2,654	\$2,724	\$2,649	\$1,988	\$4,242
Chile	585	881	165	124	0	525,727	852,539	164,205	124,440	0	\$899	\$967	\$995	\$1,003	ERR
Israel	1,635	1,795	635	558	79	1,932,168	2,578,044	1,001,967	840,466	93,779	\$1,182	\$1,437	\$1,578	\$1,507	\$1,193
All Other	4,117	4,153	3,801	1,529	1,464	7,827,234	7,576,883	6,676,929	2,062,531	2,549,063	\$1,901	\$1,824	\$1,757	\$1,349	\$1,741
Subtotal	64,277	60,514	53,645	21,187	27,874	92,160,453	98,824,298	82,525,778	29,120,924	35,098,658	\$1,434	\$1,633	\$1,538	\$1,374	\$1,259
Total	79,376	82,419	72,379	28,928	33,141	113,256,473	131,185,979	107,713,554	40,219,456	42,366,483	\$1,427	\$1,592	\$1,488	\$1,390	\$1,278

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

Table F-2

Carbon steel wire rope: Imports and U.S. producers' shipments of U.S.-produced product, by sizes, 1988-90, and January-March 1990-91

\* \* \* \* \*

Table F-3

Carbon steel wire rope: Share of imports by source and U.S. producers' shipments of U.S.-produced product, by sizes, 1988-90, and January-March 1990-91

\* \* \* \* \*

Table F-4

Carbon steel wire rope: Market shares of imports and U.S. producers' shipments of U.S.-produced product, by sizes, 1988-90, and January-March 1990-91

\* \* \* \* \*

Table F-5

Carbon steel wire rope: Shipments of imports and U.S. producers' shipments of U.S.-produced product, by firms, 1988-90, and January-March 1990-91

\* \* \* \* \*

Table F-6

Specialty steel wire rope: Shares of shipments of imports and U.S. producers' shipments of U.S.-produced product, by firms, 1988-90, and January-June 1990-91

\* \* \* \* \*

APPENDIX G

MARKETING OF STEEL WIRE ROPE USED FOR  
CRITICAL APPLICATIONS IN MINING

## MARKETING OF STEEL WIRE ROPE USED FOR CRITICAL APPLICATIONS IN MINING

Steel wire rope products 10 and 11 of the Canadian preliminary investigation are typically used in mining applications. Steel wire rope in the mining industry is used to hoist mine workers and mine products in the shafts of underground mines and is used on the shovels and draglines of surface mines. The marketing of mining ropes includes several distinctive aspects which can affect purchasing decisions. These differences are driven by the high cost and quality and performance requirements of mining ropes.

Mining ropes are typically sold under a contract that is negotiated by the purchaser, the manufacturer, and the distributor. Both domestic and Canadian contracts average 1 year in length. The terms of the contract generally include a fixed price for the rope, a materials-workmanship warranty, and conditions under which replacement ropes are sold. In addition, some contracts include a manufacturer's performance guarantee which is tied to a percentage of the performance of previous rope used by the purchaser. That is, the manufacturer will guarantee that its rope will be able to carry a specified percentage of the tonnage carried by the previous rope during its working life.

Durability is an important criterion for mining rope, not only because of the potential danger to human life from a broken rope, but also because of the expense of changing a rope. The labor and downtime associated with rope changes can approach the cost of the rope itself.<sup>1</sup> As a result, the materials-workmanship warranty and the performance guarantee can be important selling points. When a warranted or performance-guaranteed wire rope breaks, the mine company returns the broken rope to the manufacturer, who investigates the cause of the breakage. If the breakage is found to be a manufacturing or design flaw, rather than an operator or use flaw, a pro-rated credit is provided to the mine.<sup>2</sup>

Mining contracts also include provisions for the replacement of wire rope through consigned stocks. Contracts will typically specify a quantity of rope that is to be kept on consignment at the mine site. When the mine takes a wire rope out of consignment, it notifies the manufacturer, who bills the mine for that rope and ships another wire rope for placement in the consigned stock. Both domestic and Canadian contracts may specify a period of time after which ropes held in consignment must be purchased by the mine.

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<sup>1</sup> Based on conversations between Commission staff and \*\*\*.

<sup>2</sup> Commission staff spoke to two mining companies, \*\*\* and \*\*\*. \*\*\* used only Canadian steel wire rope (produced by \*\*\*) and \*\*\* used both domestic and Canadian steel wire rope. These firms discussed the frequency with which credits are provided for ropes under warranty or performance guarantees. Both mines indicated that applying for and receiving credit from either the domestic or Canadian manufacturers is not a common occurrence. \*\*\* indicated that the Canadian product exceeded the performance guarantee \*\*\* percent of the time.

APPENDIX H

EXHIBITS SUBMITTED BY WIRE ROPE INDUSTRIES  
ON THE PERFORMANCE OF MINING STEEL WIRE ROPE

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APPENDIX I

\*\*\*'S ALLEGATIONS OF PURCHASES OF STEEL WIRE ROPE FROM  
ARGENTINA, CHINA, INDIA, MEXICO, AND TAIWAN  
REPORTED DURING THE MULTICOUNTRY FINAL INVESTIGATIONS

\*\*\*'S ALLEGATIONS OF PURCHASES OF STEEL WIRE ROPE FROM  
ARGENTINA, CHINA, INDIA, MEXICO, AND TAIWAN

\*\*\* alleged that eight firms purchased steel wire rope from Argentina, China, India, Mexico, or Taiwan, although \*\*\* did not quote prices to these purchasers. These transactions for which value and quantity data were available totaled \$73,224 or 91,500 feet of steel wire rope.<sup>1</sup> Because dates or quantities were often not reported, many purchasers could not identify the alleged transactions.<sup>2</sup> The purchasers, who indicated buying the subject imported steel wire rope, but not necessarily the specific products or at the prices alleged, typically also bought domestic wire rope. Purchasers generally indicated that the subject imported wire rope was lower in quality and price than the domestic product. They bought the imported products for uses that did not require the better quality, or hence justify the higher price, of domestic steel wire rope. They also bought domestic steel wire rope for more demanding applications. The Commission staff's conversations with the purchasers named are reported below.

\* \* \* \* \*

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<sup>1</sup> The value and quantity of alleged purchases for which quantity and value data were reported, by the subject countries cited, are shown in the following tabulation:

<u>Country</u>	<u>Dollars</u>	<u>Number of feet</u>
Argentina.....	5,983	2,500
China.....	39,744	80,000
Mexico.....	27,497	9,000

<sup>2</sup> The U.S. producer did not quote prices to the named purchasers.

APPENDIX J

LOST SALES ALLEGATIONS DURING THE PRELIMINARY MULTICOUNTRY INVESTIGATIONS  
INVOLVING STEEL WIRE ROPE IMPORTED FROM ARGENTINA, CHINA, INDIA,  
MEXICO, TAIWAN, AND THAILAND

LOST SALES ALLEGATIONS DURING THE PRELIMINARY MULTICOUNTRY INVESTIGATIONS  
INVOLVING STEEL WIRE ROPE IMPORTED FROM ARGENTINA, CHINA, INDIA,  
MEXICO, TAIWAN, AND THAILAND

During the preliminary investigations, four U.S. producers (\*\*\*, \*\*\*, \*\*\*, and \*\*\*) provided allegations of lost sales; most of these allegations were not complete. \*\*\* named two related entities in its lost sales allegations. \*\*\* did not know the quantity involved in the lost sales except in one allegation. The allegations provided by \*\*\* were for business on which the firm stated that it was not given the opportunity to quote. Staff was able to contact 10 of 11 companies named in these allegations.<sup>1</sup> No lost sales allegations were made involving imports from Taiwan.<sup>2</sup>

\* \* \* \* \*

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<sup>1</sup> One of the companies not contacted has gone out of business.

<sup>2</sup> \*\*\*.