

GENERAL INFORMATION, INSTRUCTIONS, AND DEFINITIONS FOR COMMISSION QUESTIONNAIRE

CERTAIN STEEL WIRE ROD Investigation No. TA-204-11

<u>Further information</u>.--If you have any questions concerning the enclosed questionnaire or other matters related to this investigation, you may contact the following members of the Commission's staff (Fax 202-205-2217):

Karen Taylor, investigator (202-708-4101; E-mail KTAYLOR@USITC.GOV) regarding general questions and trade and related information;

Justin Jee, auditor (202-205-3186; E-mail JJEE@USITC.GOV) regarding financial information; and

Catherine DeFilippo, economist (202-205-3253; E-mail CDEFILIPPO@USITC.GOV) regarding pricing.

GENERAL INFORMATION

Background.--Following receipt of a report from the Commission in July 1999 under section 202 of the Trade Act of 1974 (19 U.S.C. § 2252) (the Act) containing a determination and remedy recommendation by the Commission, the President, pursuant to section 203 of the Act (19 U.S.C. § 2253), imposed import relief in the form of a tariff-rate quota on imports of certain steel wire rod for a period of 3 years and 1 day effective March 1, 2000. Section 204 (d) of the Act requires that the Commission, after termination of any action taken under section 203, conduct an investigation to "evaluate the effectiveness of the actions in facilitating positive adjustment by the domestic industry to import competition, consistent with the reasons set out by the President in the report submitted to the Congress under section 203 (b)." This evaluation must be completed no later than 180 days after termination of the relief, which is in this case is August 28, 2003.

Additional questionnaires will be supplied promptly upon request, or photocopies of the enclosed questionnaire may be used. Address all correspondence to the United States International Trade Commission, Washington, DC 20436. Hearing-impaired individuals can obtain information regarding this investigation via the Commission's TDD terminal (202-205-1810).

<u>Due date of questionnaire</u>.--Return the completed questionnaire to the United States International Trade Commission by no later than **May 2, 2003.** Although the enclosed postpaid envelope may be used to return the completed questionnaire, use of an overnight mail service may be necessary to ensure that your response actually reaches the Commission by **May 2**. If you do not use the enclosed envelope, please make sure the completed questionnaire is sent to the attention of Karen Taylor. **Return the original completed questionnaire, but please keep a copy for your records so that you can refer to it if the Commission staff contacts you with any questions during the course of the investigation.**

<u>Confidentiality</u>.--The commercial and financial data furnished in response to the enclosed questionnaire that reveal the individual operations of your firm will be treated as confidential by the Commission to the extent that such data are not otherwise available to the public and will not be disclosed except as may be required by law. Such confidential information will not be published in a manner that will reveal the individual operations of your firm; however, nonnumerical characterizations of numerical business proprietary information (such as discussion of trends) will be treated as confidential business information only at the request of the submitter for good cause shown.

GENERAL INFORMATION--Continued

In addition, the confidential business information that you submit may be included in a confidential version of the report that the Commission transmits to the President, should the Commission transmit a confidential version. Any such confidential business information will be deleted from the version of the report that the Commission releases to the public.

In addition, by signing the certification on the cover page of the questionnaire, the signing official authorizes the Commission to use in this investigation information submitted to the Commission in response to Commission questionnaires in investigations Nos. TA-201-69 and TA-204-6 in this investigation and acknowledges that such information may be used by the Commission in this investigation in the same manner as information received in response to this questionnaire.

Verification.--The information submitted in the enclosed questionnaire is subject to audit and verification by the Commission. To facilitate possible verification of data, please keep all your workpapers and supporting documents used in the preparation of the questionnaire response(s).

INSTRUCTIONS

<u>Answer all questions</u>.--Do not leave any question or section blank unless a questionnaire expressly directs you to skip over certain questions or sections. If the answer to any question is "none," write "none." If information is not readily available from your records in exactly the form requested, furnish carefully prepared estimates--designated as such by the letter "E"--and explain the basis of your estimates. Answers to questions and any necessary comments or explanations should be supplied in the space provided or on separate sheets attached to the appropriate page of the questionnaire.

<u>Consolidate all U.S. establishments</u>.--Report the requested data for your establishment(s) located in the United States. Firms operating more than one establishment should combine the data for all establishments into a single report.

DEFINITIONS

<u>Certain steel wire rod</u>.--For the purpose of this investigation, certain steel wire rod consists of hot-rolled bars and rods, in irregularly wound coils, of circular or approximately circular solid cross section, having a diameter of 5 mm (0.20 inch) or more but less than 19 mm (0.75 inch), of non-alloy or alloy steel (except such bars and rods of free-machining steel (defined below) or of alloy steel containing by weight 24 percent or more of nickel), provided for in subheadings 7213.91, 7213.99, 7227.20, and 7227.90.60 of the Harmonized Tariff Schedule of the United States (HTS). Certain steel wire rod does not cover concrete reinforcing bars and rods, or bars and rods of stainless steel or tool steel (including ball-bearing steel), which are provided for in other HTS subheadings.

Certain steel wire rod includes (but is not limited to) the products listed below.

(1) <u>Industrial or standard quality rods</u>.–Rods primarily intended for drawing into industrial or standard quality wire. For the purpose of this questionnaire, data for chain quality rods, cold finishing rods, fine wire quality rods, and undeformed concrete reinforcement rods should be reported in this category. <u>Chain quality rods</u> are those used in the manufacture of wire intended for electric welded and weldless chain. <u>Cold finishing quality rods</u> are those intended for the manufacture of cold drawn bars. <u>Fine wire quality rods</u> are those suitable for the direct drawing of 5.5 mm (0.22 inch) rods into wire sizes as fine as 0.889 mm (0.04 inch) for subsequent thermal treatment and redrawing into fine wire for applications such as insect screen wire, weaving wire and florist wire.

(2) <u>High carbon and medium-high carbon quality rods</u>.–Rods intended for drawing into wire for such products as strand, tire bead, upholstery spring, mechanical spring, rope, screens, ACSR core and prestressed concrete wire, except for products meeting the definition of excluded products. <u>Tire bead quality wire rods</u> are those used to make wire that, whether singularly or stranded, is encased in rubber and used to hold a tire to the wheel rim of a car, truck, tractor, or other motor vehicle. <u>Music spring wire quality rods</u> are those intended for drawing into wire sizes 0.10 mm (0.004 inch) to 6.35 mm (0.25 inch) for the manufacture of springs subject to high stress having good fatigue properties. For the purpose of this questionnaire, data for tire bead and music spring wire should be reported in this category.

(3) <u>Welding quality rods</u>.–Rods intended for producing wire for gas welding, electric arc welding, submerged arc welding and metal insert gas welding.

(4) <u>Cold heading quality rods</u>.–Rods used in the manufacture of heading, forging or cold extrusion quality wire, except for products meeting the definition of excluded products. For the purpose of this questionnaire, data for scrapless nut quality rods should be reported in this category. <u>Scrapless nut quality rods</u> are those intended for drawing into wire for scrapless nuts.

<u>DEFINITIONS</u>--Continued

Excluded products.--For a detailed description of excluded products, see the attached Presidential proclamation at pages 8624-8625 (65 FR 8621, February 18, 2000) and the subsequent technical correction for valve spring quality wire rod at pages 13815-13816 (65 FR 13815, March 14, 2000). The excluded products include wire rod of tire cord quality, valve spring quality, class III pipe wrap quality, aircraft cold heading quality, aluminum cable steel reinforced ("ACSR") quality, piano wire string quality, grade 1085 annealed bearing quality, and grade 1080 tire bead wire quality.

The following products are also excluded from the scope of this investigation.

Wire rod of free-machining steel.--Free-machining steel is any steel product containing by weight one or more of the following elements, in the specified proportions: 0.03 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.4 percent of phosphorous, more than 0.05 percent of selenium, and/or more than 0.01 percent of tellurium.

Stainless steel, tool steel, high-nickel alloy steel, and ball-bearing steel wire <u>rod</u>.--Wire rod meeting the HTS definitions for stainless steel, tool steel, and high-nickel alloy steel (ball bearing wire rod is a subset of tool steel).

<u>Concrete reinforcing bars and rods</u>.--For purposes of this investigation, concrete reinforcing bars and rods means hot-rolled bars and rods containing indentations, ribs, grooves or other deformations produced during the rolling process or twisted after rolling, as described in the HTS.

Firm.--An individual proprietorship, partnership, joint venture, association, corporation (including any subsidiary corporation), business trust, cooperative, trustee in bankruptcy, or receiver under decree of any court.

<u>Related firm</u>.--A firm that your firm solely or jointly owned, managed, or otherwise controlled; a firm that solely or jointly owned, managed, or otherwise controlled your firm; and/or a firm that was solely or jointly owned, managed, or otherwise controlled by a firm that also solely or jointly owned, managed, or otherwise controlled your firm.

Establishment.--Each facility of a firm in the United States involved in the production, importation, and/or purchase of certain steel wire rod (as defined above), including auxiliary facilities operated in conjunction with (whether or not physically separate from) such facilities.

<u>United States</u>.--For purposes of this investigation, the 50 States, Puerto Rico, the U.S. Virgin Islands, and the District of Columbia.

<u>DEFINITIONS</u>--Continued

<u>Shipments</u>.--Shipments of products produced in or imported by your U.S. establishment(s). Include shipments to the contracting firm of product produced by your firm under a toll agreement.

Shipment quantities.--Quantities reported should be net of returns.

Shipment values.--Values reported should be net values (i.e., gross sales values less all discounts, allowances, rebates, prepaid freight, and the value of returned goods), f.o.b. your U.S. producing establishment(s). The value of domestic shipments to the contracting firm under a toll agreement is the conversion fee (including profit).

Types of shipments:

<u>U.S. shipments</u>.--Commercial shipments, internal consumption, and transfers to related firms within the United States.

<u>Commercial shipments</u>.--Shipments, other than internal consumption and transfers to related firms, within the United States.

Internal consumption.--Product consumed internally by your firm.

Transfers to related firms.--Shipments made to related domestic firms.

Export shipments.--Shipments to destinations outside the United States, including shipments to related firms.

Inventories. -- Finished goods inventory, not raw materials or work-in-progress.

<u>Average production capacity</u>.--The level of production that your establishment(s) could reasonably have expected to attain during the specified periods. Assume normal operating conditions (i.e., using equipment and machinery in place and ready to operate; normal operating levels (hours per week/weeks per year) and time for downtime, maintenance, repair, and cleanup; and a typical or representative product mix).

<u>**Toll agreement</u></u>.--Agreement between two firms whereby the first firm furnishes the raw materials and the second firm uses the raw materials to produce a product that it then returns to the first firm with a charge for processing costs, overhead, etc.</u>**

<u>*Production*</u>.--All production in your U.S. establishment(s), **including production consumed** internally within your firm and production for another firm under a toll agreement.

<u>DEFINITIONS</u>--Continued

<u>**PRWs</u></u>.--Production and related workers, including working supervisors and all nonsupervisory workers (including group leaders and trainees) engaged in fabricating, processing, assembling, inspecting, receiving, storage, handling, packing, warehousing, shipping, trucking, hauling, maintenance, repair, janitorial and guard services, product development, auxiliary production for plant's own use (e.g., power plant), recordkeeping, and other services closely associated with the above production operations.</u>**

<u>Average number employed</u>.--Add the number of employees, both full-time and part-time, for the 12 pay periods ending closest to the 15th of the month and divide that total by 12. For the January-February periods, calculate similarly and divide by 2.

Hours worked.--Include time paid for sick leave, holidays, and vacation time. Include overtime hours actually worked; do not convert overtime pay to its equivalent in straight-time hours.

<u>*Wages paid*</u>.--Total wages paid before deductions of any kind (e.g., withholding taxes, old-age and unemployment insurance, group insurance, union dues, bonds, etc.). Include wages paid directly by your firm for overtime, holidays, vacations, and sick leave.

Fiscal year.--The 12-month period between settlement of your firm's financial accounts.