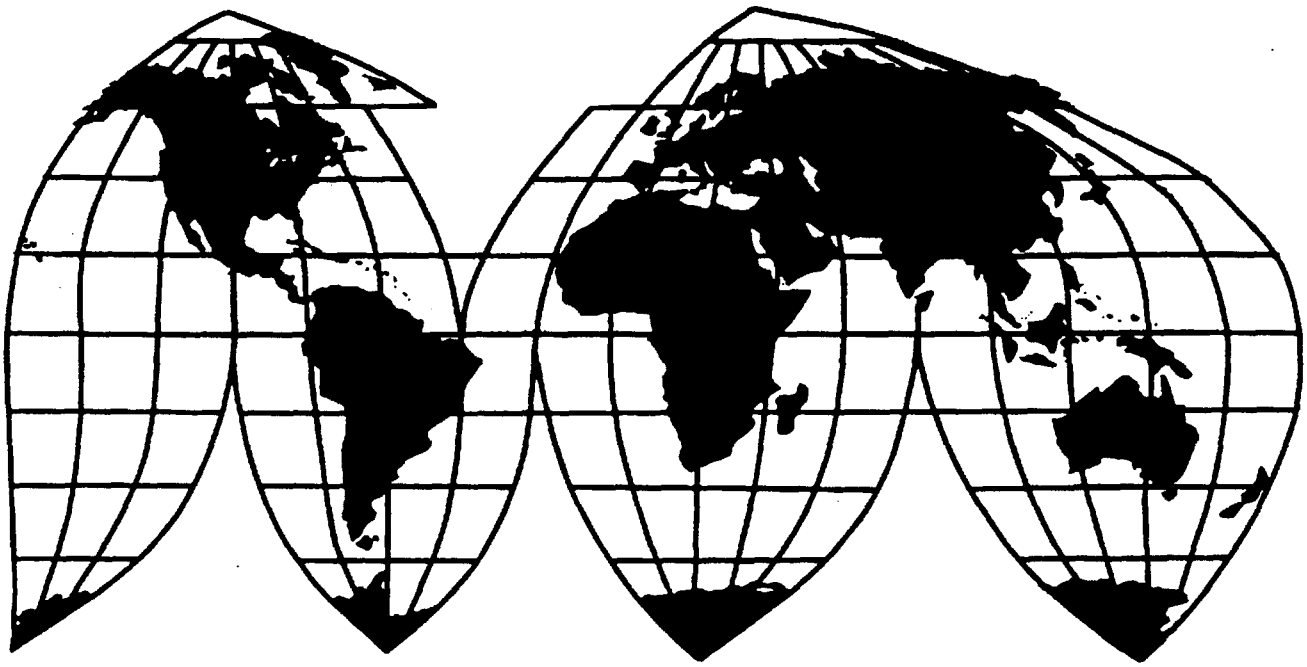
Certain Steel Wire Rod: Evaluation of the Effectiveness of Import Relief

Investigation No. TA-204-11

Publication 3629 **August 2003**

U.S. International Trade Commission



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Note.–Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

PART I: INTRODUCTION

On March 1, 2003, the safeguard action imposed by the President on imports of certain steel wire rod (wire rod) terminated. The action, which the President took under section 203 of the Trade Act of 1974 (the Act), was in the form of a tariff-rate quota (TRQ) imposed on imports of wire rod effective March 1, 2000, for a period of 3 years and 1 day. Section 204(d) of the Act requires that the Commission, after termination of any action taken under section 203, "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).[1] Accordingly, effective April 11, 2003, the Commission instituted investigation No. TA-204-11, *Certain Steel Wire Rod: Evaluation of the Effectiveness of Import Relief.*[2] The evaluation must be completed no later than 180 days after the termination of the relief, which in this case is August 28, 2003.

BACKGROUND

On January 12, 1999, counsel for Atlantic Steel Industries, Inc. (Atlantic), Birmingham Steel Corp. (Birmingham), Connecticut Steel Corp. (Connecticut), Co-Steel Raritan (Co-Steel), GS Industries (GS), Keystone Steel & Wire Co. (Keystone), North Star Steel (North Star), North Star Texas, Northwestern Steel & Wire Co. (Northwestern), the Independent Steel Workers Alliance, and the United Steelworkers of America AFL-CIO filed a petition with the Commission under section 202 of the Act requesting that the Commission institute an investigation to determine whether steel wire rod was being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article. Following an investigation, the Commission was equally divided in its injury determination, and on July 13, 1999, transmitted to the President its report containing the determinations of both groups of Commissioners and remedy recommendations of the three Commissioners who made affirmative determinations.[3] [4] Pursuant to section 311(a) of the North American Free Trade Agreement (NAFTA) Implementation Act,[5] the Commission made negative findings with respect to imports of wire rod from Canada and Mexico.[6] Following receipt of the Commission's report, the President announced that he considered the determination of the Commissioners voting in the affirmative as the determination of the Commission and, on February 16, 2000, issued Proclamation 7273 imposing relief in the form of a

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[1] President, "Letter to Congressional Leaders Transmitting Documentation on Imports of Steel Wire Rod," *Weekly Compilation of Presidential Documents*, vol. 36, No. 7, February 21, 2000, p. 328. A copy of the letter is presented in app. A.

[2] 68 FR 19578, April 21, 2003. A copy of the Commission's *Federal Register* notice is presented in app. B.

[3] Chairman Lynn M. Bragg, Vice Chairman Marcia E. Miller, and Commissioner Stephen Koplan made an affirmative determination. Commissioners Carol T. Crawford, Jennifer A. Hillman, and Thelma J. Askey made a negative determination. Commissioners Crawford, Hillman, and Askey did not believe any import relief was appropriate in this investigation.

[4] 64 FR 38692, July 19, 1999. The imported article covered by this finding was wire rod provided for in subheadings 7213.91, 7213.99, 7227.20, and 7227.90.60 of the Harmonized Tariff Schedule of the United States (HTS). This investigation excluded concrete reinforcing bars and rods, and bars and rods of stainless steel or tool steel, which are provided for in other HTS subheadings.

[5] 19 U.S.C. § 3371(a).

[6] Chairman Bragg dissented with respect to Canada.

TRQ on imports of steel wire rod for a period of three years and one day, effective March 1, 2000.[7] On August 23, 2001, the Commission submitted to the President and the Congress a midterm report, required under section 204(a) of the Act, that provided the results of the Commission's monitoring of developments with respect to the wire rod industry since the imposition of the TRQ.[8] [9]

On November 21, 2001, the President issued Proclamation 7505 modifying the TRQ, by providing that the in-quota quantity of the TRQ should be allocated among four supplier country groupings noted in the tabulation on the following page, with allocations effective November 24, 2001.[10]

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[7] A copy of Presidential Proclamation 7273 is presented in app. A. The President adopted the definition of steel wire rod as specified in the original section 201 investigation but added exclusions for 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. These products are described in detail in the annex to the Presidential Proclamation. See also the section of this report entitled "The Product."

[8] Investigation No. TA-204-6.

[9] Several investigations pertaining to wire rod were instituted in 2001. In August 2001, a petition was filed with the Commission and Commerce by Co-Steel, GS, Keystone, and North Star, alleging that an industry in the United States is materially injured by reason of subsidized imports of steel wire rod from Brazil, Canada, Germany, Trinidad and Tobago, and Turkey and imports sold at less than fair value from Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Ukraine, and Venezuela. The Commission subsequently instituted countervailing duty and antidumping investigations Nos. 701-TA-417-421 and 731-TA-953-963 (66 FR 47036, September 10, 2001). In its preliminary investigations, the Commission determined the imports of steel wire rod from Egypt, South Africa, and Venezuela were negligible and terminated the investigations with respect to those countries (66 FR 54539, October 29, 2001); it made affirmative determinations with respect to the remainder of the preliminary investigations. The Commission's determinations with respect to Egypt, South Africa, and Venezuela are currently on appeal. On August 30, 2002, Commerce made negative countervailing duty determinations with respect to imports from Trinidad and Tobago and Turkey and the Commission terminated its countervailing duty investigations with respect to Trinidad and Tobago and Turkey (67 FR 62075, October 3, 2002). In its final investigations, the Commission made affirmative determinations with respect to imports from Brazil and Canada that were found by Commerce to be subsidized by the Governments of Brazil and Canada, and with respect to imports from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine that were found by Commerce to be sold in the United States at less than fair value. The Commission further found that imports from Germany were negligible and terminated its investigations with respect to Germany (67 FR 66662, November 1, 2002). The Commission's termination of its investigations with respect to imports from Germany is on appeal as well as the Commission's affirmative determination with respect to imports from Trinidad and Tobago.

Following receipt of a request filed on July 24, 2001, on behalf of Co-Steel, GS, Keystone, and North Star, the Commission instituted investigation No. NAFTA-312-1 under section 312(c)(2) of the North American Free Trade Agreement Implementation Act (19 U.S.C. § 3372(c)(2)) to determine whether a surge in U.S. imports of wire rod from Canada and/or Mexico undermines the effectiveness of the import relief on wire rod provided for in Presidential Proclamation 7273 of February 16, 2000 (65 FR 8624, February 18, 2000). In August 2001, the Commission determined that a surge in imports of wire rod from Canada and Mexico, respectively, undermined the effectiveness of the import relief on wire rod provided for in the Presidential Proclamation (66 FR 45692, August 29, 2001). The President declined to extend import relief to imports from Canada and Mexico (*The Year in Trade 2001: Operation of the Trade Agreements Program, 53rd Report*, USITC Pub. 3510, May 2002, p. 5-3).

[10] A copy of Presidential Proclamation 7505, allocating the in-quota quantity of the TRQ to four supplier country groups, is presented in app. A.

Supplier country groups	Countries
European Community (EC)	Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, United Kingdom
Commonwealth of Independent States (CIS)	Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan
Trinidad and Tobago	Trinidad and Tobago
All other countries	All countries not listed above with the exception of Canada and Mexico

Information relating to the background of the investigation is presented in the tabulation below.

Effective date	Action	*Federal Register* citation
January 12, 1999	Petition properly filed with the Commission; Commission instituted investigation No. TA-201-69	64 FR 4123, January 27, 1999
July 12, 1999	Commission's affirmative findings and recommendations transmitted to the President	64 FR 38692, July 19, 1999
February 16, 2000	Proclamation 7273 issued by the President imposing a TRQ on imports of steel wire rod and adding exclusions for wire rod of tire cord quality, valve spring quality, class III pipe wrap quality, aircraft cold heading quality, ACSR quality, piano wire string quality, grade 1085 annealed bearing quality, and grade 1080 tire bead wire quality	65 FR 8621, February 18, 2000
March 16, 2001	Institution of investigation No. TA-204-6: Monitoring developments in the domestic industry	66 FR 16496, March 26, 2001
November 24, 2001	Proclamation 7505 issued by the President allocating the in-quota quantity of the TRQ to four supplier country groups	66 FR 59353, November 28, 2001
April 11, 2003	Institution of investigation No. TA-204-11: Evaluation of the Effectiveness of Import Relief	68 FR 19578, April 21, 2003
June 25, 2003	Date of Commission's hearing [1]	N.A.
August 28, 2003	Date of Commission's report transmittal to President and Congress	N.A.

[1] No one appeared to give testimony at the hearing.

Note.--Presidential Proclamations cited in the tabulation are presented in app. A. *Federal Register* notices cited in the tabulation are presented in app. B.

THE WORLD TRADE ORGANIZATION (WTO) WIRE ROD PROCEEDINGS

The EC requested WTO dispute settlement consultations with respect to the U.S. wire rod safeguard measure in December 2000; the consultations were held between the United States and the EC on January 26, 2001. The EC subsequently requested establishment of a panel to review both this measure and the U.S. safeguard measure on line pipe. The panel was established, but never formed. The consultations did not resolve the dispute.[11]

SUMMARY DATA

A summary of data collected in the investigation is presented in appendix C. U.S. industry data are based on the questionnaire responses of U.S. producers. U.S. import data are based on official Commerce statistics.

THE PRODUCT

The imported product subject to this investigation is certain steel wire rod. The subject product does not include concrete reinforcing bars and rods of steel or bars and rods of freemachining steel, alloy steel containing by weight 24 percent or more of nickel, stainless steel, or tool steel. Only products having a diameter of 5 mm or more but less than 19 mm are included.

Also excluded from the scope of this section 204 investigation are a number of specific rod products that were included in the original section 201 investigation, but were excluded from the import relief granted by the President. They consist of wire rod of tire cord quality, valve spring quality, class III pipe wrap quality, aircraft cold heading quality, ACSR quality, piano wire string quality, grade 1085 annealed bearing quality, and grade 1080 tire bead wire quality. *See* the annex to Presidential Proclamation 7273 for a detailed description of each product.[12] [13] These products will be referred to as the "excluded products" in the remainder of this report. Those imported wire rod products that are subject to this investigation will be referred to as "steel wire rod" in the remainder of this report.

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[11] *United States - Definitive Safeguard Measures on Imports of Steel Wire Rod and Circular Welded Quality Line Pipe from the European Communities* (DS 214).

[12] The Presidential Proclamation, including the annex, is presented in app. A. Briefly, tire cord quality wire rod is a high carbon wire rod that the downstream purchaser (either a specialized wire drawer or a producer of radial-belted pneumatic tires) draws into wire that is then bunched or cabled together to form a cord that is used for tread reinforcement in steel-reinforced pneumatic tires. Valve spring quality wire rod is a high carbon wire rod with restrictive requirements for chemical analysis, cleanliness, segregation, decarburization, and surface imperfections. It is used to make valve spring quality wire, the highest quality of round carbon steel spring wire, which in turn is used to manufacture valve springs and automotive brake springs. Pipe wrap quality wire rod is used to produce wire for prestressed strengthening of concrete pipe. It must meet tight limits on piping and segregation processes due to tolerance requirements such as that the wire be able to reinforce the concrete and bear pressure from the earth when buried. Aircraft quality cold heading quality wire rod is alloy-steel rod meeting one of several specifications for aerospace and military applications. ACSR quality wire rod is rod suitable for manufacturing wire for use in aluminum conductor, steel-reinforced electrical transmission cable. Piano wire string quality wire rod is rod suitable for manufacturing piano wire string. Grade 1085 annealed bearing quality wire rod is rod suitable for the manufacture of balls or rods for bearings. Finally, grade 1080 tire bead quality wire rod is rod suitable for manufacturing wire for use as bead in the manufacture of rubber tires.

[13] Also see chapter 99, subchapter III, U.S. note 9 of the HTS (2003).

Physical Characteristics and Uses

Wire rod is a hot-rolled intermediate steel product of circular or approximately circular cross section that is typically produced in nominal fractional diameters from 7/32 inch (5.6 mm) to 47/64 inch (18.7 mm), and sold in irregularly wound coils, primarily for subsequent drawing and finishing by wire drawers.[14] Wire rod sold in the United States is categorized by "quality" according to end use. End-use categories are broad descriptions in which there is an overlap of metallurgical quality, chemistry, and physical characteristics. Quality and commodity description for 11 major types of wire rod, as indicated by the Iron and Steel Society, are presented in table I-1. Industrial quality wire rod reportedly accounts for the majority of wire rod consumed in the United States. It is primarily intended for drawing into industrial or standard quality wire that, in turn, is used for the manufacture of such products as garment hangers, wire mesh, and chain link fence. Most industrial quality wire rod is produced and sold in 7/32 inch (5.5 mm) diameter, which is also the smallest cross-sectional diameter that is hot-rolled in significant commercial quantities. Industrial quality wire rod is manufactured from low or medium-low carbon steel.[15]

Manufacturing Process

The manufacturing process for wire rod consists of several stages: (1) steelmaking, where the steel's chemistry is fixed; (2) casting the steel into a semifinished shape (billet); (3) hot-rolling the billet into rod on a multistand, high-speed rolling mill; and (4) coiling and controlled cooling of the wire rod as it is passed along a specialized conveyor (called a Stelmor deck, which is unique to the wire rod industry). Wire rod mills often tailor their operating practices to meet a customer's needs for specific applications and quality requirements. The desired metallurgical properties may be imparted by adjusting the chemistry during steelmaking as well as by varying rolling and cooling practices.[16] Finally, the product is inspected, bundled, and readied for shipment. The wire rod rolling process determines the rod's size (diameter) and dimensional precision, depth of decarburization, surface defects and seams, amount of mill scale, structural grain size, and within limits set by the chemistry, tensile strength and other physical properties. There is little or no difference among the wire rod rolling mills in the United States. A larger billet will produce a heavier coil; however, not all mills have the capability to produce heavier coils. Depending on the capabilities of the wire drawer's equipment and machinery, coil size may be limited. U.S. wire rod manufacturers have made capital investments in their production facilities to improve processing efficiencies and product quality. Standards of product quality (e.g., tighter dimensional tolerances, control over residuals, and coil weight) have become higher across the entire range of wire rod products, largely in response to customer demands for improved performance on the customer's equipment. These improvements have tended to blur the distinctions among quality terms over time.

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[14] Wire drawers (also referred to as redrawers) manufacture wire and wire products and may be independent of the wire rod manufacturers or may be related parties (about 18 percent of domestically produced certain steel wire rod was consumed in 2000 by U.S. wire rod manufacturers or by related redrawers in the production of downstream wire and wire products). *Certain Steel Wire Rod*, inv. No. TA-201-69, USITC Pub. 3207, July 1999, (*Steel Wire Rod*), p. II-5, footnote 13.

[15] *Steel Wire Rod*, p. II-7, citing Iron and Steel Society, *Steel Products Manual: Carbon Steel Wire and Rods*, August 1993, p. 36.

[16] The wire rod producer can accelerate or retard the wire rod's rate of cooling by raising or lowering covers over the Stelmor deck and by using forced air drafts. Cooling also affects scale buildup, which affects wire drawers' yield losses. Other post-rolling thermal treatments include annealing and patenting to obtain desired mechanical properties and microstructure. *Steel Wire Rod*, p. II-7, footnote 17.

Table I-1
Wire rod: Quality, end uses, and important characteristics

Quality	End uses	Important characteristics
Chain quality	Electric welded chain	Butt-welding properties and uniform internal soundness
Cold-finishing quality	Cold-drawn bars	Surface quality
Cold-heading quality	Cold-heading, cold-forging, cold-extrusion products	Internal soundness, good surface quality, may require thermal treatments
Concrete reinforcement	Nondeformed rods for reinforcing concrete (plain round or smooth surface rounds)	Chemical composition important only insofar as it affects mechanical property
Fine wire	Insect screen, weaving wire, florist wire	Rods must be suitable for drawing into wire sizes as low as 0.035 inch (0.889 mm) without intermediate annealing; internal quality important
High carbon and medium-high carbon	Strand and rope, tire bead, upholstery spring, mechanical spring, screens, ACSR core, and prestressed concrete strand; pipe wrap wire is a subset	Requires thermal treatment prior to drawing; however, it is not intended to be used for music wire or valve spring wire
Industrial (standard) quality	Nails, coat hangers, mesh for concrete reinforcement, fencing	Can only be drawn a limited number of times before requiring thermal treatment
Music spring wire	Springs subject to high stress; valve springs are a subset	Restrictive requirements for chemistry, cleanliness, segregation, decarburization, and surface imperfections
Scrapless nut	Fasteners produced by cold heading, cold expanding, cold punching, and thread tapping	Internal soundness, good surface quality
Tire cord	Tread reinforcement in pneumatic tires	Restrictive requirements for cleanliness, segregation, decarburization, chemistry, and surface imperfections
Welding quality	Wire for gas welding, electric arc welding, submerged arc welding, and metal inert gas welding	Restrictive requirements for uniform chemistry

Source: *Steel Wire Rod*, p. II-6, citing Iron and Steel Society, *Steel Products Manual: Carbon Steel Wire and Rods*, August 1993, pp. 35-37.

Some wire rod manufacturers purchase billets, while others have steelmaking capabilities and thus can produce their own billets. Most U.S. wire rod producers today use minimill technology where scrap is melted in an electric arc furnace. The exceptions to this are (1) ***, where the integrated route to steelmaking is still employed (i.e., a basic oxygen furnace using pig iron, which is produced from iron ore) and (2) those rod producers who are not steelmakers and, therefore, purchase billets. Minimills use scrap as their primary raw material and may add direct reduced iron (DRI) or hot-briquetted iron and/or pig iron to the mix, depending on the specifications for the end product and the relative costs of the raw materials. Minimills that produce high quality rod products, such as ***, may use less scrap and more DRI than other steelmakers.

U.S. TARIFF TREATMENT

U.S. imports of wire rod are subject to import duties (tariffs) as provided for in the HTS. The 2000-2003 column 1-general rates of duty for the subheadings covered by this investigation are as follows (in percent *ad valorem*):

Subheadings	2000	2001	2002	2003
7213.91, 7213.99 (nonalloy steel)	0.8 - 0.9	0.6 - 0.7	0.4 - 0.5	0.2
7227.20, 7227.90.60 (alloy steel)	1.8	1.4	0.9	0.4

The rates of duty will be reduced to an eventual rate of "free" as of January 1, 2004, as provided for in Presidential Proclamation 6763 (annex D(1)) implementing the Uruguay Round concessions.

The 2003 rate of duty under the NAFTA for originating wire rod from Canada and Mexico under all of the above subheadings is free; originating goods of Canada have had a duty rate of "free" during the entire period of import relief, while the duty on such goods of Mexico has been "free" only since January 1, 2003. In 2002, originating goods of Mexico could enter at the following duty rates: for heading 7213.91, 0.1 - 0.2 percent *ad valorem*, and for heading 7227, 0.4 percent *ad valorem*. Other special tariff programs provide duty-free entry to eligible products of Israel, of beneficiaries of the Caribbean Basin Economic Recovery Act (CBERA) and Andean Trade Preference Act (ATPA), and of the least-developed beneficiary developing countries under the Generalized System of Preferences (GSP) and the African Growth and Opportunity Act (AGOA).

Safeguard TRQ

Under Presidential Proclamation 7273, which added U.S. note 9 and subheadings 9903.72.01 through 9903.72.15 to subchapter III of chapter 99 of the HTS, import quantities up to 1.58 million short tons entered during the first year of the program from the countries subject to the TRQ were dutiable at the normal trading relations rates set forth above. The in-quota quantity was increased by an additional 2 percent in both the second and the third years of the relief period. During the first three quarters of each quota year, there was a quarterly TRQ trigger quantity set at one-third of the total quota amount for the year. Any quantity of subject product that was entered, or withdrawn from warehouse for consumption, in excess of the amount equal to one-third of the aggregate TRQ quota level for that quota year was subject to the over-quota rate of duty then in effect. For the fourth quarter of a quota year, the aggregate quantity of wire rod entered at the in-quota rate during the first three quarters of the quota year was subtracted from the total annual within-quota quantity to calculate the remaining available in-quota

quantity (if any) for that quota year. As shown in the following tabulation, imports of subject products in excess of the quarterly or the annual quota amounts were assessed duties in addition to the column-1 general rates of duty in the amounts of 10 percent *ad valorem* in the first year of relief; 7.5 percent *ad valorem* in the second year of relief; and 5 percent *ad valorem* in the third year of relief.

Item	Unit	Quota year		
		1	2	3
In-quota quantities	*Short tons*	1,580,000	1,611,600	1,643,832
Additional duties	*Percent*	10.0	7.5	5.0
Quota year 1 was March 1, 2000 through February 28, 2001; quota year 2 was March 1, 2001 through February 28, 2002; and quota year 3 was March 1, 2002 through March 1, 2003.				

As previously noted, Presidential Proclamation 7505 allocated the in-quota quantity of the TRQ, calculated on a quarterly basis, to the four supplier country groups effective November 24, 2001. During November 24, 2001 through February 28, 2002, the in-quota quantity was the amount, if any, (1) remaining after all entries from March 1, 2001 through November 23, 2001 were subtracted from 1,611,600 short tons and (2) not exceeding the allocation assigned to the supplier country. The allocations were: EC - 28.161 percent, Trinidad and Tobago - 16.554 percent, CIS - 12.616 percent, and all other countries - 42.669 percent. For all subsequent quarterly periods, the in-quota allocation is shown in the following tabulation.

Country	Quarterly in-quota quantity (*short tons*)
EC	115,729
Trinidad and Tobago	68,031
CIS	51,847
All other countries	175,351

PART II: THE U.S. MARKET

U.S. PRODUCERS

The wire rod industry experienced considerable consolidation during the period of import relief. Of the 15 producers operating since 1998, two closed (Atlantic and Northwestern) and seven have different owners (Ameristeel Corp. (Ameristeel), Birmingham, CF&I Steel L.P. (CF&I), Co-Steel, GS, Republic Technologies International, and USS/Kobe). Table II-1 presents, for every company that produced wire rod since 1997, the company's position on the petition during investigation No. TA-201-69, whether the company submitted a questionnaire response for the current investigation, and the current operating status of the company.

The Commission mailed questionnaires to all firms believed to be producing wire rod during all or part of the period January 2000 through March 2003. Seven out of 11 current wire rod producers submitted questionnaire responses. Wire rod producers accounting for approximately 49 percent of reported U.S. production in 2000[1] did not submit responses. Table II-2 presents each responding firm's share of reported production in 2002, production location(s), and parent company, where applicable. Two firms are owned in whole or in part by firms located outside of the United States.

Wire rod producers are located throughout the United States and manufacture various types of wire rod. Although considerable consolidation has occurred since 1998, no single firm accounts for a dominant portion of the commercial sales.

[1] *Certain Steel Wire Rod,* inv. No. TA-204-6, confidential report to the President, April 2001, p. II-2.

Table II-1
Wire rod: U.S. firms, positions on petition, questionnaire submission, and current status of firm

Firm	Position on petition for inv. No. TA-201-69	Questionnaire submitted for inv. No. TA-204-11	Current status
AmeriSteel	Support	Not applicable	Operating under different ownership. In 1999, international minimill steel manufacturer Gerdau S.A. in Brazil acquired AmeriSteel, becoming AmeriSteel's majority shareholder. In August 2002, AmeriSteel announced a merger with Canadian steelmaker Co-Steel. A merger between AmeriSteel, Co-Steel, Gerdau Courtice Steel and Gerdau MRM Steel took place in October 2002. The new organization took the name Gerdau AmeriSteel.
Atlantic	Petitioner	Not applicable	Ceased operations in 1998.
Birmingham	Petitioner	Not applicable	Operating under different ownership. Assets of Birmingham acquired by Nucor in 2002.
CF&I	Not applicable	Not applicable	Operating under different ownership. Oregon Steel Mills purchased the steel mill assets from the bankrupt CF&I Steel Corp. in 1993 and renamed it Rocky Mountain Steel Mills.
Cascade	***	***	Operating.
Charter	***	***	Operating.
Connecticut	Petitioner	***	Operating.
Co-Steel	Petitioner	Not applicable	Operating under different ownership. Acquired by Gerdau AmeriSteel in 2002. See AmeriSteel Corp.
GS	Petitioner	***	Operating under different ownership. Closed one of its two plants in 2001. The second plant was purchased by Georgetown Steel Co. LLC on July 10, 2002. GS Industries was the largest producer of steel wire rod in North America, ***.
Georgetown	Not applicable	***	Operating. Came into existence in 2002 with the purchase of GS Industries' wire rod production facilities.
Gerdau	Not applicable	***	Operating. In 1999, international minimill steel manufacturer Gerdau S.A. in Brazil acquired AmeriSteel, becoming AmeriSteel's majority shareholder. In 2002 AmeriSteel announced a merger with Canadian steelmaker Co-Steel. A merger between AmeriSteel, Co-Steel, Gerdau Courtice Steel and Gerdau MRM Steel took place in October 2002. The new organization took the name Gerdau AmeriSteel.
Ispat	***	***	Operating.
Keystone	Petitioner	***	Operating. ***.
North Star	Petitioner	***	Operating. ***.

Table continued on next page.

Table II-1--*Continued*
Wire rod: U.S. firms, positions on petition, questionnaire submission, and current status of firm

Firm	Position on petition for inv. No. TA-201-69	Questionnaire submitted for inv. No. TA-204-11	Current status
Northwestern	Petitioner	Not applicable	Company closed in 2001.
Nucor	***	***	Operating. Acquired Birmingham in 2002. ***.
Republic	Not applicable	***	Operating. Was formed in 2002 with the acquisition of Republic Technologies International in 2002.
Republic Technologies International	***	Not applicable	Operating under different ownership. Bought the bar producing facilities of USS/Kobe Steel in 1998. Was itself bought by Republic in 2002.
Rocky Mountain	***	***	Operating. Known as CF&I Mills before 1993 when Oregon Steel Mills purchased and renamed the company Rocky Mountain Steel Mills Division.
USS/Kobe	Not applicable	Not applicable	Operating under different ownership. Wire rod operation bought by Republic Technologies International.

Source: Compiled from data submitted in response to Commission questionnaires and information in the trade press.

Table II-2
Wire rod: U.S. firms, shares of reported 2002 U.S. production, U.S. production locations, and parent companies

Firm	Share of reported production (*percent*)	Production location(s)	Parent company and country
Cascade	***	McMinnville, OR	Schnitzer Steel Industries, Inc. (USA)
Charter[1]	***	Cleveland, OH Fond Du Lac, WI Milwaukee, WI Saukville, WI	Charter Manufacturing Co., Inc. (USA)
Connecticut	***	Wallingford, CT	Not applicable.
Gerdau	***	Perth Amboy, NJ	Gerdau S.A. (Brazil) majority owner
Ispat	***	East Chicago, IN	Ispat International N.V. (Netherlands)
Republic	***	Lorain, OH	Blue Steel Corp. (USA) *** percent ownership share
Rocky Mountain	***	Pueblo, CO	Oregon (USA) *** percent ownership share

[1] The Cleveland, OH, plant, formerly owned by Birmingham, was purchased by Charter in 2002. The Fond Du Lac, WI, facility was built in 2001.

Source: Compiled from data submitted in response to Commission questionnaires and information in the trade press.

U.S. IMPORTS

Official Commerce statistics on U.S. imports of wire rod are presented in table II-3. During 2000-2002, total imports increased by 31.5 percent with most of the increase (23.8 percent) occurring during 2001-2002. Imports from countries covered by the TRQ increased by 44.1 percent during 2000-2002; imports from countries not covered by the TRQ increased by 4.2 percent.

Table II-3
Wire rod: U.S. imports, by principal sources, 2000-2002 and January-February 2003

Source	Calendar years			January-February
	2000	2001	2002	2003
	Quantity (*short tons*)			
Covered sources: Ukraine	275,660	258,526	11,159	0
Trinidad & Tobago	279,834	355,089	386,419	21,849
Brazil	182,191	143,142	33,971	0
Japan	53,602	32,520	47,780	5,158
Moldova	167,971	187,370	18,826	0
Turkey	179,070	259,945	491,010	13,960
Germany	98,045	57,806	22,522	1,762
All others	515,288	531,201	1,511,917	75,752
Subtotal covered	1,751,661	1,825,600	2,523,603	118,480
Non-covered sources: Canada	717,951	748,834	731,753	92,041
Mexico	92,337	145,351	112,803	6,079
Subtotal non-covered	810,288	894,185	844,556	98,120
Total	2,561,949	2,719,785	3,368,159	216,600

Table continued on next page.

Table II-3--*Continued*
Wire rod: U.S. imports, by principal sources, 2000-2002 and January-February 2003

Source	Calendar years			January-February
	2000	2001	2002	2003
	Value (*$1,000*)[1]			
Covered sources: Ukraine	56,691	49,770	2,446	0
Trinidad & Tobago	73,549	91,335	107,445	5,717
Brazil	43,217	32,648	8,086	0
Japan	27,717	18,238	26,838	3,064
Moldova	36,892	39,439	3,708	0
Turkey	42,193	56,212	120,857	3,477
Germany	32,630	17,266	8,993	665
All others	141,947	132,969	380,125	18,077
Subtotal covered	454,836	437,877	658,498	31,000
Non-covered sources: Canada	275,486	272,123	283,486	35,078
Mexico	23,038	36,220	31,779	2,059
Subtotal non-covered	298,525	308,343	315,265	37,138
Total	753,360	746,220	973,763	68,138
	Unit value (per ton)			
Covered sources: Ukraine	$206	$193	$219	([2])
Trinidad & Tobago	263	257	278	$262
Brazil	237	228	238	([2])
Japan	517	561	562	594
Moldova	220	210	197	([2])
Turkey	236	216	246	249
Germany	333	299	399	377
All others	275	250	251	239
Subtotal covered	260	240	261	262
Non-covered sources: Canada	384	363	387	381
Mexico	250	249	282	339
Subtotal non-covered	368	345	373	378
Average	294	274	289	315

Table continued on next page.

Table II-3--*Continued*
Wire rod: U.S. imports, by principal sources, 2000-2002 and January-February 2003

Source	Calendar years			January-February
	2000	2001	2002	2003
	Share of total quantity (*percent*)			
Covered sources:				
Ukraine	10.8	9.5	0.3	0
Trinidad & Tobago	10.9	13.1	11.5	10.1
Brazil	7.1	5.3	1.0	0
Japan	2.1	1.2	1.4	2.4
Moldova	6.6	6.9	0.6	0
Turkey	7.0	9.6	14.6	6.4
Germany	3.8	2.1	0.7	0.8
All others	20.1	19.5	44.9	35.0
Subtotal covered	68.4	67.1	74.9	54.7
Non-covered sources:				
Canada	28.0	27.5	21.7	42.5
Mexico	3.6	5.3	3.3	2.8
Subtotal non-covered	31.6	32.9	25.1	45.3
Total	100.0	100.0	100.0	100.0
	Share of total value (*percent*)			
Covered sources:				
Ukraine	7.5	6.7	0.3	0
Trinidad & Tobago	9.8	12.2	11.0	8.4
Brazil	5.7	4.4	0.8	0
Japan	3.7	2.4	2.8	4.5
Moldova	4.9	5.3	0.4	0
Turkey	5.6	7.5	12.4	5.1
Germany	4.3	2.3	0.9	1.0
All others	18.8	17.8	39.0	26.5
Subtotal covered	60.4	58.7	67.6	45.5
Non-covered sources:				
Canada	36.6	36.5	29.1	51.5
Mexico	3.1	4.9	3.3	3.0
Subtotal non-covered	39.6	41.3	32.4	54.5
Total	100.0	100.0	100.0	100.0

[1] Landed duty-paid.
[2] Not applicable.

Source: Compiled from official Commerce statistics.

Data on in-quota and over-quota quantities are presented in table II-4.

Table II-4
Wire rod: In-quota quantities and over-quota quantities, March 2000-February 2001, March 2001-February 2002, and March 2002-February 2003

Item	March 2000-February 2001	March 2001-February 2002	March 2002-February 2003
	Quantity (*short tons*)		
In-quota quantity	1,586,161	1,611,644	1,428,971
Over-quota quantity	95,421	335,224	1,121,859
Total	1,681,582	1,946,868	2,550,831
Source: Correspondence with ***, Bureau of Customs and Border Protection, May 28, 2003.			

APPARENT U.S. CONSUMPTION

Data on apparent U.S. consumption of wire rod, presented in table II-5, are based on U.S. producers' shipments as reported in the questionnaires and imports as recorded in official Commerce statistics.

Due to the lack of questionnaire responses from companies that accounted for approximately 49 percent of U.S. production in 2000, data on apparent consumption, U.S. shipments, and U.S. production are understated in tables II-5, II-6, and II-7.

U.S. MARKET SHARES

Data relating to market shares based on U.S. producers' shipments and U.S. imports are presented in table II-6.

U.S. IMPORTS RELATIVE TO PRODUCTION

Data on the ratio of U.S. imports of wire rod to U.S. production are presented in table II-7.

Table II-5
Wire rod: U.S. shipments of domestic product, U.S. imports, by principal sources, and apparent U.S. consumption, 2000-2002 and January-February 2003

Item	Calendar years			January-February
	2000	2001	2002	2003
	Quantity (*short tons*)			
U.S. shipments	2,178,717	1,843,418	1,952,168	328,736
U.S. imports from--				
Covered sources:				
Ukraine	275,660	258,526	11,159	0
Trinidad &Tobago	279,834	355,089	386,419	21,849
Brazil	182,191	143,142	33,971	0
Japan	53,602	32,520	47,780	5,158
Moldova	167,971	187,370	18,826	0
Turkey	179,070	259,945	491,010	13,960
Germany	98,045	57,806	22,522	1,762
All other covered	515,288	531,201	1,511,917	75,752
Subtotal covered	1,751,661	1,825,600	2,523,603	118,480
Non-covered sources:				
Canada	717,951	748,834	731,753	92,041
Mexico	92,337	145,351	112,803	6,079
Subtotal non-covered	810,288	894,185	844,556	98,120
Total U.S. imports	2,561,949	2,719,785	3,368,159	216,600
Apparent consumption	4,740,666	4,563,203	5,320,327	545,336
	Value (*$1,000*)			
U.S. shipments	720,328	620,336	708,916	129,936
U.S. imports from--				
Covered sources:				
Ukraine	56,691	49,770	2,446	0
Trinidad &Tobago	73,549	91,335	107,445	5,717
Brazil	43,217	32,648	8,086	0
Japan	27,717	18,238	26,838	3,064
Moldova	36,892	39,439	3,708	0
Turkey	42,193	56,212	120,857	3,477
Germany	32,630	17,266	8,993	665
All other covered	141,947	132,969	380,125	18,077
Subtotal covered	454,836	437,877	658,498	31,000
Non-covered sources:				
Canada	275,486	272,123	283,486	35,078
Mexico	23,038	36,220	31,779	2,059
Subtotal non-covered	298,525	308,343	315,265	37,138
Total U.S. imports	753,360	746,220	973,763	68,138
Apparent consumption	1,473,688	1,366,556	1,682,679	198,074

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.

Table II-6
Wire rod: Apparent U.S. consumption and market shares, 2000-2002 and January-February 2003

Item	Calendar years			January-February
	2000	2001	2002	2003
	Quantity (*short tons*)			
Apparent consumption	4,740,666	4,563,203	5,320,327	545,336
	Value (*$1,000*)			
Apparent consumption	1,473,688	1,366,556	1,682,679	198,074
	Share of quantity (*percent*)			
U.S. shipments	46.0	40.4	36.7	60.3
U.S. imports from--				
Covered sources:				
Ukraine	5.8	5.7	0.2	0
Trinidad &Tobago	5.9	7.8	7.3	4.0
Brazil	3.8	3.1	0.6	0
Japan	1.1	0.7	0.9	0.9
Moldova	3.5	4.1	0.4	0
Turkey	3.8	5.7	9.2	2.6
Germany	2.1	1.3	0.4	0.3
All other covered	10.9	11.6	28.4	13.9
Subtotal covered	36.9	40.0	47.4	21.7
Non-covered sources:				
Canada	15.1	16.4	13.8	16.9
Mexico	1.9	3.2	2.1	1.1
Subtotal non-covered	17.1	19.6	15.9	18.0
Total U.S. imports	54.0	59.6	63.3	39.7
	Share of value (*percent*)			
U.S. shipments	48.9	45.4	42.1	65.6
U.S. imports from--				
Covered sources:				
Ukraine	3.8	3.6	0.1	0
Trinidad &Tobago	5.0	6.7	6.4	2.9
Brazil	2.9	2.4	0.5	0
Japan	1.9	1.3	1.6	1.5
Moldova	2.5	2.9	0.2	0
Turkey	2.9	4.1	7.2	1.8
Germany	2.2	1.3	0.5	0.3
All other covered	9.6	9.7	22.6	9.1
Subtotal covered	30.9	32.0	39.1	15.7
Non-covered sources:				
Canada	18.7	19.9	16.8	17.7
Mexico	1.6	2.7	1.9	1.0
Subtotal non-covered	20.3	22.6	18.7	18.7
Total U.S. imports	51.1	54.6	57.9	34.4

Source: Compiled from data submitted in response to Commission questionnaires and from Commerce statistics.

Table II-7
Wire rod: U.S. production, U.S. imports, by principal sources, and ratios of imports to production, 2000-2002 and January-February 2003

Item	Calendar years			January-February
	2000	2001	2002	2003
	Quantity (*short tons*)			
U.S. production	2,271,816	1,779,465	2,016,845	337,775
U.S. imports from--				
Covered sources:				
Ukraine	275,660	258,526	11,159	0
Trinidad &Tobago	279,834	355,089	386,419	21,849
Brazil	182,191	143,142	33,971	0
Japan	53,602	32,520	47,780	5,158
Moldova	167,971	187,370	18,826	0
Turkey	179,070	259,945	491,010	13,960
Germany	98,045	57,806	22,522	1,762
All other covered	515,288	531,201	1,511,917	75,752
Subtotal covered	1,751,661	1,825,600	2,523,603	118,480
Non-covered sources:				
Canada	717,951	748,834	731,753	92,041
Mexico	92,337	145,351	112,803	6,079
Subtotal non-covered	810,288	894,185	844,556	98,120
Total U.S. imports	2,561,949	2,719,785	3,368,159	216,600
	Ratio to U.S. production (*percent*)			
U.S. imports from--				
Covered sources:				
Ukraine	12.1	14.5	0.6	0
Trinidad &Tobago	12.3	20.0	19.2	6.5
Brazil	8.0	8.0	1.7	0
Japan	2.4	1.8	2.4	1.5
Moldova	7.4	10.5	0.9	0
Turkey	7.9	14.6	24.3	4.1
Germany	4.3	3.2	1.1	0.5
All other covered	22.7	29.9	75.0	22.4
Subtotal covered	77.1	102.6	125.1	35.1
Non-covered sources:				
Canada	31.6	42.1	36.3	27.2
Mexico	4.1	8.2	5.6	1.8
Subtotal non-covered	35.7	50.3	41.9	29.0
Total U.S. imports	112.8	152.8	167.0	64.1

Source: Compiled from data submitted in response to Commission questionnaires and from Commerce statistics.

PART III: CONDITION OF THE U.S. INDUSTRY

CHANGES IN OPERATIONS

The Commission's questionnaires in the subject investigation requested information on changes in the character of U.S. producers' wire rod operations during January 2000 through March 2003. The following comments were received from responding firms:

* * * * * * *

Due to the lack of questionnaire responses from companies that accounted for approximately 49 percent of U.S. production in 2000, data on capacity, production, shipments, inventories, employment, hours worked, hours paid, and sales are understated in tables III-1, III-2, III-3, III-4, and III-5.

U.S. PRODUCTION, CAPACITY, AND CAPACITY UTILIZATION

Data on U.S. producers' wire rod production, capacity, and capacity utilization are presented in table III-1. Although production capacity increased by 12.0 percent during 2000-2002, production decreased by 11.2 percent and capacity utilization decreased by 17.0 percentage points.

Table III-1
Wire rod: U.S. producers' capacity, production, and capacity utilization, 2000-2002 and January-February 2003

Item	Calendar years[1]			January-February
	2000	2001	2002	2003
Capacity (short tons)[2]	2,765,294	2,783,856	3,096,647	510,559
Production (short tons)	2,271,816	1,779,465	2,016,845	337,775
Capacity utilization (percent)	82.2	63.9	65.1	66.2

[1] *** provided data on a fiscal year basis.
[2] *** included bar production capacity as well as wire rod production capacity in its data.

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. PRODUCERS' DOMESTIC SHIPMENTS, INTERNAL CONSUMPTION, COMPANY TRANSFERS, AND EXPORT SHIPMENTS

Data on U.S. producers' shipments are presented in table III-2. Although U.S. shipments, by volume, decreased irregularly by 10.4 percent during 2000-2002, there was an increase in U.S. shipments during 2001-2002 of 5.9 percent. Export shipments accounted for only *** percent of total shipments in 2002, the peak year for exports with only three producers exporting during the period examined. Internal consumption and transfers to related firms, by volume, accounted for *** percent of total shipments in 2002, down from *** percent in 2000.

Table III-2
Wire rod: U.S. producers' shipments, by type, 2000-2002 and January-February 2003

Item	Calendar years[1]			January-February
	2000	2001	2002	2003
	Quantity (*short tons*)			
Commercial shipments	2,018,750	1,711,692	1,839,208	297,201
Internal consumption	***	***	***	***
Transfers to related firms	***	***	***	***
U.S. shipments	2,178,717	1,843,418	1,952,168	328,736
Export shipments	***	***	***	***
Total shipments	***	***	***	***
	Value (*$1,000*)			
Commercial shipments	673,614	587,225	671,333	117,811
Internal consumption	***	***	***	***
Transfers to related firms	***	***	***	***
U.S. shipments	720,328	620,336	708,916	129,936
Export shipments	***	***	***	***
Total shipments	***	***	***	***
	Unit value (*per ton*)			
Commercial shipments	$333.68	$343.07	$365.01	$396.40
Internal consumption	***	***	***	***
Transfers to related firms	***	***	***	***
U.S. shipments	330.62	336.51	363.14	395.26
Export shipments	***	***	***	***
Average	***	***	***	***

[1] *** provided data on a fiscal year basis.

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. PRODUCERS' INVENTORIES

U.S. producers' inventory data are presented in table III-3. Although the end-of-period inventories decreased by 32.7 percent during 2000-2002, during 2001-2002 inventories were rebuilding with an increase of 22.8 percent during this period.

Table III-3
Wire rod: U.S. producers' end-of-period (EOP) inventories, 2000-2002 and January-February 2003

Item	Calendar years[1]			January-February
	2000	2001	2002	2003
EOP inventories (*short tons*)[2]	200,587	109,905	134,977	143,547
Ratio to production (*percent*)	8.8	6.2	6.7	7.1
Ratio to U.S. shipments (*percent*)	9.2	6.0	6.9	7.3
Ratio to total shipments (*percent*)	***	***	***	***

[1] *** provided data on a fiscal year basis.
[2] *** did not provide inventory data.

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. EMPLOYMENT, HOURS, AND WAGES

U.S. producers provided employment data on wire rod; these data are presented in table III-4. Most employment data showed declines during 2000-2002; employment decreased by 2.9 percent, hours worked by 18.5 percent, and wages paid by 17.9 percent.

Table III-4
Average number of production and related workers (PRWs) employed by U.S. producers of wire rod, hours worked, wages paid to such employees, and hourly wages, productivity, and unit labor costs, 2000-2002 and January-February 2003

Item	Calendar years[1]			January-February
	2000	2001	2002	2003
PRWs (*number*)[2]	1,049	887	1,019	985
Hours worked (*1,000*)[2]	3,012	2,332	2,454	427
Wages paid (*$1,000*)[2]	80,793	60,372	66,316	11,626
Hourly wages [2]	$26.82	$25.89	$27.02	$27.23
Productivity (*tons per hour*)[2]	754.3	763.1	821.9	791.0
Unit labor costs (*per ton*)[2]	$35.56	$33.93	$32.88	$34.42

[1] *** provided data on a fiscal year basis.
[2] *** included employees involved in bar production as well as wire rod production in its data.

Source: Compiled from data submitted in response to Commission questionnaires.

FINANCIAL EXPERIENCE OF U.S. PRODUCERS

Background

Only seven firms, which together accounted for less than half of all reported U.S. commercial shipments, internal consumption, and/or transfers to related companies of certain steel wire rod, supplied financial data on their certain steel wire rod operations.[1] Four companies reported internal consumption (approximately *** percent of 2002 total sales value) and one producer reported transfers to related firms of certain steel wire rod (approximately *** percent of 2002 total sales value).[2]

Operations on Certain Steel Wire Rod

The aggregate results of the U.S. producers' operations on certain steel wire rod are presented in table III-5. Total sales volume decreased from 2000 to 2001 and then increased from 2001 to 2002, and total sales value followed the same pattern over the same period, decreasing from 2000 to 2001 and increasing from 2001 to 2002. Per-unit sales value increased continuously between 2000 and 2002. However, per-unit sales value increased (by $7) much less than an increase of per-unit total cost (by $19, combined unit COGS and unit SG&A expenses), resulting in a lower per-unit profitability, i.e., a change in the per-unit operating income from $1 per short ton in 2000 to an operating loss of $10 per short ton in 2001. Per-unit profitability improved significantly from 2001 to 2002, due mainly to an increase in the per-unit sales price by $26 per short ton.

---

[1] The only producer whose fiscal year ends other than on December 31 is ***.

[2] They were ***.

Table III-5
Results of operations of U.S. producers in the production of certain steel wire rod, fiscal years 2000-02

Item	Fiscal year		
	2000	2001	2002
	Quantity (*short tons*)		
Commercial sales	2,036,665	1,737,428	1,872,067
Internal consumption	***	***	***
Related company transfers	***	***	***
Total net sales	***	***	***
	Value (*$1,000*)		
Commercial sales	682,182	599,956	687,557
Internal consumption	***	***	***
Related company transfers	***	***	***
Total net sales	728,896	633,067	725,140
COGS	697,081	619,491	667,802
Gross profit (loss)	31,815	13,576	57,338
SG&A expenses	28,753	31,959	35,200
Operating income (loss)	3,062	(18,383)	22,138
Interest expense	26,700	22,938	17,706
Other expense	11,436	6,572	3,082
Other income	407	582	128
Net income (loss)	(34,667)	(47,311)	1,478
Depreciation/amortization	33,822	30,458	29,416
Cash flow	(845)	(16,853)	30,894
	Ratio to net sales (*percent*)		
COGS	95.6	97.9	92.1
Gross profit (loss)	4.4	2.1	7.9
SG&A expenses	3.9	5.0	4.9
Operating income (loss)	0.4	(2.9)	3.1
	Number of firms reporting		
Operating losses	3	5	2
Data	7	7	7

Continued on next page.

Table III-5--*Continued*
Results of operations of U.S. producers in the production of certain steel wire rod, fiscal years 2000-02

Item	Fiscal year		
	2000	2001	2002
	Unit value (*per short ton*)		
Net sales	$332	$339	$365
COGS	317	331	336
Gross profit (loss)	14	7	29
SG&A expenses	13	17	18
Operating income (loss)	1	(10)	11
Source: Compiled from data submitted in response to Commission questionnaires.			

The results of operations by individual firms are presented in table III-6. The table presents selected financial data on a company-by-company basis for net sales (quantity and value), operating income/(loss), and the ratio of operating income/(loss) to net sales value. Two producers experienced operating income for the entire period, while one firm had operating losses for the same period. The profitability of individual producers in 2002 ranged from *** in operating income to *** in operating loss.

Table III-6
Results of operations of U.S. producers, by firms, in the production of certain steel wire rod, fiscal years 2000-02

* * * * * * *

Selected aggregate per-unit cost data of the producers on their operations, i.e., unit COGS and unit SG&A expenses, are presented in table III-7. Total unit cost and per-unit COGS increased continuously from 2000 to 2002, but in less degree from 2001 to 2002. From 2000 to 2001, unit factory overhead increased substantially, primarily as a result of much lower sales volume during this period.

Table III-7
Unit costs (per short ton) of U.S. producers in the production of certain steel wire rod, fiscal years 2000-02

Item	Fiscal year		
	2000	2001	2002
COGS:			
Raw materials	$155	$149	$155
Direct labor	35	31	32
Factory overhead	128	152	149
Total COGS	317	331	336
SG&A expenses:			
Selling expenses	2	3	3
G&A expenses	11	14	15
Total SG&A expenses	13	17	18
Total cost	330	349	354

Source: Compiled from data submitted in response to Commission questionnaires.

A variance analysis showing the effects of prices and volume on the producers' sales of certain steel wire rod, and of costs and volume on their total cost, is shown in table III-8. The analysis is summarized at the bottom of the table. The analysis indicates that the increase in operating income ($19 million) between 2000 and 2002 was attributable mainly to the positive effects of increasing average sales prices (positive $66 million), which were offset by the negative effects of increasing costs and expenses ($47 million) and decreasing sales volume (negative $0.3 million).

Table III-8
Variance analysis of operations of U.S. producers in the production of certain steel wire rod, fiscal years 2000-02

Item	Between fiscal years		
	2000-02	2000-01	2001-02
	Value (*$1,000*)		
Net sales:			
Price variance	66,460	12,836	52,828
Volume variance	(70,216)	(108,665)	39,245
Total net sales variance	(3,756)	(95,829)	92,073
Cost of sales:			
Cost variance	(37,872)	(26,332)	(9,907)
Volume variance	67,151	103,922	(38,404)
Total cost variance	29,279	77,590	(48,311)
Gross profit variance	25,523	(18,239)	43,762
SG&A expenses:			
Expense variance	(9,217)	(7,493)	(1,260)
Volume variance	2,770	4,287	(1,981)
Total SG&A variance	(6,447)	(3,206)	(3,241)
Operating income variance	19,076	(21,445)	40,521
Summarized as:			
Price variance	66,460	12,836	52,828
Net cost/expense variance	(47,089)	(33,825)	(11,167)
Net volume variance	(295)	(456)	(1,140)

Note.--Unfavorable variances are shown in parentheses; all others are favorable.
Source: Compiled from data submitted in response to Commission questionnaires.

Capital Expenditures, Research and Development (R&D) Expenses, and Investment in Productive Facilities

U.S. producers' capital expenditures and R&D expenses, together with the value of their fixed assets, are presented in table III-9. Capital expenditures decreased somewhat from 2000 to 2001 and increased somewhat from 2001 to 2002. Capital expenditures by individual firms are presented in table III-10. Only three producers, ***, spent more than $1 million for capital expenditures every year from 2000 through 2002.

Only two producers, ***, reported R&D expenses in all periods. Aggregated R&D expenses decreased continuously over the period. The original cost of fixed assets increased slightly from 2000 to 2001, but decreased considerably from 2001 to 2002, due mainly to ***.

Table III-9
Capital expenditures, R&D expenses, and assets utilized by U.S. producers in their production of certain steel wire rod, fiscal years 2000-02

Item	Fiscal year		
	2000	2001	2002
	Value (*$1,000*)		
Capital expenditures	25,430	22,714	23,515
R&D expenses	***	***	***
Productive facilities:			
Original cost	756,040	765,696	678,373
Book value	458,969	438,259	349,756

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-10
Capital expenditures by U.S. producers, by firms, in their production of certain steel wire rod, fiscal years 2000-02

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COMMENTS BY PARTIES ON THE STATE OF THE DOMESTIC INDUSTRY AND THE EFFECTIVENESS OF THE SAFEGUARD ACTION

The Commission received comments relative to the effectiveness of the section 201 safeguard action from U.S. producers (Georgetown Steel Co., North Star, Gerdau, and Keystone), the American Wire Producers Association, and Saarstahl AG and Saarsteel, Inc. (Saarstahl/Saarsteel), a German producer and U.S. importer, respectively.[3]

[3] The Rubber Manufacturers Association (whose members include tire manufacturers) also submitted comments, dated July 3, 2003, noting the importance of the tire-cord quality wire rod exclusion from import relief because the domestic wire rod industry cannot supply tire-cord quality wire rod.

The U.S. producers commented that the TRQ provided little or no benefit to the industry because it:

> ". . . ensured unrestricted imports of wire rod in an amount that approximated the level of imports of 1998 - the very level found to be injurious to the domestic industry . . . excluded two of the largest sources of imported wire rod, Canada and Mexico, . . . the additional duties of out-of-quota imports were . . . too small, and applied to too few imports, to have any meaningful restraining effect on imports. The industry was worse off half-way through the section 201 remedy than before the remedy was implemented."[4]

During the latter half of the section 201 remedy period, U.S. producers filed antidumping and countervailing duty actions and received affirmative determinations from the Commission.[5] In their submission, the producers stated that they believe the affirmative determinations in those investigations were responsible for the improved condition of the industry during the latter half of the section 201 relief period.[6]

The primary purchasers of wire rod, the wire makers, stated that they believe the changes that occurred in the domestic industry during the period of relief (i.e., closure of wire rod mills, changes of mill ownership, and consolidation of rod mills) were due to causes other than the section 201 import relief such as the economic downturn during the period of relief, consequences of bad investments by the rod mills, rising energy costs, and poor plant design.[7]

Comments submitted by Saarstahl/Saarsteel, Inc. stated that the relief:

> ". . . suffered from serious defects that penalized foreign producers, importers and U.S. purchasers . . . without accomplishing the positive adjustment that such relief is intended to provide . . . The domestic producers as a group did not take adequate steps to adjust to competition from imports . . . Nine of the twelve domestic producers indicated . . . that they had not made any positive adjustments to import competition."[8]

The parties also criticized the administration and/or the design of the section 201 relief. The U.S. producers were opposed to the omission of Canada and Mexico from the relief, the quota limits, the level of duties for over quota imports, and the nature of the quota which they believe encouraged importers to fill the quota immediately each quarter.[9] The wire producers stated that the quarterly quota allocations caused "unnecessary disruptions in the availability and predictability of supply" and were poorly administered by the Bureau of Customs and Border Protection (Customs), and that the creation of regional subquotas in 2001 "created additional disruption."[10] Saarstahl/Saarsteel noted that the design of the section 201 relief encouraged the importation of low-priced commodity-grade wire rod widely available in the United States and discouraged the importation of the specialty grades which were

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[4] Posthearing brief of Georgetown Steel Co., North Star, Gerdau, and Keystone, pp. 1-2.

[5] Countervailing duty orders have been issued on wire rod imports from Brazil and Canada (67 FR 64871, October 22, 2002) and antidumping duty orders have been issued on imports from Canada (67 FR 65944, October 29, 2002), Brazil, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine (67 FR 65945, October 29, 2002).

[6] Posthearing brief of Georgetown Steel Co., North Star, Gerdau, and Keystone, pp. 1-2.

[7] Comments submitted by the American Wire Producers Association, July 3, 2003.

[8] Comments submitted by Saarstahl/Saarsteel, July 3, 2003, pp. 10-11.

[9] Posthearing brief of Georgetown Steel Co., North Star, Gerdau, and Keystone, p. 2.

[10] Comments submitted by the American Wire Producers Assoc., July 3, 2003, pp. 8-12.

unavailable from U.S. producers. Additionally, Saarstahl/Saarsteel claimed that the quota was poorly administered by Customs.[11]

[11] Comments submitted by Saarstahl/Saarsteel, July 3, 2003, pp. 3-10.

PART IV: DOMESTIC INDUSTRY ADJUSTMENT EFFORTS

During the section 201 investigation, U.S. wire rod producers submitted an adjustment plan that they believed would make the industry more competitive with imports by the end of a remedy period.

The industry's plan included the following three general categories of adjustments: (1) further investment in facilities and equipment in order to enhance productivity and efficiency, improve product quality, and meet customer demands; (2) diversification into production of new grades and types of wire rod, some of which were not produced in the United States in commercial quantities; and (3) improvement in the profitability of existing capital investments.

U.S. producers were asked in the questionnaire in this investigation whether they had undertaken any efforts to compete more effectively in the U.S. market since the TRQ was implemented (i.e., since March 1, 2000). Table IV-1 presents a summary of responses from firms on the efforts they have taken. ***, in its questionnaire response, said that it had not undertaken any efforts to compete more effectively since March 1, 2000.

Table IV-1
Wire rod: Efforts by U.S. producers to compete more effectively in the U.S. market for wire rod since March 1, 2000

* * * * * * *

PART V: PRICING AND RELATED INFORMATION

The Commission requested quarterly data for the total quantity and f.o.b. value of one steel wire rod product. Data were requested for the period January 2000 through March 2003. The product for which pricing data were requested is as follows:

> **Industrial quality wire rod, grade C1006, 5.5 mm (7/32 inch) through 12 mm (15/32 inch) in diameter, for hangers, chain link fencing, collated nails & staples, grates, and other formed products (in green condition, e.g., NOT cleaned, coated, etc).**

Four U.S. producers[1] provided usable pricing data for sales of the requested product in the U.S. market. The reported price data accounted for 9.6 percent of the quantity of domestically produced commercial shipments of steel wire rod in 2002. Data on reported weighted-average prices and quantities for the requested product are presented in table V-1 and figure V-1.

Weighted-average prices for U.S.-produced steel wire rod product 1 decreased irregularly from January-March 2000 to January-March 2001; prices fell 5.9 percent in that time and reached their lowest level of the period in that first quarter of 2001. These prices then increased irregularly by 20.9 percent from the first quarter of 2001 to the third quarter of 2002; these weighted-average prices then fell 3.6 percent by the end of the period. Prices at the end of the period (January-March 2000) were at a level that was 9.7 percent above that of the beginning of the period for which data were collected (January-March 2000).[2]

Table V-1
Wire rod: Weighted-average f.o.b. selling prices and quantities for U.S.-produced product, by quarters, January 2000-March 2003

* * * * * * *

Figure V-1
Wire rod: Weighted-average f.o.b. selling prices for U.S.-produced product, by quarters, January 2000-March 2003

* * * * * * *

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[1] ***.

[2] Public information on prices indicates that several firms have reported price increases this year. As noted in *American Metal Market*, AmeriSteel and Georgetown have announced price increases of $15 per ton, effective with Aug. 15 shipments: "Changing Prices: AmeriSteel joins in wire rod hike", July 23, 2003, found at *http://www.amm.com,* retrieved July 23, 2003. This article also noted that "The hike would be the fourth this year, following attempted increase of $15 per ton in March, $10 per ton in April, and another $10 per ton in May". The article further stated that each of these increases was related mostly to higher costs for raw materials, natural gas, and electricity.

APPENDIX A

PRESIDENTIAL DOCUMENTS

Letter to Congressional Leaders Transmitting Documentation on Imports of Steel Wire Rod

February 16, 2000

Dear Mr. Speaker: (Dear Mr. President:)

I am pleased to provide to the Congress documents called for by section 203(b) of the Trade Act of 1974, as amended, pertaining to the safeguard action that I proclaimed today on imports of steel wire rod.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to J. Dennis Hastert, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate.

Federal Register

Friday,
February 18, 2000

Part V

The President

Proclamation 7273—To Facilitate Positive Adjustment to Competition From Imports of Certain Steel Wire Rod

Memorandum of February 16, 2000—Action Under Section 203 of the Trade Act of 1974 Concerning Steel Wire Rod

Federal Register
Vol. 65, No. 34
Friday, February 18, 2000

Presidential Documents

Title 3—

The President

Proclamation 7273 of February 16, 2000

To Facilitate Positive Adjustment to Competition From Imports of Certain Steel Wire Rod

By the President of the United States of America

A Proclamation

1. On July 12, 1999, the United States International Trade Commission (USITC) transmitted to the President a report on its investigation under section 202 of the Trade Act of 1974, as amended (the "Trade Act") (19 U.S.C. 2252), with respect to imports of certain steel wire rod provided for in subheadings 7213.91, 7213.99, 7227.20 and 7227.90.60 of the Harmonized Tariff Schedule of the United States (HTS). The USITC commissioners were equally divided with respect to the determination required under section 202(b) of the Trade Act (19 U.S.C. 2252(b)) regarding whether such steel wire rod is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or threat of serious injury, to the domestic industry producing a like or directly competitive article.

2. Section 330(d)(1) of the Tariff Act of 1930, as amended (the "Tariff Act") (19 U.S.C. 1330(d)(1)) provides that when the USITC is required to determine under section 202(b) of the Trade Act whether increased imports of an article are a substantial cause of serious injury, or the threat thereof, and the commissioners voting are equally divided with respect to such determination, then the determination agreed upon by either group of commissioners may be considered by the President as the determination of the USITC. Having reviewed the determinations of both groups of commissioners, I have decided to consider the determination of the group of commissioners voting in the affirmative to be the determination of the USITC.

3. Pursuant to section 311(a) of the North American Free Trade Agreement Implementation Act (the "NAFTA Implementation Act") (19 U.S.C. 3371(a)), the USITC made negative findings with respect to imports of steel wire rod from Mexico and Canada. The USITC commissioners voting in the affirmative also transmitted to the President their recommendations made pursuant to section 202(e) of the Trade Act (19 U.S.C. 2252(e)) with respect to the action that would address the serious injury or threat thereof to the domestic industry and be most effective in facilitating the efforts of the domestic industry to make a positive adjustment to import competition.

4. Pursuant to section 203 of the Trade Act (19 U.S.C. 2253), and after taking into account the considerations specified in section 203(a)(2) of the Trade Act, I have determined to implement action of a type described in section 203(a)(3) and to provide exclusions for enumerated steel wire rod products ("excluded products"). Pursuant to section 312(a) of the NAFTA Implementation Act (19 U.S.C. 3372(a)), I have determined that imports of steel wire rod from Mexico, considered individually, do not account for a substantial share of total imports and do not contribute importantly to the serious injury, or threat of serious injury, found by the USITC, and that imports from Canada, considered individually, do not contribute importantly to such injury or threat. Accordingly, pursuant to section 312(b) of the NAFTA Implementation Act (19 U.S.C. 3372(b)), I have excluded steel wire rod the product of Mexico or Canada from the action I am taking under section 203 of the Trade Act.

5. Such action shall take the form of a tariff-rate quota on imports of steel wire rod (other than excluded products), provided for in HTS subheadings 7213.91, 7213.99, 7227.20 and 7227.90.60, imposed for a period of 3 years plus 1 day, with annual increases in the within-quota quantities and annual reductions in the rate of duty applicable to goods entered in excess of those quantities in the second and third years, as provided for in the Annex to this proclamation.

6. Except for products of Mexico and of Canada, which shall all be excluded from this restriction, such tariff-rate quota shall apply to imports of steel wire rod from all countries. Pursuant to section 203(a)(1)(A) of the Trade Act (19 U.S.C. 2253(a)(1)(A)), I have further determined that this action will facilitate efforts by the domestic industry to make a positive adjustment to import competition and provide greater economic and social benefits than costs.

7. Section 604 of the Trade Act, as amended (19 U.S.C. 2483), authorizes the President to embody in the HTS the substance of the relevant provisions of that Act, and of other acts affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

NOW, THEREFORE, I, WILLIAM J. CLINTON, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States of America, including but not limited to sections 203 and 604 of the Trade Act, do proclaim that:

(1) In order to establish a tariff-rate quota on imports of steel wire rod (other than excluded products), classified in HTS subheadings 7213.91, 7213.99, 7227.20 and 7227.90.60, subchapter III of chapter 99 of the HTS is modified as provided in the Annex to this proclamation.

(2) Such imported steel wire rod that is the product of Mexico or of Canada shall be excluded from the tariff-rate quota established by this proclamation, and such imports shall not be counted toward the tariff-rate quota limits that trigger the over-quota rates of duty.

(3) I hereby suspend, pursuant to section 503(c)(1) of the Trade Act (19 U.S.C. 2463(c)(1)), duty-free treatment for steel wire rod the product of beneficiary countries under the Generalized System of Preferences (GSP) (Title V of the Trade Act, as amended (19 U.S.C. 2461–2467)); pursuant to section 213(e)(1) of the Caribbean Basin Economic Recovery Act, as amended (CBERA) (19 U.S.C. 2703(e)(1)), duty-free treatment for steel wire rod the product of beneficiary countries under that Act (19 U.S.C. 2701–2707); pursuant to section 204(d)(1) of the Andean Trade Preference Act, as amended (ATPA)(19 U.S.C. 3203(d)(1)), duty-free treatment for steel wire rod the product of beneficiary countries under that Act (19 U.S.C. 3201–3206); and pursuant to section 403(a) of the Trade and Tariff Act of 1984 (19 U.S.C. 2112 note), duty-free treatment for steel wire rod the product of Israel under the United States-Israel Free Trade Area Implementation Act of 1985 (the "IFTA Act") (19 U.S.C. 2112 note), to the extent necessary to apply the tariff-rate quota to those products, as specified in the Annex to this proclamation.

(4) During each of the first three quarters of a quota year, any articles subject to the tariff-rate quota that are entered, or withdrawn from warehouse for consumption, in excess of one-third of the annual within-quota quantity for that quota year (as specified in the Annex to this proclamation) shall be subject to the over-quota rate of duty then in effect. During the fourth quarter of a quota year, any articles subject to the tariff-rate quota that are entered, or withdrawn from warehouse for consumption, in excess of the remaining quantity of the annual within-quota quantity for that quota year shall be subject to the over-quota rate of duty then in effect. The remaining quantity shall be determined by subtracting the total quantity of goods entered at the in-quota rate during the first three quarters of the quota year from the annual within-quota quantity for that quota year.

(5) Effective at the close of March 1, 2003, or at the close of the date which may earlier be proclaimed by the President as the termination of the import relief set forth in the Annex to this proclamation, the suspension of duty-free treatment under the GSP, the CBERA, the ATPA and the IFTA Act shall terminate, unless otherwise provided in such later proclamation, and qualifying goods the product of beneficiary countries or of Israel entered under such programs shall again be eligible for duty-free treatment.

(6) Effective at the close of March 1, 2004, or such other date that is one year from the close of this relief, the U.S. note and tariff provisions established in the Annex to this proclamation shall be deleted from the HTS.

(7) Any provisions of previous proclamations and Executive orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

(8) The modifications to the HTS made by this proclamation, including the Annex hereto, shall be effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after March 1, 2000, and shall continue in effect as provided in the Annex to this proclamation, unless such actions are earlier expressly modified or terminated.

IN WITNESS WHEREOF, I have hereunto set my hand this sixteenth day of February, in the year of our Lord two thousand, and of the Independence of the United States of America the two hundred and twenty-fourth.

William J. Clinton

Billing code 3195–01–P

ANNEX

Modifications to the Harmonized Tariff Schedule
of the United States

Effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after March 1, 2000, subchapter III of chapter 99 of the Harmonized Tariff Schedule of the United States is modified by inserting in numerical sequence the following new U.S. note, subheadings and superior text thereto, with the language inserted in the columns entitled "Heading/Subheading", "Article Description", "Rates of Duty 1-General", "Rates of Duty 1-Special", and "Rates of Duty 2", respectively.

"9. For purposes of subheadings 9903.72.01 through 9903.72.15, inclusive, the following steel products (enumerated by reference to common commercial usage) are excluded from such subheadings, and no entries of such products shall be permitted or included therein or counted toward the quantities specified for any quota period:

(a) Tire cord quality wire rod measuring 5.0 mm or more but not more than 6.0 mm in cross-sectional diameter, with an average partial decarburization of no more than 70 microns in depth (maximum 200 microns); having no inclusions greater than 20 microns; capable of being drawn to a diameter of 0.30 mm or less with 3 or fewer breaks per ton, imported pursuant to a purchase order from a tire manufacturer or a tire cord wire manufacturer in the United States for tire cord quality wire rod, and containing by weight the following elements in the proportions shown:

-- 0.68 percent or more of carbon,

-- less than 0.01 percent of aluminum,

-- 0.040 percent or less, in the aggregate, of phosphorus and sulfur,

-- 0.008 percent or less of nitrogen, and

-- not more than 0.55 percent, in the aggregate, of copper, nickel and chromium;

(b) Valve spring quality wire rod containing by weight 0.43 percent or more but not more than 0.73 percent of carbon, having a maximum inclusion content to ASTM A-877, Table 4, imported pursuant to a purchase order from an automotive valve spring or automotive brake spring manufacturer in the United States for automotive valve spring or automotive brake spring quality wire rod, measuring 5.5 mm or more but not more than 18 mm in cross-sectional diameter and having a partial decarburization of no more than 0.127 mm in depth and seams of no more than 0.075 mm in depth, or if measuring over 9.5 mm but not more than 18 mm in cross-sectional diameter either:

- having a partial decarburization of not over 1.3 percent of the diameter of the rod, a zero ferrite (total) decarburization and seams of no more than 0.075 mm in depth, or

- if AISI grade 6150, having a partial decarburization of not more than 0.127 mm in depth, a zero ferrite (total) decarburization and a seam depth of not more than 1 percent of the diameter;

(c) Class III pipe wrap quality wire rod measuring 10.3 mm in cross-sectional diameter, with an average partial decarburization per coil of no more than 70 microns in depth, having no inclusions greater than 20 microns, free of injurious piping and undue segregation, having a heat tensile strength minimum of 170 ksi and a maximum of 177 ksi, and containing by weight the following elements in the proportions shown:

-- 0.72 percent or more of carbon,

-- 0.50 percent or more but not more than 1.10 percent of manganese,

-- not more than 0.030 percent of phosphorus,

-- not more than 0.035 percent of sulfur, and

-- 0.10 percent or more but not more than 0.35 percent of silicon;

(d) Aircraft quality cold heading quality wire rod measuring 5.5 mm or more but not more than 19.0 mm in cross sectional diameter for the grades enumerated herein, meeting the requirements defined in the aerospace and military specifications listed for each grade:

Grade	Specification
4037	AMS6300, 2301
4130	AMS6370, 2301; MIL-S6758
4140	AMS6382, 2301; MIL-S5626
4340	AMS6415, 2301; MIL-S5000
8740	AMS6322, 2301; MIL-S6049
PWA722	AMS6304, 2301,

having a diameter tolerance of plus 0.25 mm and minus 0.25 mm, having an out of roundness tolerance of not more than 0.30 mm, having surface seam of not more than the greater of 0.07 mm or 1.0 percent of the diameter in depth, free from complete decarburization, partial decarburization no more than the greater of 0.10 mm or 1.0 percent of the diameter in depth, having micro-structure meeting the aircraft cleanliness requirements of AMS2301, and having grain size predominantly No. 5 or finer;

(e) Aluminum cable steel reinforced ("ACSR") quality steel wire rod, measuring either (i) 7.2 mm or more but not more than 7.8 mm in cross-sectional diameter or (ii) 9.2 mm or more but not more than 9.8 mm in cross-sectional diameter, in the following strength/grade/size requirements:

- 95 kgf/mm^2 for AISI grade 1045 wire rod measuring 7.2 mm or more but not more than 7.8 mm in cross-sectional diameter,

- 92 kgf/mm^2 for AISI grade 1045 wire rod measuring 9.2 mm or more but not more than 9.8 mm in cross-sectional diameter,

-- 100 kgf/mm^2 for AISI grade 1050 wire rod measuring 7.2 mm or more but not more than 7.8 mm in cross-sectional diameter, or

-- 98 kgf/mm^2 for AISI grade 1050 wire rod measuring 9.2 mm or more but not more than 9.8 mm in cross-sectional diameter,

processed exclusively by heat-treating on an in-line fused salt bath patenting process that results in having a tensile strength tolerance range of plus or minus 5 kgf/mm^2, and having an ovality of no more than 0.30 mm.

(f) Piano wire string quality wire rod measuring either 5.5, 6.0, 6.5, 7.0 or 8.0 mm in cross-sectional diameter, the foregoing with an average partial decarburization of no more than 70 microns in depth (maximum 200 microns), having no inclusions greater than 20 microns, capable of being drawn to a diameter of 0.30 mm or less with 3 or fewer breaks per ton, imported pursuant to a purchase order from a piano wire string manufacturer in the United States for piano wire string quality wire rod, and containing by weight the following elements in the proportions shown:

-- 0.72 percent or more but not more than 1.0 percent of carbon,

-- less than 0.01 percent of aluminum,

-- not more than 0.040 percent, in the aggregate, of phosphorus and sulfur,

-- not more than 0.003 percent of nitrogen,

-- not more than 0.55 percent, in the aggregate, of copper, nickel and chromium, and

-- less than 0.60 percent of manganese;

(g) Grade 1085 annealed bearing quality wire rod, of a quality for manufacturing bearings, AISI grade 1085, annealed, 100 percent spheroidized, having maximum inclusions not exceeding ASTM A295, Table 3, with no samples of such rod showing globular oxide inclusions larger than 0.001 inches nor more than ten globular oxide inclusions between 0.0005 and 0.001 inches per square inch of sample area, the foregoing containing by weight the following elements in the proportions shown:

-- 0.80 percent or more but not more than 0.85 percent of carbon,

-- 0.70 percent or more but not more than 1.00 percent of manganese, and

-- not more than 15 ppm of oxygen;

(h) 1080 tire bead wire quality wire rod measuring 5.5 mm or more but not more than 7.0 mm in cross-sectional diameter, with an average partial decarburization of no more than 70 microns in depth (maximum 200 microns), having no inclusions greater than 20 microns, capable of being drawn to a diameter of 0.78 mm or larger with 0.5 or fewer breaks per ton, imported pursuant to a purchase order from a tire manufacturer or a manufacturer of tire wire products in the United States for inclusion in tires, and containing by weight the following elements in the proportions shown:

-- 0.78 percent or more of carbon,

-- less than 0.03 percent of soluble aluminum,

-- not more than 0.040 percent, in the aggregate, of phosphorous and sulfur,

-- not more than 0.004 percent of nitrogen, and

-- not more than 0.055 percent, in the aggregate, of copper, nickel and chromium."

"	Hot-rolled bars and rods of nonalloy or alloy steel, in irregularly wound coils, of circular or approximately circular solid cross section, having a diameter of 5 mm or more but less than 19 mm, except such bars and rods enumerated in U.S. note 9 to this subchapter and except bars and rods 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, all the foregoing except products of Canada or of Mexico:			
	If entered during the period from March 1, 2000, through February 28, 2001, inclusive:			
9903.72.01	If entered during the period from March 1, 2000, through May 31, 2000, inclusive, in aggregate quantities not in excess of 477,783,962 kg	No change	No change	No change
9903.72.02	If entered during the period from June 1, 2000, through August 31, 2000, inclusive, in aggregate quantities not in excess of 477,783,962 kg	No change	No change	No change
9903.72.03	If entered during the period from September 1, 2000, through November 30, 2000, inclusive, in aggregate quantities not in excess of 477,783,962 kg	No change	No change	No change

	:[Hot-rolled...(con.):]			
	[If...(con.):]			
9903.72.04	If entered during the period from December 1, 2000, through February 28, 2001, inclusive, in aggregate quantities not in excess of the remaining quantity, if any, from 1,433,351,886 kg after the aggregate quantity entered under subheadings 9903.72.01 through 9903.72.03, inclusive, is subtracted therefrom	No change	No change	No change
9903.72.05	Other	The rate provided in the Rates of Duty 1 General subcolumn for the applicable subheading (7213.91, 7213.99, 7227.20 or 7227.90.60) + 10%		The rate provided in the Rates of Duty 2 column for the applicable subheading (7213.91, 7213.99, 7227.20 or 7227.90.60) + 10%
	If entered during the period from March 1, 2001, through February 28, 2002, inclusive:			
9903.72.06	If entered during the period from March 1, 2001, through May 31, 2001, inclusive, in aggregate quantities not in excess of 487,339,641 kg	No change	No change	No change
9903.72.07	If entered during the period from June 1, 2001, through August 31, 2001, inclusive, in aggregate quantities not in excess of 487,339,641 kg	No change	No change	No change
9903.72.08	If entered during the period from September 1, 2001, through November 30, 2001, inclusive, in aggregate quantities not in excess of 487,339,641 kg	No change	No change	No change
9903.72.09	If entered during the period from December 1, 2001, through February 28, 2002, inclusive, in aggregate quantities not in excess of the remaining quantity, if any, from 1,462,018,923 kg after the aggregate quantity entered under subheadings 9903.72.06 through 9903.72.08, inclusive, is subtracted therefrom	No change	No change	No change
9903.72.10	Other	The rate provided in the Rates of Duty 1 General subcolumn for the applicable subheading (7213.91, 7213.99, 7227.20 or 7227.90.60) + 7.5%		The rate provided in the Rates of Duty 2 column for the applicable subheading (7213.91, 7213.99, 7227.20 or 7227.90.60) + 7.5%
	If entered during the period from March 1, 2002, through March 1, 2003, inclusive:			
9903.72.11	If entered during the period from March 1, 2002, through May 31, 2002, inclusive, in aggregate quantities not in excess of 497,086,434 kg	No change	No change	No change
9903.72.12	If entered during the period from June 1, 2002, through August 31, 2002, inclusive, in aggregate quantities not in excess of 497,086,434 kg	No change	No change	No change
9903.72.13	If entered during the period from September 1, 2002, through November 30, 2002, inclusive, in aggregate quantities not in excess of 497,086,434 kg	No change	No change	No change
9903.72.14	If entered during the period from December 1, 2002, through March 1, 2003, inclusive, in aggregate quantities in excess of the remaining quantity, if any, from 1,491,259,302 kg after the aggregate quantity entered under subheadings 9903.72.11 through 9903.72.13, inclusive, is subtracted therefrom	No change	No change	No change

	[Hot-rolled...(con.)]		
	[If...(con.)]		
9903.72.15	Other	The rate provided in the Rates of Duty 1 General subcolumn for the applicable subheading (7213.91, 7213.99, 7227.20 or 7227.90.60) +5%	The rate provided in the Rates of Duty 2 column for the applicable subheading (7213.91, 7213.99, 7227.20 or 7227.90.60) + 5%"

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Presidential Documents

Title 3—

The President

Proclamation 7505 of November 21, 2001

To Modify the Tariff-Rate Quota Applicable to Imports of Steel Wire Rod

By the President of the United States of America

A Proclamation

1. On February 16, 2000, pursuant to section 203 of the Trade Act of 1974, as amended (the "Trade Act") (19 U.S.C. 2253), President Clinton issued Proclamation 7273, which imposed a tariff-rate quota (TRQ) on certain steel wire rod imports provided for in subheadings 7213.91, 7213.99, 7227.20 and 7227.90.60 of the Harmonized Tariff Schedule of the United States (HTS) for a period of 3 years plus 1 day. Proclamation 7273 did not allocate the in-quota quantity of the TRQ among supplier countries.

2. Pursuant to section 203(g) of the Trade Act (19 U.S.C. 2253(g)), in order to provide for the efficient and fair administration of the TRQ, I have determined that the in-quota quantity of the TRQ should be allocated among supplier countries in the manner set forth in the Annex to this proclamation.

3. Section 604 of the Trade Act (19 U.S.C. 2483) authorizes the President to embody in the HTS the substance of the relevant provisions of that Act, and of other acts affecting import treatment, and actions thereunder, including the removal, modification, continuance, or imposition of any rate of duty or other import restriction.

NOW, THEREFORE, I, GEORGE W. BUSH, President of the United States of America, acting under the authority vested in me by the Constitution and the laws of the United States of America, including but not limited to sections 203 and 604 of the Trade Act, do proclaim that:

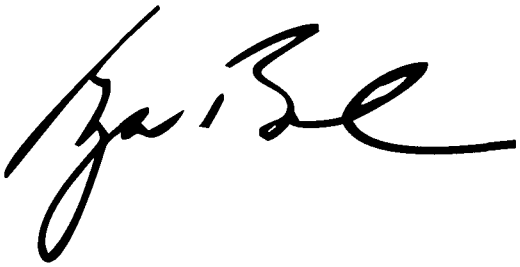
(1) In order to allocate the in-quota quantity of the TRQ on wire rod imports, subchapter III of chapter 99 of the HTS is modified as set forth in the Annex to this proclamation.

(2) Any provisions of previous proclamations and Executive Orders that are inconsistent with the actions taken in this proclamation are superseded to the extent of such inconsistency.

(3) Effective at the close of March 1, 2004, or such other date that is 1 year from the close of this relief, the U.S. note and tariff provisions established in the Annex of this proclamation shall be deleted from the HTS.

(4) The modifications to the HTS made by this proclamation and the Annex hereto shall be effective with respect to goods entered, or withdrawn from warehouse for consumption, after the close of November 23, 2001, and shall continue in effect through the close of March 1, 2003, unless such actions are earlier expressly modified or terminated.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-first day of November, in the year of our Lord two thousand one, and of the Independence of the United States of America the two hundred and twenty-sixth.



Billing code 3195–01–P

ANNEX

MODIFICATIONS TO SUBCHAPTER III OF CHAPTER 99 OF THE HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES

Effective with respect to goods entered, or withdrawn from warehouse for consumption, on or after November 24, 2001, subchapter III of chapter 99 is hereby modified as follows:

1. The following new subdivision (i) is inserted at the end of U.S. note 9:

"(i) For purposes of subheadings 9903.72.09 through 9903.72.14, inclusive, the term "European Community" means Austria, Belgium, Denmark, Finland, France, the Federal Republic of Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom."

2. Subheading 9903.72.08 is modified by striking "November 30," and by inserting in lieu thereof "November 23,".

3. The article description of subheading 9903.72.09 is modified to read as follows, including the countries and allocations hereby inserted immediately below such article description:

"If entered during the period from November 24, 2001, through February 28, 2002, inclusive, (1) in an overall aggregate quantity not in excess of the remaining quantity, if any, from 1,462,018,923 kg after the total quantities entered under subheadings 9903.72.06 through 9903.72.08, inclusive, are subtracted therefrom, and (2) in the respective aggregate quantity of goods the product of a foreign country specified below as the listed percentage of such overall aggregate quantity remaining after the sum of the four enumerated quantities set forth below is subtracted from such overall aggregate quantity:

European Community	28.161%
Trinidad and Tobago	16.554%
Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan	12.616%
All other countries	42.669%"

4. The article description of subheading 9903.72.11 is modified to read as follows, including the countries and allocations hereby inserted immediately below such article description:

"If entered during the period from March 1, 2002, through May 31, 2002, inclusive, in the respective aggregate quantity of goods the product of a foreign country specified below, after which no such goods the product of such country may be entered during the remainder of such period under this subheading:

European Community	104,987,486 kg
Trinidad and Tobago	61,716,789 kg
Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan	47,034,377 kg
All other countries	159,076,170 kg"

5. The article description of subheading 9903.72.12 is modified to read as follows, including the countries and allocations hereby inserted immediately below such article description:

"If entered during the period from June 1, 2002, through August 31, 2002, inclusive, in the respective aggregate quantity of goods the product of a foreign country specified below, after which no such goods the product of such country may be entered during the remainder of such period under this subheading:

European Community	104,987,486 kg
Trinidad and Tobago	61,716,789 kg
Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan	47,034,377 kg
All other countries	159,076,170 kg"

6. The article description of subheading 9903.72.13 is modified to read as follows, including the countries and allocations hereby inserted immediately below such article description:

"If entered during the period from September 1, 2002, through November 30, 2002, inclusive, in the respective aggregate quantity of goods the product of a foreign country specified below, after which no such goods the product of such country may be entered during the remainder of such period under this subheading:

European Community	104,987,486 kg
Trinidad and Tobago	61,716,789 kg
Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan	47,034,377 kg
All other countries	159,076,170 kg"

7. The article description of subheading 9903.72.14 is modified to read as follows, including the countries and allocations hereby inserted immediately below such article description:

"If entered during the period from December 1, 2002, through March 1, 2003, inclusive, in the respective aggregate quantity of goods the product of a foreign country specified below, after which no such goods the product of such country may be entered during the remainder of such period under this subheading:

European Community	104,987,486 kg
Trinidad and Tobago	61,716,789 kg
Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan	47,034,377 kg
All other countries	159,076,170 kg"

[FR Doc. 01–29654
Filed 11–27–01; 8:45 am]
Billing code 3190–01–C

APPENDIX B

FEDERAL REGISTER NOTICES

INTERNATIONAL TRADE COMMISSION

[Investigation No. TA–201–69]

Certain Steel Wire Rod

AGENCY: United States International Trade Commission.

ACTION: Institution and scheduling of an investigation under section 202 of the Trade Act of 1974 (19 U.S.C. § 2252) (the Act).

SUMMARY: Following receipt of a properly filed petition on January 12, 1999, on behalf of Atlantic Steel Industries, Inc., Birmingham Steel Corp., Connecticut Steel Corp., Co-Steel Raritan, GS Industries, Inc., Keystone Steel & Wire Co., North Star Steel Co., North Star Steel Texas, Inc., Northwestern Steel & Wire Co., the Independent Steel Workers Alliance, and the United Steelworkers of America AFL–CIO, the Commission instituted investigation No. TA–201–69 under section 202 of the Act to determine whether hot-rolled bars and rods, in irregularly wound coils, of circular or approximately circular solid cross section, having a diameter of 5 mm or more but less than 19 mm, of non-alloy or alloy steel, except such bars and rods of free-machining steel [1] 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 (HTSUS),[2] are being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

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 201, subparts A through E (19 CFR part 201), and part 206, subparts A and B (19 CFR part 206).

EFFECTIVE DATE: January 12, 1999.

FOR FURTHER INFORMATION CONTACT: Sioban Maguire (202–708–4721), 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. General information concerning the Commission may also be obtained by accessing its internet server (http://www.usitc.gov).

SUPPLEMENTARY INFORMATION:

Participation in the investigation and service list.—Persons wishing to participate in the 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, not later than 21 days after publication of this notice in

the **Federal Register**. The Secretary will prepare a 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 confidential business information (CBI) under an administrative protective order (APO) and CBI service list.—Pursuant to section 206.17 of the Commission's rules, the Secretary will make CBI gathered in this investigation available to authorized applicants under the APO issued in the investigation, provided that the application is made not later than 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 CBI under the APO.

Hearings on injury and remedy.—The Commission has scheduled separate hearings in connection with the injury and remedy phases of this investigation. The hearing on injury will be held beginning at 9:30 a.m. on April 15, 1999 at the U.S. International Trade Commission Building. In the event that the Commission makes an affirmative injury determination or is equally divided on the question of injury in this investigation, a hearing on the question of remedy will be held beginning at 9:30 a.m. on June 8, 1999. Requests to appear at the hearings should be filed in writing with the Secretary to the Commission on or before April 7 and June 2, 1999, respectively. All persons desiring to appear at the hearings and make oral presentations should attend prehearing conferences to be held at 9:30 a.m. on April 12 and June 4, 1999, respectively, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the hearing are governed by sections 201.6(b)(2) and 201.13(f) of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 days prior to the date of the hearing.

Written submissions.—Each party is encouraged to submit a prehearing brief to the Commission. The deadline for filing prehearing briefs on injury is April 9, 1999; that for filing prehearing briefs on remedy, including any commitments pursuant to 19 U.S.C. § 2252(a)(6)(B), is May 27, 1999. Parties may also file posthearing briefs. The deadline for filing posthearing briefs on injury is April 20, 1999; that for filing posthearing briefs on remedy is June 14, 1999. In addition, any person who has not entered an appearance as a party to the investigation may submit a written statement of information pertinent to the consideration of injury on or before April 20, 1999, and pertinent to the consideration of remedy on or before June 14, 1999. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain confidential business information must also conform with the requirements of section 201.6 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means.

In accordance with section 201.16(c) of the Commission's rules, each document filed by a party to the investigation must be served on all other parties to the investigation (as identified by the 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 the authority of section 202 of the Trade Act of 1974; this notice is published pursuant to section 206.3 of the Commission's rules.

By order of the Commission.

Issued: January 22, 1999.

Donna R. Koehnke,

Secretary.

[FR Doc. 99-1890 Filed 1-26-99; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. TA–201–69]

Certain Steel Wire Rod

Determination

On the basis of the information in the investigation, the Commission—

(1) Was equally divided on the question of whether certain steel wire rod [1] is being imported into the United States in such increased quantities as to be a substantial cause of serious injury or the threat of serious injury to the domestic industry producing an article like or directly competitive with the imported article pursuant to section 202(b) of the Trade Act of 1974; [2]

(a) Chairman Lynn M. Bragg, Vice Chairman Marcia E. Miller, and Commissioner Stephen Koplan made an affirmative determination; [3]

(b) Commissioners Carol T. Crawford, Jennifer A. Hillman, and Thelma J. Askey made a negative determination. In light of their negative determination, Commisssioners Crawford, Hillman, and Askey do not believe any import relief is appropriate in this investigation;

(2) Makes negative findings, [4] pursuant to section 311(a) of the North American Free-Trade Agreement (NAFTA) Implementation Act (19 U.S.C. 3371(a)), with respect to imports of certain steel wire rod from Canada and Mexico.

Recommendations With Respect To Remedy

Vice Chairman Marcia E. Miller and Commissioner Stephen Koplan recommend:

(1) That the President impose an additional duty on imports of certain steel wire rod that are the subject of this investigation, as follows:

First year: 15.0 percent *ad valorem;*
Second year: 13.0 percent *ad valorem;*
Third year: 11.0 percent *ad valorem;* and
Fourth year: 9.0 percent *ad valorem;*

(2) That the additional duty apply to imports of certain steel wire rod from beneficiary countries of the Caribbean Basin Economic Recovery Act;

(3) That the additional duty not apply to certain specialty steel wire rod items, specifically, tire cord quality wire rod, pipe wrap quality wire rod, and valve spring quality wire rod;

(4) Having made negative findings with respect to imports of certain steel wire rod from Canada and Mexico under section 311(a) of the NAFTA Implementation Act, that such imports be excluded from the additional duty; and

(5) That the additional duty not apply to any imports of certain steel wire rod entered duty-free from beneficiary countries under the Andean Trade Preference Act, or to imports of certain steel wire rod from Israel.

Chairman Lynn M. Bragg recommends:

(1) That the President impose a duty, in addition to the current rate of duty, for a four-year period, on all imports of steel wire rod that are the subject of this investigation without exclusion except as provided below, as follows:

First year: 7 percent *ad valorem;*
Second year: 6.5 percent *ad valorem;*
Third year: 6.0 percent *ad valorem;* and
Fourth year: 5.5 percent *ad valorem;*

(2) That the additional duty described above apply to imports of steel wire rod from Canada under section 311(a) of the NAFTA Implementation Act;

(3) Having made a negative finding with respect to imports of steel wire rod from Mexico under section 311(a) of the NAFTA Implementation Act, that such imports be excluded from the increase in duty described above;

(4) That the additional duty described above apply to imports of steel wire rod entered duty-free from beneficiary countries under the Caribbean Basin Economic Recovery Act, but that it not apply to imports of steel wire rod entered duty-free from beneficiary countries under the Andean Trade Preference Act or imports of steel wire rod from Israel.

Background

Following receipt of a properly filed petition on January 12, 1999, by counsel on behalf of Atlantic Steel Industries, Inc., Atlanta, GA; Birmingham Steel Corp., Birmingham, AL; Connecticut Steel Corp., Wallingford, CT; Co-Steel Raritan, Perth Amboy, NJ; GS Industries, Inc., Georgetown, SC; Keystone Steel & Wire Co., Peoria, IL; North Star Steel Co., Minneapolis, MN; North Star Steel Texas Inc., Beaumont, TX; Northwestern Steel & Wire Co., Sterling, IL; the Independent Steel Workers Alliance, Bartonville, IL; and the United Steelworkers of America AFL-CIO, Pittsburgh, PA, the Commission instituted investigation No. TA–201–69, Certain Steel Wire Rod, under section 202 of the Trade Act of 1974 to determine whether certain steel wire rod is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

Notice of the institution of the Commission's investigation and of the scheduling of public hearings 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 January 27, 1999 (64 F.R. 4123). The hearing in connection with the injury phase of the investigation was held on April 15, 1999, and the hearing on the question of remedy was held on June 8, 1999. Both hearings were held in Washington, DC; all persons who requested the opportunity were permitted to appear in person or by counsel.

[1] The imported article covered by this investigation is defined as hot-rolled bars and rods, in irregularly wound coils, of circular or approximately circular solid cross section, having a diameter of 5 mm or more but less than 19 mm, of non-alloy or alloy steel, except such bars and rods of free-machining steel or of alloy steel containing by weight 24 percent or more of nickel. 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 0.04 percent of phosphorus, more than 0.05 percent of selenium, and/or more than 0.01 percent of tellurium. Certain steel wire rod is provided for in subheadings 7213.91, 7213.99, 7227.20 and 7227.90.60 of the Harmonized Schedule of the United States (HTS). The scope of this investigation does not cover concrete reinforcing bars and rods, or bars and rods of stainless steel or tool steel, which are provided for in other HTS subheadings.

[2] Section 330(d)(1) of the Tariff Act of 1930 (19 U.S.C. 1330(d)(1)) provides that when the Commission is equally divided on the question of injury under section 202(b) of the Trade Act of 1974, "then the determination agreed upon by either group of commissioners may be considered by the President as the determination of the Commission."

The Commission transmitted its determination in this investigation to the President on July 12, 1999. The views of the Commission are contained in USITC Publication 3207 (July 1999), entitled Certain Steel Wire Rod: Investigation No. TA-201-69.

By order of the Commission.

Issued: July 13, 1999.

Donna R. Koehnke,

Secretary.

[FR Doc. 99-18333 Filed 7-16-99; 8:45 am]

BILLING CODE 7020-02-P

[1] The record is defined in § 207.2(f) of the Commission's rules of practice and procedure (19 CFR 207.2(f)).

INTERNATIONAL TRADE COMMISSION

[Investigation No. TA–204–6]

Certain Steel Wire Rod: Monitoring Developments in the Domestic Industry

AGENCY: United States International Trade Commission.

ACTION: Institution and scheduling of an investigation under section 204(a) of the Trade Act of 1974 (19 U.S.C. § 2254(a)) (the Act).

SUMMARY: The Commission instituted the investigation for the purpose of preparing the report to the President and the Congress required by section 204(a)(2) of the Trade Act of 1974 on the results of its monitoring of developments with respect to the domestic certain steel wire rod industry since the President imposed a tariff-rate quota on imports of certain steel wire rod [1] effective March 1, 2000.

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 201, subparts A through E (19 CFR part 201), and part 206, subparts A and F (19 CFR part 206).

EFFECTIVE DATE: March 16, 2001.

FOR FURTHER INFORMATION CONTACT: Debra Baker (202–205–3180), 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. General information concerning the Commission may also be obtained by accessing its internet server (http://www.usitc.gov). The public record for this investigation may be viewed on the Commission's electronic docket (EDIS–ON–LINE) at http://dockets.usitc.gov/eol/public.

SUPPLEMENTARY 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) containing an equally divided determination on the question of whether certain steel wire rod was being imported into the United States in such increased quantities as to be a substantial cause of serious injury or the threat of serious injury to the domestic wire rod industry, and containing remedy recommendations, the President, on February 16, 2000, pursuant to section 203 of the Trade Act of 1974 (19 U.S.C. § 2253), issued Proclamation 7273, announcing that he considered the determination of the Commissioners voting in the affirmative to be the determination of the Commission, and imposing 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(a)(1) of the Trade Act of 1974 (19 U.S.C. § 2254(a)(1)) requires that the Commission, so long as any action under section 203 of the Trade Act remains in effect, monitor developments with respect to the domestic industry, including the progress and specific efforts made by workers and firms in the domestic industry to make a positive adjustment to import competition. Section 204(a)(2) requires, whenever the initial period of an action under section 203 of the Trade Act exceeds 3 years, that the Commission submit a report on the results of the monitoring under section 204(a)(1) to the President and the Congress not later than the mid-point of the initial period of the relief, or by August 30, 2001, in this case. Section 204(a)(3) requires that the Commission hold a hearing in the course of preparing each such report.

Participation in the Investigation and Service List

Persons wishing to participate in the 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, not later than 14 days after publication of this notice in the **Federal Register**. The Secretary will prepare a 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.

Public Hearing

As required by statute, the Commission has scheduled a hearing in connection with this investigation. The hearing will be held beginning at 9:30 a.m. on July 11, 2001, at the U.S. International Trade Commission Building, 500 E Street SW, Washington, DC. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission on or before July 2, 2001. All persons 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 6, 2001, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the hearing are governed by sections 201.6(b)(2) and 201.13(f) of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 days prior to the date of the hearing.

[1] The imported article covered by this investigation is defined as hot-rolled bars and rods, in irregularly wound coils, of circular or approximately circular solid cross section, having a diameter of 5 mm or more but less than 19 mm, of non-alloy or alloy steel, except such bars and rods of free-machining steel or of alloy steel containing by weight 24 percent or more of nickel. 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 0.04 percent of phosphorus, more than 0.05 percent of selenium,

Written Submissions

Each party is encouraged to submit a prehearing brief to the Commission. The deadline for filing prehearing briefs is July 3, 2001. Parties may also file posthearing briefs. The deadline for filing posthearing briefs is July 18, 2001. In addition, any person who has not entered an appearance as a party to the investigation may submit, on or before July 18, 2001, a written statement concerning the matters to be addressed in the Commission's report to the President. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain confidential business information must also conform with the requirements of section 201.6 of the Commission's rules. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means.

In accordance with section 201.16(c) of the Commission's rules, each document filed by a party to the investigation must be served on all other parties to the investigation (as identified by the 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 the authority of section 204(a) of the Trade Act of 1974; this notice is published pursuant to section 206.3 of the Commission's rules.

By order of the Commission.

Issued: March 20, 2001.

Donna R. Koehnke,

Secretary.

[FR Doc. 01–7440 Filed 3–23–01; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. TA–204–11]

Certain Steel Wire Rod:[1] Evaluation of the Effectiveness of Import Relief

AGENCY: United States International Trade Commission.

[1] Certain steel wire rod is provided for in subheadings 7213.91, 7213.99, 7227.20, and 7227.90.60 of the Harmonized Tariff Schedule of the United States (HTS).

ACTION: Institution of an investigation and scheduling of a hearing under section 204(d) of the Trade Act of 1974 (19 U.S.C. 2254(d)) (the Act).

SUMMARY: Pursuant to section 204(d) of the Act, the Commission has instituted investigation No. TA–204–11, Certain Steel Wire Rod: Evaluation of the Effectiveness of Import Relief, for the purpose of evaluating the effectiveness of the relief action imposed by the President on imports of certain steel wire rod under section 203 of the Act, which terminated on March 1, 2003.

Background

The President imposed the relief action on March 1, 2000, in the form of a tariff-rate quota following receipt of an affirmative injury determination and relief recommendation from the Commission on July 12, 1999. The relief was imposed for a period of 3 years and 1 day. *See* Proclamation 7273 of February 16, 2000 (65 FR 8621), as modified by Proclamation 7205 of November 21, 2001 (66 FR 59353). Section 204(d) of the Act requires the Commission, following termination of a relief action, to evaluate the effectiveness of the action 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) of the Act. The Commission is required to submit a report on the evaluation to the President and the Congress no later than 180 days after the day on which the relief action terminated 203(b) of the Act.

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 201, subparts A through E (19 CFR part 201, subparts A through and E), and part 206, subparts A and F (19 CFR part 206, subparts A and F).

EFFECTIVE DATE: April 11, 2003.

FOR FURTHER INFORMATION CONTACT: Karen Taylor (202) 708–4101) or Jim McClure ((202) 205–3191), 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. General information concerning the Commission may also be obtained by accessing its internet server (*http://www.usitc.gov*). The public record for this investigation may be viewed on the Commission's electronic docket (EDIS–ON–LINE) at *http://dockets.usitc.gov/eol/public.*

SUPPLEMENTARY INFORMATION:

Participation in the investigation and service list.—Persons wishing to participate in the 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, not later than 14 days after publication of this notice in the **Federal Register.** The Secretary will prepare a 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.

Public hearing.—As required by statute, the Commission has scheduled a hearing in connection with this investigation. The hearing will be held beginning at 9:30 a.m. on June 26, 2003, 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 June 19, 2003. All persons desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on June 23, 2003, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the hearing are governed by sections 201.6(b)(2) and 201.13(f) of the Commission's rules. Parties must submit any request to present a portion of their hearing testimony *in camera* no later than 7 days prior to the date of the hearing.

Written submissions.—Each party is encouraged to submit a prehearing brief to the Commission. The deadline for filing prehearing briefs is June 19, 2003. Parties may also file posthearing briefs. The deadline for filing posthearing briefs is July 3, 2003. In addition, any person who has not entered an appearance as a party to the investigation may submit a written statement concerning the matters to be addressed in the report on or before July 3, 2003. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain confidential business information must also conform with the requirements of section 201.6 of the Commission's rules. The report that the Commission sends to the President may include confidential business information. The Commission's rules do not authorize filing of submissions with the Secretary by facsimile or electronic means, except to the extent permitted by section 201.8 of the Commission's rules, as amended, 67 FR 68036 (November 8, 2002).

In accordance with section 201.16(c) of the Commission's rules, each document filed by a party to the investigation must be served on all other parties to the investigation (as identified by the 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 the authority of section 204(d) of the Trade Act of 1974; this notice is published pursuant to section 206.3 of the Commission's rules.

By order of the Commission.
Issued: April 15, 2003.

Marilyn R. Abbott,
Secretary to the Commission.

[FR Doc. 03–9683 Filed 4–18–03; 8:45 am]
BILLING CODE 7020–02–P

APPENDIX C

SUMMARY DATA

Table C-1
Wire rod: Summary data concerning the U.S. market, 2000-2002 and January-February 2003

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

Item	Reported data				Period changes		
	2000	2001	2002	Jan.-Feb. 2003	2000-2002	2000-2001	2001-2002
U.S. consumption quantity:							
Amount	4,740,666	4,563,203	5,320,327	545,336	12.2	-3.7	16.6
Producers' share (1)	46.0	40.4	36.7	60.3	-9.3	-5.6	-3.7
Importers' share (1):							
Ukraine	5.8	5.7	0.2	0.0	-5.6	-0.1	-5.5
Trinidad & Tobago	5.9	7.8	7.3	4.0	1.4	1.9	-0.5
Brazil	3.8	3.1	0.6	0.0	-3.2	-0.7	-2.5
Japan	1.1	0.7	0.9	0.9	-0.2	-0.4	0.2
Moldova	3.5	4.1	0.4	0.0	-3.2	0.6	-3.8
Turkey	3.8	5.7	9.2	2.6	5.5	1.9	3.5
Germany	2.1	1.3	0.4	0.3	-1.6	-0.8	-0.8
All other sources	10.9	11.6	28.4	13.9	17.5	0.8	16.8
Subtotal, TRQ sources	36.9	40.0	47.4	21.7	10.5	3.1	7.4
Canada	15.1	16.4	13.8	16.9	-1.4	1.3	-2.7
Mexico	1.9	3.2	2.1	1.1	0.2	1.2	-1.1
Subtotal, Non TRQ sources	17.1	19.6	15.9	18.0	-1.2	2.5	-3.7
Total imports	54.0	59.6	63.3	39.7	9.3	5.6	3.7
U.S. consumption value:							
Amount	1,473,688	1,366,556	1,682,679	198,074	14.2	-7.3	23.1
Producers' share (1)	48.9	45.4	42.1	65.6	-6.7	-3.5	-3.3
Importers' share (1):							
Ukraine	3.8	3.6	0.1	0.0	-3.7	-0.2	-3.5
Trinidad & Tobago	5.0	6.7	6.4	2.9	1.4	1.7	-0.3
Brazil	2.9	2.4	0.5	0.0	-2.5	-0.5	-1.9
Japan	1.9	1.3	1.6	1.5	-0.3	-0.5	0.3
Moldova	2.5	2.9	0.2	0.0	-2.3	0.4	-2.7
Turkey	2.9	4.1	7.2	1.8	4.3	1.3	3.1
Germany	2.2	1.3	0.5	0.3	-1.7	-1.0	-0.7
All other sources	9.6	9.7	22.6	9.1	13.0	0.1	12.9
Subtotal, TRQ sources	30.9	32.0	39.1	15.7	8.3	1.2	7.1
Canada	18.7	19.9	16.8	17.7	-1.8	1.2	-3.1
Mexico	1.6	2.7	1.9	1.0	0.3	1.1	-0.8
Subtotal, Non TRQ sources	20.3	22.6	18.7	18.7	-1.5	2.3	-3.8
Total imports	51.1	54.6	57.9	34.4	6.7	3.5	3.3

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Table C-1--Continued
Wire rod: Summary data concerning the U.S. market, 2000-2002 and January-February 2003

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

Item	Reported data				Period changes		
	2000	2001	2002	Jan.-Feb. 2003	2000-2002	2000-2001	2001-2002
U.S. imports from:							
Ukraine:							
Quantity	275,660	258,526	11,159	0	-96.0	-6.2	-95.7
Value	56,691	49,770	2,446	0	-95.7	-12.2	-95.1
Unit value	$205.66	$192.52	$219.17	(2)	6.6	-6.4	13.8
Trinidad & Tobago:							
Quantity	279,834	355,089	386,419	21,849	38.1	26.9	8.8
Value	73,549	91,335	107,445	5,717	46.1	24.2	17.6
Unit value	$262.83	$257.22	$278.05	$261.69	5.8	-2.1	8.1
Brazil:							
Quantity	182,191	143,142	33,971	0	-81.4	-21.4	-76.3
Value	43,217	32,648	8,086	0	-81.3	-24.5	-75.2
Unit value	$237.20	$228.08	$238.02	(2)	0.3	-3.8	4.4
Japan:							
Quantity	53,602	32,520	47,780	5,158	-10.9	-39.3	46.9
Value	27,717	18,238	26,838	3,064	-3.2	-34.2	47.2
Unit value	$517.09	$560.82	$561.70	$594.08	8.6	8.5	0.2
Moldova:							
Quantity	167,971	187,370	18,826	0	-88.8	11.5	-90.0
Value	36,892	39,439	3,708	0	-89.9	6.9	-90.6
Unit value	$219.63	$210.49	$196.95	(2)	-10.3	-4.2	-6.4
Turkey:							
Quantity	179,070	259,945	491,010	13,960	174.2	45.2	88.9
Value	42,193	56,212	120,857	3,477	186.4	33.2	115.0
Unit value	$235.62	$216.24	$246.14	$249.05	4.5	-8.2	13.8
Germany:							
Quantity	98,045	57,806	22,522	1,762	-77.0	-41.0	-61.0
Value	32,630	17,266	8,993	665	-72.4	-47.1	-47.9
Unit value	$332.81	$298.69	$399.32	$377.22	20.0	-10.3	33.7
All other sources:							
Quantity	515,288	531,201	1,511,917	75,752	193.4	3.1	184.6
Value	141,947	132,969	380,125	18,077	167.8	-6.3	185.9
Unit value	$275.47	$250.32	$251.42	$238.64	-8.7	-9.1	0.4
Subtotal, TRQ sources:							
Quantity	1,751,661	1,825,600	2,523,603	118,480	44.1	4.2	38.2
Value	454,836	437,877	658,498	31,000	44.8	-3.7	50.4
Unit value	$259.66	$239.85	$260.94	$261.65	0.5	-7.6	8.8
Canada:							
Quantity	717,951	748,834	731,753	92,041	1.9	4.3	-2.3
Value	275,486	272,123	283,486	35,078	2.9	-1.2	4.2
Unit value	$383.71	$363.40	$387.41	$381.12	1.0	-5.3	6.6
Mexico:							
Quantity	92,337	145,351	112,803	6,079	22.2	57.4	-22.4
Value	23,038	36,220	31,779	2,059	37.9	57.2	-12.3
Unit value	$249.50	$249.19	$281.72	$338.74	12.9	-0.1	13.1
Subtotal, Non TRQ sources:							
Quantity	810,288	894,185	844,556	98,120	4.2	10.4	-5.6
Value	298,525	308,343	315,265	37,138	5.6	3.3	2.2
Unit value	$368.42	$344.83	$373.29	$378.49	1.3	-6.4	8.3
All sources:							
Quantity	2,561,949	2,719,785	3,368,159	216,600	31.5	6.2	23.8
Value	753,360	746,220	973,763	68,138	29.3	-0.9	30.5
Unit value	$294.06	$274.37	$289.11	$314.58	-1.7	-6.7	5.4

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Table C-1--Continued
Wire rod: Summary data concerning the U.S. market, 2000-2002 and January-February 2003

(Quantity=short tons, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per short ton; period changes=percent, except where noted)

	Reported data				Period changes		
Item	2000	2001	2002	Jan.-Feb. 2003	2000-2002	2000-2001	2001-2002
U.S. producers':							
Average capacity quantity	2,765,294	2,783,856	3,096,647	510,559	12.0	0.7	11.2
Production quantity	2,271,816	1,779,465	2,016,845	337,775	-11.2	-21.7	13.3
Capacity utilization (1)	82.2	63.9	65.1	66.2	-17.0	-18.2	1.2
U.S. shipments:							
Quantity	2,178,717	1,843,418	1,952,168	328,736	-10.4	-15.4	5.9
Value	720,328	620,336	708,916	129,936	-1.6	-13.9	14.3
Unit value	$330.62	$336.51	$363.14	$395.26	9.8	1.8	7.9
Export shipments:							
Quantity	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***
Ending inventory quantity	200,587	109,905	134,977	143,547	-32.7	-45.2	22.8
Inventories/total shipments (1)	***	***	***	***	***	***	***
Production workers	1,049	887	1,019	985	-2.9	-15.4	14.9
Hours worked (1,000s)	3,012	2,332	2,454	427	-18.5	-22.6	5.2
Wages paid ($1,000s)	80,793	60,372	66,316	11,626	-17.9	-25.3	9.8
Hourly wages	$26.82	$25.89	$27.02	$27.23	0.7	-3.5	4.4
Productivity (tons/1,000 hours)	754.3	763.1	821.9	791.0	9.0	1.2	7.7
Unit labor costs	$35.56	$33.93	$32.88	$34.42	-7.5	-4.6	-3.1
Net sales:							
Quantity	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***
Cost of goods sold (COGS)	697,081	619,491	667,802	(2)	-4.2	-11.1	7.8
Gross profit or (loss)	31,815	13,576	57,338	(2)	80.2	-57.3	322.3
SG&A expenses	28,753	31,959	35,200	(2)	22.4	11.2	10.1
Operating income or (loss)	3,062	(18,383)	22,138	(2)	623.0	(2)	(2)
Capital expenditures	25,430	22,714	23,515	(2)	-7.5	-10.7	3.5
Unit COGS	$317.34	$331.43	$336.42	(2)	6.0	4.4	1.5
Unit SG&A expenses	$13.09	$17.10	$17.73	(2)	35.5	30.6	3.7
Unit operating income or (loss)	$1.39	($9.83)	$11.15	(2)	700.1	(2)	(2)
COGS/sales (1)	95.6	97.9	92.1	(2)	-3.5	2.2	-5.8
Operating income or (loss)/ sales (1)	0.4	-2.9	3.1	(2)	2.6	-3.3	6.0

(1) "Reported data" are in percent and "period changes" are in percentage points.
(2) Not applicable.

Note.--Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Due to the lack of questionaire responses from companies that accounted for approximately 49 percent of U.S. production in 2000, data on capacity, production, shipments, inventories, employment, hours worked, hours paid, and sales are understated.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.