Carbon and Certain Alloy Steel Wire Rod From Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, Turkey, and Ukraine

Investigations Nos. 701-TA-417-421 and
731-TA-953, 954, 956-959, 961, and 962 (Final)

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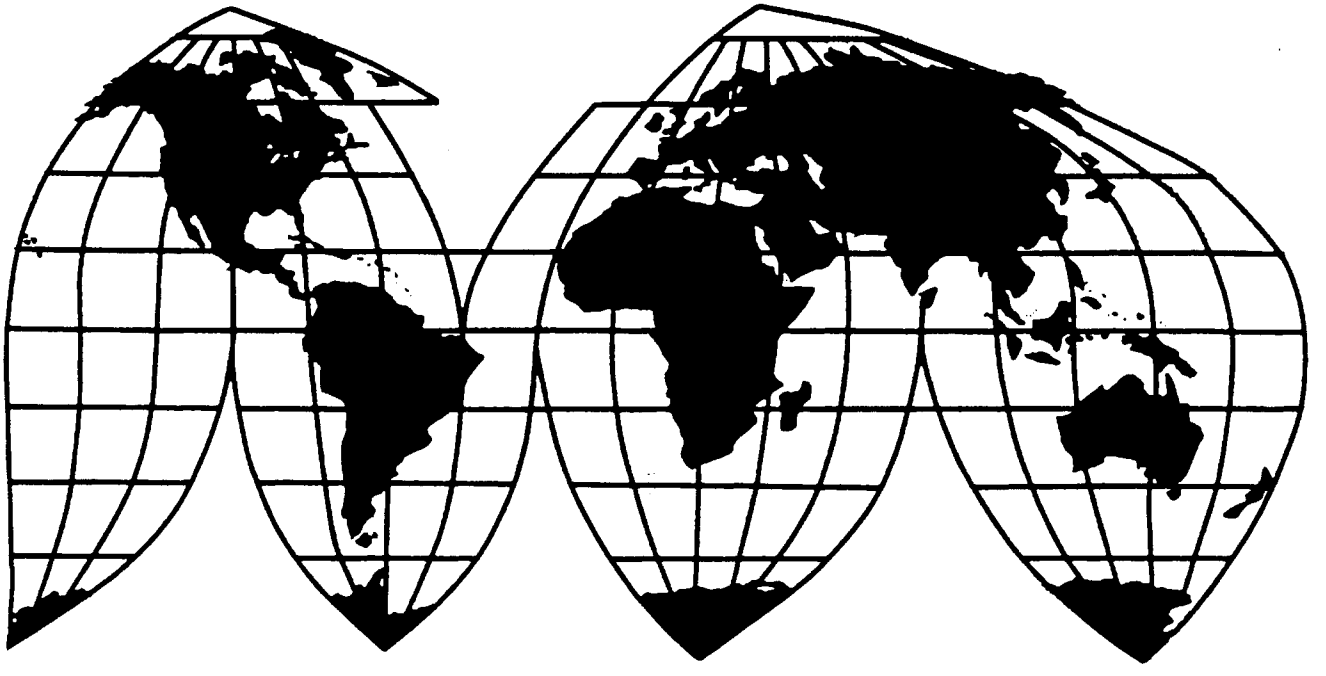

Washington, DC 20436

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Note.–Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted from this report.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

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigations Nos. 701-TA-417-419 and 731-TA-953, 954, 956-959, 961, and 962 (Final)

CARBON AND CERTAIN ALLOY STEEL WIRE ROD FROM BRAZIL, CANADA, GERMANY, INDONESIA, MEXICO, MOLDOVA, TRINIDAD AND TOBAGO, AND UKRAINE

DETERMINATIONS

On the basis of the record[1] developed in the subject investigations, the United States International Trade Commission determines, pursuant to section 705(b) of the Tariff Act of 1930 (19 U.S.C. § 1671d(b)) (the Act), that an industry in the United States is materially injured by reason of imports from Brazil and Canada of carbon and certain alloy steel wire rod[2] that have been found by the Department of Commerce (Commerce) to be subsidized by the Governments of Brazil and Canada. The Commission also determines, pursuant to section 735(b) of the Act (19 U.S.C. § 1673d(b)), that an industry in the United States is materially injured by reason of imports from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine of carbon and certain alloy steel wire rod that have been found by Commerce to be sold in the United States at less than fair value (LTFV).[3] The Commission further determines, pursuant to section 771(24)(A) of the Act (19 U.S.C. § 1677(24)(A)) that imports of carbon and certain alloy steel wire rod from Germany that have been found by Commerce to be subsidized by the Government of Germany and sold in the United States at LTFV are negligible, and its investigations with regard to that country are thereby terminated pursuant to sections 705(b) and 735(b) of the Act.[4] With regard to imports of the subject merchandise from Moldova and Ukraine that

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[1] The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR § 207.2(f)).

[2] The merchandise covered by these investigations is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, 5.0 mm or more but less than 19.0 mm, in solid cross-sectional diameter. Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the *Harmonized Tariff Schedule of the United States (HTS)* definitions for (a) stainless steel, (b) tool steel, (c) high nickel steel, (d) ball bearing steel, and (e) concrete reinforcing bars and rods. Also excluded are (f) free machining steel products (*i.e.*, products that contain by weight one or more of the following elements: 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 phosphorous, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium). Also excluded from the scope are grade 1080 tire cord and tire bead quality wire rod that comport with the specifications, definitions, and applications set forth in Commerce's revised scope language (see, for example, Commerce's final determination of sales at LTFV concerning Canada, 67 FR 55782, August 30, 2002). All products meeting the physical description of subject merchandise that are not specifically excluded are included in the scope of these investigations. The subject merchandise is provided for in *HTS* subheadings 7213.91, 7213.99, 7227.20, and 7227.90.60.

[3] Chairman Deanna Tanner Okun determines that an industry in the United States is not materially injured or threatened with material injury, and the establishment of an industry in the United States is not materially retarded, by reason of imports from Trinidad and Tobago of carbon and certain alloy steel wire rod that have been found by Commerce to be sold in the United States at LTFV.

[4] Commissioner Lynn M. Bragg determines that an industry in the United States is threatened with material injury by reason of imports from Germany of carbon and certain alloy steel wire rod that have been found by Commerce to be subsidized by the Government of Germany and sold in the United States at LTFV.

were subject to affirmative critical circumstances determinations by Commerce, the Commission determines that critical circumstances do not exist.[5]

BACKGROUND

The Commission instituted these investigations effective August 31, 2001, following receipt of petitions filed with the Commission and Commerce by counsel on behalf of Co-Steel Raritan, Inc., Perth Amboy, NJ; GS Industries, Inc., Charlotte, NC; Keystone Consolidated Industries, Inc., Dallas TX; and North Star Steel Texas, Inc., Edina, MN. The final phase of the investigations was scheduled by the Commission following notification of preliminary determinations by Commerce that imports of carbon and certain alloy steel wire rod from Canada and Germany were being subsidized within the meaning of section 703(b) of the Act (19 U.S.C. § 1671b(b))[6] and imports of carbon and certain alloy steel wire rod from Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine were being sold at LTFV within the meaning of section 733(b) of the Act (19 U.S.C. § 1673b(b)). Notice of the scheduling of the final phase of the Commission's investigations and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of May 2, 2002 (67 FR 22105).[7] The hearing was held in Washington, DC, on August 27, 2002, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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[5] Commissioner Lynn M. Bragg makes affirmative determinations with regard to critical circumstances in the investigations concerning Germany, Moldova, and Ukraine.

[6] Although Commerce made a preliminary negative countervailing duty determination with respect to Brazil, it subsequently made a final affirmative countervailing duty determination with respect to that country.

[7] The Commission's schedule was subsequently revised on May 22, 2002 (67 FR 36022) and on September 12, 2002 (67 FR 57849).

VIEWS OF THE COMMISSION

Based on the record in these investigations, we determine that an industry in the United States is materially injured by reason of subsidized imports of carbon and certain alloy steel wire rod from Brazil and Canada, and less-than-fair-value (LTFV) imports of carbon and certain alloy steel wire rod from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago,[1] and Ukraine.[2] [3] We find subsidized and LTFV imports from Germany to be negligible.[4] We do not find that critical circumstances exist with respect to subject imports from Moldova and Ukraine.[5]

I. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. In General

In determining whether an industry in the United States is materially injured or threatened with material injury by reason of imports of the subject merchandise, the Commission first defines the "domestic like product" and the "industry."[6] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Act"), defines the relevant domestic industry as the "producers as a [w]hole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[7] In turn, the Act defines "domestic like product" as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation . . . ."[8]

The decision regarding the appropriate domestic like product(s) in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[9] No single factor is dispositive, and the Commission

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[1] Chairman Okun makes a negative determination with respect to subject imports from Trinidad and Tobago. See Dissenting Views of Chairman Deanna Tanner Okun with respect to Carbon and Certain Alloy Steel Wire Rod from Trinidad and Tobago.

[2] Commission rule 207.68(b) provides that final party comments "containing new factual information shall be disregarded." 19 C.F.R.§ 207.68(b); see also 19 U.S.C. § 1677m(g). On September 27, 2002, the Commission notified one of the parties that its letter filed with the Commission on September 24, 2002, which contained quarterly reports for the operations of domestic producers Keystone and Co-Steel, was rejected as untimely filed. Because this submission was rejected and the quarterly reports contained therein are not otherwise on the record in these investigations, we have disregarded facts contained in these quarterly reports.

[3] In reaching these affirmative determinations, we note that we have discounted the weight accorded to interim (first quarter) data for 2002 due to the pendency of these investigations. See 19 U.S.C. § 1677(7)(I).

[4] Commissioner Bragg dissenting. See Additional and Dissenting Views of Commissioner Lynn M. Bragg.

[5] Commissioner Bragg dissenting. See Additional and Dissenting Views of Commissioner Lynn M. Bragg.

[6] 19 U.S.C. § 1677(4)(A).

[7] 19 U.S.C. § 1677(4)(A).

[8] 19 U.S.C. § 1677(10).

[9] See, e.g., NEC Corp. v. Department of Commerce, 36 F. Supp.2d 380, 383 (Ct. Int'l Trade 1998); Nippon Steel Corp. v. United States, 19 CIT 450, 455 (1995); Torrington Co. v. United States, 747 F. Supp. 744, 749 n.3 (Ct. Int'l Trade 1990), aff'd, 938 F.2d 1278 (Fed. Cir. 1991) ("every like product determination 'must be made on the

(continued...)

may consider other factors it deems relevant based on the facts of a particular investigation.[10] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[11] Although the Commission must accept the determination of the Department of Commerce ("Commerce") as to the scope of the imported merchandise that has been found to be subsidized or sold at LTFV, the Commission determines what domestic product is like the imported articles Commerce has identified.[12]

B. Product Description

Commerce's final determinations defined the imported merchandise within the scope of these investigations as follows:

> certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, 5.00 mm or more, but less than 19.00 mm, in solid cross-sectional diameter.
>
> Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; and (e) concrete reinforcing bars and rods. Also excluded are (f) free machining steel products (i.e., products that contain by weight one or more of the following elements: 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 phosphorous, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium).
>
> Also excluded from the scope are 1080 grade tire cord quality wire rod and 1080 grade tire bead quality wire rod. This grade 1080 tire cord quality rod is defined as: (i) grade 1080 tire cord quality wire rod measuring 5.0 mm or more but not more than 6.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of not more than 70

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[9] (...continued)
particular record at issue' and the 'unique facts of each case'"). The Commission generally considers a number of factors including: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes and production employees; and, where appropriate, (6) price. See Nippon Steel, 19 CIT at 455 n.4; Timken Co. v. United States, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996).

[10] See, e.g., S. Rep. No. 96-249 at 90-91 (1979).

[11] Nippon Steel, 19 CIT at 455; Torrington, 747 F. Supp. at 748-749; see also S. Rep. No. 96-249 at 90-91 (1979) (Congress has indicated that the like product standard should not be interpreted in "such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not 'like' each other, nor should the definition of 'like product' be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.").

[12] Hosiden Corp. v. Advanced Display Mfrs., 85 F.3d 1561, 1568 (Fed. Cir. 1996) (Commission may find single like product corresponding to several different classes or kinds defined by Commerce); Torrington, 747 F. Supp. at 748-752 (affirming Commission determination of six like products in investigations where Commerce found five classes or kinds).

microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 mm or better using European Method NFA 04-114; (v) having a surface quality with no surface defects of a length greater than 0.15 mm; (vi) capable of being drawn to a diameter of 0.30 mm or less with 3 or fewer breaks per ton; and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.006 percent or less of nitrogen, and (5) not more than 0.15 percent, in the aggregate of copper, nickel and chromium.

This grade 1080 tire bead quality rod is defined as: (i) grade 1080 tire bead quality wire rod measuring 5.5 mm or more but not more than 7.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04-114; (v) having a surface quality with no surface defects of a length greater than 0.2 mm; (vi) capable of being drawn to a diameter of 0.78 mm or larger with 0.5 or fewer breaks per ton; and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of soluble aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorous and sulfur, (4) 0.008 percent or less of nitrogen, and (5) either not more than 0.15 percent, in the aggregate, of copper, nickel and chromium (if chromium is not specified), or not more than 0.10 percent in the aggregate of copper and nickel and a chromium content of 0.24 to 0.30 percent (if chromium is specified).

The designation of the products as "tire cord quality" or "tire bead quality" indicates the acceptability of the product for use in the production of tire cord, tire bead, or wire for use in other rubber reinforcement applications such as hose wire. These quality designations are presumed to indicate that these products are being used in tire cord, tire bead, and other rubber reinforcement applications, and such merchandise intended for the tire cord, tire bead, or other rubber reinforcement applications is not included in the scope. However, should petitioners or other interested parties provide a reasonable basis to believe or suspect that there exists a pattern of importation of such products for other than those applications, end-use certification for the importation of such products may be required. Under such circumstances, only the importers of record would normally be required to certify the end use of the imported merchandise.

All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are current classifiable under subheadings 7213.91.3010, 7213.91.3090, 7213.91.4510, 7213.91.4590, 7213.91.6010, 7213.91.6090, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0010, 7227.20.0020, 7227.20.0090, 7227.20.0095, 7227.90.6051, 7227.90.6053, 7227.90.6058, and 7227.90.6059 of the

HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.[13]

Wire rod is a hot-rolled intermediate steel product of circular or approximately circular cross section, used in a wide variety of other intermediate products and end-use products. Wire rod is used to make a broad range of products including various types of wire (aluminum-coated wire, barbed wire, spring wire, and industrial wire), springs, nails, fasteners, clothes hangers, fencing material, construction mesh, tire bead, and tire cord.[14]

C. Domestic Like Product Issues

In its Preliminary Determinations in these investigations, the Commission found a single domestic like product comprised of all carbon and certain alloy steel wire rod that corresponded to Commerce's scope as it existed at the time.[15] Commerce subsequently modified the scope in these investigations to exclude certain grade 1080 tire cord quality wire rod and certain grade 1080 tire bead quality wire rod.[16] [17]

Petitioners support the finding of a single domestic like product consisting of all carbon and certain alloy steel wire rod, including the 1080 tire bead and tire cord quality wire rod that has now been excluded from Commerce's scope.[18] Respondents Michelin North America, Inc. ("Michelin") and Rubber Manufacturers Association ("RMA") argue that tire cord quality wire rod should constitute a separate like product.[19] Canadian Respondents Ispat Sidbec, Inc., Ivaco, Inc., and Ivaco Rolling Mills, Inc. (collectively "Canadian Respondents") and Respondent Steel Fastener Working Group ("SFWG") argue that the Commission should find that cold-heading quality ("CHQ") wire rod that meets Industrial Fasteners Institute ("IFI") specification IFI-140 is a separate domestic like product.[20] Mexican

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[13] Confidential Report ("CR")/Public Report ("PR") at Appendix A, 67 Fed. Reg. 55782 (August 30, 2002) (Canada) et. seq.

[14] CR at I-6, II-1, II-14; PR at I-5, II-1, II-9; CR/PR at Table I-1.

[15] Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Turkey, Ukraine, and Venezuela, Inv. Nos. 701-TA-417-421 and 731-TA-953-963 (Preliminary) USITC Pub. 3456 (Oct. 2001) ("Preliminary Determinations" or "USITC Pub. 3456"). In its Preliminary Determinations, the Commission considered and rejected arguments that it should find tire cord wire rod to be a separate domestic like product. USITC Pub. 3456 at 5-6.

[16] 67 Fed. Reg. 17384 (April 10, 2002) (Germany).

[17] The Commission explained that Commerce, not the Commission, determines the scope of subject merchandise, and that the Commission must accept Commerce's scope as it presently stood for purposes of its preliminary determinations. Preliminary Determinations at 5 & n.12.

[18] Petitioners' Prehearing Brief at 10-14.

[19] Michelin North America, Inc. ("Michelin") Prehearing Brief at 1, Michelin Posthearing Brief at 2, RMA Prehearing Brief at 4.

[20] SFWG Posthearing Brief at 1; Canadian Respondents Prehearing Brief at 23-31; Ispat Sidbec Posthearing Brief at 1.

Respondent Hylsa Puebla, S.A. de C.V. ("Hylsa") produces clean-steel precision bar-in-coils ("CSPBIC"), which it argues should be a separate domestic like product.[21]

As a general matter, the record demonstrates no clear demarcation between the various types of wire rod products, but rather indicates a continuum of at least 11 major categories of products, ranging from low carbon wire rod such as industrial wire rod used for nails and coat hangers, to medium to high carbon wire rod, such as that used for tire bead and prestressed concrete strand, to the highest-end products, including CHQ, CSPBIC, and tire cord wire rod.[22] In cases such as the present one, where the domestically manufactured merchandise consists of a broad continuum of similar products, the Commission does not consider each item of merchandise to be a separate domestic like product that is only "like" its counterpart in the scope, but considers the continuum itself to constitute the domestic like product.[23]

As discussed below, we find a single domestic like product consisting of all carbon and certain alloy steel wire rod included within Commerce's scope, and including the grade 1080 tire bead and tire cord quality wire rod that has been excluded from Commerce's scope.[24]

1. Expanding the Like Product to Include Certain Grade 1080 Tire Cord Wire Rod and Grade 1080 Tire Bead Wire Rod

We first consider whether the domestic like product should include domestically produced 1080 tire cord and tire bead wire rod. The issue before us is whether domestic 1080 tire cord and tire bead wire rod are sufficiently "like" the domestic like products that correspond directly to the products included within the scope that these 1080 products should also be included within the domestic like product.[25] Commerce's scope of investigation includes 1070 and 1090 tire bead and tire cord wire rod.

Respondent Michelin argues that the exclusion of 1080 tire cord quality wire rod reflects that tire cord wire rod is identifiable as a separate class and distinguishable in fundamental respects from the other wire rod products under investigation.[26] Petitioners have requested that the Commission include all wire rod, including all tire cord wire rod and tire bead wire rod, in the domestic like product.[27]

Tire cord and tire bead wire rod, in general, are types of high or medium-high carbon wire rod. Grade 1080 is one particular grade of tire cord and tire bead wire rod. There is no information on the record indicating significant differences among grades of tire bead wire rod, and the record reflects only minimal differences among grades of tire cord wire rod. Tire cord wire rod may be either regular-tensile

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[21] Hylsa Prehearing Brief at 2-6.

[22] CR at I-6-I-7; PR at I-5-I-6; CR/PR at Table I-1.

[23] Certain Steel Wire Rod from Canada, Germany, Trinidad & Tobago, and Venezuela, Inv. Nos. 701-TA-368-371 (Final), USTIC Pub. 3075 (November 1997) at 7.

[24] Commissioner Bragg dissenting. See Additional and Dissenting Views of Commissioner Lynn M. Bragg. Accordingly, Commissioner Bragg does not join section I.C.1 of these Views.

[25] The domestic industry produces 1070 and 1080 tire bead and tire cord wire rod, but not 1090 tire bead and tire cord wire rod. Petitioners' Posthearing Brief, Exhibit 16.

[26] Michelin Prehearing Brief at 4. We disagree. Whether or not 1080 tire bead and tire cord wire rod should be included in the domestic like product is a separate issue from whether tire cord wire rod should be a separate domestic like product, and we treat the issues separately in these Views.

[27] We note that domestic production of 1080 tire bead and tire cord products is *** compared to domestic production of the like product corresponding to Commerce's scope. Compare CR/PR Tables C-1 and C-2.

(AISI grade 1070) or high-tensile (AISI grade 1080 or 1090). Grade 1080 and grade 1090 tire cord wire rod are finer grades of tire cord wire rod than 1070 grade, with more stringent specifications.[28] Respondent Michelin argues, and the record indicates, that no significant distinctions exist between grades 1070, 1080, or 1090 tire cord wire rod relevant to the Commission's like product analysis. Michelin states that all three grades have the same physical characteristics, uses, prices, channels of distribution and production processes. Michelin asserts that all three grades must satisfy the same restrictive requirements for cleanliness, segregation, decarburization, chemistry and surface imperfections that are not required in "ordinary" wire rod products.[29] [30]

We find that other domestic tire cord and tire bead wire rod products that correspond to products within the scope, such as 1070 tire cord wire rod and 1070 tire bead wire rod, closely share physical characteristics, uses, channels of distribution, production processes, and similarities in prices with 1080 tire cord wire rod and tire bead wire rod. Moreover, as discussed below, our traditional six factor analysis does not indicate that tire cord wire rod is a separate like product. This same analysis indicates that the like product should be defined as the broad continuum of wire rod products. Therefore, there is no basis to exclude 1080 tire bead and tire cord wire rod from the definition of the domestic like product, and we define the domestic like product to include 1080 tire cord wire rod and 1080 tire bead wire rod, in addition to the wire rod products corresponding to Commerce's scope of investigations.

2. Tire Cord Wire Rod, CHQ IFI-140 Wire Rod and CSPBIC Wire Rod as Possible Separate Like Products

Tire cord wire rod, CHQ IFI-140 wire rod, and CSPBIC wire rod are all high-end, specialized products that require high quality steel to produce, are expensive to make, and have stringent quality requirements. We have applied our traditional six factor like product analysis to determine whether any of these types of wire rod should be considered separate like products.

Physical Characteristics and End Uses. Respondent Michelin argues that tire cord wire rod is a separate "class" or type of wire rod, and should therefore be a separate domestic like product.[31] [32] Michelin argues that tire cord wire rod can be drawn into very fine wire sizes, and twisted into multi-

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[28] Michelin Postconference Brief at 11.

[29] Michelin Prehearing Brief at 5.

[30] The record reflects that tire bead and tire cord wire rod are more similar to each other than to other wire rod products on the continuum. Domestic tire bead and tire cord wire rod are made by the same producers and have some (one-way) interchangeability. Domestic producer *** makes ***, while domestic producers ***. Petitioners' Posthearing Brief, Exhibit 16. Michelin purchases only tire cord quality wire rod, and uses it in the production of both tire bead and tire cord, indicating some limited interchangeability. Tr. at 254. Petitioners maintain that tire cord is similar to tire bead. Tr. at 272-273.

[31] RMA appears on behalf of members Bridgestone/Firestone Americas Holding, Inc., Continental Tire North America, Inc., Cooper Tire & Rubber Company, The Goodyear Tire & Rubber Company, and Michelin North America, Inc. RMA supports Michelin's arguments that tire cord wire rod should be a separate domestic like product. RMA Prehearing Brief at 4.

[32] Tire cord wire rod purchaser Tokusen U.S.A., Inc. ("Tokusen") argues that the Commission should treat 1070 tire cord wire rod as a separate domestic like product. Tokusen Letter dated August 29, 2002.

filament tire cord without breakage. It has significant restrictive quality requirements.[33] [34] In response to the Commission's statement in its Preliminary Determinations that other types of high-quality wire rod also have specialized uses and stringent quality requirements, Michelin responds that the record does not indicate that other forms of wire rod are held to the same number, type, and degree of quality standards. Michelin emphasizes that the primary reason that the requirements for tire cord wire rod are so rigorous is the paramount importance of quality to increase safety.[35]

SFWG argues that CHQ IFI-140[36] should be a separate domestic like product because of its restrictive specifications, driven by safety concerns, due to its broad use in aerospace, automotive, and heavy equipment industries. CHQ is wire rod that has surface imperfection or seam depth of no greater than 1/3000th of an inch. Unlike most other wire rod, CHQ requires high quality billets made from selected scrap or iron sources such as pig iron.[37]

CSPBIC also has exacting quality requirements. Production of the product requires iron ore, not scrap. The steel-making process must be carefully managed and requires specialized equipment to ensure high quality "clean" steel, with low levels of impurities. CSPBIC is produced to precise dimensional characteristics to meet customer requirements.[38]

All categories of wire rod are intermediate circular, hot-rolled products that are sold in irregularly wound coils. Wire rod is primarily used for subsequent drawing and finishing into wire and wire products, but is also used to make fasteners and other products.[39] There is no clear demarcation between low-end and high-end wire rod products, but rather there is a continuum spanning at least 11 major categories of products, defined by end use, ranging from low carbon wire rod such as industrial wire rod used for nails and coat hangers, to medium to high carbon wire rod used for tire bead and prestressed concrete strand, to the highest-end products, including the more specialized high-end CHQ, CSPBIC, and tire cord wire rod.[40] The specialized uses, exacting quality requirements,[41] and high quality billets necessary to manufacture these products reflect shared qualities of these specialized wire rod products that are on the high-end of the wire rod spectrum. In distinguishing their separate high-end wire rod products from low-end wire rod products, Respondents have demonstrated the shared qualities among high-end wire rod products. Moreover, Respondents have not demonstrated the absence of a continuum among wire rod products from low to medium to high-end products.

Interchangeability. Michelin argues that tire cord wire rod is not interchangeable with other types of wire rod because it is expensive, and it is not used in non-tire cord applications. Michelin noted that most purchasers responded that tire cord quality wire rod is not interchangeable with other types of

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[33] Michelin Prehearing Brief at 8-9.

[34] However, certain other types of wire rod are also drawn into fine wire sizes. Other types of wire rod such as music spring wire rod, welding quality wire rod and CHQ wire rod are also required to have internal soundness, good surface quality, and are subject to restrictive requirements for chemistry and cleanliness. CR/PR at Table I-1.

[35] Michelin Prehearing Brief at 8-10; Tr. at 219.

[36] SFWG defines CHQ using this standard. SFWG Posthearing Brief at 1.

[37] SFWG Posthearing Brief at 1, 5; Tr. at 211.

[38] Hylsa Prehearing Brief at 3-5.

[39] CR at I-6; PR at I-5.

[40] CR at I-6-I-7; PR at I-5-6; CR/PR at Table I-1.

[41] 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. CR at I-9-I-10; PR at I-8.

wire rod because of its cost and its other properties, but one purchaser found that it "can easily be substituted for alternative applications."[42] However, a Michelin representative testified at the hearing that it routinely uses tire cord wire rod in tire bead wire rod applications, reflecting at least some interchangeability with other wire rod.

Although low end products would not meet the specifications required for high end applications in which specialized wire rod is used, and high end wire rod would not be used in low end applications, either for cost reasons or because it would entail process adjustments,[43] there are 11 broad end-use categories between and within which there is an overlap of metallurgical qualities, chemistry, and physical characteristics, and a continuum of products with a wide variety of uses.[44] Although tire cord wire rod is one of those broad end-use categories, it remains part of the continuum of wire rod products. If we were to find a separate domestic like product for tire cord wire rod because it could not be used for music spring wire, we would also be obliged to find a separate domestic like product for music spring wire, which cannot be used for tire cord wire rod.[45] The foregoing approach could be applied repeatedly across the spectrum of wire rod products falling within the scope of these investigations, thus reinforcing our view that the continuum itself constitutes the domestic like product.

The record reflects that CHQ is produced to customer specifications, which limits interchangeability, but the same is true for CSPBIC and for tire cord wire rod, which have arduous qualification procedures.[46] Other wire rod products have to meet quality standards and customer specifications, although not the same standards and specifications. Respondents argue that a lower quality wire rod cannot be used in CHQ applications due to safety concerns, but do not state whether CHQ could be used in other applications.[47] SFWG defines CHQ as CHQ comporting with the specifications set forth in IFI-140; however, it is not clear whether other domestically produced CHQ could be used in the same applications as CHQ IFI-140 or if it could be used in applications using other CHQ.

Channels of Distribution. Almost all domestically produced wire rod is sold to end users, and is often tailored to customers' needs for specific applications and quality requirements.[48] Like other forms of wire rod, tire cord wire rod is overwhelmingly sold directly to the end users, although Michelin posits this analysis defines channels of distribution too broadly because of the close relationship between suppliers of wire rod and tire cord producers.[49] Similarly, CHQ wire rod is sold primarily to fastener manufacturers and CSPBIC is sold to a single end user customer.[50]

Common Manufacturing Facilities, Employees, and Methods. Although the manufacturing process for production of the different types of wire rod differ based on quality requirements, all wire rod shares a basic manufacturing process consisting of steelmaking, casting, hot-rolling, and coiling and cooling. Metallurgical properties may be imparted by adjusting the chemistry during steelmaking as well

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[42] Michelin Prehearing Brief at 12 & n.27. Michelin maintains that this purchaser does not manufacture tire cord.

[43] Michelin Prehearing Brief at 11-12.

[44] CR at I-6-I-7; PR at I-5-I-6; CR/PR at Table I-1.

[45] CR/PR at Table I-1.

[46] Michelin Prehearing Brief at 13-14; SFWG Posthearing Brief at 6; Hylsa Prehearing Brief at 6.

[47] Tr. at 214.

[48] CR at I-10; PR at I-8.

[49] Michelin Prehearing Brief at 15.

[50] Joint Canadian Respondents' Prehearing Brief at 28; Hylsa Prehearing Brief at 6.

as by varying rolling and cooling practices. The wire rod rolling process determines the rod's size and dimensional precision, depth of decarburization, surface defects and seams, amount of mill scale, and structural grain size, within limits set by the chemistry, tensile strength and other physical properties.[51] Ispat Sidbec states that it is not possible to roll industrial quality wire rod and CHQ on the same mill unless the industrial quality product is rolled to the same requirements as the CHQ, and the lower quality wire rod could contaminate the machinery, leaving it unsuitable for CHQ.[52] Some wire rod is made from scrap, and some more high quality wire rod from direct reduced iron or pig iron.[53] Tire cord wire rod is produced using billets from raw iron ore, not scrap.[54] Similarly, only high quality scrap or raw iron billets can be used to make CHQ, which also requires special processing and testing equipment, and trained metallurgists to ensure quality.[55] CSPBIC is made from iron ore, not steel scrap, and its manufacturing processes must also be carefully managed, and require special equipment.[56]

Producer and Customer Perceptions. Customers differentiate their particular product even though they recognize that many different types of wire rod are used for similar uses. For example, at the Commission hearing, a metallurgist appearing for Respondents testified that "it's hard to give [the Commission] a bright line distinction of what makes the cold heading distinctly different from the other products, because we're talking about seams, which are involved in quality considerations for other products, as well."[57] Purchasers of tire cord wire rod consider it to be a separate product from other wire rod, but domestic producers of tire cord wire rod disagree.

Domestic producers that make specialty products also make other types of wire rod. *** produce tire cord wire rod as well as several other high-quality wire rod products. *** all reported producing tire cord quality wire rod.[58] Five domestic producers reported producing CHQ IFI-140 wire rod, as well as several other wire rod products.[59] As for producer and customer specifications, CHQ has its own standard, i.e., IFI-140, to clearly define CHQ. Other wire rod products also have standards and specifications, some of which are also restrictive such as the specifications for CSPBIC.[60]

Hylsa has only one U.S. customer for CSPBIC, Bluff City Steel, which appears to consider CSPBIC as distinct from other wire rod due to its special requirements; however, the Petitioners

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[51] CR at I-9; PR at I-8.

[52] Ispat Sidbec Posthearing Brief at 4. We note that this appears to indicate similar manufacturing processes for industrial quality wire rod and CHQ, even if they are not rolled on the same machinery.

[53] CR at I-10; PR at I-8.

[54] Michelin Prehearing Brief at 19.

[55] SFWG Posthearing Brief at 6-7; Tr. at 211-212.

[56] Hylsa Prehearing Brief at 4-5.

[57] Tr. at 248-249.

[58] Petitioners' Posthearing Brief, Ex. 16; CR/PR at Table D-3.

[59] CR/PR at Table D-3.

[60] Hylsa Prehearing Brief, Ex 1.

disagree.[61] Petitioners maintain that domestic producers can produce this product.[62] Hylsa acknowledges that there may be a few U.S. producers who have the capacity to produce similar products.[63]

Price. There is a continuum of prices for wire rod, with industrial grades at the lower end and higher carbon, specialty grades at the higher end.[64] Although the record reflects that tire cord wire rod commands a price premium over other wire rod products, the same can be said of CHQ compared to most wire rod products. The price for CHQ IFI-140 is "one quarter to one third higher than other types of steel wire rods."[65] Welding quality wire rod is also more expensive than industrial quality wire rod.[66]

All of the foregoing products are at the high end of the wire rod continuum, are made from high-quality billets with exacting specifications (both physical and metallurgical), have limited interchangeability with other wire rod products, have a limited customer base, and are priced higher than most types of wire rod. None of the Respondents have demonstrated a clear dividing line between any individual one of these products and other wire rod products. We find that the wire rod industry is composed of so many different products, used in so many different applications, that the only clear dividing line is between wire rod and other steel products. Many of the products have precise specifications, high quality standards (sometimes for safety reasons) and are expensive to manufacture. A lack of interchangeability between the products at either end of the continuum is not inconsistent with a finding of a single domestic like product when the products are all part of a continuum.

Therefore, based on the record in these investigations, we find a single domestic like product consisting of all wire rod, including the certain grade 1080 tire cord and grade 1080 tire bead wire rod products that Commerce excluded from the scope of the investigations.[67]

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[61] Hylsa Prehearing Brief, Ex. 2 at 2-3; Petitioners' Prehearing Brief at 2-3.

[62] Hylsa Prehearing Brief, Ex. 3 at 2-3 (attaching copy of Petitioners' response to requests for scope amendments dated June 28, 2002).

[63] Hylsa Prehearing Brief at 2, 6-7.

[64] For example, the weighted-average domestic price for pricing product 1, industrial quality wire rod, was *** in fourth quarter 2001; the comparable price for product 4, wire rod for spring applications (mid-range wire rod), was *** and for product 5, CHQ (high-end), it was ***. CR/PR at Tables V-3, V-6, and V-7.

[65] Tr. at 215. Tire cord wire rod purchasers assert that tire cord wire rod is significantly more expensive than CHQ wire rod. Michelin Prehearing Brief at 22.

[66] CR/PR at Table V-9.

[67] Commissioner Bragg defines a single domestic like product consisting of all wire rod coterminous with the scope of these investigations. Accordingly, Commissioner Bragg does not include within her like product definition certain 1080 tire cord and 1080 tire bead wire rod products that have been excluded from the scope by Commerce. See Additional and Dissenting Views of Commissioner Lynn M. Bragg. Nevertheless, Commissioner Bragg notes that domestic production of 1080 tire bead and 1080 tire cord products is *** compared to domestic production of the like product corresponding to Commerce's scope. Compare CR/PR Tables C-1 and C-2. As a result, the trends identified by the Commission majority in its analysis of the volume, price effects, and impact of subject imports on the domestic industry, are equally valid with respect to the domestic industry that she has defined. See infra n.70.

D. Domestic Industry and Related Parties

1. In General

Section 771(4) of the Act defines the relevant industry as "the producers as a [w]hole of a domestic like product, or those producers whose collective output of a domestic like product constitutes the major proportion of that product."[68] In defining the domestic industry, the Commission's general practice has been to include in the industry all of the domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.[69] Based on our domestic like product determination, we find that there is a single domestic industry consisting of all U.S. producers of the domestic like product which, as stated above, consists of all wire rod corresponding to Commerce's scope investigations as well as the certain grade 1080 tire cord and grade 1080 tire bead wire rod products that Commerce has excluded from the scope of the investigations.[70]

2. Related Parties

We must further determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to 19 U.S.C. § 1677(4)(B). That provision of the statute allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers. Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each case.[71] No party has argued for exclusion of any domestic producer as a related party.[72]

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[68] 19 U.S.C. § 1677(4)(A).

[69] See United States Steel Group v. United States, 873 F. Supp. 673, 681-684 (Ct. Int'l Trade 1994), aff'd, 96 F.3d 1352 (Fed. Cir. 1996).

[70] Commissioner Bragg defines a single domestic industry consisting of all U.S. producers of the domestic like product that she has defined, which excludes certain 1080 tire cord and 1080 tire bead wire rod products. Commissioner Bragg notes, however, that the U.S. producers encompassed by her definition of the domestic industry are identical to those identified by the majority because no U.S. producer of wire rod is engaged exclusively in the production of 1080 tire cord and 1080 tire bead wire rod products. See CR/PR at Table D-3.

[71] Sandvik AB v. United States, 721 F. Supp. 1322, 1331-1332 (Ct. Int'l Trade 1989), aff'd without opinion, 904 F.2d 46 (Fed. Cir. 1990); Empire Plow Co. v. United States, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987). The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude related parties include: (1) the percentage of domestic production attributable to the importing producer; (2) the reason the U.S. producer has decided to import the product subject to investigation, i.e., whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market; and (3) the position of the related producers vis-a-vis the rest of the industry, i.e., whether inclusion or exclusion of the related party will skew the data for the rest of the industry. See, e.g., Torrington Co. v. United States, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), aff'd without opinion, 991 F.2d 809 (Fed. Cir. 1993). The Commission also has considered the ratio of import shipments to U.S. production for related producers and whether the primary interests of the related producers lie in domestic production or in importation. See, e.g., Melamine Institutional Dinnerware from China, Indonesia, and Taiwan, Inv. Nos. 731-TA-741-743 (Final), USITC Pub. 3016 (Feb. 1997) at 14 n.81.

[72] Commissioner Miller agrees that appropriate circumstances do not exist to exclude the related parties from the domestic industry. She finds that the record does not indicate that the related parties currently are benefitting

(continued...)

***. Domestic producer *** imported subject merchandise during the period examined, and is thus a related party. The ratio of *** subject imports to its production was *** percent in 2000, *** in 2001, and *** percent in interim 2002.[73] Based on operating income margins (operating income (loss) as a ratio of net sales), *** was *** than the average for the domestic industry until interim 2002. However, there is no indication ***. *** suggests that its interests ***. Thus, on balance, we do not find that appropriate circumstances exist to exclude *** from the domestic industry.

***. Domestic producer *** imported subject merchandise during the period examined, and is thus a related party.[74] The ratio of *** subject imports to its production was *** percent in 2000 and *** percent in 2001.[75] Based on operating income margins, *** was *** than the average for the domestic industry, including in interim 2002. However, there is no indication *** or to its relationships with importers and exporters of subject merchandise. *** suggest that its interests ***. Thus, on balance, we do not find that appropriate circumstances exist to exclude *** from the domestic industry.

***. *** imported subject merchandise during the period examined, according to the questionnaire response it submitted in the preliminary phase of these investigations. ***.[76] Thus, *** is a related party, ***. The ratio of *** subject imports to its production was *** in 1999, *** percent in 2000, and it reported *** imports in interim 2001.[77] Since ***, the question of excluding its data is essentially moot. The available data reflect that *** were concentrated in 2000, and that its interests ***. We do not exclude *** from the domestic industry.[78]

***. While domestic producer *** purchased subject imports from ***, its purchases were not a predominant share of imports from any of these importers, and we do not consider *** to be a related party.[79]

For the above-referenced reasons, we do not find that appropriate circumstances exist to exclude any domestic producer from the domestic industry. Accordingly, we define a single domestic industry in

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[72] (...continued)
significantly from their relationships or are substantially shielded from the effects of import competition. Accordingly, inclusion of the related parties would not present a distorted picture for her analysis of the domestic industry. Commissioner Miller does not join the remainder of this section of the opinion.

[73] Calculated from CR/PR at Table IV-3. *** imported *** subject imports in 1999, *** in 2000, *** in 2001, and *** in interim 2002, as compared to *** in interim 2001.

[74] ***. CR/PR at Table III-1, n.8.

[75] Calculated from CR/PR at Table IV-3. *** imported *** subject imports in 1999, *** in 2000, *** in 2001, and *** short tons in interim 2002.

[76] CR/PR at Table III-1, n.1.

[77] *** imported *** of subject imports in 1999, *** in 2000, *** in January to June 2001, and an unknown quantity of subject imports in full year 2001 and interim 2002. Confidential Staff Report, preliminary investigations, at Table IV-3.

[78] CR/PR at III-1.

[79] *** would be a "related party" if its purchases of subject imports were so large as to amount to "direct or indirect control" of an importer or exporter of subject imports during the period examined. Certain Cut-to-Length Steel Plate from the Czech Republic, France, India, Indonesia, Italy, Japan, Korea, and Macedonia, Invs. Nos. 701-TA-387-392 (Preliminary) and 731-TA-815-822 (Preliminary), USITC Pub. 3181 (Apr. 1999) at 12. We do not find that the quantities of its purchases are large enough to warrant such a finding, nor is there any other basis for such a finding. See CR/PR at Table III-4. Consequently, we do not find that *** is a related party on the basis of its purchases.

these investigations, encompassing all U.S. producers of the domestic like product, which as stated above consists of all wire rod corresponding to Commerce's scope as well as the certain 1080 tire cord and 1080 tire bead wire rod products that Commerce has excluded from the scope of these investigations.[80]

II. NEGLIGIBLE IMPORTS[81]

Imports from a subject country corresponding to a domestic like product that account for less than three percent of all such merchandise imported into the United States during the most recent twelve months for which data are available preceding the filing of the petition shall be deemed negligible.[82] The statute further provides that imports from a single country which comprise less than three percent of total imports of such merchandise may not be considered negligible if there are several countries subject to investigation with negligible imports and the sum of such imports from all those countries in the aggregate accounts for more than seven percent of the volume of all such merchandise imported into the United States.[83] [84] The Commission is authorized to make "reasonable estimates on the basis of available statistics" of pertinent import levels for purposes of deciding negligibility.[85]

Under the statute, the applicable period for determining negligibility is the most recent 12-month period prior to the filing of the petition for which data are available, which, in these investigations, was August 1, 2000 through July 31, 2001.[86]

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[80] As noted, Commissioner Bragg does not include in her definition of the domestic industry any U.S. production of certain 1080 tire cord and 1080 tire bead wire rod products that Commerce has excluded from the scope of these investigations. See supra nn. 67 & 70.

[81] Commissioner Bragg does not join Section II of these Views. See Additional and Dissenting Views of Commissioner Lynn M. Bragg.

[82] 19 U.S.C. § 1677(24)(A)(i).

[83] 19 U.S.C. § 1677(24)(A)(ii).

[84] In the case of countervailing duty investigations involving developing countries, the statute further provides that the negligibility limits are four percent and nine percent, rather than three percent and seven percent. 19 U.S.C. § 1677(24)(B). The statute defines "developing country" as any country so designated by the U.S. Trade Representative ("USTR"). 19 U.S.C. § 1677(36)(A).

[85] 19 U.S.C. § 1677(24)(C). See also The Uruguay Round Agreements Act, Statement of Administrative Action, H.R. Doc. No. 103-316, Vol. 1 at 186 (1994) ("SAA").

[86] In Co-Steel Raritan, et al v. United States, Court No. 01-00955, Slip Op.02-59 at 4-9 (June 20, 2002), Judge Aquilino affirmed the Commission's analysis of negligibility using data that became available after the petition was filed, covering the 12-month period immediately prior to the filing of the petition, August 1, 2000 through July 31, 2001. Judge Aquilino found that the Commission's analysis was not precluded by statute, appeared to be consistent with the statutory language, and was in accordance with law. The Court also found that once the petition was filed, the authority to assess the salient facts is conferred on the Commission; the Court described the authority as the Commission's statutory responsibility. The Court further noted earlier Commission cases that were consistent with the Commission's analysis.

Petitioners continue to argue that the Commission should interpret the statutory language as meaning data for the most recent 12-month period available to the domestic industry when it files its petition, to improve predictability. See Tr. at 29-31; Petitioners' Prehearing Brief at 19, n.33. We continue to apply the methodology we used in the Preliminary Determinations, which the Court has found to be in accordance with law. See Steel Authority of India, Ltd. v. United States, 146 F. Supp. 2d 900, 909 (Ct. Int'l Tr. 2001) ("Thus, the statute precisely specifies the applicable time period from which the agency is to collect data for negligibility purposes [the 12-

(continued...)

Negligibility is an issue for only one of the eight subject countries in these antidumping duty investigations, Germany, with an import share at *** percent of total imports.[87] There are no other subject countries with negligible levels of imports with which to aggregate subject imports from Germany in these antidumping duty investigations.[88] We therefore find that subject imports from Germany are negligible with respect to the antidumping duty investigation for purposes of our present material injury analysis.

Germany is also the only country for which negligibility is an issue with respect to the countervailing duty investigations. Germany has an import share of *** percent of total imports of wire rod corresponding to Commerce's scope of investigations.[89] As with the antidumping duty investigations, there are no other subject countries with negligible levels of imports with which to aggregate subject imports from Germany in these countervailing duty investigations. We therefore find

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[86] (...continued)
month period preceding the filing of the petition or the self-initiation of an investigation].") See also Large Newspaper Printing Presses and Components Thereof from Germany and Japan, Inv. Nos. 731-TA-736-737 (Final), USITC Pub. 2988 (Aug. 1996) at 23, n.157 ("Moreover, since the statute indicates that the period to be used is the twelve-month period preceding the filing of the petition, it is reasonable to conclude that the language of the statute suggests that the 12 month period should end with the last full month prior to the month in which the petition is filed.")

[87] CR/PR at Table IV-2.

[88] The Court of International Trade recently affirmed the Commission's Remand Views which stated that subject imports of wire rod from Egypt, South Africa and Venezuela, based on Commerce's modified scope of investigation, were non-negligible, when aggregated with subject imports from Germany, because, in the aggregate under the revised scope of investigations, imports from all four countries exceed the seven percent statutory negligibility threshold in antidumping investigations. Co-Steel Raritan et al v. U.S. International Trade Commission, Court No. 01-00955, Slip Op. No. 02-113 (Sept. 13, 2002) ("Co-Steel Raritan.") An appeal of Co-Steel Raritan has been lodged with the U.S. Court of Appeal for the Federal Circuit.

19 U.S.C. § 1516a (c)(3) provides that "[i]f the final disposition of an action brought under this section is not in harmony with the published determination of the Secretary, the administering authority, or the Commission, the matter shall be remanded to the Secretary, the administering authority or the Commission, as appropriate, for disposition consistent with the final disposition of the court." Emphasis added. Legislative history provides that "section 516A would provide in subsection (c)(3) that if the final disposition of an action instituted under the section is not in harmony with the challenged decision, the matter shall be remanded to the decision-maker for disposition consistent with the court's decision." S. Rep. 249, 96th Cong., 1st Sess. 248 (1979). The published Preliminary Determinations of the Commission are the "challenged decision."

We interpret 19 U.S.C. § 1516a (c)(3) to provide that the Commission's original published decision remains operative until final court disposition of the matter, which has not yet occurred given the filing of an appeal with the Federal Circuit Court of Appeals. In accordance with its customary practice, the Commission has not issued any Federal Register notice with respect to its Remand Views pending final judicial disposition of the matter. Therefore, the Commission's investigations of these countries remain terminated. As these investigations are terminated they are not subject to the aggregate negligibility provisions. See Hosiden Corp. v. Advanced Display Mfrs. Of America, 85 F. 3d 589 (Fed. Cir. 1996) (Federal Circuit held that antidumping duty order could not be revoked prior to final judicial disposition, applying 19 U.S.C. § 1516a(e)).

[89] CR/PR at Table IV-2 & n.1; CR at IV-9; PR at IV-7. The countervailing duty investigation pertaining to imports from Brazil is subject to the higher individual negligibility threshold of less than four percent of overall import volume. Since imports from Brazil are *** percent of total import volume, they exceed this negligibility threshold. Id.

that subject imports from Germany are negligible with respect to the countervailing duty investigation for purposes of our present material injury analysis.

The statute provides that, even if subject imports are found to be negligible for purposes of present material injury, they shall not be treated as negligible for purposes of a threat analysis should the Commission determine that there is a potential that subject imports from the country concerned will imminently account for more than three percent of all such merchandise imported into the United States.[90] We do not find such a potential. Subject imports of wire rod from Germany decreased absolutely from *** in 1999 to *** in 2000 and *** in 2001. Subject imports from Germany were lower in interim 2002 (***) than in interim 2001 (***).[91] The share of total imports corresponding to Commerce's scope held by Germany also decreased steadily over the period examined, and was lower in interim 2002 than in interim 2001. The share of total imports held by Germany decreased from *** percent in 1999 to *** percent in 2000 and *** percent in 2001. Germany's share of total imports was *** percent in interim 2002 as compared to *** percent in interim 2001.[92] While the German wire rod industry has capacity estimated at 6.2 million short tons in 2001 (including approximately one million tons of available capacity), ***,[93] and there is no basis on the record to conclude that this excess capacity would result in a reversal of this recent declining trend in imports from Germany, as a share of total imports corresponding to the scope.

Accordingly, pursuant to section 705(b) and 735(b),[94] the antidumping duty investigation and the countervailing duty investigation for Germany are terminated by operation of law.

III. CUMULATION

For purposes of evaluating the volume and price effects for a determination of material injury by reason of the subject imports, section 771(7)(G)(i) of the Act requires the Commission to assess cumulatively the volume and effect of imports of the subject merchandise from all countries as to which petitions were filed and/or investigations self-initiated by Commerce on the same day, if such imports compete with each other and with the domestic like products in the U.S. market.[95] In assessing whether subject imports compete with each other and with the domestic like product,[96] the Commission has generally considered four factors, including:

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[90] 19 U.S.C. § 1677(24)(A)(iv).

[91] CR/PR at Table IV-1.

[92] CR/PR at Table IV-1.

[93] CR/PR at Table VII-3; CR at II-7; PR at II-5. The data regarding the German industry are estimated to account for approximately *** percent of German production of subject wire rod and virtually all subject exports to the United States during 2001. CR at VII-5; PR at VII-2. Exports to the United States from Germany decreased from 1999 to 2001, and were lower in interim 2002 as compared to interim 2001, although they were projected to increase from 2002 to 2003. Germany's markets outside the United States appear to be concentrated in Europe. CR/PR at Table VII-3. None of the German firms planned to ***. CR at VII-5; PR at VII-2.

[94] 19 U.S.C. § 1671d(b) and 19 U.S.C. § 1673d(b).

[95] 19 U.S.C. § 1677(7)(G)(i).

[96] The SAA expressly states that "the new section will not affect current Commission practice under which the statutory requirement is satisfied if there is a reasonable overlap of competition." SAA, H.R. Rep. 103-316, vol. I at 848 (1994), citing Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898, 902 (Ct. Int'l Trade 1988), aff'd, 859 F.2d 915 (Fed. Cir. 1988).

(1) the degree of fungibility between the subject imports from different countries and between imports and the domestic like product, including consideration of specific customer requirements and other quality related questions;

(2) the presence of sales or offers to sell in the same geographic markets of subject imports from different countries and the domestic like product;

(3) the existence of common or similar channels of distribution for subject imports from different countries and the domestic like product; and

(4) whether the subject imports are simultaneously present in the market.[97]

While no single factor is necessarily determinative, and the list of factors is not exclusive, these factors are intended to provide the Commission with a framework for determining whether the subject imports compete with each other and with the domestic like product.[98] Only a "reasonable overlap" of competition is required.[99]

Two of the four statutory exceptions to the general cumulation rule apply to these investigations.[100] The first concerns countries with respect to which the investigation has been terminated.[101] The antidumping duty investigation and the countervailing duty investigation of Germany are terminated by operation of law as a result of the Commission's negligibility finding with regard to LTFV and subsidized subject imports from Germany.[102] Therefore, imports of wire rod from Germany are not cumulated with any of the remaining subject countries.

The second statutory provision barring cumulation that applies in these investigations relates to Trinidad and Tobago. Trinidad and Tobago is a beneficiary country under the Caribbean Basin Economic Recovery Act ("CBERA"), and imports from Trinidad and Tobago may only be cumulated with imports from another CBERA country for purposes of determining material injury, or threat thereof, by reason of imports from the CBERA beneficiary country or countries.[103]

Trinidad and Tobago is the only subject country in these investigations that is a CBERA country. Therefore, we consider whether the domestic industry is materially injured or threatened with material injury by reason of subject imports from Trinidad and Tobago individually. However, for purposes of

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[97] See Certain Cast-Iron Pipe Fittings from Brazil, the Republic of Korea, and Taiwan, Inv. Nos. 731-TA-278-280 (Final), USITC Pub. 1845 (May 1986) at 8 n.29, aff'd sub nom. Fundicao Tupy, S.A. v. United States, 678 F. Supp. 898 (Ct. Int'l Trade), aff'd, 859 F.2d 915 (Fed. Cir. 1988).

[98] See, e.g., Wieland Werke, AG v. United States, 718 F. Supp. 50 (Ct. Int'l Trade 1989).

[99] See Goss Graphic System, Inc. v. United States, 33 F. Supp. 2d 1082, 1087 (Ct. Int'l Trade 1998) ("cumulation does not require two products to be highly fungible"); Mukand Ltd. v. United States, 937 F. Supp. 910, 916 (Ct. Int'l Trade 1996); Wieland Werke, 718 F. Supp. at 52 ("Completely overlapping markets are not required.").

[100] The other two exceptions concern imports from Israel and countries as to which Commerce has made preliminary negative determinations. 19 U.S.C. § 1677(7)(G)(ii)(I) & (IV).

[101] 19 U.S.C. §1677(G)(ii)(II).

[102] Commissioner Bragg dissents with respect to Germany, and finds that subject imports from Germany are likely to imminently exceed the applicable negligibility threshold. See Additional and Dissenting Views of Commissioner Lynn M. Bragg.

[103] 19 U.S.C. § 1677 (7)(G)(ii)(III).

determining whether the domestic industry is materially injured or threatened with material injury by reason of imports from the other countries subject to investigation, imports from Trinidad and Tobago must be cumulated with other subject imports if the statutory prerequisites for cumulation are satisfied.[104]

We find that there is a reasonable overlap of competition among the subject imports from each of the subject countries and between subject imports from each of the subject countries and the domestic like product for the following reasons.

1. Fungibility

Foreign-produced subject wire rod generally is interchangeable with U.S.-produced wire rod and competes on the basis of the same or similar qualities. Although the types and qualities of imported wire rod vary to some extent among subject country sources, as a general matter wire rod is imported within the same range of grades and is used for the same general end uses by approximately the same end users as the domestic product. Most (60 out of 66) responses by purchasers reflected that subject imports could be used in the same applications as U.S. wire rod.[105] For most wire rod, there does not appear to be a high degree of differentiation between subject foreign- and U.S.-produced wire rod based on the type of production process or on the basis of quality.[106]

Domestic producers and importers reported separately their U.S. shipments of low/medium-low carbon industrial/standard quality wire rod, high/medium-high carbon industrial/standard quality wire rod, welding quality wire rod, CHQ wire rod that meets IFI-140 specifications, other CHQ, other specialty wire rod, and all other wire rod.[107] The data gathered from these responses reflect significant product overlap for both domestic shipments and subject imports, and between subject imports from each of the subject countries.

Domestic producers. Over the period examined, the share of U.S. shipments in each of the categories surveyed did not change appreciably. The share of U.S. producers' shipments in the low/medium-low carbon industrial/standard quality category ranged from *** percent over the period examined.[108] The next highest percentage category for domestic U.S. shipments, the high/medium high-carbon industrial/standard quality category, ranged from *** percent over the period examined.[109] The share of domestic U.S. shipments of CHQ wire rod meeting IFI 140 specifications ***. The share of domestic U.S. shipments in the welding quality category ranged from *** percent over the period examined.

Brazil. The share of U.S. shipments in the low/medium-low carbon industrial/standard quality category from Brazil ranged from *** percent to *** percent over the period examined. Therefore,

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[104] H.R. Conf. Rep. No. 650, 101st Cong., 2d Sess. (1990), reprinted in 1990 U.S.C.C.A.N. 928, 1025. ("However, imports from CBI [Caribbean Basin Initiative] countries would continue to be aggregated with imports from non-CBI countries under investigation for purposes of determining whether imports from the non-CBI-countries are causing injury.").

[105] CR at II-17; PR at II-11; CR/PR at Table II-4.

[106] CR at I-7; PR at I-6.

[107] These data were gathered through questionnaires and supplemental questionnaires issued on August 29, 2002 regarding CHQ and other specialty quality wire rod.

[108] CR/PR at Table D-1.

[109] CR/PR at Table D-1.

subject imports from Brazil have a particularly high degree of fungibility with domestic product and subject imports from Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine.[110]

In addition, a significant share of wire rod import shipments from Brazil were in the high/medium-high carbon industrial/standard quality wire rod category in 1999 (*** percent) and 2001 (*** percent), although their share of subject imports from Brazil in this category in other periods was ***.[111]

Canada. The share of U.S. shipments of CHQ meeting IFI-140 specifications from Canada ranged from *** percent to *** percent over the period examined.[112] The share of imports from Canada in the high/medium-high carbon industrial/standard quality wire rod category ranged from *** percent to *** percent over the period examined. The share of imports from Canada in this category was similar to that for domestic shipments, and importers of wire rod from Brazil, Germany, Indonesia, Trinidad and Tobago, and Mexico all reported a significant share of their U.S. shipments of wire rod in this category.[113]

Low/medium-low carbon industrial/standard quality wire rod as a share of Canadian importers' U.S. shipments ranged from *** percent to *** percent over the period examined.[114] [115]

Indonesia. *** reported shipments of subject imports from Indonesia were in two categories, low/medium-low carbon industrial/standard quality and high/medium-high carbon industrial/standard quality. The first category, as a share of Indonesian importers' U.S. shipments, ranged from *** percent to *** percent over the period examined, and the latter category ranged from *** percent to *** percent over the period examined. Thus, the record reflects a high level of fungibility between subject imports from Indonesia and the domestic product, and between subject imports from Indonesia and imports from each of the other subject countries.[116]

Mexico. U.S. shipments of subject imports from Mexico are concentrated in the low/medium-low carbon industrial/standard quality wire rod category. The share of U.S. shipments of subject imports from Mexico in this category ranged from *** to *** percent in the annual periods examined, but dipped to *** percent in interim 2002. The share of U.S. shipments of subject imports from Mexico in the high/medium-high carbon industrial/standard quality wire rod category ranged from *** percent to *** percent in the annual periods examined, but rose to *** percent in interim 2002. Moreover, there have been U.S. shipments of wire rod from Mexico in the CHQ wire rod category.[117] Thus, the record reflects

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[110] CR/PR at Tables D-1 and D-2.

[111] CR/PR at Table D-2.

[112] OINV Memorandum INV-Z-163.

[113] OINV Memorandum INV-Z-163; CR/PR at Tables D-1 and D-2.

[114] OINV Memorandum INV-Z-163.

[115] SFWG, and Canadian Respondents argue that imports from Canada should not be cumulated due to a lack of fungibility, because imports from Canada are concentrated in higher end products, in particular CHQ wire rod. SFWG Prehearing Brief at 7-8; Canadian Respondents' Prehearing Brief at 3-5. We disagree given the reasonable overlap in product mix between imports from Canada and the domestic product and the reasonable overlap in product mix between imports from Canada and each of the other subject countries, particularly in the high carbon industrial quality and low carbon industrial quality wire rod categories.

[116] CR/PR at Table D-2.

[117] CR/PR at Table D-2.

a high level of fungibility between subject imports from Mexico and the domestic product, and between subject imports from Mexico and imports from each of the other subject countries.[118]

Moldova. *** U.S. shipments of subject imports from Moldova were in the low/medium-low carbon industrial/standard quality wire rod category, ranging between *** of its shipments throughout periods examined. Thus, there is a high level of fungibility between subject imports from Moldova and domestic product and between subject imports from Moldova and subject imports from each of the other subject countries, although we acknowledge somewhat less overlap with imports from Canada.[119]

Trinidad and Tobago. *** of reported shipments of subject imports from Trinidad and Tobago were either in the low/medium-low carbon standard/industrial quality wire rod category, or the high/medium-high carbon industrial/standard quality wire rod category. The first category's share of Trinidad and Tobago importers' U.S. shipments ranged from *** percent to *** percent in all annual periods examined, although it dipped to *** percent in interim 2002. The second category's share ranged from *** percent to *** percent in the annual periods examined, and it was at *** percent in interim 2002. Thus, the record reflects a high level of fungibility between subject imports from Trinidad and Tobago and the domestic product, and between subject imports from Trinidad and Tobago and imports from each of the other subject countries.[120]

Ukraine. The vast majority of U.S. shipments of subject imports from Ukraine were in the low/medium-low carbon industrial/standard quality wire rod category, with the share ranging from *** to *** percent over the period examined. Thus, there is a high level of fungibility between subject imports from Ukraine and the domestic product and between subject imports from Ukraine and subject imports from each subject country, with somewhat less overlap in product mix with imports from Canada.[121]

Although the record indicates varying degrees of overlap in product mix, and in particular somewhat less overlap between imports from Canada and imports from Moldova and Ukraine, we find that there is a reasonable level of fungibility between and among the domestic like product and wire rod from each of the subject countries.

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[118] CR/PR at Table D-2.

[119] CR/PR at Table D-2.

[120] CR/PR at Table D-2.

[121] Ukrainian Respondent Krivorozhstal Iron & Steel Integrated Works ("Krivorozhstal") argues that due to actual or perceived differences in quality, imports of wire rod from Ukraine are not fungible with other subject countries or fungible with the domestic product. Krivorozhstal Prehearing Brief at 2. We note that purchasers ranked imports from Ukraine comparable in quality to domestic product twice and found the U.S. product superior three times. CR/PR at Table II-12. Moreover, purchasers stated in three out of four comparisons that subject imports of wire rod from Ukraine could be used in the same applications as the domestic product. CR/PR at Table II-4. These data reflect sufficient fungibility to support cumulation. As for wire rod from other subject countries, although there may be somewhat less product overlap between subject imports from Ukraine and subject imports from Canada, we find that based on the share of shipments of low carbon industrial quality wire rod from each of these subject countries, and the high interchangeability of wire rod within product categories, that there is sufficient fungibility between subject imports from Ukraine and subject imports from each of the subject countries to support cumulation.

2. Geographic Overlap

Wire rod producers are located throughout the United States.[122] All domestic firms tend to supply wire rod regionally based on the locations of their plants, with none of the firms dominating the U.S. market.[123] Wire rod from most subject countries typically was entered into the United States by more than one importer. Further, individual importers frequently imported from a number of sources.[124]

Commission data on geographic markets show that the domestic product and imports from each of the subject countries are generally marketed throughout the United States.[125] Although Canadian Respondents argued that subject imports from Canada were concentrated in the Midwest and Northern regions of the United States, unlike other subject imports, the record shows overlapping markets for subject imports from each of the subject countries in the Midwest.[126] Ispat Indo has argued that its imports of wire rod from Indonesia are concentrated in the Western United States.[127] However, our record reflects a broader geographic market for imports from Indonesia during the period examined,[128] and shows marketing of other subject imports in the West, demonstrating at least a moderate degree of geographic market overlap between imports from Indonesia and other subject imports over the period examined.[129]

Thus, the data reflect an overlap in geographic markets for domestic product and imports from each of the subject countries, with subject imports from each of the subject countries and the domestic product generally marketed throughout the United States, with more limited overlap as noted.

3. Channels of Distribution

Over the period examined, *** percent of U.S. shipments were sold directly to end users. ***.[130]

Although some of the Respondents have argued that their particular wire rod products have distinct channels of distribution due to their specialized end uses and end users, those circumstances are true for a broad range of the high-end specialized wire rod products that are made to a customer's specifications.[131] Lower quality wire rod can also be directed to a specific group of end users.

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[122] CR/PR at Table III-1.

[123] CR at III-2; PR at III-1, CR/PR at Table II-13.

[124] CR/PR at IV-1.

[125] CR/PR at Table II-13.

[126] CR/PR at Table II-13.

[127] Indonesian Respondent P.T. Ispat Indo ("Ispat Indo") Posthearing Brief at 6-8.

[128] Importers of subject merchandise from Indonesia reported geographic markets in the ***. CR/PR at Table II-13. We note that in 1999, *** imported substantive imports of wire rod from ***. *** did not list a specific geographic market for its imports from Indonesia, but listed broad geographic markets for other subject imports. *** Importers' Questionnaire at 9, 33.

[129] We note that the record reflects more limited overlap in geographic markets between subject imports from Canada and subject imports from Indonesia.

[130] CR/PR at Table D-4.

[131] Canadian Respondents' Prehearing Brief at 9.

4. Simultaneous Presence

Domestic shipment data and import data show that the domestic product and subject imports from all subject countries have been present in the United States market throughout the period examined.[132]

5. Conclusion

Given the high degree of interchangeability between domestic and imported product, the product overlap between domestic product and all subject imports, and among subject imports, recognizing that more limited overlap may exist for certain countries such as Canada, Moldova, and Ukraine, nationwide geographic markets for the domestic product and imports from each of the subject countries,[133] similar channels of distribution, and simultaneous presence in the U.S. market, we conclude that there exists a reasonable overlap of competition between and among the domestic like product and the subject imports. We therefore cumulate the volume and effects of subject imports from Brazil, Canada, Indonesia, Mexico, Moldova, Ukraine, and Trinidad and Tobago for purposes of our material injury determinations regarding Brazil, Canada, Indonesia, Mexico, Moldova, and Ukraine.[134]

IV. CONDITIONS OF COMPETITION [135]

Wire rod is an intermediate product used to make a variety of products. There is a continuum of wire rod products, corresponding to various levels of quality and end uses; the Iron and Steel Society divides wire rod into 11 major categories of wire rod. These products range from low carbon industrial quality wire rod for such uses as nails, coat hangers, mesh, and fencing; to the middle range of wire rod products for such uses as tire bead, mechanical springs, strand and rope; to the high-end specialty

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[132] CR/PR at Table IV-1. Ispat Indo argues that its imports are isolated temporally because its last entry was made in July 2001. Ispat Indo Posthearing Brief at 8. Ispat Indo imported subject merchandise into the United States in 1999, 2000, and 2001. CR/PR at Table IV-1. The record does not reflect any seasonality to such imports. Although Ispat Indo has not imported subject merchandise in interim 2002, we do not find that sufficiently distinguishes subject imports from Indonesia from other subject imports or the domestic like product.

[133] We note some more limited geographic market overlap, as previously discussed.

[134] Commissioner Bragg finds that the foregoing analysis and conclusion are equally valid when subject imports are compared to the domestic like product that she has defined. See supra n.67. Commissioner Bragg further finds that cumulation of all subject imports is warranted when the foregoing analysis is broadened to include consideration of subject imports from Germany. See Additional and Dissenting Views of Commissioner Lynn M. Bragg.

[135] Internal consumption accounted for 10 percent by volume of U.S. producers' total shipments in 2001. CR/PR at III-6. Neither Petitioners nor any of the Respondents have raised arguments with respect to application of the captive production provision, 19 U.S.C. § 1677(7)(C)(iv), in these final phase investigations. We do not reach the issue whether internal consumption is significant under the statute because the third criterion of the captive production provision is not satisfied in these investigations. Wire rod is used to make wire and wire products, whether internally consumed or sold to third party purchasers. Producers reported little to no differences between the wire rod that they internally transferred, and that they sold in the merchant market. ***. CR at III-8; PR at III-6. Therefore, we find the captive production provision is not applicable in these investigations.

products, such as cold-heading quality wire rod, welding quality wire rod, and tire cord quality wire rod.[136]

Apparent U.S. consumption of wire rod measured by quantity increased from *** short tons in 1999 to *** short tons in 2000, and then decreased to *** short tons in 2001, an overall decrease of *** percent from 1999 to 2001. Measured in value, apparent U.S. consumption of wire rod increased from *** in 1999 to *** in 2000, and then decreased to *** in 2001, an overall decrease of *** percent from 1999 to 2001.[137] Purchasers, including both wire producers and fastener producers, argued that demand may have been reduced in part due to import competition for downstream products.[138]

The domestic industry consists of 12 U.S. producers of wire rod dispersed geographically across the United States.[139] The domestic industry as a whole produces a broad range of wire rod products, and most domestic producers individually manufacture a variety of wire rod products.[140] The U.S. wire rod industry appears to have the capacity to switch relatively easily from production of one type of wire rod to another, although switching to production of certain wire rod products is more difficult due to qualification requirements.[141] There are also several importers of wire rod who market wire rod throughout the United States.[142]

Five domestic producers experienced bankruptcies or partial to full shutdowns of their wire rod operations late in the period examined. North Star discontinued producing wire rod at its Kingman, Arizona plant in December 2000, although it continues to produce rebar at that facility. GS Industries filed for protection under Chapter 11 bankruptcy proceedings, and closed its Kansas City wire rod mill in February 2001. Republic Steel filed for protection under bankruptcy proceedings in April 2001. Northwestern Steel and Wire filed for protection under bankrutpcy proceedings and suspended operations in May 2001. American Steel and Wire ("AS&W"), owned by Birmingham Steel, closed its Cleveland, Ohio wire rod facility in June 2001.[143] Overall, domestic capacity declined by *** percent from 1999 to 2001, after peaking in 2000. Simultaneous with the decline in domestic capacity from 2000 to 2001, apparent U.S. consumption also declined.[144] While U.S. capacity would not meet total U.S. consumption, the U.S. industry never operated near full capacity at any time during the period examined.[145] Notwithstanding the decline in domestic capacity, domestic capacity utilization was only at *** percent in 2001, compared to *** percent in 1999 and *** percent in 2000.[146]

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[136] CR/PR at Table I-1.

[137] Memorandum INV-Z-162, Table C-2a.

[138] CR/PR at II-10-II-12; PR at II-7-II-8.

[139] CR/PR at Table III-1.

[140] CR/PR at Tables D-1 and D-3.

[141] Petitioners' Posthearing Brief at 7. Respondents argued that the focus of the domestic mills changed over time. AWPA Posthearing Brief at 7; CR at II-27-II-28; PR at II-21.

[142] CR/PR at Table II-13.

[143] CR at II-2-II-3; PR at II-1-II-2.

[144] CR/PR at Table C-2.

[145] Memorandum INV-Z-162, Table C-2a.

[146] CR/PR at Table C-2.

In the majority of their responses, purchasers reported that imported wire rod from most sources and domestically produced wire rod are used in the same applications.[147] Purchasers reported that quality, price, and availability, ranked in that order, were the most important factors in selecting a wire rod supplier.[148] [149] Most responding purchasers said that there were no substitutes for wire rod.[150]

The share of the U.S. market held by nonsubject imports, including imports of wire rod from Germany, was relatively stable from 1999 to 2001. Nonsubject imports decreased as a share of the U.S. market from *** percent in 1999 to *** percent in 2000, and then increased to *** percent in 2001, a net increase of *** percentage point.[151]

In 2000, the President imposed a tariff-rate quota ("TRQ") on imports of certain wire rod[152] as a safeguard action under section 203(a)(3) of the Act.[153] The TRQ applies to imports of certain wire rod from all countries except Canada and Mexico[154] for a period of three years and one day, beginning March 1, 2000. No individual country allocations were initially established under the TRQ. Under the original TRQ , which was in place for quota years 1 and 2, there were quarterly allocations for imports at the in-quota rate, for each of the first three quarters equal to one-third of the total quota amount for the year. In the fourth quarter, the total in-quota quantity for the first three quarters was subtracted from the total quota amount for the year, to calculate the available in-quota quantity (if any) for that year.[155] Several respondents in these investigations asserted that the structure of the quarterly allocation system in the first two years of the TRQ encouraged the entry of imports in the earlier months of each quarter, and the earlier quarters of each quota year.[156]

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[147] CR/PR at Table II-4.

[148] CR/PR at Table II-2.

[149] Respondent AWPA argues that its members have had to source wire rod offshore due to long lead times experienced with domestic suppliers. AWPA Prehearing Brief at 28. However, most purchasers found the domestic product superior in delivery times. CR/PR at Tables II-5, II-6, II-8, II-9, II-10, II-11.

[150] CR/PR at II-12.

[151] Nonsubject imports were higher in interim 2002, *** percent, than in interim 2001, *** percent. Memorandum INV-Z-162, calculated from Table C-2a.

[152] The subject imports in the Section 201 investigation did not exclude ball bearing steel, as does the scope in this investigation, and there were other minor differences between the subject imports in the Section 201 and the subject imports in these investigations.

In his remedy, the President adopted the definition of "certain steel wire rod" as specified in the Commission's investigation but excluded from his remedy wire rod of tire cord quality, valve spring quality, class III pipe wrap quality, aircraft cold heading quality, aluminum cable steel reinforced quality, piano wire string quality, grade 1085 annealed bearing quality, and grade 1080 tire bead quality. Inv. No. TA-204-6, Certain Steel Wire Rod, (Aug. 2001) at I-1, n.3.

[153] Presidential Proclamation 7273 of February 16, 2000. CR at I-11; PR at I-9.

[154] Imports from Canada and Mexico were the subject of a separate investigation conducted under provisions of the NAFTA (investigation No. NAFTA-312-1) at petitioners' request during 2001. On August 23, 2001, the Commission determined that a surge in imports of certain steel wire rod from Canada and Mexico, respectively, undermines the effectiveness of the import relief provided for in Presidential Proclamation 7273 of February 16, 2000. However, the President declined to modify the TRQ to include certain wire rod imports from Canada and Mexico. CR at I-11, n.10; PR at I-9, n.10.

[155] CR at I-12; PR at I-10.

[156] CR at I-13-I-14; PR at I-10.

On November 21, 2001, the President determined that the in-quota quantity of the TRQ should be allocated among supplier countries. This action established sub-quotas for (1) the European Union; (2) Trinidad and Tobago; (3) Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan; and (4) all other countries.[157] The President also amended the TRQ to allow for four equal quarterly allocations for quota year three.[158]

V. MATERIAL INJURY BY REASON OF CUMULATED SUBSIDIZED AND/OR LTFV SUBJECT IMPORTS FROM BRAZIL, CANADA, INDONESIA, MEXICO, MOLDOVA, AND UKRAINE[159]

A. In General

In the final phase of antidumping duty and countervailing duty investigations, the Commission determines whether an industry in the United States is materially injured by reason of the imports under investigation.[160] In making this determination, the Commission must consider the volume of imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.[161] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[162] In assessing whether the domestic industry is materially injured by reason of subject imports, we consider all relevant economic factors that bear on the state of the industry in the United States.[163] No single factor is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[164]

For the reasons discussed below, we determine that the domestic industry producing wire rod is materially injured by reason of cumulated subject imports from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine that are subsidized and/or sold at LTFV, for purposes of our material injury analysis of all remaining subject countries, except for the determination on Trinidad and Tobago.

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[157] Presidential Proclamation 7505 of November 21, 2001. CR at I-11-I-12; PR at I-9-I-10.

[158] CR at I-13; PR at I-10.

[159] As discussed earlier, this analysis includes data regarding imports from Trinidad and Tobago.

[160] 19 U.S.C. §§ 1671d(b) and 1673d(b).

[161] 19 U.S.C. § 1677(7)(B)(i). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each [such] factor . . . [a]nd explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B). See also Angus Chemical Co. v. United States, 140 F.3d 1478 (Fed. Cir. 1998).

[162] 19 U.S.C. § 1677(7)(A).

[163] 19 U.S.C. § 1677(7)(C)(iii).

[164] 19 U.S.C. § 1677(7)(C)(iii).

B. Volume of the Cumulated Subject Imports

Section 771(7)(C)(i) of the Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[165]

The volume of cumulated subject imports increased from *** short tons in 1999 to *** short tons in 2000 and *** short tons in 2001, an overall increase of approximately *** short tons or *** percent.[166] [167] [168] The volume of subject imports increased from 2000 to 2001, despite a simultaneous decline in domestic consumption of *** short tons (a drop of *** percent).

The market penetration of cumulated subject imports also increased from 1999 to 2001. The share of apparent U.S. consumption accounted for by the cumulated subject imports measured in quantity increased from *** percent in 1999 to *** percent in 2000 and *** percent in 2001, an increase of *** percentage points.[169]

The cumulated subject imports' market share increase came at the expense of the domestic industry. Domestic producers' market share, measured in quantity, decreased from *** percent in 1999 to *** percent in 2001, a decrease of *** percentage points. Nonsubject imports' share of the U.S. market was relatively stable from 1999 to 2001, decreasing from *** percent of the U.S. market in 1999 to *** percent in 2000, and then recovering and slightly increasing to *** percent of the market in 2001, resulting in a net increase of *** percentage point.[170] Therefore, it was the cumulated subject imports, and not the nonsubject imports, that gained significant market share previously held by the domestic industry from 1999 to 2001.[171] [172]

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[165] 19 U.S.C. § 1677(7)(C)(i).

[166] OINV Memorandum INV-Z-162, Table C-2a.

[167] We have considered whether any change in the volume of cumulated subject imports since the filing of the petition on August 31, 2001 is related to the pendency of the investigations. We have determined that this is the case with respect to lower subject import volumes in interim 2002 as compared to interim 2001. Therefore, we reduce the weight accorded to interim 2002 data for purposes of our material injury determinations. 19 U.S.C. § 1677(7)(I). The volume of cumulated subject imports in interim 2002 was *** short tons as compared to *** short tons in interim 2001. OINV Memorandum INV-Z-162, Table C-2a.

Respondents have argued that we should focus our analysis on the current status of the industry, due to recent changes in the domestic industry. Joint Respondents' Prehearing Brief at 49-51. We have considered the entire period examined in conducting our analysis consistent with our traditional practice, except as noted above for interim 2002 data.

[168] Respondents have argued that the TRQ was responsible for an increase in volume in the spring of 2001 because there was an incentive to increase imports early in the quota year. Joint Respondents' Prehearing Brief at 32-33. However, the record clearly shows that subject import volume increased steadily from 1999 to 2001. OINV Memorandum INV-Z-162, Table C-2a.

[169] OINV Memorandum INV-Z-162, Table C-2a. Subject import market share was *** percent in interim 2002 as compared to *** percent in interim 2001. Id.

[170] OINV Memorandum INV-Z-162, Table C-2a. Nonsubject import volume was higher in interim 2002 (*** percent) than in interim 2001 (*** percent).

[171] We have considered Respondents' argument that subject imports increased both absolutely and relatively as a result of domestic industry restructuring which, they contend, was unrelated to subject imports. Ivaco Posthearing Brief at 2-5. We note, however, that subject import volume increased not only in 2001, but also in 2000, from

(continued...)

Accordingly, we find that the volume of cumulated subject imports, and the increase in that volume, are significant, in absolute terms and relative to production or consumption in the United States.[173]

C. Price Effects of the Cumulated Subject Imports

Section 771(7)(C)(ii) of the Act provides that, in evaluating the price effects of the subject imports, the Commission shall consider whether –

(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and

(II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[174]

Purchasers ranked price as the second most important factor, after quality, in selecting a wire rod supplier.[175] Out of 57 total responses, 29 purchasers said that they "always" or "usually" purchased the wire rod offered at the lowest price, although other purchase factors such as availability, product consistency and quality, and reliability of supply were also important.[176] We have also found that subject imported wire rod and domestically produced wire rod of similar quality and intended for similar uses, are highly interchangeable. Moreover, there is a broad range of wire rod products, both imported and domestically produced, in the U.S. market.

In our analysis of underselling, we have relied principally on the pricing data collected by the Commission. These data compare pricing for comparable products from domestic and subject sources. Of the 250 possible quarterly price comparisons for 1999 to 2001[177] between the weighted average price

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[171] (...continued)
existing high levels. As discussed in Conditions of Competition, supra, domestic mill closures were concentrated in 2001.

[172] The ratio of subject import volume to domestic production increased from *** percent in 1999 to *** percent in 2000 and *** percent in 2001. It was *** percent in interim 2001 and *** percent in interim 2002. Calculated from Memorandum INV-Z-162, Table C-2a.

[173] Commissioner Bragg finds that the foregoing analysis and conclusion are equally valid when cumulated subject imports are compared to the domestic like product and the domestic industry that she has defined. See supra nn. 67 & 70; see also CR/PR at Table C-1.

[174] 19 U.S.C. § 1677(7)(C)(ii).

[175] CR/PR at Table II-2.

[176] CR at II-15; PR at II-9; CR/PR at Table II-3. Generally, purchasers found the domestic product comparable or superior to subject imports with respect to product quality and consistency, availability and reliability of supply. CR/PR at Tables II-5, II-6, II-8, II-9, II-10, II-11, and II-12.

[177] Because of the pendency of these investigations, and the drop in subject import volume in interim 2002, we find that data from the period 1999 to 2001 are more probative for our pricing analysis, and we have reduced the weight accorded to interim 2002 data. See 19 U.S.C. § 1677(7)(I). Still, we note that underselling remained more
(continued...)

for U.S.-produced wire rod and the weighted average price for subject imports, subject imports undersold domestic products in 167 quarters, or 66.8 percent of all comparisons.[178] We note that cumulative underselling has been significant, and we note in particular the consistent double-digit margins of underselling of the domestic product by subject imports from Moldova, Ukraine, and Brazil.[179] Although we recognize that there is some overselling, we find that the underselling that occurred was significant.[180]

Purchaser data corroborate the underselling reflected in the pricing data. For each of the subject countries, purchasers more often reported that the U.S. product was higher-priced rather than lower-priced.[181] There were also confirmed lost sales totaling approximately ***.[182] In light of the importance of price in purchasing decisions, and the significant and increasing volume of subject imports from 1999 to 2001, we find the underselling indicated by the pricing data, and corroborated by the other information in the record, to be significant.[183]

We next consider whether the subject imports have had significant price-depressing or price-suppressing effects. We have relied principally on the pricing data collected by the Commission on seven wire rod products, ranging from industrial quality to specialized high end CHQ wire rod and welding quality wire rod.[184]

Even though the Commission's pricing data show stable or small increases in domestic prices for at least some of the products surveyed from 1999 to 2001, we find that cumulated subject imports were

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[177] (...continued)
common than overselling in interim 2002 based on the Commission's pricing data. CR/PR at Tables V-3-V-9.

[178] Of the 270 possible quarterly price comparisons for all periods examined (including interim 2002) between the weighted average price for U.S.-produced wire rod and the weighted average price for subject imports, subject imports undersold domestic products in 178 quarters, or 65.9 percent of all comparisons and oversold domestic products in 92 quarters, or 34.1 percent of all comparisons. CR/PR at Table V-10.

[179] CR at V-12; PR at V-10; CR/PR at Tables V-3-V-9.

[180] Although we have focused our analysis on a comparison of domestic prices and subject import prices in the aggregate, we note that underselling was particularly prevalent for the relatively higher volume industrial/standard quality products 1-3. Memorandum INV-Z-162, Tables V-3b-V5b.

[181] CR/PR at Tables II-5, II-6, II-8, II-9, II-10, II-11. Overall, the U.S. product was rated inferior on price in 41.2 percent of the comparisons, and superior on price only in 12.5 percent of the comparisons.

[182] Purchasers agreed with allegations involving $16.0 million of sales in the preliminary phase of the investigations, and *** in the final phase of the investigations. CR at V-31; PR at V-13; CR/PR at Table V-11.

[183] Respondent Ivaco argues that the Commission should find that there is a natural price premium for the domestic product, which explains why underselling in these investigations is not injuring the domestic industry. To support its arguments, it references the Commission's findings regarding a price premium in the 1997 wire rod investigations. Respondent Ivaco Posthearing Brief at 10-11.

In the 1997 wire rod investigations, the Commission found that "subject imports generally [had] significantly longer lead times and larger minimum order sizes than domestic shipments, and cannot be canceled once ordered." Certain Steel Wire Rod from Canada, Germany, Trinidad and Tobago, and Venezuela, Inv. Nos. 701-TA-368-371 (Final), USITC Pub. 3075 at 25-26 (Nov. 1997). The Commission also found that imports tended to have more quality problems. Id.

Purchaser comparisons in these investigations reflect that the domestic product is generally considered comparable to the subject imports in availability, quality, and minimum quantity requirements. CR/PR at Tables II-5, II-6, II-8, II-9, II-10, II-11. Thus, the record in these investigations differs from the record in the 1997 investigations.

[184] Memorandum INV-Z-162, Tables V-3b-V-9b.

suppressing prices to a significant degree. The domestic industry's cost of goods sold ("COGS") as a share of net sales steadily increased from *** percent in 1999 to *** percent in 2000 and then *** percent in 2001.[185] Unit cost of goods sold also steadily increased over the period examined.[186] These data indicate that as the domestic industry's costs increased, they were unable to raise their prices to cover them.[187] This cost/price squeeze was exacerbated by the large fixed costs in the industry,[188] the price-based nature of the competition, the decreasing demand in the domestic industry's market, and the falling rate of its capacity utilization.[189]

Although other factors in the market may be influencing domestic wire rod prices, such as the decline in U.S. apparent consumption of wire rod and wire, we conclude that the significantly increasing volume of cumulated subject imports sold at lower prices contributed significantly to the downward pressure on U.S. prices and the domestic industry's inability to raise prices commensurately with increasing costs. Accordingly, we conclude that cumulated subject imports had significant price suppressing effects.[190]

D. Impact of the Cumulated Subject Imports on the Domestic Industry

In examining the impact of the subject imports on the domestic industry, we consider all relevant economic factors that bear on the state of the industry in the United States.[191] These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, and research and development. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[192] [193] [194]

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[185] OINV Memorandum INV-Z-162, Table C-2a. COGS as a share of net sales was *** percent in interim 2002 as compared to *** percent in interim 2001. Id.

[186] Unit costs of goods sold rose from *** in 1999 to *** in 2000 and *** in 2001. It was *** in interim 2002 as compared to *** in interim 2001. Unit costs, including both cost of goods sold and SG&A expenses, increased from *** per short ton in 1999 to *** in 2001. OINV Memorandum INV-Z-162, Table C-2a.

[187] CR/PR at Table VI-3.

[188] CR/PR at Table VI-5 (original cost of productive facilities for U.S. producers valued at $1.6 billion in 2001).

[189] CR/PR at Table C-2.

[190] Commissioner Bragg finds that the foregoing analysis and conclusion are equally valid when cumulated subject imports are compared to the domestic like product and the domestic industry that she has defined. See supra nn. 67 & 70; see also CR/PR at Table C-1.

[191] 19 U.S.C. § 1677(7)(C)(iii). See also SAA at 851 and 885 ("In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." Id. at 885.).

[192] 19 U.S.C. § 1677(7)(C)(iii). See also SAA at 851, 885; Live Cattle from Canada and Mexico, Inv. Nos. 701-TA-386 and 731-TA-812-813 (Preliminary), USITC Pub. 3155 (Feb. 1999) at 25, n.148.

[193] The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). In its final antidumping determination concerning Brazil, Commerce found dumping margins of 94.73 percent for Belgo

(continued...)

From 1999 to 2001,[195] as the volume of subject imports increased in a declining market,[196] and the domestic industry lost significant market share to the subject imports, the condition of the U.S. industry deteriorated markedly. Several performance indicators for the domestic industry decreased from 1999 to 2000, then fell more sharply from 2000 to 2001. The domestic industry's production, quantity and value of U.S. shipments, and capacity utilization all followed this trend.[197] Subject imports increased in the U.S. market in absolute volume and in market penetration at the expense of the domestic

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[193] (...continued)
Mineira and an all others rate of 74.45 percent. 67 Fed. Reg. 55792 (Aug. 30, 2002) (Brazil). For Canada, Commerce found dumping margins of 2.54 percent for Ispat Sidbec, 13.35 percent for Ivaco, de minimis for Stelco, and a rate of 9.91 percent for all others. 67 Fed. Reg. 55782 (Aug. 30, 2002) (Canada). For Indonesia, Commerce found dumping margins of 4.06 percent for Ispat Indo and all others. 67 Fed. Reg. 55798 (Aug. 30, 2002) (Indonesia). For Mexico, Commerce found dumping margins of 20.11 percent for SICARTSA and all others. 67 Fed. Reg. 55800 (Aug. 30, 2002) (Mexico). For Moldova, Commerce found dumping margins of 369.10 percent as a Moldova-wide rate. 67 Fed. Reg. 55790 (Aug. 30, 2002) (Moldova). For Ukraine, Commerce found dumping margins of 116.37 percent for Krivorozhstal and all others. 67 Fed. Reg. 55785 (Aug. 30, 2002) (Ukraine). For Trinidad and Tobago, Commerce found dumping margins of 11.40 percent for Caribbean Ispat Ltd., and all others. 67 Fed. Reg. 55788 (Aug. 30, 2002) (Trinidad and Tobago).

[194] Commissioner Bragg notes that she does not ordinarily consider the magnitude of the margin of dumping to be of particular significance in evaluating the effects of subject imports on the domestic producers. See Separate and Dissenting Views of Commissioner Lynn M. Bragg in Bicycles from China, Inv. No. 731-TA-731 (Final), USITC Pub. 2968 (June 1996); Anhydrous Sodium Sulfate from Canada, Inv. No. 731-TA-884 (Preliminary), USITC Pub. 3345 (Sept. 2000) at 11, n.63.

[195] As with the volume and pricing sections, we have focused our analysis on calendar year 1999 to 2001 data, and reduced the weight accorded to interim 2002 data due to the effect of the filing of the petition and the pendency of these investigations. See 19 U.S.C. § 1677(7)(I).

[196] Apparent U.S. consumption measured in quantity fell irregularly by *** percent from 1999 to 2001. It increased slightly from *** short tons in 1999 to *** short tons in 2000, and then fell to *** short tons in 2001. Apparent domestic consumption was *** million short tons in interim 2002 as compared to *** million short tons in interim 2001. OINV Memorandum INV-Z-162, Table C-2a.

Domestic capacity fell irregularly at a similar rate, i.e. *** percent, from 1999 to 2001. It was lower in interim 2002 as compared to interim 2001.

[197] Production declined from *** short tons in 1999 to *** short tons in 2000, and then fell sharply to *** short tons in 2001, for a total decrease of *** percent. In interim 2002, production was *** short tons as compared to *** short tons in interim 2001. OINV Memorandum INV-Z-162, Table C-2a.

The quantity of the domestic industry's U.S. shipments fell from *** short tons in 1999 to *** short tons in 2000 and *** short tons in 2001, a decrease from 1999 to 2001 of *** percent. In interim 2002, the quantity of the domestic industry's U.S. shipments was *** short tons as compared to *** short tons in interim 2001. OINV Memorandum INV-Z-162, Table C-2a.

The value of the domestic industry's U.S. shipments fell from *** in 1999 to *** in 2000 and *** in 2001, a decrease from 1999 to 2001 of *** percent. In interim 2002, the value of the domestic industry's U.S. shipments was *** as compared to *** in interim 2001. OINV Memorandum INV-Z-162, Table C-2a.

Capacity utilization decreased from *** percent in 1999 to *** percent in 2000 and to *** percent in 2001. Capacity utilization was at *** percent in interim 2002 as compared to *** percent in interim 2001. OINV Memorandum INV-Z-162, Table C-2a.

industry, which lost *** percentage points in market share from 1999 to 2001, falling from *** percent of the U.S. market to *** percent.[198]

The most striking negative performance indicator for the domestic industry was the increasing operating losses. As a result of declining sales volume, low and declining capacity utilization, and price levels that were suppressed to a significant degree, the industry's operating losses grew progressively from a loss of *** in 1999 to a loss of *** in 2000, and to a loss of *** in 2001.[199] The industry's operating income margin (operating income as a share of sales) fell from negative *** in 1999 to negative *** in 2000 and further to negative *** in 2001.[200]

There were other negative performance indicators. The number of production and related workers, hours worked, and wages paid fluctuated from 1999 to 2000, but declined sharply from 2000 to 2001.[201] Industry capital expenditures reported in the questionnaires increased somewhat from 1999 to 2000, then fell by *** percent in 2001.[202]

Respondents have argued that the bankruptcies and partial or full shutdowns experienced by the domestic industry from December 2000 to June 2001 were caused by factors other than subject imports. As a preliminary matter, we note that we are to consider the impact of subject imports on the domestic industry as a whole, and not only certain domestic producers.[203] The condition of the domestic industry as a whole became progressively worse from 1999 to 2001 by reason of cumulated subject imports,[204] and almost all producers were experiencing declining performance.[205] We conclude from the record evidence that although additional factors may have contributed to certain domestic producers' financial problems, subject imports were a significant cause of material injury to the entire industry, playing a significant role in the adverse market conditions facing the domestic industry, including the loss of sales and market share to lower-priced subject imports.[206] As the cumulated subject imports took sales from the domestic industry, the domestic industry experienced growing operating losses, an increased cost-price squeeze, and cost inefficiencies as production and shipments declined.

The record shows that the increasing volumes of the subject imports took market share away from the domestic industry at a time of falling consumption, leading to the domestic industry's decreased

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[198] OINV Memorandum INV-Z-162, Table C-2a.

[199] In interim 2002, the domestic industry experienced an operating income of *** as compared to an operating loss of *** in interim 2001. OINV Memorandum INV-Z-162, Table C-2a.

[200] OINV Memorandum INV-Z-162, Table C-2a.

[201] OINV Memorandum INV-Z-162, Table C-2a. All three employment indicators were lower in interim 2002 as compared to interim 2001. Id.

[202] OINV Memorandum INV-Z-162, Table C-2a. Industry capital expenditures were higher in interim 2002 than in interim 2001. Id.

[203] See e.g., Encon Industries, Inc. v. United States, 16 CIT 840, 842 (1998); Copperweld Corp. v. United States, F. Supp. 552, 568 (Ct. Int'l Tr. 1988).

[204] We further note, with respect to the specific domestic producers experiencing bankruptcies or shutdowns, that Northwestern did not provide the Commission with a questionnaire response, and Birmingham only provided limited trade data from the preliminary phase of the investigations. CR/PR at III-1, VI-1, nn.1, 4; CR/PR at Table III-1. Therefore, the data upon which we have relied largely reflect the performance of surviving U.S. producers, including any benefits derived from the closure of competing members of the domestic industry.

[205] CR/PR at Table VI-2. ***.

[206] Tr. at 53-54, 61-65; Petitioners' Posthearing Brief at 7 & Ex. 1 at 38-39, 49-54.

production and shipments.[207] Because of the subject imports' significant underselling and adverse price effects, the domestic industry could not raise prices to recover increased costs. Accordingly, we find that the subject imports are having a significant adverse impact on the domestic industry.[208]

VI. CRITICAL CIRCUMSTANCES[209]

In its final determinations, Commerce made affirmative critical circumstances findings with respect to subject imports from Moldova and Ukraine.[210] Because we have determined that the domestic industry producing wire rod is materially injured by reason of subject imports, we must further find "whether the imports subject to the affirmative [Commerce critical circumstances] determination . . . are likely to undermine seriously the remedial effect of the antidumping duty order to be issued."[211] The SAA indicates that the Commission is to determine "whether, by massively increasing imports prior to the effective date of relief, the importers have seriously undermined the remedial effect of the order."[212]

The statute further provides that in making this finding the Commission shall consider, among other factors it considers relevant:

> (I) the timing and the volume of the imports,
>
> (II) a rapid increase in inventories of the imports, and
>
> (III) any other circumstances indicating that the remedial effect of the antidumping order will be seriously undermined.[213]

Consistent with Commission practice,[214] in considering the timing and volume of subject imports, we have considered import quantities prior to the filing of the petition with those subsequent to the filing of the petition using monthly statistics on the record regarding subject imports from Moldova

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[207] Joint Respondents have argued that subject import volume increased in markets that the domestic producers had abandoned or had little interest. Joint Respondents' Prehearing Brief at 30-32. The record reflects that the domestic industry produces a broad range of wire rod products, and that it can change its products as market conditions warrant.

[208] Commissioner Bragg finds that the foregoing analysis and conclusion are equally valid when cumulated subject imports are compared to the domestic industry that she has defined. See supra nn. 67 & 70; see also CR/PR at Table C-1.

[209] Commissioner Bragg does not join section VI. of these Views. See Additional and Dissenting Views of Commissioner Lynn M. Bragg.

[210] CR at I-3; PR at I-2; CR/PR at Appendix A (67 Fed. Reg. 55790 (Moldova) and 67 Fed. Reg. 55785 (Ukraine) (Aug. 30, 2002)).

[211] 19 U.S.C. § 1673d(b)(4)(A)(i).

[212] SAA at 877.

[213] 19 U.S.C. § 1673d(b)(4)(A)(ii).

[214] See, e.g., Certain Ammonium Nitrate from Russia, Inv. No. 731-TA-856 (Final), USITC Pub. 3338, at 12-13 (Aug. 2000); Certain Preserved Mushrooms from China, India, and Indonesia, Invs. Nos. 731-TA-777 to 79 (Final), USITC Pub. 3159, at 24 (Feb. 1999).

and Ukraine.[215] The petitions in this case were filed on August 31, 2001. Although Commerce typically compares the import volume of the subject merchandise for the three months immediately preceding and following the filing of the petition, we are not required to analyze the same comparison periods that Commerce analyzed.[216] We have compared subject import volume from Moldova and from Ukraine for the six month period prior to and including August 2001 (March 2001 to August 2001) to the volume of those subject imports from each of those countries, respectively, for the six month period following the filing of the petition (September 2001 to February 2002). We have also considered inventories of subject imports from Moldova and Ukraine held in the United States and pricing data in making our critical circumstances determinations.[217]

Moldova. The volume for subject imports from Moldova was 81,956 short tons for the six month period prior to the filing of the petition, and 110,467 short tons for the six month period following the filing of the petition, an increase of 34.8 percent.[218]

*** reported inventories of *** short tons of subject imports from Moldova on February 28, 2001 (six months prior to filing the petition), *** short tons of subject imports from Moldova on August 31, 2001 (the date of the filing of the petition), and *** short tons of subject imports from Moldova on February 28, 2002, six months following the filing of the petition.[219]

We have also considered prices for Products 1-3 (the only price items facing direct competition from imports from Moldova and imports from Ukraine) in our critical circumstances determinations. We note that domestic prices for Products 1-3 increased moderately in the fourth quarter of 2001 and the first quarter of 2002, compared to the two previous quarters.[220] Prices for subject imports of Products 1-3 from Moldova were stable to declining in the fourth quarter of 2001 and the first quarter of 2002 compared to the two previous quarters.[221]

Although subject imports from Moldova increased by 34.8 percent in the six month period subsequent to the filing of the petition, as compared to the six month period prior to the filing of the petition, we do not find that this increase supports a finding that subject imports from Moldova are likely to undermine seriously the remedial effect of the antidumping duty order. Imports from Moldova accounted for no more than *** percent of apparent U.S. consumption over the period examined.[222] Other indicators further support this finding. Inventories of subject imports from Moldova held in the

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[215] CR at IV-15; PR at IV-13; CR/PR at Table IV-6.

[216] 19 U.S.C. § 1673d(b)(4)(A)(ii).

[217] We have also compared import volumes, inventories, and prices for the three month period prior to and subsequent to the filing of the petition to the extent data are available.

[218] CR/PR at Table IV-6. For the three month period prior to the filing of the petition the subject import volume from Moldova was 63,126 short tons, as compared to 74,479 short tons for the three month period subsequent to the filing of the petition, an increase of 18.0 percent. Id.

[219] CR/PR at Table IV-7. We do not have data that correspond precisely with the three month period prior to and following the filing of the petition with respect to inventories for subject imports from either Moldova or Ukraine. We note, however, that the available data do reflect that inventories of subject imports from Moldova held in the United States in March 2001 were *** short tons, on August 31, 2001, they were *** short tons, and in December 2001, they were *** short tons. Memorandum INV-Z-162, Table C-2a; CR/PR at Table IV-7.

[220] CR/PR at Tables V-3-V-5.

[221] CR/PR at Tables V-3-V-5.

[222] Memorandum INV-Z-162, Table C-2a.

United States decreased in the six month period subsequent to the filing of the petition, as compared to the six month period prior to the filing of the petition. Prices for subject imports from Moldova showed some declines, but domestic prices showed moderate increases in the six month period subsequent to the filing of the petition.

Ukraine. The volume of subject imports from Ukraine was 133,430 short tons for the six month period prior to the filing of the petition, and 124,179 short tons for the six month period following the filing of the petition, a decrease of 6.9 percent.[223] Additionally, imports from Ukraine accounted for no more than *** percent of apparent U.S. consumption over the period examined.[224]

*** reported inventories of *** short tons of subject imports from Ukraine on February 28, 2001, *** short tons on August 31, 2001, and *** short tons on February 28, 2002.[225]

As stated above, domestic prices for Products 1-3 increased moderately in the fourth quarter of 2001 and the first quarter of 2002, compared to the two previous quarters.[226] Prices for subject imports of Products 2-3 from Ukraine were generally stable in the fourth quarter of 2001 and the first quarter of 2002, compared to the two previous quarters.[227]

Subject import volume from Ukraine was lower in the six month period subsequent to the filing of the petition as compared to the six month period prior to the filing of the petition. Inventories of subject imports from Ukraine held in the United States were *** higher in the six month period subsequent to the filing of the petition as compared to the six month period prior to the filing of the petition. Domestic prices showed moderate increases, and prices for subject imports from Ukraine did not show significant changes, in the six month period subsequent to the filing of the petition. We do not find that either the decreasing import volume, the modest increase in inventories, or the price data support a finding that subject imports from Ukraine are likely to undermine seriously the remedial effect of the antidumping order to be issued.

Accordingly, we find that critical circumstances do not exist with respect to subject imports from Moldova and Ukraine.

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[223] CR/PR at Table IV-6. For the three month period prior to the filing of the petition the subject import volume from Ukraine was 67,440 short tons, as compared to 93,796 short tons for the three month period subsequent to the filing of the petition, an increase of 39.1 percent. Id.

[224] Memorandum INV-Z-162, Table C-2a.

[225] CR/PR at Table IV-7. We note that the available data reflect that inventories of subject imports from Ukraine held in the United States in March 2001 were *** short tons, on August 31, 2001, they were *** short tons, and in December 2001, they were *** short tons. Memorandum INV-Z-162, Table C-2a; CR/PR at Table IV-7.

[226] CR/PR at Tables V-3-V-5.

[227] CR/PR at Tables V-3-V-5. We note that there were no price comparisons available for imports from Ukraine with respect to Product 1 after the second quarter of 2001.

VII. MATERIAL INJURY BY REASON OF SUBJECT IMPORTS FROM TRINIDAD AND TOBAGO[228]

A. Volume

To begin, we note that throughout the period of investigation, Trinidad and Tobago was the second or third largest source of subject wire rod imports into the U.S. market.[229] The volume and market share of subject imports from Trinidad and Tobago increased from 1999 to 2001, even though total apparent consumption was declining.[230] The volume of subject imports from Trinidad and Tobago decreased from 341,815 short tons in 1999 to 287,507 short tons in 2000, and then rose to 355,089 short tons in 2001.[231] The share of the U.S. market held by subject imports from Trinidad and Tobago decreased from *** percent of the U.S. market in 1999 to *** percent of the U.S. market in 2000, and increased to *** percent of the U.S. market in 2001.[232] Subject imports from Trinidad and Tobago are concentrated in the commodity wire rod products, low/medium-low carbon industrial/standard quality wire rod, used to manufacture nails, coat hangers, and mesh for concrete reinforcement and fencing.[233] These products, which constituted approximately *** percent of all U.S. shipments of subject imports from Trinidad and Tobago from 1999 to 2001, are commodity products sold by many suppliers.[234] The market for these products is very price sensitive.[235] In such a price sensitive market, we find Trinidad

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[228] Chairman Okun dissenting. See Dissenting Views of Chairman Deanna Tanner Okun with respect to Carbon and Certain Alloy Steel Wire Rod from Trinidad and Tobago.

[229] CR/PR at Table C-1, Memorandum INV-Z-162, Table C-2a.

[230] Similar to our material injury analysis with respect to the other subject countries, we have reduced the weight accorded to interim 2002 data for purposes of our material injury determinations regarding Trinidad and Tobago. 19 U.S.C. § 1677(7)(I). The volume of subject imports from Trinidad and Tobago was higher in interim 2002, 89,857 short tons, than in interim 2001, 60,992 short tons. Memorandum INV-Z-162, Table C-2a.

[231] Memorandum INV-Z-162, Table C-2a.

[232] Memorandum INV-Z-162, Table C-2a.

[233] CR/PR at Table I-1.

[234] CR/PR at Tables D-1 and D-2. The share of U.S. shipments in this category for imports from Trinidad and Tobago was *** percent in interim 2002 as compared to *** percent in interim 2001. Id.

[235] We note that the other significant category of wire rod imports from Trinidad and Tobago, which comprised *** percent of its U.S. shipments in 2001, is the high/medium-high carbon industrial/standard quality wire rod category, which is also a commodity category and supplied by many suppliers. CR/PR at Tables D-1 and D-2.

and Tobago's absolute volume levels and market share, and their increase from 1999 to 2001, to be significant[236] in absolute terms and relative to production and consumption in the United States.[237] [238]

B. Price

As discussed above, subject imports from Trinidad and Tobago are concentrated in the low to medium carbon industrial quality wire rod category, commodity products that are highly price sensitive. Subject imports from Trinidad are highly substitutable with the domestic product in that category, which reinforces the price competition between subject imports from Trinidad and Tobago and the domestic product.

Subject imports from Trinidad and Tobago undersold comparable U.S. products in 70.8 percent of quarterly comparisons from 1999 to 2001.[239] For Products 1 and 2, both of which were grades of industrial quality wire rod, subject imports from Trinidad and Tobago undersold the domestic industry in 22 out of 26 comparisons by margins that ranged up to 11.0 percent.[240] The highest quantity of available price comparisons between imports from Trinidad and Tobago and the domestic product were for Products 1 and 2. Eight purchasers rated the U.S. product inferior (higher) in price to subject imports from Trinidad and Tobago, and only one purchaser ranked the domestic product superior (lower) in price to subject imports from Trinidad and Tobago.[241] In light of the importance of price in purchasing decisions, and the significant and increasing volume of subject imports from Trinidad and Tobago from 1999 to 2001, we find the underselling indicated by the pricing data, and corroborated by the other information in the record, to be significant.

We find that subject imports from Trinidad and Tobago have had significant adverse price suppressing effects. Pricing pressure from the readily available and increasing volume of lower-priced subject imports from Trinidad and Tobago prevented the domestic industry from raising prices when its costs increased,[242] particularly in the price-sensitive low carbon industrial quality wire rod category. As stated earlier, subject imports from Trinidad and Tobago are concentrated in that category. The cost-price squeeze experienced by the domestic industry described above was exacerbated by its declining

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[236] Caribbean Ispat has argued that imports from Trinidad and Tobago cannot be injuring the domestic industry because the volume of imports from Trinidad increased in interim 2002 as compared to interim 2001 at the same time that the condition of the domestic industry improved. CIL Prehearing Brief at 20. As stated above, we have focused our analysis on data from 1999 to 2001, and not a comparison of interim data due to the pendency of the investigations at that time. We note, however, that one quarter's data showing a simultaneous increase in imports from Trinidad and Tobago and an improvement in the financial condition of the domestic industry does not mean that there is not material injury by reason of lower-priced imports from Trinidad and Tobago.

[237] The ratio of subject import volume from Trinidad and Tobago to domestic production increased irregularly from *** percent in 1999 to *** percent in 2000 and *** percent in 2001. It was *** percent in interim 2001 and *** percent in interim 2002. Calculated from Memorandum INV-Z-162, Table C-2a.

[238] Commissioner Bragg finds that the foregoing analysis and conclusion are equally valid when subject imports from Trinidad and Tobago are compared to the domestic like product and the domestic industry that she has defined. See supra nn. 67 & 70; see also CR/PR at Table C-1.

[239] CR/PR calculated from Table V-10. CR at V-30; PR at V-12. For all periods examined (including interim 2002), there was underselling in 69.2 percent of all quarterly comparisons.

[240] CR/PR at Tables V-3-V-4.

[241] CR/PR at Table II-11.

[242] CR/PR at Table VI-3.

shipments and consequent declining revenues, particularly during 2001, as lower-priced imports from Trinidad and Tobago increased in volume by 23.5 percent and gained market share at the expense of the domestic industry.

We therefore find that there has been significant price underselling by subject imports from Trinidad and Tobago of the domestic product, and that subject imports have suppressed prices of domestically produced wire rod to a significant degree.[243]

C. Impact

As noted above, during the investigation period, the domestic industry experienced growing operating losses, decreased production, shipments, capacity and capacity utilization, declining employment indicators, increasing costs, and suppressed prices. Trinidad and Tobago, which was ranked as the second or third most significant subject import supplier throughout the period, shipped increasing volumes of subject imports that undersold the domestic wire rod in a majority of comparable periods. Thus, based on the significant and increasing volume and market share of subject imports from Trinidad and Tobago in a declining market, the significant price underselling, and significant price suppression by these imports, and declining industry indicators from 1999 to 2001, we find that the subject imports from Trinidad and Tobago are having a significant adverse impact on the domestic industry producing wire rod.[244] [245]

CONCLUSION

For the foregoing reasons, we determine that an industry in the United States is materially injured by reason of subsidized imports of wire rod from Brazil and Canada and less than fair value imports of wire rod from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago,[246] and Ukraine. We further find that critical circumstances do not exist with respect to imports of wire rod from Moldova and Ukraine, and that less than fair value and subsidized imports of wire rod from Germany are negligible.[247]

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[243] Commissioner Bragg finds that the foregoing analysis and conclusion are equally valid when subject imports from Trinidad and Tobago are compared to the domestic like product and the domestic industry that she has defined. See supra nn. 67 & 70; see also CR/PR at Table C-1.

[244] We note that Caribbean Ispat is the sole supplier of wire rod from Trinidad and Tobago, and in a commodity market for industrial quality wire rod that is so highly price sensitive, decisions by a supplier of this magnitude can have a significant impact on the market.

[245] Commissioner Bragg finds that the significant volume and price effects of subject imports from Trinidad and Tobago resulted in a significant adverse impact to the domestic industry that she has defined. See supra nn. 67 & 70; see also CR/PR at Table C-1.

[246] Chairman Okun dissenting. See Dissenting Views of Chairman Deanna Tanner Okun with respect to Carbon and Certain Alloy Steel Wire Rod from Trinidad and Tobago.

[247] Commissioner Bragg dissenting. See Additional and Dissenting Views of Commissioner Lynn M. Bragg.

DISSENTING VIEWS OF CHAIRMAN DEANNA TANNER OKUN WITH RESPECT TO CARBON AND CERTAIN ALLOY STEEL WIRE ROD FROM TRINIDAD AND TOBAGO

Based on the record in these investigations, I determine that an industry in the United States is not materially injured or threatened with material injury by reason of imports of carbon and certain alloy steel wire rod ("wire rod") from Trinidad and Tobago that are sold in the United States at less than fair value ("LTFV").[1] Because Trinidad and Tobago is a beneficiary country under the Caribbean Basin Economic Recovery Act ("CBERA"), imports from Trinidad and Tobago may only be cumulated with imports from another CBERA country for purposes of determining material injury, or threat thereof, by reason of imports from the CBERA beneficiary country or countries.[2] Trinidad and Tobago is the only subject country in these investigations that is a CBERA country. Therefore, my analysis of whether the domestic industry is materially injured or threatened with material injury by reason of wire rod from Trinidad and Tobago is limited to a consideration of subject imports from Trinidad and Tobago alone.

I join my colleagues in the discussion of the domestic like product, domestic industry, negligibility, cumulation, conditions of competition, affirmative determinations for cumulated subject imports, and negative findings of critical circumstances. For the reasons summarized below, however, I dissent from the Commission majority's affirmative determination regarding subject imports from Trinidad and Tobago.

Between 1999 and 2001, subject import volume from Trinidad and Tobago fluctuated, but increased by less than 4 percent (that is, by less than *** of market share), accounting for at most *** percent of the U.S. market during that period. Subject imports from Trinidad and Tobago generally were priced higher than comparable wire rod from other subject countries, generally increased in price in the second half of 2001, and did not result in any confirmed instances of lost sales or lost revenue by the domestic industry. Although subject imports from Trinidad and Tobago frequently were priced lower than comparable domestic wire rod, underselling was often by margins of less than 5 percent. This suggests that the significant volume loss and market-disrupting low prices experienced by the domestic industry were not by reason of the subject imports from Trinidad and Tobago, and that such imports did not have a significant adverse impact on the domestic industry. Moreover, because Caribbean Ispat has limited availability capacity and already depends on the U.S. market for a substantial portion of its sales, subject imports from Trinidad and Tobago do not threaten a domestic wire rod industry that, despite decreasing ability to supply the needs of the U.S. market, has experienced increasing price levels, recent declines in costs, and in 2002 generated an operating income margin of *** percent.

I. NO MATERIAL INJURY BY REASON OF SUBJECT IMPORTS FROM TRINIDAD AND TOBAGO

In the final phase of antidumping duty investigations, the Commission determines whether an industry in the United States is materially injured by reason of the imports under investigation.[3] In making this determination, the Commission must consider the volume of imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but

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[1] Whether the establishment of an industry is being materially retarded is not at issue in these investigations.

[2] 19 U.S.C. § 1677 (7)(G)(ii)(III).

[3] 19 U.S.C. § 1673d(b).

only in the context of U.S. production operations.[4] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[5] In assessing whether the domestic industry is materially injured by reason of subject imports, I consider all relevant economic factors that bear on the state of the industry in the United States.[6] No single factor is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[7]

As noted above, because Trinidad and Tobago is the only subject country in these investigations that is a CBERA country, my analysis of whether the domestic industry is materially injured by reason of wire rod from Trinidad and Tobago is limited to a consideration of subject imports from Trinidad and Tobago alone.[8] For the reasons discussed below, I determine that the domestic industry producing wire rod is not materially injured by reason of subject imports from Trinidad and Tobago that are sold in the United States at LTFV.

A. Volume of Subject Imports from Trinidad and Tobago

Section 771(C)(i) of the Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[9]

The quantity of subject imports from Trinidad and Tobago decreased from 341,815 short tons in 1999 to 287,507 short tons in 2000, then increased to 355,089 short tons in 2001, resulting in a net increase of 3.9 percent (13,274 short tons).[10] The share of apparent U.S. consumption accounted for by subject imports from Trinidad and Tobago was relatively stable from 1999 to 2001. Subject imports from Trinidad and Tobago fell as a share of the U.S. market from *** percent in 1999 to *** percent in 2000, then rose to *** percent in 2001, resulting in a net increase of *** percentage point of market share.[11] Thus, the record indicates that subject imports from Trinidad and Tobago constituted a small portion of the U.S. market and increased only modestly over the period examined.[12] I do not find the volume of subject imports from Trinidad and Tobago or any increase in the volume to be significant, particularly in comparison to the combined volume of subject imports of wire rod from Brazil, Canada, Indonesia, Mexico, Moldova, and Ukraine, and the volume of nonsubject imports (including wire rod from Germany).

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[4] 19 U.S.C. § 1677(7)(B)(i). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each {such} factor . . . {a}nd explain in full its relevance to the determination." 19 U.S.C. § 1677(7)(B); *see also* Angus Chemical Co. v. United States, 140 F.3d 1478 (Fed. Cir. 1998).

[5] 19 U.S.C. § 1677(7)(A).

[6] 19 U.S.C. § 1677(7)(C)(iii).

[7] *Id.*

[8] 19 U.S.C. § 1677 (7)(G)(ii)(III).

[9] 19 U.S.C. § 1677(7)(C)(i).

[10] Memorandum INV-Z-162 at Table C-2a.

[11] Memorandum INV-Z-162 at Table C-2a.

[12] Even in the first quarter of 2002, the quantity of subject imports from Trinidad and Tobago, 89,857 short tons, accounted for only *** percent of apparent U.S. consumption. Memorandum INV-Z-162 at Table C-2a.

Domestic producers' U.S. market share decreased overall from 1999 to 2001, from *** percent in 1999 to *** percent in 2001. The market share of nonsubject imports, including those from Germany, increased from*** percent to *** percent. The market share of subject imports other than Trinidad and Tobago increased from *** percent to *** percent.[13] Thus, the record does not show that subject imports from Trinidad and Tobago captured significant market share from the domestic industry. Even though the domestic industry saw its market share erode by *** percentage points from 1999 to 2001, the market share of subject imports from Trinidad and Tobago increased by only *** percentage point. In contrast, the market share of other imports, primarily subject imports, increased by *** percentage points.[14]

Based on the foregoing I find that the volume of subject imports from Trinidad and Tobago and the increase in volume is neither significant in absolute terms nor relative to U.S. production or consumption of wire rod.[15]

B. Price Effects of the Subject Imports from Trinidad and Tobago

Section 771(C)(ii) of the Act provides that, in evaluating the price effects of the subject imports, the Commission shall consider whether –

> (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and
>
> (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[16]

Purchasers view quality as the most important purchase factor, followed by price and then availability.[17] A large majority of purchasers, however, rate wire rod produced in the United States and in Trinidad and Tobago as "comparable" in quality.[18] In terms of product mix, the United States and Trinidad and Tobago overlap substantially (approximately *** of sales are industrial quality wire rod).[19] Wire rod from Trinidad and Tobago is rated as comparable to wire rod from the United States in nearly all non-price considerations.[20]

The Commission collected quarterly price information on seven types of wire rod, designated products 1 through 7. Based on these data, subject imports from Trinidad and Tobago were priced below

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[13] Memorandum INV-Z-162 at Table C-2a.

[14] Memorandum INV-Z-162 at Table C-2a. Because of rounding, figures may not add to the totals shown.

[15] Relative to U.S. production of wire rod, subject imports from Trinidad and Tobago were *** percent in 1999; *** percent in 2000; *** percent in 2001; and *** percent in the first quarter of 2002. Calculated from Memorandum INV-Z-162 at Table C-2a.

[16] 19 U.S.C. § 1677(7)(C)(ii).

[17] CR/PR at Table II-2.

[18] CR/PR at Table II-11.

[19] CR/PR at Tables D-1 and D-2.

[20] CR/PR at Table II-11.

comparable domestic wire rod in 36 of 52 comparisons.[21] In the majority of these instances, however, the margins of underselling were less than 5 percent.[22] Moreover, although subject imports from Trinidad and Tobago generally were priced below comparable domestically produced wire rod, wire rod from other subject countries were priced lower still.[23] Additionally, although lost sales or lost revenues may constitute anecdotal evidence of direct price competition, there were no confirmed lost sales or lost revenues attributable to subject imports from Trinidad and Tobago in these investigations.[24] Given the limited magnitude of underselling by subject imports from Trinidad and Tobago and the complete absence of any confirmed lost sales or lost revenue allegations involving such imports, I conclude that price underselling by subject imports from Trinidad and Tobago, while prevalent and contributing moderately to the overall price effects of the subject imports, was not significant.

I do not find that subject imports from Trinidad and Tobago have a significant price depressing effect on the domestic like product. Purchasers identified no clear price leader in the U.S. market.[25] Moreover, the record does not reflect any clear downward trend in prices for the domestic like product. Instead, domestic (and import) prices fluctuated over the period examined, although most high volume products tended to peak in 2000, decline to period lows in early 2001, then increase late in 2001.[26] Further, I do not find that subject imports from Trinidad and Tobago prevented to a significant degree price increases by the domestic industry that otherwise would have occurred. Over the period examined in these investigations, subject imports increased significantly in terms of volume and market share. While part of this rapid growth reflected increased imports from Canada which typically sold at prices higher than comparable wire rod produced in the United States, much of the growth was as a result of very low-priced imports from Brazil, Indonesia, Mexico, Moldova, and Ukraine.[27] Therefore, in light of

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[21] CR/PR at Table V-10. There were no comparisons for the specified CHQ wire rod (product 5) and the specified tire bead quality wire rod (product 6).

[22] In 20 instances the margins of underselling were less than 5 percent; in the remaining 16 instances the margins ranged between 5.3 percent and 11.2 percent. CR/PR at Tables V-3 - V-6 and Table V-9.

[23] For product 1, subject imports from Trinidad and Tobago generally were priced higher than subject imports from ***. CR/PR at Table V-3. For product 2, subject imports from Trinidad and Tobago generally were priced higher than subject imports from ***. CR/PR at Table V-4. For product 3, subject imports from Trinidad and Tobago were available in the market only sporadically, in relatively low volumes, and generally were priced higher than subject imports from ***. CR/PR at Table V-5. For product 4, subject imports from Trinidad and Tobago generally were priced higher than subject imports from ***. CR/PR at Table V-6. For product 7, subject imports from Trinidad and Tobago generally were priced lower than *** but higher than ***. CR/PR at Table V-9.

[24] Preliminary Staff Report at Table V-9; CR/PR at Tables V-11 and V-12.

[25] CR at V-6-8, PR at V-7.

[26] *See* CR/PR at Tables V-3 - V-9. Domestic prices for products 1 through 4 (high volume items) all recovered to first quarter 1999 price levels in 2001 (by the second quarter for product 1, by the third quarter for product 2, by the third quarter for product 3, and by the first quarter for product 4). Although domestic prices for specialty products 5 through 7 (low volume items) were lower than first quarter 1999 price levels throughout 2001, only product 7 was even available from Trinidad and Tobago (at prices generally above those of the comparable domestic product). *Id.*

[27] CR/PR at Tables V-3 - V-9 (price level comparisons); CR/PR at Table V-10 (subject imports from Canada oversold comparable domestic wire rod in *** percent of comparisons; subject imports from Brazil, Indonesia, Mexico, Moldova, and Ukraine undersold comparable domestic wire rod in *** percent of comparisons); memorandum INV-Z-162 at Table C-2a (subject imports from Canada gained *** percentage points of market share

(continued...)

the large and growing presence of subject imports that undersold both comparable U.S.-produced wire rod and, as discussed above, comparable wire rod from Trinidad and Tobago, I do not find the price-suppressing effects of wire rod from Trinidad and Tobago to be significant.

Accordingly, I find that subject imports from Trinidad and Tobago did not have significant adverse price effects on the domestic like product.

C. Impact of Subject Imports from Trinidad and Tobago

In examining the impact of the subject imports on the domestic industry, I consider all relevant economic factors that bear on the state of the industry in the United States.[28] These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, profits, cash flow, return on investment, ability to raise capital, and research and development. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[29] [30]

Consistent with my finding that the volume and price effects of subject imports from Trinidad and Tobago are not significant, I find that the subject imports from Trinidad and Tobago did not have a significant adverse impact on the domestic industry. I have considered the factors included in the discussion of the impact of cumulated subject imports on the domestic industry contained in section V-D of the Views of the Commission, but in the absence of significant volume or price effects from wire rod from Trinidad and Tobago, I conclude that the domestic industry is not materially injured by reason of imports of wire rod from Trinidad and Tobago that are sold in the United States at LTFV.[31]

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[27] (...continued)
between 1999 and 2001; subject imports from Brazil, Indonesia, Mexico, Moldova, and Ukraine gained nearly *** percentage points of market share between 1999 and 2001).

[28] 19 U.S.C. § 1677(7)(C)(iii). *See also* SAA at 851 and 885 ("In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports." *Id.* at 885).

[29] 19 U.S.C. § 1677(7)(C)(iii); *see also* SAA at 851 and 885 and Live Cattle from Canada and Mexico, Inv. Nos. 701-TA-386 and 731-TA-812-813 (Preliminary), USITC Pub. 3155 (Feb. 1999) at 25, n.148.

[30] The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). In its final determination of sales at LTFV, Commerce found dumping margins of 11.40 percent for Caribbean Ispat Ltd. and for all other manufacturers and exporters in Trinidad and Tobago. 67 Fed. Reg. 55788, 55790 (Aug. 30, 2002). In addition, Commerce made a negative countervailing duty determination with respect to subject imports from Trinidad and Tobago. 67 Fed. Reg. 55810 (Aug. 30, 2002). The Commission subsequently terminated its countervailing duty investigation with respect to subject imports from Trinidad and Tobago. 67 Fed. Reg. 62075 (Oct. 3, 2002).

[31] I have considered Petitioners' arguments with respect to Trinidad and Tobago (*see* Petitioners' Posthearing Brief at 13 and appendix 1 at 75). While Trinidad and Tobago was the *** largest source of imported wire rod and its import volume increased in 2001, I find that the limited market share and growth in market share accounted for by wire rod from Trinidad and Tobago over the period examined suggest that the impact of such imports was not significant. While subject imports from Trinidad and Tobago generally were comparable to domestically produced wire rod and undersold comparable domestic product in the majority of instances, I find that the relatively low margins of underselling, particularly in light of the rapid growth in very low-priced imports from other subject
(continued...)

II. NO THREAT OF MATERIAL INJURY BY REASON OF SUBJECT IMPORTS FROM TRINIDAD AND TOBAGO

A. In General

Section 771(7)(F) of the Act directs the Commission to determine whether the U.S. industry is threatened with material injury by reason of the subject imports by analyzing whether "further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted."[32] The Commission may not make such a determination "on the basis of mere conjecture or supposition," and considers the threat factors "as a whole" in making its determination whether dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued.[33] In making my determination, I have considered all statutory factors that are relevant to these investigations,[34] including the rate of the increase in the volume and market penetration of subject imports, unused production capacity, and any substantial inventories of the subject merchandise. As noted above, because Trinidad and Tobago is the only subject country in these investigations that is a CBERA country, my analysis of whether the domestic industry is threatened with material injury by reason of wire rod from Trinidad and Tobago is limited to a consideration of subject imports from Trinidad and Tobago alone.[35]

B. Statutory Threat Factors

Based on an evaluation of the relevant statutory factors, I determine that the domestic industry is not threatened with material injury by reason of the subject imports from Trinidad and Tobago sold in the United States at LTFV.

As an initial matter, I do not find that the domestic industry is vulnerable to a threat of material injury by reason of the subject imports from Trinidad and Tobago. As noted above, the domestic industry experienced a sharp decline in its operating performance between 1999 and 2001. Going forward, however, the domestic industry faces a market in which the closure of four mills between

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[31] (...continued)
countries, suggest that the impact of such prices do not rise to the level of "significant." In addition, I do not agree with the characterization by the Petitioners that "the growth in imports from Trinidad closely tracked, in an inverse manner, the financial deterioration of the domestic industry." While such a characterization is accurate for cumulated subject imports, subject imports from Trinidad and Tobago declined in 2000 (when the financial performance of the domestic industry deteriorated) and increased in 2002 (when the financial performance of the domestic industry improved). Finally, I am not persuaded by the contention that subject imports from Trinidad and Tobago "deprived" the domestic industry of sales it could have otherwise obtained in interim 2002, given the absence of confirmed lost sales or lost revenue allegations, the increase in the domestic industry's capacity utilization, and the improvement in unit sales and operating income. Memorandum INV-Z-162 at Table C-2a.

[32] 19 U.S.C. § 1673d(b) and 1677(7)(F)(ii).

[33] 19 U.S.C. § 1677(7)(F)(ii).

[34] 19 U.S.C. § 1677(7)(F)(i). Factor I is inapplicable to wire rod from Trinidad and Tobago because, as a result of Commerce's negative determination, no countervailable subsidy is involved. Factor VII is also inapplicable because these investigations do not involve imports of a raw agricultural product.

[35] 19 U.S.C. § 1677 (7)(G)(ii)(III).

December 2000 and June 2001 will exacerbate the pre-existing gap between domestic capacity and apparent U.S. consumption.[36] Such market conditions, if accompanied by a reduction in LTFV imports, are conducive to higher price levels and more productive use of assets. Indeed, the domestic industry achieved profitability in the first quarter of 2001 on the strength of rising prices and declining costs.[37]

There is no evidence on the record of an imminent, substantial increase in production or capacity in Trinidad and Tobago indicating the likelihood of substantially increased imports of wire rod into the United States, nor evidence of a likelihood of a substantial increase in the volume of subject imports. As noted earlier, I did not find that the volume or increase in the volume of subject imports from Trinidad and Tobago over the period examined was significant, and the data collected on the industry in Trinidad and Tobago do not indicate that the trend is likely to be different in the imminent future.

Caribbean Ispat's capacity remained stable throughout the period examined, and is projected to remain stable at *** short tons annually.[38] Production levels were relatively stable between 1999 and 2000, then declined by *** short tons in 2001,[39] although capacity utilization remained high throughout the period examined.[40] Available capacity fluctuated between *** short tons and *** short tons during the period 1999-2001.[41] Production in Trinidad and Tobago is projected to reach *** short tons in 2002 and 2003 as a result of higher volumes of home market sales and exports to non-U.S. markets.[42] In light of the consistently high levels of capacity utilization by Caribbean Ispat and its limited availability of excess capacity, I see no likelihood of a substantial increase in the volume of subject imports.[43]

Inventories in Trinidad and Tobago increased from *** short tons in 1999 to *** short tons in 2001, rising as a share of total shipments from *** to ***.[44] U.S. importer-held inventories, on the other hand, were quite small (less than *** short tons and consistently less than *** percent of imports of wire rod from Trinidad and Tobago) and have been diminishing since the end of 2000 (falling to just ***

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[36] North Star ceased rod production at its Kingman facility in December 2000. The facility continues to produce rebar and merchant bar, and North Star continues to produce wire rod in Beaumont. GSI entered bankruptcy in February 2001 and closed its Kansas City facility. Its Georgetown facility has been purchased and will remain open. Northwestern failed to emerge from bankruptcy and suspended operations in May 2001. Its facility has been purchased by wire producer L&P, which intends to recondition the facility and consume its wire rod internally. Birmingham closed its AS&W facility in June 2001. Its facility has been purchased by U.S. producer Charter, but is being used to produce bar products only. CR at II-2-4, PR at II-1-2.

[37] Memorandum INV-Z-162 at Table C-2a.

[38] CR/PR at Table VII-7. Caribbean Ispat is the only known producer of wire rod in Trinidad and Tobago. CR at VII-10, PR at VII-5.

[39] CR/PR at Table VII-7. Production levels were *** short tons in 1999, *** short tons in 2000, and *** short tons in 2001. In the first quarter of 2002, production reached *** short tons, compared to *** short tons in the first quarter of 2001. *Id.*

[40] CR/PR at Table VII-7. Caribbean Ispat's capacity utilization rates were ***. *Id.*

[41] CR/PR at Table VII-7.

[42] CR/PR at Table VII-7. Caribbean Ispat's non-U.S. export markets include ***. CR/PR at Table VII-7 note 2.

[43] Moreover, exports to the United States already account for a substantial share of Caribbean Ispat's production and shipments of wire rod, fluctuating between *** and *** percent of total shipments during the period 1999-2001. Projections for 2002 and 2003 of *** percent are in line with 1999-2001 data. CR/PR at Table VII-7.

[44] CR/PR at Table VII-7. During the first quarter of 2002, such inventories stood at *** short tons, or *** percent of annualized shipments. *Id.*

short tons at the end of the first quarter of 2002).[45] On balance, I find that inventory levels do not indicate a likelihood of a significant increase in imports from Trinidad and Tobago in the imminent future.

I did not find the adverse price effects of the subject imports from Trinidad and Tobago to be significant during the period examined. Because prices have increased during recent quarters, domestic supply has become increasing constrained due to mill closures, and a significant increase in subject imports from Trinidad and Tobago does not appear to be imminent, I do not find that subject imports from Trinidad and Tobago are likely to have significant depressing or suppressing effects on domestic prices in the imminent future.

I also find that subject imports from Trinidad and Tobago are not likely to have an actual or potential negative effect on the domestic industry's existing development and production efforts. During the period 1999-2001, domestic production, capacity, capital expenditures, and R&D expenditures decreased markedly.[46] Going forward, however, domestic production and capital expenditures increased in the first quarter of 2002, although capacity and R&D expenditures decreased.[47]

The record indicates that Trinidad and Tobago also produces *** on the same equipment used to produce wire rod.[48] Wire rod, however, accounts for *** percent of total sales, and Caribbean Ispat has shown no inclination to alter its allocated capacity between *** and wire rod.[49]

Finally, since March 1, 2000, imports of wire rod other than those from Canada and Mexico have been subject to a tariff-rate quota (TRQ). The TRQ on wire rod, including a defined allocation for Trinidad and Tobago, will expire in March 2003. The TRQ currently imposes an additional 5 percent tariff on over-quota shipments from Trinidad and Tobago.[50] Colombia has had an antidumping duty order on low-carbon wire rod from Trinidad and Tobago since December 1997; the order, however, will terminate in December 2002.[51]

For the foregoing reasons, on balance I determine that the U.S. industry producing wire rod is not threatened with material injury by reason of subject imports from Trinidad and Tobago.

CONCLUSION

For the reasons stated above, I determine that an industry in the United States is not materially injured, or threatened with material injury, by reason of imports of wire rod from Trinidad and Tobago that are sold in the United States at LTFV.

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[45] CR/PR at Table VII-9.

[46] Memorandum INV-Z-162 at Table C-2a.

[47] Memorandum INV-Z-162 at Table C-2a.

[48] CR at VII-10, PR at VII-5.

[49] CR at VII-10, PR at VII-5 (sales); CR/PR at Table VII-7 (capacity).

[50] During the final quota year, quarterly allocations were based on four equal allocations and were allocated by region (the European Union; Trinidad and Tobago; former Soviet republics; and all other countries). CR at I-11-14, PR at I-9-11.

[51] CR at VII-10 and 13, PR at VII-5.

ADDITIONAL AND DISSENTING VIEWS OF COMMISSIONER LYNN M. BRAGG

Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine
Investigations Nos. 701-TA-417-419 (Final) and 731-TA-953-954, 956-959, and 961-962 (Final)

As noted, I join my colleagues in finding that an industry in the United States is materially injured by reason of subsidized imports of carbon and certain alloy steel wire rod from Brazil and Canada, and less-than-fair-value ("LTFV") imports of carbon and certain alloy steel wire rod from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine. However, because I find that subject imports from Germany are likely to imminently exceed the applicable negligibility threshold, and because I find that an industry in the United States is threatened with material injury by reason of subsidized and LTFV subject imports from Germany, I provide my additional and dissenting views below.[1] Before proceeding to a discussion of my separate injury analysis, I offer the following general observations regarding the Commission's actions in response to the extraordinary procedural posture that developed during the course of these investigations.

I. GENERAL OBSERVATIONS

A. Background

These investigations result from petitions filed on August 31, 2001, alleging material injury and threat of material injury to an industry in the United States by reason of subsidized subject imports from Brazil, Canada, Germany, Trinidad and Tobago, and Turkey, and LTFV subject imports from Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Ukraine, and Venezuela.[2] The original scope of these investigations as provided for in the petitions included certain grade 1080 tire cord and tire bead quality wire rod; however, on October 9, 2001, the Petitioners requested that Commerce modify the scope to exclude certain grade 1080 tire cord and tire bead quality wire rod.[3] On October 12, 2001, the Commission rendered its preliminary determinations based upon the original scope because Commerce had not yet amended the scope as requested by the Petitioners.[4]

Based upon the original scope, the Commission found that subject imports from Egypt, South Africa, and Venezuela, were each below the three percent negligibility threshold, and that in the aggregate, subject imports from these three countries were below the seven percent negligibility threshold; accordingly, the Commission found imports from these three countries to be negligible for

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[1] I also dissent from the negative critical circumstances determinations rendered by the Commission majority, and as discussed below, I make affirmative findings of critical circumstances with respect to subject imports from Germany, Moldova, and Ukraine.

[2] Confidential Report ("CR") at I-1; Public Report ("PR") at I-1.

[3] *See* Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Turkey, Ukraine, and Venezuela, Invs. Nos. 701-TA-417-421 and 731-TA-953-963 (Preliminary), USITC Pub. 3456 at 9 n.41 (October 2001) ("Preliminary Determination").

[4] *See id.*

purposes of a present material injury analysis.[5] The Commission majority further found that subject imports from these three countries would not imminently exceed the applicable negligibility thresholds, either individually or in the aggregate, and as a result, the investigations with respect to Egypt, South Africa, and Venezuela, were terminated.[6] [7] The Petitioners subsequently appealed the Commission's negligibility findings and the termination of the investigations with respect to Egypt, South Africa, and Venezuela, to the Court of International Trade.

On April 10, 2002, Commerce modified the scope of these investigations to exclude certain grade 1080 tire cord and tire bead quality wire rod; when evaluated against this modified scope, subject imports from Germany fell below the applicable three percent negligibility threshold during the most recent twelve month period preceding the filing of the petition for which data were available; however, when considered in the aggregate, imports of subject merchandise from Egypt, Germany, South Africa, Venezuela, together exceeded the seven percent negligibility threshold. On June 20, 2002, the Court of International Trade remanded the Commission's negligibility findings with respect to Egypt, South Africa, and Venezuela, in light of the modified scope definition, and on July 3, 2002, the Commission reopened the record to introduce subject import data based upon the modified scope definition.

On July 19, 2002, pursuant to the Court's order of remand, the Commission rendered affirmative preliminary determinations of present material injury on remand with respect to subject imports from Egypt, South Africa, and Venezuela, based upon a cumulative analysis. The Commission submitted its remand views to the Court on August 2, 2002; in particular, the Commission found that subject imports from these three countries were not negligible because such imports, together with subject imports from Germany, exceeded the seven percent aggregate negligibility threshold. Pending judicial finality, however, the Commission did not transmit notice of the affirmative preliminary determinations on remand to Commerce, nor did the Commission attempt to revive the previously terminated investigations with respect to Egypt, South Africa, and Venezuela, by publishing notice of affirmative preliminary determinations on remand in the *Federal Register*.

On September 13, 2002, the Court of International Trade affirmed the Commission's remand determination. The Court did not, however, provide any further instruction with respect to how subject imports from Egypt, South Africa, and Venezuela, should be treated for purposes of the Commission's pending final determinations in the remaining investigations involving Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, Turkey, and Ukraine. Again, pending judicial finality, the Commission did not transmit notice of affirmative preliminary determinations on remand to Commerce, nor did the Commission attempt to revive the previously terminated investigations with respect to Egypt, South Africa, and Venezuela, by publishing notice of affirmative preliminary determinations on remand in the *Federal Register*. On September 24, 2002, the Egyptian respondent filed an appeal from the decision of the Court of International Trade affirming the Commission's remand

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[5] Preliminary Determination at 8-9.

[6] Preliminary Determination at 9-11. The Commission published notice of termination of the investigations with respect to Egypt, South Africa, and Venezuela, in the *Federal Register*. 66 Fed. Reg. 54,539 (October 29, 2001).

[7] I dissented from this aspect of the majority's determination, and found instead that subject imports from Egypt, South Africa, and Venezuela, would imminently exceed the statutory negligibility threshold. *See* Preliminary Determination at 9 n.43. Consequently, I proceeded to a threat analysis with respect to these three countries, and based upon a cumulative analysis I rendered affirmative determinations, finding a reasonable indication that a domestic industry was threatened with material injury by reason of subject imports from Egypt, South Africa, and Venezuela. *See* Preliminary Determination at 24 n.146.

determination with the Court of Appeals for the Federal Circuit. On October 2, 2002, the Commission voted in the final phase investigations with respect to Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, Turkey, and Ukraine; as noted, a majority of the Commission found subject imports from Germany to be negligible.

B. Policy Concerns

In my view, the foregoing developments created in these final phase investigations an extraordinary procedural posture that exposes a tension between two lines of relevant legal teachings that I will refer to as *Timken*[8] finality (*i.e.* deferral of administrative action pending the finality of the appellate process) and *Borlem*[9] accuracy (*i.e.* reconsideration of administrative determinations in the interest of ensuring accuracy in the administration of U.S. trade laws). As a matter of policy, the Commission confronted the choice between conducting these investigations in accordance with the principle of *Timken* finality versus acting in accordance with the imperative of *Borlem* accuracy. Ultimately, I do not agree with the choice of *Timken* finality over *Borlem* accuracy, due to the strong probability that the administrative inaction dictated by *Timken* finality would be outcome determinative with respect to the investigations involving Germany, as well as any revived investigations involving Egypt, South Africa, and Venezuela; such a result would frustrate the express legislative intent underlying the amended cumulation provision that was incorporated into the Uruguay Round Agreements Act. In my view, this substantive implication elevates a seemingly procedural matter beyond the principle of *Timken* finality and instead invites the application of *Borlem* accuracy in these exceptional circumstances.

In accordance with *Timken* and its progeny, the Commission has an established procedure of not issuing *Federal Register* notices with respect to its remand determinations until final judicial disposition of the matter, treating its original determinations as operative until directed otherwise by final court disposition.[10] I agree that this practice serves the Commission well as a general rule, particularly in the context of appeals taken from final Commission determinations. However, the exceptional principle of *Borlem* accuracy derives from a court ordered remand requiring the Commission to reconsider a final affirmative injury determination in light of the subsequent identification and correction of erroneous dumping margins that had been assigned by Commerce to the only two producers of subject merchandise; importantly, the Commission in *Borlem* proceeded to reconsider its final determination even though Commerce's remand determination that gave rise to the amended margins was still on appeal.[11] In response to the concern expressed by the Commission over "endless *renvoi*" given the absence of judicial finality with respect to Commerce's amended dumping margins, the *Borlem* court

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[8] Timken Co. v. United States, 893 F.2d 337 (Fed. Cir. 1990).

[9] Borlem S.A.–Empreedimentos Industriais v. United States, 913 F.2d 933 (Fed. Cir. 1990).

[10] The *Timken* court held that a decision of the Court of International Trade ("CIT") that is under appeal is not a "final court decision" and therefore liquidation of entries pursuant to the CIT decision is not appropriate until the appellate process is completed. Timken, 893 F.2d at 339-340. The Federal Circuit recently extended its holding in *Timken*, finding that a court decision is not final until expiry of the period necessary to file a petition for certiorari to the U.S. Supreme Court. *See* Fujitsu General America, Inc. v. United States, 283 F.3d 1364 (Fed. Cir. 2002).

[11] In its original determination in *Borlem*, Commerce assigned dumping margins in excess of 15 percent to each of the two subject producers; as a result of the court ordered remand, however, Commerce assigned a *de minimis* dumping margin to one of the subject producers, while the other subject producer was assigned a dumping margin of roughly 10 percent. Borlem, 913 F.2d at 935.

acknowledged that the "point is a thoughtful one."[12] Nonetheless, the *Borlem* court did not see fit to preclude reconsideration on that basis.[13]

The *Borlem* court also stated that "Congress' desire for speedy determinations on dumping matters should not be interpreted as authorizing proceedings that are based on inaccurate data" and that "{t}he law does not require, nor would it make sense to require, reliance on data which might lead to an erroneous result."[14] With respect to the question of negligibility in these final phase investigations, the Commission is basing its determination on "accurate data" in that subject import data are compiled in accordance with the scope as amended by Commerce on April 10, 2002. However, because of the Commission's failure to revive the investigations with respect to Egypt, South Africa, and Venezuela, following its affirmative preliminary determinations on remand, the Commission fails to heed the guidance of *Borlem* and instead relies upon data which, in my view, have led to an erroneous result. Specifically, the investigations with respect to Egypt, South Africa, and Venezuela, each remain terminated; thus, subject imports from Germany are examined in isolation for purposes of determining negligibility in these final investigations.[15] Yet the fact remains that petitions were filed on the same day with respect to imports encompassed by the amended scope from Egypt, Germany, South Africa, and Venezuela; accordingly, as the Commission recognized in its remand determination, negligibility should be determined on the basis of imports from these four countries in the aggregate–resulting in a finding that imports from each of the countries subject to these investigations are not negligible and are therefore amenable to cumulation if there exists a reasonable overlap of competition among subject imports and between subject imports and the domestic like product. Instead, the investigations with respect to Germany are terminated.[16]

In sum, notwithstanding affirmative preliminary determinations on remand with respect to Egypt, South Africa, and Venezuela, the Commission's adherence to the principle of *Timken* finality has led to an erroneous result with respect to Germany that also frustrates the express legislative intent underlying the amended cumulation provision, *i.e.* that imports subject to petitions filed on the same day should be treated in a consistent and predictable procedural manner.[17] In my view, the strong probability

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[12] Borlem, 913 F.2d at 939.

[13] Borlem, 913 F.2d at 939 (the possibility of multiple determinations by the Commission does not lead to a conclusion of error by the trial court in remanding the matter to the Commission).

[14] Borlem, 913 F.2d at 937.

[15] The Commission majority found that subject imports from Germany are negligible and that there is not a potential that subject imports from Germany will imminently exceed the applicable three percent negligibility threshold; accordingly, by operation of law the investigations with respect to Germany are terminated.

[16] Moreover, the disposition of any subsequently revived investigations with respect to Egypt, South Africa, and Venezuela, is likely rendered moot because without Germany, subject imports from those three countries fail to exceed the applicable negligibility thresholds, both individually and in the aggregate; in addition, based upon a broader definition of subject merchandise, the Commission majority previously determined that there is no potential that such imports will imminently exceed the applicable negligibility thresholds. Preliminary Determination at 9-11.

[17] *See* Uruguay Round Agreements Act, Statement of Administrative Action ("SAA") at 177-180; *see also* SAA at 185-187 (termination based upon negligibility in preliminary investigations is precluded where imports are extremely close to the relevant negligibility thresholds and there is a reasonable indication that data obtained in a final investigation will establish that imports exceed the negligibility thresholds). Although the SAA proscribes a negligibility finding in the foregoing circumstances, with respect to a present material injury analysis the statute is

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that the administrative inaction dictated by *Timken* finality would be outcome determinative with respect to the investigations involving Germany should have guided the Commission to take action consistent with the principle of *Borlem* accuracy in these exceptional circumstances, *i.e.* publication in the *Federal Register* of the Commission's affirmative preliminary determinations on remand and revival of the Commission's terminated investigations with respect to Egypt, South Africa, and Venezuela.

II. DOMESTIC LIKE PRODUCT AND INDUSTRY

A. Domestic Like Product

In the Preliminary Determination, I joined a unanimous Commission in defining a single domestic like product comprised of the continuum of all carbon and certain alloy steel wire rod products falling within the scope.[18] As noted, Commerce has since modified the scope to exclude certain grade 1080 tire cord and tire bead quality wire rod. In previous investigations involving certain steel wire rod, I excluded tire cord wire rod from the definition of the domestic like product because it fell outside the scope of the investigations and I determined that, having identified the domestic product "like" the subject merchandise, it was not necessary to proceed to the question of whether tire cord wire rod should be included in the like product definition.[19] Similarly, in these investigations I find it is not necessary to consider whether certain grade 1080 tire cord and tire bead quality wire rod should be included in the like product definition. Accordingly, I define a single domestic like product in these final phase investigations, coterminous with the amended scope and thus excluding certain grade 1080 tire cord and tire bead quality wire rod. I further note, however, that domestic production of 1080 tire bead and 1080 tire cord products is *** compared to domestic production of the like product corresponding to Commerce's scope.[20] As a result, the trends identified by the Commission majority in its analysis of the volume, price effects, and impact of subject imports on the domestic industry, are equally valid with respect to the domestic industry that I define below.

B. Domestic Industry

In accordance with the foregoing definition, I define a single domestic industry consisting of all U.S. producers of the domestic like product, thus excluding any production of certain 1080 tire cord and 1080 tire bead wire rod products. I further note, however, that the U.S. producers encompassed by my definition of the domestic industry are identical to those identified by the Commission majority because no U.S. producer of wire rod is engaged exclusively in the production of 1080 tire cord and 1080 tire

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[17] (...continued)
unequivocal in its terms, regardless of whether the context is a preliminary or final phase investigation. *See* 19 U.S.C. § 1677(24)(A). Thus, there appears to be a tension between the unequivocal terms of the statutory negligibility provision versus the nature and purpose of the inquiry in preliminary phase investigations. *See* American Lamb Co. v. United States, 785 F.2d 994 (Fed. Cir. 1986).

[18] Preliminary Determination at 6.

[19] Certain Steel Wire Rod from Canada, Germany, Trinidad and Tobago, and Venezuela, Invs. Nos. 701-TA-368-371 (Preliminary) and 731-TA-763-766 (Preliminary), USITC Pub. 3037 at 11 n.50 (April 1997); Certain Steel Wire Rod from Canada, Germany, Trinidad and Tobago, and Venezuela, Invs. Nos. 701-TA-368-371 (Final), USITC Pub. 3075 at 6 n.21 (November 1997).

[20] *Compare* CR/PR Tables C-1 *and* C-2.

bead wire rod products.[21] In addition, I note that I join my colleagues in declining to exclude any U.S. producer as a related party.[22]

III. NEGLIGIBLE IMPORTS

Imports from a single subject country corresponding to a domestic like product that account for less than three percent of all such merchandise imported into the United States during the most recent 12 months for which data are available preceding the filing of the petition shall be deemed negligible.[23] As noted, only Germany is implicated by the negligibility provision in these final phase investigations. Subject imports from Germany accounted for *** percent of total imports during the relevant 12 month period and are thus negligible for purposes of a present material injury analysis.[24] The statute further provides, however, that imports from a single country which comprise less than three percent of total imports of such merchandise shall not be treated as negligible for purposes of a threat analysis if there is a potential that imports from such a country will imminently exceed the three percent threshold.[25] I note that subject producers in Germany project their total production in 2002 will increase by 306,302 short tons over 2001 levels, and will increase by a further 50,000 short tons in 2003; in addition, subject producers project that their end-of-period inventories will decline by 30,000 short tons in 2002, and by a further 30,000 short tons in 2003.[26]

Even if the total volume of subject imports from Germany during the relevant 12 month period (*i.e.* *** short tons) is subtracted from the projected increase in production for 2002, this still leaves an additional *** short tons of subject merchandise available for export from Germany in 2002, and a further *** short tons available for export in 2003. Standing alone, the additional volume of subject merchandise available for export in 2002 is equivalent to *** percent of the volume of total imports of such merchandise into the United States during the relevant 12 month period; similarly, the additional volume of subject merchandise available for export in 2003 is equivalent to a further *** percent of the volume of total imports of such merchandise into the United States during the relevant 12 month period.[27] Based upon all the foregoing, I am satisfied that there is a potential that subject imports from Germany will imminently exceed the three percent negligibility threshold; accordingly, I proceed to a threat analysis in the investigations with respect to Germany.

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[21] *See* CR/PR at Table D-3.

[22] *See* Views of the Commission section I.D.2.

[23] 19 U.S.C. § 1677(24)(A)(i). In this case the relevant 12 month period extends from August 1, 2000, through July 31, 2001.

[24] CR/PR at Table IV-2.

[25] 19 U.S.C. § 1677(24)(A)(iv).

[26] CR/PR at Table VII-3.

[27] *Calculated from* Table IV-2.

IV. CUMULATION

In the Preliminary Determination, I found a reasonable overlap of competition among all subject imports and between all subject imports and the domestic like product;[28] as a result, I engaged in a cumulative analysis of all subject imports for purposes of analyzing the threat of material injury by reason of subject imports from Egypt, South Africa, and Venezuela.[29] Similarly, in the remand determination, notwithstanding the amendment to the scope, I joined a unanimous Commission in cumulating subject imports from Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Turkey, Ukraine, and Venezuela, for purposes of our present material injury analysis in the investigations with respect to Egypt, South Africa, and Venezuela. Upon review, I find that nothing in the record developed in these final phase investigations detracts from my finding of a reasonable overlap of competition among all subject imports, and between all subject imports and the domestic like product.[30]

Accordingly, I cumulate subject imports from Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine, for purposes of analyzing the threat of material injury by reason of subject imports from Germany in these final phase investigations.

V. CONDITIONS OF COMPETITION

I note that I join the Commission majority's discussion of the relevant conditions of competition in these investigations.[31] With respect to section 201 safeguard relief imposed by the President on imports of certain wire rod,[32] I note that in previous investigations I have stated my view that the existence of section 201 safeguard relief is not relevant to the analysis of material injury in Title VII investigations, except to the extent that such relief masks the injurious presence of subject imports in the U.S. market.[33] I reaffirm that view in these investigations. In any event, even if the impact of the 201 relief is taken into account, the record presents compelling evidence of material injury over the period 1999-2001 by reason of the significant volume and price effects of subject imports.[34] I have discounted the probative value of interim 2002 data (which evidence an improvement in certain performance indicia of the domestic industry coupled with a decline in the volume of subject imports)[35] due to the filing of the petitions and the pendency of these investigations.[36] Consequently, in turning to an analysis of the threat of material injury posed by cumulated subject imports, I chiefly rely upon the 2001 data as a reference point. Based upon the significant deterioration in the performance indicia of the domestic

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[28] *See* Preliminary Determination at 15 n.79.

[29] *See* Preliminary Determination at 24 n.146.

[30] I note that I also join in the analysis of cumulation set forth in section III of the Views of the Commission.

[31] Views of the Commission section IV.

[32] Presidential Proclamation 7273 of February 16, 2000; CR at I-11, PR at I-9.

[33] *See Dissenting Views of Commissioner Lynn M. Bragg* in Certain Cold-Rolled Steel Products from Australia, India, Japan, Sweden, and Thailand, Inv. Nos. 731-TA-965, 971-972, 979, and 981 (Final), USITC Pub. 3536 at 57, 72-73 (September 2002).

[34] *See* Views of the Commission section V.

[35] *See* CR/PR at Table C-1.

[36] *See* 19 U.S.C. § 1677(7)(I).

industry over the period 1999-2001, I find that the domestic industry currently is in a vulnerable condition.

VI. THREAT OF MATERIAL INJURY

Section 771(7)(F) of the Act directs the Commission to determine whether an industry in the United States is threatened with material injury by reason of the subject imports by analyzing whether "further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted."[37] The Commission may not make such a determination "on the basis of mere conjecture or supposition," and considers the threat factors "as a whole."[38] In making my determination, I have considered all factors that are relevant to this investigation.[39]

As noted, I find that the domestic industry is vulnerable to material injury, and that the domestic industry has already experienced present material injury by reason of subject imports from Brazil, Canada, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine. My assessment of the threat posed by subject imports from Germany is based on a cumulative analysis with imports from those other subject countries, and thus my affirmative threat determinations for Germany are a natural extension of my affirmative determinations of present material injury with respect to the other subject countries. Additional threat factors specific to Germany include the following:

With regard to whether imports of the subject merchandise are likely to increase,[40] as noted, the projections of subject producers in Germany indicate a minimum of an additional *** short tons of production available for export in 2002,[41] which is equivalent to *** percent of apparent U.S. consumption in 2001.[42] German producers project a further increase of *** short tons of production available for export in 2003, which is equivalent to *** percent of apparent U.S. consumption in 2001. Based upon the foregoing and the partial improvement in price levels evidenced in the U.S. market during interim 2002,[43] I find that subject imports from Germany are likely to increase imminently.

With regard to unused capacity in the subject countries,[44] I note that subject producers in Germany project unused capacity of 855,170 short tons in 2002, which is equivalent to 12.3 percent of apparent U.S. consumption in 2001; for 2003, notwithstanding a slight increase in projected capacity,

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[37] 19 U.S.C. §§ 1677d(b) and 1677(7)(F)(ii).

[38] 19 U.S.C. § 1677(7)(F)(ii).

[39] 19 U.S.C. § 1677(7)(F)(i). Factor (VII) regarding raw and processed agricultural products is inapplicable to the instant investigations. With regard to factor (I) involving allegations of a countervailable subsidy, I have reviewed the information provided by Commerce regarding the CVD investigations with respect to Brazil, Canada, and Germany. *See* 67 Fed. Reg. 55,805 (Aug. 30, 2002) (Brazil); 67 Fed. Reg. 55,813 (Aug. 30, 2002) (Canada); 67 Fed. Reg. 55,808 (Aug. 30, 2002) (Germany).

[40] *See* 19 U.S.C. § 1677(7)(F)(i)(I).

[41] *See supra* section III (negligible imports).

[42] *Calculated from* CR/PR at Table C-1.

[43] *See* CR/PR at Tables V-3 through V-7.

[44] *See* 19 U.S.C. § 1677(7)(F)(i)(II).

German producers again project unused capacity of 855,170 short tons.[45] These projections of unused capacity in Germany further indicate the likelihood of substantially increased exports of subject merchandise to the U.S. market.[46]

The statute also directs the Commission to examine whether subject imports are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices and are likely to increase demand for further imports.[47] Based upon the pricing behavior evident on the record, I find that subject imports will continue to undersell the domestic like product to a significant degree; as noted, subject imports (excluding Germany) undersold the domestic like product in roughly two-thirds of the pricing comparisons available on the record, with margins of underselling ranging as high as *** percent.[48] Similarly, subject imports from Germany undersold the domestic like product in 23 out of 35 quarterly pricing comparisons for a 65.7 percent incidence of underselling, with margins of underselling ranging as high as *** percent. In addition, the record indicates that the domestic industry experienced a progressive cost/price squeeze over the period 1999-2001, with the ratio of COGS/sales increasing from 96.6 percent in 1999 to 98.4 percent in 2000, and to 102.0 percent in 2001.[49] Given the significant degree of underselling that will continue to prevail, I find that subject imports will enter the U.S. market at prices that are likely to have a significant suppressing effect on domestic prices in the imminent future; this, in turn, will extend the impact of the cost/price squeeze experienced by the domestic industry, which will have a negative effect on the existing development and production efforts of the domestic industry.[50]

Based upon all the foregoing, I find that an industry in the United States is threatened with imminent material injury by reason of subsidized and LTFV subject imports from Germany.

VII. CRITICAL CIRCUMSTANCES

Commerce has rendered final determinations that critical circumstances exist in the antidumping investigations of subject imports from Germany, Moldova, and Ukraine. Because I find that a domestic industry is materially injured by reason of subject imports from Moldova and Ukraine, and is threatened with material injury by reason of subject imports from Germany, I must further determine whether imports from each of these three subject countries "are likely to undermine seriously the remedial effect" of antidumping duty orders covering imports from these countries.[51] As discussed below, I render affirmative critical circumstances determinations with respect to Germany, Moldova, and Ukraine.

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[45] *Calculated from* CR/PR at Tables VII-3 and C-1.

[46] I note in this regard that subject producers in Germany exhibit a substantial export orientation, with total exports to all countries accounting for over *** of total shipments throughout the period of investigation.

[47] 19 U.S.C. § 1677(7)(F)(i)(IV).

[48] *See* Views of the Commission section V.C; *see also* CR/PR at Tables V-3 through V-9.

[49] CR/PR at Table C-1.

[50] *See* 19 U.S.C. § 1677(7)(F)(i)(VIII). I also note that subject producers in Germany manufacture a number of difference products on the same machinery used to produce the subject merchandise, thus raising the distinct potential for product shifting; *see* 19 U.S.C. § 1677(7)(F)(i)(VI).

[51] 19 U.S.C. § 1673d(b)(4)(A)(i). The statute further provides that in making this determination, the Commission shall consider, among other factors it considers relevant: (I) the timing and volume of the imports; (II) a rapid increase in inventories of the imports; and (III) any other circumstances indicating that the remedial effect of the antidumping duty order will be seriously undermined. 19 U.S.C. § 1673d(b)(4)(A)(ii).

To begin, I note that the average monthly volume of apparent U.S. consumption during 2001 was 577,975 short tons.[52] In analyzing whether critical circumstances exist in these investigations, I have focused on a comparison of subject import volumes during two-month, three-month, and four-month, periods before and after the filing of the petition.[53] I have also compared the post-petition import volumes to the corresponding volume of average apparent U.S. consumption during the respective period. I am satisfied that for each country, these comparisons demonstrate that increased imports have reached levels relative to apparent U.S. consumption such that the volume of low-priced subject imports from each country is likely to undermine seriously the remedial effect of an antidumping duty order covering such imports.

In the case of Germany, a comparison of the two-month periods preceding and following the filing of the petition indicates that the volume of subject imports increased by *** percent during the period September to October 2001, reaching a total level that was equivalent to *** percent of the average apparent U.S. consumption for that period.[54] A comparison of three-month periods indicates that the volume of subject imports increased by *** percent during the period September to November 2001, reaching a total level that was equivalent to *** percent of the average apparent U.S. consumption for that period.[55] Finally, a comparison of four-month periods indicates that the volume of subject imports increased by *** percent during the period September to December 2001, reaching a total level that was equivalent to *** percent of the average apparent U.S. consumption for that period.[56] I find that the increasing volumes of significantly lower priced[57] subject imports from Germany that are subject to a critical circumstances determination are likely to undermine seriously the remedial effect of an antidumping duty order.

In the case of Moldova, a comparison of the two-month periods preceding and following the filing of the petition indicates that the volume of subject imports increased by 157.5 percent during the period September to October 2001, reaching a total level that was equivalent to 5.2 percent of the average apparent U.S. consumption for that period.[58] A comparison of three-month periods indicates that the volume of subject imports increased by 18.0 percent during the period September to November 2001, reaching a total level that was equivalent to 4.3 percent of the average apparent U.S. consumption for that period.[59] Finally, a comparison of four-month periods indicates that the volume of subject imports increased by 50.0 percent during the period September to December 2001, reaching a total level that was equivalent to 4.6 percent of the average apparent U.S. consumption for that period.[60] I find that the increasing volumes of significantly lower priced[61] subject imports from Moldova that are subject to a

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[52] *Calculated from* CR/PR at Table C-1.

[53] The petition was filed on August 31, 2001.

[54] *Calculated from* CR/PR at Tables IV-6 and C-1.

[55] *Calculated from* CR/PR at Tables IV-6 and C-1.

[56] *Calculated from* CR/PR at Tables IV-6 and C-1.

[57] As noted, subject imports from Germany undersold the domestic like product in 23 out of 35 weighted average quarterly pricing comparisons, for a 65.7 percent incidence of underselling. CR/PR at Table V-10.

[58] *Calculated from* CR/PR at Tables IV-6 and C-1.

[59] *Calculated from* CR/PR at Tables IV-6 and C-1.

[60] *Calculated from* CR/PR at Tables IV-6 and C-1.

[61] Subject imports from Moldova undersold the domestic like product in 19 out of 22 weighted average quarterly

(continued...)

critical circumstances determination are likely to undermine seriously the remedial effect of an antidumping duty order.

In the case of Ukraine, a comparison of the two-month periods preceding and following the filing of the petition indicates that the volume of subject imports increased by 31.2 percent during the period September to October 2001, reaching a total level that was equivalent to 4.5 percent of the average apparent U.S. consumption for that period.[62] A comparison of three-month periods indicates that the volume of subject imports increased by 39.1 percent during the period September to November 2001, reaching a total level that was equivalent to 5.4 percent of the average apparent U.S. consumption for that period.[63] Finally, a comparison of four-month periods indicates that the volume of subject imports increased by 73.6 percent during the period September to December 2001, reaching a total level that was equivalent to 5.3 percent of the average apparent U.S. consumption for that period.[64] I find that the increasing volumes of significantly lower priced[65] subject imports from Ukraine that are subject to a critical circumstances determination are likely to undermine seriously the remedial effect of an antidumping duty order.

VIII. CONCLUSION

Based upon all the foregoing, I find that the domestic industry producing carbon and certain alloy steel wire rod is threatened with material injury by reason of subject imports from Germany, and I render affirmative critical circumstances determinations with respect to subject imports from Germany, Moldova, and Ukraine. I therefore dissent from the negligibility determination rendered by the Commission majority with respect to subject imports from Germany, as well as the negative critical circumstances determinations with respect to subject imports from Moldova and Ukraine.

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[61] (...continued)
pricing comparisons, for an 86.4 percent incidence of underselling. CR/PR at Table V-10.

[62] *Calculated from* CR/PR at Tables IV-6 and C-1.

[63] *Calculated from* CR/PR at Tables IV-6 and C-1.

[64] *Calculated from* CR/PR at Tables IV-6 and C-1.

[65] Subject imports from Ukraine undersold the domestic like product in 21 out of 22 weighted average quarterly pricing comparisons, for a 95.5 percent incidence of underselling. CR/PR at Table V-10.

PART I: INTRODUCTION

BACKGROUND

These investigations result from petitions filed by counsel on behalf of Co-Steel Raritan, Inc., Perth Amboy, NJ; GS Industries, Inc., Charlotte, NC; Keystone Consolidated Industries, Inc., Dallas TX; and North Star Steel Texas, Inc., Edina, MN, on August 31, 2001, alleging that an industry in the United States is materially injured and threatened with material injury by reason of subsidized imports of carbon and certain alloy steel wire rod[1] from Brazil, Canada, Germany, Trinidad and Tobago, and Turkey[2] and less-than-fair-value (LTFV) imports of carbon and certain alloy steel wire rod from Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Ukraine, and Venezuela.[3] Information relating to the background of the investigations is provided below.[4]

Effective date	Action
August 31, 2001	Petitions filed with Commerce and the Commission; institution of Commission investigations
October 1, 2001	Commerce's notice of initiation of countervailing duty investigations
October 2, 2001	Commerce's notice of initiation of antidumping duty investigations
October 15, 2001	Commission's preliminary determinations transmitted to Commerce

Continued on following page.

[1] See the section of this report entitled "The Subject Product" for a definition of the merchandise covered by the scope of the investigations. The subject merchandise 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)*.

[2] Commerce issued final negative countervailing duty determinations with respect to Trinidad and Tobago and Turkey. Therefore, the Commission terminated countervailing duty investigations Nos. 701-TA-420-421 concerning these countries (67 FR 62075, October 3, 2002).

[3] On October 12, 2001, the Commission determined in the preliminary phase of the investigations that imports of carbon and certain alloy steel wire rod from Egypt, South Africa, and Venezuela were negligible and the investigations were terminated. Upon notification of the Commission's determinations, Commerce discontinued its antidumping investigations on these three countries. On June 20, 2002, the Court of International Trade (CIT) remanded to the Commission for reconsideration its negligibility determinations in light of Commerce's preliminary determinations in the remaining investigations, issued on April 10, 2002, in which it revised the scope to exclude certain grade 1080 tire cord and tire bead quality wire rod. The Commission petitioned the CIT for reconsideration of its decision but the CIT denied the Commission's motion. On August 16, 2002, the Commission unanimously found, pursuant to the CIT remand order, that imports from Egypt, South Africa, and Venezuela are not negligible when considered in the context of the revised scope definition, and that there is a reasonable indication that an industry in the United States is materially injured by reason of imports of carbon and certain alloy steel wire rod from Egypt, South Africa, and Venezuela that are allegedly sold in the United States at LTFV. On September 13, 2002, the CIT issued an order affirming the Commission's preliminary affirmative remand decision.

[4] Selected *Federal Register* notices cited in the tabulation are presented in appendix A.

Effective date	Action
February 8, 2002	Commerce's preliminary negative countervailing duty determinations concerning Brazil (67 FR 5967) and Turkey (67 FR 5976); Commerce's preliminary affirmative countervailing duty determination concerning Canada (67 FR 5984); Commerce's preliminary affirmative countervailing duty determinations and preliminary negative critical circumstances determinations concerning Germany (67 FR 5991) and Trinidad and Tobago (67 FR 6001)
February 11, 2002	Commerce's preliminary affirmative critical circumstances determinations concerning Germany, Mexico, Moldova, Trinidad and Tobago, and Ukraine (67 FR 6224)
March 15, 2002	Commerce's notice of postponement of preliminary antidumping duty determinations concerning Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine (67 FR 11674)
March 19, 2002	Commerce's notice of alignment of countervailing duty investigations with antidumping duty investigations (67 FR 12524)
April 10, 2002	Commerce's preliminary affirmative antidumping duty determinations concerning Germany (67 FR 17384), Mexico (67 FR 17397), and Moldova (67 FR 17401); Commerce's preliminary negative antidumping duty determination concerning Indonesia (62 FR 17374); Commerce's preliminary affirmative antidumping duty determinations and postponement of final determinations concerning Canada (67 FR 17389), Trinidad and Tobago (67 FR 17379), and Ukraine (67 FR 17367)
April 15, 2002	Commerce's preliminary affirmative antidumping duty determination and postponement of final determination concerning Brazil (67 FR 18165)
April 26, 2002	Commerce's notice of postponement of final antidumping duty determination concerning Mexico (67 FR 20728)
May 2, 2002	Scheduling of final phase of Commission investigations (67 FR 22105)
May 13, 2002	Commerce's notice of postponement of final antidumping duty determinations concerning Germany, Indonesia, and Moldova (67 FR 32013)
May 22, 2002	Revised schedule of final phase of Commission investigations (67 FR 36022)
August 27, 2002	Commission's hearing[1]
August 30, 2002	Commerce's final affirmative antidumping duty determinations concerning Canada (67 FR 55782) and Indonesia (67 FR 55798); Commerce's final affirmative antidumping duty determinations and affirmative critical circumstances determinations concerning Germany (67 FR 55802), Moldova (67 FR 55790), and Ukraine (67 FR 55785); Commerce's final affirmative antidumping duty determinations and negative critical circumstances determinations concerning Brazil (67 FR 55792), Mexico (67 FR 55800), and Trinidad and Tobago (67 FR 55788); Commerce's final affirmative countervailing duty determination concerning Canada (67 FR 55813); Commerce's final affirmative countervailing duty determinations and negative critical circumstances determinations concerning Brazil (67 FR 55805) and Germany (67 FR 55808); Commerce's final negative countervailing duty determinations concerning Trinidad and Tobago (67 FR 55810) and Turkey (67 FR 55815)

Continued on following page.

Effective date	Action
September 12, 2002	Revised schedule of final phase of Commission's investigations (67 FR 57849)
October 2, 2002	Commission's vote
October 15, 2002	Commission determinations transmitted to Commerce
[1] Appendix B contains a list of witnesses that appeared at the hearing.	

PREVIOUS INVESTIGATIONS

The Commission has previously conducted the following investigations regarding wire rod.

Investigation No.	Determination
731-TA-88 (Venezuela)	Negative
731-TA-113-114 (Brazil and Trinidad and Tobago)	Affirmative
701-TA-148 (Brazil)	Suspended
701-TA-149-150 (Belgium and France)	Terminated
701-TA-209 (Spain)	Affirmative
731-TA-157 (Argentina)	Affirmative
731-TA-158 (Mexico)	Terminated
731-TA-159 (Poland)	Negative
731-TA-160 (Spain)	Affirmative
731-TA-205 (German Democratic Republic)	Terminated
TA-201-51	Affirmative
701-TA-243-244 (Portugal and Venezuela)	Terminated
731-TA-256-258 (Poland, Portugal, and Venezuela)	Terminated
701-TA-314-317 and 731-TA-552-555 (Brazil, France, Germany, and United Kingdom)	Affirmative
731-TA-572 (Brazil)	Negative
731-TA-646 (Brazil)	Negative
731-TA-647 (Canada)	Terminated
731-TA-648-649 (Japan and Trinidad and Tobago)	Negative
701-TA-359 (Germany)	Negative
731-TA-686 (Belgium)	Terminated

Continued on following page.

Investigation No.	Determination
731-TA- 687 (Germany)	Negative
701-TA-368-371 and 731-TA-763-766 (Canada, Germany, Trinidad and Tobago, and Venezuela)	Negative
TA-201-69	Split 3-3 vote
NAFTA-312-1	Affirmative
TA-204-6	None

COMMERCE'S FINAL DETERMINATIONS

Commerce's final antidumping duty margins and countervailing duty rates are presented in the following tabulation:

Country	Exporter/manufacturer	Margin (*percent*)	Critical circumstances determination
Brazil (AD)	Companhia Siderúrgica Belgo Mineira and Belgo-Mineira Participacão Indústria e Comércio S.A.	94.73	Negative
	All others	74.45	Negative
Brazil (CVD)	Companhia Siderurgica Belgo-Mineira	6.74	Negative
	Gerdau S.A.	4.44	Negative
	All others	6.11	Negative
Canada (AD)	Ispat Sidbec, Inc.	2.54	Not applicable
	Ivaco, Inc.	13.35	Not applicable
	Stelco, Inc.	1.18 (*de minimis*)	Not applicable
	All others	9.91	Not applicable
Canada (CVD)	Ispat Sidbec, Inc.	6.61	Not applicable
	Ivaco, Inc. and Stelco, Inc.	0.00	Not applicable
	All others	6.61	Not applicable
Germany (AD)	Saarstahl AG and all others	15.12	Affirmative
Germany (CVD)	Saarstahl AG	18.46	Negative
	Ispat Walzdraht Hochfeld GmbH, Ispat Hamburger Stahlwerke GmbH, and Ispat Stahlwerk Ruhrort GmbH	1.12	Negative
	All others	16.26	Negative
Indonesia (AD)	P.T. Ispat Indo and all others	4.06	Not applicable
Mexico (AD)	SICARTSA and all others	20.11	Negative
Moldova (AD)	Moldova-wide rate	369.10	Affirmative
Trinidad & Tobago (AD)	Caribbean Ispat, Ltd. and all others	11.40	Negative
Trinidad & Tobago (CVD)	Caribbean Ispat, Ltd. and all others	0.00	Not applicable

Continued on following page.

Country	Exporter/manufacturer	Margin (*percent*)	Critical circumstances determination
Turkey (CVD)	Colakoglu Metalurji, A.S.	0.13 (*de minimis*)	Not applicable
	Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi, A.S.	0.42 (*de minimis*)	Not applicable
Ukraine (AD)	Krivorozhstal and all others	116.37	Affirmative

SUMMARY DATA

A summary of data collected in the investigations is presented in appendix C. The data presented in the body of this report and in table C-1 reflect the subject product as defined in Commerce's scope of the investigations (*i.e.*, excluding certain grade 1080 tire cord and tire bead quality wire rod), and the data presented in table C-2 are summary data concerning carbon and certain alloy steel wire rod including the grade 1080 tire cord and tire bead quality wire rod. Except as noted, U.S. industry data are based on questionnaire responses of 12 firms that accounted for approximately *** percent of U.S. production of wire rod during 2001. U.S. imports are based on official Commerce statistics, adjusted to exclude the grade 1080 tire cord and tire bead quality wire rod reported in importers' questionnaire responses. The responding U.S. importers of wire rod are estimated to account for 95 percent of U.S. imports of wire rod during 2001. Where appropriate, nonsubject import data concerning Stelco, Egypt, South Africa, Turkey, and Venezuela are presented separately in this report.

THE SUBJECT PRODUCT

The merchandise covered by these investigations is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, 5.0 mm or more but less than 19.0 mm, in solid cross-sectional diameter.

Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the *HTS* definitions for (a) stainless steel, (b) tool steel, (c) high nickel steel, (d) ball bearing steel, and (e) concrete reinforcing bars and rods. Also excluded are (f) free machining steel products (*i.e.*, products that contain by weight one or more of the following elements: 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 phosphorous, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium). Also excluded from the scope are grade 1080 tire cord and tire bead quality wire rod that comport with the specifications, definitions, and applications set forth in Commerce's revised scope language (see appendix A).

All products meeting the physical description of subject merchandise that are not specifically excluded are included in the scope of these investigations. The subject merchandise will be referred to simply as "wire rod" in the remainder of this report.

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.[5] 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,[6] and physical characteristics.

Quality and commodity descriptions 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 currently 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 reinforcing wire mesh and chain link fence. Most of the industrial quality wire rod is produced and sold in 7/32 inch (5.6 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.[7]

Foreign-produced wire rod as a group generally is interchangeable with U.S.-produced wire rod, and competes within the same or similar qualities. Although the types and qualities of imported wire rod vary to some extent among subject country sources (see appendix D), as a general matter wire rod is imported within the same range of grades and is used for the same general end uses by approximately the same end users as the domestic product. For most wire rod, there does not appear to be a high degree of differentiation between foreign and U.S.-produced wire rod based on the type of production process or on the basis of quality. One source indicates that over 70 countries produce carbon steel wire rod.[8]

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. Metallurgical properties may be imparted by adjusting the chemistry during steelmaking as well as by varying rolling and cooling practices.[9] Finally, the product is inspected, bundled, and readied for shipment.

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[5] 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 15 percent of domestically produced wire rod was consumed in 2001 by U.S. wire rod manufacturers or by related redrawers in the production of downstream wire and wire products).

[6] Ductility, hardness, and tensile strength of the steel are positively correlated with carbon content. Alloying elements can be added during the melt stage of the steelmaking process to convey various characteristics to the wire rod.

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

[8] *Iron and Steel Works of the World*, 12th edition (Metal Bulletin Books, London, 1997), pp. 613-617.

[9] 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.

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 small 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, aluminum conductors steel reinforced core, 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, surface imperfections
Scrapless nut	Fasteners produced by cold heading, cold expanding, cold punching, thread tapping	Internal soundness, good surface quality
Tire cord	Tread reinforcement in pneumatic tires	Restrictive requirements for cleanliness, segregation, decarburization, chemistry, surface imperfections
Welding quality	Wire for gas welding, electric arc welding, submerged arc welding, metal inert gas welding	Restrictive requirements for uniform chemistry

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

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, or between U.S. mills and their foreign competitors. A larger billet will produce a heavier coil; however, not all mills have the capability to produce heavier coils. Also, usable coil size may be limited by the capabilities of the wire drawer's equipment and machinery.

U.S. and foreign 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.

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) Republic Technologies (formerly USS/Kobe), 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 may use less scrap and more DRI than other steelmakers.

Domestic producers manufacture various types of wire rod on essentially the same equipment, in the same facilities, and with the same production personnel. Company-specific information compiled in response to Commission questionnaires concerning several types of wire rod products produced in the United States are presented in appendix D (table D-3).

Channels of Distribution

Responses to the Commission's questionnaires in the final phase of these investigations indicate that almost all shipments of wire rod in the United States by U.S. producers and U.S. importers are made directly to end users. Specifically, the data show that U.S. producers shipped 97.2 percent of their wire rod directly to end users in 2001, and the remaining 2.8 percent to distributors. Similarly, importers from the subject countries shipped 97.6 percent of their wire rod directly to end users in 2001, and the remaining 2.4 percent to distributors. Data compiled in response to Commission questionnaires concerning channels of distribution, by country, are presented in appendix D (table D-4).

U.S. Tariff Treatment

U.S. imports of certain steel wire rod are classified in subheadings 7213.91, 7213.99, 7227.20, and 7227.90.60 of the *HTS*. The column 1-general rates of duty are as shown in table I-2.

Table I-2
Rates of duty for wire rod

HTS subheading	Column 1-general rate of duty[1]			
	Percent ad valorem			
	Effective January 1, 2000	Effective January 1, 2001	Effective January 1, 2002	Effective January 1, 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

[1] Rate is "Free" for eligible imports from beneficiary countries of the GSP (least developed countries only), CBERA, ATPA, IFTA, and from Canada. Rate is "Free" for all countries eligible for general duty rates effective January 1, 2004. NAFTA rates for goods of Mexico in 2001 range from 0.3 to 0.4 percent under heading 7213 and are 0.9 percent under heading 7227; these duty rates' staged reductions reach free on January 1, 2003.

Source: *HTS (2001)*.

THE TARIFF-RATE QUOTA

In Presidential Proclamation 7273 of February 16, 2000, the President imposed a safeguard action of a type described under section 203(a)(3) of the Act (a tariff-rate quota or TRQ) on imports of certain steel wire rod. The TRQ applies to goods imported from all countries except Canada and Mexico[10] into the United States for a period of three years and one day, beginning March 1, 2000. The Proclamation also suspended, pursuant to section 503(c)(1) of the Act, duty-free treatment for imported certain steel wire rod that is manufactured in beneficiary countries under the Generalized System of Preferences (GSP), the Caribbean Basin Economic Recovery Act (CBERA), the Andean Trade Preference Act (ATPA), and the U.S.-Israel Free Trade Area Implementation Act (IFTA).[11] No individual country allocations were initially established under the TRQ. However, on November 21, 2001, the President determined that the in-quota quantity of the TRQ should be allocated among supplier

[10] Further, imports of certain steel wire rod from Canada and Mexico are not counted toward the TRQ limits that trigger the over-quota rates of duty. However, imports from Canada and Mexico were the subject of a separate investigation conducted under provisions of the NAFTA (investigation No. NAFTA-312-1) at petitioners' request during 2001. On August 23, 2001, the Commission determined that a surge in imports of certain steel wire rod from Canada and Mexico, respectively, undermines the effectiveness of the import relief provided for in Presidential Proclamation 7273 of February 16, 2000. Notwithstanding the Commission's findings, the President declined to modify the TRQ to include imports from Canada or Mexico.

[11] This suspension applies only to U.S. imports that are entered at the over-quota rate of duty under chapter 99 of the *HTS*. Certain steel wire rod imports normally eligible for duty-free treatment under these trade programs will be assessed at the general over-quota rate, which is the general rate from chapter 72 of the *HTS*, plus the additional rate established in the Presidential Proclamations.

countries in accordance with the annex to Presidential Proclamation 7505.[12] This action established sub-quotas for (1) the European Union; (2) Trinidad and Tobago; (3) Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan; and (4) all other countries. The respective shares of the total in-quota quantities for these four groups are 28.161 percent, 16.554 percent, 12.616 percent, and 42.669 percent.

The quota trigger quantity for the first year of the program was the equivalent of 1.58 million short tons, which is an amount equivalent to 1998 import levels of subject products from the countries subject to the TRQ plus 2 percent to account for growth in demand (table I-3). The quota amount, set forth in kilograms, is increased by an additional 2 percent in both the second and the third years of the relief period. In accordance with Presidential Proclamation 7273, during the first three quarters of quota years 1 and 2 (March 1, 2000 through February 28, 2002), there was a quarterly allocation of the quota equal to one-third of the total quota amount for the year. Any quantity of product that was entered, or withdrawn from warehouses for consumption, in excess of one-third of the quota for that quota year was subject to the over-quota rate of duty then in effect. For the fourth quarter of quota years 1 and 2, the aggregate quantity of certain steel 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. Entries that were in excess of the remaining quantity were then subject to the over-quota rate of duty. Presidential Proclamation 7505 subsequently amended the TRQ to allow for four equal quarterly allocations during quota year 3 (March 1, 2002 through March 1, 2003); as in quota years 1 and 2, imports in excess of the quarterly allocations are subject to the over-quota rate of duty. As shown in table I-3, imports of subject products in excess of the quarterly or the annual quota amounts are 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. The TRQ provisions are set forth in *HTS* subheadings 9903.72.01 through 9903.72.15.

Several respondents point out that the structure of the quarterly allocation system in the first two years of the TRQ encouraged the entry of imports in the earlier months of each quarter, with an increase in imports during the first month of a TRQ quarter (i.e., March, June, and September) and a typical decline in the second and third months of each TRQ quarter. Until modified in the third year of the TRQ, the original program's structure also encouraged the entry of imports in the earlier quarters of each quota year, with only the residual quota allocated to the last quarter of each quota year. Given the uncertainty of there being any under-quota tons permissible in the fourth quarter of the quota year, the respondents state that importers had an incentive to enter as much product as possible early in the quota year to avoid the risk of making their product subject to the additional tariff. The original TRQ structure is what led to the what the respondents characterize as a "brief spurt" in import volumes in the spring of 2001.[13]

Petitioners argue that the TRQ was ineffective in providing meaningful relief to the domestic wire rod industry because (1) the tariff applied to out-of-quota imports was far too inadequate to increase import prices and (2) the structure of the remedy for quota years 1 and 2 led to the importation of most of the quota allotment during the first month of each quota-quarter, which led to downward pricing pressure as purchasers, holding large inventories, were unwilling to accept price increases.[14]

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[12] 66 FR 59353, November 28, 2001.

[13] Respondents' joint prehearing brief, pp. 25 and 32-33.

[14] Petitioners' prehearing brief, p. 4.

Table I-3
Certain steel wire rod: In-quota quantities and additional duties for imports in excess of the in-quota allocations, quota years 1-3[1]

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

[1] Quota year 1 is March 1, 2000 through February 28, 2001; quota year 2 is March 1, 2001 through February 28, 2002; and quota year 3 is March 1, 2002 through March 1, 2003.

Source: Modifications to the *Harmonized Tariff Schedule of the United States* (Annex to Presidential Proclamation 7273), 65 FR 8624, February 18, 2000. The in-quota quantities, stated in kilograms in the *HTS*, were converted to short tons.

DOMESTIC LIKE PRODUCT ISSUES

In its preliminary determinations, the Commission found that there was a single domestic like product consisting of all carbon and certain alloy steel wire rod corresponding to Commerce's scope in these investigations.[15] Commerce subsequently amended the scope to exclude certain tire cord and tire bead quality wire rod.[16] In the final phase of these investigations, the petitioners argue that there is a single domestic like product comprised of all carbon and alloy steel wire rod, including all types of tire cord wire rod.[17] Certain importer and purchaser respondents have claimed that various types of wire rod should be considered separate like products in these investigations. The Canadian respondent and the Fasteners Coalition argue that CHQ wire rod, as defined by Industrial Fasteners Institute (IFI) 140 specifications, should be considered a separate like product;[18] the Rubber Manufacturers Association and Michelin North America, Inc. argue that tire cord quality wire rod constitutes a separate like product;[19] and the Mexican respondent argues that high-quality clean-steel precision bar-in-coil constitutes a separate domestic like product.[20]

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[15] *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Turkey, Ukraine, and Venezuela*, Invs. Nos. 701-TA-417-421 and 731-TA-953-963 (Preliminary), USITC Pub. 3456 (October 2001), p. 6.

[16] See, for example, *Notice of Preliminary Determination of Sales at Less Than Fair Value: Carbon and Certain Alloy Steel Wire Rod from Germany*, 67 FR 17384, April 10, 2002, and *Notice of Final Determination of Sales at Less Than Fair Value: Carbon and Certain Alloy Steel Wire Rod from Germany*, 67 FR 55802, August 30, 2002.

[17] Petitioners' prehearing brief, pp. 10-15.

[18] Steel Fastener Working Group's prehearing brief, pp. 4-7 and posthearing brief, pp. 3-7; Ispat Sidbec Inc.'s prehearing brief, pp. 23-31 and posthearing brief, p. 1.

[19] The Rubber Manufacturers Association's prehearing brief, p. 4; Michelin's prehearing brief, pp. 6-23 and posthearing brief, pp. 1-12.

[20] Hylsa's prehearing brief, pp. 3-6.

PART II: CONDITIONS OF COMPETITION IN THE U.S. MARKET

U.S. MARKET CHARACTERISTICS

Wire rod is an intermediate industrial product that is used in a wide variety of other intermediate products and end-use products. Various types of wire are perhaps the most common products made from wire rod, but springs, tire cord, fencing material, nails, clothes hangers, and other products are also made from wire rod.

Manufacturers in many countries produce wire rod, and the U.S. market appears to be competitive. Despite some relief resulting from the section 201 remedy, the financial condition of the industry has been weak, although it improved somewhat in 2002. Several firms had declared bankruptcy or closed production facilities at the time of the preliminary phase of the investigations. These firms are nearing the resolution of the Chapter 11 proceedings.

U.S. SUPPLY

Domestic Production

Marginal production cost is the most important determinant of supply along with industry price levels. Capacity, fixed costs, ability to access other markets, and other factors also play a role in determining domestic supply.

Between 1999 and 2001, domestic capacity ranged from 6.0 to 7.2 million short tons, and domestic production ranged from 3.8 to 5.4 million short tons.[1] In January-March 2002, production rose despite a decrease in capacity compared to the similar period in 2001. Internal consumption and transfers to related firms, and exports accounted for 15.0 percent and 0.7 percent, respectively, of total shipments in 2001, and the remainder consisted of commercial shipments to unrelated parties.[2] The ratio of inventories to total shipments ranged from 4.3 to 6.1 percent.[3] This degree of shipments to related parties indicates some vertical integration in the domestic industry, but it is not pervasive. The low percentage of exports indicates little ability to access other markets.

Productivity ranged from a low of 643 tons per 1,000 hours in January-March 2001 to a high of 870 tons per 1,000 hours in January-March 2002.[4] Unit labor costs ranged from a low of $32.30 per short ton in interim 2002 to a high of $42.22 in interim 2001. These favorable efficiency indicators in interim 2002 may be the result of increased production with lower costs resulting from decreased capacity. It may also indicate that the industry is becoming able to produce at a lower marginal cost.

At the time of the preliminary phase of the investigations, GS Industries, Northwestern Steel and Wire, and Republic Technologies International had entered bankruptcy proceedings.[5] Birmingham Steel

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[1] Table III-2.

[2] Table III-3.

[3] Table III-5.

[4] Table III-6.

[5] Respondents reported that subject imports did not cause the bankruptcies and closures. Joint Prehearing Brief of Respondents, pp. 3-18 and Ivaco's posthearing brief, pp. 2-3. Petitioners argue that subject imports were a major cause of the industry's financial problems. Petitioners' posthearing brief, pp. 8-11.

closed its American Steel and Wire plant in June 2001.[6] Also, North Star Steel, which is owned by Cargill International,[7] ceased wire rod production at its plant in Kingman, AZ in December 2000. North Star, which continues to hold this facility with a melt capacity of approximately *** tons, is currently producing only reinforcing bar and merchant bar at this facility. Respondents alleged that the Kingman plant does not comply with Arizona environmental regulations and that a major capital investment is needed to bring the plant into compliance.[8] North Star continues to produce wire rod from its plant in Beaumont, TX, whose rolling mill has a capacity of about *** tons per year.

Northwestern Steel and Wire failed to emerge from bankruptcy and suspended operations in May 2001. Leggett and Platt, a large wire producer,[9] purchased Northwestern's rod mill in Sterling, IL at a bankruptcy court auction.[10] It plans to recondition the facility and to consume its production internally. It reportedly had difficulty securing a consistent supply after Northwestern closed and GS Industries closed its Kansas City plant.

GS Industries entered Chapter 11 protection in February 2001 and closed its wire rod facility in Kansas City, MO. The firm cited high costs of energy, imports, and the need to restructure as the reasons for entering bankruptcy. Part of its restructuring involves selling assets, and GS Industries announced that Midcoast Industries had submitted the highest bid in a bankruptcy auction on May 20, 2002 to purchase essentially all of Georgetown Steel, which is GS Industries' wire rod plant in Georgetown, SC.[11] Midcoast Industries stated that it plans to keep the Georgetown plant open and make it more profitable while addressing environmental problems.[12]

Republic Steel entered bankruptcy proceedings in April 2001. The bankruptcy court has approved the sale of essentially all of Republic's assets to RT Acquisition LLC, a group of investors.[13] This group apparently intends to continue operating Republic's wire rod facilities.

Gerdau, a Brazilian-based producer with holdings in Canada and elsewhere, purchased 85 percent of the U.S. producer AmeriSteel in 1999. Recently Co-Steel and Gerdau announced plans to combine their North American holdings, and Co-Steel would be renamed Gerdau AmeriSteel when the transaction closes, which is expected in the fourth quarter of 2002.[14] Co-Steel estimates that consolidation will result in cost savings of approximately *** annually through rationalization of production and shipping operations.

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[6] Respondents' joint prehearing brief (pp. 8-9) reported that Charter purchased the American Steel and Wire plant in March 2002. Reportedly, although the facility has reopened to produce bars, the rod mill may be dismantled.

[7] Cargill, which has multiple product lines, submitted an importer questionnaire and a purchaser questionnaire.

[8] Respondents' joint prehearing brief, pp. 12-14.

[9] Leggett and Platt submitted a purchaser questionnaire but not a producer questionnaire.

[10] *American Metal Market*, July 18, 2002, p. 1.

[11] AISE SteelNews.com, "Georgetown Steel Sold to Highest and Best Offer," May 22, 2002, *www.steelnews.org/companies/producers/gs_industries_archive.htm.*

[12] Isaac Bailey, "Judge Oks Midcoast Bid," Sun News, *www.MyrtleBeachOnline.com/mod/myrtlebeachonline/3378677.htm.*

[13] AISE SteelNews.com, "Hunt Announces Court Approval for Purchase of RT Assets," July 15, 2002, *www.steelnews.org/north_american/july02.* The investors consist of the Hunt Investment Group in partnership with the KPS Special Situations Fund.

[14] See "Enhancing Shareholder Value," *www.costeel.com*, August 26, 2002, and "Gerdau Focuses on Long Run in Co-Steel Bid," *American Metal Market*, August 14, 2002. Shareholders and the Canadian Competition Board have to approve the deal before it can be made final. Co-Steel shareholders will retain a 26 percent interest in the new company, Gerdau AmeriSteel.

Respondents alleged that the domestic industry cannot supply the entire domestic market,[15] although the petitioners stated that the statute does not require that the domestic industry be able to supply the entire market.[16] Respondents also stated that the domestic industry does not make certain products, including tire cord quality and cold-heading quality wire rod, in commercial quantities.[17] The domestic industry, however, reported shipments of welding quality wire rod, cold-heading quality wire rod, and other speciality products.[18] Most domestic shipments of cold-heading quality wire rod met IFI 140 specifications. Several purchasers in their questionnaire responses and responses to allegations of lost sales stated that the domestic industry used to make certain types of wire rod, such as cold-heading quality, mainly out of billets produced from steel produced in a basic oxygen furnace or an open hearth furnace. They allege that the domestic industry switched to producing billets from steel scrap in electric arc furnaces, which produces a lower quality of wire rod, and that there are no qualified domestic suppliers for certain grades of wire rod.[19] Another respondent reported that only two or three domestic mills have the capability to produce cold-heading quality wire rod[20] and that the domestic capability to produce welding quality wire rod is similarly limited.[21] Respondents also allege that it was difficult to acquire standard grades of domestic wire rod in the western United States because North Star ceased wire rod production at its Arizona plant, GS Industries closed its Kansas City plant, and Rocky Mountain Steel decided to concentrate on high carbon steel. Wire manufacturers reported that several domestic producers had restricted the quantity of wire rod that they were willing to ship to them.[22]

Petitioners stated that the domestic industry has not abandoned the cold-heading segment of the market, although there has been some repositioning.[23] Petitioners also deny that the domestic industry cannot produce tire cord and reported shipments mainly of 1070 tire cord by ***, but also some shipments of 1080 tire cord by *** and some shipments of 1070 tire cord by ***.[24] U.S. producers reported producing a variety of types of wire rod products.[25]

Respondents also alleged that domestic mills concentrate on certain types of wire rod and that this focus may change over time and create gaps in the availability of domestic wire rod.[26] They allege that American Steel and Wire had concentrated on cold-heading quality wire rod and Northwestern concentrated on industrial quality wire rod before their closures. Co-Steel, which had been an important supplier of cold-heading quality, now produces mainly industrial-quality wire rod. GS Industries, which produced much high carbon wire rod in its Kansas City plant, now produces mainly industrial-quality

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[15] Respondents' joint prehearing brief, pp. 18-20 and American Wire Producers Association's prehearing brief, pp. 1-2.

[16] Petitioners' posthearing brief, p. 6.

[17] Prehearing briefs of Michelin, p. 4, the Rubber Manufacturers Association, pp. 4-7, and the Steel Fastener Working Group, pp. 3-4.

[18] Table D-1, appendix D.

[19] Republic is the only U.S. producer with basic oxygen furnace facilities.

[20] Ispat Sidbec's posthearing brief, pp. 5-6.

[21] Ibid., pp. 12-13.

[22] Posthearing brief of the American Wire Rod Producers Association, exhibit 5.

[23] Petitioners' posthearing brief, exhibit 1, p. 11.

[24] Petitioners' posthearing brief, exhibit 16.

[25] Table D-3 in appendix D summarizes the types of products made by the domestic industry.

[26] Posthearing brief of the American Wire Producers Association, p. 7.

wire rod at its remaining Georgetown plant. Respondents allege that these changes in the domestic industry led purchasers to source product from the subject countries.[27]

Based on available information, the domestic industry appears likely to emerge from this period of bankruptcies with some reduction in capacity compared to the time before the bankruptcies.[28] The restructured firms, which may have improved efficiencies, will be challenged to produce wire rod at a low marginal cost. It is expected that the domestic industry will produce commercial quantities of most grades of wire rod, although there may be specific products that it does not effectively produce. Thus, given these factors, U.S. wire rod producers are likely to respond to changes in demand with moderate changes in the quantity of shipments of U.S.-produced wire rod to the U.S. market.

IMPORT SUPPLY[29]

Brazil

Brazilian capacity to produce wire rod in 2001 was *** short tons, during which time it operated at *** percent of capacity (table VII-1). Internal consumption and shipments to the home market accounted for *** percent of total shipments in 2001. Exports to third-country markets accounted for *** percent of shipments. The share of shipments exported to the United States was *** percent, including shipments to U.S. affiliates, in 2001. Exports to the United States declined from 1999 through the first quarter of 2002. Brazil's aggregate steel industry has much lower labor costs and lower materials and related costs per ton shipped than the aggregate U.S. steel industry. The tons of all steel shipped per employee were similar in the Brazilian and U.S. industries in 2000.[30] Gerdau is a major Brazilian producer of wire rod that has subsidiaries in Argentina, Chile, and Uruguay, in addition to its previously mentioned North American holdings.[31]

Based on available information, Brazilian producers are likely to respond to changes in demand with moderate changes in the quantity of shipments of wire rod to the U.S. market. The main contributing factors to the moderate import supply response are the reasonably large capacity and efficient production capability, although exports to the United States have declined.

Canada

Canadian capacity to produce wire rod was *** short tons in 2001, when it was operating at *** percent of capacity (table VII-2).[32] Exports to the United States including internal transfers accounted for *** percent of all shipments in 2001. Internal consumption and the home market accounted for *** percent of total shipments. Exports to the United States increased from 1999 to January-March 2002. Exports to third country markets accounted for *** percent of total shipments. Canada's total steel industry had somewhat lower labor and materials and related costs per ton shipped than the U.S. industry,

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[27] Ibid., p. 8.

[28] Petitioners stated that the domestic industry continued to have excess capacity during the first quarter of 2002, despite the decrease of over 1.1 million tons in annual capacity. Petitioners' prehearing brief, p. 39. Petitioners added that all U.S. producers continue to have excess capacity. Petitioners' posthearing brief, p. 7.

[29] Foreign industry data are presented in Part VII of this report.

[30] World Steel Dynamics, *Financial Dynamics of International Steelmakers*, Core Report, October 2001.

[31] *WWW.hoovers.com/uk/co/capsule/2/0,2163,55492,00.html*, retrieved August 12, 2002.

[32] Commerce found the antidumping margin applicable to Stelco to be *de minimis*; therefore, the information provided in this report for the subject material produced in Canada does not include the information provided by Stelco.

although it did also ship fewer tons of steel per employee than the aggregate steel industry in the United States.[33]

Based on available information, Canadian producers are likely to respond to changes in demand with moderate changes in the quantity of shipments of wire rod to the U.S. market. Important factors in Canada's supply response are its small-sized industry, its proximity to the United States, and its difficulty in accessing other markets.

Germany

German wire rod capacity was estimated at 6.2 million short tons in 2001, at which time it was operating at 83.4 percent of capacity (table VII-3). *** percent of all shipments were destined to internal consumption or the home market. Exports to the United States accounted for *** percent of total shipments, and exports to third-country markets accounted for *** percent of total shipments. Exports to the United States decreased from 1999 to interim 2002. Germany's aggregate steel industry appears less efficient than the U.S. industry; its labor and material costs are higher than those in the United States while it ships fewer tons per employee.[34]

Based on available information, German producers are likely to respond to changes in demand with moderate changes in the quantity of shipments of wire rod to the U.S. market. Important factors in the German supply response are its large industry, the sizeable home and European market (although it could divert some of these shipments to the United States), and its relatively high cost of production.

Indonesia

Indonesian capacity was estimated at *** short tons in 2001 when capacity utilization was at *** percent. One Indonesian producer (Ispat Indo) provided data in these final phase investigations. Most of Ispat Indo's shipments were to the home market. In 2001, *** percent of shipments were destined for the United States and *** percent for third-country markets. Davis Wire is the sole importer of Indonesian wire rod.[35]

Based on available information, Indonesian producers are likely to respond to changes in demand with small changes in the quantity of shipments of wire rod to the U.S. market. The main reasons for the low degree of supply responsiveness are the small size of the Indonesian industry and the existence of alternate markets. The Indonesian respondent reported that demand for wire rod in its home market and in the rest of Southeast Asia is likely to increase in the near future.[36]

Mexico

Mexican capacity was estimated at *** short tons in 2001 when its capacity utilization was *** percent. Of its total shipments, *** percent were destined to internal transfers and the home market; *** percent were exported to the United States, and *** percent were exported to other countries. Exports to the United States increased from 1999 to 2001, although shipments in interim 2002 were less than in interim 2001.

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[33] World Steel Dynamics, October 2001.

[34] Ibid.

[35] Posthearing brief of Ispat Indo, p. 5. Indonesian imports enter the United States primarily through Los Angeles.

[36] Ibid., p. 12.

Based on available information, Mexican producers are likely to respond to changes in demand with moderate changes in the quantity of shipments of wire rod to the U.S. market. The main reason for the expected supply response is Mexico's small industry but close proximity to the United States.

Moldova

Moldovan capacity was estimated at *** short tons in 2001 when its capacity utilization was *** percent. Internal consumption and the home market accounted for *** percent of total shipments in 2001. Moldovan producers exported *** percent of total shipments to the United States in 2001, with exports to third-country markets accounting for the remainder (*** percent).

Based on available information, Moldovan producers are likely to respond to changes in demand with small changes in the quantity of shipments of wire rod to the U.S. market. The main contributing factors to the low degree of responsiveness of supply are the small size of the Moldovan industry and already high share of production shipped to the United States. The Moldovan respondent stated that its capacity utilization is high and that it has no plans to increase capacity.[37] It also alleged that its home market and other non-U.S. markets will absorb any increases in shipments.[38]

Trinidad and Tobago

Trinidadian capacity was estimated at *** short tons in 2001 when capacity utilization was at *** percent. Of total shipments in 2001, the home market share, the U.S. export share, and the share exported to third-country markets were, respectively, *** percent. Exports to the United States decreased between 1999 and 2000, increased in 2001 to a level greater than the 1999 level, and increased in interim 2002 compared with interim 2001. Imports from Trinidad and Tobago benefit from preferential duty status (free) under the Carribean Basin Economic Recovery Act.

Based on available information, producers from Trinidad and Tobago are likely to respond to changes in demand with small changes in the quantity of shipments of wire rod to the U.S. market. The main contributing factors to the low degree of responsiveness of supply are the high market share exported to the United States, the relatively low capacity, and the relatively high capacity utilization.

Ukraine

Ukrainian capacity was rated at *** short tons in 2001 with capacity utilization at *** percent. Internal consumption and the home market absorbed *** percent of total shipments in 2001. Exports to the United States and to other markets accounted for *** percent, respectively, of total shipments in 2001. Exports to the United States increased between 1999 and 2000, then decreased in 2001 but remained above 1999 levels. There were *** exports to the United States in interim 2002.

Based on available information, Ukrainian producers are likely to respond to changes in demand with moderate changes in the quantity of shipments of wire rod to the U.S. market. The main contributing factors to the moderate degree of responsiveness of supply are the somewhat small but significant capacity and the high share of exports to third-country markets, some of which could be diverted to the United States. The Ukrainian respondent alleges that it cannot significantly increase

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[37] Posthearing brief of Moldova Steelworks, p. 4.

[38] Ibid., p. 6.

exports to the United States because of its already high capacity utilization and its absence of plans to increase capacity.[39]

U.S. DEMAND

Demand Characteristics

Demand for wire rod is derived from the many end uses in which it is employed. Many purchasers reported facing significant competition in their product markets from imported finished goods. For example, *** reported that the demand for its *** wire had decreased because of competition with foreign producers. *** reported that the increased foreign supply of finished goods, such as nails, computer strand, and wire, had reduced the demand for its products. *** stated that demand for their products had declined because of competition with off-shore finished goods. *** stated that it was starting to shift production overseas because tariffs protect and raise prices of its inputs while competing finished goods enter tariff-free. *** alleged that increased competition from wire imports was keeping wire rod prices down. *** stated that end products are imported from China and India at prices below its raw material cost. *** stated that low-priced hangers from China and the current high price of U.S. wire rod made it very difficult for it to compete. *** stated that its business had declined because of low-priced imports of end-use products and its inability to purchase inputs competitively in lower volumes.

*** reported that demand for reinforcing mesh and industrial wire declined but that demand for chain-link fencing had fluctuated. *** reported that demand for nuts and bolts had increased since 1999. *** reported that demand for wire products had trended downward. *** reported that the demand for wire hangers had decreased since 1999. *** reported that it produced a greater quantity of high tensile steel tire cords in 2002. Fifteen out of 54 responding purchasers reported that demand for their firms' final products incorporating wire rod had not changed since 1999. Insteel Industries reported that demand for its products began declining in 2000 and continued to be low in many markets.[40]

Purchasers were roughly equally divided in being able to change the price of the product they sell in response to changes in the price of wire rod. *** reported that although it tries to change price, it will not be able to unless the competition also changes price. *** stated that the prices of its products are based on competitive market conditions, not costs. *** stated that extreme price pressure from importers of metal fasteners precludes any price increases. *** remarked that domestic rod mills that also produce wire do not have the same cost motivation. Thus, there appear to be some limits on producers of goods incorporating wire rod to change prices for their products. An unresponsive demand for final products would contribute to an unresponsive demand for wire rod.

Purchasers responding to the Commission's questionnaire reported quantities and values of purchases by year. The total quantity purchased increased from 1999 to 2000 but declined between 2000 and 2001 (table II-1). The quantity of U.S. purchases declined between 1999 and 2000 and also between 2000 and 2001. Canadian unit values tended to be the highest, followed by those of Germany. Unit values of wire rod from Brazil, Mexico, and Trinidad and Tobago tended to be slightly below those of the United States. Indonesia, Moldova, and Ukraine had the lowest unit values. Nonsubject and U.S. unit values were approximately similar. The relatively stable unit values across the time periods suggest that aggregate demand may have increased between 1999 and 2000 but decreased between 2000 and 2001.

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[39] Krivorozhstal's posthearing brief, p. 4.

[40] Testimony of H.O. Woltz, Insteel Industries, hearing transcript, p. 172.

Table II-1
Wire rod: Reported U.S. purchases, by countries, 1999-2001 and January-March 2002

Country	1999		2000		2001		January-March 2002	
	Quantity (*short tons*)	Unit value (*¢/lb.*)	Quantity (*short tons*)	Unit value (*¢/lb.*)	Quantity (*short tons*)	Unit value (*¢/lb.*)	Quantity (*short tons*)	Unit value (*¢/lb.*)
United States	2,969,046	16	2,865,757	16	2,102,395	16	537,086	16
Brazil	119,072	14	108,957	14	121,510	14	53,845	14
Canada	351,688	18	376,828	22	419,374	19	87,699	19
Germany	77,971	17	69,130	18	54,770	18	14,245	19
Indonesia	***	***	***	***	***	***	***	***
Mexico	48,743	16	98,699	14	191,391	14	30,724	15
Moldova	203,903	11	168,735	12	148,158	12	22,723	12
Trinidad and Tobago	313,982	13	282,583	14	295,475	14	89,459	14
Ukraine	92,762	11	206,663	12	187,692	12	22,121	12
Nonsubject[1]	197,387	16	217,266	15	223,986	16	28,704	18
Total	4,449,552	15	4,455,544	16	3,829,839	16	886,606	16

[1] Nonsubject includes Argentina, Belarus, Belgium, Italy, Japan, Malaysia, Spain, Turkey, and the United Kingdom.

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

Total domestic apparent consumption was 6.9 million short tons in 2001.[41] Apparent consumption increased by 1.4 percent between 1999 and 2000, decreased by 16.0 percent between 2000 and 2001, and increased by 5.1 percent between interim 2001 and interim 2002.

Substitute Products

Most responding purchasers reported that there are no substitutes for wire rod. *** reported that cold-heading parts could be machined out of free machining steel. *** stated that hangers could be made from plastic instead of from metal wire. *** asserted that pre-galvanized wire could be substituted for wire made from wire rod. *** stated that aramid fiber could replace steel in tires. *** reported that designers and engineers are developing alternatives out of aluminum, powdered metal, composites, etc. *** reported that end-use products, such as wire or fasteners, could be imported directly and were potential substitutes.

Cost Share

A large number of products, including intermediate industrial goods, are manufactured from wire rod. For example, the 41 purchasers that provided usable information to the Commission's question about cost share named over 50 different products. Wire rod often comprises a substantial share of the total cost of the intermediate goods and a smaller share of goods that are closer to end use. For example,

[41] Table IV-4.

wire rod was reported to comprise 82 percent of the cost of nail wire. In contrast, *** reported that wire rod comprises 5 percent of the cost of an automotive suspension system, 1 percent of a brake system, and 1 percent of a steering system. While wire rod comprises about 30 percent of the cost of tire cord, it comprises less than 3 percent of the cost of a tire. Purchasers reported making a large number of wire products from wire rod including aluminum-coated wire, barbed wire, spring wire, wool wire, zinc-coated wire, and different types of industrial wire. Cost shares for these different wire products typically varied between 45 and 70 percent. Wire rod was also used in manufacturing a number of different types of springs used in automobiles, machines, garage doors, and other uses. Cost shares for springs typically ranged from 55 to 65 percent. Nails were another item commonly manufactured from wire rod, with cost shares typically ranging from 50 to 65 percent. Other commonly manufactured items with their associated median reported cost shares are: bolts (19 percent), chain link fencing (50 percent), clothes hangers (33 percent), construction mesh (71 percent), fasteners (31 percent), screws (29 percent), strand (65 percent), tire bead (49 percent), and tire cord (29 percent).

SUBSTITUTABILITY ISSUES

Factors Affecting Purchasing Decisions

Purchasers were asked to list, in order of importance, the three factors that their firm considers most important in selecting a supplier. Quality, price, and availability were listed most frequently, followed by delivery and credit terms (table II-2).

Table II-2
Wire rod: Ranking of factors used in purchasing decisions as reported by U.S. purchasers

Factor	Number of firms reporting		
	First factor	Second factor	Third factor
Availability	5	14	15
Credit terms	1	0	4
Delivery	0	1	6
Price	9	25	16
Quality	39	9	5
Other[1]	3	8	11

[1] Other factors include business relationship, consistency, certification, credit terms, product range, reliability, and service.

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

Purchasers were asked how often they purchased wire rod that is offered at the lowest price. Out of 57 total responses, four purchasers stated "always;" 25 stated "usually;" 23 stated "sometimes;" and five stated "never."

Purchasers were asked to rank how important 14 factors are in their purchase decision (table II-3). Availability, product quality, product consistency, reliability of supply, and delivery time were very important. Minimum quantity requirements and product range tended to be somewhat important to not important. The other factors were rated as very important to somewhat important.

Table II-3
Wire rod: Importance ranking of purchase factors as reported by U.S. purchasers

Factor	Number of firms reporting		
	Very important	Somewhat important	Not important
Availability	44	6	0
Delivery terms	20	26	4
Delivery time	35	15	0
Discounts offered	10	31	9
Lowest price	25	22	2
Minimum quantity requirements	3	31	15
Packaging	28	20	2
Product consistency	43	7	0
Product quality	44	5	1
Product range	12	22	16
Reliability of supply	43	5	1
Technical support/service	17	27	5
Transportation network	11	31	8
U.S. transportation costs	14	33	3

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

Some purchasers of the higher grades of wire rod appear to require wire rod made from billets containing steel made primarily from iron-ore-based steelmaking instead of scrap-based steelmaking. In response to the Commission's question about the importance of raw material in the selection of a supplier, 44 purchasers reported that the source of the raw material was important and 14 reported that it was not important. *** reported that some customers require the product to be manufactured in the United States. *** stated that only wire rod made from high quality billets under tight chemical controls is suitable to produce tire cord. *** stated that the raw material source determines the quality of cold-heading quality wire rod. *** claimed that the raw material source affects formability, hardness, and defects. *** stated that it requires wire rod with a minimal scrap content. *** stated that the source determines the amount of residuals and that open hearth, basic oxygen, and electric arc furnaces perform differently depending on the source of billets. *** reported that rod performs differently depending on the billet source.

Wire rod purchasers often require some type of qualification; 45 purchasers reported requiring suppliers to be certified or prequalified, and 10 purchasers reported that they have no such requirement. Quality, reliability, performance (as measured by historical tests), lack of surface imperfections, drawability, chemistry, tensile strength, quality of billets, and logistical factors were listed as being important in qualification. It typically required two to six months to qualify a supplier, although some shorter times and a few longer times were also reported.

Distances between customers and producers' or importers' facilities affect delivery time and transportation costs. U.S. inland transportation costs, reported in Part V of this report, are small but not insignificant.

Comparisons of Domestic Products and Subject Imports

Most varieties of wire rod appear to be available from more than a single source. Out of 54 responding purchasers, 45 responded that certain grades, types, and sizes of wire rod are available from more than a single source. *** stated that cold-heading quality wire rod is only available from foreign sources. *** reported that certain valve-spring quality wire rod is only available from Japan. *** reported that GS Industries is the only domestic manufacturer of tire-cord quality wire rod. *** identified many specific types of wire rod that are only available from a single source.

The Commission asked purchasers if imported wire rod and domestically produced wire rod are used in the same applications. Purchasers reported that wire rod from most sources is used in the same applications as domestic wire rod (table II-4). *** stated that imported and domestically produced wire rod are used in nearly all applications. *** replied that it only makes mesh out of wire rod from Moldova, Ukraine, and nonsubject sources. It uses Mexican, U.S., and nonsubject suppliers for chain link fencing. It makes industrial wire out of wire rod from Mexico, the United States, and nonsubject countries. Although U.S. rod could be used for all of its applications, it typically uses domestic wire rod only to produce "buy-U.S.-only" construction mesh, chain-link fencing, and industrial wire[42]. *** does not use German and Ukrainian wire rod in the same applications as U.S. wire rod because both of the former failed to perform adequately in the end-use product. Additional handling and ocean shipping were reported to lead to damage in the softer grades except for U.S. and Canadian products, which generally are shipped overland with less handling. *** stated that German quality exceeds that of the United States.

Table II-4
Wire rod: Use in the same applications, by source

Source	Number of firms reporting	
	Cannot be used in same application as U.S. wire rod	Can be used in same application as U.S. wire rod
Brazil	0	12
Canada	4	19
Germany	2	8
Indonesia	0	1
Mexico	1	8
Moldova	0	5
Trinidad and Tobago	0	12
Ukraine	1	3
Nonsubject	3	22

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

[42] *** added that other manufacturers may have different patterns of use by source.

Some purchasers reported that cold-heading quality wire rod from Canada is not used in the same applications as U.S. wire rod. *** remarked that Canada and the United States are not comparable with respect to cold-heading quality wire rod and that it cannot obtain U.S.-origin, cold-heading quality wire rod. *** stated that most of its cold-heading quality products must be made from imported rods for quality reasons. *** stated that cold-heading quality wire rod from Canada, Italy, and the United States cannot be used in the same applications and that it does not currently have a qualified U.S. supplier. *** remarked that in most applications, domestic cold-heading quality material cannot be substituted for Canadian cold-heading quality material. However, Japanese cold-heading quality is superior to both Canadian and domestic cold-heading quality material. *** remarked that, although Canadian and U.S. wire rod are good substitutes for many applications, they cannot be substituted in uses requiring cold-heading quality and that Japan has the best quality cold-heading quality wire rod. The Steel Fastener Working Group asserted that cold-heading quality wire rod is synonymous with the Industrial Fasteners Institute's (IFI) 140 specification and that *** are the only domestic producers of this product, although *** is not qualified for some applications because it uses billets made from scrap.[43] Ispat Sidbec reported that other than ***, no domestic mill can currently supply IFI-140.[44]

Purchasers were asked to compare wire rod produced in the United States with that produced in other countries with respect to the 14 purchase factors, first cited in table II-3. With respect to Brazilian wire rod, the U.S. product was rated superior on delivery time; the Brazilian product scored best on lowest price, product consistency, and product quality (table II-5). Purchasers tended to rate the Brazilian and U.S. products comparable or the U.S. product superior on the other factors.

[43] Posthearing brief of the Steel Fastener Working Group, pp. 5-6.

[44] Ispat Sidbec's posthearing brief, p. 5.

Table II-5
Wire rod: Comparisons between U.S.-produced and imported Brazilian wire rod as reported by U.S. purchasers

Factor	Number of firms reporting		
	U.S. superior	Comparable	U.S. inferior
Availability	5	8	1
Delivery terms	3	9	2
Delivery time	10	4	0
Discounts offered	1	9	3
Lowest price[1]	3	5	6
Minimum quantity requirements	5	9	0
Packaging	4	6	4
Product consistency	0	7	7
Product quality	1	6	7
Product range	3	8	2
Reliability of supply	2	10	2
Technical support/service	4	9	1
Transportation network	4	10	0
U.S. transportation costs	4	10	0

[1] A rating of superior means that the price is generally lower. For example, if a firm reports "U.S. superior," this means that it rates the U.S. price generally lower than the Brazilian price.

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

Canadian wire rod and U.S. wire rod were rated comparable on most factors (table II-6). The U.S. product tended to be rated comparable or inferior on availability, lowest price, product consistency, product quality, and product range.

Table II-6
Wire rod: Comparisons between U.S.-produced and imported Canadian wire rod as reported by U.S. purchasers

Factor	Number of firms reporting		
	U.S. superior	Comparable	U.S. inferior
Availability	2	16	5
Delivery terms	0	22	1
Delivery time	2	19	2
Discounts offered	0	19	3
Lowest price	4	13	6
Minimum quantity requirements	2	19	2
Packaging	1	22	0
Product consistency	1	16	6
Product quality	1	13	9
Product range	2	14	7
Reliability of supply	1	17	5
Technical support/service	0	19	4
Transportation network	1	20	2
U.S. transportation costs	5	18	0

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

U.S. and German wire rod were rated comparable on most factors by most purchasers (table II-7). The U.S. product was rated superior with respect to delivery time and inferior with respect to lowest price.

Table II-7
Wire rod: Comparisons between U.S.-produced and imported German wire rod as reported by U.S. purchasers

Factor	Number of firms reporting		
	U.S. superior	Comparable	U.S. inferior
Availability	3	8	2
Delivery terms	4	8	1
Delivery time	9	2	2
Discounts offered	0	11	0
Lowest price	1	2	9
Minimum quantity requirements	2	9	2
Packaging	2	11	0
Product consistency	2	6	5
Product quality	2	6	5
Product range	1	10	2
Reliability of supply	1	9	3
Technical support/service	4	6	3
Transportation network	2	9	2
U.S. transportation costs	2	9	2

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

U.S.-produced wire rod was generally rated superior to Indonesian-produced wire rod (table II-8). The Indonesian product scored better with respect to lowest price.

Table II-8
Wire rod: Comparisons between U.S.-produced and imported Indonesian wire rod as reported by U.S. purchasers

Factor	Number of firms reporting		
	U.S. superior	Comparable	U.S. inferior
Availability	3	0	0
Delivery terms	2	0	1
Delivery time	2	1	0
Discounts offered	2	1	0
Lowest price	0	1	2
Minimum quantity requirements	3	0	0
Packaging	1	2	0
Product consistency	2	1	0
Product quality	2	1	0
Product range	2	0	0
Reliability of supply	3	0	0
Technical support/service	2	1	0
Transportation network	2	1	0
U.S. transportation costs	1	2	0

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

Reporting was mixed among the three categories regarding U.S. and Mexican wire rod (table II-9). The U.S. product was rated superior to comparable with respect to delivery time and minimum quantity requirements. The Mexican product was rated as having a lower price.

Table II-9
Wire rod: Comparisons between U.S.-produced and imported Mexican wire rod as reported by U.S. purchasers

Factor	Number of firms reporting		
	U.S. superior	Comparable	U.S. inferior
Availability	5	6	4
Delivery terms	4	7	4
Delivery time	6	6	3
Discounts offered	2	9	3
Lowest price	2	7	6
Minimum quantity requirements	6	7	2
Packaging	2	11	1
Product consistency	2	9	4
Product quality	2	9	4
Product range	4	7	3
Reliability of supply	5	6	4
Technical support/service	5	7	3
Transportation network	4	8	3
U.S. transportation costs	3	9	3

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

The U.S. product was generally rated superior or comparable to Moldovan wire rod (table II-10). The Moldovan product was rated as having a lower price.

Table II-10
Wire rod: Comparisons between U.S.-produced and imported Moldovan wire rod as reported by U.S. purchasers

Factor	Number of firms reporting		
	U.S. superior	Comparable	U.S. inferior
Availability	3	2	0
Delivery terms	3	2	0
Delivery time	4	1	0
Discounts offered	1	2	0
Lowest price	0	0	5
Minimum quantity requirements	2	3	0
Packaging	3	2	0
Product consistency	3	2	0
Product quality	2	3	0
Product range	2	3	0
Reliability of supply	2	3	0
Technical support/service	4	1	0
Transportation network	1	4	0
U.S. transportation costs	1	4	0

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

Purchasers most frequently rated wire rod from the United States and Trinidad and Tobago as comparable (table II-11). The U.S. product was rated higher on delivery time and minimum quantity requirements. The Trinidadian product was rated as having a lower price.

Table II-11
Wire rod: Comparisons between U.S.-produced and imported wire rod from Trinidad and Tobago as reported by U.S. purchasers

Factor	Number of firms reporting		
	U.S. superior	Comparable	U.S. inferior
Availability	2	11	2
Delivery terms	3	9	3
Delivery time	7	6	2
Discounts offered	1	12	2
Lowest price	1	6	8
Minimum quantity requirements	7	7	1
Packaging	0	13	2
Product consistency	0	11	4
Product quality	0	14	1
Product range	3	10	1
Reliability of supply	1	13	1
Technical support/service	2	12	1
Transportation network	4	10	1
U.S. transportation costs	2	13	0

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

U.S. producers most frequently rated U.S. wire rod as superior or comparable to Ukrainian wire rod (table II-12). The U.S. product was rated higher with respect to delivery time, packaging, and product quality. The Ukrainian product was rated as having a lower price.

Table II-12
Wire rod: Comparisons between U.S.-produced and imported Ukrainian wire rod as reported by U.S. purchasers

Factor	Number of firms reporting		
	U.S. superior	Comparable	U.S. inferior
Availability	2	3	0
Delivery terms	1	4	0
Delivery time	3	2	0
Discounts offered	1	1	2
Lowest price	0	1	4
Minimum quantity requirements	1	4	0
Packaging	3	2	0
Product consistency	2	3	0
Product quality	3	2	0
Product range	1	4	0
Reliability of supply	2	3	0
Technical support/service	1	4	0
Transportation network	1	4	0
U.S. transportation costs	1	4	0

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

It was not unusual for suppliers of both domestic and imported wire rod to fail qualification or certification tests. For example, 28 purchasers reported that some domestic or foreign wire rod producers had failed in their attempts to become qualified since January 1, 1999, and 28 reported that none had failed to become qualified. A variety of firms from various countries did not qualify at some time, as the following examples show. *** reported that *** lost approval on cold-heading quality. Several purchasers reported that *** lost its approved status or could not qualify. *** reported that it had disqualified Moldova and Ukraine because of poor steel quality and packaging. *** reported that firms from the United States, Canada, and Venezuela had failed to qualify. *** reported that *** could not consistently meet standards on high carbon wire rod. *** reported that *** had failed to qualify as a PC rod supplier and that *** had lost its qualification as a tire bead supplier. *** reported that a German firm and a Ukrainian firm had failed to qualify because of poor ductility and finish. *** reported that *** did not pass qualifications and that *** was disqualified as a supplier.

***, a tire cord producer, reported that *** had changed its production process, which resulted in a high incidence of wire breakage. *** reported that *** failed to supply grade 1080 tire cord to an acceptable quality. *** reported that *** had provided inconsistent quality in production heats of steel, that *** was unable to meet its chemistry requirements, and that *** was unable to provide consistent quality. The Rubber Manufacturers Association reported that no domestic wire rod producer is qualified to supply tire cord to any RMA member.[45]

Purchasers were also asked if any domestic producers had become qualified suppliers of the following types of wire rod: valve spring quality, class III pipe wrap quality, ACSR quality, aircraft quality, cold-heading quality, or piano quality since January 1999. Six purchasers affirmed that U.S. producers had become qualified, and 32 purchasers responded negatively. *** reported that two domestic firms had qualified to supply ACSR wire rod. *** reported that *** had qualified to supply cold-heading quality wire rod. *** reported that *** had qualified as a pipe-wrap quality supplier. *** reported working with *** to qualify them for cold-heading quality wire rod. *** reported that *** had qualified for piano quality wire rod. *** reported that *** had qualified for class III pipe-wrap quality wire rod.

The Commission asked producers and importers to report the geographic region in the United States in which they sold, or offered for sale, wire rod. The Commission also asked producers and importers to report the distances of sales from their production or import facilities. U.S. producers tended to report somewhat larger sales markets than importers, although importers were scattered throughout most parts of the country (table II-13). Importers that imported from more than one country tended not to identify the region of sale with import origin. Only *** identified separate regions for German and Trinidadian imports. The average proportion of sales that were within 100 miles, from 101 to 1,000 miles, and over 1,000 miles from U.S. producers' facilities were 16.5, 79.4, and 4.2 percent, respectively. The average proportion of sales that were within 100 miles, from 101 to 1,000 miles, and over 1,000 miles from U.S. importers' facilities were 27.7, 62.8, and 9.5 percent, respectively.

Eleven producers and 22 importers responded to the Commission's questions about lead times. The average lead times were 3.6 weeks and 11.3 weeks, respectively, for domestic producers and importers.

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[45] Posthearing submission of the Rubber Manufacturers Association, p. 1. Michelin added in its posthearing brief (p. 13) that a commercially meaningful supply of tire-cord-quality wire rod is not currently available from U.S. producers and (p. i) that no domestic producer is qualified with it to supply tire-cord quality grades 1070, 1080, or 1090.

Table II-13
Wire rod: Geographic market, import origin, and distance of sales from production and import facilities, by firm

* * * * * * *

Comparisons of Domestic Products and Nonsubject Imports

Purchasers used the 14 purchase factors to compare U.S.-produced wire rod to imports from Argentina, China, the Czech Republic, Spain, and the United Kingdom. Compared to Argentinian imports, the domestic product was rated superior on delivery time, minimum quantity requirements, and technical support; Argentina was rated higher with respect to lowest price and mostly comparable on the other factors. U.S.-produced wire rod was primarily rated superior to imported Chinese wire rod except that the Chinese product was priced lower. Wire rod produced in the United States and wire rod imported from the Czech Republic were generally comparable; the U.S. product had shorter delivery times, but the Czech product had lower prices. Japanese wire rod was rated superior to U.S. wire rod on product consistency and product quality; the U.S. product had superior delivery times and was comparable to the Japanese product on most other factors. Domestically produced wire rod and imported Spanish wire rod were mostly comparable. The U.S. product was rated superior on delivery time, and the Spanish product was rated superior on lowest price. The U.S. product and imports from the United Kingdom were mostly rated comparable on all factors.

Comparisons of Subject Products from the Subject Countries

There were a large number of subject product comparisons. Imports of wire rod from Brazil and Germany were mostly rated comparable to superior for Brazil. Imports from Brazil and Mexico were mostly comparable to superior for Mexico. Brazilian and Trinidadian imports were mostly comparable, but those from Trinidad and Tobago were rated higher on packaging and product consistency. When compared with imports from Moldova and Ukraine, Brazilian wire rod was rated superior or comparable. Canadian wire rod was rated superior or comparable in relation to wire rod imported from Indonesia, Mexico, Moldova, and Ukraine. German wire rod was largely rated comparable to wire rod imported from Moldova and Ukraine. Imported Indonesian wire rod and Mexican wire rod were mostly rated comparable. Indonesian wire rod was rated superior or comparable in relation to wire rod from Moldova and Ukraine, except on price where the two latter countries had lower prices. Mexican wire rod was rated comparable or superior when compared with wire rod from Moldova and Ukraine. Imports of wire rod from Mexico and Trinidad and Tobago were mostly rated comparable.

Comparisons of Subject Imports and Nonsubject Imports

There were a number of comparisons of subject and nonsubject imports, but only one or two purchasers responded in each case. Brazilian wire rod was rated superior to comparable to wire rod from Argentina. Brazilian wire rod was rated comparable to inferior to that from Japan; Japan was rated superior with respect to packaging, product consistency, and product quality, and the Brazilian product was priced lower. Canadian wire rod was rated superior to wire rod from China. Canadian wire rod was rated superior or comparable to wire rod from Italy. When German wire rod was compared with Japanese wire rod, the Japanese product was rated superior on product consistency and product quality, and the German product was priced lower and had shorter delivery times. The Mexican product was rated superior to comparable to wire rod from Argentina and China. Mexican wire rod was rated comparable to wire rod from the Czech Republic, except the Czech product was considered superior on

product consistency and product quality. The Moldovan product was rated inferior to the Chinese product. Turkish wire rod was rated comparable or inferior when compared to Argentinian wire rod. Turkish and Chinese wire rod were rated comparable. Imports from Brazil and Turkey were mainly rated comparable, although Brazil was rated superior on product consistency and product quality. Imports from Turkey were rated comparable or superior to those from Moldova. Imports from Trinidad and Tobago, when compared to Turkish imports, were rated superior on packaging and product consistency; those from Turkey were priced lower, and the two were mainly comparable in the other categories. Turkish and Ukrainian imports were mostly rated comparable. Ukrainian wire rod was mostly rated inferior to Chinese wire rod.

ELASTICITY ESTIMATES

U.S. Supply Elasticity

The domestic supply elasticity for wire rod measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of wire rod. The elasticity of domestic supply depends upon marginal costs, the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift production to other products, the existence of inventories, and the availability of alternate markets for U.S.-produced wire rod. Analysis of these factors earlier indicates that the U.S. industry is likely to be able to increase shipments to the U.S. market somewhat; an estimate in the range of 5 to 10 is suggested.

U.S. Demand Elasticity

The U.S. demand elasticity for wire rod measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of wire rod. This estimate depends on factors discussed earlier such as final product demand, the commercial viability of potential substitutes, and the cost share of wire rod in downstream products. Based on the available information, the aggregate demand for wire rod is likely to be inelastic; a range of -0.7 to -0.3 is suggested.

Substitution Elasticity

The elasticity of substitution reflects how easily purchasers switch between domestic and subject imported wire rod when prices change. It depends upon the extent of product differentiation between the domestic and imported products. Product differentiation, in turn, depends upon quality (e.g., chemistry, appearance, etc.) and conditions of sale (availability, sales terms/discounts/promotions, etc.). In many uses, U.S. and subject imported wire rod appear to be highly substitutable, although the U.S. product was reported to have better minimum quantity requirements, better delivery times, and higher prices than many subject imported products. The quality of wire rod from Moldova and Ukraine appears to be below that of the domestic product. In certain specialty products, such as cold-heading-quality wire rod, Canadian and other imported products may be superior to the U.S. product. Thus, the elasticity of substitution will be different for specific products from the different subject countries.

Based on available information, the elasticity of substitution between U.S.-produced wire rod and imported wire rod is likely to be in the range of 2 to 5. The elasticity of substitution will be in the lower part of this range for the specialty grades in which the U.S. product does not compete well and also for the low quality imported products from Moldova and Ukraine. The elasticity of substitution will be higher for the more standard grades in which most countries, including the United States, compete well.

Comparative Static Model

Staff did not use the COMPAS model to estimate the effects on the domestic industry if less than fair value imports had not been present. Carribean Ispat, however, estimated the effects on the domestic industry of unfairly priced imports from Trinidad and Tobago.[46] When using the previously discussed staff estimates of elasticity, the revenue of the domestic wire rod producers would have been from 0.6 to 2.3 percent higher, had it not been for Trinidadian imports. The Trinidadian respondent also examined cases with a less elastic U.S. supply (3 to 5) and a more elastic aggregate demand (-0.75 to -1.75). A lower supply elasticity would be appropriate if the productive capacity of the domestic industry were less than the domestic industry reported its questionnaire responses. When the lower supply elasticity is used, the unfairly priced imported Trinidadian wire rod would have reduced the revenue of the domestic industry from 0.6 to 2.2 percent. Staff's opinion is that its original range for the supply elasticity covers the majority of cases; however, the small change in the results indicates that the model is not very sensitive to this adjustment in the U.S. supply elasticity. The Trinidadian respondent argued that demand could be more elastic because rod producers have the option of importing the finished product or moving production offshore.[47] Using the more elastic demand estimates, reductions in domestic revenue varied from 0.1 percent to 1.9 percent. Staff's judgement is that, contrary to the proposed adjustment in the demand elasticity, demand is relatively inelastic because few substitutes were reported and wire rod comprised a small value share of most end-use products. Petitioners argued that the increase in Trinidadian imports coincided with the financial deterioration of the U.S. industry.[48]

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[46] Posthearing brief of Caribbean Ispat, exhibit 9.

[47] Ibid.

[48] Petitioners' posthearing brief, p. 13.

PART III: U.S. PRODUCERS' PRODUCTION, SHIPMENTS, AND EMPLOYMENT

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the margins of dumping and subsidies is presented in Part I and appendix A of this report and information on the volume and pricing of imports of the subject merchandise is presented in Parts IV and V. Information on the other factors specified is presented in this section and/or Part VI and (except as noted) is based on the questionnaire responses of 12 firms that accounted for approximately *** percent of U.S. production of wire rod during 2001.

U.S. PRODUCERS

During the period for which data were collected in the final phase of these investigations, 14 firms manufactured certain steel wire rod in the United States. In the final phase of these investigations, questionnaires were sent to all of the producers, of which 11 firms responded. Birmingham, which closed its production facilities in June 2001, provided a response to the Commission's preliminary questionnaire, but did not respond to the final phase questionnaire. Because of the timing of its closure, the firm's questionnaire response submitted during the preliminary phase of these investigations for the applicable time periods is appropriately incorporated in the aggregate data presented in this report. Although AmeriSteel provided a response to the Commission's preliminary questionnaire, it submitted a letter to the Commission declining to provide a "detailed" response to the Commission's final questionnaire.[1] The data provided by AmeriSteel in the preliminary phase of the investigations is not aggregated with the industry data presented in this report because of the different time periods for which data were provided. Northwestern, Sterling, IL, which shut down its wire rod operations in May 2001, did not submit a response in these investigations. It reported in its questionnaire response in investigation No. TA-201-69 that in 1998 *** (permission granted by Northwestern to incorporate this information into the record of these investigations). U.S. producers' positions on the petition, plant locations, and U.S. production figures and production shares in 2001 are shown in table III-1.

U.S. wire rod producers are located throughout the United States and manufacture various types of wire rod. All firms tend to supply wire rod regionally based on the locations of their plants, with none of the firms dominating the U.S. market. In addition to selling wire rod on the open market, nine firms produced wire rod for internal consumption or consumption by related firms during the period for which data were collected in these investigations. Fifteen percent of U.S. producers' domestic shipments in 2001 were for internal consumption or transfer to related firms.

Several firms have shut down their wire rod mills in recent years. Specifically, North Star's Kingman, AZ facility idled its melt shop in December 2000 and ceased wire rod production entirely in May 2001;[2] GS Industries permanently idled its Kansas City, MO rod mill in February 2001;[3]

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[1] In its letter, AmeriSteel provided its production data for 2001 and the first quarter of 2002, but did not provide any financial, pricing, or other trade-related data.

[2] North Star's Kingman, AZ facility is fully operational producing steel products other than wire rod and reportedly could resume wire rod production quickly if market conditions warrant. Petitioners' prehearing brief, pp. 8 and 39-40.

[3] GS Industries' Kansas City facility could not resume wire rod production as the production equipment from the plant has either been moved to Georgetown Steel's South Carolina plant or has been sold. Petitioners' prehearing brief, p. 40.

Table III-1
Wire rod: U.S. producers, positions on the petition, plant locations, and U.S. production and shares of U.S. production in 2001

Firm name	Position on import relief	Plant location(s)	U.S. production (*short tons*)	Share of reported U.S. production (*percent*)
AmeriSteel[1]	Support	Jacksonville, FL	***	***
Birmingham[2]	Support	Cuyahoga Heights, OH	***	***
Cascade[3]	Support	McMinnville, OR	***	***
Charter[4]	***	Saukville, WI	***	***
Connecticut[5]	***	Wallingford, CT	***	***
Co-Steel[6]	Support	Perth Amboy, NJ	***	***
GS Industries[7]	Support	Kansas City, MO Georgetown, SC	***	***
Ispat Inland[8]	***	East Chicago, IN	***	***
Keystone[9]	Support	Peoria, IL	***	***
North Star[10]	Support	Kingman, AZ Beaumont, TX	***	***
Northwestern[11]	(11)	Sterling, IL	(11)	(11)
Nucor[12]	***	Norfolk, NE	***	***
Republic[13]	Support	Akron, OH	***	***
Rocky Mountain[14]	Support	Pueblo, CO	***	***
Total	--	--	3,867,871	100.0

[1] AmeriSteel's ***. AmeriSteel's response to the Commission's questionnaire was in the form of a letter which contained limited company data. AmeriSteel did not provide a detailed producers' questionnaire response in the final phase of these investigations.
[2] Birmingham is not owned, in whole or in part, by any other firm. Birmingham halted production and closed its facilities in June 2001.
[3] Cascade is a *** subsidiary of Schnitzer Steel Industries, Inc. (Portland, OR).
[4] Charter is not owned, in whole or in part, by any other firm.
[5] Connecticut, as of September 30, 1999, is *** owned by ***. Previously, the firm was owned by Swiss Steel AG (Emmenbruecke, Switzerland).
[6] Co-Steel is a *** subsidiary of Co-Steel (Ontario, Canada). The U.S. producer's parent company, located in Toronto, entered into an agreement with Gerdau S.A. to combine their North American holdings.

Notes continued on next page.

Continuation.

[7] GS Industries permanently closed its Kansas City, MO rod mill in February 2001 and finalized the sale of its Georgetown Steel operations in Georgetown, SC on July 10, 2002. Georgetown Steel Co., LLC is the successor-in-interest to GS Industries.

[8] Ispat Inland is a division of Ispat Inland Inc. (East Chicago, IL), a subsidiary of Ispat International-NV (Rotterdam, the Netherlands). ***.

[9] Keystone is *** owned by Contran Corp. (Dallas, TX).

[10] North Star is a *** subsidiary of Cargill Inc. (Wayzata, MN). ***. North Star ceased its wire rod operations at Kingman, AZ in December 2000, and ***.

[11] Northwestern, which shut down its wire rod operations in May 2001, did not provide a questionnaire response in these investigations. Northwestern reported in its questionnaire response in investigation No. TA-201-69 that in 1998 ***. Northwestern was recently purchased by Leggett and Platt, a large independent wire manufacturer.

[12] Nucor is not owned, in whole or in part, by any other firm.

[13] Republic's rod facility was formerly USS/Kobe. In August 1999, USS/Kobe was merged into Republic. ***.

[14] Rocky Mountain is *** owned by Oregon Steel Mills (Portland, OR).

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

Northwestern shut down its wire rod operations on May 20, 2001;[4] and Birmingham closed its American Steel and Wire rod plant in Cuyahoga Heights, OH in June 2001.[5] Two of the firms that experienced shutdowns during the period for which information was collected in these investigations also recently announced changes in ownership. The wire rod facilities at Northwestern, which was operating under Chapter 11 bankruptcy protection since December 2000, were recently purchased by Leggett and Platt, reportedly the largest independent wire manufacturer in the United States. The company, formerly known as Northwestern, will be known as Sterling Steel.[6] Subsequent to the closing of GS Industries' Kansas City, MO facility and its filing for Chapter 11 bankruptcy protection in February 2001, GS Industries finalized the sale of its Georgetown Steel operations in Georgetown, SC on July 10, 2002. Georgetown Steel Co., LLC is the successor-in-interest to GS Industries and indicates that it fully supports the petitions filed on behalf of the domestic industry.[7]

In addition, a change in ownership was announced August 13, 2002 for domestic producer Co-Steel. The U.S. producer's parent company, located in Canada, entered into an agreement with Gerdau S.A., Rio de Janeiro,[8] to combine their North American holdings. When the transaction closes, reportedly in the fourth quarter of 2002, Co-Steel will be renamed Gerdau AmeriSteel Corp.[9]

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[4] "Northwestern Steel and Wire Shuts Down After 122 Years," found at internet address *http://www.newsteel.com/latestnews/News052301.htm*, retrieved September 27, 2001.

[5] Charter Steel has reportedly purchased Birmingham's American Steel and Wire rod plant and has restarted some production at the mill. Petitioners' prehearing brief, p. 40.

[6] Hearing transcript, pp. 153-156.

[7] Letter from Collier Shannon Scott, August 19, 2002.

[8] Gerdau S.A. is a producer of wire rod in Brazil and is the ***.

[9] "Gerdau Focuses on 'Long' Range in Co-Steel Bid," *American Metal Market*, August 14, 2002, p. 1.

U.S. CAPACITY, PRODUCTION, AND CAPACITY UTILIZATION

Data regarding U.S. capacity, production, and capacity utilization for wire rod are summarized in table III-2. Reported capacity to produce wire rod in the United States fell overall by 16.0 percent from 1999 to 2001, as the closure of the facilities at North Star (Kingman, AZ), GS Industries (Kansas City, MO), and Birmingham (Cuyahoga Heights, OH) were accompanied by reported capacity declines at several other facilities.[10] Reported U.S. capacity also fell by 13.1 percent in the first quarter of 2002 compared with the first quarter of 2001.

Table III-2
Wire rod: U.S. production capacity, production, and capacity utilization, 1999-2001, January-March 2001, and January-March 2002[1]

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
Capacity (*short tons*)	7,122,442	7,185,787	5,980,551	1,492,786	1,297,295
Production (*short tons*)	5,438,898	5,379,891	3,793,871	924,417	967,109
Capacity utilization (*percent*)	76.4	74.9	63.4	61.9	74.5

[1] Birmingham did not provide first quarter 2001 data. Therefore, data presented for January-March 2001 are somewhat understated.

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

U.S. production of wire rod fell by 30.2 percent from 1999 to 2001, and then rose by 4.6 percent from January-March 2001 to January-March 2002. A decline in production from 1999 to 2001 was reported by each responding firm with the exception of ***. Capacity utilization, which had remained above 74 percent during 1999-2000, fell to 63.4 percent in 2001 as production declined. Reported capacity utilization increased by 12.6 percentage points in the first quarter of 2002 compared with the first quarter of 2001.

U.S. PRODUCERS' DOMESTIC SHIPMENTS AND EXPORT SHIPMENTS

The quantity of U.S. producers' U.S. shipments fell by 27.7 percent between 1999 and 2001 and then declined by 2.4 percent in the first quarter of 2002 compared with the first quarter of 2001 (table III-3). The value of U.S. producers' U.S. shipments fell by 29.6 percent from 1999 to 2001, but increased by 2.5 percent during the partial-year periods. The unit value of U.S. producers' U.S. shipments fell by 2.6 percent from 1999 to 2001, but rose by 5.0 percent in the first quarter of 2002 compared with the first quarter of 2001. The composition of U.S. producers' U.S. shipments, by quality or type of steel wire rod, remained generally constant from 1999 to the first quarter of 2002 (appendix table D-1).

The bulk of U.S. producers' shipments was commercial shipments, representing 84 percent of total shipments in 2001, by volume. Export shipments, by volume, accounted for only 0.7 percent of total shipments in 2001, the peak year for U.S. producers' exports. These export shipments were

[10] In addition to the above closures, Northwestern, which did not provide data in response to the Commission's questionnaire, closed its facility in Sterling, IL, in May 2001.

Table III-3
Wire rod: U.S. producers' shipments, by types, 1999-2001, January-March 2001, and January-March 2002[1]

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
			Quantity (*short tons*)		
Commercial shipments	4,512,085	4,586,537	3,302,599	833,092	826,806
Internal consumption	497,469	482,025	381,031	95,703	108,671
Transfers to related firms	371,476	239,163	205,725	73,725	43,441
U.S. shipments	5,381,030	5,307,725	3,889,355	1,002,520	978,918
Export shipments	11,672	19,755	26,954	5,844	7,814
Total	5,392,702	5,327,480	3,916,309	1,008,364	986,732
			Value (*1,000 dollars*)		
Commercial shipments	1,440,125	1,413,687	1,037,483	258,317	270,580
Internal consumption	124,007	125,081	84,048	22,297	24,145
Transfers to related firms	104,402	64,389	53,486	18,819	12,171
U.S. shipments	1,668,534	1,603,157	1,175,017	299,433	306,896
Export shipments	4,863	9,138	13,114	2,744	3,808
Total	1,673,397	1,612,295	1,188,131	302,177	310,704
			Unit value (*per short ton*)		
Commercial shipments	$319.17	$308.23	$314.14	$310.07	$327.26
Internal consumption	249.28	259.49	220.58	232.98	222.18
Transfers to related firms	281.05	269.23	259.99	255.26	280.17
U.S. shipments	310.08	302.04	302.11	298.68	313.51
Export shipments	416.64	462.57	486.53	469.52	487.33
Total	310.31	302.64	303.38	299.67	314.88

[1] Birmingham did not provide first quarter 2001 data. Therefore, data presented for January-March 2001 are somewhat understated.

Note.–Because of rounding, figures may not add to the totals shown.

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

reported by seven U.S. producers that exported wire rod to Canada, Germany, Mexico, and the United Kingdom during the period for which data were collected in these investigations. Internal consumption and transfers to related firms, by volume, represented 10 percent and 5 percent of U.S. producers' total shipments in 2001, respectively.

Nine domestic producers reported internal consumption and/or the transfer of wire rod to related firms during the period for which information was collected in these investigations. Eight domestic producers reported internal consumption of wire rod, with *** accounting for approximately *** of all internally consumed product by domestic producers during 2001 and *** accounting for *** of the internally consumed product during 2001. Four domestic producers reported the transfer of wire rod to related firms, with *** accounting for *** and *** accounting for *** of domestic producers' total transfers of wire rod to related firms during 2001.

The Commission asked these producers to comment on any differences, including qualities and end uses, of the wire rod that they internally consumed or transferred to related firms, and that they sold in the merchant market. The domestic firms that responded to the Commission's question and their responses are presented in the following tabulation:

* * * * * * *

The Commission asked the domestic producers that reported transfers to related firms to indicate the nature of the relationship with the related firm, whether the transfers were priced by market or by non-market formula, whether the marketing rights to all transfers were retained, and whether the related firms also processed inputs from sources other than their firm. The domestic firms that responded to the Commission's question and their responses are presented in the following tabulation:

* * * * * * *

U.S. PRODUCERS' PURCHASES

Data on U.S. producers' purchases (other than direct imports) are presented in table III-4.

Table III-4
Wire rod: U.S. producers' purchases (other than direct imports), by sources, 1999-2001, January-March 2001, and January-March 2002

* * * * * * *

U.S. PRODUCERS' INVENTORIES

Although an increase in end-of-period inventories was reported for 2000, U.S. producers' end-of-period inventories fell overall by 29.6 percent from 1999 to 2001, and fell further by 20.2 percent from March 31, 2001 to March 31, 2002. The ratios of inventories to production, U.S. shipments, and total shipments fluctuated between 4.3 percent and 6.1 percent throughout the period examined (table III-5).

Table III-5
Wire rod: U.S. producer's end-of-period (EOP) inventories, 1999-2001, January-March 2001, and January-March 2002

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
EOP inventories *(short tons)*	272,531	325,296	191,830	214,767	171,431
Ratio to production *(percent)*	5.0	6.0	5.1	5.8	4.4
Ratio to U.S. shipments *(percent)*	5.1	6.1	4.9	5.4	4.4
Ratio to total shipments *(percent)*	5.1	6.1	4.9	5.3	4.3

Note.–January-March inventory ratios are annualized.

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

U.S. EMPLOYMENT, WAGES, AND PRODUCTIVITY

As shown in table III-6, the number of production and related workers (PRWs) in the wire rod industry decreased by 26.0 percent from 1999 to 2001, while their hours worked fell overall by 29.3 percent and wages paid fell overall by 29.2 percent. Downward trends for all three indicators were also reported for the first quarter of 2002 compared with the first quarter of 2001. Productivity fell by 1.3 percent from 1999 to 2001, while hourly wages paid and unit labor costs rose 0.3 percent and 1.6 percent, respectively, during the same time period. Unit labor costs fell by 23.5 percent during the first quarter of 2002 compared with the first quarter of 2001, while hourly wages and productivity rose 3.4 percent and 35.2 percent, respectively.

Table III-6
Wire rod: Average number of PRWs, hours worked, wages paid to such employees, and hourly wages, productivity, and unit labor costs, 1999-2001, January-March 2001, and January-March 2002[1]

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
PRWs *(number)*	3,249	3,193	2,405	2,653	2,020
Hours worked *(1,000)*	7,261	7,668	5,130	1,437	1,112
Wages paid *($1,000)*	188,285	199,858	133,393	39,028	31,233
Hourly wages	$25.93	$26.06	$26.00	$27.16	$28.08
Productivity *(short tons per 1,000 hours)*	749.1	701.6	739.5	643.3	869.5
Unit labor costs *(per short ton)*	$34.62	$37.15	$35.16	$42.22	$32.30

[1] Birmingham did not provide first quarter 2001 data. Therefore, data presented for January-March 2001 are somewhat understated.

Note.–Productivity and unit labor costs are calculated using data of firms providing both employment and production information.

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

PART IV: U.S. IMPORTS, APPARENT CONSUMPTION, AND MARKET SHARES

U.S. IMPORTERS

In response to questionnaires sent to importers by the Commission in the final phase of these investigations, 27 firms supplied usable data.[1] Based on a comparison with official import statistics of Commerce as adjusted to exclude the grade 1080 tire cord and tire bead quality wire rod reported in importers' questionnaire responses, responding U.S. importers of wire rod accounted for 95 percent of U.S. imports of wire rod during 2001. Wire rod from most countries was typically entered into the United States by more than one importer. Further, individual importers frequently imported from a number of sources.

Of those firms responding, 15 firms imported wire rod from Brazil during the period examined, 2 firms imported from Canada, 5 firms imported from Germany, 4 firms imported from Indonesia, 8 firms imported from Mexico, 5 firms imported from Moldova, 5 firms imported from Trinidad and Tobago, and 7 firms imported from Ukraine.

U.S. IMPORTS

Table IV-1 presents imports of the subject wire rod based on official Commerce statistics,[2] adjusted to exclude the grade 1080 tire cord and tire bead quality wire rod reported in importers' questionnaire responses.[3] The data concerning Trinidad and Tobago are shown separately in this report because the statute directs the Commission not to cumulate imports from any country that is designated as a beneficiary country under the CBERA for purposes of making a determination with respect to that country. However, for purposes of making a determination with respect to non-CBERA countries, imports from CBERA countries may be cumulated with imports from non-CBERA countries. Data concerning imports of wire rod from Egypt, South Africa, and Venezuela, which relate to the investigations which the Commission terminated in the preliminary phase on the basis of negligible imports, but for which the Commission later made affirmative determinations on remand by the CIT, are

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[1] Six additional importers' questionnaire responses, provided by ***, were not aggregated with the data presented in this report because such aggregation would result in double-counting of the imported material. In addition, the data concerning *** imports (***) as reported in the importer questionnaire response of *** were not aggregated with the import data to avoid double-counting the *** material.

[2] In this report, official import statistics presented for subject wire rod imported prior to March 2000 were based on *HTS* statistical reporting numbers 7213.91.3000, 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0000, and 7227.90.6050. Those data presented for the period from March 2000 to the present are based on *HTS* statistical reporting numbers 7213.91.3010, 7213.91.3090, 7213.91.4510, 7213.91.4590, 7213.91.6010, 7213.91.6090, 7213.99.0031, 7213.99.0038, 7227.20.0010, and 7227.90.6051. In addition, data presented for the period from March 2000 to December 31, 2001 include *HTS* statistical reporting numbers 7227.20.0090 and 7227.90.6058; and those presented for the period January 2002 to the present include *HTS* statistical reporting numbers 7227.20.0020, 7227.20.0095, 7227.90.6053, and 7227.90.6059. The statistical reporting numbers listed above include not only subject merchandise but also the grade 1080 tire cord and tire bead quality wire rod products specifically excluded by Commerce from the scope of these investigations.

[3] According to questionnaire responses, there were imports of the excluded grade 1080 tire cord and tire bead quality wire rod products from Brazil, Canada, Germany, and nonsubject sources, but not from Indonesia, Mexico, Moldova, Trinidad and Tobago, or Ukraine.

Table IV-1--*Continued*
Wire rod: U.S. imports, by sources, 1999-2001, January-March 2001, and January-March 2002

Source	Calendar year			January-March	
	1999	2000	2001	2001	2002
	Quantity (*short tons*)				
Brazil	***	***	***	***	***
Canada (excluding Stelco)	***	***	***	***	***
Germany	***	***	***	***	***
Indonesia	69,805	86,940	60,065	29,781	0
Mexico	122,038	159,818	266,925	61,920	42,574
Moldova	190,239	191,074	187,370	0	18,826
Ukraine	193,003	367,712	258,526	57,906	4,401
Subtotal	***	***	***	***	***
Trinidad and Tobago[1]	341,815	287,507	355,089	60,992	89,857
Subject subtotal	***	***	***	***	***
Stelco	***	***	***	***	***
Egypt	24,044	37,480	23,447	182	10,302
South Africa	55,850	75,412	76,058	7,176	3,405
Turkey	151,346	187,878	259,945	31,875	3,337
Venezuela	132,084	84,957	76,077	12,431	27,930
All other sources	***	***	***	***	***
Nonsubject subtotal	***	***	***	***	***
Total	2,764,938	2,953,083	3,046,339	551,408	654,730

Table continued. See footnotes at the end of table.

Table IV-1--*Continued*
Wire rod: U.S. imports, by sources, 1999-2001, January-March 2001, and January-March 2002

Source	Calendar year			January-March	
	1999	2000	2001	2001	2002
	Value (*1,000 dollars*)[2]				
Brazil	***	***	***	***	***
Canada (excluding Stelco)	***	***	***	***	***
Germany	***	***	***	***	***
Indonesia	14,884	19,669	13,118	6,302	0
Mexico	29,449	39,337	64,309	15,169	11,241
Moldova	38,888	41,667	39,439	0	3,708
Ukraine	35,568	75,568	49,770	11,370	807
Subtotal	***	***	***	***	***
Trinidad and Tobago[1]	87,289	75,511	91,335	16,028	23,487
Subject subtotal	***	***	***	***	***
Stelco	***	***	***	***	***
Egypt	5,377	9,066	5,273	20	2,362
South Africa	13,524	19,062	18,216	1,880	852
Turkey	30,150	45,285	56,212	6,883	792
Venezuela	30,063	18,536	18,275	2,714	6,822
All other sources	***	***	***	***	***
Nonsubject subtotal	***	***	***	***	***
Total	797,766	884,769	867,770	168,437	198,233

Table continued. See footnotes at the end of table.

Table IV-1--*Continued*
Wire rod: U.S. imports, by sources, 1999-2001, January-March 2001, and January-March 2002

Source	Calendar year			January-March	
	1999	2000	2001	2001	2002
	Unit value (*per short ton*)[2]				
Brazil	***	***	***	***	***
Canada (excluding Stelco)	***	***	***	***	***
Germany	***	***	***	***	***
Indonesia	$213.22	$226.23	$218.39	$211.61	(3)
Mexico	241.31	246.14	240.92	244.98	$264.03
Moldova	204.42	218.07	210.49	(3)	196.95
Ukraine	184.29	205.51	192.52	196.35	183.45
Subtotal	***	***	***	***	***
Trinidad and Tobago[1]	255.37	262.64	257.22	262.79	261.38
Subject subtotal	***	***	***	***	***
Stelco	***	***	***	***	***
Egypt	223.64	241.90	224.91	110.13	229.28
South Africa	242.15	252.77	239.50	261.97	250.31
Turkey	199.21	241.04	216.24	215.95	237.37
Venezuela	227.61	218.18	240.21	218.32	244.26
All other sources	***	***	***	***	***
Nonsubject subtotal	***	***	***	***	***
Total	288.53	299.61	284.86	305.47	302.77

Table continued. See footnotes at the end of table.

Table IV-1--*Continued*
Wire rod: U.S. imports, by sources, 1999-2001, January-March 2001, and January-March 2002

Source	Calendar year			January-March	
	1999	2000	2001	2001	2002
	Share of quantity (*percent*)				
Brazil	***	***	***	***	***
Canada (excluding Stelco)	***	***	***	***	***
Germany	***	***	***	***	***
Indonesia	2.5	2.9	2.0	5.4	0.0
Mexico	4.4	5.4	8.8	11.2	6.5
Moldova	6.9	6.5	6.2	0.0	2.9
Ukraine	7.0	12.5	8.5	10.5	0.7
Subtotal	***	***	***	***	***
Trinidad and Tobago[1]	12.4	9.7	11.7	11.1	13.7
Subject subtotal	***	***	***	***	***
Stelco	***	***	***	***	***
Egypt	0.9	1.3	0.8	(4)	1.6
South Africa	2.0	2.6	2.5	1.3	0.5
Turkey	5.5	6.4	8.5	5.8	0.5
Venezuela	4.8	2.9	2.5	2.3	4.3
All other sources	***	***	***	***	***
Nonsubject subtotal	***	***	***	***	***
Total	100.0	100.0	100.0	100.0	100.0

Table continued. See footnotes at the end of table.

Table IV-1--*Continued*
Wire rod: U.S. imports, by sources, 1999-2001, January-March 2001, and January-March 2002

Source	Calendar year			January-March	
	1999	2000	2001	2001	2002
	Share of value (*percent*)				
Brazil	***	***	***	***	***
Canada (excluding Stelco)	***	***	***	***	***
Germany	***	***	***	***	***
Indonesia	1.9	2.2	1.5	3.7	0.0
Mexico	3.7	4.4	7.4	9.0	5.7
Moldova	4.9	4.7	4.5	0.0	1.9
Ukraine	4.5	8.5	5.7	6.8	0.4
Subtotal	***	***	***	***	***
Trinidad and Tobago[1]	10.9	8.5	10.5	9.5	11.8
Subject subtotal	***	***	***	***	***
Stelco	***	***	***	***	***
Egypt	0.7	1.0	0.6	(4)	1.2
South Africa	1.7	2.2	2.1	1.1	0.4
Turkey	3.8	5.1	6.5	4.1	0.4
Venezuela	3.8	2.1	2.1	1.6	3.4
All other sources	***	***	***	***	***
Nonsubject subtotal	***	***	***	***	***
Total	100.0	100.0	100.0	100.0	100.0

[1] Trinidad and Tobago is shown separately because the statute directs the Commission not to cumulate imports from any country that is designated as a beneficiary country under the CBERA for purposes of making a determination with respect to that country. (However, for purposes of making a determination with respect to non-CBERA countries, imports from CBERA countries may be cumulated with imports from non-CBERA countries.)
[2] Landed, duty-paid.
[3] Not applicable.
[4] Less than 0.05 percent.

Note.–Because of rounding, figures may not add to the totals shown.

Source: Compiled from official Commerce statistics adjusted to exclude the grade 1080 tire cord and tire bead quality wire rod reported in Commission importers' questionnaire responses.

also presented separately, as are data for Stelco (Canada) and Turkey, for which Commerce made *de minimis* final determinations.

With respect to the question of negligible imports, table IV-2 presents data on the quantity of U.S. imports of the subject merchandise from subject countries in the most recent 12-month period for which data are available that preceded the filing of the petitions (August 2000-July 2001), and each country's share of total U.S. imports (based on quantity). On June 20, 2002, the CIT remanded to the Commission for reconsideration its negligibility determinations with respect to Egypt, South Africa, and Venezuela in *Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Turkey, Ukraine, and Venezuela*, Invs. Nos. 701-TA-417-421 and 731-TA-953-963 (Preliminary). The Commission was ordered to reconsider its determinations in light of Commerce's revised scope definition which excluded grade 1080 tire cord and tire bead quality wire rod that comported with the specifications, definitions, and applications set forth in Commerce's scope language. In preparation for a response to this remand order, the Commission staff contacted seven firms that indicated in their questionnaire response in the final phase of the investigations that they were importers of the excluded grade 1080 products and four importing firms that submitted a questionnaire response only in the preliminary phase of the investigations. Staff requested from each firm for the one-year period August 2000-July 2001 the total quantity of imports of the excluded grade 1080 tire cord and tire bead quality wire rod, by country, for all countries from which the firms imported these products. The data received in response to this request were then subtracted from Commerce's official import statistics for the same period.[4] As the data in table IV-2 show, imports from Germany, as well as Egypt, South Africa, and Venezuela, were each less than 3 percent of total U.S. imports based on the revised scope language.

U.S. PRODUCERS' IMPORTS

Data on U.S. producers' imports are presented in table IV-3. Two U.S. producers that provided a response to the Commission's questionnaire in the final phase of these investigations, ***, reported importing the subject wire rod during the period examined.[5] In addition, several firms related to *** imported wire rod into the United States and ***.

APPARENT U.S. CONSUMPTION

Data on U.S. consumption of wire rod, as shown in table IV-4, are based on U.S. producers' U.S. shipments and official Commerce import statistics adjusted to exclude the grade 1080 tire cord and tire bead quality wire rod as reported in importers' questionnaire responses. In terms of quantity, U.S. consumption fell by 14.9 percent from 1999 to 2001, but increased by 5.1 percent in the first quarter of 2002 compared with the first quarter of 2001. In terms of value, consumption showed a similar trend.

U.S. MARKET SHARES

Market shares for wire rod are presented in table IV-5. U.S. producers' market share decreased steadily in quantity and value terms during the period examined, while the aggregate market share held by subject imports increased from 1999 to 2001 but fell during the partial-year periods.

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[4] See memorandum INV-Z-111 of July 12, 2002 and memorandum INV-Z-115 of July 16, 2002.

[5] ***.

Table IV-2
Wire rod: U.S. imports and import shares, by sources, August 2000-July 2001

Country	U.S. imports (*in short tons*)	Share of total quantity of imports (*percent*)
Brazil	***	***
Canada, other than Stelco[1]	***	***
Germany	***	***
Indonesia	116,801	4.0
Mexico	211,924	7.3
Moldova	136,215	4.7
Ukraine	279,501	9.6
Subtotal	***	***
Trinidad and Tobago	329,612	11.4
Subject subtotal	***	***
Stelco	***	***
Egypt	42,797	1.5
South Africa	79,541	2.7
Turkey	211,756	7.3
Venezuela	65,429	2.3
All other sources	***	***
Total	2,898,123	100.0

[1] Imports from Stelco are presented separately because in its final determinations, Commerce found a *de minimis* antidumping duty margin and a 0.0 percent countervailing duty rate applicable to Stelco. Commerce also found a 0.0 percent countervailing duty rate applicable to Ivaco, but found a greater than *de minimis* antidumping duty margin for Ivaco. Therefore, for purposes of the countervailing duty investigation only, subject imports from Canada exclude imports from Ivaco as well as Stelco. The quantity of imports of Canadian wire rod, excluding imports from both Ivaco and Stelco, for the period August 2000-July 2001 amounted to *** short tons and represented *** percent of the total quantity of wire rod imports during that period.

Source: Compiled from official Commerce statistics, Commission questionnaire responses, U.S. Customs Service data, and fax and email responses from importers.

Table IV-3
Wire rod: U.S. producers' imports, 1999-2001, January-March 2001, and January-March 2002

* * * * * * *

Table IV-4--*Continued*
Wire rod: U.S. shipments of domestic product, U.S. imports, by sources, and apparent U.S. consumption, 1999-2001, January-March 2001, and January-March 2002

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
	Quantity (*short tons*)				
U.S. producers' shipments	5,381,030	5,307,725	3,889,355	1,002,520	978,918
U.S. imports from--					
Brazil	***	***	***	***	***
Canada (excluding Stelco)	***	***	***	***	***
Germany	***	***	***	***	***
Indonesia	69,805	86,940	60,065	29,781	0
Mexico	122,038	159,818	266,925	61,920	42,574
Moldova	190,239	191,074	187,370	0	18,826
Ukraine	193,003	367,712	258,526	57,906	4,401
Subtotal	***	***	***	***	***
Trinidad and Tobago	341,815	287,507	355,089	60,992	89,857
Subject subtotal	***	***	***	***	***
Stelco	***	***	***	***	***
Egypt	24,044	37,480	23,447	182	10,302
South Africa	55,850	75,412	76,058	7,176	3,405
Turkey	151,346	187,878	259,945	31,875	3,337
Venezuela	132,084	84,957	76,077	12,431	27,930
All other sources	***	***	***	***	***
Nonsubject subtotal	***	***	***	***	***
Total	2,764,938	2,953,083	3,046,339	551,408	654,730
Apparent consumption	8,145,968	8,260,808	6,935,694	1,553,928	1,633,648

Table continued on following page.

Table IV-4--*Continued*
Wire rod: U.S. shipments of domestic product, U.S. imports, by sources, and apparent U.S. consumption, 1999-2001, January-March 2001, and January-March 2002

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
	Value (*1,000 dollars*)[1]				
U.S. producers' shipments	1,668,534	1,603,157	1,175,017	299,433	306,896
U.S. imports from--					
Brazil	***	***	***	***	***
Canada (excluding Stelco)	***	***	***	***	***
Germany	***	***	***	***	***
Indonesia	14,884	19,669	13,118	6,302	0
Mexico	29,449	39,337	64,309	15,169	11,241
Moldova	38,888	41,667	39,439	0	3,708
Ukraine	35,568	75,568	49,770	11,370	807
Subtotal	***	***	***	***	***
Trinidad and Tobago	87,289	75,511	91,335	16,028	23,487
Subject subtotal	***	***	***	***	***
Stelco	***	***	***	***	***
Egypt	5,377	9,066	5,273	20	2,362
South Africa	13,524	19,062	18,216	1,880	852
Turkey	30,150	45,285	56,212	6,883	792
Venezuela	30,063	18,536	18,275	2,714	6,822
All other sources	***	***	***	***	***
Nonsubject subtotal	***	***	***	***	***
Total	797,766	884,769	867,770	168,437	198,233
Apparent consumption	2,466,300	2,487,926	2,042,787	467,870	505,129

[1] Landed, duty-paid.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics adjusted to exclude the grade 1080 tire cord and tire bead quality wire rod reported in Commission importers' questionnaire responses.

Table IV-5--*Continued*
Wire rod: Apparent U.S. consumption and market shares, 1999-2001, January-March 2001, and January-March 2002

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
	Quantity (*short tons*)				
Apparent consumption	8,145,968	8,260,808	6,935,694	1,553,928	1,633,648
	Value (*1,000 dollars*)				
Apparent consumption	2,466,300	2,487,926	2,042,787	467,870	505,129
	Share of quantity (*percent*)				
U.S. producers' shipments	66.1	64.3	56.1	64.5	59.9
U.S. imports from--					
Brazil	***	***	***	***	***
Canada (excluding Stelco)	***	***	***	***	***
Germany	***	***	***	***	***
Indonesia	0.9	1.1	0.9	1.9	0.0
Mexico	1.5	1.9	3.8	4.0	2.6
Moldova	2.3	2.3	2.7	0.0	1.2
Ukraine	2.4	4.5	3.7	3.7	0.3
Subtotal	***	***	***	***	***
Trinidad and Tobago	4.2	3.5	5.1	3.9	5.5
Subject subtotal	***	***	***	***	***
Stelco	***	***	***	***	***
Egypt	0.3	0.5	0.3	(1)	0.6
South Africa	0.7	0.9	1.1	0.5	0.2
Turkey	1.9	2.3	3.7	2.1	0.2
Venezuela	1.6	1.0	1.1	0.8	1.7
All other sources	***	***	***	***	***
Nonsubject subtotal	***	***	***	***	***
Total	33.9	35.7	43.9	35.5	40.1

Table continued on following page.

Table IV-5--*Continued*
Wire rod: Apparent U.S. consumption and market shares, 1999-2001, January-March 2001, and January-March 2002

Item	Calendar year			January-March	
	1999	2000	2001	2001	2002
	Share of value (*percent*)				
U.S. producers' shipments	67.7	64.4	57.5	64.0	60.8
U.S. imports from--					
Brazil	***	***	***	***	***
Canada (excluding Stelco)	***	***	***	***	***
Germany	***	***	***	***	***
Indonesia	0.6	0.8	0.6	1.3	0.0
Mexico	1.2	1.6	3.1	3.2	2.2
Moldova	1.6	1.7	1.9	0.0	0.7
Ukraine	1.4	3.0	2.4	2.4	0.2
Subtotal	***	***	***	***	***
Trinidad and Tobago	3.5	3.0	4.5	3.4	4.7
Subject subtotal	***	***	***	***	***
Stelco	***	***	***	***	***
Egypt	0.2	0.4	0.3	(1)	0.5
South Africa	0.5	0.8	0.9	0.4	0.2
Turkey	1.2	1.8	2.8	1.5	0.2
Venezuela	1.2	0.7	0.9	0.6	1.4
All other sources	***	***	***	***	***
Nonsubject subtotal	***	***	***	***	***
Total	32.3	35.6	42.5	36.0	39.2

[1] Less than 0.05 percent.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics adjusted to exclude the grade 1080 tire cord and tire bead quality wire rod reported in Commission importers' questionnaire responses.

CRITICAL CIRCUMSTANCES

In its final determinations, Commerce found that critical circumstances exist for imports of the subject merchandise from Germany, Moldova, and Ukraine. Monthly data on subject imports from these countries for the period March 2001-February 2002 are presented in table IV-6. A total of 11 U.S. firms reported imports of the subject merchandise from these three countries, with four firms importing from Germany, five firms importing from Moldova, and seven firms importing from Ukraine. However, *** reported maintaining inventories of the subject merchandise. Such inventories held by *** on February 28, 2001, August 31, 2001, and February 28, 2002 are presented in table IV-7.

Table IV-6
Wire rod: Monthly U.S. imports from Germany, Moldova, and Ukraine, March 2001-February 2002[1]

Month and year	Germany	Moldova	Ukraine
	Quantity (*short tons*)		
March 2001	***	0	56,989
April 2001	***	11,674	4,921
May 2001	***	7,156	4,081
June 2001	***	39,880	27,433
July 2001	***	4,853	24,496
August 2001	***	18,393	15,511
Subtotal, March-August 2001	***	81,956	133,430
September 2001	***	16,697	14,927
October 2001	***	43,164	37,558
November 2001	***	14,618	41,311
December 2001	***	30,935	30,383
January 2002	***	0	0
February 2002	***	5,053	0
Subtotal, September 2001-February 2002	***	110,467	124,179

[1] The 12-month period presented is the 6-month period prior to the filing of the petitions and the 6-month period following the filing of the petitions. This 12-month period also corresponds to year 2 of the TRQ. The heavy horizontal lines separate the quarterly periods of the quota year presented.

Source: Compiled from official Commerce statistics as adjusted to exclude the grade 1080 tire cord and tire bead quality wire rod reported in Commission importers' questionnaire responses.

Table IV-7
Wire rod: End-of-period inventories of imports from Germany, Moldova, and Ukraine held by U.S. importers on February 28, 2001, August 31, 2001, and February 28, 2002

* * * * * * *

PART V: PRICING AND RELATED INFORMATION

FACTORS AFFECTING PRICES

Transportation Costs

Ocean transportation costs, or possibly overland freight costs in the cases of Canada and Mexico, were approximated by calculating the increment that insurance and freight add to the customs value of imported wire rod (table V-1).

Table V-1
Wire rod: Ocean transportation costs to the U.S. market, by countries, 2001

Country	(C.i.f. value - customs value)/customs value (*percent*)
Brazil	14.4
Canada	7.6
Germany	25.0
Indonesia	10.1
Mexico	8.9
Moldova	11.6
Trinidad and Tobago	8.4
Ukraine	11.7
Source: Compiled from official Commerce statistics.	

Nine U.S. producers and 19 importers provided usable data on U.S. inland transportation costs as a percentage of the total delivered value for wire rod. The median values of the responses by U.S. producers and importers are, respectively, 7.5 percent and 8.0 percent.

A Mexican respondent, Lazaro Cardenas, alleges that wire rod's value in relation to its weight is low and that wire rod cannot economically be sold to purchasers at substantial distances from the plant or port.[1] Because its facilities are located on Mexico's Pacific Coast within a couple of days shipping time from Los Angeles, it can reportedly ship to this area more economically than U.S. producers.

Exchange Rates

The nominal and real value of the Brazilian real relative to the U.S. dollar followed similar trends between the first quarter of 1999 and the first quarter of 2002, although the real value was consistently higher. Between the first quarter of 1999 and the first quarter of 2002, the value of the

[1] Posthearing brief of Lazaro Cardenas Las Truchas, p. 6.

Brazilian real decreased by approximately 26 percent in nominal terms and increased by approximately 10 percent in real terms (figure V-1).

The nominal and real values of the Canadian dollar compared to the U.S. dollar changed little between the first quarter of 1999 and the first quarter of 2002 (figure V-2). The nominal and real dollar value of the Canadian dollar decreased very slightly during 2001 and the first quarter of 2002.

The dollar value of the German mark decreased by 21.8 percent between the first quarter of 1999 and the first quarter of 2002 (figure V-3). The real value of the German mark closely followed its nominal value.

The nominal and real dollar value of the Indonesian rupiah increased throughout 1999, but then fell during 2000 and the first two quarters of 2001, and has since increased slightly (figure V-4). The nominal dollar value of the Indonesian rupiah fell by 13.6 percent between the first quarter of 1999 and the first quarter of 2002. The real value increased by 8.5 percent relative to the U.S. dollar between the first quarter of 1999 and the first quarter of 2002.

The dollar value of the Mexican peso increased by 8.1 percent in nominal terms between the first quarter of 1999 and the first quarter of 2002 (figure V-5). Its real value increased by 11.4 percent relative to the U.S. dollar between the first quarter of 1999 and the fourth quarter of 2000, the last quarter for which data were available to compute a real rate.

The dollar value of the Moldovan lei fell by 11.0 percent in nominal terms between the first quarter of 1999 and the first quarter of 2001 (figure V-6). It has since recovered somewhat. Data were unavailable to compute a real exchange rate.

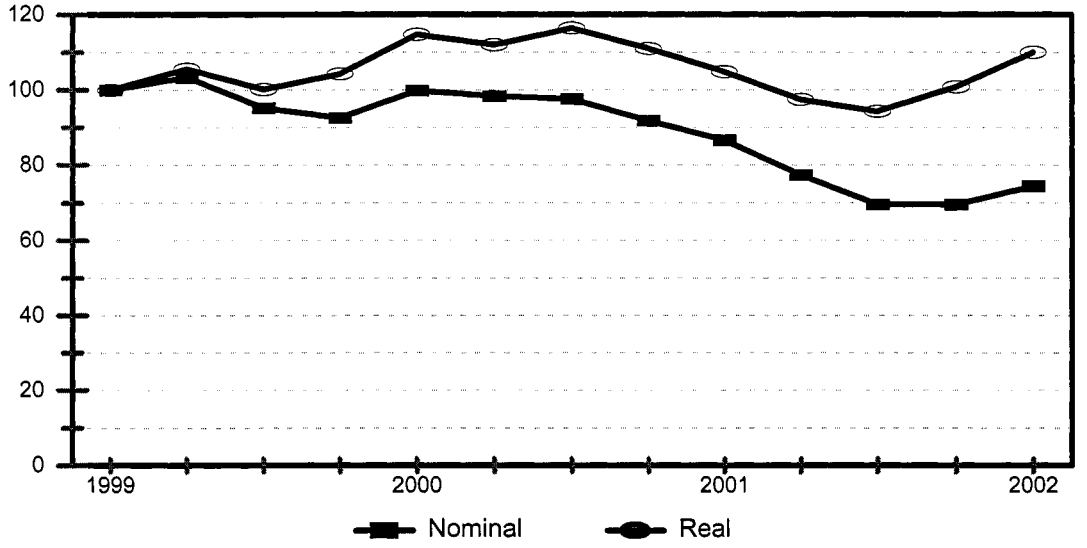
The nominal U.S. dollar value of Trinidad and Tobago's dollar changed little between the first quarter of 1999 and the first quarter of 2002 (figure V-7). The real rate similarly was steady, although the last quarter for which data were available to compute a real rate was the first quarter of 2000.

The dollar value of the Ukrainian hryvnia fell by about 34.9 percent in nominal terms between the first quarter of 1999 and the first quarter of 2000 and has since remained steady (figure V-8). Between the first quarter of 1999 and the third quarter of 2000 (the last period for which data were available to compute a real rate), the real value decreased by 22.0 percent.

Raw Material Prices

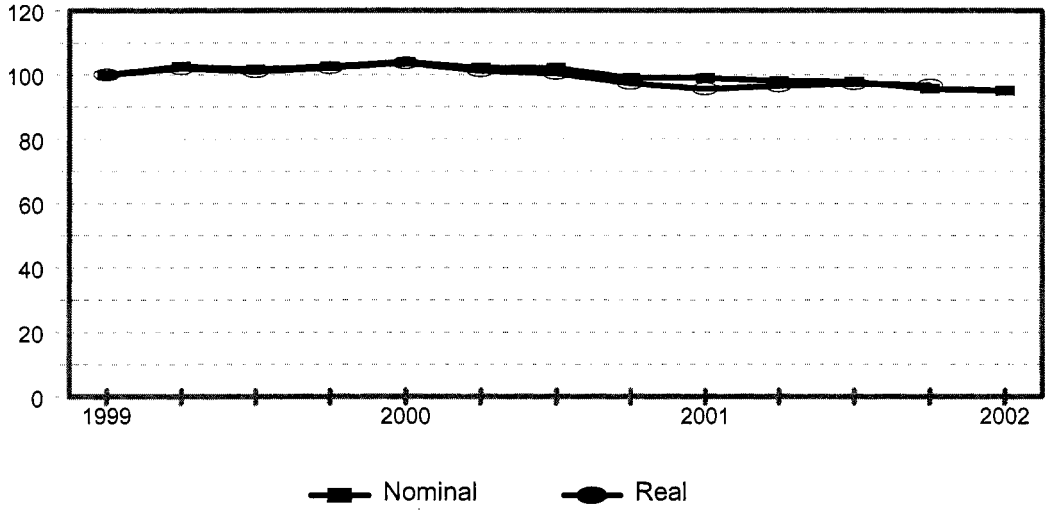
Several U.S. producers and importers reported that the cost of scrap was an important determinant of wire rod prices, although some wire rod is made from iron-ore-based processes or imported billets. Staff gathered prices from American Metals Market on several scrap categories (number 1 bundles, number 1 busheling, and number 1 heavy melt) for markets in Birmingham, Chicago, Philadelphia, and Pittsburgh. Data from the individual series showed roughly similar trends, and staff computed a simple average of these prices (figure V-9). The average price increased from about $93 per ton in January 1999 to a high of $132 per ton in January 2000, then decreased irregularly to a low of $72 per ton in November-December of 2001, and recovered to $103 per ton in May 2002.

Figure V-1
Exchange rates: Indexes of the nominal and real exchange rates (January-March 1999=100) between the Brazilian real and the U.S. dollar, by quarters, first quarter 1999-first quarter 2002



Source: International Monetary Fund, *International Financial Statistics*, June 2002.

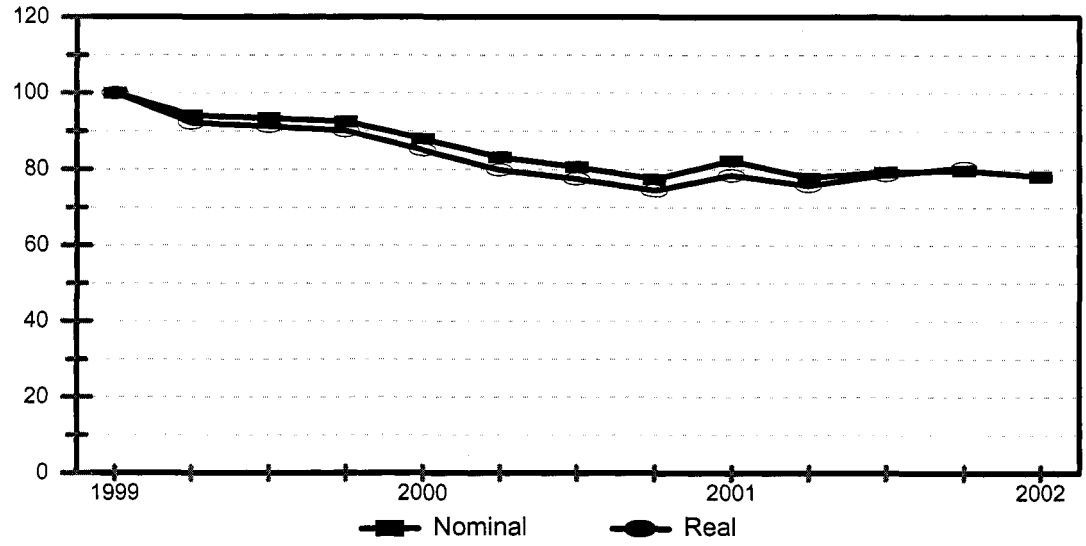
Figure V-2
Exchange rates: Indexes of the nominal and real exchange rates (January-March 1999=100) between the Canadian dollar and the U.S. dollar, by quarters, first quarter 1999-first quarter 2002[1]



[1] Data were not available to calculate a real exchange rate index for Canada in the first quarter of 2002.

Source: International Monetary Fund, *International Financial Statistics*, June 2002.

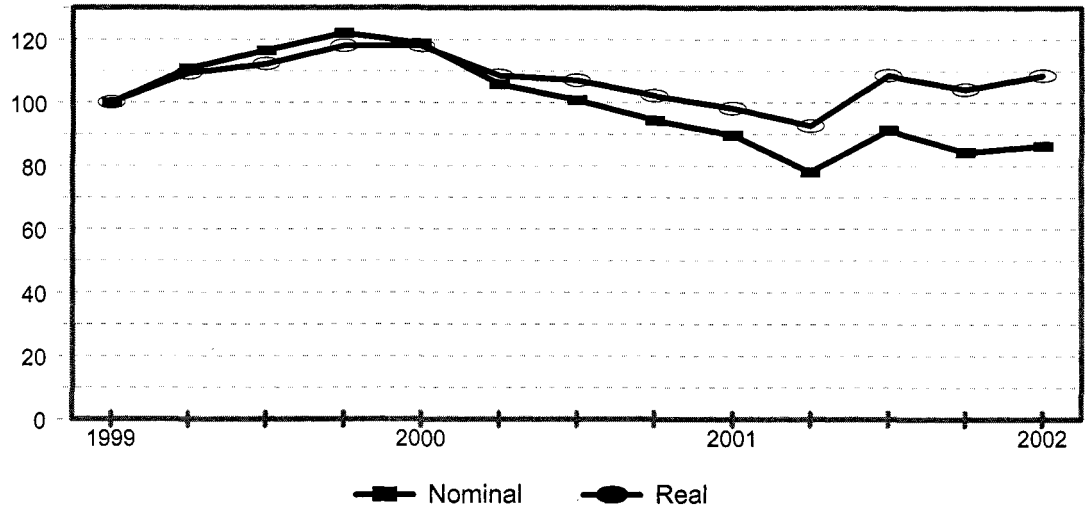
Figure V-3
Exchange rates: Indexes of the nominal and real exchange rates (January-March 1999=100) between the Deutsche (German) mark and the U.S. dollar, by quarters, first quarter 1999-first quarter 2002[1]



[1] Data were not available to calculate a real exchange rate index for Germany in the first quarter of 2002.

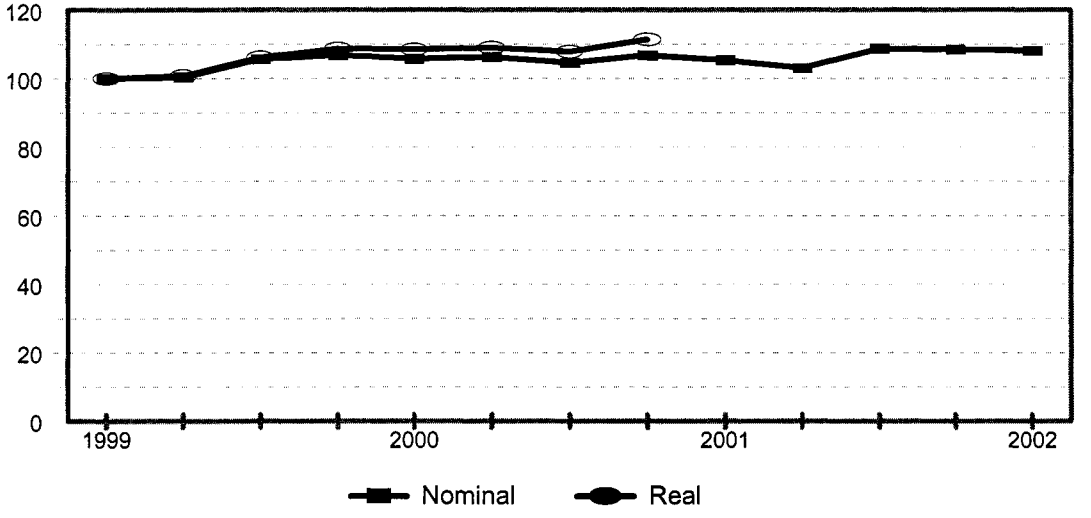
Source: International Monetary Fund, *International Financial Statistics*, June 2002.

Figure V-4
Exchange rates: Indexes of the nominal and real exchange rates (January-March 1999=100) between the Indonesian rupiah and the U.S. dollar, by quarters, first quarter 1999-first quarter 2002



Source: International Monetary Fund, *International Financial Statistics*, June 2002.

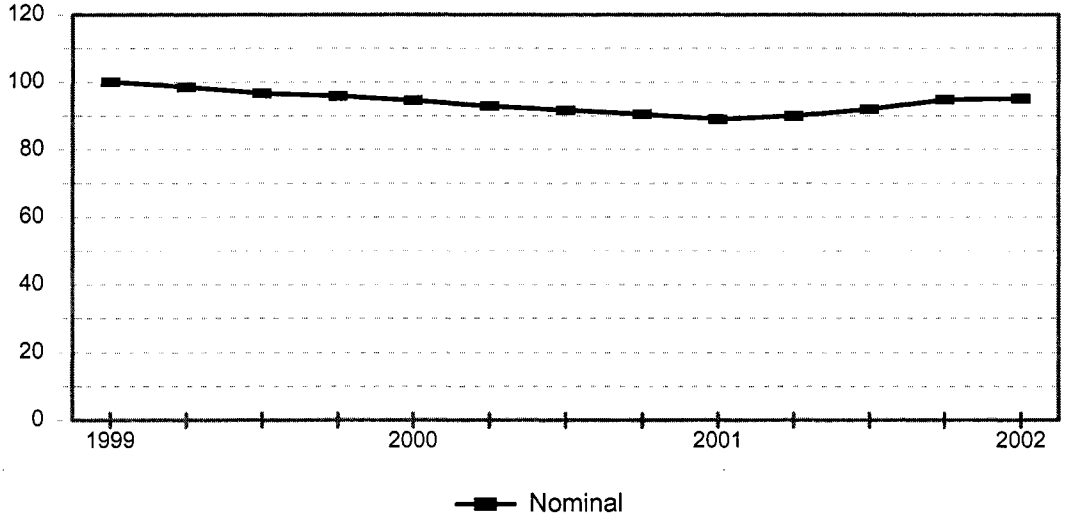
Figure V-5
Exchange rates: Indexes of the nominal and real exchange rates (January-March 1999=100) between the Mexican peso and the U.S. dollar, by quarters, first quarter 1999-first quarter 2002[1]



[1] Data were not available to compute a real rate after the fourth quarter of 2000.

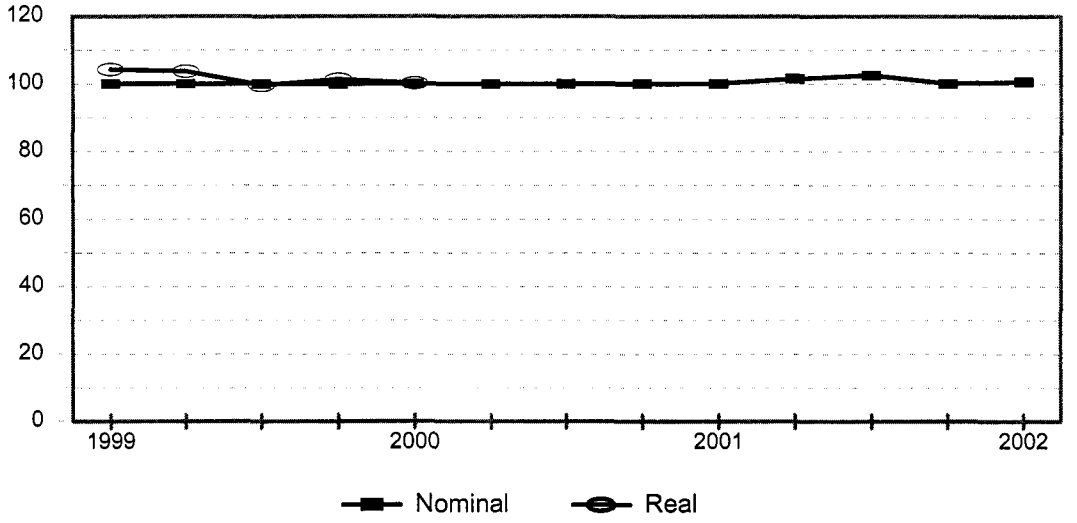
Source: International Monetary Fund, *International Financial Statistics*, June 2002.

Figure V-6
Exchange rates: Index of the nominal exchange rate (January-March 1999=100) between the Moldovan lei and the U.S. dollar, by quarters, first quarter 1999-first quarter 2002



Source: International Monetary Fund, *International Financial Statistics*, June 2002.

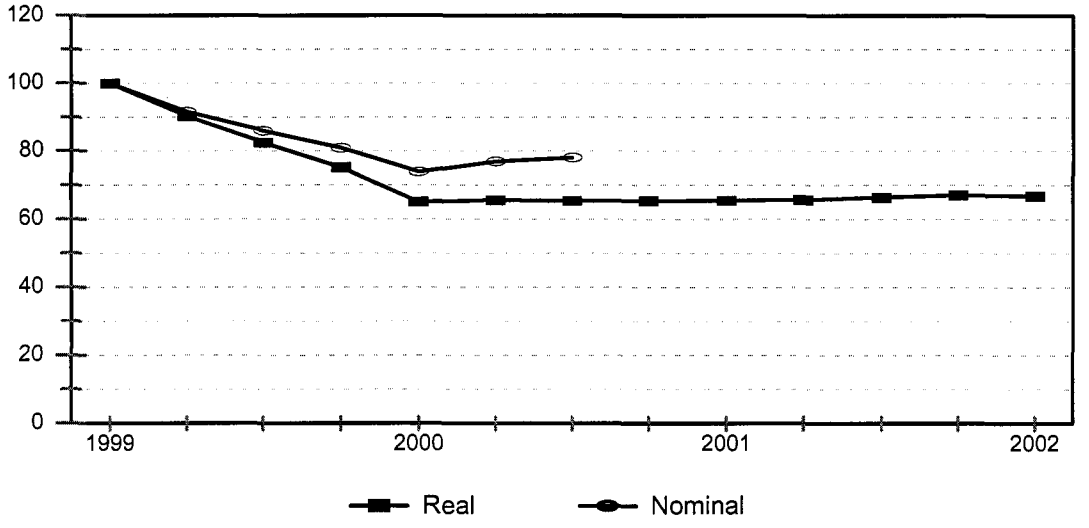
Figure V-7
Exchange rates: Indexes of the nominal and real exchange rates (January-March 1999=100) between Trinidad and Tobago's dollar and the U.S. dollar, by quarters, first quarter 1999-first quarter 2002[1]



[1] Data were not available to compute a real rate after the first quarter of 2000.

Source: International Monetary Fund, *International Financial Statistics*, June 2002.

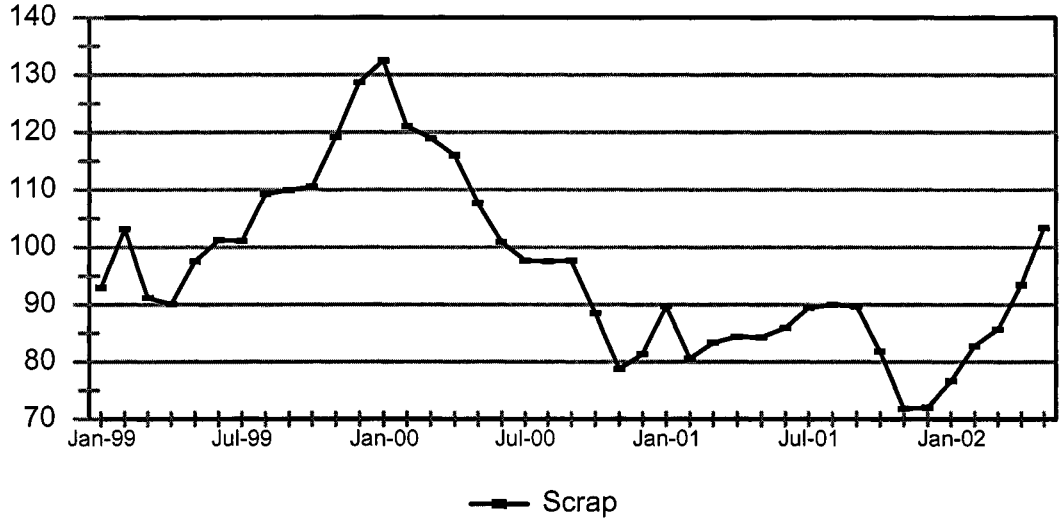
Figure V-8
Exchange rates: Indexes of the nominal and real exchange rates (January-March 1999=100) between the Ukrainian hryvnia and the U.S. dollar, by quarters, first quarter 1999-first quarter 2002[1]



[1] Data were not available to compute a real rate after the third quarter of 2000.

Source: International Monetary Fund, *International Financial Statistics*, June 2002.

Figure V-9
Average consumer prices ($/ton) for ferrous scrap (No. 1 bundles, No. 1 busheling, and No. 1 heavy melt) in Birmingham, Chicago, Philadelphia, and Pittsburgh, by months, January 1999 - May 2002



Source: American Metals Market, June 12, 2002.

Price Leadership

A number of firms reported that there was no clear price leader. For example, *** reported that no firm dominates the market and that demand determines price. Other purchasers cited a number of firms as market leaders, although no consensus emerged on a single or even a couple market leaders. For example, purchasers named Charter Steel, Co-Steel, GS Industries, Ispat, Ivaco (Canada), Keystone, North Star, Republic, and Rocky Mountain as price leaders. Co-Steel, GS Industries, and North Star were said to play a leading role in announcing price increases. *** stated that when Co-Steel raises prices others follow. *** stated that Co-Steel and North Star aggressively pursue increases when their order books are full. *** alleged that Co-Steel had imposed a scrap surcharge during a stable scrap market. *** alleged that GS Industries' prices were lower than those of Japanese imports. The *** reported that prices from domestic and Canadian mills move together.

PRICING PRACTICES

U.S. producers stated in their questionnaire responses that costs and market conditions were the most important factors in determining price. Most producers negotiated price transaction by transaction or quarterly by customer. Importers reported that quality, grade, costs, and competitive conditions influence prices. Most importers reported that they negotiate prices for individual sales, although a few importers stated that they negotiate monthly or quarterly contracts. ***, an importer, reported that it prefers long-term contracts with multiple shipments to negotiations for individual sales. Because of the prevalence of individually negotiated sales, most producers and importers reported that they did not have a set discount policy. Purchasers were asked if they or the supplier usually set the terms of a sale, or if the terms are negotiable. Out of 56 responding purchasers, 42 reported that the terms are negotiable; 10 reported that the supplier sets the terms, and 4 reported that they set the terms.

For U.S. producers, typical sales terms were 0.5 percent to 1.0 percent, 10, net 30 days. Importers were less specific on sales terms, but usually required full payment in 30 days, although in several cases this was extended to 60 days and in one case to 120 days. Six producers reported that they usually quote prices on a delivered basis; three reported that they usually quote on an f.o.b.-plant basis, and two reported quoting on both bases. Fourteen importers reported quoting prices on a delivered basis; three reported quoting prices on an f.o.b.-port basis, and three reporting quoting on both a delivered and an f.o.b.-port basis.

The proportion of U.S. producers' spot market sales was slightly greater than their contract sales (55 percent spot market versus 45 percent contract, based on median values). Contracts tended to last one year, although many were shorter and *** reported having contracts that last up to three years. Most contracts fixed both price and quantity, although some fixed only one or the other. Most contracts tended not to have meet-or-release provisions, although *** reported that such provisions were common. *** reported that most of its sales are based on agreements of different durations that attempt to fix price and quantity. It reported that the contracts are renegotiated as often as monthly when markets are volatile and that it had frequently lowered prices during the past three years to maintain volume. Minimum quantity requirements often corresponded to a truck load, railcar load, or barge load.

Importers were approximately evenly split between contract and spot market sales. Importers' contracts, with a median duration of 10 months, tended to be shorter than those of producers. Their contracts tended to fix both price and quantity. Only 2 out of 11 responding importers reported having a meet-or-release provision. Minimum quantity requirements were variable.

Purchasers were asked if the terms of a sale ever changed in response to changing market conditions after agreement had been established between the buyer and seller. Out of 55 responding purchasers, 25 responded in the affirmative and 30 in the negative. A number of firms reported that prices change when market conditions change. *** and *** stated that U.S. suppliers tried to adjust prices in line with price changes in the scrap market. *** stated that in tight markets, like the one created by the TRQ, domestic mills have reneged on price agreements. *** stated that domestic mills had attempted to increase price. *** stated that contracts are canceled if suppliers cannot maintain quality standards. *** stated that terms change depending upon the cost of money and length of time rod is in inventory.

PRICE DATA

The Commission requested U.S. producers and importers of wire rod to provide quarterly data for the total quantity and value of wire rod shipped to unrelated customers in the U.S. market. Data were requested from the first quarter of 1999 through the first quarter of 2002 for the following products:

Product 1–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 and staples, grates, and other formed products (in green condition, e.g., NOT cleaned, coated, etc).

Product 2–Industrial quality wire rod, grades C1008 through C1010, 5.5 mm (7/32 inch) through 12 mm (15/32 inch) in diameter, for hangers, chain link fencing, collated nails and staples, grates, and other formed products (in green condition, e.g., NOT cleaned, coated, etc).

Product 3–Mesh quality wire rod, grades C1006 through C1015, 5.5 mm (7/32 inch) through 14 mm (9/16 inch) in diameter, for the manufacturing of concrete reinforcement products such as wire for A-82 applications (in green condition, e.g., NOT cleaned, coated, etc).

Product 4–Grades C1050 through C1070, 5.5 mm (7/32 inch) through 6.5 mm (1/4 inch) in diameter, for spring applications excluding valve spring (in green condition, e.g., NOT cleaned, coated, etc).

Product 5–Cold-heading quality wire rod, grades C1006 through C1008, 5.5 mm (7/32 inch) through 14 mm (9/16 inch) in diameter, for the manufacturing of mechanical fasteners (in green condition, e.g., NOT cleaned, coated, etc).

Product 6–Tire bead quality wire rod, grades C1064 through C1074, 5.5 mm through 6.5 mm in diameter, for application in tires (in green condition, e.g., NOT cleaned, coated, etc).

Product 7–Welding quality wire rod, grades ER70S-3, 5.5 mm (7/32 inch) in diameter, for solid mig wire (in green condition, e.g., NOT cleaned, coated, etc).

Nine U.S. producers and 16 importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters. The pricing data for Canada do not include imports from Stelco, whose final dumping margin was *de minimis*. Total quantities of pricing data reported by these firms are shown by country in table V-2.

Table V-2
Wire rod: Total quantities of reported pricing data and shares of total U.S. shipments or imports (January 1999-March 2002), by countries

Country	Quantity (short tons)	Share of total U.S. shipments or imports (percent)
United States	4,935,178	31.7
Brazil	***	***
Canada	***	***
Germany	***	***
Indonesia	***	***
Mexico	***	***
Moldova	***	***
Trinidad and Tobago	***	***
Ukraine	***	***

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

Price Trends

Although prices were not constant, no clear trends emerged. For example, there were 23 price series (product-country combinations) that contained data in the first quarter of 1999 and the first quarter of 2002 (the first and last quarters for which data were collected). The absolute value of the percentage change between the first and last quarters was less than 10 percent for 17 of these 23 series. The price in the first quarter of 2002 was greater than the price in the first quarter of 1999 for 12 of these series, with the reverse being true for the other 11 series. Petitioners alleged that pricing trends are not important in

this investigation because prices have been depressed for a number of years.[2] All pricing series that contained enough data to graph are shown in appendix E; tabular data are presented in tables V-3 through V-9.

Price Comparisons

There were some pricing data from all subject countries for pricing product 1. The Brazilian product undersold the domestic product in 12 quarters with margins ranging from 1.7 to 18.1 percent and oversold the domestic product in one quarter by 2.8 percent. The Canadian product undersold the domestic product in 9 quarters with margins ranging from 0.1 to 14.9 percent and oversold the domestic product in 4 quarters with margins ranging from 0.1 to 14.3 percent. The German product undersold the domestic product by 7.1 percent in one quarter. The Indonesian product undersold the domestic product by 5.6 and 25.1 percent in two quarters. The Mexican product undersold the U.S. product in 9 quarters by margins ranging from 0.8 to 6.9 percent and oversold the domestic product in 4 quarters by margins of from 1.4 to 3.9 percent. The Moldovan product undersold the domestic product in 6 quarters with margins ranging from 3.7 to 11.0 percent and oversold the domestic product in one quarter by 3.6 percent. The product from Trinidad and Tobago undersold the domestic product in 13 quarters with margins ranging from 1.4 to 10.9 percent. The Ukrainian product undersold the domestic product in 7 quarters by from 12.2 to 24.0 percent and oversold it in one quarter by 1.1 percent.

There was some pricing data from all subject countries for pricing product 2. The Brazilian product undersold the domestic product in 6 quarters with margins ranging from 3.2 to 23.7 percent. The Canadian product undersold the domestic product in 7 quarters with margins ranging from 1.8 to 6.8 percent and oversold the domestic product in 6 quarters with margins ranging from 0.6 to 17.7 percent. The German product undersold the domestic product in 9 quarters by from 3.8 to 21.7 percent. The Indonesian product undersold the domestic product in one quarter by 25.5 percent. The Mexican product undersold the U.S. product in 11 quarters by margins ranging from 0.4 to 13.5 percent and oversold the domestic product in 2 quarters by margins of 1.3 and 2.9 percent. The Moldovan product undersold the domestic product in 6 quarters with margins ranging from 5.9 to 18.5 percent and oversold the domestic product in one quarter by 1.9 percent. The product from Trinidad and Tobago undersold the domestic product in 9 quarters with margins ranging from 1.0 to 11.0 percent and oversold the domestic product in 4 quarters by margins of from 0.5 to 6.2 percent. The Ukrainian product undersold the domestic product in 5 quarters by from 12.4 to 20.8 percent.

There was some pricing data from all subject countries except Canada, Mexico, and Indonesia for pricing product 3. The Brazilian product undersold the domestic product in 4 quarters with margins ranging from 5.0 to 14.3 percent and oversold the domestic product in 2 quarters with margins of 1.2 and 2.3 percent. The German product undersold the domestic product in 8 quarters by from 6.7 to 16.9 percent and oversold the domestic product in one quarter by 2.1 percent. The Moldovan product undersold the domestic product in 7 quarters with margins ranging from 0.7 to 13.2 percent and oversold the domestic product in one quarter by 6.8 percent. The product from Trinidad and Tobago undersold the domestic product in 2 quarters by 6.0 and 11.2 percent and oversold the domestic product in 2 quarters by 3.0 and 12.6 percent. The Ukrainian product undersold the domestic product in 9 quarters by from 0.2 to 20.0 percent.

Importers only reported pricing data for product 4 from Brazil, Canada, Mexico, and Trinidad and Tobago. The Brazilian product undersold the domestic product in 6 quarters with margins ranging from 6.5 to 17.8 percent and oversold the domestic product in 5 quarters by from 2.9 to 5.7 percent. The Canadian product oversold the domestic product in 13 quarters with margins ranging from 0.4 to 22.3 percent. The Mexican product undersold the U.S. product in 9 quarters by margins ranging from 2.6 to 16.5 percent. The product from Trinidad and Tobago undersold the domestic product in 9 quarters with

[2] Petitioners' posthearing brief, pp. 10-11.

margins ranging from 0.3 to 4.6 percent and oversold the domestic product in 4 quarters with margins ranging from 0.6 to 4.2 percent.

Importers only reported pricing data for product 5 from Brazil, Canada, Germany, and Mexico. The Brazilian product undersold the domestic product in 3 quarters with margins ranging from 30.0 to 40.6 percent. The Canadian product undersold the domestic product in 8 quarters with margins ranging from 0.5 to 23.8 percent and oversold the domestic product in 5 quarters with margins ranging from 0.8 to 30.1 percent. The German product undersold the domestic product in 5 quarters with margins ranging from 3.8 to 24.0 percent and oversold the domestic product in 8 quarters with margins ranging from 0.5 to 27.5 percent. The Mexican product undersold the U.S. product in 8 quarters by margins ranging from 1.1 to 29.1 percent and oversold the domestic product in 3 quarters by margins ranging from 15.2 to 21.5 percent.

Importers only provided pricing data for product 6 from Brazil and Canada. The Brazilian product undersold the domestic product in 7 quarters by margins ranging from 1.9 to 8.5 percent and oversold the domestic product in one quarter by 3.7 percent. The Canadian product 6 oversold the similar domestic product in 13 quarters by margins ranging from 13.2 to 41.6 percent.

Importers only presented pricing data for product 7 from Canada, Germany, and Trinidad and Tobago. The Canadian product 7 oversold the similar domestic product in 13 quarters by margins ranging from 5.0 to 27.2 percent. The German product oversold the domestic product in 3 quarters with margins ranging from 0.3 to 25.7 percent. Product 7 from Trinidad and Tobago undersold the domestic product in 3 quarters by from 4.8 to 10.4 percent and oversold the domestic product in 6 quarters by margins of from 5.1 to 7.5 percent.

Table V-3
Wire rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by quarters, January 1999-March 2002

* * * * * * *

Table V-4
Wire rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by quarters, January 1999-March 2002

* * * * * * *

Table V-5
Wire rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by quarters, January 1999-March 2002

* * * * * * *

Table V-6
Wire rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by quarters, January 1999-March 2002

* * * * * * *

Table V-7
Wire rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 5 and margins of underselling/(overselling), by quarters, January 1999-March 2002

* * * * * * *

Table V-8
Wire rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 6 and margins of underselling/(overselling), by quarters, January 1999-March 2002

* * * * * * *

Table V-9
Wire rod: Weighted-average f.o.b. prices and quantities of domestic and imported product 7 and margins of underselling/(overselling), by quarters, January 1999-March 2002

* * * * * * *

For subject imports, underselling was more common than overselling for all countries except Canada (table V-10). Imports from Brazil, Mexico, and Trinidad and Tobago undersold the domestic product in 80.9, 80.4, and 69.2 percent, respectively, of the reported cases. Underselling was even more prominent for imports from Moldova and Ukraine; some imports from these countries may be of lower quality. Only three quarters of comparisons were available for imports from Indonesia. Underselling was also prominent for German imports despite the relatively high unit values of German imports reported in Part IV. Respondents stated that purchasers are often willing to pay a price premium for the domestic product that ranges from 3 to 5 percent[3] or from $20 to $30 per ton.[4] The premium is allegedly related to extra inventory costs incurred with larger import shipments, late arrivals of ships, and damage to the imported product in transit.

Table V-10
Wire rod: Number of quarters of underselling and overselling, by countries

Country	Quarters of underselling	Quarters of overselling
Brazil	38	9
Canada	24	54
Germany	23	12
Indonesia	3	0
Mexico	37	9
Moldova	19	3
Trinidad and Tobago	36	16
Ukraine	21	1
Total	201	104

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

[3] Testimony of Joe Downes, Leggett and Platt, hearing transcript, p. 186.

[4] Testimony of Robert Moffitt, Davis Wire, hearing transcript, p. 187.

LOST SALES AND LOST REVENUES

Lost Sales

In the preliminary phase of the investigations, U.S. producers reported a total of $180.8 million of lost sales with complete information; other incomplete and therefore unverifiable allegations were also made. Staff attempted to verify allegations of lost sales amounting to $122.8 million. Of these, purchasers disagreed with allegations involving $94.7 million of sales, agreed with allegations involving $16.0 million of sales, and did not respond to allegations involving $12.0 million of sales. In the final phase of the investigations, U.S. producers made additional verifiable allegations of lost sales totaling $27.4 million (table V-11). Purchasers contacted by staff disagreed with the allegations involving $21.5 million and agreed or partially agreed with allegations involving $3.2 million, with the remainder not responding to the request for information or refusing to answer.

Table V-11
Wire rod: U.S. producers' allegations of lost sales

* * * * * * *

*** stated that he prefers to buy the domestic product but that the U.S. industry cannot meet his specifications. He found an acceptable product in Canada that, at least initially, was priced higher than the domestic product. He said that *** used to make the product to his specifications using imported billets. However, it stopped importing billets and can no longer melt the product to his specifications. *** was also unable to meet his specifications.

*** stated that pipe wrap made by the domestic industry from scrap is a lower quality than that made from virgin ore and a basic oxygen furnace, which is available from importers. In order to use the domestic product, he must put it through an additional heat-treating process at a cost of 5¢ to 6¢ per pound.

*** stated that grades S-6 from Canada and S-3 from Trinidad and Tobago were both priced higher than the domestic product. *** purchased S-3 from a domestic mill and alleged that domestic mills could not make grade S-6 to its specifications.

***, in disagreeing with the producer's allegation, stated that the imported prices were higher than alleged, that it had not received any written quotes from the domestic industry at the alleged prices, and that it does not currently have an approved domestic producer to make grade S-6.

*** stated that it disqualified *** for 1070 tire cord because of quality problems, not because of price. He alleged that the quality of wire rod from *** dipped in 2001 and that breakage rates of tire cord wire rod purchased from *** were *** percent lower than that purchased from ***. He added that after disqualification it had purchased trial shipments from *** to evaluate improvements and that, unfortunately, there were no improvements.

Lost Revenues

In the preliminary phase of the investigations, allegations of lost revenues with complete information totaled $325,600. Contacted purchasers agreed with an allegation of *** and disagreed with an allegation of ***. In the final phase of the investigations, U.S. producers made additional allegations of lost revenue involving approximately $440,780, and purchasers disagreed with all allegations (table V-12).

Table V-12
Wire rod: U.S. producers' allegations of lost revenues

* * * * * * *

***, in disagreeing with the allegations, stated that the Canadian price was higher than the price of the domestic product and for this reason, *** had only purchased minimal quantities from Canada.

*** stated that it had ceased purchasing 1070 tire cord from Brazil and Canada. It currently sources most of its 1070 from the United States, although it also purchases from nonsubject countries.

*** stated that he had been buying grade 1022 from *** in early 2001, but it was a month or two late on deliveries. *** quote for grade 10B21 was for a product cast in a different way than the specifications; he selected another domestic firm, which supplied the product at the same price as ***.

PART VI: FINANCIAL EXPERIENCE OF U.S. PRODUCERS

BACKGROUND

Eleven firms, which together accounted for the great majority of U.S. commercial shipments and internal consumption and/or transfers to related companies of wire rod, supplied financial data on their wire rod operations.[1] Seven companies reported internal consumption (approximately 7.0 percent of 2001 total sales value) and four producers reported transfers of wire rod to related firms (approximately 4.8 percent of 2001 total sales value).[2]

OPERATIONS ON WIRE ROD

The aggregate results of the U.S. producers' operations on wire rod are presented in table VI-1. While total sales volume and value increased slightly from 1999 to 2000 and then decreased substantially from 2000 to 2001, operating loss increased continuously over the period.[3] From 1999 to 2000, per-unit sales value increased by $3 and per-unit total cost (combined unit cost of goods sold (COGS) and unit selling, general, and administrative (SG&A) expenses) increased by $7 per short ton, resulting in an increase in the per-unit operating loss from $2 in 1999 to $6 in 2000.[4] Per-unit profitability decreased further from 2000 to 2001, due mainly to an increased per-unit total cost (by $13), as well as a slightly decreased per-unit sales value (by $2).

While total sales volume decreased somewhat from interim 2001 to interim 2002, total sales value increased slightly for the same period. Per-short-ton net sales value increased from interim 2001 to interim 2002, by almost $13, whereas total unit cost decreased by $34, resulting in an operating income of $18 per short ton in interim 2002, compared to an operating loss of $29 per short ton in interim 2001.

The results of operations by individual firms are presented in table VI-2. 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. Only one producer experienced operating losses for the entire period, while two firms had operating income for the same period. Three producers had operating losses in every period except January-March 2002. Eight of the 11 producers sustained operating losses in 2001, although 10 of the 11 producers experienced an improved profitability (lower operating losses for two producers) in interim 2002 compared to interim 2001.[5]

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[1] The producers whose fiscal years end other than on December 31 are ***. CF&I is now called Rocky Mountain, and USS/Kobe was merged into Republic in August 1999. GST Steel, one of GS Industries' Kansas City facilities, shut down its operations in February 2001. North Star-Arizona's wire rod operations were closed in May 2001. Northwestern and Birmingham ceased operations in May and June 2001, respectively, and did not provide questionnaire responses. AmeriSteel also did not provide a questionnaire response. Lack of reporting by firms that ceased production during the period examined likely understates the decline in sales experienced by the domestic industry during this period.

[2] They were ***.

[3] Financial data submitted by some producers (***) for 1999 and 2000 in the final phase of these investigations indicate some discrepancies/inconsistencies compared with the data they provided in the preliminary phase of the investigations. Staff inquired regarding these discrepancies when the discrepancies were substantial and the producers explained that the preliminary data were not estimated correctly.

[4] ***.

[5] ***.

Table VI-1
Results of operations of U.S. producers in the production of wire rod, fiscal years 1999-2001, January-March 2001, and January-March 2002

Item	Fiscal year			January-March	
	1999	2000	2001	2001	2002
	Quantity (*short tons*)				
Commercial sales	3,969,553	4,285,774	3,298,898	854,626	834,620
Internal consumption	481,233	465,825	377,496	95,703	108,671
Related company transfers	394,482	249,740	216,644	73,725	43,441
Total net sales	4,845,268	5,001,339	3,893,038	1,024,054	986,732
	Value (*$1,000*)				
Commercial sales	1,238,037	1,338,070	1,041,085	268,200	274,388
Internal consumption	117,351	118,647	82,531	22,297	24,145
Related company transfers	109,891	67,002	56,742	18,819	12,171
Total net sales	1,465,279	1,523,719	1,180,358	309,316	310,704
COGS	1,415,715	1,499,048	1,203,534	326,030	281,222
Gross profit (loss)	49,564	24,671	(23,176)	(16,714)	29,482
SG&A expenses	58,587	56,300	59,399	13,291	12,147
Operating income (loss)	(9,023)	(31,629)	(82,575)	(30,005)	17,335
Interest expense	61,096	70,846	31,862	13,797	5,479
Other expense	29,668	113,508	15,891	5,314	3,397
Other income	1,269	1,960	816	683	1,331
Net income (loss)	(98,518)	(214,023)	(129,512)	(48,433)	9,790
Depreciation/amortization	69,994	70,290	56,679	13,722	13,530
Cash flow	(28,524)	(143,733)	(72,833)	(34,711)	23,320
	Ratio to net sales (*percent*)				
COGS	96.6	98.4	102.0	105.4	90.5
Gross profit (loss)	3.4	1.6	(2.0)	(5.4)	9.5
SG&A expenses	4.0	3.7	5.0	4.3	3.9
Operating income (loss)	(0.6)	(2.1)	(7.0)	(9.7)	5.6
	Number of firms reporting				
Operating losses	5	6	8	9	3
Data	11	11	11	11	11

Continued on next page.

Table VI-1--*Continued*
Results of operations of U.S. producers in the production of wire rod, fiscal years 1999-2001, January-March 2001, and January-March 2002

Item	Fiscal year			January-March	
	1999	2000	2001	2001	2002
	Unit value (*per short ton*)				
Net sales	$302	$305	$303	$302	$315
COGS	292	300	309	318	285
Gross profit (loss)	10	5	(6)	(16)	30
SG&A expenses	12	11	15	13	12
Operating income (loss)	(2)	(6)	(21)	(29)	18

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

Table VI-2
Results of operations of U.S. producers, by firms, in the production of wire rod, fiscal years 1999-2001, January-March 2001, and January-March 2002

* * * * * * *

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 VI-3. Total unit cost increased continuously from 1999 to 2001, but decreased substantially from interim 2001 to interim 2002. From interim 2001 to interim 2002, unit raw material costs increased somewhat while unit factory overhead decreased significantly, primarily as a result of closings and shutdowns in the earlier periods.

A variance analysis showing the effects of prices and volume on the producers' sales of wire rod, and of costs and volume on their total cost, is shown in table VI-4. The analysis is summarized at the bottom of the table. The analysis indicates that the substantial decrease in operating income ($73.6 million) between 1999 and 2001 was attributable mainly to the negative effects of increasing costs and expenses ($78.4 million). An increase in operating income between the interim periods was attributable to both a favorable net cost/expense variance (decreased unit costs and expenses) and a favorable price variance (an increase in unit sales value).

CAPITAL EXPENDITURES, R&D EXPENSES, AND INVESTMENT IN PRODUCTIVE FACILITIES

U.S. producers' capital expenditures and research and development (R&D) expenses, together with the value of their fixed assets, are presented in table VI-5. Capital expenditures increased slightly from 1999 to 2000 and decreased considerably from 2000 to 2001. Capital expenditures increased substantially in interim 2002 from interim 2001. Capital expenditures by individual firms are presented in table VI-6. Three producers, ***, incurred substantial amounts of capital expenditures between 1999 and 2001.

Table VI-3
Unit costs (per short ton) of U.S. producers in the production of wire rod, fiscal years 1999-2001, January-March 2001, and January-March 2002

Item	Fiscal year			January-March	
	1999	2000	2001	2001	2002
COGS:					
Raw materials	$128	$133	$127	$123	$129
Direct labor	31	33	34	34	33
Factory overhead	134	134	148	161	123
Total COGS	292	300	309	318	285
SG&A expenses:					
Selling expenses	2	2	2	2	2
G&A expenses	10	9	13	11	10
Total SG&A expenses	12	11	15	13	12
Total cost	304	311	324	331	297

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

Table VI-4
Variance analysis of operations of U.S. producers in the production of wire rod, fiscal years 1999-2001, January-March 2001, and January-March 2002

Item	Between fiscal years			January-March
	1999-2001	1999-2000	2000-2001	2001-2002
	Value (*$1,000*)			
Net sales:				
Price variance	3,047	11,242	(5,704)	12,661
Volume variance	(287,968)	47,198	(337,657)	(11,273)
Total net sales variance	(284,921)	58,440	(343,361)	1,388
Cost of sales:				
Cost variance	(66,046)	(37,731)	(36,676)	32,926
Volume variance	278,227	(45,602)	332,190	11,882
Total cost variance	212,181	(83,333)	295,514	44,808
Gross profit variance	(72,740)	(24,893)	(47,847)	46,196
SG&A expenses:				
Expense variance	(12,326)	4,174	(15,575)	660
Volume variance	11,514	(1,887)	12,476	484
Total SG&A variance	(812)	2,287	(3,099)	1,144
Operating income variance	(73,552)	(22,606)	(50,946)	47,340
Summarized as:				
Price variance	3,047	11,242	(5,704)	12,661
Net cost/expense variance	(78,372)	(33,557)	(52,251)	33,585
Net volume variance	1,773	(291)	7,009	1,094

Note.--Unfavorable variances are shown in parentheses; all others are favorable.

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

Aggregated R&D expenses remained at relatively the same levels between 1999 and 2000, but declined in 2001 and between the two interim periods. The original cost and net book value of fixed assets decreased from 1999 to 2000, due mainly to the ***. They further decreased from interim 2001 to interim 2002 due primarily to ***.

Table VI-5
Capital expenditures, R&D expenses, and assets utilized by U.S. producers in their production of wire rod, fiscal years 1999-2001, January-March 2001, and January-March 2002

Item	Fiscal year			January-March	
	1999	2000	2001	2001	2002
	Value (*$1,000*)				
Capital expenditures	58,955	61,838	32,606	5,739	10,063
R&D expenses	1,545	1,573	1,076	434	369
Productive facilities:					
Original cost	1,694,621	1,604,497	1,610,890	1,587,532	1,567,201
Book value	1,067,346	917,161	845,709	881,409	788,643

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

Table VI-6
Capital expenditures by U.S. producers, by firms, in their production of wire rod, fiscal years 1999-2001, January-March 2001, and January-March 2002

* * * * * * *

CAPITAL AND INVESTMENT

The Commission requested U.S. producers to describe any actual negative effects on their return on investment, their ability to generate capital to finance the modernization of their domestic plants and equipment, or their ability to maintain existing levels of expenditures for R&D as a result of subject imports of wire rod. The producers' comments are presented in appendix F.

PART VII: THREAT CONSIDERATIONS

The Commission analyzes a number of factors in making threat determinations (see 19 U.S.C. § 1677(7)(F)(i)). Information on the nature of the subsidies with respect to the investigations concerning Brazil, Canada, and Germany is presented in appendix A; information on the volume and pricing of imports of the subject merchandise is presented in Parts IV and V; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in Part VI. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows.

The Commission sent questionnaires to all known producers/exporters in the subject countries. Information submitted in response to the questionnaires is presented in the following sections.[1]

THE INDUSTRY IN BRAZIL

There are reportedly five producers of wire rod in Brazil. The data presented in table VII-1 are for Barra Mansa, Belgo-Mineira, and Gerdau. Based on the coverage estimate provided by Belgo-Mineira in its questionnaire response, the three responding Brazilian firms collectively accounted for *** percent of Brazilian production of wire rod during 2001 and, based on official Commerce statistics as adjusted by U.S. importers' questionnaire data, they accounted for all exports of the subject merchandise from Brazil to the United States. Barra Mansa, estimated to account for approximately *** percent of Brazilian production in 2001, reported that ***. Belgo, estimated to account for *** percent of Brazilian production in 2001, is related to the U.S. importer TradeArbed. Gerdau, estimated to account for *** percent of Brazilian production in 2001, is related to the U.S. producer AmeriSteel, and the U.S. importer Atlas Steel & Wire - AmeriSteel.

Barra Mansa reported ***. Belgo-Mineira reported ***. The Brazilian producers indicated that the following products are produced on the same equipment as wire rod: ***. Wire rod accounted for between *** percent and *** percent of the Brazilian producers' total sales in their most recent fiscal year. Brazilian wire rod exports are not subject to antidumping findings or remedies in any WTO-member country.

Table VII-1
Wire rod: Data on the industry in Brazil, 1999-2001, January-March 2001, January-March 2002, and projected 2002-03

* * * * * * *

THE INDUSTRY IN CANADA

There are reportedly three producers of wire rod in Canada: Ispat Sidbec, Ivaco, and Stelco. All three Canadian producers provided data in the final phase of these investigations; however, the data presented in table VII-2 are for only Ispat Sidbec and Ivaco because Commerce found in its final investigations that the antidumping margin applicable to Stelco was *de minimis* and the countervailing

[1] The number of foreign producers reported below for each country is taken from *Iron and Steel Works of the World*, 13th Edition (Metal Bulletin Books, London, 1999).

Table VII-2
Wire rod: Data on the industry in Canada, 1999-2001, January-March 2001, January-March 2002, and projected 2002-03

* * * * * * *

duty margin was zero. Ispat Sidbec is related to the U.S. producer Ispat Inland, and the U.S. importer ***.

Both Ispat Sidbec and Ivaco reported that ***. The subject Canadian producers produce *** on the same equipment as wire rod. Wire rod accounted for between *** percent and *** percent of the subject Canadian producers' total sales in their most recent fiscal year. Canadian wire rod exports are not subject to antidumping findings or remedies in any WTO-member country.

THE INDUSTRY IN GERMANY

There are reportedly seven producers of wire rod in Germany. The data presented in table VII-3 are for Badische, Brandenburger, Ispat Hamburger, Ispat Walzdraft, and Saarstahl. Based on coverage estimates provided in the questionnaire responses, these five German firms are estimated to account for approximately *** percent of German production of subject wire rod and virtually all subject exports to the United States during 2001.[2] [3] Ispat Hamburger and Ispat Walzdraft are related to the U.S. producer Ispat Inland, and the U.S. importer ***.

None of the firms reported ***. The German manufacturers produce *** on the same equipment as wire rod. Wire rod accounted for between *** percent and *** percent of the German producers' total sales in their most recent fiscal year. German wire rod exports are not subject to antidumping findings or remedies in any WTO-member country.

THE INDUSTRY IN INDONESIA

There are reportedly seven producers of wire rod in Indonesia. The data presented in table VII-4 are for Ispat Indo, which reported that it accounted for *** percent of Indonesian production of wire rod and *** percent of exports to the United States in 2001.[4] Ispat Indo is related to the U.S. producer Ispat Inland, and the U.S. importers Ispat North America and ***.

The firm reported that ***. It produces *** on the same equipment as wire rod, with wire rod accounting for *** percent of Ispat's total sales in its most recent fiscal year. Indonesian wire rod exports are not subject to antidumping findings or remedies in any WTO-member country.

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[2] Subject exports by these firms in 2001 accounted for all U.S. imports of subject wire rod from Germany in 2001, according to official Commerce statistics as adjusted by U.S. importers' questionnaire data.

[3] Another German producer, Moselstahlwerk, stopped production on June 6, 2001 ***. Facsimile from Moselstahlwerk dated September 28, 2001.

[4] Indonesian producer Krakatau Steel provided a questionnaire response in the preliminary but not the final phase of these investigations. In its preliminary questionnaire response, the firm reported ***. In addition, the producer PT Hanil Jaya Metal Works returned a questionnaire in the preliminary phase of these investigations with no data. ***.

Table VII-3
Wire rod: Data on the industry in Germany,[1] 1999-2001, January-March 2001, January-March 2002, and projected 2002-03

Item	Actual experience					Projections	
				January-March			
	1999	2000	2001	2001	2002	2002	2003
Quantity (*short tons*)							
Capacity	6,114,349	6,136,396	6,169,465	1,867,647	1,873,159	6,306,944	6,356,944
Production	5,193,930	5,336,610	5,145,472	1,314,732	1,427,860	5,451,774	5,501,774
EOP inventories	154,827	177,651	155,553	159,082	173,412	125,553	95,553
Shipments: Internal consumption	***	***	***	***	***	***	***
Home market	***	***	***	***	***	***	***
Exports to-- U.S. affiliates	***	***	***	***	***	***	***
All other U.S.	***	***	***	***	***	***	***
Total U.S.	***	***	***	***	***	***	***
All other markets[2]	***	***	***	***	***	***	***
Total exports	***	***	***	***	***	***	***
Total shipments	***	***	***	***	***	***	***
Ratios and shares (*percent*)							
Capacity utilization	84.9	87.0	83.4	70.4	76.2	86.4	86.5
Inventories to production	3.0	3.3	3.0	3.0	3.0	2.3	1.7
Inventories to total shipments	***	***	***	***	***	***	***
Share of total quantity of shipments: Internal consumption	***	***	***	***	***	***	***
Home market	***	***	***	***	***	***	***
Exports to-- U.S. affiliates	***	***	***	***	***	***	***
All other U.S.	***	***	***	***	***	***	***
Total U.S.	***	***	***	***	***	***	***
All other markets	***	***	***	***	***	***	***
All export markets	***	***	***	***	***	***	***

[1] Includes data submitted by Badische, Brandenburger, Ispat Hamburger, Ispat Walzdraft, and Saarstahl. Subject exports by these firms in 2001 accounted for all U.S. imports of subject wire rod from Germany in 2001, according to official Commerce statistics as adjusted by U.S. importers' questionnaire data.
[2] Other (non-U.S.) markets include ***.

Note.–Because of rounding, figures may not add to the totals shown.

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

Table VII-4
Wire rod: Data on the industry in Indonesia, 1999-2001, January-March 2001, January-March 2002, and projected 2002-03

* * * * * * *

THE INDUSTRY IN MEXICO

There are reportedly six producers of wire rod in Mexico. The data presented in table VII-5 are from questionnaire responses of Hylsa and Siderurgica Lazaro Cardenas las Truchas (Sicartsa). Based on an average of the coverage estimates supplied in their questionnaire responses, these two firms reported that they collectively accounted for *** percent of Mexican production of wire rod and *** percent of exports to the United States during 2001.[5] Hylsa is ***. Sicartsa is ***.

Neither firm reported ***. The Mexican manufacturers produce *** on the same equipment as wire rod. Wire rod accounted for between *** percent and *** percent of the reporting firms' total sales in their most recent fiscal year. Mexican wire rod exports are not subject to antidumping findings or remedies in any WTO-member country.

Table VII-5
Wire rod: Data on the industry in Mexico, 1999-2001, January-March 2001, January-March 2002, and projected 2002-03

* * * * * * *

THE INDUSTRY IN MOLDOVA

The data presented in table VII-6 were submitted by Moldova Steel Works in the final phase of these investigations. Moldova Steel Works reported that it accounted for *** percent of Moldovan production of wire rod and *** percent of exports to the United States in 2001.[6] Moldova Steel Works reported ***. It also reported that it *** on the same equipment as wire rod. Wire rod accounted for *** percent of Moldova Steel Works' total sales in its most recent fiscal year. Moldovan wire rod exports are not subject to antidumping findings or remedies in any WTO-member country.

Table VII-6
Wire rod: Data on the industry in Moldova, 1999-2001, January-March 2001, January-March 2002, and projected 2002-03

* * * * * * *

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[5] Exports by these firms in 2001 accounted for *** percent of U.S. imports of subject wire rod from Mexico in 2001, according to official Commerce statistics.

[6] Exports by this firm in 2001 accounted for *** U.S. imports of subject wire rod from Moldova in 2001, according to official Commerce statistics.

THE INDUSTRY IN TRINIDAD AND TOBAGO

There is reportedly one producer of wire rod in Trinidad and Tobago: Caribbean Ispat. The data presented in table VII-7 are from questionnaire data submitted by Caribbean Ispat in the final phase of these investigations. Caribbean Ispat is related to the U.S. wire rod producer, Ispat Inland.

Table VII-7
Wire rod: Data on the industry in Trinidad and Tobago, 1999-2001, January-March 2001, January-March 2002, and projected 2002-03

* * * * * * *

Caribbean Ispat produces *** on the same equipment as wire rod. Subject wire rod accounted for *** percent of Caribbean Ispat's total sales in its most recent fiscal year. Colombia imposed an antidumping order on Caribbean Ispat's exports of low carbon wire rod in December 1997. Under the order, imports must meet or exceed certain reference prices established by the Ministry of Foreign Trade. The order will terminate on December 26, 2002.

THE INDUSTRY IN UKRAINE

There are reportedly three producers of wire rod in Ukraine. The data presented in table VII-8 are for Krivorozhstal, which reported that in 2001 it accounted for *** percent of Ukrainian production of subject wire rod and *** percent of subject exports to the United States.[7]

Krivorozhstal reported ***. Krivorozhstal produces *** on the same equipment as wire rod. Wire rod accounted for *** percent of Krivorozhstal's total sales in its most recent fiscal year. Ukrainian wire rod exports are subject to a 25-percent duty in Mexico. (Reportedly, on September 5, 2001, Mexico imposed a 25-percent duty on imports of wire rod from every country it does not have a free trade agreement with.)

Table VII-8
Wire rod: Data on the industry in Ukraine, 1999-2001, January-March 2001, January-March 2002, and projected 2002-03

* * * * * * *

U.S. IMPORTERS' INVENTORIES

U.S. importers' inventories of wire rod are presented in table VII-9. Collectively, end-of-period inventories of subject imports increased by *** percent from 1999 to 2001 and then decreased by *** percent from March 31, 2001 to March 31, 2002. Inventories of subject imports from Germany, Moldova, Trinidad and Tobago, and Ukraine increased from year-end 1999 to year-end 2001 while those from Brazil and Mexico declined. As of March 31, 2002, inventories had either decreased compared to

[7] Exports by this firm accounted for *** percent of U.S. imports of subject wire rod from Ukraine in 2001, according to official Commerce statistics.

March 31, 2001 or were insignificant for each of the subject countries with the exception of Mexico. ***.

Table VII-9
Wire rod: U.S. importers' end-of-period inventories of imports from subject countries, 1999-2001, January-March 2001, and January-March 2002

* * * * * * *

APPENDIX A

FEDERAL REGISTER NOTICES

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701–TA–417–421 (Final) and 731–TA–953, 954, 956–959, 961, and 962 (Final)]

Carbon and Certain Alloy Steel Wire Rod From Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, Turkey, and Ukraine

AGENCY: United States International Trade Commission.

ACTION: Scheduling of the final phase of countervailing duty and antidumping investigations.

SUMMARY: The Commission hereby gives notice of the scheduling of the final phase of countervailing duty investigations Nos. 701–TA–417–421 (Final) under section 705(b) of the Tariff Act of 1930 (19 U.S.C. 1671d(b)) (the Act) to determine whether an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of subsidized imports from Brazil, Canada, Germany, Trinidad and Tobago, and Turkey of carbon and certain alloy steel wire rod, provided for in subheadings 7213.91.30, 7213.91.45, 7213.91.60, 7213.99.00, 7227.20.00, and 7227.90.60 of the Harmonized Tariff Schedule of the United States (HTS). Notice is also hereby given of the scheduling of the final phase of antidumping investigations Nos. 731–TA–953, 954, 956–959, 961, and 962 (Final) under section 735(b) of the Act (19 U.S.C. 1673d(b)) to determine whether an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of less-than-fair-value imports from Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine of carbon and certain alloy steel wire rod.[1] For further information concerning the conduct of this phase of the investigations, hearing procedures, and rules of general application, consult the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and C (19 CFR part 207).

EFFECTIVE DATE: April 10, 2002.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202–205–3193), 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 these investigations may be viewed on the Commission's electronic docket (EDIS–ON–LINE) at *http://dockets.usitc.gov/eol/public.*

SUPPLEMENTARY INFORMATION:

Background.—The final phase of these investigations is being scheduled as a result of affirmative preliminary determinations by the Department of Commerce that certain benefits which constitute subsidies within the meaning of section 703 of the Act (19 U.S.C. 1671b) are being provided to manufacturers, producers, or exporters in Canada, Germany, and Trinidad and Tobago of carbon and certain alloy steel wire rod, and that such products from Brazil, Canada, Germany, Mexico, Moldova, Trinidad and Tobago, and Ukraine are being sold in the United States at less than fair value within the meaning of section 733 of the Act (19 U.S.C. 1673b). The investigations were requested in a petition filed on August 31, 2001, by Co-Steel Raritan, Inc., Perth Amboy, NJ; GS Industries, Inc., Charlotte, NC; Keystone Consolidated Industries, Inc., Dallas, TX; and North Star Steel Texas, Inc., Edina, MN. Although the Department of Commerce has preliminarily determined that certain benefits which constitute subsidies within the meaning of section 703 of the Act (19 U.S.C. 1671b) are not being provided to manufacturers, producers, or exporters in Brazil and Turkey of carbon and certain alloy steel wire rod and that imports of carbon and certain alloy steel wire rod from Indonesia are not being and are not likely to be sold in the United States at less than fair value, for purposes of efficiency the Commission hereby waives rule 207.21(b)[2] so that the final phase of the investigations may proceed concurrently in the event that Commerce makes final affirmative determinations with respect to such imports.

Participation in the investigations and public service list.—Persons, including industrial users of the subject merchandise and, if the merchandise is sold at the retail level, representative consumer organizations, wishing to participate in the final phase of these investigations as parties must file an entry of appearance with the Secretary to the Commission, as provided in section 201.11 of the Commission's rules, no later than 21 days prior to the hearing date specified in this notice. A party that filed a notice of appearance during the preliminary phase of the investigations need not file an additional notice of appearance during this final phase. The Secretary will maintain a public service list containing the names and addresses of all persons, or their representatives, who are parties to the investigations.

Limited disclosure of business proprietary information (BPI) under an administrative protective order (APO) and BPI service list.—Pursuant to section 207.7(a) of the Commission's rules, the Secretary will make BPI gathered in the final phase of these investigations available to authorized applicants under the APO issued in the investigations, provided that the application is made no later than 21 days prior to the hearing date specified in this notice. Authorized applicants must represent interested parties, as defined by 19 U.S.C. § 1677(9), who are parties to the investigations. A party granted access to BPI in the preliminary phase of the investigations need not reapply for such access. A separate service list will be maintained by the Secretary for those parties authorized to receive BPI under the APO.

Staff report.—The prehearing staff report in the final phase of these investigations will be placed in the nonpublic record on June 12, 2002, and a public version will be issued

[1] For purposes of these investigations, the Department of Commerce has defined the subject merchandise as certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, 5.00 mm or more, but less than 19.0 mm, in solid cross-sectional diameter. Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the HTS definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; and (e) concrete reinforcing bars and rods. Also excluded are (f) free machining steel products (i.e., products that contain by weight one or more of the following elements: 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, or more than 0.01 percent of tellurium. Also excluded from the scope are 1080 grade tire cord quality wire rod and 1080 grade tire bead quality wire rod that comport with the specifications set forth in the scope language published in the Commerce Department's preliminary determinations in these cases (see, e.g., 67 FR 17385, April 10, 2002).

[2] Section 207.21(b) of the Commission's rules provides that, where the Department of Commerce has issued a negative preliminary determination, the Commission will publish a Final Phase Notice of Scheduling upon receipt of an affirmative final determination from Commerce.

thereafter, pursuant to section 207.22 of the Commission's rules.

Hearing.—The Commission will hold a hearing in connection with the final phase of these investigations beginning at 9:30 a.m. on June 25, 2002, 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 17, 2002. A nonparty who has testimony that may aid the Commission's deliberations may request permission to present a short statement at the hearing. All parties and nonparties desiring to appear at the hearing and make oral presentations should attend a prehearing conference to be held at 9:30 a.m. on June 20, 2002, at the U.S. International Trade Commission Building. Oral testimony and written materials to be submitted at the public hearing are governed by sections 201.6(b)(2), 201.13(f), and 207.24 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 who is an interested party shall submit a prehearing brief to the Commission. Prehearing briefs must conform with the provisions of section 207.23 of the Commission's rules; the deadline for filing is June 19, 2002. Parties may also file written testimony in connection with their presentation at the hearing, as provided in section 207.24 of the Commission's rules, and posthearing briefs, which must conform with the provisions of section 207.25 of the Commission's rules. The deadline for filing posthearing briefs is July 2, 2002; witness testimony must be filed no later than three days before the hearing. In addition, any person who has not entered an appearance as a party to the investigations may submit a written statement of information pertinent to the subject of the investigations on or before July 2, 2002. On July 19, 2002, the Commission will make available to parties all information on which they have not had an opportunity to comment. Parties may submit final comments on this information on or before July 23, 2002, but such final comments must not contain new factual information and must otherwise comply with section 207.30 of the Commission's rules. All written submissions must conform with the provisions of section 201.8 of the Commission's rules; any submissions that contain BPI must also conform with the requirements of sections 201.6, 207.3, and 207.7 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 sections 201.16(c) and 207.3 of the Commission's rules, each document filed by a party to the investigations must be served on all other parties to the investigations (as identified by either the public or BPI service list), and a certificate of service must be timely filed. The Secretary will not accept a document for filing without a certificate of service.

Authority: These investigations are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.21 of the Commission's rules.

By order of the Commission.

Issued: April 26, 2002.

Marilyn R. Abbott,

Secretary.

[FR Doc. 02–10852 Filed 5–1–02; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[USITC SE–02–013]

Sunshine Act Meeting

AGENCY HOLDING THE MEETING: International Trade Commission.

TIME AND DATE: May 10, 2002 at 11:00 a.m.

PLACE: Room 101, 500 E Street SW., Washington, DC 20436. Telephone: (202) 205–2000.

STATUS: Open to the public.

MATTERS TO BE CONSIDERED:

1. Agenda for future meeting: none
2. Minutes.
3. Ratification List.
4. Inv. Nos. 701–TA–428 and 731–TA–992–994 and 996–1005 (Preliminary) (Oil Country Tubular Goods from Austria, Brazil, China, France, Germany, India, Indonesia, Romania, South Africa, Spain, Turkey, Ukraine, and Venezuela)—briefing and vote. (The Commission is currently scheduled to transmit its determination to the Secretary of Commerce on or before May 13, 2002; Commissioners' opinions are currently scheduled to be transmitted to the Secretary of Commerce on or before May 20, 2002.)
5. Outstanding action jackets: none.

In accordance with Commission policy, subject matter listed above, not disposed of at the scheduled meeting, may be carried over to the agenda of the following meeting.

Issued: April 29, 2002.

By order of the Commission.

Marilyn R. Abbott,

Secretary.

[FR Doc. 02–11029 Filed 4–30–02; 2:26 pm]

BILLING CODE 7020–02–P

DEPARTMENT OF JUSTICE

Notice of Lodging of a Consent Decree Pursuant to the Clean Water Act

Notice is hereby given that a proposed Consent Decree in *United States of America* v. *Alexander City, Alabama, Russell Corporation, Avondale Mills, Inc., and the State of Alabama,* Civ. No. 02–W–428–E, was lodged on April 15, 2002, with the United States District Court for the Middle District of Alabama.

The proposed Consent Decree would resolve certain claims under sections 301 and 402 of the Clean Water Act, 333 U.S.C. 1251, *et seq.*, against Alexander City, Alabama ("the City"), Russell Corporation ("Russell") and Avondale Mills, Inc. ("Avondale") (collectively "Settling Defendants"), through the payment of a civil penalty and the performance of a Supplemental Environmental Project ("SEP"). The United States alleges that the City is liable as a person who has discharged a pollutant from a point source to navigable waters of the United States in excess of permit limitations. The United States alleges that Russell and Avondale are liable as persons who caused interference with publicly-owned treatment works and pass through of untreated contaminants to navigable waters of the United States. The United States further alleges that the City failed to develop and enforce specific effluent limits of Industrial Users that were necessary to ensure renewed and continued compliance with the City's National Pollutant Discharge Elimination System ("NPDES") permit.

The proposed Consent Decree would resolve the liability of the Settling Defendants for the violations alleged in the complaint filed in this matter. To resolve these claims, the Settling Defendants will each pay a civil penalty of $10,000, and collectively will perform a land acquisition SEP valued at $197,000. Claims against the State of Alabama, which is named as a defendant solely pursuant to section 309(e) of the Clean Water Act, 33 U.S.C. 1319(e), are not resolved by the proposed Consent Decree.

The Department of Justice will receive comments relating to the proposed Consent Decree for a period of thirty (30) days from the date of this publication. Comments should be

Dated: May 16, 2002.

Thomas A. Readinger,

Associate Director for Offshore Minerals Management.

[FR Doc. 02-12787 Filed 5-21-02; 8:45 am]

BILLING CODE 4310-MR-P

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701-TA-417-421 and 731-TA-953, 954, 956-959, 961, and 962 (Final)]

Carbon and Certain Alloy Steel Wire Rod From Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, Turkey, and Ukraine

AGENCY: United States International Trade Commission.

ACTION: Revised schedule for the subject investigations.

EFFECTIVE DATE: May 15, 2002.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202-205-3193), 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 these investigations may be viewed on the Commission's electronic docket (EDIS-ON-LINE) at *http://dockets.usitc.gov/eol/public.*

SUPPLEMENTARY INFORMATION: Effective April 10, 2002, the Commission established a schedule for the conduct of the final phase of the subject investigations (67 FR 22105, May 2, 2002) based on the scheduled date of the earliest final determination by the Department of Commerce (Commerce) in the subject investigations. Commerce aligned the final countervailing duty determinations with the earliest final determination in the subject antidumping duty investigations (67 FR 12524, March 19, 2002) and subsequently extended the date for its final determinations in the subject antidumping duty investigations from June 17, 2002, to August 23, 2002 (67 FR 17367, April 10, 2002; 67 FR 17379, April 10, 2002; 67 FR 17389, April 10, 2002; 67 FR 18165, April 15, 2002; 67 FR 20728, April 26, 2002; and 67 FR 32013, May 13, 2002). The Commission, therefore, is revising its schedule to conform with Commerce's new schedule.

The Commission's new schedule for the investigations is as follows: requests to appear at the hearing must be filed with the Secretary to the Commission not later than August 19, 2002; the prehearing conference will be held at the U.S. International Trade Commission Building at 9:30 a.m. on August 22, 2002; the prehearing staff report will be placed in the nonpublic record on August 14, 2002; the deadline for filing prehearing briefs is August 21, 2002; the hearing will be held at the U.S. International Trade Commission Building at 9:30 a.m. on August 27, 2002; the deadline for filing posthearing briefs is September 4, 2002; the Commission will make its final release of information on September 18, 2002; and final party comments are due on September 20, 2002.

For further information concerning these investigations see the Commission's notice cited above and the Commission's Rules of Practice and Procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and C (19 CFR part 207).

Authority: These investigations are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.21 of the Commission's rules.

Issued: May 17, 2002.

By order of the Commission.

Marilyn R. Abbott,

Secretary.

[FR Doc. 02-12820 Filed 5-21-02; 8:45 am]

BILLING CODE 7020-02-P

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701-TA-414 and 731-TA-928 (Final)]

Softwood Lumber From Canada

Determinations

On the basis of the record [1] developed in the subject investigations, the United States International Trade Commission determines, [2] pursuant to sections 705(b) and 735(b) of the Tariff Act of 1930 (19 U.S.C. 1671d(b) and 1673d(b)) (the Act), that an industry in the United States is threatened with material injury by reason of imports from Canada of softwood lumber, provided for in subheadings 4407.10.00, 4409.10.10, 4409.10.20, and 4409.10.90 of the Harmonized Tariff Schedule of the United States, that have been found by the Department of Commerce to be subsidized by the Government of Canada and sold in the United States at less than fair value (LTFV). The Commission further determines that it would not have found material injury but for the suspension of liquidation.

Background

The Commission instituted these investigations effective April 2, 2001, following receipt of a petition filed with the Commission and Commerce by the Coalition for Fair Lumber Imports Executive Committee,[3] Washington, DC; the United Brotherhood of Carpenters and Joiners, Portland, OR; and the Paper, Allied-Industrial, Chemical and Energy Workers International Union, Nashville, TN. The final phase of these investigations was scheduled by the Commission following notification of preliminary determinations by Commerce that imports of softwood lumber from Canada were being subsidized within the meaning of section 703(b) of the Act (19 U.S.C. 1671b(b)) and sold at LTFV within the meaning of section 733(b) of the Act (19 U.S.C. 1673b(b)). Notice of the scheduling of the final phase of the Commission's investigations and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the **Federal Register** of November 26, 2001 (66 FR 59027). The hearing was held in Washington, DC, on March 26, 2002, and all persons who requested the opportunity were permitted to appear in person or by counsel.

The Commission transmitted its determinations in these investigations to the Secretary of Commerce on May 16, 2002. The views of the Commission are contained in USITC Publication 3509 (May 2002), entitled Softwood Lumber from Canada: Investigations Nos. 701-TA-414 and 731-TA-928 (Final).

Issued: May 16, 2002.

[1] The record is defined in § 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(f)).

[2] Commissioner Bragg not participating.

[3] The Coalition for Fair Lumber Imports Executive Committee is comprised of Hood Industries, International Paper Co., Moose River Lumber Co., New South, Inc., Plum Creek Timber Co., Potlatch Corp., Seneca Sawmill Co., Shearer Lumber Products, Shuqualak Lumber Co., Sierra Pacific Industries, Swift Lumber, Inc., Temple-Inland Forest Products, and Tolleson Lumber Co., Inc.

b. Constructed Export Price

For constructed export-price (CEP) sales (sampled and non-sampled), we divided the total dumping margins for the reviewed sales by the total entered value of those reviewed sales for each importer. When an affiliated party acts as an importer for EP sales we have included the applicable EP sales in the assessment-rate calculation. We will direct the Customs Service to assess the resulting percentage margin against the entered customs values for the subject merchandise on each of that importer's entries under the relevant order during the review period (see 19 CFR 351.212(a)).

Cash-Deposit Requirements

To calculate the cash-deposit rate for each respondent (*i.e.*, each exporter and/or manufacturer included in these reviews), we divided the total dumping margins for each company by the total net value of that company's sales of merchandise during the review period subject to each order.

To derive a single deposit rate for each respondent, we weight-averaged the EP and CEP deposit rates (using the EP and CEP, respectively, as the weighting factors). To accomplish this when we sampled CEP sales, we first calculated the total dumping margins for all CEP sales during the review period by multiplying the sample CEP margins by the ratio of total days in the review period to days in the sample weeks. We then calculated a total net value for all CEP sales during the review period by multiplying the sample CEP total net value by the same ratio. Finally, we divided the combined total dumping margins for both EP and CEP sales by the combined total value for both EP and CEP sales to obtain the deposit rate.

We will direct the Customs Service to collect the resulting percentage deposit rate against the entered customs value of each of the exporter's entries of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice. Entries of parts incorporated into finished bearings before sales to an unaffiliated customer in the United States will receive the respondent's deposit rate applicable to the order.

Furthermore, the following deposit requirements will be effective upon publication of this notice of final results of administrative reviews for all shipments of ball bearings entered, or withdrawn from warehouse, for consumption on or after the date of publication, as provided by section 751(a)(1) of the Act: (1) The cash-deposit rates for the reviewed companies will be the rates shown above except that, for firms whose weighted-average margins are less than 0.5 percent and, therefore, *de minimis*, the Department will not require a deposit of estimated antidumping duties; (2) for previously reviewed or investigated companies not listed above, the cash-deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original less-than-fair-value (LTFV) investigation but the manufacturer is, the cash-deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) the cash-deposit rate for all other manufacturers or exporters will continue to be the "All Others" rate for the relevant order made effective by the final results of review published on July 26, 1993 (see *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, et al: Final Results of Antidumping Duty Administrative Reviews and Revocation in Part of an Antidumping Duty Order*, 58 FR 39729 (July 26, 1993), and, for BBs from Italy, see *Antifriction Bearings (Other Than Tapered Roller Bearings) and Parts Thereof From France, et al.: Final Results of Antidumping Duty Administrative Reviews, Partial Termination of Administrative Reviews, and Revocation in Part of Antidumping Duty Orders*, 61 FR 66472 (December 17, 1996)). These "All Others" rates are the "All Others" rates from the relevant LTFV investigation.

These deposit requirements shall remain in effect until publication of the final results of the next administrative reviews.

This notice serves as a reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during these review periods. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of doubled antidumping duties.

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO are sanctionable violations.

We are issuing and publishing these determinations and notice in accordance with sections 751(a)(1) and 777(i) of the Act and 19 CFR 351.210(c).

Dated: August 23, 2002.

Faryar Shirzad,

Assistant Secretary for Import Administration.

Appendix

Comments and Responses

1. Facts Available
2. Margin Calculation (Zeroing of Positive Margins)
3. Export Price/Constructed Export Price
4. Price Adjustments
   A. Commissions
   B. Billing Adjustments
   C. Credit Expenses
   D. Direct and Indirect Selling Expenses
   E. Others
5. Arm's-Length Test and Sales to Affiliated Parties
6. Sample Sales, Prototype Sales, and Sales Outside the Ordinary Course of Trade
7. Cost of Production and Constructed Value
   A. Profit for CV
   B. Affiliated-Party Inputs
   C. Depreciation of Idle Assets
   D. Loss on Marketable Securities
   E. Others
8. Packing and Movement Expenses
9. Discounts and Rebates
10. Miscellaneous
   A. Improper Service
   B. Consignment Sales
   C. Model Matching
   D. Clerical Errors
   E. Others

[FR Doc. 02–22254 Filed 8–29–02; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–122–840]

Notice of Final Determination of Sales at Less Than Fair Value: Carbon and Certain Alloy Steel Wire Rod From Canada

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: August 30, 2002.

FOR FURTHER INFORMATION CONTACT: Constance Handley or Daniel O'Brien, at (202) 482–0631 or (202) 482–1376, respectively; Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to

the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to Department of Commerce (Department) regulations refer to the regulations codified at 19 CFR part 351 (2001).

Final Determination

We determine that carbon and certain alloy steel wire rod (steel wire rod) from Canada is being sold, or is likely to be sold, in the United States at less than fair value (LTFV), as provided in section 735 of the Act. The estimated margins of sales at LTFV are shown in the "Continuation of Suspension of Liquidation" section of this notice.

Case History

The preliminary determination in this investigation was issued on April 2, 2002. *See Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Carbon and Certain Alloy Steel Wire Rod from Canada,* 67 FR 17389 (April 10, 2002). Since the publication of the preliminary determination, the following events have occurred:

In April and May 2002, the Department verified the responses submitted by the three respondents in the investigation: Ispat Sidbec Inc. (ISI), Ivaco, Inc. (Ivaco) and Stelco, Inc. (Stelco). Verification reports were issued in May and June 2002. On July 8, 2002, we received case briefs from the petitioners [1] and the three respondents. On July 17, 2002, we received rebuttal briefs from the petitioners and the respondents. A public hearing was not held.

Scope Issues

Since the *Preliminary Determination* a number of parties have filed requests asking the Department to exclude various products from the scope of the concurrent antidumping duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago and Ukraine) and countervailing duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) investigations. On May 6, 2002, Ispat Hamburger Stahlwerke GmbH and Ispat Walzdraht Hochfeld GmbH (collectively, Ispat Germany) requested an exclusion for "super clean valve spring wire." Two parties filed additional exclusion requests on June 14, 2002: Bluff City Steel asked that the Department exclude "clean-steel precision bar," and Lincoln Electric Company sought the exclusion of its EW 2512 grade of metal inert gas welding wire. On June 28, 2002, petitioners filed objections to a range of scope exclusion requests including: (i) Bluff City Steel's request for clean precision bar; (ii) Lincoln Electric Company's request for EW 2512 grade wire rod; (iii) Ispat Germany's request for "super clean valve spring wire;" (iv) Tokusen USA's January 22, 2002 request for 1070 grade tire cord and tire bead quality wire rod (tire cord wire rod); and (v) various parties' request for 1090 grade tire cord wire rod.

In addition, Moldova Steel Works requested the exclusion of various grades of tire cord wire rod on July 17, 2002. The Rubber Manufacturers Association (the RMA), Ispat Germany, Lincoln Electric and Bluff City filed rebuttals to the petitioners' June 28, 2002 submission on July 8, 11, 17, and 29, 2002, respectively. The RMA filed additional comments on July 30, 2002.[2]

The Department has analyzed these requests and the petitioners' objections and we find no modifications to the scope are warranted. *See* Memorandum from Richard Weible to Faryar Shirzad, "Carbon and Certain Alloy Steel Wire Rod; Antidumping Duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine) and Countervailing Duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) Investigations: Requests for Scope Exclusion" dated August 23, 2002, which is on file in room B–099 of the main Commerce building.

Scope of Investigation

The merchandise covered by this investigation is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, 5.00 mm or more, but less than 19.00 mm, in solid cross-sectional diameter.

Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; and (e) concrete reinforcing bars and rods. Also excluded are (f) free machining steel products (*i.e.*, products that contain by weight one or more of the following elements: 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, or more than 0.01 percent of tellurium).

Also excluded from the scope are 1080 grade tire cord quality wire rod and 1080 grade tire bead quality wire rod. This grade 1080 tire cord quality rod is defined as: (i) Grade 1080 tire cord quality wire rod measuring 5.0 mm or more but not more than 6.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.15 mm; (vi) capable of being drawn to a diameter of 0.30 mm or less with 3 or fewer breaks per ton, and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.006 percent or less of nitrogen, and (5) not more than 0.15 percent, in the aggregate, of copper, nickel and chromium.

This grade 1080 tire bead quality rod is defined as: (i) Grade 1080 tire bead quality wire rod measuring 5.5 mm or more but not more than 7.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.2 mm; (vi) capable of being drawn to a diameter of 0.78 mm or larger with 0.5 or fewer breaks per ton; and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of soluble aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.008 percent or less of nitrogen, and (5) either not more than 0.15 percent, in the aggregate, of copper, nickel and chromium (if chromium is not specified), or not more than 0.10 percent in the aggregate of copper and nickel and a chromium content of 0.24 to 0.30 percent (if chromium is specified).

The designation of the products as "tire cord quality" or "tire bead quality" indicates the acceptability of the product for use in the production of tire cord, tire bead, or wire for use in other

[1] The petitioners in this investigation are Co-Steel Raritand, Inc., and North Start Steel Texas, Inc.

[2] On August 9, 2002, Bekaert Corporation requested an exclusion for certain high chrome/high silicon steel wire rod, from the scope of these investigations. This request was filed too late to be considered for the final determinations in these investigations.

rubber reinforcement applications such as hose wire. These quality designations are presumed to indicate that these products are being used in tire cord, tire bead, and other rubber reinforcement applications, and such merchandise intended for the tire cord, tire bead, or other rubber reinforcement applications is not included in the scope. However, should petitioners or other interested parties provide a reasonable basis to believe or suspect that there exists a pattern of importation of such products for other than those applications, end-use certification for the importation of such products may be required. Under such circumstances, only the importers of record would normally be required to certify the end use of the imported merchandise.

All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings 7213.91.3010, 7213.91.3090, 7213.91.4510, 7213.91.4590, 7213.91.6010, 7213.91.6090, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0010, 7227.20.0020, 7227.20.0090, 7227.20.0095, 7227.90.6051, 7227.90.6053, 7227.90.6058, and 7227.90.6059 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

Period of Investigation

The period of investigation is July 1, 2000, through June 30, 2001. This period corresponds to the four most recent fiscal quarters prior to the month of the filing of the petition (i.e., August 2001).

Verification

As provided in section 782(i) of the Act, we conducted verification of the cost and sales information submitted by the three respondents. We used standard verification procedures including examination of relevant accounting and production records, and original source documents provided by the respondent.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this antidumping proceeding are listed in the appendix to this notice and addressed in the *Decision Memorandum* dated August 23, 2002, and are hereby adopted by this notice. The *Decision Memorandum* is on file in room B–099 of the main Department of Commerce building. In addition, a complete version of the *Decision Memorandum* can be accessed directly on the World Wide Web at *http://www.ita.doc.gov/import_admin/records/frn*. The paper and electronic versions of the *Decision Memorandum* are identical in content.

Changes Since the Preliminary Determinations

Based on our findings at verification, and analysis of comments received, we have made adjustments to the preliminary determination calculation methodologies in calculating the final dumping margins in these proceedings. These adjustments are discussed in the *Decision Memorandum* for this investigation.

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing the Customs Service to continue to suspend liquidation of all entries of steel wire rod exported from Canada, with the exception of merchandise produced by Stelco, Inc., that are entered, or withdrawn from warehouse, for consumption on or after the date of the preliminary determination. The Customs Service shall continue to require a cash deposit or the posting of a bond based on the estimated weighted-average dumping margins shown below. Because we have determined that steel wire rod produced by Stelco, Inc. is not being sold at LTFV, we are not directing the Customs Service to suspend liquidation of this merchandise. The suspension of liquidation instructions will remain in effect until further notice.

We determine that the following weighted-average dumping margins exist for Canada:

Manufacturer/exporter	Margin (percent)
ISI	2.54
Ivaco	13.35
Stelco	*1.18
All Others	9.91

**De minimis*—excluded from the calculation of the "All Others" rate.

International Trade Commission Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determination. The ITC will determine, within 45 days, whether imports of subject merchandise from Canada are causing material injury, or threaten material injury, to an industry in the United States. If the ITC determines that material injury or threat of injury does not exist, this proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping order directing Customs Service officials to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse for consumption on or after the effective date of the suspension of liquidation.

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This determinations is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: August 23, 2002.

Faryar Shizad,

Assistant Secretary for Import Administration.

Appendix

Issues Covered in Decision Memorandum

Comment 1: Treatment of Negative Margins

Sales Issues Specific to Ivaco

Comment 2: Reported U.S. Inventory Carrying Costs
Comment 3: Indirect Selling Expenses Incurred in Canada
Comment 4: Facts Available Rate for Further Manufactured Sales
Comment 5: Sivaco Georgia's (SGA) Freight Revenue for Certain Sales
Comment 6: The Department Should Exclude All of Ivaco's Intra-Company Sales
Comment 7: Three Sales Identified by Ivaco as U.S. Sales
Comment 8: The Department Should Convert Ivaco's Home Market Gross Unit Price and Associated Expenses to a Uniform Currency

Cost Issues Specific to Ivaco

Comment 9: Deferred Production Costs
Comment 10: Ivaco's Reported Billet Costs and Cost of Manufacture
Comment 11: Financial Expense Ratio
Comment 12: General and Administrative Expense Ratio

Sales Issues Specific to ISI

Comment 13: Date of Payment for Unpaid Sales to a U.S. Customer
Comment 14: Matching of Prime Material to Non-Prime Material
Comment 15: Walker Wire's Sales of Wire Products

Comment 16: Segregation of Further-Manufactured Sales from Other Constructed Export Price Sales

Cost Issues Specific to ISI

Comment 17: Affiliated Party Inputs
Comment 18: General and Administrative Depreciation Expense
Comment 19: General and Administrative Expense—Further Manufacturing
Comment 20: Adjustment to Walker Wire's Cost of Manufacturing

Sales Issues Specific to Stelco

Comment 21: Sale Amount
Comment 22: Stelco's Sales to Stelfil Ltee. (Stelfil)

Cost Issues Specific to Stelco

Comment 23: "Collapsed Entities" Rule
Comment 24: Purchase of Pulverized Coal, Bloom Reheating Services and Billets
Comment 25: Purchases of Iron Ore
Comment 26: General and Administrative Expense Rates
Comment 27: Foreign Exchange Gains and Losses
Comment 28: Short-Term Interest Income
Comment 29: Further Manufacturing Costs
Comment 30: Minor Errors

[FR Doc. 02–22246 Filed 8–29–02; 8:45 am]
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DEPARTMENT OF COMMERCE

International Trade Administration

[A–823–812]

Notice of Final Determination of Sales at Less Than Fair Value: Carbon and Certain Alloy Steel Wire Rod From Ukraine

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: August 30, 2002.

FOR FURTHER INFORMATION CONTACT: Carrie Blozy, Stephen Bailey, or Lisa Shishido, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–0165, (202) 482–1102, and (202) 482–1382, respectively.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute, are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 ("the Act") by the Uruguay Round Agreements Act ("URAA"). In addition, unless otherwise indicated, all citations to the Department of Commerce ("the Department") regulations refer to the regulations at 19 CFR part 351 (2001).

Final Determination

We determine that carbon and certain alloy steel wire rod from Ukraine is being sold, or is likely to be sold, in the United States at less than fair value ("LTFV"), as provided in section 735 of the Act. The estimated margins of sales at LTFV are shown in the "Suspension of Liquidation" section of this notice.

Case History

This investigation was initiated on September 24, 2001. *See Notice of Initiation of Antidumping Duty Investigations: Carbon and Certain Alloy Steel Wire Rod From Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Ukraine, and Venezuela,* 66 FR 50164 (October 2, 2001) ("*Notice of Initiation*"). The sole participating respondent in this investigation is Krivorozhstal State Mine-Metallurgical Works ("Krivorozhstal"). The petitioners in this investigation are Co-Steel Raritan, Inc., Georgetown Steel Company, Keystone Consolidated Industries, Inc., and North Star Steel Texas, Inc. ("Petitioners"). On October 17, 2001, the Government of Ukraine ("GOU") submitted a request for, and information in support of, graduation to market economy status for Ukraine. On April 10, 2002, the Department of Commerce ("the Department") published its *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Carbon and Certain Alloy Steel Wire Rod From Ukraine,* 67 FR 17367 (April 10, 2002) ("*Preliminary Determination*"). Since the *Preliminary Determination* of the investigation, the following events have occurred.

On April 17, 2002, the Department issued to Krivorozhstal a letter regarding its March 19, 2002 submission. On April 24, 2002, Krivorozhstal responded to this letter.

On April 17, and April 18, 2002, respectively, the GOU submitted a request and proposal for a suspension agreement in accordance with the Department's regulations at 19 CFR 351.208. On April 24, 2002, the GOU submitted a request to discuss its proposed suspension agreement.

On April 24, 2002, Krivorozhstal submitted a request that the Department issue to it a market economy questionnaire. On April 30, 2002, Petitioners submitted a letter in opposition to this request.

On May 20 and May 21, 2002, Krivorozhstal submitted public pricing information regarding its factors of production. On May 21, 2002, Krivorozhstal requested that the Department allow the late submission of its public pricing information concerning water. On May 24, 2002, Petitioners submitted a letter in opposition to this request. On June 6, 2002, the Department issued a questionnaire to Krivorozhstal regarding public pricing information, including the information concerning water. On June 20, 2002, Krivorozhstal responded to this questionnaire.

On June 24, 2002, Krivorozhstal submitted production and sales documentation for byproducts that it claimed it generated and sold during the POI. On June 26, 2002, the Department requested information from Krivorozhstal regarding its June 24, 2002, submission. See *Memorandum to the File from Lori Ellison to James C. Doyle,* June 26, 2002. On June 27, 2002, Krivorozhstal provided a response to this request.

On June 6, 2002, the Department issued a verification agenda to Krivorozhstal. On June 27, 2002, Petitioners submitted comments regarding the Department's verification. The Department conducted a verification of Krivorozhstal's sales and factors of production data at Krivorozhstal's headquarters in Krivoii Rog, Ukraine from July 1, 2002, through July 5, 2002. *See Memorandum to the File from Lori Ellison and Stephen Bailey: Verification of Sales and Factors of Production for Krivorozhstal in the Antidumping Duty Investigation of Carbon and Certain Alloy Steel Wire Rod from Ukraine,* July 19, 2002 ("Verification Report").

On July 26, 2002, Petitioners and Krivorozhstal submitted case briefs with respect to the sales and factors of production verification and the Department's *Preliminary Determination.* Petitioners and Krivorozhstal submitted rebuttal briefs on July 31, 2002.

The Department has conducted and completed the investigation in accordance with section 735 of the Act.

Scope of Investigation

The merchandise covered by this investigation is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, 5.00 mm or more, but less than 19.00 mm, in solid cross-sectional diameter.

Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; and

(e) concrete reinforcing bars and rods. Also excluded are (f) free machining steel products (*i.e.*, products that contain by weight one or more of the following elements: 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, or more than 0.01 percent of tellurium).

Also excluded from the scope are 1080 grade tire cord quality wire rod and 1080 grade tire bead quality wire rod. This grade 1080 tire cord quality rod is defined as: (i) Grade 1080 tire cord quality wire rod measuring 5.0 mm or more but not more than 6.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.15 mm; (vi) capable of being drawn to a diameter of 0.30 mm or less with 3 or fewer breaks per ton, and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.006 percent or less of nitrogen, and (5) not more than 0.15 percent, in the aggregate, of copper, nickel and chromium.

This grade 1080 tire bead quality rod is defined as: (i) Grade 1080 tire bead quality wire rod measuring 5.5 mm or more but not more than 7.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.2 mm; (vi) capable of being drawn to a diameter of 0.78 mm or larger with 0.5 or fewer breaks per ton; and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of soluble aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.008 percent or less of nitrogen, and (5) either not more than 0.15 percent, in the aggregate, of copper, nickel and chromium (if chromium is not specified), or not more than 0.10 percent in the aggregate of copper and nickel and a chromium content of 0.24 to 0.30 percent (if chromium is specified).

The designation of the products as "tire cord quality" or "tire bead quality" indicates the acceptability of the product for use in the production of tire cord, tire bead, or wire for use in other rubber reinforcement applications such as hose wire. These quality designations are presumed to indicate that these products are being used in tire cord, tire bead, and other rubber reinforcement applications, and such merchandise intended for the tire cord, tire bead, or other rubber reinforcement applications is not included in the scope. However, should Petitioners or other interested parties provide a reasonable basis to believe or suspect that there exists a pattern of importation of such products for other than those applications, end-use certification for the importation of such products may be required. Under such circumstances, only the importers of record would normally be required to certify the end use of the imported merchandise.

All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings 7213.91.3010, 7213.91.3090, 7213.91.4510, 7213.91.4590, 7213.91.6010, 7213.91.6090, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0010, 7227.20.0020, 7227.20.0090, 7227.20.0095, 7227.90.6051, 7227.90.6053, 7227.90.6058, and 7227.90.6059 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

Scope Issues

Since the *Preliminary Determination* a number of parties have filed requests asking the Department to exclude various products from the scope of the concurrent antidumping duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago and Ukraine) and countervailing duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) investigations. On May 6, 2002, Ispat Hamburger Stahlwerke GmbH and Ispat Walzdraht Hochfeld GmbH (collectively, Ispat Germany) requested an exclusion for "super clean valve spring wire." Two parties filed additional exclusion requests on June 14, 2002: Bluff City Steel asked that the Department exclude "clean-steel precision bar," and Lincoln Electric Company sought the exclusion of its EW 2512 grade of metal inert gas welding wire. On June 28, 2002, Petitioners filed objections to a range of scope exclusion requests including: (i) Bluff City Steel's request for clean precision bar; (ii) Lincoln Electric Company's request for EW 2512 grade wire rod; (iii) Ispat Germany's request for "super clean valve spring wire;" (iv) Tokusen USA's January 22, 2002 request for 1070 grade tire cord and tire bead quality wire rod (tire cord wire rod); and (v) various parties' request for 1090 grade tire cord wire rod.

In addition, Moldova Steel Works requested the exclusion of various grades of tire cord wire rod on July 17, 2002. The Rubber Manufacturers Association (the RMA), Ispat Germany, Lincoln Electric and Bluff City filed rebuttals to Petitioners' June 28 submission on July 8, 11, 17, and 29, 2002, respectively. The RMA filed additional comments on July 30, 2002.[1]

The Department has analyzed these requests and the Petitioners' objections and we find no modifications to the scope are warranted. *See* Memorandum from Richard Weible to Faryar Shirzad, "Carbon and Certain Alloy Steel Wire Rod; Antidumping Duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine) and Countervailing Duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) Investigations: Requests for Scope Exclusion" dated August 23, 2002, which is on file in room B–099 of the main Commerce building.

Period of Investigation

The POI is January 1, 2001, through June 30, 2001. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the petition (*i.e.*, August 2001).

Verification

As provided in section 782(i) of the Act, we verified the information submitted by Krivorozhstal for use in our final determination. We used standard verification procedures including examination of relevant accounting and production records, and original source documents provided by Krivorozhstal. We made no changes from the *Preliminary Determination* as a result of verification. *See Analysis Memorandum for Krivorozhstal* (August 23, 2002) ("*Analysis Memorandum*").

[1] On August 9, 2002, Bekaert Corporation requested an exclusion for certain high chrome/high silicon steel wire rod from the scope of these investigations. This request was filed too late to be considered for the final determinations in these investigations.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs to this investigation are addressed in the *Issues and Decision Memorandum from Joseph A. Spetrini, Deputy Assistant Secretary, to Faryar Shirzad, Assistant Secretary* (August 23, 2002) ("*Decision Memorandum*"), which is hereby adopted by this notice. A list of the issues which parties have raised and to which we have responded, and other issues addressed, is attached to this notice as an Appendix. Parties can find a complete discussion of all issues raised in this investigation and the corresponding recommendations in the *Decision Memorandum*, a public memorandum which is on file at the U.S. Department of Commerce, in the Central Records Unit, in room B–099. In addition, a complete version of the *Decision Memorandum* can be accessed directly on the Web at http://ia.ita.doc.gov. The paper copy and electronic version of the Decision Memorandum are identical in content.

Changes Since the Preliminary Determination

Based on our analysis of comments received, we have made adjustments to the calculation methodology in calculating the final dumping margin in this proceeding. *See Analysis Memorandum.*

Critical Circumstances

On December 5, 2001, Petitioners alleged that there that there was a reasonable basis to believe or suspect that critical circumstances exist with respect to imports of wire rod from Brazil, Germany, Mexico, Moldova, Turkey, and Ukraine.[2] On February 4, 2002, the Department preliminarily determined that critical circumstances exist with respect to wire rod from Ukraine. *See Memorandum to Faryar Shirzad Re: Antidumping Duty Investigation of Carbon and Certain Alloy Steel Wire Rod from Ukraine—Preliminary Affirmative Determination of Critical Circumstances* (February 4, 2002); *See also Carbon and Alloy Wire Rod from Germany, Mexico, Moldova, Trinidad and Tobago, and Ukraine: Notice of Preliminary Determination of Critical Circumstances*, 67 FR 6224 (February 11, 2002) ("*Critical Circumstances Notice*").

In the Department's *Preliminary Determination*, we determined that critical circumstances exist for imports of carbon and certain alloy steel wire rod from Ukraine manufactured and/or exported by Krivorozhstal. Neither Petitioners nor Krivorozhstal provided comments on this issue in their briefs. Therefore, for this final determination, we continue to find critical circumstances for imports of carbon and certain alloy steel wire rod from Ukraine manufactured and/or exported by Krivorozhstal.

Non-Market Economy Country

The Department has treated Ukraine as a nonmarket economy ("NME") country in all past antidumping investigations. *See, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Solid Agricultural Grade Ammonium Nitrate from Ukraine*, 66 FR 38632 (July, 25, 2001), ("*Ammonium Nitrate from Ukraine*"); *Notice of Preliminary Determinations of Sales at Less Than Fair Value: Steel Concrete Reinforcing Bars from Poland, Indonesia, and Ukraine*, 66 FR 8343 (January 30, 2001); and *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from Ukraine*, 62 FR 61754 (November 19, 1997) ("*CTL Plate from Ukraine*"). This NME designation remains in effect until it is revoked by the Department (*see* section 771(18)(C) of the Act). As explained in the "Case History" section, on October 17, 2001, the GOU submitted a request for, and information in support of, graduation to market economy status for Ukraine. The Department has decided to defer this decision in order to evaluate the broad range of issues and information regarding Ukraine's economic reforms and request for market economy status. *See Notice to Defer a Decision Regarding Ukraine's Non-Market Economy Status*, 67 FR 51536 (August 8, 2002) ("*Ukraine's Non-Market Status*"). As explained further in *Ukraine's Non-Market Status*, since a country's NME status remains in effect until revoked, we have continued to treat Ukraine as an NME country for purposes of the final determination.

When the Department is investigating imports from an NME, section 773(c)(1) of the Act directs us to base the normal value ("NV") on the NME producer's factors of production, valued in a comparable market economy that is a significant producer of comparable merchandise. The sources of individual factor prices are discussed under the "Normal Value" section of the *Preliminary Determination*, the preliminary *Analysis Memorandum*, or the *Analysis Memorandum*.

Separate Rates

For the final determination, the Department will calculate a separate antidumping margin for Krivorozhstal, based on its ability to demonstrate an absence of government control of Respondent's export functions. For a complete discussion of this issue, see *Decision Memorandum*, comment 3.

Ukraine-Wide Rate

As discussed in our *Preliminary Determination*, the Ukraine-wide rate is the calculated margin for Krivorozhstal, the sole exporter. *See* "Ukraine-Wide Rate" section of our *Preliminary Determination*. There has been no other evidence submitted since the *Preliminary Determination* to change this determination. Accordingly, we have calculated a Ukraine-wide rate for this investigation based on the weighted-average margin determined for Krivorozhstal. This Ukraine-wide rate applies to all entries of subject merchandise.

Suspension Agreement

As discussed above under "Case History," on April 17, and April 18, 2002, respectively, the GOU submitted a request and proposal for a suspension agreement in accordance with the Department's regulations at 19 C.F.R. 351.208. On April 24, 2002, the GOU submitted a request to discuss its proposed suspension agreement. No agreement was concluded.

Fair Value Comparisons

To determine whether sales of wire rod from Ukraine were made in the United States at LTFV, we compared export price ("EP") to NV, as described in the "Export Price" and "Normal Value" sections of the *Preliminary Determination*. In accordance with section 777A(d)(1)(A)(i) of the Act, we calculated weighted-average EPs.

Surrogate Country

For purposes of the final determination, we continue to find that Indonesia remains the appropriate primary surrogate country for Ukraine. For further discussion and analysis regarding the surrogate country selection for Ukraine, see the "Surrogate Country" section of our *Preliminary Determination*.

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing the U.S. Customs Service ("Customs") to continue to suspend liquidation of all imports of subject merchandise entered, or withdrawn from warehouse, for

[2] On December 21, 2001 Petitioners further alleged that there was a reasonable basis to believe or suspect that critical circumstances exist with respect to imports of wire rod from Trinidad and Tobago.

consumption on or after the date of publication of the *Preliminary Determination* in the **Federal Register**. We will instruct Customs to continue to require a cash deposit or the posting of a bond equal to the weighted-average amount by which the NV exceeds the EP, as indicated below. These suspension of liquidation instructions will remain in effect until further notice. The weighted-average dumping margin is as follows:

Exporter/manufacturer	Weighted-average margin (in percent)
Krivorozhstal	116.37

Disclosure

The Department will disclose calculations performed, within five days of the date of publication of this notice, to the parties in this investigation, in accordance with section 351.224(b) of the Department's regulations.

International Trade Commission Notification

In accordance with section 735(d) of the Act, we have notified the ITC of our affirmative determination of sales at LTFV. As our final determination is affirmative, the ITC will determine within 45 days after our final determination whether imports of wire rod from Ukraine are materially injuring, or threaten material injury to, the U.S. industry. If the ITC determines that material injury, or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or cancelled. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing Customs officials to assess antidumping duties on all imports of the subject merchandise entered for consumption on or after the effective date of the suspension of liquidation.

This notice also serves as a reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the disposition of proprietary information discussed under APO in accordance with 19 C.F.R. 351.305. Timely notification of return/destruction of APO materials or conversion to judicial order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation. This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: August 23, 2002.

Faryar Shirzad,

Assistant Secretary for Import Administration.

Appendix I

Comment 1: Whether the Department Should Use Domestic Indonesian Surrogate Values When Valuing Certain Factors of Production

Comment 2: Whether the Department Should Use the Surrogate Value for Tap Water Submitted by Krivorozhstal

Comment 3: Whether Krivorozhstal is Entitled to a Separate Dumping Margin

Comment 4: Whether the Department Should Value Factors Used to Mine Iron Ore

Comment 5: Whether Krivorozhstal Should Receive Full Credit for All Byproducts

[FR Doc. 02–22247 Filed 8–29–02; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–274–804]

Notice of Final Determination of Sales at Less Than Fair Value: Carbon and Certain Alloy Steel Wire Rod From Trinidad and Tobago

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: August 30, 2002.

FOR FURTHER INFORMATION CONTACT: Magd Zalok or Tisha Loeper-Viti at (202) 482–4162 or (202) 482–7425, respectively; Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to Department of Commerce (Department) regulations refer to the regulations codified at 19 CFR part 351 (2001).

Final Determination

We determine that carbon and certain alloy steel wire rod from Trinidad and Tobago is being sold, or is likely to be sold, in the United States at less than fair value (LTFV), as provided in section 735 of the Act. The estimated margins of sales at LTFV are shown in the Continuation of Suspension of Liquidation section of this notice.

Case History

The preliminary determination in this investigation was issued on April 2, 2002. *See Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Carbon and Certain Alloy Steel Wire Rod from Trinidad and Tobago, 67 FR 17379 (April 10, 2002) (Preliminary Determination).* Since the publication of the preliminary determination, the following events have occurred:

In April and May 2002, the Department verified the responses submitted by the sole respondent in this investigation, Caribbean Ispat Limited and its affiliates Ispat North America Inc. and Walker Wire (Ispat) Inc. (collectively Carribean Ispat Ltd.). Verification reports were issued in May and June 2002. On June 28, 2002, we received case briefs from the petitioners[1] and the respondent. On July 3, 2002, we received rebuttal briefs from the petitioners and the respondent. A public hearing was held on July 9, 2002.

Scope Issues

Since the *Preliminary Determination* a number of parties have filed requests asking the Department to exclude various products from the scope of the concurrent antidumping duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine) and countervailing duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) investigations. On May 6, 2002, Ispat Hamburger Stahlwerke GmbH and Ispat Walzdraht Hochfeld GmbH (collectively, Ispat Germany) requested an exclusion for "super clean valve spring wire." Two parties filed additional exclusion requests on June 14, 2002: Bluff City Steel asked that the Department exclude "clean-steel precision bar," and Lincoln Electric Company sought the exclusion of its EW 2512 grade of metal inert gas welding wire. On June 28, 2002, the petitioners filed objections to a range of scope exclusion requests including: (i) Bluff City Steel's request for clean precision bar; (ii) Lincoln Electric Company's request for EW 2512 grade wire rod; (iii) Ispat Germany's request for "super clean valve spring wire;" (iv) Tokusen USA's January 22, 2002 request for 1070 grade tire cord and tire bead quality wire rod (tire cord wire rod); and (v) various parties' request for 1090 grade tire cord wire rod.

[1] The petitioners in this investigation are Co-Steel Raritan, Inc., GS Industries, Inc., Keystone Consolidated Industries, Inc., and North Star Steel Texas, Inc.

In addition, Moldova Steel Works requested the exclusion of various grades of tire cord wire rod on July 17, 2002. The Rubber Manufacturers Association (the RMA), Ispat Germany, Lincoln Electric and Bluff City filed rebuttals to the petitioners' June 28, 2002, submission on July 8, 11, 17, and 29, 2002, respectively. The RMA filed additional comments on July 30, 2002.[2]

The Department has analyzed these requests and the petitioners' objections and we find no modifications to the scope are warranted. See Memorandum from Richard Weible to Faryar Shirzad, "Carbon and Certain Alloy Steel Wire Rod; Antidumping Duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine) and Countervailing Duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) Investigations: Requests for Scope Exclusion" dated August 23, 2002, which is on file in room B–099 of the main Commerce building.

Scope of Investigation

The merchandise covered by this investigation is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, 5.00 mm or more, but less than 19.00 mm, in solid cross-sectional diameter.

Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; and (e) concrete reinforcing bars and rods. Also excluded are (f) free machining steel products (*i.e.*, products that contain by weight one or more of the following elements: 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, or more than 0.01 percent of tellurium).

Also excluded from the scope are 1080 grade tire cord quality wire rod and 1080 grade tire bead quality wire rod. This grade 1080 tire cord quality rod is defined as: (i) Grade 1080 tire cord quality wire rod measuring 5.0 mm or more but not more than 6.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.15 mm; (vi) capable of being drawn to a diameter of 0.30 mm or less with 3 or fewer breaks per ton, and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.006 percent or less of nitrogen, and (5) not more than 0.15 percent, in the aggregate, of copper, nickel and chromium.

This grade 1080 tire bead quality rod is defined as: (i) Grade 1080 tire bead quality wire rod measuring 5.5 mm or more but not more than 7.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.2 mm; (vi) capable of being drawn to a diameter of 0.78 mm or larger with 0.5 or fewer breaks per ton; and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of soluble aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.008 percent or less of nitrogen, and (5) either not more than 0.15 percent, in the aggregate, of copper, nickel and chromium (if chromium is not specified), or not more than 0.10 percent in the aggregate of copper and nickel and a chromium content of 0.24 to 0.30 percent (if chromium is specified).

The designation of the products as "tire cord quality" or "tire bead quality" indicates the acceptability of the product for use in the production of tire cord, tire bead, or wire for use in other rubber reinforcement applications such as hose wire. These quality designations are presumed to indicate that these products are being used in tire cord, tire bead, and other rubber reinforcement applications, and such merchandise intended for the tire cord, tire bead, or other rubber reinforcement applications is not included in the scope. However, should the petitioners or other interested parties provide a reasonable basis to believe or suspect that there exists a pattern of importation of such products for other than those applications, end-use certification for the importation of such products may be required. Under such circumstances, only the importers of record would normally be required to certify the end use of the imported merchandise.

All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings 7213.91.3010, 7213.91.3090, 7213.91.4510, 7213.91.4590, 7213.91.6010, 7213.91.6090, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0010, 7227.20.0020, 7227.20.0090, 7227.20.0095, 7227.90.6051, 7227.90.6053, 7227.90.6058, and 7227.90.6059 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

Period of Investigation

The period of investigation is July 1, 2000, through June 30, 2001. This period corresponds to the four most recent fiscal quarters prior to the month of the filing of the petition (*i.e.*, August 2001).

Verification

As provided in section 782(i) of the Act, we conducted verification of the cost and sales information submitted by the respondent. We used standard verification procedures including examination of relevant accounting and production records, and original source documents provided by the respondent.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this antidumping proceeding are listed in the appendix to this notice and addressed in the *Decision Memorandum* dated August 23, 2002, and are hereby adopted by this notice. The *Decision Memorandum* is on file in room B–099 of the main Department of Commerce building. In addition, a complete version of the *Decision Memorandum* can be accessed directly on the World Wide Web at *www.ita.doc.gov/import_admin/records/frn*. The paper and electronic versions of the *Decision Memorandum* are identical in content.

Changes Since the Preliminary Determinations

Based on our findings at verification, and analysis of comments received, we have made adjustments to the preliminary determination in calculating the final dumping margin in this proceeding. In addition, we have made a final determination that critical

[2] On August 9, 2002, Bekaert Corporation requested an exclusion for certain high chrome/high silicon steel wire rod from the scope of these investigations. This request was filed too late to be considered for the final determinations in these investigations.

circumstances do not exist with regard to this case. The adjustments to the dumping margin, as well as a detailed description of the critical circumstances analysis, are discussed in the *Decision Memorandum* for this investigation.

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing the Customs Service to continue to suspend liquidation of all entries of steel wire rod exported from Trinidad and Tobago that are entered, or withdrawn from warehouse, for consumption on or after the date of the preliminary determination. The Customs Service shall continue to require a cash deposit or the posting of a bond based on the estimated weighted-average dumping margins shown below. The suspension of liquidation instructions will remain in effect until further notice.

Furthermore, because the Department now determines that critical circumstances do not exist, the suspension of liquidation for all shipments that entered or were withdrawn from warehouse, for consumption prior to April 10, 2002, is terminated. We are directing the Customs Service to refund any cash deposits and release any bonds or other security relating to such shipments.

We determine that the following weighted-average dumping margins exist for Trinidad and Tobago:

Manufacturer/exporter	Margin (percent)
Caribbean Ispat Ltd	11.40
All Others	11.40

International Trade Commission Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determination. The ITC will determine, within 45 days, whether imports of subject merchandise from Trinidad and Tobago are causing material injury, or threaten material injury, to an industry in the United States. If the ITC determines that material injury or threat of injury does not exist, this proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping order directing Customs Service officials to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse for consumption on or after the effective date of the suspension of liquidation.

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: August 23, 2002.

Faryar Shizad,

Assistant Secretary for Import Administration.

Appendix

Issues Covered in Decision Memorandum

I. Issues Specific to Sales

Comment 1: Sales of Non-Prime Merchandise
Comment 2: 201 Duties
Comment 3: Critical Circumstances
Comment 4: Minor Corrections (Sales Verification)

II. Issues Specific to Costs

Comment 5: Depreciation on Revalued Assets
Comment 6: Iron Ore Offset
Comment 7: General and Administrative Assets Depreciation

[FR Doc. 02–22248 Filed 8–29–02; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–841–805]

Notice of Final Determination of Sales at Less Than Fair Value: Carbon and Certain Alloy Steel Wire Rod From Moldova

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: August 30, 2002.

SUMMARY: We determine that carbon and certain alloy steel wire rod (wire rod) from Moldova is being sold, or is likely to be sold, in the United States at less than fair value (LTFV), as provided in section 735 of the Act. The estimated margin of sales at LTFV is shown in the *Final Determination of Investigation* section of this notice.

FOR FURTHER INFORMATION CONTACT: Thomas Gilgunn or Scott Lindsay at (202) 482–4236 or (202) 482–0780, respectively, AD/CVD Enforcement, Office 7, Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Applicable Statute and Regulations

Unless otherwise indicated, all citations are references to the provisions of the Tariff Act of 1930, as amended (the Act). In addition, unless otherwise indicated, all citations to Department of Commerce (the Department) regulations are to 19 CFR part 351 (2001).

Case History

On April 10, 2002, the Department published the preliminary determination of the antidumping investigation of wire rod from Moldova. *See Notice of Preliminary Determination of Sales at Less Than Fair Value: Carbon and Certain Alloy Steel Wire Rod from Moldova,* 67 FR 17401 (April 10, 2002) (*Preliminary Determination*). We gave interested parties an opportunity to comment on our *Preliminary Determination*. On April 12, 2002, MSW informed the Department that it would not participate in verification. On April 27, 2002, MSW requested the Department postpone the final determination in accordance with section 735(a)(2)(A) of the Tariff Act. MSW also requested that the Department extend to six months any provisional measures imposed pursuant to section 733(d) of the Tariff Act. On May 13, 2002, we postponed the final determination of these proceedings. *See Postponement of Final Antidumping Duty Determinations; Carbon and Certain Alloy Steel Wire Rod from Germany, Indonesia and Moldova,* 67 FR 32013 (May 13, 2002). On June 17, 2002, Co-Steel Raritan, Inc., GS Industries, Keystone Consolidated Industries, Inc., and North Star Steel Texas, Inc. (petitioners) and MSW submitted timely case briefs. On June 24, 2002, the petitioners submitted a rebuttal brief. The Department did not receive any requests for a public hearing.

Scope Issues

Since the *Preliminary Determination*, a number of parties have filed requests asking the Department to exclude various products from the scope of the concurrent antidumping duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago and Ukraine) and countervailing duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) investigations. On May 6, 2002, Ispat Hamburger Stahlwerke GmbH and Ispat Walzdraht

Hochfeld GmbH (collectively, Ispat Germany) requested an exclusion for "super clean valve spring wire." Two parties filed additional exclusion requests on June 14, 2002: Bluff City Steel asked that the Department exclude "clean-steel precision bar," and Lincoln Electric Company sought the exclusion of its EW 2512 grade of metal inert gas welding wire. On June 28, 2002, petitioners (Co-Steel Raritan, Inc., GS Industries, Keystone Consolidated Industries, Inc., and North Star Steel Texas, Inc.) filed objections to a range of scope exclusion requests including: (i) Bluff City Steel's request for clean precision bar; (ii) Lincoln Electric Company's request for EW 2512 grade wire rod; (iii) Ispat Germany's request for "super clean valve spring wire;" (iv) Tokusen USA's January 22, 2002 request for 1070 grade tire cord and tire bead quality wire rod (tire cord wire rod); and (v) various parties' request for 1090 grade tire cord wire rod.

In addition, Moldova Steel Works requested the exclusion of various grades of tire cord wire rod on July 17, 2002. The Rubber Manufacturers Association (the RMA), Ispat Germany, Lincoln Electric and Bluff City filed rebuttals to petitioners' June 28 submission on July 8, 11, 17, and 29, 2002, respectively. The RMA filed additional comments on July 30, 2002.[1]

The Department has analyzed these requests and the petitioners' objections and we find no modifications to the scope are warranted. *See* Memorandum from Richard Weible to Faryar Shirzad, "Carbon and Certain Alloy Steel Wire Rod; Antidumping Duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine) and Countervailing Duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) Investigations: Requests for Scope Exclusion" dated August 23, 2002, which is on file in room B–099 of the main Commerce building.

Scope of Investigation

The merchandise covered by these investigations is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, 5.00 mm or more, but less than 19.00 mm, in solid cross-sectional diameter.

Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; and (e) concrete reinforcing bars and rods. Also excluded are (f) free machining steel products (*i.e.*, products that contain by weight one or more of the following elements: 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, or more than 0.01 percent of tellurium).

Also excluded from the scope are 1080 grade tire cord quality wire rod and 1080 grade tire bead quality wire rod. This grade 1080 tire cord quality rod is defined as: (i) Grade 1080 tire cord quality wire rod measuring 5.0 mm or more but not more than 6.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.15 mm; (vi) capable of being drawn to a diameter of 0.30 mm or less with 3 or fewer breaks per ton, and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.006 percent or less of nitrogen, and (5) not more than 0.15 percent, in the aggregate, of copper, nickel and chromium.

This grade 1080 tire bead quality rod is defined as: (i) Grade 1080 tire bead quality wire rod measuring 5.5 mm or more but not more than 7.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.2 mm; (vi) capable of being drawn to a diameter of 0.78 mm or larger with 0.5 or fewer breaks per ton; and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of soluble aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.008 percent or less of nitrogen, and (5) either not more than 0.15 percent, in the aggregate, of copper, nickel and chromium (if chromium is not specified), or not more than 0.10 percent in the aggregate of copper and nickel and a chromium content of 0.24 to 0.30 percent (if chromium is specified).

The designation of the products as "tire cord quality" or "tire bead quality" indicates the acceptability of the product for use in the production of tire cord, tire bead, or wire for use in other rubber reinforcement applications such as hose wire. These quality designations are presumed to indicate that these products are being used in tire cord, tire bead, and other rubber reinforcement applications, and such merchandise intended for the tire cord, tire bead, or other rubber reinforcement applications is not included in the scope. However, should petitioners or other interested parties provide a reasonable basis to believe or suspect that there exists a pattern of importation of such products for other than those applications, end-use certification for the importation of such products may be required. Under such circumstances, only the importers of record would normally be required to certify the end use of the imported merchandise.

All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings 7213.91.3010, 7213.91.3090, 7213.91.4510, 7213.91.4590, 7213.91.6010, 7213.91.6090, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0010, 7227.20.0020, 7227.20.0090, 7227.20.0095, 7227.90.6051, 7227.90.6053, 7227.90.6058, and 7227.90.6059 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

Period of Investigation

The period of investigation (POI) is January 1, 2001 through June 30, 2001. This period corresponds to the two most recent fiscal quarters prior to the month of the filing of the petition in accordance with 19 CFR 351.204(b).

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this proceeding and to which we have responded are listed in the Appendix to this notice and addressed in the "Issues and Decision Memorandum for the Antidumping Investigation of Carbon and Certain Alloy Steel Wire Rod from Moldova," dated August 23, 2002, (*Decision Memorandum*) which is hereby adopted by this notice. Parties

[1] On August 9, 2002, Bekaert Corporation requested an exclusion for certain high chrome/high silicon steel wire rod from the scope of these investigations. This request was filed too late to be considered for the final determinations in these investigations.

can find a complete discussion of the issues raised in this investigation and the corresponding recommendations in this public memorandum which is on file in the Central Records Unit, room B–099 (B–099) of the main Department building. In addition, a complete version of the *Decision Memorandum* can be accessed directly on the Web at *http://ia.ita.doc.gov*. The paper copy and electronic version of the Decision Memorandum are identical in content.

Non-Market Economy Status

The Department has treated Moldova as a non-market-economy (NME) country in all past antidumping investigations. *See, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Steel Reinforcing Bars from Moldova*, 66 FR 33525 (June 22, 2001). In accordance with section 771(18)(C)(i) of the Act, a country's NME status continues until the Department revokes it. MSW requested that the Department revoke Moldova's NME status. The Government of the Republic of Moldova (GORM), however, did not support the treatment of the entire country as a market economy pursuant to MSW's request. Therefore, in accordance with section 771(18) of the Act, we continue to consider the Republic of Moldova as an NME country. *See Decision Memorandum.*

Changes Since the Preliminary Determination

We have not made any adjustments to the calculation methodologies used in the *Preliminary Determination* in determining the final dumping margin in this proceeding.

Use of Facts Available

As noted above, MSW refused to participate in verification. Section 776(b) of the Act provides that, if the Department finds that an interested party "has failed to cooperate by not acting to the best of its ability to comply with a request for information," the Department may draw an inference that is adverse to the interests of that party in selecting from among the facts otherwise available. In light of MSW's refusal to participate in verification, we determine that MSW has failed to cooperate to the best of its ability and have applied adverse facts available to MSW. For a complete discussion of our analysis, see the *Decision Memorandum* and memorandum *Determination of Facts Available for Moldova Steel Works in Carbon and Certain Alloy Steel Wire Rod from Moldova*, dated August 23, 2002.

Critical Circumstances

On February 4, 2002, the Department preliminarily determined that critical circumstances exist with respect to wire rod from Moldova. *See Memorandum to Faryar Shirzad Re: Antidumping Duty Investigation of Carbon and Certain Alloy Steel Wire Rod from Moldova—Preliminary Affirmative Determination of Critical Circumstances* (February 4, 2002); *See also Carbon and Alloy Wire Rod from Germany, Mexico, Moldova, Trinidad and Tobago, and Ukraine: Notice of Preliminary Determination of Critical Circumstances*, 67 FR 6224 (February 11, 2002). We received no comments from MSW or the petitioners regarding our preliminary finding that critical circumstances exist for imports of wire rod from Moldova. Therefore, we have not changed our determination and continue to find that critical circumstances exist for imports of wire rod from Moldova.

Final Determination of Investigation

We determine that the following weighted-average percentage margin exists for the period January 1, 2001 through June 30, 2001:

Exporter/manufacturer	Weighted-average margin (percentage)
Moldova-wide rate	369.10

The Moldova-wide rate applies to all entries of the subject merchandise from Moldova.

Continuation of Suspension of Liquidation

Pursuant to section 735(c)(1)(B) of the Act, we will instruct the U.S. Customs Service (Customs) to continue to suspend liquidation of all entries of wire rod from Moldova that are entered, or withdrawn from warehouse, for consumption on or after January 10, 2002 (90 days prior to the date of publication of the *Preliminary Determination* in the **Federal Register**). Customs shall continue to require a cash deposit or the posting of a bond equal to the estimated amount by which the normal value exceeds the U.S. price as shown above. The suspension of liquidation instructions will remain in effect until further notice.

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determination. As our final determination is affirmative, the ITC will determine, within 45 days, whether these imports are causing material injury or threatening material injury to an industry in the United States. If the ITC determines that material injury, or threat of injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping order directing Customs officials to assess antidumping duties on all imports of the subject merchandise entered or withdrawn from warehouse for consumption on or after the effective date of the suspension of liquidation.

Notification Regarding Administrative Protective Order (APO)

This notice also serves as a reminder to parties subject to APO of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: August 23, 2002.

Faryar Shirzad,

Assistant Secretary for Import Administration.

Appendix—Issues in Decision Memorandum

1. Use of Adverse Facts Available
2. Basis of Adverse Facts Available
3. Request for Revocation of NME Status
4. Market Economy Responses

[FR Doc. 02–22249 Filed 8–29–02; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–351–832]

Notice of Final Determination of Sales at Less Than Fair Value and Final Negative Critical Circumstances: Carbon and Certain Alloy Steel Wire Rod from Brazil

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: August 30, 2002.

FOR FURTHER INFORMATION CONTACT: Christopher Smith or Victoria Schepker, at (202) 482–1442 or (202) 482–1756, respectively; Import Administration,

International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to Department of Commerce (Department) regulations refer to the regulations codified at 19 CFR part 351 (2001).

Final Determination

We determine that carbon and certain alloy steel wire rod from Brazil is being sold, or is likely to be sold, in the United States at less than fair value (LTFV), as provided in section 735 of the Act. The estimated margins of sales at LTFV are shown in the Continuation of Suspension of Liquidation section of this notice.

Case History

The preliminary determination in this investigation was issued on April 2, 2002. *See Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Carbon and Certain Alloy Steel Wire Rod from Brazil,* 67 FR 18165 (April 15, 2002) (*Preliminary Determination).* Since the publication of the preliminary determination, the following events have occurred:

On April 16, 2002, Companhia Siderúrgica Belgo Mineira and its fully-owned subsidiary, Belgo-Mineira Participação Indústria e Comércio S.A. (BMP), collectively Belgo Mineira submitted a letter to the Department stating its intent to withdraw from the proceeding and requesting the return of its proprietary information. On April 25, 2002, the Department confirmed that all of Belgo Mineira's information had been withdrawn from the record and that all copies had been destroyed. The Department also sent a letter to the petitioners requesting that they return Belgo Mineira's information under the terms of the Administrative Protective Order (APO). The petitioners [1] objected to the return of Belgo Mineira's information in a letter dated April 26, 2002. Subsequently, the petitioners filed an appeal with the Court of International Trade (CIT), requesting that the Department not be allowed to require the petitioners to return Belgo Mineira's proprietary information. On May 9, 2002, the CIT ordered that the petitioners return the information to the Department, and that the Department keep the information under seal. On June 4, 2002, we received a case brief from the petitioners; on June 11, 2002, we received a rebuttal brief from Belgo Mineira. On June 24, and June 21, 2002, respectively, the parties filed revised briefs at the request of the Department.

Scope Issues

Since the *Preliminary Determination* a number of parties have filed requests asking the Department to exclude various products from the scope of the concurrent antidumping duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago and Ukraine) and countervailing duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) investigations. On May 6, 2002, Ispat Hamburger Stahlwerke GmbH and Ispat Walzdraht Hochfeld GmbH (collectively, Ispat Germany) requested an exclusion for "super clean valve spring wire." Two parties filed additional exclusion requests on June 14, 2002: Bluff City Steel asked that the Department exclude "clean-steel precision bar," and Lincoln Electric Company sought the exclusion of its EW 2512 grade of metal inert gas welding wire. On June 28, 2002, the petitioners filed objections to a range of scope exclusion requests including: (i) Bluff City Steel's request for clean precision bar; (ii) Lincoln Electric Company's request for EW 2512 grade wire rod; (iii) Ispat Germany's request for "super clean valve spring wire;" (iv) Tokusen USA's January 22, 2002 request for 1070 grade tire cord and tire bead quality wire rod (tire cord wire rod); and (v) various parties' request for 1090 grade tire cord wire rod.

In addition, Moldova Steel Works requested the exclusion of various grades of tire cord wire rod on July 17, 2002. The Rubber Manufacturers Association (the RMA), Ispat Germany, Lincoln Electric and Bluff City filed rebuttals to the petitioners' June 28, 2002 submission on July 8, 11, 17, and 29, 2002, respectively. The RMA filed additional comments on July 30, 2002.[2]

The Department has analyzed these requests and the petitioners' objections and we find no modifications to the scope are warranted. See Memorandum from Richard Weible to Faryar Shirzad, "Carbon and Certain Alloy Steel Wire Rod; Antidumping Duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine) and Countervailing Duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) Investigations: Requests for Scope Exclusion" dated August 23, 2002, which is on file in room B–099 of the main Commerce building.

Scope of Investigation

The merchandise covered by this investigation is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, 5.00 mm or more, but less than 19.00 mm, in solid cross-sectional diameter.

Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; and (e) concrete reinforcing bars and rods. Also excluded are (f) free machining steel products (*i.e.*, products that contain by weight one or more of the following elements: 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, or more than 0.01 percent of tellurium).

Also excluded from the scope are 1080 grade tire cord quality wire rod and 1080 grade tire bead quality wire rod. This grade 1080 tire cord quality rod is defined as: (i) Grade 1080 tire cord quality wire rod measuring 5.0 mm or more but not more than 6.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.15 mm; (vi) capable of being drawn to a diameter of 0.30 mm or less with 3 or fewer breaks per ton, and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.006 percent or less of nitrogen, and (5) not more than 0.15 percent, in the aggregate, of copper, nickel and chromium.

This grade 1080 tire bead quality rod is defined as: (i) Grade 1080 tire bead quality wire rod measuring 5.5 mm or more but not more than 7.0 mm in

[1] The petitioners in this investigation are Co-Steel Raritan, Inc., GS Industries, Inc., Keystone Consolidated Industries, Inc., and North Star Steel Texas, Inc.

[2] On August 9, 2002, Bekaert Corporation requested an exclusion for certain high chrome/high silicon steel wire rod from the scope of these investigations. This request was filed too late to be considered for the final determinations in these investigations.

cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.2 mm; (vi) capable of being drawn to a diameter of 0.78 mm or larger with 0.5 or fewer breaks per ton; and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of soluble aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.008 percent or less of nitrogen, and (5) either not more than 0.15 percent, in the aggregate, of copper, nickel and chromium (if chromium is not specified), or not more than 0.10 percent in the aggregate of copper and nickel and a chromium content of 0.24 to 0.30 percent (if chromium is specified).

The designation of the products as "tire cord quality" or "tire bead quality" indicates the acceptability of the product for use in the production of tire cord, tire bead, or wire for use in other rubber reinforcement applications such as hose wire. These quality designations are presumed to indicate that these products are being used in tire cord, tire bead, and other rubber reinforcement applications, and such merchandise intended for the tire cord, tire bead, or other rubber reinforcement applications is not included in the scope. However, should petitioners or other interested parties provide a reasonable basis to believe or suspect that there exists a pattern of importation of such products for other than those applications, end-use certification for the importation of such products may be required. Under such circumstances, only the importers of record would normally be required to certify the end use of the imported merchandise.

All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings 7213.91.3010, 7213.91.3090, 7213.91.4510, 7213.91.4590, 7213.91.6010, 7213.91.6090, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0010, 7227.20.0020, 7227.20.0090, 7227.20.0095, 7227.90.6051, 7227.90.6053, 7227.90.6058, and 7227.90.6059 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

Period of Investigation

The period of investigation (POI) is July 1, 2000, through June 30, 2001. This period corresponds to the four most recent fiscal quarters prior to the month of the filing of the petition (*i.e.*, August 2001).

Analysis of Comments Received

Given that there was only one issue raised in the parties' briefs, regarding the use of adverse facts available, we have addressed the issue here, and not in a separate Decision Memorandum.

Use of Facts Available

As stated above, Belgo Mineira withdrew from this proceeding and requested the return of all proprietary information submitted. Consequently, for the final determination, the Department has applied adverse facts available (AFA) by using the margin derived from the petition.

1. Application of Facts Available (FA)

Section 776(a)(2) of the Act provides that, if an interested party (A) withholds information requested by the Department, (B) fails to provide such information by the deadline, or in the form or manner requested, (C) significantly impedes a proceeding, or (D) provides information that cannot be verified, the Department shall use, subject to sections 782(d) and (e) of the Act, facts otherwise available in reaching the applicable determination.

Pursuant to section 782(e) of the Act, the Department shall not decline to consider submitted information if all of the following requirements are met: (1) The information is submitted by the established deadline; (2) the information can be verified; (3) the information is not so incomplete that it cannot serve as a reliable basis for reaching the applicable determination; (4) the interested party has demonstrated that it acted to the best of its ability; and (5) the information can be used without undue difficulties.

On April 16, 2002, Belgo Mineira notified the Department that it did not intend to participate further in the Department's investigation and requested the return of all of its data. Belgo Mineira was notified by the Department in all of our correspondence, concerning the due dates for submitting data, that failure to submit the requested information by the date specified may result in use of the FA, as required by section 776(c) of the Act and section 351.308 of the Department's regulations. *See* letters from the Department to Belgo Mineira dated November 9, 2001; December 27, 2001; and January 18, 2002.

As described above, Belgo Mineira withdrew its response to the Department's questionnaire. Because Belgo Mineira withheld information requested by the Department essential to the calculation of dumping margins, pursuant to section 776(a)(2) of the Act, we have applied FA to calculate the dumping margin.

2. Selection of AFA

In selecting from among the facts otherwise available, section 776(b) of the Act authorizes the Department to use an adverse inference if the Department finds that an interested party failed to cooperate by not acting to the best of its ability to comply with the request for information. *See, e.g., Certain Welded Carbon Steel Pipes and Tubes From Thailand: Final Results of Antidumping Duty Administrative Review,* 62 FR 53808, 53819–20 (October 16, 1997); *Notice of Final Determination of Sales at Less than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products from Sweden,* 67 FR 47522, 47523 (July 19, 2002).

Comment: Application of AFA

The petitioners argue that Belgo Mineira's decision to cease participating in the investigation compels the Department to make an adverse inference when determining the final dumping margin. Further, the petitioners contend that, since Belgo Mineira should not be rewarded for its decision to withdraw its information from the record of the proceeding, the Department should place Belgo Mineira's information back on the record and use the highest calculated rate as its cash deposit rate.

Under section 776(b)(4) of the Act the Department may rely on "any other information placed on the record" for the purposes of deriving a facts available rate. The petitioners maintain that it is appropriate, under this provision, to use the information that Belgo Mineira submitted, which the Department still retains, albeit under seal. The petitioners point out that the information submitted by Belgo Mineira is "primary" information, the accuracy of which has been certified by Belgo Mineira and its counsel. Therefore, the petitioners argue, the Department is not obliged to corroborate this information. Further, the petitioners contend that the Department has relied on unverified, company-specific information in selecting a margin incorporating an adverse inference for respondents which withdrew from the investigation. *See,*

e.g., Notice of Final Determination of Sales at Less Than Fair Value: Live Cattle from Canada, 64 FR 56739 (October 21, 1999) *(Live Cattle from Canada).*

While Belgo Mineira's information is currently under seal, the petitioners argue that the decision by the CIT in *Co-Steel Raritan, et al.* v. *United States,* Court No. 02–00313 (May 9, 2002) (*Co-Steel Raritan*) contemplates the use of Belgo Mineira's information in selecting a final deposit rate that incorporates an adverse inference. Specifically, the petitioners argue that the CIT's order provides that unless the Department assigns to Belgo Mineira a deposit rate that is no less favorable to the petitioners than the result it could have reached using Belgo Mineira's information, the Department will be required to remove the information from under seal and return it to the petitioners counsel to provide them with an opportunity to submit objections.

Further, the petitioners argue that in *Live Cattle from Canada,* the Department found that "there is no statutory provision dealing with the withdrawal of business proprietary information once it has been submitted {and} the courts have recognized the inherent power of an administrative authority to protect the integrity of its proceedings." *See Live Cattle from Canada* at 56743.

Therefore, according to the petitioners, there is nothing in the statute or judicial precedent to preclude the Department from placing Belgo Mineira's information, which is currently under seal, back on the record of the proceeding. The petitioners maintain that, by withdrawing its information, Belgo Mineira is attempting to manipulate the proceeding and receive a lower adverse facts available rate than it would have received had it left its information on the record. Therefore, the petitioners ask that Belgo Mineira's information be put back on the record and that Belgo Mineira be given the highest margin calculated from that information.

Belgo Mineira states that its decision to cease participating in the case was a business decision based on a cost/benefit analysis, which lead to the conclusion that the cost of participating in the investigation outweighed the possible benefits of doing so, given the Department's decision to exclude a significant portion of Belgo Mineira's exports from the scope of the proceeding. Belgo Mineira acknowledges that when it withdrew, it was with the knowledge that the Department may select an adverse facts available rate in the final determination, which was higher than its calculated rate.

Further, Belgo Mineira argues that, should the Department remove its information from under seal, it would be in violation of the court order in *Co-Steel Raritan,* which directed the Department to place the information under seal and then proceed with the investigation. Belgo Mineira maintains that the CIT contemplated removing the documents from under seal only if there is a subsequent action by the petitioners before the CIT, and the CIT directs the Department to unseal the information.

In addition, Belgo Mineira points out the Department has well established practices for assigning a facts available rate to mandatory respondents who do not participate fully in the proceeding. *See, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Emulsion Styrene-Butadiene Rubber From Brazil,* 64 FR 14863 (March 29, 1999) (*ESBR from Brazil*). According to Belgo Mineira, whether it opted not to participate from the beginning, or elected to withdraw in the middle, should not be relevant to the Department's final determination. Therefore, Belgo Mineira believes that the Department should follow its usual policy in assigning a facts available rate and should not be influenced by the petitioners speculation on Belgo Mineira's motives for withdrawing from the proceeding.

Finally, Belgo Mineira suggests that, if the Department does remove Belgo Mineira's information from under seal, and decides that the information is sufficiently reliable to use for the purposes of establishing a facts available rate, the Department should use all of that information, not just the highest calculated margin to establish the cash-deposit rate.

Department's Position

We agree with the petitioners that Belgo Mineira's decision to cease participating in the proceeding warrants the application of adverse facts available under section 776(b) of the Act. By ceasing to participate and withdrawing its information, Belgo Mineira failed to cooperate to the best of its ability. However, we disagree that Belgo Mineira's information should be removed from under seal and used to establish the adverse facts available rate.

As a general matter, it is reasonable for the Department to assume that Belgo Mineira possessed the records necessary for the Department to complete its investigation since it provided a nearly complete response before withdrawing it from the record. Therefore, by withdrawing the information the Department requested, Belgo Mineira failed to cooperate to the best of its ability. As Belgo Mineira failed to cooperate to the best of its ability, we are applying an adverse inference pursuant to section 776(b) of the Act. As AFA, we have used 94.73 percent, the rate derived from the petition. *See Initiation of Antidumping Duty Investigations: Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Ukraine, and Venezuela,* 66 FR 50164 (October 2, 2001) (Initiation Notice).

The Department has allowed withdrawing parties, who make a request, to remove their business proprietary information from the administrative record of an ongoing proceeding.[3] Thus, the Department's decision to remove Belgo Mineira's

[3] *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products from Sweden,* 67 FR 47522, 47523 (July 19, 2002); *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products From Australia,* 67 FR 47509, 47510 (July 19, 2002); *Stainless Steel Plate in Coils from Belgium: Final Results of Antidumping Duty Administrative Review,* 66 FR 56272, 56273 (Nov. 7, 2001); *Preliminary Determination of Sales at Less Than Fair Value: Honey From Argentina,* 66 FR 24108, 24110–11 (May 11, 2001); *Notice of Final Determination of Sales at Less Than Fair Value: Circular Seamless Stainless Steel Hollow Products from Japan,* 65 FR 42985, 42986 (July 12, 2000); *Carbon Steel Wire Rope from Mexico: Preliminary Results of Antidumping Duty Administrative Review and New Shipper Review, and Determination Not To Revoke the Antidumping Order in Part,* 65 FR 18283, 18284 (April 7, 2000). *See also Notice of Final Determination of Sales at Less Than Fair Value: Silicomanganese From Brazil,* 59 FR 55432, 55433 Comment 1 (Nov. 9, 1994); *Final Determination of Sales At Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products and Certain Cut-to-Length Carbon Steel Plate From Italy,* 58 FR 37152, 37152–153 (July 9, 1993); *Notice of Final Determination of Sales at Less Than Fair Value: Certain Cold-Rolled Carbon Steel Flat Products From Argentina,* 58 FR 37062 (July 9, 1993); *Notice of Preliminary Determination of Sales at Less than Fair Value: Certain Hot-Rolled Carbon Steel Flat Products, Certain Cold-Rolled Carbon Steel Flat Products, and Certain Corrosion-Resistant Carbon Steel Flat Products From Japan,* 58 FR 7103, 7104, 7105 (Feb. 4, 1993); *Final Determination of Sales at Less Than Fair Value: Certain Hot-Rolled Lead and Bismuth Carbon Steel Products From France,* 58 FR 6203, 6204–6205 (January 27, 1993); *Final Determination of Sales at Less Than Fair Value: Personal Word Processors from Japan,* 56 FR 31101 (July 9, 1991)(Rate was modified using the petition and public data, pursuant to *Smith Corona Corp.* v. *United States,* 802 F. Supp. 467, 468 (Ct. Int'l Trade 1992)); *Preliminary Determination of Sales at Less Than Fair Value: Certain Small Business Telephone Systems and Subassemblies Thereof From Japan,* 54 FR 31978 (Aug. 3, 1989); *Final Affirmative Countervailing Duty Determination: Industrial Belts and Components and Parts Thereof, Whether Cured or Uncured, From Israel,* 54 FR 15509 (April 18, 1989)(Both the government of Israel and the foreign producer withdrew their responses).

business proprietary documents from the record in this administrative review was consistent with the Department's practice. We find the petitioners' reliance on *Live Cattle from Canada* to be misplaced. That case involved a unique circumstance in that the Department found that the "All Others" rate, which would have been applied to the majority of exports of the subject merchandise, would have been distorted by the withdrawal of information by one of the mandatory respondents. In *Live Cattle from Canada*, the Department did not state that it was changing its practice, but that the peculiarities of that case meant that the Department should not follow its normal practice. *Live Cattle from Canada*, 64 FR at 56743–44. The Department's decision in *Live Cattle from Canada* is limited to the unique set of facts underlying that determination and does not establish "precedent" for the agency. No such circumstance exists in this case. The only producer affected by the withdrawal of Belgo Mineira's information is Belgo Mineira itself.

Further, with regard to Belgo Mineira's information, we disagree with the petitioners' interpretation of the CIT's order. The CIT ordered that the Department was to "safekeep this information under seal pending Commerce's issuance of the final determination." *See Co-Steel Raritan* at 2. The Court further ordered that the petitioners can enter their objections "for Commerce's consideration in accordance with pertinent statutory and regulatory provisions;" moreover, for petitioners to obtain access to the proprietary information, they should bring a separate action before the CIT. *Co-Steel Raritan* at 13–14. The Department maintains the information under seal, because the Department interprets section 777(b)(1)(A) of the Act to mean that once a respondent has withdrawn its consent for Administrative Protective Order (APO) parties and the government to review its business proprietary information, then the Department must remove it from the record and cannot disclose the information. See section 777(b)(1)(A) of the Act ("information submitted to the administering authority* * * which is designated as proprietary by the person submitting the information shall not be disclosed to any person without the consent of the person submitting the information* * *."). The Department's interpretation is supported by the fact that participation in the administrative process by foreign governments and its commercial citizens is voluntary, and the Department lacks subpoena powers. *See Rhone Poulenc Inc.* v. *United States*, 899 F.2d 1185, 1191 (Fed. Cir. 1990). Therefore, to remain in compliance with the CIT order and the Act, the information in question may not be removed from under seal until there is a separate court order after the final determination. Furthermore, the Department is required to apply a rate that is supported by information on the record. *Smith Corona Corp.* v. *United States*, 796 F. Supp. 1532, 1537 (CIT 1992)(*Smith Corona I*); *Smith Corona Corp.* v. *United States*, 802 F. Supp. 467, 468 (CIT 1992)(*Smith Corona II*). A rate derived from Belgo Mineira's information cannot be supported because that information is no longer on the administrative record.

The Department's practice when selecting an adverse rate from among the possible sources of information is to ensure that the margin is sufficiently adverse "as to effectuate the purpose of the facts available role to induce respondents to provide the Department with complete and accurate information in a timely manner." *See Static Random Access Memory Semiconductors from Taiwan; Final Determination of Sales at Less than Fair Value*, 63 FR 8909, 8932 (Feb. 23, 1998). The Department applies adverse facts available "to ensure that the party does not obtain a more favorable result by failing to cooperate than if it had cooperated fully." Uruguay Round Agreements Act, Statement of Administrative Action, H.R. Doc. No. 103–316, vol. 1, at 870 (1994)(SAA). The Department also considers the extent to which a party may benefit from its own lack of cooperation in selecting a rate. *See Roller Chain, Other than Bicycle, from Japan; Notice of Final Results and Partial Recision of Antidumping Duty Administrative Review*, 62 FR 60472, 60477 (Nov. 10, 1997), SAA at 870. In this case, the highest margin derived from the petition is 94.73 percent, higher than Belgo Mineira's preliminary calculated margin of 65.76 percent.

We believe that the highest margin derived from the petition is sufficiently adverse, and cannot be considered beneficial to Belgo Mineira. Consistent with long-standing Department practice, we have assigned this margin to Belgo Mineira in the final determination. *See, e.g., Notice of Final Determination of Sales at Less Than Fair Value: Steel Wire Rod from Venezuela*, 63 FR 8946, 8948 (February 23, 1998); *see also, Final Determination of Sales at Less Than Fair Value: Vector Supercomputers From Japan*, 62 FR 45623 (August 28, 1997).

3. Corroboration of Information

Section 776(b) of the Act authorizes the Department to use as AFA information derived from the petition, the final determination from the LTFV investigation, a previous administrative review, or any other information placed on the record. Section 776(c) of the Act requires the Department to corroborate, to the extent practicable, secondary information used as FA. Secondary information is defined as "information derived from the petition that gave rise to the investigation or review, the final determination concerning the subject merchandise, or any previous review under section 751 concerning the subject merchandise." *See* Statement of Administrative Action (SAA) accompanying the URAA, H.R. Doc. No. 103–316 at 870 (1994) and 19 CFR 351.308(d).

The SAA clarifies that "corroborate" means that the Department will satisfy itself that the secondary information to be used has probative value. *See* SAA at 870. The SAA also states that independent sources used to corroborate such evidence may include, for example, published price lists, official import statistics and customs data, and information obtained from interested parties during the particular investigation. *See* SAA at 870.

In order to determine the probative value of the margins in the petition for use as AFA for purposes of this determination, we examined evidence supporting the calculations in the petition. We reviewed the adequacy and accuracy of the information in the petition during our pre-initiation analysis of the petition, to the extent appropriate information was available for this purpose (*see* the *Initiation Checklist*, dated September 24, 2002, (*Initiation Checklist*) on file in the CRU for a discussion of the margin calculation in the petition). In addition, in order to determine the probative value of the margins in the petition for use as AFA for purposes of this determination, we examined evidence supporting the calculation in the petition. In accordance with section 776(c) of the Act, to the extent practicable, we examined the key elements of the export price (EP) and normal value (NV) calculations on which the margins in the petition were based. After making adjustments to the elements of EP and NV (*see Initiation Checklist*), we determined that the evidence supporting the calculation in the petition was adequate and the petition margin is appropriate for use as AFA in this determination.

All Others Rate

Section 735(c)(5)(B) of the Act provides that, where the estimated weighted-averaged dumping margins established for all exporters and producers individually investigated are zero or *de minimis* or are determined entirely under section 776 of the Act, the Department may use any reasonable method to establish the estimated all-others rate for exporters and producers not individually investigated. Our recent practice under these circumstances has been to assign, as the "all others" rate, the simple average of the margins in the petition. *See Notice of Final Determinations of Sales at Less Than Fair Value: Certain Cold-Rolled Flat-Rolled Carbon-Quality Steel Products From Argentina, Japan and Thailand*, 65 FR 5520, 5527–28 (February 4, 2000); *see also Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Plate in Coil from Canada (Stainless Steel Plate from Canada)*, 64 FR 15457 (March 31, 1999); and *Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Plate in Coil from Italy (Stainless Steel Plate from Italy)*, 64 FR 15458, 15459 (March 31, 1999). Consistent with our practice, we have assigned to all other manufacturers/exporters the simple average of the margins in the petition, which is 74.35 percent.

Critical Circumstances

Section 735(a)(3) of the Act provides that the Department will determine that critical circumstances exist if there is a reasonable basis to believe or suspect that: (A)(i) There is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or (ii) the person by whom, or for whose account, the merchandise was imported knew or should have known that the exporter was selling the subject merchandise at less than its fair value and that there was likely to be material injury by reason of such sales, and (B) there have been massive imports of the subject merchandise over a relatively short period.

In the preliminary determination, the Department found that critical circumstances do not exist because imports had not been massive over a "relatively short period of time," pursuant to 733(e)(1)(B) of the Act. *See Preliminary Determination* at 18171; *see also, Antidumping Duty Investigation of Carbon and Certain Alloy Steel Wire Rod from Brazil—Preliminary Negative Determination of Critical Circumstances Memorandum* from Bernard T. Carreau to Faryar Shirzad, April 2, 2002 (*Critical Circumstances Memorandum*) on file in the CRU.

In that decision, we used Belgo Mineira's company-specific information to arrive at a negative critical circumstances preliminary determination with regard to that company, based on our determination that imports had not been massive over a relatively short period. Because Belgo Mineira withdrew its information, the company-specific shipment data were no longer on the record for this final determination. However, we were aware that the Department had requested company-specific shipment data from Belgo and the other major exporter/producer, Gerdau S.A. (Gerdau), in the companion countervailing duty investigation.[4] On August 20, 2002, we requested that Belgo Mineira and Gerdau submit their shipment data for our critical circumstances determination in this case. As in the *Preliminary Determination*, our analysis of Belgo Mineira's shipment data indicates that imports have decreased during the comparison period; therefore, we find that the criterion under section 733(e)(1)(B) of the Act has not been met, *i.e.*, there have not been massive imports of steel wire rod from Belgo Mineira over a relatively short time.[5] Because there have not been massive imports in this case, we have determined that it is unnecessary to address the other prong of the critical circumstances test. For this reason, we determine that critical circumstances do not exist for imports of steel wire rod produced by Belgo Mineira.

Regarding the "All Others" category, although the mandatory respondent did not have massive imports, we also considered the combined shipment data of the two largest Brazilian exporters of wire rod. Based on our respondent selection analysis, we determined that there were two significant exporters of subject merchandise during the POI, Belgo Mineira and Gerdau S.A (Gerdau). *See Respondent Selection Memorandum* to Gary Taverman from Vicki Schepker, dated November 9, 2001. Information used for the respondent selection indicates that merchandise produced by Gerdau constitutes the preponderance of merchandise in the "All Others" category. Therefore, we are using the combined experience of Belgo Mineira and Gerdau for our critical circumstances determination for the "All Others" category of producers. Our review of the combined shipment data indicates that imports have decreased during the comparison period. Accordingly, pursuant to section 733(e) of the Act and section 351.206(h) of the Department's regulations, we preliminarily find that critical circumstances do not exist for imports of steel wire rod produced by the "All Others" category.

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing the Customs Service to continue to suspend liquidation of all entries of steel wire rod exported from Brazil, that are entered, or withdrawn from warehouse, for consumption on or after the date of the preliminary determination. The Customs Service shall continue to require a cash deposit or the posting of a bond based on the estimated weighted-average dumping margins shown below. We will adjust the deposit requirements to account for any export subsidies found in the companion countervailing duty investigation. The suspension of liquidation instructions will remain in effect until further notice.

We determine that the following weighted-average dumping margins exist for Brazil:

Manufacturer/exporter	Margin (percent)
Companhia Siderúrgica Belgo Mineira and Belgo-Mineira Participação Indústria e Comércio S.A. (BMP)	94.73
All Others	74.45

International Trade Commission Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determination. The ITC will determine, within 45 days, whether imports of subject merchandise from Brazil are causing material injury, or threaten material injury, to an industry in the United States. If the ITC determines that material injury or threat of injury does not exist, this proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping order directing Customs Service officials to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse for consumption on or

[4] We note that these data were verified in the companion countervailing duty investigation.

[5] *See Carbon and Certain Alloy Steel Wire Rod from Brazil: Analysis of Shipment Data for Critical Circumstances Determination Memorandum* from Vicki Schepker to Constance Handley, August 23, 2002, on file in the CRU.

after the effective date of the suspension of liquidation.

This notice also serves as a reminder to parties subject to APO of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: August 23, 2002.

Faryar Shizad,

Assistant Secretary for Import Administration.

[FR Doc. 02–22250 Filed 8–29–02; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–560–815]

Notice of Final Determination of Sales at Less Than Fair Value: Carbon and Certain Alloy Steel Wire Rod From Indonesia

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: August 30, 2002.

FOR FURTHER INFORMATION CONTACT: Michael Ferrier, James Balog, or Abdelali Elouaradia at (202) 482–1394, (202) 482–6349, or (202) 482–1374 respectively; Antidumping and Countervailing Duty Enforcement Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930, as amended (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are references to the provisions codified at 19 CFR part 351 (2001).

Final Determination

We determine that carbon and certain alloy steel wire rod from Indonesia is being sold, or is likely to be sold, in the United States at less than fair value (LTFV), as provided in section 735 of the Act. The estimated margins of sales at LTFV are shown in the "Suspension of Liquidation" section of this notice.

Case History

We published in the **Federal Register** the preliminary determination in this investigation on April 10, 2002. *See Notice of Preliminary Determination of Sales at Not Less Than Fair Value: Carbon and Certain Alloy Steel Wire Rod from Indonesia,* 67 FR 17374 (April 10, 2002) (Preliminary Determination). Since the publication of the Preliminary Determination the following events have occurred. On April 11, 2002, petitioners requested that the Department extend the deadline for issuance of the final determination by the full 60 days. On May 13, 2002, the Department extended the deadline for the final determination to August 23, 2002. *See Postponement of Final Antidumping Duty Determinations; Carbon and Certain Alloy Steel Wire Rod from Germany, Indonesia, and Moldova,* 67 FR 32013 (May 13, 2002).

The Department verified section A–C of Ispat Indo's responses from April 16, 2002, to April 19, 2002, at Ispat Indo's facilities in Surabaya, Indonesia and at Ispat Indo's trading company on April 23, 2002, in Dubai, United Arab Emirates. The Department also verified section D of Ispat Indo's response from May 20, 2002, to May 24, 2002, at Ispat Indo's facilities. See Memorandum to the File; "Verification of the questionnaire responses of P.T. Ispat Indo ("Ispat Indo") in the antidumping duty investigation of carbon and certain alloy steel wire rod from Indonesia," May 13, 2002 (Sales Verification Report) and Memorandum to Neal Halper, Director, Office of Accounting; "Verification Report on the Cost of Production and Constructed Value," June 18, 2002 (Cost Verification Report). Public version of these and all other Departmental memoranda referred to herein are on file in the Central Records Unit, room B–099 of the main Commerce building.

Since the *Preliminary Determination* a number of parties have filed requests asking the Department to exclude various products from the scope of the concurrent antidumping duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago and Ukraine) and countervailing duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) investigations. On May 6, 2002, Ispat Hamburger Stahlwerke GmbH and Ispat Walzdraht Hochfeld GmbH (collectively, Ispat Germany) requested an exclusion for "super clean valve spring wire." Two parties filed additional exclusion requests on June 14, 2002: Bluff City Steel asked that the Department exclude "clean-steel precision bar," and Lincoln Electric Company sought the exclusion of its EW 2512 grade of metal inert gas welding wire. On June 28, 2002, petitioners (Co-Steel Raritan, Inc., GS Industries, Keystone Consolidated Industries, Inc., and North Star Steel Texas, Inc.) filed objections to a range of scope exclusion requests including: (i) Bluff City Steel's request for clean precision bar; (ii) Lincoln Electric Company's request for EW 2512 grade wire rod; (iii) Ispat Germany's request for "super clean valve spring wire;" (iv) Tokusen USA's January 22, 2002 request for 1070 grade tire cord and tire bead quality wire rod (tire cord wire rod); and (v) various parties' request for 1090 grade tire cord wire rod.

In addition, Moldova Steel Works requested the exclusion of various grades of tire cord wire rod on July 17, 2002. The Rubber Manufacturers Association (the RMA), Ispat Germany, Lincoln Electric and Bluff City filed rebuttals to petitioners' June 28 submission on July 8, 11, 17, and 29, 2002, respectively. The RMA filed additional comments on July 30, 2002.[1]

The Department has analyzed these requests and the petitioners' objections and we find no modifications to the scope are warranted. See Memorandum from Richard Weible to Faryar Shirzad, "Carbon and Certain Alloy Steel Wire Rod; Antidumping Duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine) and Countervailing Duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) Investigations: Requests for Scope Exclusion" dated August 23, 2002, which is on file in room B–099 of the main Commerce building.

On July 2, 2002, the Department received case briefs from Ispat Indo and petitioners. On July 12, 2002, the Department received rebuttal briefs from Ispat Indo and petitioners.

Period of Investigation

The POI is July 1, 2000, through June 30, 2001. This period corresponds to the four most recent fiscal quarters prior to the filing of the petition (*i.e.*, August 2001), and is in accordance with section 351.204(b)(1) of the Department's regulations.

[1] On August 9, 2002, Bekaert Corporation requested an exclusion for certain high chrome/high silicon steel wire rod from the scope of these investigations. This request was filed too late to be considered for the final determinations in these investigations.

Scope of Investigation

The merchandise covered by these investigations is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, 5.00 mm or more, but less than 19.00 mm, in solid cross-sectional diameter.

Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; and (e) concrete reinforcing bars and rods. Also excluded are (f) free machining steel products (*i.e.*, products that contain by weight one or more of the following elements: 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, or more than 0.01 percent of tellurium).

Also excluded from the scope are 1080 grade tire cord quality wire rod and 1080 grade tire bead quality wire rod. This grade 1080 tire cord quality rod is defined as: (i) Grade 1080 tire cord quality wire rod measuring 5.0 mm or more but not more than 6.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.15 mm; (vi) capable of being drawn to a diameter of 0.30 mm or less with 3 or fewer breaks per ton, and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.006 percent or less of nitrogen, and (5) not more than 0.15 percent, in the aggregate, of copper, nickel and chromium.

This grade 1080 tire bead quality rod is defined as: (i) Grade 1080 tire bead quality wire rod measuring 5.5 mm or more but not more than 7.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.2 mm; (vi) capable of being drawn to a diameter of 0.78 mm or larger with 0.5 or fewer breaks per ton; and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of soluble aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.008 percent or less of nitrogen, and (5) either not more than 0.15 percent, in the aggregate, of copper, nickel and chromium (if chromium is not specified), or not more than 0.10 percent in the aggregate of copper and nickel and a chromium content of 0.24 to 0.30 percent (if chromium is specified).

The designation of the products as "tire cord quality" or "tire bead quality" indicates the acceptability of the product for use in the production of tire cord, tire bead, or wire for use in other rubber reinforcement applications such as hose wire. These quality designations are presumed to indicate that these products are being used in tire cord, tire bead, and other rubber reinforcement applications, and such merchandise intended for the tire cord, tire bead, or other rubber reinforcement applications is not included in the scope. However, should petitioners or other interested parties provide a reasonable basis to believe or suspect that there exists a pattern of importation of such products for other than those applications, end-use certification for the importation of such products may be required. Under such circumstances, only the importers of record would normally be required to certify the end use of the imported merchandise.

All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings 7213.91.3010, 7213.91.3090, 7213.91.4510, 7213.91.4590, 7213.91.6010, 7213.91.6090, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0010, 7227.20.0020, 7227.20.0090, 7227.20.0095, 7227.90.6051, 7227.90.6053, 7227.90.6058, and 7227.90.6059 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the "Issues and Decision Memorandum" (Decision Memo) from Joseph A. Spetrini, Deputy Assistant Secretary, Import Administration, to Faryar Shirzad, Assistant Secretary for Import Administration, dated August 23, 2002, which is hereby adopted by this notice. A list of the issues which parties have raised and to which we have responded, all of which are in the Decision Memo, is attached to this notice as an Appendix. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in this public memorandum, on file in B–099.

In addition, a complete version of the Decision Memo can be accessed directly on the World Wide Web at *http://www.ia.ita.doc.gov/frn*. The paper copy and electronic version of the Decision Memo are identical in content.

Changes Since the Preliminary Determination

Based on our analysis of comments received and findings at verification, we have made certain changes in the margin calculation. These changes are noted in various sections of the Decision Memo, accessible in B–099 and on the World Wide Web at *http://www.ia.ita.doc.gov/frn*.

Use of Facts Available

In accordance with section 776 of the Act, we have determined that the use of facts available is appropriate for certain portions of the our analysis of Ispat Indo. For a discussion of our determination with respect to these matters, *see* the Decision Memo.

Suspension of Liquidation

Pursuant to section 735(c)(1)(B) of the Act, we are instructing Customs to suspend liquidation of all entries of carbon and certain alloy steel wire rod from Indonesia that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of the Final Determination. We determine that the following weighted-average dumping margin exists for the period July 1, 2000, through June 30, 2001:

Exporter/manufacturer	Margin (percent)
P.T. Ispat Indo	4.06%
All Others	4.06%

ITC Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determination. As our final determination is affirmative, the ITC will determine, within 45 days, whether these imports are causing material injury, or threat of material injury, to an

industry in the United States. If the ITC determines that material injury or threat of injury does not exist, the proceeding will be terminated. If the ITC determines that such injury does exist, the Department will issue an antidumping order directing Customs officials to assess antidumping duties on all imports on the subject merchandise entered, or withdrawn from warehouse for consumption on or after the date of publication in the **Federal Register** of the Final Determination. This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: August 23, 2002.

Faryar Shirzad,

Assistant Secretary for Import Administration.

Appendix 1.—Issues in Decision Memorandum

1. Bank Charges for U.S. Sales.
2. Payment Date for Home Market Sales and Interest Revenue.
3. Foreign Inland Freight for Certain U.S. Sales Sold Through IWP.
4. Date of Sale.
5. Exchange Losses Related to Loan to Affiliate.
6. Electricity Discounts.
7. Cost Allocation Associated with Special Surface Quality Product.

[FR Doc. 02–22251 Filed 8–29–02; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–201–830]

Notice of Final Determination of Sales at Less Than Fair Value: Carbon and Certain Alloy Steel Wire Rod From Mexico

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: August 30, 2002.

FOR FURTHER INFORMATION CONTACT: Marin Weaver or Charles Riggle at (202) 482–2336 or (202) 482–0650, respectively; Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230.

The Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (the Act) by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to Department of Commerce (Department) regulations refer to the regulations codified at 19 CFR part 351 (2001).

Final Determination

We determine that carbon and certain alloy steel wire rod from Mexico is being sold, or is likely to be sold, in the United States at less than fair value (LTFV), as provided in section 735 of the Act. The estimated margins of sales at LTFV are shown in the *Continuation of Suspension of Liquidation* section of this notice.

Case History

The preliminary determination in this investigation was issued on April 2, 2002. *See* Notice of Preliminary Determination of Sales at Less Than Fair Value: Carbon and Certain Alloy Steel Wire Rod from Mexico, 67 FR 17397 (April 10, 2002) (Preliminary Determination). Since the publication of the preliminary determination, the following events have occurred:

The final determination for this investigation was postponed on April 17, 2002. *See* Notice of Postponement of Final Antidumping Duty Determination and Extension of Provisional Measures: Carbon and Certain Alloy Steel Wire Rod from Mexico, 67 FR 20728 (April 26, 2002). In April and May 2002, the Department verified the responses submitted by the respondent in this investigation, Siderurgica Lazaro Cardenas Las Truchas, S.A. de C.V. (SICARTSA) and its affiliates CCC Steel GmbH and Coutinho Caro + Co. USA Inc. Verification reports were issued in June 2002. On July 10, 2002, we received case briefs from the petitioners [1] and the respondent. On July 17, 2002, we received rebuttal briefs from the petitioners and the respondent. A public hearing was not held.

Scope Issues

Since the Preliminary Determination a number of parties have filed requests asking the Department to exclude various products from the scope of the concurrent antidumping duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine) and countervailing duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) investigations. On May 6, 2002, Ispat Hamburger Stahlwerke GmbH and Ispat Walzdraht Hochfeld GmbH (collectively, Ispat Germany) requested an exclusion for "super clean valve spring wire." Two parties filed additional exclusion requests on June 14, 2002: Bluff City Steel asked that the Department exclude "clean-steel precision bar," and Lincoln Electric Company sought the exclusion of its EW 2512 grade of metal inert gas welding wire. On June 28, 2002, the petitioners filed objections to a range of scope exclusion requests including: (i) Bluff City Steel's request for clean precision bar; (ii) Lincoln Electric Company's request for EW 2512 grade wire rod; (iii) Ispat Germany's request for "super clean valve spring wire;" (iv) Tokusen USA's January 22, 2002 request for 1070 grade tire cord and tire bead quality wire rod (tire cord wire rod); and (v) various parties' request for 1090 grade tire cord wire rod.

In addition, Moldova Steel Works requested the exclusion of various grades of tire cord wire rod on July 17, 2002. The Rubber Manufacturers Association (the RMA), Ispat Germany, Lincoln Electric and Bluff City filed rebuttals to the petitioners' June 28, 2002 submission on July 8, 11, 17, and 29, 2002, respectively. The RMA filed additional comments on July 30, 2002.[2]

The Department has analyzed these requests and the petitioners' objections and we find no modifications to the scope are warranted. *See* Memorandum from Richard Weible to Faryar Shirzad, "Carbon and Certain Alloy Steel Wire Rod; Antidumping Duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine) and Countervailing Duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) Investigations: Requests for Scope Exclusion" dated August 23, 2002, which is on file in room B–099 of the main Commerce building.

Scope of Investigation

The merchandise covered by this investigation is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, 5.00 mm or more, but less than 19.00 mm, in solid cross-sectional diameter.

Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; and (e) concrete reinforcing bars and rods. Also excluded are (f) free machining

[1] The petitioners in this investigation are Co-Steel Raritan, Inc., GS Industries, Inc., Keystone Consolidated Industries, Inc., and North Star Steel Texas, Inc.

[2] On August 9, 2002, Bekaert Corporation requested an exclusion for certain high chrome/high silicon steel wire rod from the scope of these investigations. This request was filed too late to be considered for the final determinations in these investigations.

steel products (*i.e.*, products that contain by weight one or more of the following elements: 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, or more than 0.01 percent of tellurium).

Also excluded from the scope are 1080 grade tire cord quality wire rod and 1080 grade tire bead quality wire rod. This grade 1080 tire cord quality rod is defined as: (i) Grade 1080 tire cord quality wire rod measuring 5.0 mm or more but not more than 6.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.15 mm; (vi) capable of being drawn to a diameter of 0.30 mm or less with 3 or fewer breaks per ton, and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.006 percent or less of nitrogen, and (5) not more than 0.15 percent, in the aggregate, of copper, nickel and chromium.

This grade 1080 tire bead quality rod is defined as: (i) Grade 1080 tire bead quality wire rod measuring 5.5 mm or more but not more than 7.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.2 mm; (vi) capable of being drawn to a diameter of 0.78 mm or larger with 0.5 or fewer breaks per ton; and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of soluble aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.008 percent or less of nitrogen, and (5) either not more than 0.15 percent, in the aggregate, of copper, nickel and chromium (if chromium is not specified), or not more than 0.10 percent in the aggregate of copper and nickel and a chromium content of 0.24 to 0.30 percent (if chromium is specified).

The designation of the products as "tire cord quality" or "tire bead quality" indicates the acceptability of the product for use in the production of tire cord, tire bead, or wire for use in other rubber reinforcement applications such as hose wire. These quality designations are presumed to indicate that these products are being used in tire cord, tire bead, and other rubber reinforcement applications, and such merchandise intended for the tire cord, tire bead, or other rubber reinforcement applications is not included in the scope. However, should petitioners or other interested parties provide a reasonable basis to believe or suspect that there exists a pattern of importation of such products for other than those applications, end-use certification for the importation of such products may be required. Under such circumstances, only the importers of record would normally be required to certify the end use of the imported merchandise.

All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings 7213.91.3010, 7213.91.3090, 7213.91.4510, 7213.91.4590, 7213.91.6010, 7213.91.6090, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0010, 7227.20.0020, 7227.20.0090, 7227.20.0095, 7227.90.6051, 7227.90.6053, 7227.90.6058, and 7227.90.6059 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

Period of Investigation

The period of investigation is July 1, 2000, through June 30, 2001. This period corresponds to the four most recent fiscal quarters prior to the month of the filing of the petition (*i.e.*, August 2001).

Verification

As provided in section 782(i) of the Act, we conducted verification of the cost and sales information submitted by the respondent. We used standard verification procedures including examination of relevant accounting and production records, and original source documents provided by the respondent.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this antidumping proceeding are listed in the appendix to this notice and addressed in the *Decision Memorandum* dated August 23, 2002, and are hereby adopted by this notice. The *Decision Memorandum* is on file in room B–099 of the main Department of Commerce building. In addition, a complete version of the *Decision Memorandum* can be accessed directly on the World Wide Web at *http://www.ita.doc.gov/import_admin/records/frn*. The paper and electronic versions of the *Decision Memorandum* are identical in content.

Changes Since the Preliminary Determinations

Based on our findings at verification, and analysis of comments received, we have made adjustments to the preliminary determination in calculating the final dumping margin in this proceeding. In addition, we have made a final determination that critical circumstances do not exist with regard to this case. The adjustments to the dumping margin, as well as a detailed description of the critical circumstances analysis, are discussed in the *Decision Memorandum* for this investigation.

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we are directing the Customs Service to continue to suspend liquidation of all entries of steel wire rod exported from Mexico that are entered, or withdrawn from warehouse, for consumption on or after the date of the preliminary determination. The Customs Service shall continue to require a cash deposit or the posting of a bond based on the estimated weighted-average dumping margins shown below. The suspension of liquidation instructions will remain in effect until further notice.

Furthermore, because the Department now determines that critical circumstances do not exist, the suspension of liquidation for all shipments that entered or were withdrawn from warehouse, for consumption prior to April 10, 2002, is terminated. We are directing the Customs Service to refund any cash deposits and release any bonds or other security relating to such shipments.

We determine that the following weighted-average dumping margins exist for Mexico:

Manufacturer/exporer	Margin (percent)
SICARTSA	20.11
All Others	20.11

International Trade Commission Notification

In accordance with section 735(d) of the Act, we have notified the International Trade Commission (ITC) of our determination. The ITC will determine, within 45 days, whether imports of subject merchandise from Mexico are causing material injury, or threaten material injury, to an industry in the United States. If the ITC determines that material injury or threat of injury does not exist, this proceeding will be terminated and all securities posted will be refunded or canceled. If the ITC determines that such injury does exist, the Department will issue an antidumping order directing Customs Service officials to assess antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse for consumption on or after the effective date of the suspension of liquidation.

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act.

Dated: August 23, 2002.

Faryar Shizad,

Assistant Secretary for Import Administration.

Appendix

Issues Covered in Decision Memorandum

I. Issues Specific to Sales

Comment 1: Constructed Export Price
Comment 2: Post-Sale Discounts
Comment 3: Credit Expense/Interest Rate
Comment 4: Customs Duties Adjustment
Comment 5: Critical Circumstances

B. Issues Specific to Costs

Comment 6: Initiation of Cost Investigation
Comment 7: G&A and Financial Expense Calculation Period
Comment 8: Financial Expense Ratio
Comment 9: Gains and Losses on Monetary Position
Comment 10: Prior Period Expenses
Comment 11: Exchange Gains on Accounts Payable
Comment 12: Extraordinary Costs
Comment 13: Major Inputs
Comment 14: Useful Lives of Fixed Assets
Comment 15: Loss on Physical Inventory
Comment 16: Liquid Steel Adjustment

[FR Doc. 02–22252 Filed 8–29–02; 8:45 am]
BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–428–832]

Notice of Final Determination of Sales at Less Than Fair Value: Carbon and Certain Alloy Steel Wire Rod From Germany

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

EFFECTIVE DATE: August 30, 2002.

FOR FURTHER INFORMATION CONTACT: Steve Bezirganian, or Robert James, at (202) 482–1131, or (202) 482–0649, respectively; Antidumping and Countervailing Duty Enforcement Group III, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW., Washington, DC 20230.

The Applicable Statute

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930, as amended (the Tariff Act), by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are references to the provisions codified at 19 CFR Part 351 (2001).

Final Determination

We determine carbon and certain alloy steel wire rod from Germany (wire rod) is being sold, or is likely to be sold, in the United States at less than fair value (LTFV), as provided in section 735 of the Tariff Act. The estimated margins of sales at LTFV are shown in the "Continuation of Suspension of Liquidation" section of this notice.

Case History

On April 10, 2002, the Department published its preliminary determination in this investigation. *See Notice of Preliminary Determination of Sales at Less Than Fair Value: Carbon and Certain Alloy Steel Wire Rod from Germany,* 67 FR at 17384 *(Preliminary Determination).* Since the April 2, 2002, signing of our *Preliminary Determination* the following events have occurred:

On April 4, 2002, the sole respondent, Saarstahl AG (Saarstahl) submitted a request that the Department postpone its final determination by fifty additional days; Saarstahl also agreed to the extension of provisional measures to a period not to exceed six months, as required by section 733(d) of the Tariff Act. Accordingly, on May 13, 2002, we published in the **Federal Register** our notice of postponement of the final determination. *See Postponement of Final Antidumping Duty Determinations; Carbon and Certain Alloy Steel Wire Rod from Germany, Indonesia and Moldova,* 67 FR at 32013 (May 13, 2002).

The Department verified Saarstahl's cost of production responses from May 27 through May 31, 2002. From June 13, 2002 to June 20, 2002, we verified Saarstahl's sales responses. We issued our cost verification report on June 21, 2002, with our sales verification report following on July 10, 2002.

Saarstahl submitted information on June 7, 2002, concerning monthly imports of subject steel wire rod for the period January through April 2002.

On June 24, 2002, petitioners and Saarstahl submitted case briefs. Both parties submitted rebuttal briefs on July 29, 2002. On August 5, 2002, the Department held a public hearing.

Period of Investigation

The period of investigation (POI) is July 1, 2000 through June 30, 2001. This period corresponds to the four most recent fiscal quarters prior to the filing of the petition (*i.e.*, August 2001), and is in accordance with section 351.204(b)(1) of the Department's regulations.

Scope Issues

Since the *Preliminary Determination* a number of parties filed requests asking the Department to exclude various products from the scope of these investigations. On May 6, 2002, Ispat Hamburger Stahlwerke GmbH and Ispat Walzdraht Hochfeld GmbH (collectively, Ispat Germany) requested an exclusion for "super clean valve spring wire." Two parties filed additional exclusion requests on June 14, 2002: Bluff City Steel asked that the Department exclude "clean-steel precision bar," and Lincoln Electric Company sought the exclusion of its EW 2512 grade of metal inert gas welding wire. On June 28, 2002, petitioners (Co-Steel Raritan, Inc., GS Industries, Keystone Consolidated Industries, Inc., and North Star Steel Texas, Inc.) filed objections to a range of scope exclusion requests including: (i) Bluff City Steel's request for clean precision bar; (ii) Lincoln Electric Company's request for EW 2512 grade wire rod; (iii) Ispat

Germany's request for "super clean valve spring wire;" (iv) Tokusen USA's January 22, 2002 request for grade 1070 grade tire cord and tire bead quality wire rod (tire cord wire rod); and (v) various parties' request for 1090 grade tire cord wire rod.

In addition, Moldova Steel Works requested the exclusion of various grades of tire cord wire rod on July 17, 2002. The Rubber Manufacturers Association (the RMA), Ispat Germany, Lincoln Electric and Bluff City filed rebuttals to petitioners' June 28 submission on July 8, 11, 17, and 29, 2002, respectively. The RMA filed additional comments on July 30, 2002.[1]

The Department has analyzed these requests and the petitioners' objections and we find no modifications to the scope are warranted. *See* Memorandum from Richard Weible to Faryar Shirzad, "Carbon and Certain Alloy Steel Wire Rod * * * Requests for Scope Exclusion" dated August 23, 2002, which is on file in room B–099 of the main Commerce building.

Scope of the Investigation

The merchandise covered by these investigations is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, 5.00 mm or more, but less than 19.00 mm, in solid cross-sectional diameter.

Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; and (e) concrete reinforcing bars and rods. Also excluded are (f) free machining steel products (*i.e.*, products that contain by weight one or more of the following elements: 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, or more than 0.01 percent of tellurium).

Also excluded from the scope are 1080 grade tire cord quality wire rod and 1080 grade tire bead quality wire rod. This grade 1080 tire cord quality rod is defined as: (i) Grade 1080 tire cord quality wire rod measuring 5.0 mm or more but not more than 6.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.15 mm; (vi) capable of being drawn to a diameter of 0.30 mm or less with 3 or fewer breaks per ton, and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.006 percent or less of nitrogen, and (5) not more than 0.15 percent, in the aggregate, of copper, nickel and chromium.

This grade 1080 tire bead quality rod is defined as: (i) Grade 1080 tire bead quality wire rod measuring 5.5 mm or more but not more than 7.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.2 mm; (vi) capable of being drawn to a diameter of 0.78 mm or larger with 0.5 or fewer breaks per ton; and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of soluble aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.008 percent or less of nitrogen, and (5) either not more than 0.15 percent, in the aggregate, of copper, nickel and chromium (if chromium is not specified), or not more than 0.10 percent in the aggregate of copper and nickel and a chromium content of 0.24 to 0.30 percent (if chromium is specified).

The designation of the products as "tire cord quality" or "tire bead quality" indicates the acceptability of the product for use in the production of tire cord, tire bead, or wire for use in other rubber reinforcement applications such as hose wire. These quality designations are presumed to indicate that these products are being used in tire cord, tire bead, and other rubber reinforcement applications, and such merchandise intended for the tire cord, tire bead, or other rubber reinforcement applications is not included in the scope. However, should petitioners or other interested parties provide a reasonable basis to believe or suspect that there exists a pattern of importation of such products for other than those applications, end-use certification for the importation of such products may be required. Under such circumstances, only the importers of record would normally be required to certify the end use of the imported merchandise.

All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings 7213.91.3010, 7213.91.3090, 7213.91.4510, 7213.91.4590, 7213.91.6010, 7213.91.6090, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0010, 7227.20.0020, 7227.20.0090, 7227.20.0095, 7227.90.6051, 7227.90.6053, 7227.90.6058, and 7227.90.6059 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

Critical Circumstances

Section 735(a)(3) of the Tariff Act provides that if our final determination is affirmative, then the determination shall also contain a finding of whether (i) there is a history of dumping and material injury by reason of dumped imports in the United States or elsewhere of the subject merchandise, or the person by whom, or for whose account, the merchandise was imported, knew or should have known that the exporter was selling the subject merchandise at less that its fair value and that there would be material injury by reason of such sales, and (ii) there have been massive imports of the subject merchandise over a relatively short period.

On February 5, 2002, we preliminarily found that both criteria, *i.e.*, knowledge of dumping and material injury and massive imports of subject merchandise, had been met by Saarstahl and preliminarily found that critical circumstances exist. *See Carbon and Alloy Steel Wire Rod From Germany, Mexico, Moldova, Trinidad and Tobago, and Ukraine: Notice of Preliminary Determination of Critical Circumstances,* 67 Fed. Reg. at 6224 (February 11, 2002).

We have concluded in this final determination that critical circumstance exist for imports of steel wire rod from Germany. *See* the Department's response to Comment 6 in the Issues and Decision Memorandum, dated August 23, 2002.

Use of Facts Available

Section 776(a)(2) of the Tariff Act provides that if any interested party: (A)

[1] On August 9, 2002, Bekaert Corporation requested an exclusion for certain high chrome/high silicon steel wire rod from the scope of these investigations. This request was filed too late to be considered for the final determinations in these investigations.

Withholds information that has been requested by the Department; (B) fails to provide such information by the deadlines for submission of the information or in the form or manner requested; (C) significantly impedes an antidumping investigation; or (D) provides such information but the information cannot be verified, the Department shall, subject to section 782(d), use the facts otherwise available in making its determination.

Section 782(d) of the Tariff Act requires the Department to "promptly inform" a respondent of the nature of any deficiencies found in its response and to "provide that person with an opportunity to remedy or explain the deficiency in light of the time limits established for the completion of investigations. * * *" To the extent the respondent fails to address the deficiencies, and subject to section 782(e), the Department may disregard all or part of the response. Section 782(e) provides the Department shall not decline to consider information deemed deficient under section 782(d) if: (1) The information is submitted by the deadline established for its submission; (2) the information can be verified; (3) the information is not so incomplete that it cannot serve as a reliable basis for reaching the applicable determination; (4) the interested party has demonstrated it acted to the best of its ability in providing the information and meeting the requirements established by the Department with respect to the information; and (5) the information can be used without undue difficulties.

We used facts available in the *Preliminary Determination* because we determined certain information was not available on the record, or was not provided by the deadline or in the form or manner requested. Specifically, Saarstahl failed to provide requested documentation, including worksheets and other documentation, to support its derivation of various reported expenses. Further, Saarstahl failed to provide information in the manner requested pertaining to certain expenses incurred on both its home market and U.S. sales. For example, contrary to our specific instructions, Saarstahl reported movement expenses based upon "estimated freight expenses (*Fracht-Ruckstellung*) calculated at the time of sale for each invoice." Saarstahl's January 22, 2002, Section B response at B–21. This involved inland plant-to-warehouse and plant-to-customer freight, and warehousing expenses in the home market. For U.S. sales, the *Fracht-Ruckstellung* included foreign inland freight, freight to the port, ocean freight, inland and marine insurance, U.S. customs duties and, where applicable, warehousing expenses. Saarstahl failed to provide the requested actual expenses or supporting documentation (for example, tariff schedules or contracts demonstrating the freight rates in effect during the POI). Furthermore, Saarstahl has not explained fully its original allocations based upon the *Fracht-Ruckstellung*, or provided the Department the means of establishing independently the validity of the underlying estimates. (For further details of these deficiencies, see the "Preliminary Analysis Memorandum," dated April 2, 2002.)

With regard to packing expenses, Saarstahl reported identical packing expenses, by mill, for both home market and U.S. sales, despite indications in its initial responses that sales for export require greater packing materials. Saarstahl also did not initially provide worksheets supporting the calculation of packing costs for two of the three mills producing subject wire rod products during the POI.

In accordance with section 776(a) of the Tariff Act, we have continued to use partial facts available in instances where Saarstahl failed to provide necessary information on its home market and U.S. freight expenses in the manner or form requested. As non-adverse facts available for U.S. sales, for the movement expenses at issue, we set these expenses to no less than the median value reported for each expense; similarly, for the home market, we set the movement expenses to no greater than the median value reported for each expenses. As to packing expenses, we have altered our methodology to reflect our finding at verification that there is apparently little significant differences in packing costs for export sales versus home market sales. For further details regarding our selection of facts available for freight and packing expenses, *see* Comments 7 and 8, and our Final Analysis Memorandum, dated concurrently with this notice. A public file of this and all documents generated by the Department can be found in our Central Records Unit, room B–099 in the main Commerce building.

In addition, we applied adverse facts available for certain unreported U.S. sales discovered at verification. Section 776(b) of the Tariff Act provides that adverse inferences may be used in selecting the facts otherwise available when a party has failed to cooperate by not acting to the best of its ability to comply with requests for information. *See* Statement of Administrative Action accompanying the URAA, H.R. Rep. No. 103–316, vol.1, at 870 (1994) (SAA). For additional details, *see also* Comment 2 of the Issues and Decision Memorandum, dated August 23, 2002.

Currency Conversion

We made currency conversions into U.S. dollars based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank, in accordance with section 773A(a) of the Tariff Act.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the Issues and Decision Memorandum, dated August 23, 2002, which is hereby adopted by this notice. A list of the issues which parties have raised, and to which we responded, is attached to this notice as an appendix. Parties can find a complete discussion of all issues raised in this investigation and the corresponding recommendations in this public memorandum, which is on file in the Central Records Unit. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the Web at *http://ia.ita.doc.gov*. The paper copy and electronic version of the Issues and Decision Memorandum are identical in content.

Changes Since the Preliminary Determination

Based on our analysis of the comments received, we have made certain changes to the calculations used in our preliminary results (see the Issues and Decision Memorandum comments for details):

We applied adverse facts available for unreported U.S. sales (see Comment 2).

We used a Euro interest rate for home market sales and for U.S. sales denominated in Euros (see Comment 3).

We used the last day of verification as a proxy for payment date for all unpaid sales in the home market and U.S. sales databases (see Comment 4)

We revised the credit period for all sales to one U.S. customer to account for split payments for one transaction reviewed at verification (see Comment 5).

We revised our application of facts available for packing expenses (see Comment 8).

We included in the U.S. sales database one sale of merchandise that Saarstahl had mischaracterized as tire cord wire rod outside of the scope of the investigation (see Comment 9).

In addition, we made several changes to our calculations to reflect other developments in the proceeding: we revised the factor used for the

calculation of GNA to reflect the findings at the cost verification (*see* the August 5, 2002, "Cost of Production and Constructed Value Calculation Adjustments for the Final Determination" memorandum), and we added an adjustment for U.S. billing adjustments (BILADJU) to reflect information in Saarstahl's April 30, 2002, submission.

The methodologies employed to incorporate the above changes in our programming are described in the Final Analysis Memorandum.

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Tariff Act, the Department will direct the U.S. Customs Service to continue to suspend liquidation of all entries of wire rod from Germany that are entered, or withdrawn from warehouse, for consumption on after 90 days prior to the date of publication of the *Preliminary Determination* in the **Federal Register**. The U.S. Customs Service shall continue to require a cash deposit or posting of a bond equal to the weighted-average amount by which the NV exceeds the EP, as indicated in the chart below. These suspension-of-liquidation instructions will remain in effect until further notice. The weighted-average margins for this proceeding are as follows:

Exporter/manufacturer	Margin (percent)
Saarstahl AG	15.12
All Others	15.12

Commission Notification

In accordance with section 735(d) of the Tariff Act, we have notified the International Trade Commission of our determination. As our final determination is affirmative, the Commission shall, within 45 days, determine whether these imports are materially injuring, or threatening material injury to, the U.S. industry. If the Commission determines that material injury, or threat of material injury does not exist, the proceeding will be terminated and all securities posted will be refunded or canceled. If the Commission determines such injury does exist, the Department will issue an antidumping duty order.

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of business proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Tariff Act.

Dated: August 23, 2002.

Faryar Shirzad,

Assistant Secretary for Import Administration.

Appendix of Issues in the Issues and Decision Memorandum

Comment 1: Indirect Selling Expenses Incurred in Germany on U.S. Sales
Comment 2: Adverse Facts Available for Unreported U.S. Sales
Comment 3: Interest Rates for Euro-Denominated Sales
Comment 4: Missing Payment Dates
Comment 5: Credit Expense Calculations for "Split Payments"
Comment 6: Critical Circumstances
Comment 7: Use of Facts Available for Freight Expenses
Comment 8: Use of Facts Available for Packing Expenses
Comment 9: Exclusion of Tire Cord Wire Rod and Tire Bead Wire Rod
Comment 10: The "Zeroing" Methodology
Comment 11: The Arm's-Length Test
Comment 12: Level of Trade

[FR Doc. 02–22253 Filed 8–29–02; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[C–351–833]

Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination: Carbon and Certain Alloy Steel Wire Rod from Brazil

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of final affirmative countervailing duty determination and final negative critical circumstances determination.

SUMMARY: The Department of Commerce has made a final determination that countervailable subsidies are being provided to certain producers and exporters of carbon and certain alloy steel wire rod from Brazil. For information on the estimated countervailing duty rates, please see the "Suspension of Liquidation" section, below. We have also made a final determination that critical circumstances do not exist with respect to imports of carbon and certain alloy steel wire rod from Brazil.

EFFECTIVE DATE: August 30, 2002.

FOR FURTHER INFORMATION CONTACT: Melani Miller, Jennifer D. Jones, Andrew Smith, or Daniel J. Alexy, Office of AD/CVD Enforcement Group 1, Import Administration, U.S. Department of Commerce, Room 3099, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–0116, (202) 482–1276, (202) 482–4194, or (202) 482–1540, respectively.

SUPPLEMENTARY INFORMATION:

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act effective January 1, 1995 ("the Act"). In addition, unless otherwise indicated, all citations to the Department of Commerce's ("the Department") regulations are to 19 CFR Part 351 (April 2001).

Petitioners

The petitioners in this investigation are Co-Steel Raritan, Inc., GS Industries, Keystone Consolidated Industries, Inc., and North Star Steel Texas, Inc. (collectively, "petitioners").

Case History

The following events have occurred since the publication of the preliminary determination in the **Federal Register**. *See Preliminary Negative Countervailing Duty Determination: Carbon and Certain Alloy Steel Wire Rod from Brazil*, 67 FR 5967 (February 8, 2002) ("Preliminary Determination").

On February 13 and 14, 2002, the petitioners submitted further comments with respect to the responses filed by the respondents in the proceeding, the Government of Brazil ("GOB"), Companhia Siderurgica Belgo-Mineira ("Belgo Mineira"), and Gerdau S.A. ("Gerdau"). The Department issued supplemental questionnaires to the GOB, Gerdau, and Belgo Mineira on February 19, 2002, and received responses to those questionnaires on March 7, 2002.

From March 12, 2002 to March 27, 2002, we conducted a verification of the questionnaire responses submitted by the GOB, Belgo Mineira, and Gerdau.

On March 19, 2002, we published a **Federal Register** notice aligning the final determination in this proceeding with the earliest final determination in the companion antidumping duty investigations. See Countervailing Duty Investigations of Carbon and Certain Alloy Steel Wire Rod from Brazil,

Canada, Germany, Trinidad and Tobago, and Turkey: Notice of Alignment With Final Antidumping Duty Determinations, 67 FR 12524 (March 19, 2002).

On July 2, 2002, we received a combined case brief from the GOB, Belgo Mineira, and Gerdau, and a case brief from the petitioners. On July 15, 2002, we received a combined rebuttal brief from the GOB, Belgo Mineira, and Gerdau, as well as a rebuttal brief from the petitioners.

Period of Investigation

The period for which we are measuring subsidies, or period of investigation is calendar year 2000.

Scope of Investigation

The merchandise covered by these investigations is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, 5.00 mm or more, but less than 19.00 mm, in solid cross-sectional diameter ("subject merchandise" or "wire rod").

Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the *Harmonized Tariff Schedule of the United States* ("HTSUS") definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; and (e) concrete reinforcing bars and rods. Also excluded are (f) free machining steel products (*i.e.*, products that contain by weight one or more of the following elements: 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, or more than 0.01 percent of tellurium).

Also excluded from the scope are 1080 grade tire cord quality wire rod and 1080 grade tire bead quality wire rod. Grade 1080 tire cord quality rod is defined as: (i) Grade 1080 tire cord quality wire rod measuring 5.0 mm or more but not more than 6.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.15 mm; (vi) capable of being drawn to a diameter of 0.30 mm or less with 3 or fewer breaks per ton; and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.006 percent or less of nitrogen, and (5) not more than 0.15 percent, in the aggregate, of copper, nickel and chromium.

Grade 1080 tire bead quality rod is defined as: (i) Grade 1080 tire bead quality wire rod measuring 5.5 mm or more but not more than 7.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.2 mm; (vi) capable of being drawn to a diameter of 0.78 mm or larger with 0.5 or fewer breaks per ton; and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of soluble aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.008 percent or less of nitrogen, and (5) either not more than 0.15 percent, in the aggregate, of copper, nickel and chromium (if chromium is not specified), or not more than 0.10 percent in the aggregate of copper and nickel and a chromium content of 0.24 to 0.30 percent (if chromium is specified).

The designation of the products as "tire cord quality'" or "tire bead quality'" indicates the acceptability of the product for use in the production of tire cord, tire bead, or wire for use in other rubber reinforcement applications such as hose wire. These quality designations are presumed to indicate that these products are being used in tire cord, tire bead, and other rubber reinforcement applications, and such merchandise intended for the tire cord, tire bead, or other rubber reinforcement applications is not included in the scope. However, should petitioners or other interested parties provide a reasonable basis to believe or suspect that there exists a pattern of importation of such products for other than those applications, end-use certification for the importation of such products may be required. Under such circumstances, only the importers of record would normally be required to certify the end use of the imported merchandise.

All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings 7213.91.3010, 7213.91.3090, 7213.91.4510, 7213.91.4590, 7213.91.6010, 7213.91.6090, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0010, 7227.20.0020, 7227.20.0090, 7227.20.0095, 7227.90.6051, 7227.90.6053, 7227.90.6058, and 7227.90.6059 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

Scope Comments

On April 2, 2002, in conjunction with the preliminary determinations in the companion antidumping duty proceedings, the scope in both the companion countervailing duty and antidumping duty proceedings was revised. *See* Memorandum to Faryar Shirzad, dated April 2, 2002, "*Carbon and Certain Alloy Steel Wire Rod: Requests for exclusion of various tire cord quality wire rod and tire bead quality wire rod products from the scope of Antidumping Duty (Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Ukraine, and Venezuela) and Countervailing Duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) Investigations*," which is on file in the Department's Central Records Unit in Room B–099 of the main Department building ("CRU").

Since April 2, 2002, a number of parties have filed requests asking the Department to exclude various products from the scope of the concurrent antidumping duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago and Ukraine) and countervailing duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) investigations. On May 6, 2002, Ispat Hamburger Stahlwerke GmbH and Ispat Walzdraht Hochfeld GmbH (collectively, "Ispat Germany") requested an exclusion for "super clean valve spring wire." Two parties filed additional exclusion requests on June 14, 2002: Bluff City Steel asked that the Department exclude "clean-steel precision bar," and Lincoln Electric Company sought the exclusion of its EW 2512 grade of metal inert gas welding wire. On June 28, 2002, the petitioners filed objections to a range of scope exclusion requests including: (i) Bluff City Steel's request for clean precision bar; (ii) Lincoln Electric Company's request for EW 2512 grade wire rod; (iii) Ispat Germany's request for "super clean valve spring wire;" (iv) Tokusen USA's January 22, 2002 request for 1070 grade tire cord and tire bead quality wire rod (tire cord wire rod); and (v) various parties' request for 1090 grade tire cord wire rod.

In addition, Moldova Steel Works requested the exclusion of various grades of tire cord wire rod on July 17, 2002. The Rubber Manufacturers Association ("RMA"), Ispat Germany, Lincoln Electric and Bluff City filed rebuttals to petitioners' June 28 submission on July 8, 11, 17, and 29, 2002, respectively. The RMA filed additional comments on July 30, 2002.[1]

The Department has analyzed these requests and the petitioners objections and we find no modifications to the scope are warranted. *See* Memorandum from Richard Weible to Faryar Shirzad, "Carbon and Certain Alloy Steel Wire Rod; Antidumping Duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine) and Countervailing Duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) Investigations: Requests for Scope Exclusion" dated August 23, 2002, which is on file in the CRU.

Injury Test

Because Brazil is a "Subsidies Agreement Country" within the meaning of section 701(b) of the Act, the International Trade Commission ("ITC") is required to determine whether imports of the subject merchandise from Brazil materially injure, or threaten material injury to, a U.S. industry. On October 15, 2001, the ITC transmitted to the Department its preliminary determination that there is a reasonable indication that an industry in the United States is being materially injured by reason of imports from Brazil of the subject merchandise. *See Carbon and Certain Alloy Steel Wire Rod From Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Turkey, Ukraine, and Venezuela*, 66 FR 54539 (October 29, 2001).

Critical Circumstances

The petitioners have alleged that critical circumstances within the meaning of section 703(e) of the Act exist with respect to the subject merchandise. We did not address the petitioners' critical circumstances allegation in the *Preliminary Determination* because the *Preliminary Determination* was negative. However, as our final determination is affirmative, we are now addressing this allegation.

As discussed in the Memorandum to Richard Moreland, "Countervailing Duty Investigation of Carbon and Certain Alloy Steel Wire Rod from Brazil Final Determination of Critical Circumstances," pursuant to section 705(a)(2) of the Act, we find that critical circumstances do not exist for imports of the subject merchandise from Brazil.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the "Issues and Decision Memorandum" from Richard W. Moreland, Deputy Assistant Secretary, Import Administration to Faryar Shirzad, Assistant Secretary, Import Administration, dated August 23, 2002 ("*Decision Memorandum*"), which is hereby adopted by this notice. Attached to this notice as Appendix I is a list of the issues which parties have raised and to which we have responded in the *Decision Memorandum*. Parties can find a complete discussion of all issues raised in this investigation and the corresponding recommendations in this public memorandum which is on file in the CRU. In addition, a complete version of the *Decision Memorandum* can be accessed directly on the Internet at *http://ia.ita.doc.gov/frn/* under the heading "Brazil." The paper copy and electronic version of the Decision Memorandum are identical in content.

Suspension of Liquidation

In accordance with section 705(c)(1)(C) of the Act, we are directing the Customs Service ("Customs") to suspend liquidation of all imports of the subject merchandise from Brazil that are entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the Federal Register. These suspension of liquidation instructions will remain in effect until further notice.

We determine the total estimated net subsidy rate for each company to be the following:

Producer/Exporter	Net Subsidy Rate
Companhia Siderurgica Belgo-Mineira	6.74
Gerdau S.A.	4.44
All Others	6.11

We will issue a countervailing duty order if the ITC issues a final affirmative injury determination and we will instruct Customs to require a cash deposit of estimated countervailing duties for such entries of merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

ITC Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an Administrative Protective Order ("APO"), without the written consent of the Assistant Secretary for Import Administration.

Return or Destruction of Proprietary Information

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an APO of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Failure to comply is a violation of the APO.

This determination is published pursuant to sections 705(d) and 777(i) of the Act.

Dated: August 23,2002.

Faryar Shirzad,

Assistant Secretary for Import Administration.

Appendix I

List of Comments and Issues in the Decision Memorandum

Comment 1: Usina Siderurgica da Bahia S.A. ("Usiba") and Cia Siderurgica do Nordeste ("Cosinor") Privatizations
Comment 2: Government of Brazil ("GOB") Financing for the Purchase of Usiba
Comment 3: Benchmarks for Long-Term, Brazilian Currency Denominated Loans and Discount Rates
Comment 4: Financing for the Acquisition or Lease of Machinery and Equipment through the Special Agency for Industrial Financing ("FINAME") Loans
Comment 5: National Bank for Economic and Social Development ("BNDES") Export Financing
Comment 6: Reduction of the Urban Building and Land Tax ("IPTU")
Comment 7: BNDES Financing for Companhia Siderurgica Belgo-Mineira's ("Belgo Mineira") Acquisition of Dedini Siderurgicia de Piracicaba ("Dedini")
Comment 8: Program of Social Integration ("PIS") and Social Contributions of Billings ("COFINS") - Direct Taxes vs. Indirect Taxes

[1] On August 9, 2002, Bekaert Corporation requested an exclusion for certain high chrome/high silicon steel wire rod. from the scope of these investigations. This request was filed too late to be considered for the final determinations in these investigations.

Comment 9: PIS and COFINS - Excessive Remission
Comment 10: Programa de Financiamento as Exportacoes ("PROEX") Equalization Program
Comment 11: BNDES Financing of Belgo Mineira's Acquisition of Mendes Junior Siderurgia S.A. ("MJS")

[FR Doc. 02–22241 Filed 8–29–02; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

[C–428–833]

Final Affirmative Countervailing Duty Determination and Final Negative Critical Circumstances Determination Carbon and Certain Alloy Steel Wire Rod from Germany

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of final affirmative countervailing duty determination and final negative critical circumstances determination.

SUMMARY: The Department of Commerce has made a final determination that countervailable subsidies are being provided to producers and exporters of carbon and certain alloy steel wire rod from Germany. For more information on the estimated countervailing duty rates, please see the "Suspension of Liquidation" section below. We have also made a final determination that critical circumstances do not exist with respect to imports of carbon and certain alloy steel wire rod from Germany.

EFFECTIVE DATE: August 30, 2002.

FOR FURTHER INFORMATION CONTACT: FOR FURTHER INFORMATION CONTACT: Melanie Brown, Office of Antidumping/Countervailing Duty Enforcement, Group 1, Import Administration, U.S. Department of Commerce, Room 3096, 14th Street and Constitution Avenue, NW., Washington, DC 20230, telephone: (202) 482–4987.

SUPPLEMENTARY INFORMATION:

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act effective January 1, 1995 ("the Act"). In addition, unless otherwise indicated, all citations to the Department of Commerce's ("the Department") regulations are to 19 CFR Part 351 (April, 2001).

Petitioners

The petitioners in these investigations are Co-Steel Raritan, Inc., GS Industries, Keystone Consolidated Industries, Inc., and North Star Steel Texas, Inc. (collectively, "petitioners").

Case History

The following events have occurred since the publication of the preliminary determination in the **Federal Register** (*see Preliminary Affirmative Countervailing Duty Determination and Preliminary Negative Critical Circumstances Determination: Carbon and Certain Alloy Steel Wire Rod from Germany*, 67 FR 5991 (February 8, 2002) ("*Preliminary Determination*")).

On March 19, 2002, we published a **Federal Register** notice aligning the final determination in this proceeding with the earliest final determination in the companion antidumping duty investigations. *See Countervailing Duty Investigations of Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Trinidad and Tobago, and Turkey: Notice of Alignment With Final Antidumping Duty Determinations*, 67 FR 12524 (March 19, 2002).

From March 11 to 20, 2002, we conducted verification of the questionnaire responses submitted by Saarstahl AG ("Saarstahl"), Ispat Hamburger Stahlwerke, Ispat Stalwerk Ruhrort, and Ispat Walzdraht Hochfeld (collectively "Ispat"), and the Government of Germany.

On May 29, 2002 we received case briefs from Saarstahl, Ispat, and the petitioners. On June 3, 2002, we received rebuttal briefs from Saarstahl, Ispat, the Government of Germany, and the petitioners.

Period of Investigation

The period for which we are measuring subsidies, or the period of investigation ("POI"), is calendar year 2000.

Scope of Investigation

The merchandise covered by this investigation is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, 5.00 mm or more, but less than 19.00 mm, in solid cross-sectional diameter.

Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States ("HTSUS") definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; and (e) concrete reinforcing bars and rods. Also excluded are (f) free machining steel products (*i.e.*, products that contain by weight one or more of the following elements: 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, or more than 0.01 percent of tellurium).

Also excluded from the scope are 1080 grade tire cord quality wire rod and 1080 grade tire bead quality wire rod. This grade 1080 tire cord quality rod is defined as: (i) Grade 1080 tire cord quality wire rod measuring 5.0 mm or more but not more than 6.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.15 mm; (vi) capable of being drawn to a diameter of 0.30 mm or less with 3 or fewer breaks per ton, and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.006 percent or less of nitrogen, and (5) not more than 0.15 percent, in the aggregate, of copper, nickel and chromium.

This grade 1080 tire bead quality rod is defined as: (i) Grade 1080 tire bead quality wire rod measuring 5.5 mm or more but not more than 7.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual

200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.2 mm; (vi) capable of being drawn to a diameter of 0.78 mm or larger with 0.5 or fewer breaks per ton; and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of soluble aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.008 percent or less of nitrogen, and (5) either not more than 0.15 percent, in the aggregate, of copper, nickel and chromium (if chromium is not specified), or not more than 0.10 percent in the aggregate of copper and nickel and a chromium content of 0.24 to 0.30 percent (if chromium is specified).

The designation of the products as "tire cord quality'" or "tire bead quality'" indicates the acceptability of the product for use in the production of tire cord, tire bead, or wire for use in other rubber reinforcement applications such as hose wire. These quality designations are presumed to indicate that these products are being used in tire cord, tire bead, and other rubber reinforcement applications, and such merchandise intended for the tire cord, tire bead, or other rubber reinforcement applications is not included in the scope. However, should petitioners or other interested parties provide a reasonable basis to believe or suspect that there exists a pattern of importation of such products for other than those applications, end-use certification for the importation of such products may be required. Under such circumstances, only the importers of record would normally be required to certify the end use of the imported merchandise.

All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings 7213.91.3010, 7213.91.3090, 7213.91.4510, 7213.91.4590, 7213.91.6010, 7213.91.6090, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0010, 7227.20.0020, 7227.20.0090, 7227.20.0095, 7227.90.6051, 7227.90.6053, 7227.90.6058, and 7227.90.6059 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

Scope Comments

On April 2, 2002, in conjunction with the preliminary determinations in the companion antidumping duty proceedings, the scope in both the companion countervailing duty and antidumping duty proceedings was revised. *See* Memorandum to Faryar Shirzad, dated April 2, 2002, "*Carbon and Certain Alloy Steel Wire Rod: Requests for exclusion of various tire cord quality wire rod and tire bead quality wire rod products from the scope of Antidumping Duty (Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Ukraine, and Venezuela) and Countervailing Duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) Investigations,*" which is on file in the Department's Central Records Unit in Room B–099 of the main Department building ("CRU").

Since April 2, 2002, a number of parties have filed requests asking the Department to exclude various products from the scope of the concurrent antidumping duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago and Ukraine) and countervailing duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) investigations. On May 6, 2002, Ispat Hamburger Stahlwerke GmbH and Ispat Walzdraht Hochfeld GmbH (collectively, Ispat Germany) requested an exclusion for "super clean valve spring wire." Two parties filed additional exclusion requests on June 14, 2002: Bluff City Steel asked that the Department exclude "clean-steel precision bar," and Lincoln Electric Company sought the exclusion of its EW 2512 grade of metal inert gas welding wire. On June 28, 2002, petitioners (Co-Steel Raritan, Inc., GS Industries, Keystone Consolidated Industries, Inc., and North Star Steel Texas, Inc.) filed objections to a range of scope exclusion requests including: i) Bluff City Steel's request for clean precision bar; ii) Lincoln Electric Company's request for EW 2512 grade wire rod; iii) Ispat Germany's request for "super clean valve spring wire;" iv) Tokusen USA's January 22, 2002 request for 1070 grade tire cord and tire bead quality wire rod (tire cord wire rod); and v) various parties' request for 1090 grade tire cord wire rod.

In addition, Moldova Steel Works requested the exclusion of various grades of tire cord wire rod on July 17, 2002. The Rubber Manufacturers Association (the RMA), Ispat Germany, Lincoln Electric and Bluff City filed rebuttals to petitioners' June 28 submission on July 8, 11, 17, and 29, 2002, respectively. The RMA filed additional comments on July 30, 2002.[1]

The Department has analyzed these requests and the petitioners' objections and we find no modifications to the scope are warranted. See Memorandum from Richard Weible to Faryar Shirzad, dated August 23, 2002,"Carbon and Certain Alloy Steel Wire Rod; Antidumping Duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine) and Countervailing Duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) Investigations: Requests for Scope Exclusion," which is on file in the CRU.

[1] On August 9, 2002, Bekaert Corporation requested an exclusion for certain high chrome/high silicon steel wire rod from the scope of these investigations. This request was filed too late to be considered for the final determinations in these investigations.

Injury Test

Because Germany is a "Subsidies Agreement Country" within the meaning of section 701(b)(1) of the Act, the International Trade Commission ("ITC") is required to determine whether imports of the subject merchandise from Germany materially injure, or threaten material injury to, a U.S. industry. On October 29, 2001, the ITC published its preliminary determination finding that there is a reasonable indication that an industry in the United States is being materially injured by reason of imports from Germany of the subject merchandise. *See Carbon and Certain Alloy Steel Wire Rod From Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Turkey, Ukraine, and Venezuela*, 66 FR 54539 (October 29, 2001).

Critical Circumstances

Section 703(e)(1) of the Act provides that critical circumstances exist if the Department determines that there is a reasonable basis to believe or suspect that (1) an alleged subsidy is inconsistent with the Agreement on Subsidies and Countervailing Measures referred to in section 101(d)(12) of the Uruguay Round Agreements Act ("*Subsidies Agreement*") (*see* section 771(8) of the Act), and (2) there have been massive imports of the subject merchandise over a relatively short period of time. In past critical circumstances determinations, the Department has only found "prohibited subsidies" under Part II of the *Subsidies Agreement* to be inconsistent with the *Subsidies Agreement. See, e.g., Notice of Preliminary Affirmative Countervailing Duty Determination, Preliminary Affirmative Critical Circumstances Determination, and Alignment of Final Countervailing Duty Determination: Certain Softwood Lumber Products from Canada*, 66 FR 43186, 43189 (August 17, 2001). In the instant investigation, petitioners argue that the class of subsidies found to be inconsistent with the *Subsidies Agreement* should be expanded to include "actionable subsidies" under Part III of the *Subsidies Agreement.*

In the *Preliminary Determination* the Department found that critical circumstances do not exist with respect to subject merchandise from Germany because we found that no subsidies inconsistent with the *Subsidies Agreement* exist in Germany. Thus, the first requirement of section 703(e)(1) of the Act has not been met. More specifically, we found no prohibited subsidies (*i.e.*, Part II of the Subsidies

Agreement) to be countervailable in this case. Actionable subsidies, although they may give rise to a right to a remedy (*e.g.*, countervailing duties), are not inconsistent with the *Subsidies Agreement* within the meaning of section 703(e)(1) of the Act.

There is no new information on the record to call into question our preliminary negative critical circumstances determination. Therefore, we continue to find that critical circumstances do not exist with respect to imports of the subject merchandise from Germany.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the "Issues and Decision Memorandum" from Richard W. Moreland, Deputy Assistant Secretary, Import Administration to Faryar Shirzad, Assistant Secretary, Import Administration, dated August 23, 2002 ("*Decision Memorandum*") or in the memorandum entitled "Discussion of Comments Containing Proprietary Information" from Richard W. Moreland, Deputy Assistant Secretary, Import Administration to Faryar Shirzad, Assistant Secretary, Import Administration, dated August 23, 2002 ("*Proprietary Comments Memorandum*"), which are hereby adopted by this notice. Attached to this notice as Appendix I is a list of the issues which parties have raised and to which we have responded in the *Decision Memorandum*. Attached to this notice as Appendix II is a list of the issues which parties have raised and to which we have responded in the "*Proprietary Comments Memorandum*." Parties can find a complete discussion of all issues raised in this investigation and the corresponding recommendations in these memoranda (in public form), which are on file in the CRU. In addition, a complete version of the *Decision Memorandum* can be accessed directly on the Internet at *http://ia.ita.doc.gov/frn/* under the heading "Germany." The paper copy and electronic version of the *Decision Memorandum* are identical in content.

Suspension of Liquidation

As a result of our *Preliminary Determination*, we instructed the Customs Service to suspend liquidation of all entries of carbon and certain alloy steel wire rod from Germany which were entered or withdrawn from warehouse, for consumption on or after February 8, 2002, the date of the publication of the *Preliminary Determination* in the **Federal Register**. In accordance with section 703(d) of the Act, we instructed Customs to discontinue the suspension of liquidation for merchandise for countervailing duty purposes entered on or after June 8, 2002, but to continue the suspension of liquidation of entries made between February 8, 2002 and June 7, 2002.

We have calculated an individual net subsidy rate for each manufacturer of the subject merchandise pursuant to section 705(c)(1)(B)(i) of the Act. In accordance with sections 777A(e)(2) and 705(c)(5)(A) of the Act, we have calculated the "all others" rate as the weighted average rate of Saarstahls's and Ispat's net subsidy rates. We determine the total estimated net countervailable subsidy rates to be:

Producer/Exporter	Net Subsidy Rate
Saarstahl, AG	18.46 percent *ad valorem*
Ispat (collectively, IHSW, IWHG, ISRG)	1.12 percent *ad valorem*
All Others	16.26 percent *ad valorem*

We will issue a countervailing duty order and reinstate the suspension of liquidation if the ITC issues a final affirmative injury determination, and we will instruct Customs to require a cash deposit of estimated countervailing duties for such entries of merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

ITC Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an Administrative Protective Order ("APO"), without the written consent of the Assistant Secretary for Import Administration.

Return or Destruction of Proprietary Information

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an APO of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Failure to comply is a violation of the APO.

This determination is published pursuant to sections 705(d) and 777(i) of the Act.

Dated: August 23, 2002.

Faryar Shirzad,

Assistant Secretary for Import Administration.

Appendix I

List of Comments and Issues in the Decision Memorandum

Comment 1: Appropriate AUL for Saarstahl
Comment 2: Appropriate AUL for IHSW
Comment 3: Saarstahl's Untimely Submission of Sales Data
Comment 4: Use of Adverse Facts Available
Comment 5: Schmiede's Sales
Comment 6: Saarstahl's Bankruptcy
Comment 7: Assumption of Saarstahl's Legacy Costs
Comment 8: Saarstahl's 1997 Reorganization
Comment 9: Saarstahl's ECSC Article 54 Loans
Comment 10: Saarstahl's Creditworthiness
Comment 11: Saarstahl's Research and Development Assistance
Comment 12: Previously Countervailed Programs for Saarstahl
Comment 13: HSW's Change of Ownership
Comment 14: Other Benefits Allegedly Conferred in the Sale of HSW
Comment 15: Application of the "Same Person" Test to IHSW
Comment 16: IHSW's Creditworthiness
Comment 17: Cross-ownership Between Ispat and WDI
Comment 18: ISRG's Intercompany Sales
Comment 19: ISRG's Article 56 Grant
Comment 20: ISRG's Rheinland-Pfalz State Government Grant

[FR Doc. 02–22242 Filed 8–29–02; 8:45 am]
BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

[C–274–805]

Final Negative Countervailing Duty Determination: Carbon and Certain Alloy Steel Wire Rod from Trinidad and Tobago

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of final negative countervailing duty determination.

SUMMARY: The Department of Commerce has made a final determination that countervailable subsidies are not being provided to producers and exporters of carbon and certain alloy steel wire rod from Trinidad and Tobago.

EFFECTIVE DATE: August 30, 2002.

FOR FURTHER INFORMATION CONTACT: Melani Miller, S. Anthony Grasso, or Daniel J. Alexy, Office of Antidumping/Countervailing Duty Enforcement, Group 1, Import Administration, U.S. Department of Commerce, room 3099, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–0116, (202) 482–3853, and (202) 482–1540, respectively.

SUPPLEMENTARY INFORMATION:

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act effective January 1, 1995 ("the Act"). In addition, unless other wise indicated, all citations to the Department of Commerce's ("the Department") regulations are to 19 CFR Part 351 (April 2001).

Petitioners

The petitioners in this investigation are Co-Steel Raritan, Inc., GS Industries, Keystone Consolidated Industries, Inc., and North Star Steel Texas, Inc. (collectively, "petitioners").

Case History

The following events have occurred since the publication of the preliminary determination in the **Federal Register**. *See Preliminary Affirmative Countervailing Duty Determination and Preliminary Negatigve Critical Circumstances Determination: Carbon and Certain Alloy Steel Wire Rod from Trinidad and Tobago,* 67 FR 6001 (February 8, 2002) ("Preliminary Determination").

On March 19, 2002, we published a **Federal Register** notice aligning the final determination in this proceeding with the earliest final determination in the companion antidumping duty investigations. *See Countervailing Duty Investigations of Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Trinidad and Tobago, and Turkey: Notice of Alignment With Final Antidumping Duty Determinations,* 67 FR 12524 (March 19, 2002).

On April 15, 2002, the Government of Trinidad and Tobago ("GOTT") and Caribbean Ispat Limited ("CIL"), the sole respondent company in this investigation, submitted supplemental factual information.

From April 22, 2002 to April 25, 2002, we conducted a verification of the questionnaire responses submitted by the GOTT and CIL.

On July 19, 2002 we received a combined case brief from GOTT and CIL, and a case brief from the petitioners. On July 24, 2002, we received a combined rebuttal brief from the GOTT and CIL, as well as a rebuttal brief from the petitioners.

Period of Investigation

The period for which we are measuring subsidies, or the period of investigation ("POI"), is calendar year 2000.

Scope of Investigation

The merchandise covered by these investigations is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, 5.00 mm or more, but less than 19.00 mm, in solid cross-sectional diameter ("subject merchandise" or "wire rod").

Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the *Harmonized Tariff Schedule of the United States* ("HTSUS") definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; and (e) concrete reinforcing bars and rods. Also excluded are (f) free machining steel products (*i.e.,* products that contain by weight one or more of the following elements; 0.03 percent of 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, or more than 0.01 percent of tellurium).

Also excluded from the scope are 1080 grade tire cord quality wire rod and 1080 grade tire bead quality wire rod. Grade 1080 tire cord quality rod is defined as: (i) Grade 1080 tire cord quality wire rod measuring 5.0 mm or more but not more than 6.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.15 mm; (vi) capable of being drawn to a diameter of 0.30 mm or less with 3 or fewer breaks per ton; and (vii) containing by weight the following elements in the proportions shown; (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.006 percent or less of nitrogen, and (5) not more than 0.15 percent, in the aggregate, of copper, nickel and chromium.

Grade 1080 tire bead quality rod is defined as: (i) Grade 1080 tire bead quality wire rod measuring 5.5 mm or more but not more than 7.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.2 mm; (vi) capable of being drawn to a diameter of 0.78 mm or larger with 0.5 or fewer breaks per ton; and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of soluble aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.008 percent or less of nitrogen, and (5) either not more than 0.15 percent, in the aggregate, of copper, nickel and chromium (if chromium is not specified), or not more than 0.10 percent in the aggregate of copper and nickel and a chromium content of 0.24 to 0.30 percent (if chromium is specified).

The designation of the products as "tire cord quality" or "tire bead quality" indicates the acceptability of the product for use in the production of tire cord, tire bead, or wire for use in other rubber reinforcement applications such as hose wire. These quality designations are presumed to indicate that these products are being used in tire cord, tire bead, and other rubber reinforcement applications, and such merchandise intended for the tire cord, tire bead, or other rubber reinforcement applications is not included in the scope. However, should petitioners or other interested parties provide a reasonable basis to believe or suspect that there exists a pattern of importation of such products for other than those applications, end-use certification for the importation of such products may be required. Under such circumstances, only the importers of record would normally be required to certify the end use of the imported merchandise.

All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings

7213.91.3010, 7213.91.3090, 7213.91.4510, 7213.91.4590, 7213.91.6010, 7213.91.6090, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0010, 7227.20.0020, 7227.20.0090, 7227.20.0095, 7227.90.6051, 7227.90.6053, 7227.90.6058, and 7227.90.6059 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

Scope Comments

On April 2, 2002, in conjunction with the preliminary determinations in the companion antidumping duty proceedings, the scope in both the companion countervailing duty and antidumping duty proceedings was revised. *See* Memorandum to Faryar Shirzad, dated April 2, 2002, "*Carbon and Certain Alloy Steel Wire Rod: Requests for exclusion of various tire cord quality wire rod and tire bead quality wire rod products from the scope of Antidumping Duty (Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Ukraine, and Venezuela) and Countervailing Duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) Investigations,*" which is on file in the Department's Central Records Unit in Room B–099 of the main Department building ("CRU").

Since April 2, 2002, a number of parties have filed requests asking the Department to exclude various products from the scope of the concurrent antidumping duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago and Ukraine) and countervailing duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) investigations. On May 6, 2002, Ispat Hamburger Stahlwerke GmbH and Ispat Walzdraht Hochfeld GmbH (collectively, "Ispat Germany") requested on exclusion for "super clean valve spring wire." Two parties filed additional exclusion requests on June 14, 2002: Bluff City Steel asked that the Department exclude "clean-steel precision bar," and Lincoln Electric Company sought the exclusion of its EW 2512 grade of metal inert gas welding wire. On June 28, 2002, the petitioners filed objections to a range of scope exclusion requests including: (i) Bluff City Steel's request for clean precision bar; (ii) Lincoln Electric Company's request for EW 2512 grade wire rod; (iii) Ispat Germany's request for "super clean valve spring wire;" (iv) Tokusen USA's January 22, 2002 request for 1070 grade tire cord and tire bead quality wire rod (tire cord wire rod); and (v) various parties' request for 1090 grade tire cord wire rod.

In addition, Moldova Steel Works requested the exclusion of various grades of tire cord wire rod on July 17, 2002. The Rubber Manufacturers Association ("RMA"), Ispat Germany, Lincoln Electric and Bluff City filed rebuttals to petitioners' June 28 submission on July 8, 11, 17, and 29, 2002, respectively. The RMA field additional comments on July 30, 2002.[1]

The Department has analyzed these requests and the petitioners' objections and we find no modifications to the scope are warranted. *See* Memorandum from Richard Weible to Faryar Shirzad, "Carbon and Certain Alloy Steel Wire Rod; Antidumping Duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine) and Countervailing Duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) Investigations: Requests for Scope Exclusion" dated August 23, 2002, which is on file in the CRU.

Critical Circumstances

The petitioners have alleged that critical circumstances within the meaning of section 703(e) of the Act exist with respect to the subject merchandise. In the *Preliminary Determination*, we found that critical circumstances did not exist with respect to subject merchandise from Trinidad and Tobago because no subsidies inconsistent with the World Trade Organization Agreement on Subsidies and Countervailing Measures existed in Trinidad and Tobago.

Because our final determination in this case is negative, we need not further address the issue of whether critical circumstances exist with respect to imports of subject merchandise from Trinidad and Tobago.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the "Issues and Decision Memorandum" from Richard W. Moreland, Deputy Assistant Secretary, Import Administration to Faryar Shirzad, Assistant Secretary, Import Administration, dated August 23, 2002 ("*Decision Memorandum*"), which is hereby adopted by this notice. Attached to this notice as Appendix I is a list of the issues which parties have raised and to which we have responded in the "*Decision Memorandum*". Parties can find a complete discussion of all issues raised in this investigation and the corresponding recommendations in this public memorandum which is on file in the CRU. In addition, a complete version of the *Decision Memorandum* can be accessed directly on the Internet at *http://ia.ita.doc.gov/frn/* under the heading "Trinidad and Tobago." The paper copy and electronic version of the *Decision Memorandum* are identical in content.

Suspension of Liquidation

In accordance with our *Preliminary Determination*, we instructed the Customs Service ("Customs") to suspend liquidation of all entries of wire rod from Trinidad and Tobago, which were entered or withdrawn from warehouse, for consumption on or after February 8, 2002, the date of the publication of the *Preliminary Determination* in the **Federal Register**. In accordance with section 703(d) of the Act, we instructed Customs to discontinue the suspension of liquidation for merchandise for countervailing duty purposes entered on or after June 8, 2002, but to continue the suspension of liquidation of entries made from February 8, 2002 through June 7, 2002.

Because we have made a final determination that countervailable subsidies are not being provided to producers and exporters of wire rod from Trinidad and Tobago, we are instructing Customs to terminate the suspension of liquidation for all shipments wire rod from Trinidad and Tobago entered, or withdrawn from warehouse, for consumption on or after February 8, 2002, but before June 8, 2002, and to release any bond or other security and refund any cash deposit.

ITC Notification

In accordance with section 705(d) of the Act, we will notify the International Trade Commission of our determination.

Return or Destruction of Proprietary Information

This notice serves as the only reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Failure to comply is a violation of the APO.

This determination is published pursuant to sections 705(d) and 777(i) of the Act.

[1] On August 9, 2002, Bekaert Corporation requested an exclusion for certain high chrome/high silicon steel wire rod from the scope of these investigations. This request was field too late to be considered for the final determinations in these investigations.

Dated: August 23, 2002.

Faryar Shirzad,

Assistant Secretary for Import Administration.

Appendix I

List of Comments and Issues in the Decision Memorandum

Comment 1: Change-in-Ownership Methodology
Comment 2: Change-in-Ownership Same Person Analysis
Comment 3: Sale of Iron and Steel Company of Trinidad and Tobago's ("ISCOTT") Assets at Fair Market Value in an Arm's-Length Transaction
Comment 4: ISCOTT Debt Forgiveness
Comment 5: Equity Infusions into ISCOTT
Comment 6: Provision of Electricity
Comment 7: Petitioners' New Subsidy Allegation

[FR Doc. 02–22243 Filed 8–29–02; 8:45 am]
BILLING CODE 3510–DS–M

DEPARTMENT OF COMMERCE

International Trade Administration

[C–122–841]

Final Affirmative Countervailing Duty Determination: Carbon and Certain Alloy Steel Wire Rod from Canada

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of final affirmative countervailing duty determination.

SUMMARY: The Department of Commerce has made a final determination that countervailable subsidies are being provided to certain producers and exporters of carbon and certain alloy steel wire rod from Canada. For information on the estimated countervailing duty rates, please see the "Suspension of Liquidation" section, below.

EFFECTIVE DATE: August 30, 2002.

FOR FURTHER INFORMATION CONTACT: Craig Matney, Audrey Twyman, or Stephen Cho, Office of AD/CVD Enforcement Group 1, Import Administration, U.S. Department of Commerce, Room 3099, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone: (202) 482–1778, (202) 482–3534, or (202) 482–3798, respectively.

SUPPLEMENTARY INFORMATION:

Applicable Statute and Regulations

Unless otherwise indicated, all citations to the statute are references to the provisions of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act effective January 1, 1995 ("the Act"). In addition, unless otherwise indicated, all citations to the Department of Commerce's ("the Department") regulations are to 19 CFR Part 351 (April 2001).

Petitioners

The petitioners in this investigation are Co-Steel Raritan, Inc., GS Industries, Keystone Consolidated Industries, Inc., and North Star Steel Texas, Inc. (collectively, "petitioners").

Case History

The following events have occurred since the publication of the preliminary determination in the **Federal Register**. *See Preliminary Affirmative Countervailing Duty Determination: Carbon and Certain Alloy Steel Wire Rod from Canada*, 67 FR 5984 (February 8, 2002) ("*Preliminary Determination*").

On February 26, 2002, the petitioners submitted further comments with respect to the responses filed by the Government of Canada ("GOC"), the Government of Quebec ("GOQ"), Ispat Sidbec, Inc. ("Ispat Sidbec"), Ivaco, Inc. ("Ivaco"), and Stelco, Inc. ("Stelco") (collectively, "respondents"). The Department issued supplemental questionnaires to these respondents on March 1, 2002, and received responses to those questionnaires on March 15 and 18, 2002.

On March 19, 2002, we published a **Federal Register** notice aligning the final determination in this proceeding with the earliest final determination in the companion antidumping duty investigations. *See Countervailing Duty Investigations of Carbon and Certain Alloy Steel Wire Rod from Canada, Germany, Trinidad and Tobago, and Turkey: Notice of Alignment With Final Antidumping Duty Determinations*, 67 FR 12524, (March 19, 2002).

Between April 22, 2002, and May 14, 2002, we conducted verifications of the questionnaire responses submitted by the GOQ, Ispat Sidbec, Stelco and Ivaco.

On July 8 and 12, 2002, we received case briefs and rebuttal briefs, respectively, from GOQ, Ispat Sidbec, Stelco and the petitioners.

Period of Investigation

The period for which we are measuring subsidies, or period of investigation ("POI"), is calendar year 2000.

Scope of Investigation

The merchandise covered by these investigations is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, 5.00 mm or more, but less than 19.00 mm, in solid cross-sectional diameter.

Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the *Harmonized Tariff Schedule of the United States* ("HTSUS") definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; and (e) concrete reinforcing bars and rods. Also excluded are (f) free machining steel products (*i.e.*, products that contain by weight one or more of the following elements: 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, or more than 0.01 percent of tellurium).

Also excluded from the scope are 1080 grade tire cord quality wire rod and 1080 grade tire bead quality wire rod. Grade 1080 tire cord quality rod is defined as: (i) Grade 1080 tire cord quality wire rod measuring 5.0 mm or more but not more than 6.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.15 mm; (vi) capable of being drawn to a diameter of 0.30 mm or less with 3 or fewer breaks per ton, and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.006 percent or less of nitrogen, and (5) not more than 0.15 percent, in the aggregate, of copper, nickel and chromium.

Grade 1080 tire bead quality rod is defined as: (i) Grade 1080 tire bead quality wire rod measuring 5.5 mm or more but not more than 7.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.2 mm; (vi) capable of being drawn to a diameter of 0.78 mm or larger with 0.5 or fewer breaks per ton; and (vii) containing by weight the following elements in the proportions shown: (1)

0.78 percent or more of carbon, (2) less than 0.01 percent of soluble aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.008 percent or less of nitrogen, and (5) either not more than 0.15 percent, in the aggregate, of copper, nickel and chromium (if chromium is not specified), or not more than 0.10 percent in the aggregate of copper and nickel and a chromium content of 0.24 to 0.30 percent (if chromium is specified).

The designation of the products as "tire cord quality"' or "tire bead quality"' indicates the acceptability of the product for use in the production of tire cord, tire bead, or wire for use in other rubber reinforcement applications such as hose wire. These quality designations are presumed to indicate that these products are being used in tire cord, tire bead, and other rubber reinforcement applications, and such merchandise intended for the tire cord, tire bead, or other rubber reinforcement applications is not included in the scope. However, should petitioners or other interested parties provide a reasonable basis to believe or suspect that there exists a pattern of importation of such products for other than those applications, end-use certification for the importation of such products may be required. Under such circumstances, only the importers of record would normally be required to certify the end use of the imported merchandise.

All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings 7213.91.3010, 7213.91.3090, 7213.91.4510, 7213.91.4590, 7213.91.6010, 7213.91.6090, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0010, 7227.20.0020, 7227.20.0090, 7227.20.0095, 7227.90.6051, 7227.90.6053, 7227.90.6058, and 7227.90.6059 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

Scope Comments

On April 2, 2002, in conjunction with the preliminary determinations in the companion antidumping duty proceedings, the scope in both the companion countervailing duty and antidumping duty proceedings was revised. *See* Memorandum to Faryar Shirzad, dated April 2, 2002, "*Carbon and Certain Alloy Steel Wire Rod: Requests for exclusion of various tire cord quality wire rod and tire bead quality wire rod products from the scope of Antidumping Duty (Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Ukraine, and Venezuela) and Countervailing Duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) Investigations*," which is on file in the Department's Central Records Unit in Room B–099 of the main Department building ("CRU").

Since April 2, 2002, a number of parties have filed requests asking the Department to exclude various products from the scope of the concurrent antidumping duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago and Ukraine) and countervailing duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) investigations. On May 6, 2002, Ispat Hamburger Stahlwerke GmbH and Ispat Walzdraht Hochfeld GmbH (collectively, Ispat Germany) requested an exclusion for "super clean valve spring wire." Two parties filed additional exclusion requests on June 14, 2002: Bluff City Steel asked that the Department exclude "clean-steel precision bar," and Lincoln Electric Company sought the exclusion of its EW 2512 grade of metal inert gas welding wire. On June 28, 2002, petitioners filed objections to a range of scope exclusion requests including: i) Bluff City Steel's request for clean precision bar; ii) Lincoln Electric Company's request for EW 2512 grade wire rod; iii) Ispat Germany's request for "super clean valve spring wire;" iv) Tokusen USA's January 22, 2002, request for 1070 grade tire cord and tire bead quality wire rod (tire cord wire rod); and v) various parties' request for 1090 grade tire cord wire rod.

In addition, Moldova Steel Works requested the exclusion of various grades of tire cord wire rod on July 17, 2002. The Rubber Manufacturers Association (the RMA), Ispat Germany, Lincoln Electric and Bluff City filed rebuttals to petitioners' June 28 submission on July 8, 11, 17, and 29, 2002, respectively. The RMA filed additional comments on July 30, 2002.[1]

The Department has analyzed these requests and the petitioners' objections and we find no modifications to the scope are warranted. *See* Memorandum from Richard Weible to Faryar Shirzad, "Carbon and Certain Alloy Steel Wire Rod; Antidumping Duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine) and Countervailing Duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) Investigations: Requests for Scope Exclusion" dated August 23, 2002, which is on file in the CRU.

Injury Test

Because Canada is a "Subsidies Agreement country" within the meaning of section 701(b) of the Act, the International Trade Commission ("ITC") is required to determine whether imports of the subject merchandise from Canada materially injure, or threaten material injury to, a U.S. industry. On October 15, 2001, the ITC transmitted to the Department its preliminary determination that there is a reasonable indication that an industry in the United States is being materially injured by reason of imports from Canada of the subject merchandise. *See Carbon and Certain Alloy Steel Wire Rod From Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Turkey, Ukraine, and Venezuela*, 66 FR 54539 (October 29, 2001).

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the "Issues and Decision Memorandum" from Richard W. Moreland, Deputy Assistant Secretary, Import Administration to Faryar Shirzad, Assistant Secretary, Import Administration, dated August 23, 2002 ("*Decision Memorandum*"), which is hereby adopted by this notice. Attached to this notice as Appendix I is a list of the issues which parties have raised and to which we have responded in the Decision Memorandum. Parties can find a complete discussion of all issues raised in this investigation and the corresponding recommendations in this public memorandum which is on file in the CRU. In addition, a complete version of the *Decision Memorandum* can be accessed directly on the Internet at *http://ia.ita.doc.gov/frn/* under the heading "Canada." The paper copy and electronic version of the *Decision Memorandum* are identical in content.

Suspension of Liquidation

As a result of our *Preliminary Determination*, we instructed the Customs Service to suspend liquidation of all entries of carbon and certain alloy steel wire rod from Canada, except for subject merchandise produced and exported by Stelco and Ivaco (both of which had either a zero or de minimis weighted-average margin), which were entered or withdrawn from warehouse,

[1] On August 9, 2002, Bekaert Corporation requested an exclusion for certain high chrome/high silicon steel wire rod from the scope of these investigations. This request was filed too late to be considered for the final determinations in these investigations.

for consumption on or after February 8, 2002, the date of the publication of the *Preliminary Determination* in the **Federal Register**. In accordance with section 703(d) of the Act, we instructed Customs to discontinue the suspension of liquidation for countervailing duty purposes for merchandise entered on or after June 8, 2002, but to continue the suspension of liquidation of entries made between February 8, 2002, and June 7, 2002.

We have calculated an individual net subsidy rate for each manufacturer of the subject merchandise pursuant to section 705(c)(1)(B)(i) of the Act. In accordance with sections 777A(e)(2) and 705(c)(5)(A) of the Act, we have set the "all others" rate as Ispat Sidbec's rate, because the rates for all other investigated companies are either zero or de minimis. We determine the total estimated net subsidy rate for each company to be:

	Net Subsidy Rate
Ispat Sidbec	6.61
Stelco	0.00
Ivaco	0.00
All Others	6.61

We will issue a countervailing duty order and reinstate the suspension of liquidation (except for imports from Stelco and Ivaco, which have either a zero or *de minimis* rate) if the ITC issues a final affirmative injury determination and we will instruct Customs to require a cash deposit of estimated countervailing duties for such entries of merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

ITC Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an Administrative Protective Order ("APO"), without the written consent of the Assistant Secretary for Import Administration.

Return or Destruction of Proprietary Information

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an APO of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Failure to comply is a violation of the APO.

This determination is published pursuant to sections 705(d) and 777(i) of the Act.

Dated: August 23, 2002.

Faryar Shirzad,

Assistant Secretary for Import Administration

Appendix I

List of Comments and Issues in the Decision Memorandum

Comment 1: Post-Privatization Treatment of Ispat Sidbec's Pre-Privatization Subsidies
Comment 2: Application of the Department's Change-in-Ownership Methodology
Comment 3: Equityworthiness and Creditworthiness
Comment 4: Countervailability of 1988 Debt-to-Equity Conversion and 1986–1992 Grants
Comment 5: 1986–1992 Grants
Comment 6: Project Bessemer
Comment 7: Ispat Sidbec's Freight Revenue
Comment 8: Ispat Sidbec's AUL
Comment 9: Ispat Inland's Sales
Comment 10: Deitcher Brothers Sales
Comment 11: Calculation of Deposit Rate
Comment 12: Stelco's Energy Efficiency and Conservation Programs
Comment 13: New Subsidy Allegations

[FR Doc. 02–22244 Filed 8–29–02; 8:45 am]
BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

International Trade Administration

[C–489–809]

Final Negative Countervailing Duty Determination: Carbon and Certain Alloy Steel Wire Rod from Turkey

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of final negative countervailing duty determination.

SUMMARY: The Department of Commerce has made a final determination that countervailable subsidies are not being provided to producers and exporters of carbon and certain alloy steel wire rod from Turkey.

EFFECTIVE DATE: August 30, 2002.

FOR FURTHER INFORMATION CONTACT: Jennifer D. Jones, S. Anthony Grasso, or Andrew Smith, Office of Antidumping/Countervailing Duty Enforcement, Group 1, Import Administration, U.S. Department of Commerce, Room 3099, 14th Street and Constitution Avenue, NW., Washington, DC 20230; telephone (202) 482- 1664, (202) 482–3853, or (202) 482–1276, respectively.

SUPPLEMENTARY INFORMATION:

The Applicable Statute

Unless otherwise indicated, all citations to the statute are references to the provisions of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act effective January 1, 1995 ("the Act"). In addition, unless otherwise indicated, all citations to the Department of Commerce's ("the Department's") regulations are to 19 CFR Part 351 (April 2001).

Petitioners

The petitioners in this investigation are Co-Steel Raritan, Inc., GS Industries, Keystone Consolidated Industries, Inc., and North Star Steel Texas, Inc. (collectively, "petitioners").

Case History

The following events have occurred since the publication of the Preliminary Determination in the **Federal Register**. *See Preliminary Negative Countervailing Duty Determination: Carbon and Certain Alloy Steel Wire Rod from Turkey*, 67 FR 5976 (February 8, 2002) ("*Preliminary Determination*").

On February 12, 2002 and February 21, 2002, the petitioners submitted further comments with respect to the *Preliminary Determination*. The Department issued a third supplemental questionnaire to the Government of the Republic of Turkey ("GRT"), Colakoglu Metalurji, A.S. ("Colakoglu"), and Habas Sinai ve Tibbi Gazlar Istihsal Endustrisi, A.S. ("Habas") on February 14, 2002, and received responses to those questionnaires on March 4, 2002.

From March 11, 2002 to March 22, 2002, we conducted a verification of the questionnaire responses submitted by the GRT, Colakoglu, and Habas.

On March 19, 2002, we published a **Federal Register** notice aligning the final determination in this proceeding with the earliest final determination in the companion antidumping duty investigations. *See Countervailing Duty Investigations of Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Trinidad and Tobago, and Turkey: Notice of Alignment With Final Antidumping*

Duty Determinations, 67 FR 12524, (March 19, 2002).

On July 22, 2002, we received a combined case brief from the GRT, Colakoglu, and Habas and a case brief from the petitioners. On July 26, 2002, we received a combined rebuttal brief from the GRT, Colakoglu, and Habas, as well as a rebuttal brief from the petitioners.

Period of Investigation

The period for which we are measuring subsidies, or the period of investigation ("POI"), is calendar year 2000.

Scope of Investigation

The merchandise covered by these investigations is certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, 5.00 mm or more, but less than 19.00 mm, in solid cross-sectional diameter.

Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States ("HTSUS") definitions for (a) stainless steel; (b) tool steel; (c) high nickel steel; (d) ball bearing steel; and (e) concrete reinforcing bars and rods. Also excluded are (f) free machining steel products (*i.e.*, products that contain by weight one or more of the following elements: 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, or more than 0.01 percent of tellurium).

Also excluded from the scope are 1080 grade tire cord quality wire rod and 1080 grade tire bead quality wire rod. Grade 1080 tire cord quality rod is defined as: (i) Grade 1080 tire cord quality wire rod measuring 5.0 mm or more but not more than 6.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.15 mm; (vi) capable of being drawn to a diameter of 0.30 mm or less with 3 or fewer breaks per ton, and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.006 percent or less of nitrogen, and (5) not more than 0.15 percent, in the aggregate, of copper, nickel and chromium.

Grade 1080 tire bead quality rod is defined as: (i) Grade 1080 tire bead quality wire rod measuring 5.5 mm or more but not more than 7.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no inclusions greater than 20 microns; (iv) having a carbon segregation per heat average of 3.0 or better using European Method NFA 04–114; (v) having a surface quality with no surface defects of a length greater than 0.2 mm; (vi) capable of being drawn to a diameter of 0.78 mm or larger with 0.5 or fewer breaks per ton; and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of soluble aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.008 percent or less of nitrogen, and (5) either not more than 0.15 percent, in the aggregate, of copper, nickel and chromium (if chromium is not specified), or not more than 0.10 percent in the aggregate of copper and nickel and a chromium content of 0.24 to 0.30 percent (if chromium is specified).

The designation of the products as "tire cord quality" or "tire bead quality" indicates the acceptability of the product for use in the production of tire cord, tire bead, or wire for use in other rubber reinforcement applications such as hose wire. These quality designations are presumed to indicate that these products are being used in tire cord, tire bead, and other rubber reinforcement applications, and such merchandise intended for the tire cord, tire bead, or other rubber reinforcement applications is not included in the scope. However, should petitioners or other interested parties provide a reasonable basis to believe or suspect that there exists a pattern of importation of such products for other than those applications, end-use certification for the importation of such products may be required. Under such circumstances, only the importers of record would normally be required to certify the end use of the imported merchandise.

All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under investigation are currently classifiable under subheadings 7213.91.3010, 7213.91.3090, 7213.91.4510, 7213.91.4590, 7213.91.6010, 7213.91.6090, 7213.99.0031, 7213.99.0038, 7213.99.0090, 7227.20.0010, 7227.20.0020, 7227.20.0090, 7227.20.0095, 7227.90.6051, 7227.90.6053, 7227.90.6058, and 7227.90.6059 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this proceeding is dispositive.

Scope Comments

On April 2, 2002, in conjunction with the preliminary determinations in the companion antidumping duty proceedings, the scope in both the companion countervailing duty and antidumping duty proceedings was revised. *See* Memorandum to Faryar Shirzad, dated April 2, 2002, "*Carbon and Certain Alloy Steel Wire Rod: Requests for exclusion of various tire cord quality wire rod and tire bead quality wire rod products from the scope of Antidumping Duty (Brazil, Canada, Egypt, Germany, Indonesia, Mexico, Moldova, South Africa, Trinidad and Tobago, Ukraine, and Venezuela) and Countervailing Duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) Investigations*," which is on file in the Department's Central Records Unit in Room B–099 of the main Department building ("CRU").

Since April 2, 2002, a number of parties have filed requests asking the Department to exclude various products from the scope of the concurrent antidumping duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago and Ukraine) and countervailing duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) investigations. On May 6, 2002, Ispat Hamburger Stahlwerke GmbH and Ispat Walzdraht Hochfeld GmbH (collectively, Ispat Germany) requested an exclusion for "super clean valve spring wire." Two parties filed additional exclusion requests on June 14, 2002: Bluff City Steel asked that the Department exclude "clean-steel precision bar," and Lincoln Electric Company sought the exclusion of its EW 2512 grade of metal inert gas welding wire. On June 28, 2002, petitioners filed objections to a range of scope exclusion requests including: i) Bluff City Steel's request for clean precision bar; ii) Lincoln Electric Company's request for EW 2512 grade wire rod; iii) Ispat Germany's request for "super clean valve spring wire;" iv) Tokusen USA's January 22, 2002 request for 1070 grade tire cord and tire bead quality wire rod (tire cord wire rod); and v) various parties' request for 1090 grade tire cord wire rod.

In addition, Moldova Steel Works requested the exclusion of various grades of tire cord wire rod on July 17,

2002. The Rubber Manufacturers Association (the RMA), Ispat Germany, Lincoln Electric and Bluff City filed rebuttals to petitioners' June 28 submission on July 8, 11, 17, and 29, 2002, respectively. The RMA filed additional comments on July 30, 2002.[1]

The Department has analyzed these requests and the petitioners' objections and we find no modifications to the scope are warranted. *See* Memorandum from Richard Weible to Faryar Shirzad, "Carbon and Certain Alloy Steel Wire Rod; Antidumping Duty (Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, and Ukraine) and Countervailing Duty (Brazil, Canada, Germany, Trinidad and Tobago, and Turkey) Investigations: Requests for Scope Exclusion" dated August 23, 2002, which is on file in the CRU.

Critical Circumstances

The petitioners have alleged that critical circumstances within the meaning of section 703(e) of the Act exist with respect to the subject merchandise.

Because our final determination in this case is negative, we need not further address the issue of whether critical circumstances exist with respect to imports of subject merchandise from Turkey.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this investigation are addressed in the "Issues and Decision Memorandum" from Richard W. Moreland, Deputy Assistant Secretary, Import Administration to Faryar Shirzad, Assistant Secretary, Import Administration, dated August 23, 2002 ("*Decision Memorandum*"), which is hereby adopted by this notice. Attached to this notice as Appendix I is a list of the issues which parties have raised and to which we have responded in the *Decision Memorandum*. Parties can find a complete discussion of all issues raised in this investigation and the corresponding recommendations in this public memorandum which is on file in the CRU. In addition, a complete version of the *Decision Memorandum* can be accessed directly on the Internet at *http://ia.ita.doc.gov/frn/* under the heading "Turkey." The paper copy and electronic version of the *Decision Memorandum* are identical in content.

[1] On August 9, 2002, Bekaert Corporation requested an exclusion for certain high chrome/high silicon steel wire rod from the scope of these investigations. This request was filed too late to be considered for the final determinations in these investigations.

Suspension of Liquidation

In the *Preliminary Determination*, the total net countervailable subsidy rates for all the responding companies were *de minimis* and, therefore, we did not suspend liquidation. For the final determination, because the rates for all the responding companies remain *de minimis*, we are not directing the Customs Service to suspend liquidation of CASWR from Turkey, pursuant to section 705(c)(2) of the Act.

ITC Notification

In accordance with section 705(d) of the Act, we will notify the International Trade Commission of our determination.

Return or Destruction of Proprietary Information

This notice serves as the only reminder to parties subject to an Administrative Protection Order ("APO") of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Failure to comply is a violation of the APO.

This determination is published pursuant to sections 705(d) and 777(i) of the Act.

Dated: August 23, 2002.

Faryar Shirzad,

Assistant Secretary for Import Administration.

Appendix I

List of Comments and Issues in the Decision Memorandum

Comment 1: General Incentives Investment Program

Comment 2: Investment Allowances

Comment 3: Value-Added Tax Programs

Comment 4: Customs Duty Exemption

Comment 5: Taxes, Dues, and Fees Exemptions

Comment 6: Foreign Exchange Loan Assistance

Comment 7: Financing Guarantees

Comment 8: Inward Processing Regime Customs Duty Exemption

Comment 9: Turkish Export-Import Bank Programs

[FR Doc. 02–22245 Filed 8–29–02; 8:45 am]

BILLING CODE 3510–DS–S

DEPARTMENT OF COMMERCE

National Institute of Standards and Technology

Announcing a Meeting of the Computer System Security and Privacy Advisory Board

AGENCY: National Institute of Standards and Technology, Commerce.

ACTION: Notice of meeting.

SUMMARY: Pursuant to the Federal Advisory Committee Act, 5 U.S.C. App., notice is hereby given that the Computer System Security and Privacy Advisory Board (CSSPAB) will meet Tuesday, September 17, 2002, from 9 a.m. until 5 p.m., Wednesday, September 18, 2002, from 9 a.m. until 5 p.m. and on Thursday, September 19, 2002, from 9 a.m. until 3:30 p.m. All sessions will be open to the public. The Advisory Board was established by the Computer Security Act of 1987 (Pub. L. 100–235) to advise the Secretary of Commerce and the Director of NIST on security and privacy issues pertaining to federal computer systems. Details regarding the Board's activities are available at *http://csrc.nist.gov/csspab/*.

DATES: The meeting will be held on September 17, 2002, from 9 a.m. until 5 p.m., September 18, 2002, from 9 a.m. until 5 p.m., and September 19, 2002, from 9 a.m. until 3:30 p.m.

ADDRESSES: The meeting will take place at the General Services Administration, 7th and D Streets, SW., Room 5700, Washington, DC.

Agenda

—Welcome and Overview
—Discussion of CSSPAB Privacy Report
—Discussion of CSSPAB Baseline Standards Report
—Updates on Recent Computer Security Legislation
—Update by OMB on Privacy and Security Issues
—Agency Briefing on Compliance with the Government Paperwork Elimination Act (GPEA)
—Discussion of Digital Millennium Copyrights Act Issues
—Agenda Development for December 2002 CSSPAB meeting
—Wrap-Up

Note that agenda items may change without notice because of possible unexpected schedule conflicts of presenters.

Public Participation

The Board agenda will include a period of time, not to exceed thirty minutes, for oral comments and questions from the public. Each speaker

associated funerary objects are present. These individuals have been identified as Native American. Based on material culture, site 25SY0 has been identified as a Nebraska phase (A.D. 1050-1425) occupation of the Central Plains Tradition.

In 1914, human remains representing nine individuals were recovered from the Childs Point site (25SY0) overlooking the Missouri River in Sarpy County, NE, under the direction of R.F. Gilder and were accessioned into the University of Nebraska State Museum. No known individuals were identified. No associated funerary objects are present. These individuals have been identified as Native American. Based on material culture, the Childs Point site has been identified as a Nebraska phase (A.D. 1050-1425) occupation of the Central Plains Tradition.

During 1908-1917, human remains representing 49 individuals were removed from the Wallace Mound site (25SY67) in Sarpy County, NE, under the direction of R.F. Gilder and accessioned into the University of Nebraska State Museum. No known individuals were identified. No associated funerary objects are present.

In 1913, human remains representing six individuals were removed from the Swoboda site (25SY67/31-8-14), part of the Wallace Mounds site, Sarpy County, NE, and were secured by Miss Edith Dennett who donated these remains to the University of Nebraska State Museum in 1914. No known individuals were identified. No associated funerary objects are present. These individuals have been identified as Native American. Based on the association with the Child's Point site, the Wallace Mound site has been identified as a Nebraska phase (A.D. 1050-1425) occupation of the Central Plains Tradition.

Based on continuities of ceramic decoration, stone tool form and function, architecture, chronology, mortuary custom, subsistence pattern, settlement pattern, and geographic location, the Central Plains Tradition is recognized by many anthropologists as ancestral to the present-day Pawnee and Arikara. Pawnee and Arikara oral traditions also indicate cultural affiliation between the earlier Central Plains Tradition and these present-day tribes.

Based on geographic area, oral traditions, and scholarly research, the Pawnee Nation of Oklahoma and the Ponca Tribe of Indians of Oklahoma report that the homelands of their peoples once encompassed an area that includes Cedar, Dakota, Holt, Knox, and other counties in north-central and northeastern Nebraska, where their ancestors lived, died and were buried. They state that geographic area, oral traditions, and scholarly research confirm a relationship of shared group identity between the individuals and funerary objects listed above and the Pawnee Nation of Oklahoma and the Ponca Tribe of Indians of Oklahoma.

Based on the above-mentioned information, officials of the University of Nebraska have determined that, pursuant to 43 CFR 10.2 (d)(1), the human remains listed above represent the physical remains of 584 individuals of Native American ancestry. Officials of the University of Nebraska also have determined that, pursuant to 43 CFR 10.2 (d)(2), the 70 objects listed above are reasonably believed to have been placed with or near individual human remains at the time of death or later as part of the death rite or ceremony. Lastly, officials of the University of Nebraska have determined that, pursuant to 43 CFR 10.2 (e), there is a relationship of shared group identity that can be reasonably traced between these Native American human remains and associated funerary objects and the Pawnee Nation of Oklahoma and the Ponca Tribe of Indians of Oklahoma.

This notice has been sent to officials of the Pawnee Nation of Oklahoma; Ponca Tribe of Nebraska; Ponca Tribe of Indians of Oklahoma; Three Affiliated Tribes of the Fort Berthold Reservation, North Dakota; and Wichita and Affiliated Tribes (Wichita, Keechi, Waco & Tawakonie), Oklahoma. Representatives of any other Indian tribe that believes itself to be culturally affiliated with these human remains and associated funerary objects should contact Dr. Priscilla Grew, Department of Geosciences, 301 Bessey Hall, University of Nebraska, Lincoln, NE 68588-0340, telephone (402) 472-7854, before October 15, 2002. Repatriation of the human remains and associated funerary objects to the Pawnee Nation of Oklahoma and the Ponca Tribe of Indians of Oklahoma may begin after that date if no additional claimants come forward.

Dated: July 19, 2002.

C. Timothy McKeown,

Acting Manager, National NAGPRA Program.

[FR Doc. 02–23137 Filed 9–11–02; 8:45 am]

BILLING CODE 4310–70–S

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701–TA–417–421 (Final) and 731–TA–953, 954, 956–959, 961, and 962 (Final)]

Carbon and Certain Alloy Steel Wire Rod From Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, Turkey, and Ukraine

AGENCY: International Trade Commission.

ACTION: Revised schedule for the subject investigations.

EFFECTIVE DATE: September 5, 2002.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202–205–3193), 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 these investigations may be viewed on the Commission's electronic docket (EDIS–ON–LINE) at *http://dockets.usitc.gov/eol/public.*

SUPPLEMENTARY INFORMATION: On August 30, 2002, the Department of Commerce notified the Commission of its final determinations in these investigations. The Commission must make its final determinations in antidumping and countervailing duty investigations within 45 days after notification of Commerce's final determinations, or in these cases by October 15, 2002. The Commission is revising its schedule to conform with this statutory deadline.

The Commission's new schedule for the investigations is as follows: the Commission will make its final release of information on September 25, 2002; and final party comments are due on September 27, 2002.

For further information concerning these investigations see the Commission's rules of practice and procedure, part 201, subparts A through E (19 CFR part 201), and part 207, subparts A and C (19 CFR part 207).

Authority: These investigations are being conducted under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to section 207.21 of the Commission's rules.

Issued: September 6, 2002.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 02–23101 Filed 9–11–02; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337–TA–479]

Certain Coamoxiclav Products, Potassium Clavulanate Products, and Other Products Derived From Clavulanic Acid; Notice of Investigation

AGENCY: International Trade Commission.

ACTION: Institution of investigation pursuant to 19 U.S.C. 1337.

SUMMARY: Notice is hereby given that a complaint was filed with the U.S. International Trade Commission on August 9, 2002, under section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337, on behalf of GlaxoSmithKline plc of the United Kingdom and SmithKlineBeecham Corp. d/b/a GlaxoSmithKline of Philadelphia, Pennsylvania. A supplement to the complaint was filed on August 28, 2002. The complaint, as supplemented, alleges violations of section 337 in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain coamoxiclav products, potassium clavulanate products, and other products derived from clavulanic acid by reason of misappropriation of trade secrets and unfair competition. The complaint further alleges that there exists in the United States an industry as required by subsection (a)(1)(A) of section 337.

The complainants request that the Commission institute an investigation and, after the investigation, issue a permanent exclusion order and a permanent cease and desist order.

ADDRESSES: The complaint, except for any confidential information contained therein, is available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street, SW., Room 112, Washington, DC 20436, telephone 202–205–2000. Hearing-impaired individuals are advised that information on this matter can be obtained 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 at *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*.

FOR FURTHER INFORMATION CONTACT: Thomas S. Fusco, Esq., Office of Unfair Import Investigations, U.S. International Trade Commission, telephone 202–205–2571.

Authority: The authority for institution of this investigation is contained in section 337 of the Tariff Act of 1930, as amended, and in section 210.10 of the Commission's rules of practice and procedure, 19 CFR 210.10 (2002).

Scope of Investigation: Having considered the complaint, the U.S. International Trade Commission, on September 4, 2002 *ordered that*—

(1) Pursuant to subsection (b) of section 337 of the Tariff Act of 1930, as amended, an investigation be instituted to determine whether there is a violation of subsection (a)(1)(A) of section 337 in the importation into the United States, the sale for importation, or the sale within the United States after importation of certain coamoxiclav products, potassium clavulanate products, or other products derived from clavulanic acid by reason of misappropriation of trade secrets, or unfair competition the threat or effect of which is to destroy or substantially injure an industry in the United States.

(2) For the purpose of the investigation so instituted, the following are hereby named as parties upon which this notice of investigation shall be served:

(a) The complainants are—

GlaxoSmithKline plc, Brentford, Middlesex, TW8 9GS, United Kingdom;

SmithKlineBeecham Corp., d/b/a GlaxoSmithKline, One Franklin Plaza, P.O. Box 7929, Philadelphia, Pennsylvania 19101.

(b) The respondents are the following companies upon which the complaint is to be served—

Biochemie GmbH, Biochemiestrasse 10, A–6250 Kundl, Austria;

Biochemie SpA, Corso Verona 165, Rovereto, Trento 38068, Italy;

Novartis AG, Lichtstrasse 35, CH–4056, Basel, Switzerland;

Geneva Pharmaceuticals, Inc., 506 Carnegie Center, Suite 400, Princeton, New Jersey 08540.

(c) Thomas S. Fusco, Esq., Office of Unfair Import Investigations, U.S. International Trade Commission, 500 E Street, SW., Room 401–E, Washington, DC 20436, who shall be the Commission investigative attorney, party to this investigation; and

(3) For the investigation so instituted, the Honorable Paul J. Luckern is designated as the presiding administrative law judge.

Responses to the complaint and the notice of investigation must be submitted by the named respondents in accordance with section 210.13 of the Commission's rules of practice and procedure, 19 CFR 210.13. Pursuant to 19 CFR 201.16(d) and 210.13(a), such responses will be considered by the Commission if received no later than 20 days after the date of service by the Commission of the complaint and notice of investigation. Extensions of time for submitting responses to the complaint will not be granted unless good cause therefor is shown.

Failure of a respondent to file a timely response to each allegation in the complaint and in this notice may be deemed to constitute a waiver of the right to appear and contest the allegations of the complaint and this notice, and to authorize the administrative law judge and the Commission, without further notice to the respondent, to find the facts to be as alleged in the complaint and this notice and to enter both an initial determination and a final determination containing such findings, and may result in the issuance of a limited exclusion order or a cease and desist order or both directed against such respondent.

Issued: September 5, 2002.

By order of the Commission.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 02–23103 Filed 9–11–02; 8:45 am]

BILLING CODE 7020–02–P

INTERNATIONAL TRADE COMMISSION

[Inv. No. 337-TA–450]

Certain Integrated Circuits, Processes for Making Same, and Products Containing Same; Notice of Commission Determination To Extend the Target Date for Completion of the Investigation

AGENCY: International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to extend

absence surveys for brown pelican (*Pelecanus occidentalis*) within Texas.

David C. Frederick,

Assistant Regional Director, Ecological Services, Region 2, Albuquerque, New Mexico.

[FR Doc. 02–25101 Filed 10–2–02; 8:45 am]

BILLING CODE 4310–55–P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

Notice of Withdrawal of the Little Darby National Wildlife Refuge Proposal and Availability of the Little Darby Creek Conservation Through Local Initiatives Final Report

AGENCY: Fish and Wildlife Service, Interior.

SUMMARY: This notice advises the public that the U.S. Fish & Wildlife Service (Service) is withdrawing its proposal to establish the Little Darby National Wildlife Refuge in Madison and Union counties in Ohio. A concluding Final Report provides tools that could be useful in pursuing a local conservation initiative.

DATES: This action will become effective with this notice. The Service notified the public of the decision to withdraw the proposal in March; formal notice of the decision is being made concurrent with the availability of the Final Report. Copies of the Final Report are available on the Service's Web site: *http://midwest.fws.gov/planning/Idarbytop.htm*, or by writing to the address listed below.

FOR FURTHER INFORMATION CONTACT: Tom Larson, Chief of Ascertainment and Planning, U.S. Fish & Wildlife Service, Bishop Henry Whipple Federal Building, 1 Federal Drive, Fort Snelling, MN 55111. Telephone 612/713–5430.

SUPPLEMENTARY INFORMATION: There were both supporters and opponents to the proposal to create a new national wildlife refuge in south central Ohio, but the community consistently expressed support for the conservation of agricultural and natural resource areas. In withdrawing the proposal to establish a refuge, the Service is supporting interest in locally-driven conservation efforts. The Final Report includes an overview of the refuge proposal, a brief history of the area, description of the natural resource values of the Little Darby Creek Watershed, information on local perceptions and expectations related to conservation, and information on resources available for local conservation initiatives. The Report reiterates the Service's belief in preserving the watershed's resource values.

Dated: August 14, 2002.

William F. Hartwig,

Regional Director.

[FR Doc. 02–25102 Filed 10–2–02; 8:45 am]

BILLING CODE 4310–55–M

INTERNATIONAL TRADE COMMISSION

[Investigations Nos. 701–TA–420 and 421 (Final)]

Carbon and Certain Alloy Steel Wire Rod From Trinidad and Tobago and Turkey

AGENCY: International Trade Commission.

ACTION: Termination of investigations.

SUMMARY: On August 30, 2002, the Department of Commerce published notice in the **Federal Register** of final negative countervailing duty determinations in connection with the subject investigations (67 FR 55810 and 55815). Accordingly, pursuant to § 207.40(a) of the Commission's rules of practice and procedure (19 CFR 207.40(a)), the countervailing duty investigations concerning carbon and certain alloy steel wire rod from Trinidad and Tobago and Turkey (investigations Nos. 701–TA–420 and 421 (Final)) are terminated.

EFFECTIVE DATE: August 30, 2002.

FOR FURTHER INFORMATION CONTACT: Mary Messer (202–205–3193), Office of Investigations, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting the Commission's TDD terminal on 202–205–1810. 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 these investigations may be viewed on the Commission's electronic docket (EDIS–ON–LINE) at *http://dockets.usitc.gov/eol/public.*

Authority: These investigations are being terminated under authority of title VII of the Tariff Act of 1930; this notice is published pursuant to § 201.10 of the Commission's rules (19 CFR 201.10).

By order of the Commission.

Issued: September 27, 2002.

Marilyn R. Abbott,

Secretary to the Commission.

[FR Doc. 02–25113 Filed 10–2–02; 8:45 am]

BILLING CODE 7020–02–P

DEPARTMENT OF JUSTICE

Notice of Lodging of Consent Decree Under the Comprehensive Environment Response, Compensation, and Liability Act

Notice is hereby given that on September 16, 2002, a proposed consent decree in *United States* v. *Buena Vista Mines, Inc., et al.*, Civil Action No. 98–7226 SVW (RNBx), was lodged with the United States District Court for the Central District of California.

In this action, brought under sections 106 and 107 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9606, 9607, the United States sought reimbursement of response costs incurred by the U.S. Environmental Protection Agency ("EPA") at the Buena Vista/Klau Mine Site near Paso Robles California, as well as civil penalties and treble damages arising from the failure of defendants Buena Vista Mines, Inc. ("BVMI"), Harold J. Biaggini, and Edward C. Biaggini, III to comply with an EPA administrative clean-up order. The consent decree provides for payments of $500,000 from the defendants and $100,000 from third-party defendant County of San Luis Obispo and, in addition, provides that the United States will receive the major portion of all proceeds of any future BVMI land sales. In exchange for the settlement payments, the settling parties will receive a site-wide covenant-not-to-sue, subject to certain reservations.

The Department of Justice will receive for a period of thirty (30) days from the date of this publication comments relating to the consent decree. Comments should be addressed to the Assistant Attorney General, Environment and Natural Resources Division, PO Box 7611, U.S. Department of Justice, Washington, DC 20044–7611, and should refer to *United States* v. *Buena Vista Mines, Inc., et al.*, D.J. Ref. No. 90–5–1–1–4467/1.

The consent decree may be examined at the offices of U.S. EPA Region 9, 75 Hawthorne Street, San Francisco, California 94105. A copy of the consent decree may also be obtained by mail from the Consent Decree Library, PO Box 7611, U.S. Department of Justice, Washington, DC 20044–7611, or by faxing a request to Tonia Fleetwood, fax no. (202) 514–0097, phone confirmation

APPENDIX B

CALENDAR OF THE PUBLIC HEARING

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject:	Carbon and Certain Alloy Steel Wire Rod from Brazil, Canada, Germany, Indonesia, Mexico, Moldova, Trinidad and Tobago, Turkey, and Ukraine
Inv. Nos.:	701-TA-417-421 and 731-TA-953, 954, 956-959, 961, and 962 (Final)
Date and Time:	August 27, 2002 - 9:30 a.m.

Sessions were held in connection with these investigations in the Main Hearing Room, 500 (room 101) E Street, SW, Washington, DC.

OPENING REMARKS:

Petitioners (**Paul C. Rosenthal**, Collier Shannon Scott, PLLC)
Respondents (**William Silverman**, Hunton & Williams)

In Support of the Imposition
of Antidumping and Countervailing Duties:

Collier Shannon Scott, PLLC
Washington, DC
on behalf of

Co-Steel Raritan, Inc.
GS Industries, Inc.
Keystone Consolidated Industries, Inc.
North Star Steel Texas, Inc.

Timothy Dillon, Senior Vice President, Commercial,
Georgetown Steel Co., LLC

In Support of the Imposition
<u>of Antidumping and Countervailing Duties (continued):</u>

Jason Wolf, Senior Vice President, Sales and Marketing, Georgetown Steel Co., LLC

William E. Lundberg, Vice President, Sales, North Star Steel Co., Inc.

Edward Goettl, Sales Manager, Wire Rod Products, North Star Steel Co., Inc.

Stephen Gresham, Vice President, Sales, Co-Steel Raritan, Inc.

Patrick J. Magrath, Managing Director, Georgetown Economic Services, LLC

Gina E. Beck, Economic Consultant, Georgetown Economic Services, LLC

Brad Hudgens, Economic Consultant, Georgetown Economic Services, LLC

Paul C. Rosenthal)
Kathleen W. Cannon)
) – OF COUNSEL
R. Alan Luberda)
John M. Herrmann)

In Opposition to the Imposition
of Antidumping and Countervailing Duties:

PANEL 1

Hunton & Williams
Washington, DC
on behalf of

Ivaco Inc.
Ivaco Rolling Mills Inc.

Ed Hackett, Ivaco Rolling Mills Inc.

David Goldsmith, Manager, Planning and Development,
Ivaco Rolling Mills Inc.

William Silverman)
Richard Ferrin) – OF COUNSEL
Thomas M. Hughes)

Hogan & Hartson, L.L.P.
Washington, DC
on behalf of

Belgo Mineira and Gerdau

Christopher S. Stokes) – OF COUNSEL

Economic Consulting Services
Washington, DC
on behalf of

Joint Respondents

Bruce Malashevich, President, Economic Consulting
Services, Inc.

In Opposition to the Imposition
of Antidumping and Countervailing Duties (continued):

Holland & Knight LLP
Washington, DC
on behalf of

American Wire Producers Association (AWPA)

H.O. Woltz, III, President and CEO, Insteel Industries Inc.

Peter M. Cronin, President, Industrial Wire Products Corp.

Joe Downes, President, Leggett & Platt Wire Group

Robert Moffitt, Vice President-Marketing, Davis Wire Corp./National Standard Co.

John G. Roby, President and Chief Executive Officer, CHC Industries, Inc.

Walter Robertson, President, Johnstown Wire Technologies Inc.

Kent T. Taubensee, Executive Vice President, Taubensee Steel & Wire Co.

Kimberly A. Korbel, Executive Director, American Wire Producers Association

Frederick P. Waite)
) – OF COUNSEL
Kimberly R. Young)

In Opposition to the Imposition
of Antidumping and Countervailing Duties (continued):

PANEL 2

Hunton & Williams
Washington, DC
on behalf of

Ivaco Inc.
Ivaco Rolling Mills Inc.

Robert Randall, Consultant, Ivaco Rolling Mills Inc.

David Goldsmith, Manager, Planning and Development, Ivaco Rolling Mills Inc.

William Silverman)
Richard Ferrin) – OF COUNSEL
Thomas M. Hughes)

Gardner, Carton & Douglas
Washington, DC
on behalf of

Steel Fastener Working Group

Robert E. Brunner, Vice President, North American Automotive Fastener Products, Illinois Tool Works Inc.; and Co-Chair, Steel Fastener Working Group

Thomas R. Menke, Purchasing Director-Wire, Illinois Tool Works, Inc.

W.N. Harrell Smith, IV)
) – OF COUNSEL
Geoffrey M. Goodale)

In Opposition to the Imposition
of Antidumping and Countervailing Duties (continued):

Cameron & Hornbostel LLP
Washington, DC
on behalf of

Ispat Sidbec, Inc.

Denis Fraser, Executive Vice President and Chief Operating Officer, Ispat Sidbec, Inc.

Dan Fuller, Commercial Director, Wire Rod Strategic Business Unit, Ispat Sidbec, Inc.

Charles Murray, Vice President, Materials, The Lincoln Electric Co.

William K. Ince)
Dennis James, Jr.) – OF COUNSEL
Valerie Ellis)

Gibson, Dunn & Crutcher LLP
Washington, DC
on behalf of

Rubber Manufacturers Association

Donald B. Shea, President and Chief Executive Officer, Rubber Manufacturers Association

Isabel H. Jasinowski, Vice President, Governmental Relations, The Goodyear Tire & Rubber Co.

David Galloway, Plant Manager-Asheboro Wire Plant, The Goodyear Tire & Rubber Co.

Joseph H. Price)
) – OF COUNSEL
J. Christopher Wood)

In Opposition to the Imposition
of Antidumping and Countervailing Duties (continued):

Hogan & Hartson L.L.P.
Washington, DC
on behalf of

Michelin North America, Inc.

Joanne Hennigan, Corporate Counsel, Michelin North America, Inc.

Andre d'Entremont, Raw Materials Specialist, Michelin North America, Inc.

Nick Nelepa, Reinforcement Purchasing Manager, Michelin North America, Inc.

Edward Lea, General Manager, Tokusen USA, Inc.

Charles Smith, Technical Service Manager, Tokusen U.S.A., Inc.

Craig Lewis)
) – OF COUNSEL
Elizabeth Baltzan)

Steptoe & Johnson LLP
Washington, DC
on behalf of

Caribbean Ispat Limited

Mark A. Moran) – OF COUNSEL

In Opposition to the Imposition
of Antidumping and Countervailing Duties (continued):

DeKieffer & Horgan
Washington, DC
on behalf of

Saarstahl AG
Saarsteel Inc.

Merritt R. Blakeslee) – OF COUNSEL

Barnes, Richardson & Colburn
Washington, DC
on behalf of

Ispat Hamburger Stahlwerke GmbH
Ispat Walzdraht Hochfeld GmbH

Gunter von Conrad)
) – OF COUNSEL
Michael J. Chessler)

Garvey, Schubert & Barer
Washington, DC
on behalf of

Krivorozhstal Iron & Steel Integrated Works

John C. Kalitka) – OF COUNSEL

White & Case, LLP
Washington, DC
on behalf of

Siderurgica Lazaro Cardenas Las Truchas, S.A. de C.V. (SICARTSA)

Robert G. Gosselink) – OF COUNSEL

In Opposition to the Imposition
of Antidumping and Countervailing Duties (continued):

White & Case, LLP
Washington, DC
on behalf of

Moldova Steel Works (MSW)

Adams C. Lee) – OF COUNSEL

White & Case, LLP
Washington, DC
on behalf of

P.T. Ispat Indo

Adams C. Lee) – OF COUNSEL

CLOSING REMARKS/REBUTTAL

Petitioner (**Paul C. Rosenthal,** Collier Shannon Scott, PLLC)
Respondents (**William Silverman,** Hunton & Williams)

APPENDIX C

SUMMARY DATA

Table C-1--*Continued*
Wire rod: Summary data concerning the U.S. market, 1999-2001, January-March 2001, and January-March 2002

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

Item	Calendar year			January-March		Period changes			
	1999	2000	2001	2001	2002	1999-2001	1999-2000	2000-2001	Jan.-Mar. 2001-Jan.-Mar. 2002
U.S. consumption qty: Amount	8,145,968	8,260,808	6,935,694	1,553,928	1,633,648	-14.9	1.4	-16.0	5.1
Producers' share[1]	66.1	64.3	56.1	64.5	59.9	-10.0	-1.8	-8.2	-4.6
Importers' share:[1]									
Brazil	***	***	***	***	***	***	***	***	***
Canada (excl. Stelco)	***	***	***	***	***	***	***	***	***
Germany	***	***	***	***	***	***	***	***	***
Indonesia	0.9	1.1	0.9	1.9	0.0	0.0	0.2	-0.2	-1.9
Mexico	1.5	1.9	3.8	4.0	2.6	2.4	0.4	1.9	-1.4
Moldova	2.3	2.3	2.7	0.0	1.2	0.4	0.0	0.4	1.2
Ukraine	2.4	4.5	3.7	3.7	0.3	1.4	2.1	-0.7	-3.5
Subtotal	***	***	***	***	***	***	***	***	***
Trinidad and Tobago	4.2	3.5	5.1	3.9	5.5	0.9	-0.7	1.6	1.6
Subtotal	***	***	***	***	***	***	***	***	***
Stelco	***	***	***	***	***	***	***	***	***
Egypt	0.3	0.5	0.3	(2)	0.6	0.0	0.2	-0.1	0.6
South Africa	0.7	0.9	1.1	0.5	0.2	0.4	0.2	0.2	-0.3
Turkey	1.9	2.3	3.7	2.1	0.2	1.9	0.4	1.5	-1.8
Venezuela	1.6	1.0	1.1	0.8	1.7	-0.5	-0.6	0.1	0.9
Other sources	***	***	***	***	***	***	***	***	***
Nonsubject subtotal	***	***	***	***	***	***	***	***	***
Total imports	33.9	35.7	43.9	35.5	40.1	10.0	1.8	8.2	4.6
U.S. consumption value: Amount	2,466,300	2,487,926	2,042,787	467,870	505,129	-17.2	0.9	-17.9	8.0
Producers' share[1]	67.7	64.4	57.5	64.0	60.8	-10.1	-3.2	-6.9	-3.2
Importers' share:[1]									
Brazil	***	***	***	***	***	***	***	***	***
Canada (excl. Stelco)	***	***	***	***	***	***	***	***	***
Germany	***	***	***	***	***	***	***	***	***
Indonesia	0.6	0.8	0.6	1.3	0.0	0.0	0.2	-0.1	-1.3
Mexico	1.2	1.6	3.1	3.2	2.2	2.0	0.4	1.6	-1.0
Moldova	1.6	1.7	1.9	0.0	0.7	0.4	0.1	0.3	0.7
Ukraine	1.4	3.0	2.4	2.4	0.2	1.0	1.6	-0.6	-2.3
Subtotal	***	***	***	***	***	***	***	***	***
Trinidad and Tobago	3.5	3.0	4.5	3.4	4.7	0.9	-0.5	1.4	1.2
Subtotal	***	***	***	***	***	***	***	***	***
Stelco	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-1--*Continued*
Wire rod: Summary data concerning the U.S. market, 1999-2001, January-March 2001, and January-March 2002

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

Item	Calendar year			January-March		Period changes			
	1999	2000	2001	2001	2002	1999-2001	1999-2000	2000-2001	Jan.-Mar. 2001-Jan.-Mar. 2002
Egypt	0.2	0.4	0.3	(2)	0.5	0.0	0.1	-0.1	0.5
South Africa	0.5	0.8	0.9	0.4	0.2	0.3	0.2	0.1	-0.2
Turkey	1.2	1.8	2.8	1.5	0.2	1.5	0.6	0.9	-1.3
Venezuela	1.2	0.7	0.9	0.6	1.4	-0.3	-0.5	0.2	0.8
Other sources	***	***	***	***	***	***	***	***	***
Nonsubject subtotal	***	***	***	***	***	***	***	***	***
Total imports	32.3	35.6	42.5	36.0	39.2	10.1	3.2	6.9	3.2
U.S. imports from--									
Brazil									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
Canada (excl. Stelco) :									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
Germany:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
Indonesia:									
Quantity	69,805	86,940	60,065	29,781	0	-14.0	24.5	-30.9	-100.0
Value	14,884	19,669	13,118	6,302	0	-11.9	32.2	-33.3	-100.0
Unit value	$213.22	$226.23	$218.39	$211.61	(4)	2.4	6.1	-3.5	-100.0
Ending inventory	***	***	***	***	***	***	***	***	***
Mexico:									
Quantity	122,038	159,818	266,925	61,920	42,574	118.7	31.0	67.0	-31.2
Value	29,449	39,337	64,309	15,169	11,241	118.4	33.6	63.5	-25.9
Unit value	$241.31	$246.14	$240.92	$244.98	$264.03	-0.2	2.0	-2.1	7.8
Ending inventory	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-1--*Continued*
Wire rod: Summary data concerning the U.S. market, 1999-2001, January-March 2001, and January-March 2002

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

Item	Calendar year			January-March		Period changes			
	1999	2000	2001	2001	2002	1999-2001	1999-2000	2000-2001	Jan.-Mar. 2001-Jan.-Mar. 2002
Moldova:									
Quantity	190,239	191,074	187,370	0	18,826	-1.5	0.4	-1.9	(4)
Value	38,888	41,667	39,439	0	3,708	1.4	7.1	-5.3	(4)
Unit value	$204.42	$218.07	$210.49	(4)	$196.95	3.0	6.7	-3.5	(4)
Ending inventory	***	***	***	***	***	***	***	***	***
Ukraine:									
Quantity	193,003	367,712	258,526	57,906	4,401	33.9	90.5	-29.7	-92.4
Value	35,568	75,568	49,770	11,370	807	39.9	112.5	-34.1	-92.9
Unit value	$184.29	$205.51	$192.52	$196.35	$183.45	4.5	11.5	-6.3	-6.6
Ending inventory	***	***	***	***	***	***	***	***	***
Subtotal:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
Trinidad and Tobago:									
Quantity	341,815	287,507	355,089	60,992	89,857	3.9	-15.9	23.5	47.3
Value	87,289	75,511	91,335	16,028	23,487	4.6	-13.5	21.0	46.5
Unit value	$255.37	$262.64	$257.22	$262.79	$261.38	0.7	2.8	-2.1	-0.5
Ending inventory	***	***	***	***	***	***	***	***	***
Subtotal:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
Stelco:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
Egypt:									
Quantity	24,044	37,480	23,447	182	10,302	-2.5	55.9	-37.4	5557.2
Value	5,377	9,066	5,273	20	2,362	-1.9	68.6	-41.8	11677.5
Unit value	$223.64	$241.90	$224.90	$110.13	$229.28	0.6	8.2	-7.0	108.2
Ending inventory	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)

Table continued on next page.

Table C-1--*Continued*
Wire rod: Summary data concerning the U.S. market, 1999-2001, January-March 2001, and January-March 2002

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

Item	Calendar year			January-March		Period changes			
	1999	2000	2001	2001	2002	1999-2001	1999-2000	2000-2001	Jan.-Mar. 2001-Jan.-Mar. 2002
South Africa:									
Quantity	55,850	75,412	76,058	7,176	3,405	36.2	35.0	0.9	-52.6
Value	13,524	19,062	18,216	1,880	852	34.7	41.0	-4.4	-54.7
Unit value	$242.15	$252.77	$239.50	$261.97	$250.31	-1.1	4.4	-5.3	-4.5
Ending inventory	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Turkey:									
Quantity	151,346	187,878	259,945	31,875	3,337	71.8	24.1	38.4	-89.5
Value	30,150	45,285	56,212	6,883	792	86.4	50.2	24.1	-88.5
Unit value	$199.21	$241.04	$216.24	$215.95	$237.37	8.5	21.0	-10.3	9.9
Ending inventory	***	***	***	***	***	***	***	***	***
Venezuela:									
Quantity	132,084	84,957	76,077	12,431	27,930	-42.4	-35.7	-10.5	124.7
Value	30,063	18,536	18,275	2,714	6,822	-39.2	-38.3	-1.4	151.4
Unit value	$227.61	$218.18	$240.21	$218.32	$244.26	5.5	-4.1	10.1	11.9
Ending inventory	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
All other sources:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
Nonsubject subtotal:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
All sources:									
Quantity	2,764,938	2,953,083	3,046,339	551,408	654,730	10.2	6.8	3.2	18.7
Value	797,766	884,769	867,770	168,437	198,233	8.8	10.9	-1.9	17.7
Unit value	$288.53	$299.61	$284.86	$305.47	$302.77	-1.3	3.8	-4.9	-0.9
Ending inventory	***	***	***	***	***	***	***	***	***
U.S. producers'-- Capacity quantity	7,122,442	7,185,787	5,980,551	1,492,786	1,297,295	-16.0	0.9	-16.8	-13.1
Production quantity	5,438,898	5,379,891	3,793,871	924,417	967,109	-30.2	-1.1	-29.5	4.6
Capacity utilization[1]	76.4	74.9	63.4	61.9	74.5	-12.9	-1.5	-11.4	12.6

Table continued on next page.

Table C-1--*Continued*
Wire rod: Summary data concerning the U.S. market, 1999-2001, January-March 2001, and January-March 2002

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

Item	Calendar year			January-March		Period changes			
	1999	2000	2001	2001	2002	1999-2001	1999-2000	2000-2001	Jan.-Mar. 2001-Jan.-Mar. 2002
U.S. shipments:									
Quantity	5,381,030	5,307,725	3,889,355	1,002,520	978,918	-27.7	-1.4	-26.7	-2.4
Value	1,668,534	1,603,157	1,175,017	299,433	306,896	-29.6	-3.9	-26.7	2.5
Unit value	$310.08	$302.04	$302.11	$298.68	$313.51	-2.6	-2.6	0.0	5.0
Export shipments:									
Quantity	11,672	19,755	26,954	5,844	7,814	130.9	69.3	36.4	33.7
Value	4,863	9,138	13,114	2,744	3,808	169.7	87.9	43.5	38.8
Unit value	$416.64	$462.57	$486.53	$469.52	$487.33	16.8	11.0	5.2	3.8
Inventory quantity	272,531	325,296	191,830	214,767	171,431	-29.6	19.4	-41.0	-20.2
Inventories/total shipments[1]	5.1	6.1	4.9	5.3	4.3	-0.2	1.1	-1.2	-1.0
Production workers	3,249	3,193	2,405	2,653	2,020	-26.0	-1.7	-24.7	-23.9
Hours worked (*1,000s*)	7,260	7,668	5,130	1,437	1,112	-29.3	5.6	-33.1	-22.6
Wages paid (*$1,000s*)	188,285	199,858	133,393	39,028	31,233	-29.2	6.1	-33.3	-20.0
Hourly wages	$25.93	$26.06	$26.00	$27.16	$28.08	0.3	0.5	-0.2	3.4
Productivity (*tons/1,000 hours*)	749.1	701.6	739.5	643.3	869.5	-1.3	-6.3	5.4	35.2
Unit labor costs	$34.62	$37.15	$35.16	$42.22	$32.30	1.6	7.3	-5.4	-23.5
Net sales:									
Quantity	4,845,268	5,001,339	3,893,038	1,024,054	986,732	-19.7	3.2	-22.2	-3.6
Value	1,465,279	1,523,719	1,180,358	309,316	310,704	-19.4	4.0	-22.5	0.4
Unit value	$302.41	$304.66	$303.20	$302.05	$314.88	0.3	0.7	-0.5	4.2
Cost of goods sold (COGS)	1,415,715	1,499,048	1,203,534	326,030	281,222	-15.0	5.9	-19.7	-13.7
Gross profit or (loss)	49,564	24,671	(23,176)	(16,714)	29,482	(4)	-50.2	(4)	(4)
SG&A expenses	58,587	56,300	59,399	13,291	12,147	1.4	-3.9	5.5	-8.6
Operating income or (loss)	(9,023)	(31,629)	(82,575)	(30,005)	17,335	-815.2	-250.5	-161.1	(4)
Capital expenditures	58,955	61,838	32,606	5,739	10,063	-44.7	4.9	-47.3	75.3
Unit COGS	$292.19	$299.73	$309.15	$318.37	$285.00	5.8	2.6	3.1	-10.5
Unit SG&A expenses	$12.09	$11.26	$15.26	$12.98	$12.31	26.2	-6.9	35.5	-5.2
Unit operating income or (loss)	$(1.86)	$(6.32)	($21.21)	($29.30)	$17.57	-1039.0	-239.6	-235.4	(4)

Table continued on next page.

Table C-1--*Continued*
Wire rod: Summary data concerning the U.S. market, 1999-2001, January-March 2001, and January-March 2002

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

Item	Calendar year			January-March		Period changes			
	1999	2000	2001	2001	2002	1999-2001	1999-2000	2000-2001	Jan.-Mar. 2001-Jan.-Mar. 2002
COGS/sales[1]	96.6	98.4	102.0	105.4	90.5	5.3	1.8	3.6	-14.9
Operating income or (loss)/sales[1]	-0.6	-2.1	-7.0	-9.7	5.6	-6.4	-1.5	-4.9	15.3

[1] "Reported data" are in percent and "Period changes" are in percentage points.
[2] Less than 0.05 percent.
[3] Ending inventory data was not reported separately in Commission questionnaires. These data are included in inventories for "all other."
[4] 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.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics adjusted to exclude grade 1080 tire cord and tire bead quality wire rod from questionnaire responses.

Table C-2--*Continued*
Wire rod (including grade 1080 tire cord and tire bead quality wire rod): Summary data concerning the U.S. market, 1999-2001, January-March 2001, and January-March 2002

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

Item	Calendar year			January-March		Period changes			
	1999	2000	2001	2001	2002	1999-2001	1999-2000	2000-2001	Jan.-Mar. 2001-Jan.-Mar. 2002
U.S. consumption qty: Amount	***	***	***	***	***	***	***	***	***
Producers' share[1]	***	***	***	***	***	***	***	***	***
Importers' share:[1]									
Brazil	***	***	***	***	***	***	***	***	***
Canada (excl. Stelco)	***	***	***	***	***	***	***	***	***
Germany	***	***	***	***	***	***	***	***	***
Indonesia	***	***	***	***	***	***	***	***	***
Mexico	***	***	***	***	***	***	***	***	***
Moldova	***	***	***	***	***	***	***	***	***
Ukraine	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Trinidad and Tobago	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Stelco	***	***	***	***	***	***	***	***	***
Egypt	***	***	***	***	***	***	***	***	***
South Africa	***	***	***	***	***	***	***	***	***
Turkey	***	***	***	***	***	***	***	***	***
Venezuela	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***
Nonsubject subtotal	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***
U.S. consumption value: Amount	***	***	***	***	***	***	***	***	***
Producers' share[1]	***	***	***	***	***	***	***	***	***
Importers' share:[1]									
Brazil	***	***	***	***	***	***	***	***	***
Canada (excl. Stelco)	***	***	***	***	***	***	***	***	***
Germany	***	***	***	***	***	***	***	***	***
Indonesia	***	***	***	***	***	***	***	***	***
Mexico	***	***	***	***	***	***	***	***	***
Moldova	***	***	***	***	***	***	***	***	***
Ukraine	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***
Trinidad and Tobago	***	***	***	***	***	***	***	***	***
Subtotal	***	***	***	***	***	***	***	***	***

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Table C-2--*Continued*
Wire rod (including grade 1080 tire cord and tire bead quality wire rod): Summary data concerning the U.S. market, 1999-2001, January-March 2001, and January-March 2002

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

Item	Calendar year			January-March		Period changes			
	1999	2000	2001	2001	2002	1999-2001	1999-2000	2000-2001	Jan.-Mar. 2001-Jan.-Mar. 2002
Stelco	***	***	***	***	***	***	***	***	***
Egypt	***	***	***	***	***	***	***	***	***
South Africa	***	***	***	***	***	***	***	***	***
Turkey	***	***	***	***	***	***	***	***	***
Venezuela	***	***	***	***	***	***	***	***	***
Other sources	***	***	***	***	***	***	***	***	***
Nonsubject subtotal	***	***	***	***	***	***	***	***	***
Total imports	***	***	***	***	***	***	***	***	***
U.S. imports from--									
Brazil									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
Canada (excl. Stelco) :									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
Germany:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
Indonesia:									
Quantity	69,805	86,940	60,065	29,781	0	-14.0	24.5	-30.9	-100.0
Value	14,884	19,669	13,118	6,302	0	-11.9	32.2	-33.3	-100.0
Unit value	$213.22	$226.23	$218.39	$211.61	(4)	2.4	6.1	-3.5	(4)
Ending inventory	***	***	***	***	***	***	***	***	***
Mexico:									
Quantity	122,038	159,818	266,925	61,920	42,574	118.7	31.0	67.0	-31.2
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Unit value	$241.31	$246.14	$240.92	$244.98	$264.03	-0.2	2.0	-2.1	7.8
Ending inventory	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-2--*Continued*
Wire rod (including grade 1080 tire cord and tire bead quality wire rod): Summary data concerning the U.S. market, 1999-2001, January-March 2001, and January-March 2002

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

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Unit value	$204.42	$218.07	$210.49	(4)	$196.95	3.0	6.7	-3.5	(4)
Ending inventory	***	***	***	***	***	***	***	***	***
Ukraine:									
Quantity	193,003	367,712	258,526	57,906	4,401	33.9	90.5	-29.7	-92.4
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Unit value	$184.29	$205.51	$192.52	$196.35	$183.45	4.5	11.5	-6.3	-6.6
Ending inventory	***	***	***	***	***	***	***	***	***
Subtotal:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
Trinidad and Tobago:									
Quantity	341,815	287,507	355,089	60,992	89,857	3.9	-15.9	23.5	47.3
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Unit value	$255.37	$262.64	$257.22	$262.79	$261.38	0.7	2.8	-2.1	-0.5
Ending inventory	***	***	***	***	***	***	***	***	***
Subtotal:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
Stelco:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
Egypt:									
Quantity	24,044	37,480	23,447	182	10,302	-2.5	55.9	-37.4	5557.2
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Unit value	$223.64	$241.90	$224.90	$110.13	$229.28	0.6	8.2	-7.0	108.2
Ending inventory	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)

Table continued on next page.

Table C-2--*Continued*
Wire rod (including grade 1080 tire cord and tire bead quality wire rod): Summary data concerning the U.S. market, 1999-2001, January-March 2001, and January-March 2002

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

Item	Calendar year			January-March		Period changes			
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South Africa:									
Quantity	55,850	75,412	76,058	7,176	3,405	36.2	35.0	0.9	-52.6
Value	13,524	19,062	18,216	1,880	852	34.7	41.0	-4.4	-54.7
Unit value	$242.15	$252.77	$239.50	$261.97	$250.31	-1.1	4.4	-5.3	-4.5
Ending inventory	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Turkey:									
Quantity	151,346	187,878	259,945	31,875	3,337	71.8	24.1	38.4	-89.5
Value	30,150	45,285	56,212	6,883	792	86.4	50.2	24.1	-88.5
Unit value	$199.21	$241.04	$216.24	$215.95	$237.37	8.5	21.0	-10.3	9.9
Ending inventory	***	***	***	***	***	***	***	***	***
Venezuela:									
Quantity	132,084	84,957	76,077	12,431	27,930	-42.4	-35.7	-10.5	124.7
Value	30,063	18,536	18,275	2,714	6,822	-39.2	-38.3	-1.4	151.4
Unit value	$227.61	$218.18	$240.21	$218.32	$244.26	5.5	-4.1	10.1	11.9
Ending inventory	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
All other sources:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
Nonsubject subtotal:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Ending inventory	***	***	***	***	***	***	***	***	***
All sources:									
Quantity	2,787,291	2,987,084	3,066,218	555,009	657,920	10.0	7.2	2.6	18.5
Value	807,566	899,451	875,963	169,965	199,383	8.5	11.4	-2.6	17.3
Unit value	$289.73	$301.11	$285.68	$306.24	$303.05	-1.4	3.9	-5.1	-1.0
Ending inventory	***	***	***	***	***	***	***	***	***
U.S. producers'-- Capacity quantity	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***
Capacity utilization[1]	***	***	***	***	***	***	***	***	***

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Table C-2--*Continued*
Wire rod (including grade 1080 tire cord and tire bead quality wire rod): Summary data concerning the U.S. market, 1999-2001, January-March 2001, and January-March 2002

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

Item	Calendar year			January-March		Period changes			
	1999	2000	2001	2001	2002	1999-2001	1999-2000	2000-2001	Jan.-Mar. 2001-Jan.-Mar. 2002
U.S. shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Share of qty of U.S. shipments to:									
Distributors[1]	***	***	***	***	***	***	***	***	***
End users[1]	***	***	***	***	***	***	***	***	***
Inventory quantity	***	***	***	***	***	***	***	***	***
Inventories/total shipments[1]	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***
Hours worked (*1,000s*)	***	***	***	***	***	***	***	***	***
Wages paid (*$1,000s*)	***	***	***	***	***	***	***	***	***
Hourly wages	***	***	***	***	***	***	***	***	***
Productivity (*tons/1,000 hours*)	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***
Gross profit or (loss)	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***
Operating income or (loss)	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***
Unit operating income or (loss)	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-2--*Continued*
Wire rod (including grade 1080 tire cord and tire bead quality wire rod): Summary data concerning the U.S. market, 1999-2001, January-March 2001, and January-March 2002

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

Item	Calendar year			January-March		Period changes			
	1999	2000	2001	2001	2002	1999-2001	1999-2000	2000-2001	Jan.-Mar. 2001-Jan.-Mar. 2002
COGS/sales[1]	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales[1]	***	***	***	***	***	***	***	***	***

[1] "Reported data" are in percent and "Period changes" are in percentage points.
[2] Less than 0.05 percent.
[3] Ending inventory data was not reported separately in Commission questionnaires. These data are included in inventories for "all other."
[4] 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.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics adjusted to exclude grade 1080 tire cord and tire bead quality wire rod from questionnaire responses.

APPENDIX D

SUPPLEMENTAL DATA

Table D-1
Wire rod: U.S. producers' U.S. shipments, by types, 1999-2001, January-March 2001, and January-March 2002

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Table D-2
Wire rod: U.S. importers' U.S. shipments, by sources and types, 1999-2001, January-March 2001, and January-March 2002

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Table D-3
Wire rod: U.S. producers and types of wire rod products produced

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Table D-4
Wire rod: U.S. producers' and subject importers' shares of reported U.S. shipments, by sources and channels of distribution, 1999-2001, January-March 2001, and January-March 2002

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APPENDIX E

PRICING GRAPHS

Figure E-1
Wire rod: Weighted-average prices of domestic and imported product 1, in U.S.$ per ton, first quarter 1999-first quarter 2002

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Figure E-2
Wire rod: Weighted-average prices of domestic and imported product 2, in U.S.$ per ton, first quarter 1999-first quarter 2002

* * * * * * *

Figure E-3
Wire rod: Weighted-average prices of domestic and imported product 3, in U.S.$ per ton, first quarter 1999-first quarter 2002

* * * * * * *

Figure E-4
Wire rod: Weighted-average prices of domestic and imported product 4, in U.S.$ per ton, first quarter 1999-first quarter 2002

* * * * * * *

Figure E-5
Wire rod: Weighted-average prices of domestic and imported product 5, in U.S.$ per ton, first quarter 1999-first quarter 2002

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Figure E-6
Wire rod: Weighted-average prices of domestic and imported product 6, in U.S.$ per ton, first quarter 1999-first quarter 2002

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Figure E-7
Wire rod: Weighted-average prices of domestic and imported product 7, in U.S.$ per ton, first quarter 1999-first quarter 2002

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APPENDIX F

EFFECTS OF SUBJECT IMPORTS ON U.S. PRODUCERS' EXISTING DEVELOPMENT AND PRODUCTION EFFORTS, GROWTH, INVESTMENT, AND ABILITY TO RAISE CAPITAL

The Commission requested U.S. producers to describe any actual or potential negative effects on their return on investment, growth, investment, ability to raise capital, existing development and production efforts (including efforts to develop a derivative or more advanced version of the product), or the scale of capital investments as a result of imports of wire rod from the subject countries. (Questions III-9 and III-10). Their responses are as follows:

Actual Negative Effects

* * * * * * *

Anticipated Negative Effects

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